S. HRG. 106–382

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

H.R. 2466, 3423/S. 1292

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2000, AND FOR OTHER PURPOSES

Department of Agriculture
Department of Energy
Department of the Interior
John F. Kennedy Center for the Performing Arts
National Gallery of Art
Nondepartmental Witnesses
Smithsonian Institution
Woodrow Wilson International Center for Scholars

Printed for the use of the Committee on Appropriations

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

TUESDAY, MARCH 16, 1999

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:32 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton and Stevens.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

STATEMENT OF LAWRENCE J. WILKER, PRESIDENT

NATIONAL GALLERY OF ART

STATEMENT OF EARL A. POWELL, III, DIRECTOR

SMITHSONIAN INSTITUTION

STATEMENT OF I. MICHAEL HEYMAN, SECRETARY

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

STATEMENT OF LEE H. HAMILTON, DIRECTOR

BUDGET REQUEST

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Today we welcome the directors of four of our preeminent national cultural institutions to testify before the Interior Subcommittee: Larry Wilker of the Kennedy Center; Rusty Powell of the National Gallery of Art; Mike Heyman of the Smithsonian Institution; and Lee Hamilton, in a new and different position from the one he occupied with such distinction for so many years, of the Woodrow Wilson Institute International Center for Scholars.

The budget requests submitted by each of these institutions for the fiscal year 2000 reflect the challenging budget climate within which we all operate. Requested increases from the four agencies total $45 million. The major portion of that amount, more than $33 million, is composed solely of the uncontrollable cost increases, necessary maintenance, and security needs of these agencies.

While this subcommittee once again anticipates struggling with the constraints that have faced it in previous years, we are aware of our responsibility to provide adequate support to those institutions for which the Federal Government has a primary responsibility and we will attempt to meet the basic requirements of each to the extent the overall budget parameters permit us to do so.

Before we turn to the statements and questions, I want to note both a pending departure at the Smithsonian and new leadership at the Wilson Center, as I already have. The Secretary of the Smithsonian, Mike Heyman, recently announced his intention to retire at the end of this year and return to California.

I would like to take this opportunity to thank him for his many accomplishments during his tenure at the Smithsonian. He will leave an institution that is stronger and more vital because of his efforts and he will be missed by everyone here.

I have already welcomed Lee Hamilton. After leaving a distinguished career in the House of Representatives, he has taken on an institution which has been surrounded by a certain degree of controversy, given the relatively small size of its appropriation. I have every confidence in his ability to guide the organization into a productive future era.

Without objection I would like to insert the prepared statement of Senator Thad Cochran.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I join you in welcoming this distinguished panel of chief officers of our Nation's cultural institutions. Spending in the areas of arts and scholarly study are remarkably small compared to our total annual budget outlays, but, it is a rich investment.

I especially want to mention my great appreciation to Mr. I. Michael Heyman, who has announced his retirement as Secretary of the Smithsonian Institution the end of this year. It has been my great honor to serve on the Smithsonian Institution Board of Regents during his tenure.

He is the first Secretary of the Institution who has not been a scientist by profession, so he was brave to take on this living institution which is more than "The Nation's Attic." His commitment to the mission, "to increase and diffuse knowledge" could not be more genuine, nor his service more effective. He has led the considerable reform of how new exhibits are developed and presented; faithful to the facts revealed by science and scholarly research, thoughtful and socially responsible. This is a difficult balance to achieve. Secretary Heyman has managed admirably.

Under his leadership he has readied the Institution for the 21st century. Interactive distance learning, new K–12 education programs, a World Wide Web site, world class research across the fields of science, affiliations with local museums, a digital catalogue of the collections, are all examples of the growth in programing putting the Smithsonian experience within reach of all Americans.

We certainly regret Michael Heyman's leaving, but most whole heartedly wish him well and good fortune on his return to California.

I would also like to thank Larry Wilker, President of the Kennedy Center. His testimony describes very innovative programs which make Kennedy Center performances available to a wide audience. I'm especially grateful for the National Symphony's American Residency program, which will send the National Symphony to Mississippi next month under a grant from the National Endowment for the Arts. The Symphony members will not only perform, but will also engage in educational programs in several towns and cities. This is a unique opportunity for Mississippians of all ages.

It is also a good example of how a modest Federal investment pays off. By our providing funds at a national level for the nurturing and development of world renown artistic training, performance, preservation, exhibition, and study, we provide personal opportunities to millions of Americans in their own home towns.

Thank you, Mr. Chairman. I again want to express my thanks to the gentlemen on this panel of witnesses and to all the people who serve under their direction, for providing enrichment to our lives and heritage.

Senator GORTON. Why don't we work perhaps just from my left to my right here? Your written opening statements will be included in the record as if read in full. I think it is appropriate, for us and for the audience, for each of you to at least summarize what you are about and what you hope to accomplish in the next year.

SUMMARY STATEMENT OF LAWRENCE J. WILKER

Mr. WILKER. Thank you, Mr. Chairman, and good morning.

I am Larry Wilker, President of the John F. Kennedy Center for the Performing Arts. Appearing with me today on behalf of the Kennedy Center are William Becker, General Counsel; Clif Jeter, Vice President for Facilities; James Kirkman, Project Executive; and Jared Barlage, Senior Liaison Officer.

I previously have submitted to the Subcommittee my written statement concerning the Kennedy Center's activities, operations, and fiscal year 2000 budget justification which, as I request and you have noted be included in the record of this hearing. I appreciate the opportunity to appear before this Subcommittee. It may be useful to give a brief background on the history of the Kennedy Center.

The genesis of the Kennedy Center dates to 1955 when President Eisenhower initiated efforts to build an appropriate performing arts facility in the Nation's Capital. With the support of the Congress, President Eisenhower signed into law in 1958 an act establishing the National Cultural Center as an independently administered bureau of the Smithsonian Institution.

Following the death of President Kennedy in 1963, many in the Congress believed that a lively center for the performing arts was the most suitable National Memorial to the young president who understood that the excellence and freedom inherent in the arts would be one of America's lasting legacies.

In 1964, the National Cultural Center was constituted a living memorial to President Kennedy, a monument building but a memorial also, with performing arts and education activities as an essential part of the board's memorial function.

The Kennedy Center opened in 1971. The Kennedy Center hosts over 3,500 performances on its main stages each year and thousands of free performances, touring performances, and workshops and educational activities throughout the United States. The Kennedy Center offers opportunities for everyone to participate in the performing arts. The Center commissions choreographers, composers, and playwrights to develop new American works.

The Center also has an active program called Imagination Celebration to create new works for the stage for young people and their families and then tours these works across the country. Since 1978, more than 6 million young people and their families have attended Imagination Celebration activities.

The Center's recent production of Tales of a Fourth Grade Nothing toured nationally last year with 147 performances in 45 cities in 21 States. This year, Tales again will be on tour, due to popular demand, along with Little Women, which is on tour this year with

66 performances in 27 cities in 16 States and The Nightingale, which will tour with 80 performances in 25 cities in 15 States. An estimated audience of over 180,000 children will see these plays.

The Kennedy Center's arts in education programs reach more than 4 million people across the United States each year and are at work in all 50 States. Because everything we do at the Kennedy Center is a result of the firm belief that the arts are essential to a child's complete education, the Center works with partners across the country to improve the quality of education through the inclusion of the arts.

Through the Performing Arts Centers and Schools program, the Center brings together school districts and performing arts centers in 37 States, forming 67 partnership teams dedicated to improving education through professional development for teachers. These partners have created over 500 new programs for teachers in their own communities.

The Kennedy Center Alliance for Arts Education Network is comprised of 46 state organizations that operate in partnership with the Center to work for the inclusion of the arts in every child's education. As the national center for the performing arts, the Kennedy Center is committed to bringing quality and diversity to its stages and the board of trustees places the highest priorities on making the arts accessible to all Americans.

Just 2 weeks ago, the Center celebrated the second anniversary of the Millennium Stage. The Millennium Stage, which hosts free performances seven days a week, 52 weeks a year, at 6 p.m. in the Grand Foyer has attracted more than 400,000 persons since it began 2 years ago. Many of these people are new to the Center and some of them are attending a live performance for the very first time. Also on this stage, the Kennedy Center has presented artists and performing groups from throughout the Nation.

Last year, the Kennedy Center brought the Millennium Stage to Capital Hill during the summer months for free concerts on the Capital grounds every Tuesday and Thursday at noon. More than 4,000 visitors to the Nation's Capital enjoyed these concerts, provided for with private funds. The Kennedy Center continues its tradition of offering free public events, including its Open House and holiday celebration, together which host over 60,000 visitors each year.

Since September, 1971, the Kennedy Center has conducted a reduced price ticket program for students, disabled persons, senior citizens, enlisted military personnel, and others on limited incomes. More than 50,000 individuals each year see performances at half price through this program.

The Center has expanded its reduced price program to offer half price day-of-performance tickets to all patrons through Ticket Place, a facility the Center established at the Old Post Office on Pennsylvania Avenue. The Center also regularly schedules pay-what-you-can days, allowing the public to pay whatever they can afford for regular performances.

More than 4.5 million visitors pass through the doors to the Kennedy Center each year. Transportation for these visitors is facilitated by Show Shuttle, the shuttle bus service funded by the Center board through trust funds. More than 700,000 riders now use

this service each year. Roughly half of those visitors come to the Center solely to visit the presidential memorial.

To compliment the work of the 650 Kennedy Center volunteers who perform or arrange visitor services, plans are currently underway for the interpretive program to include informative kiosks, displays, printed materials, and a top-notch, continuously running wide screen format film telling the story of the performing arts in America.

As we all know, the Internet is an incredible resource through which outreach can be increased by leaps and bounds. Through the World Wide Web, the Kennedy Center provides information for patrons and visitors on the Center's artistic and educational programs and its status as a living presidential memorial.

Also, through ArtsEdge, the interactive communication network designed to provide practical, easy to access information for teachers on arts education, can be put to use in the classroom and at home. Perhaps one of the most exciting ways the Center is reaching out to people across the country, and indeed the world, is by offering live performances on the Internet. Beginning April 1, the Kennedy Center will make history by harnessing the power of the Internet with live broadcasts daily at 6 p.m. Washington time from the Millennium Stage, making the performing arts accessible to people worldwide.

Mr. Chairman, I would like to submit a detailed report of the many artistic and educational programs and activities of the center which reach all 50 States.

Senator GORTON. It will be accepted.

Mr. WILKER. Thank you. Now, let me focus on the Center's budget and our request for appropriated funds for the fiscal year 2000.

Since the fiscal year 1995, the board has received direct appropriations for the operation, maintenance, and repair of the facility. The board's statute restricts the use of appropriated funds to the basic operational expenses and capital repair of the Kennedy Center, which is a Federal building.

The Center is an example of a successful public/private partnership at work. The government funds the care and repair of the monument building, which is a Federal asset, and the trustees raise the funds required for artistic and educational programming.

Of the total annual operating income of $120 million, approximately $86 million is derived from ticket sales and other earned income and through grants and contributions.

Federal funds appropriated annually to the Kennedy Center comprise two separate accounts: operations and maintenance and capital repair. These funds cover basic operational expenses of the Federal building, including utilities, housekeeping, minor repair and maintenance, security, and interpretive services.

A portion of these funds is allocated to reducing our backlog of many years worth of minor repair work items, estimated currently at $9.5 million. Appropriated funds are also expended for capital repair and replacement of the Center's antiquated building systems, as well as to bring our 1960's designed facility up to current accessibility and life safety codes while maintaining functionality.

For fiscal year 2000, the Center's request for funding for operations and maintenance totals $14 million, a $1 million increase

over last year's request. This increase is requested to address the backlog of minor repair work items while maintaining building operations and maintenance at current levels.

The request for the capital repair account is $20 million, level with last year's appropriation. This amount will allow the Center to move forward with phase two of our comprehensive building plan, which includes modifications to the center block of the facility to bring it into compliance with ADA codes and life safety codes.

Mr. Chairman, the Kennedy Center board has overseen a number of successful capital repair projects, from replacement of the main roof and roof terrace to the installation of energy efficient heating and cooling systems which replaced the obsolete system which was original to the building.

In October 1997, the board was pleased to reopen the renovated Concert Hall, which offers patrons with disabilities a totally accessible hall with wheelchair accommodations in all sections of the hall. Egress for all patrons has been improved and appropriate fire safety systems are now in place.

This project was on time and on budget, and in fact was $3 million less than the original government estimate for the project.

For those members of the subcommittee not so familiar with the Kennedy Center facility, let me provide a brief description just to give you a feel for the size of the Center. The Center is open 18 hours a day, 365 days a year. It consists of 1.5 million square feet of usable space on 17 acres of land.

It contains six main theaters and two stages for performances in the Grand Foyer, three public restaurant facilities, nine special event rooms, five public galleries, 23 elevators and sets of escalators, 2,000 doors, 108 crystal chandeliers, 200 valuable paintings, sculptures, tapestries, and textiles.

Mr. Chairman, the board takes most seriously responsibility to be good stewards of the Federal assets and the Federal operating funds.

PREPARED STATEMENT

On behalf of Jim Johnson, the chairman of the board, and all the members of the board, I thank you for the opportunity to bring this report of the Center's operations to the Appropriations Subcommittee on Interior. I am pleased to answer any questions the members of the subcommittee may have. Thank you.

Senator GORTON. Thank you.

[The statement of follows:]

PREPARED STATEMENT OF LAWRENCE J. WILKER

INTRODUCTION

On behalf of the Kennedy Center Board of Trustees, I am pleased to submit to the Senate Appropriations Subcommittee on Interior the fiscal year 2000 budget for appropriated funds for the John F. Kennedy Center for the Performing Arts, the nation's center for the performing arts and a living presidential memorial. The Center's fiscal year 2000 budget justification includes $14.0 million for facility operations and maintenance, an increase of $1 million over the fiscal year 1999 request, and includes $20.0 million for capital repair, level with the fiscal year 1999 request. Appearing for the first time before this subcommittee, I appreciate having this opportunity to provide an overview of operations of the John F. Kennedy Center for

the Performing Arts, an independently administered bureau of the Smithsonian Institution.

A national monument, the Kennedy Center is a living memorial to President John F. Kennedy with a mandate to provide leadership in America's performing arts and in performing arts education. The Board fulfills this mandate with a commitment to providing opportunities for all Americans to participate in the excellence and the inspiration inherent in the performing arts.

The Center commissions, produces, and presents diverse performances of the highest artistic standards, and then does something that very few other performing arts centers are able to do—the Center makes these outstanding performances available to the broadest possible audience through: national touring programs, free and low-cost performances and education activities, and through the World Wide Web. Beginning April 1, the Kennedy Center will make history by harnessing the power of the Internet with live broadcasts daily at 6:00 PM EST from the Millennium Stage, making the performing arts accessible to people worldwide.

Although the monument building is located in Washington, the Center is a vital presence in communities throughout the United States through its tours of performing companies, grant programs, and educational programs, and through its electronic "stages," radio, television and the World Wide Web.

HISTORY

The Kennedy Center originated with the administration of President Dwight D. Eisenhower who envisioned a national center for the performing arts in the nation's capital. In 1958, President Eisenhower signed into law the bipartisan legislation known as the National Cultural Center Act (Public Law 85–874), which established the Center as an independently administered bureau of the Smithsonian. Following the death of President John F. Kennedy in 1964, Congress named the National Cultural Center after the late president. The Center was established as a living memorial with a mandate to the Board to present performing arts programming and to be a leader in the arts in education.

The original act of 1958 charged the Board of Trustees with responsibility for constructing and administering the nation's center for the performing arts. The Kennedy Center was constructed between 1964 and 1971 with a combination of private contributions of $34.5 million, Federal matching funds of $23.0 million, and $20.4 million in long-term revenue bonds held by the U.S. Department of Treasury. Dozens of foreign countries gave gifts of building materials, chandeliers, artwork and artifacts.

The facility opened to an eager public in September, 1971, with three operating theaters. The public visited the monument in numbers that exceeded all expectations. In 1972, Congress authorized the National Park Service to provide maintenance, security, and other services necessary to maintain the public building. Friends of the Kennedy Center volunteers provided visitor and interpretive services, as they do to this day.

Between fiscal year 1972 and fiscal year 1995, the National Park Service received direct annual appropriations for the operations and maintenance and repair of the presidential monument.

By 1993, the building showed significant signs of deterioration. The Board of Trustees, with the support of the Department of Interior, sought a more efficient approach to management of the building, with one entity responsible for both tending to the physical plant and for the activities of the living memorial. In 1994, with bipartisan support from Congress and the administration, legislation was enacted (P. L. 103–279), which authorized the transfer to the Board of all appropriated fund responsibilities, as well as 55 full-time equivalent National Park Service employees, and all unexpended balances of funds previously appropriated to the National Park Service. The transfer of authority was effective October 1, 1994.

Since the transfer, the Board has prepared, with regular updates, a Comprehensive Building Plan, which establishes a program to bring the monument up to current life safety and accessibility standards by the year 2009.

We have already accomplished much, with completion of parking garage renovations, the replacement of the roof and the roof terrace and antiquated HVAC systems, and renovation of the Concert Hall. The next major focus of our building rehabilitation program is the Center Block of the building, including the Opera House. This 3-year program is beginning this fiscal year.

BOARD OF TRUSTEES

The Center's originating statute (20 U.S.C. 76h) established a Board of Trustees to maintain and administer the Center. Since 1996, the Chairman of the Board has

been James A. Johnson. I, as president, direct the day-to-day operations of the Center. Kenneth Duberstein and Alma Powell are Vice Chairmen of the Board.

The Kennedy Center Board of Trustees consists of 49 members: Thirty citizen members serving 6-year terms are appointed by the President of the United States; nine ex-officio members represent local and Federal Government agencies; and ten members represent the legislative branch, five each from the Senate and House of Representatives. A list of current Board members is submitted with this statement.

As required by the Kennedy Center Act (20 U.S.C. 761), the Board reports annually to the U.S. Congress on both its appropriated fund and trust fund operations. In addition, the Board reports annually to the Secretary of Education on its national performing arts in education activities.

THE KENNEDY CENTER BUILDING

The monument from which the Board operates and serves the visiting public and the scope of the Board's operations are immense. The building is open to the public 365 days each year, from 10:00 a.m. until midnight. Of the 4.5 million visitors annually, as many as 700,000 take advantage of the Kennedy Center's free shuttle bus service to and from METRO.

The building consists of 1.5 million square feet of usable floor space and is constructed on 17 acres of land. It contains six operating theaters and two stages for free performances in the Grand Foyer, three public restaurant facilities, nine special event rooms, five public galleries, halls and foyers, 11 rehearsal rooms for rehearsals and education programs. The Center's Facility Management staff maintains complex heating and cooling systems, 23 elevators and six sets of escalators, 133 restrooms, more than 2,000 doors, 13 mechanical rooms, 108 crystal chandeliers, and 200 valuable paintings, sculptures, tapestries and textiles. Support systems in the building often operate at capacity in excess of 18 hours a day, seven days a week, 365 days a year.

SOURCES OF INCOME

Since the start of fiscal year 1995, the Board has been responsible for all appropriated and non-appropriated fund activities at the Center. The annual operating budget of the Center now is more than $100 million.

Performing arts programming and administration represent 80 percent of the Center's total operating budget. Ticket sales (50 percent); other earned income (20 percent); and grants and contributions (30 percent) support programming activities of the Board. The Board of Trustees raises $30 million in grants and contributions per year, roughly the current annual level of direct appropriations, $32 million dollars.

The Center's success is based on a public/private partnership: the government provides funding for the care of the monument building—a Federal asset, and the Trustees raise all the funding required for the artistic and educational programming of the living memorial. Federal appropriated funds make up 20 percent of the Center's total operating budget. The annual appropriation of approximately $32 million is made to the Board of Trustees for the operation, maintenance, and capital repair of the building. Appropriated funds are used only for basic operational expenses such as utilities, housekeeping, security, minor repair and maintenance, and capital repair. I would note for the Committee that the Center's authorizing statute specifically prohibits the use of appropriated funds for direct expenses incurred in the production of performing arts attractions.

USE OF APPROPRIATED FUNDS

Federal funds appropriated annually to the Kennedy Center comprise two separate accounts: (1) operations and maintenance, and (2) capital repair. The appropriation for the operations and maintenance account for fiscal year 1999 was $12,187,000. The capital repair appropriation was $20 million, the authorized limit established last year in Public Law 105–226 to allow the Board to continue with the Comprehensive Building Plan to bring the facility into compliance with fire and life safety codes as well as Americans with Disabilities Act (ADA) requirements while maintaining the functionality of the structure.

The Federal appropriations received in the current fiscal year cover basic operational expenses of the Federal building, including utilities, housekeeping, minor repair and maintenance, security, and interpretive services. A portion of these annual operating funds are allocated to reducing a significant minor repair backlog that accumulated over many years and the cost of which is estimated at $9.5 million. Appropriated funds are also expended for capital repair and replacement of the Center's antiquated building systems. Under our capital repair program, we are bring-

ing the building, designed in the mid- 1960's, up to current accessibility and fire and life safety codes while maintaining the functionality of the facility.

Since assuming control of building operations, maintenance, and capital repairs, the Board has implemented several measures to streamline operations and increase efficiencies aspects of appropriated fund management. The Board retains the services of the General Services Administration for contract and financial management services, engages the services of other agencies such as the Army Corps of Engineers and the National Park Service to assist in performing various procurement functions, and employs an in-house contracting officer to supervise and facilitate contracting for goods and services. Policies such as these have proven successful in keeping the Center's overhead as low as possible.

During the last fiscal year, the Center completed installation of an integrated facility management information system that allows us to enhance our performance on a work order by work order basis, and promote improved preventative maintenance. The Board has improved security operations at the Center by increasing the number of officers and upgrading the quality of the guard force.

The Board's management of the capital repair account has yielded the successful completion of many capital repair projects. Since fiscal year 1997, the Board has facilitated installation of a new heating and cooling system. When it opened in 1971, the Kennedy Center was the world's largest all-electric facility and until 1997, was still using its original chillers that had become inefficient to the point of obsolescence. Other successful projects include the complete replacement of the main roof and roof terrace materials—which has resulted in a greatly improved roof drainage system, and accessibility and fire safety rehabilitation work in the Concert Hall. Both of these projects were on time and on budget. The newly renovated Concert Hall offers patrons with disabilities a totally accessible hall with wheelchair accommodations in all sections of the hall. Egress for all patrons had been improved, and appropriate fire safety systems are in place.

FISCAL YEAR 2000 OPERATIONS AND MAINTENANCE PROGRAM

The Center's request for fiscal year 2000 funding for the operations and maintenance account totals $14.0 million. This is an increase of $1.0 million over the fiscal year 1999 request and is consistent with the Kennedy Center's long-range operational plans to adequately maintain the structure to avoid increased deferred maintained such as that which accumulated from 1971 through 1994. This increase in funds is required to address a portion of the backlog of minor repair work items facing the Center while maintaining building operations and maintenance at current levels. In addition to minor repair needs, the operations and maintenance account also covers utilities and basic operations and provides for a proactive routing maintenance program which over time will alleviate the compounding backlog of minor building repairs. A decrease in the budgeted request will adversely affect the Center's program to reduce the accumulated minor repair backlog, because virtually all other operation and maintenance expenses such as electricity and water and sewer, security and life safety, building personnel costs are not discretionary. A decrease in minor repair expenditures will increase future operating and capital repair costs. The operations and maintenance account funds personnel compensation and benefits for 49 full-time equivalent (FTE) personnel. This FTE level is unchanged from the fiscal year 1999 level. The operations and maintenance request reflects a 3.1 percent Federal pay-raise adjustment.

FISCAL YEAR 2000 CAPITAL REPAIR PROGRAM

The Center's request for fiscal year 2000 funding for the capital repair program is $20.0 million, level with the fiscal year 1999 request. This amount will allow the Center to continue with Phase 2 of its Comprehensive Building Plan which includes modifications to the Center Block of the building to bring the facility into compliance with current Americans with Disabilities Act (ADA) requirements and fire and life safety codes.

The capital repair account funds personnel compensation and benefits for six full-time equivalent (FTE) personnel. This FTE level is also unchanged from the current fiscal year. The capital repair request reflects a 3.1 percent Federal pay-raise adjustment

GENERAL ACCOUNTING OFFICE (GAO) AUDIT REQUIREMENT

Under Public Law 103–279, the 1994 Amendments to the Kennedy Center Act, the GAO was required to audit the appropriated fund accounts of the Kennedy Center every three years. GAO has concluded its first audit since the Kennedy Center assumed responsibility for operations and maintenance and capital repair of the

building. After reviewing the accounts and procedures, GAO reported no problems. Instead, GAO recommended that their 3-year audit requirement be terminated because it duplicates the annual audit by the Kennedy Center's certified public accountant, whose report is submitted to the Congress.

KENNEDY CENTER ARTISTIC PROGRAMMING

Performance and education are our primary goals at the Center. More than 3,500 performances are presented annually. Since it opened in 1971, the Kennedy Center has:

—produced and presented works by many of America's most talented playwrights;
—participated in strengthening musical theater through producing and touring revivals of great American musicals and developing new works;
—diversified its programming through partnerships with local and national performing arts and educational institutions;
—entered a new and exciting phase in orchestral music with Leonard Slatkin as the artistic director of the National Symphony Orchestra, and in jazz under the direction of Dr. Billy Taylor; and
—commissioned new works by American playwrights, composers, and choreographers.

The Kennedy Center has a special responsibility to support, present, and produce American artists and places special emphasis on American-bred forms like jazz, musical theater, modern dance, and on the range of cultural influences that are American. The Kennedy Center's commitment to developing new works and nurturing innovative artists is also reflected in its theatrical productions and commissions, which range from blockbuster revivals of classic American musicals to new works for youth and family audiences. (The Center's co-production of Titanic received the 1997 Tony Award for Best Musical.) The Kennedy Center Fund for New American Plays, now in its 13th year, has helped develop more than 50 works, including three Pulitzer Prize winners, and more recently, a new work by former U.S. Poet Laureate Rita Dove, The Darker Face of the Earth, which was produced at the Kennedy Center last season.

The Kennedy Center continues to be a national leader in the creation and preservation of American dance. This season marks the inauguration of a major 3-year commissioning initiative celebrating two of our great American indigenous art forms, modern dance and jazz. Already we have presented new works by David Parsons, Pilobolus and Paul Taylor. Next month, Kennedy Center audiences will see a commissioned world premiere by Bill T. Jones featuring a composition by jazz great Fred Hirsch.

The Kennedy Center's artistic affiliate, the National Symphony Orchestra, next month will embark on its seventh American Residency program. The NSO will travel to Mississippi for an extended residency featuring more than 140 public and in-school performances, master classes for young musicians, workshops for teachers, and cultural exchanges. In past years, the NSO has conducted residencies in Alabama, Alaska, Louisiana, Maine, Montana, Wyoming, and Arizona, bringing the orchestra to states not served by major symphony orchestras. During last year's residency in Alabama, tens of thousands of people, from pre-schoolers to senior citizens, participated in about 150 performances and educational events. From each of the residency states, a local composer is commissioned to create a work for the NSO, a teacher is chosen for the intensive Kennedy Center/NSO Teaching Fellowship at the Center, and several young music students are chosen to travel to the Center for the NSO's month-long Summer Music Institute.

KENNEDY CENTER EDUCATION PROGRAMMING

For more than two decades, the Kennedy Center has shown through its local and nationwide arts education programs that the inclusion of the performing arts in a broad-based curriculum dramatically improves the quality of a child's educational experience. The Center has played a leadership role in making the arts an integral part of the curriculum of America's schools, as mandated in the Kennedy Center Act, through its professional development programs for teachers; its performances for young people and families; its programs that help arts centers and their local school districts work together; its professional training programs for young musicians, actors, and dancers; its residency programs; and much more. All told, the Kennedy Center's programs in arts education reach more than 4.5 million people across the United States each year.

The Kennedy Center is working with partners across the nation to improve the quality of education through the inclusion of the arts. The arts teach discipline, inspire creativity, and help young people to set and reach goals. The arts help good

teachers teach better and makes participating schools' exciting, challenging places for children—places where they are encouraged to explore, to think creatively, and to reach their full potential.

The leadership of the Kennedy Center in education is in evidence in communities across the country. Just a few programs are:

Kennedy Center Performing Arts Centers and Schools Program

67 participating teams representing 37 States (The Center last month hosted its eighth annual meeting in Washington, D. C. Team members attended workshops and activities to further strengthen their community partnerships).

Teacher Development Workshops

Since 1994, the Performing Arts Centers and Schools teams in conjunction with the Kennedy Center have presented 202 professional development opportunities for teachers in more than 32 States.

Kennedy Center Imagination Celebration On Tour

The Kennedy Center commissioned and produced three new productions: Brothers of the Knight, freely adapted from Twelve Dancing Princesses, written, directed, and choreographed by Debbie Allen, and composed by James Ingram; Louisa May Alcott's classic Little Women, adapted by playwright Paulette Lauder and directed by Albert Takazauckas; and The Nightingale, which combined dance, music, martial arts and narration, conceived and choreographed by Dana Tai Soon Burgess, written and directed by Mary Hall Surface and composed by David Maddox.

The Kennedy Center's production of Judy Blume's Tales of a Fourth Grade Nothing toured nationally last year with 147 performances in 45 venues in 21 States.

Kennedy Center Alliance for Arts Education Network

46 independent State Alliance organizations are operating in partnership with the Kennedy Center for the inclusion of the arts in every child's education.

Kennedy Center American College Theater Festival

Participation by more than 400,000 college students representing more than 600 colleges and universities throughout the United States.

National Symphony Orchestra

During its 1998 American Residency in Alabama, the NSO participated in 150 events in 10 days. This successful residency follows those in Alaska, Arizona, Louisiana, Maine, Montana and Wyoming. Next month the NSO will travel to Mississippi for its 1999 Residency.

Summer Music Institute

Since 1993, 221 high school and college students from more than 22 States have participated in this program that offers young musicians master classes, ensemble training and performance opportunities in Washington, DC.

One of the most exciting things about the Center's education activities is that they transcend both the Center itself and the classroom. Under a cooperative agreement with the National Endowment for the Arts and the U.S. Department of Education, the Kennedy Center for several years has been home to ARTsEDGE, an interactive communications network designed to provide practical, useful and easily-accessible information important to teachers, artists, parents, and anyone concerned with the inclusion of the arts in the education of young people.

More than 10,000 visits per day are received on ARTsEDGE. ARTsEDGE can be accessed through the Kennedy Center's Home Page on the World Wide Web. The Center's Home Page provides complete information for patrons and visitors on the Center's artistic and education programming and its status as a living presidential memorial. Patrons can now purchase tickets directly through the Center's Home Page at: http://kennedy-center.org.

In addition, a series of live interactive educational programs featuring Kennedy Center artists are broadcast through the Prince William County Public Schools Media Network over educational TV cable channels to school districts locally and across the country.

PERFORMING ARTS FOR EVERYONE

More than four and a half million visitors pass through the doors to the Kennedy Center each year. Transportation for these visitors is facilitated by ShowShuttle, the METRO shuttle service funded by the Kennedy Center Board through trust funds. More than 720,000 riders now use this service. Roughly half of those visitors come to the Center solely to visit the presidential memorial. Twenty-five years after the

Center first opened its doors to the public as the sole national monument to the late president, the Board continuously looks for new ways to provide a more engaging and exciting interpretive experience for visitors.

To compliment the work of the 650 Friends of the Kennedy Center volunteers who perform a range of visitor services, plans are currently underway for the interpretive program to include informative kiosks, displays, and printed materials, and a top-notch, continuously running, wide-screen format film telling the story of the performing arts in America.

As the national center for the performing arts, the Kennedy Center is committed to bringing quality and diversity to its stages and the Board of Trustees places the highest of priorities on making the arts accessible to all Americans. Just two weeks ago, on March 1, 1999, the Center celebrated the second anniversary of the Millennium Stage—where free daily performances take place in the Grand Foyer. Two years ago, the Center launched "Performing Arts for Everyone," a program designed to expand and increase access to the performing arts for local area residents and visitors to the nation's capital through free daily performances at the Center. Every evening, seven days a week, 52 weeks a year, there is a free performance on the Millennium Stage and tickets are never required. With this new program, the Center has attracted more than 400,000 persons in the last two years, many of them new to the Kennedy Center, and some of them attending a live performance for the very first time. Last year, the Kennedy Center brought the Millennium Stage to Capitol Hill during the summer months for free concerts on the Capitol grounds every Tuesday and Thursday at noon. More than 4,000 visitors to the nation's capitol enjoyed the concerts provided for with private funds.

The Center also presented artists and performing groups from 49 States through the State Days series of free performances on the Millennium Stage.

The Kennedy Center continues its tradition of offering free public events by sponsoring its annual month-long Holiday Celebration that showcases more than 30 local performance groups and attracts more than 20,000 patrons. The annual Kennedy Center Open House will kick off the millennium season in September with a day of free performances on stages throughout the building. The Center's larger-than-ever free Open House celebration is attended annually by more than 30,000 people.

Since September, 1971, the Kennedy Center has conducted a reduced-price ticket program for students, disabled persons, senior citizens over age 65, enlisted military personnel, and others on limited incomes. More than 50,000 individuals per year see performances at half price through this program. The Center has expanded its reduced-price program to offer half-price, day-of-performance tickets to all patrons through TICKETplace, a facility at the Old Post Office on Pennsylvania Avenue. The Center also regularly schedules "pay what you can" days allowing the public to pay whatever they can afford for regular performances.

With more than 3,500 performances in Washington alone, and hundreds of touring performances, workshops, and other activities across the country, the Center's doors are open to everyone.

CONCLUSION

Recognizing that the challenges are great, the Kennedy Center is enthusiastic about its mission. The Trustees, employees, educators, and artists associated with the Kennedy Center are committed to the congressional mandate established for this living memorial.

We are appreciative of the support in Congress for our programs and for the unique public/private partnership that is the basis for the Center's financial success. I am grateful for this opportunity to submit a statement to the subcommittee and would be pleased to respond to any questions you might have.

1998 American College Theater Festival Participants

UNIVERSITY/COLLEGE

University of Alabama, Tuscaloosa, AL
Troy State University, Troy, AL
University of Alabama at Birmingham, Birmingham, AL
Auburn University at Montgomery, Montgomery, AL
University of South Alabama, Mobile, AL
University of Montevallo, Montevallo, AL
Auburn University, Auburn, AL
Huntingdon College, Montgomery, AL
Jacksonville State University, Jacksonville, AL
University of Alaska, Anchorage, AK
Phoenix College, Phoenix, AZ
Glendale Community College, Glendale, AZ

Scottsdale Community College, Scottsdale, AZ
Pima Community College, Tucson, AZ
Eastern Arizona State University, Thatcher, AZ
University of Arizona, Tucson, AZ
Lyon College, Batesville, AR
Philander Smith College, Little Rock, AR
University of Central Arkansas, Conway, AR
University of Arkansas, Little Rock, AR
University of Arkansas at Fayetteville, Fayetteville, AR
Arkansas State University, Beebe, Beebe, AR
Ouachita Baptist University, Arkadelphia, AR
University of the Ozarks, Clarksville, AR
Henderson State University, Arkadelphia, AR
Southern Arkansas University, Magnolia, AR
Arkansas Tech University, Russellville, AR
El Camino College, Torrance, CA
Fullerton College, Fullerton, CA
American River College, Sacramento, CA
City College of San Francisco, San Francisco, CA
Cypress College, Cypress, CA
College of Notre Dame, Belmont, CA
California State University, Fresno, Fresno, CA
Fresno City College, Fresno, CA
California State University, Fullerton, Fullerton, CA
California State University, Dominguez Hills, Carson, CA
California State University, Los Angeles, Los Angeles, CA
Chapman University, Orange, CA
Diablo Valley College, Pleasant Hill, CA
University of California, Berkeley, Berkeley, CA
California Lutheran University, Thousand Oaks, CA
California State University, Stanislaus, Turlock, CA
California State University, Chico, Chico, CA
California State University, Sacramento, Sacramento, CA
Stanford University, Stanford, CA
Loyola Marymount University, Los Angeles, CA
California State University, Hayward, Hayward, CA
Cerritos College, Norwalk, CA
Chabot College, Hayward, CA
Citrus College, Glendora, CA
Concordia University, Irvine, CA
California State University, Bakersfield, Bakersfield, CA
University of Redlands, Redlands, CA
Ventura College, Ventura, CA
Humboldt State University, Arcata, CA
Santa Ana College, Santa Ana, CA
Los Angeles Valley College, Van Nuys, CA
Grossmont College, El Cajon, CA
Cuesta College, San Luis Obispo, CA
Compton Community College, Compton, CA

Senator GORTON. Before we go to Mr. Powell, we have the chairman of the Appropriations Committee here. Since my ability to fund each and every one of you will depend on the allocation that Senator Stevens provides for me, we will defer to him for any remarks that he would like to make.

Senator STEVENS. I'm sorry to be late. I have several subcommittees I am going to stop in to visit this morning.

Mr. Chairman, I am delighted to see so many friends here, and sad to hear about your departure, Lee. We'll have to talk about that some other time. But, indeed, it is nice to see you here in your new capacity representing the Wilson Center.

I have no questions at the moment.

Thank you very much.

SUMMARY STATEMENT OF EARL A. POWELL, III

Senator GORTON. Mr. Powell.

Mr. POWELL. Thank you, Mr. Chairman, Senator Stevens. It is my pleasure to be here with you this morning, and I want to thank you for the opportunity to meet with the subcommittee about the National Gallery of Art. We are pleased to present our fiscal year 2000 budget for the Senate's consideration.

We have also submitted a longer statement for the record, but I will go through an overview of that here and will be available, of course, for questions afterwards.

The National Gallery of Art is dedicated to serving the country by preserving, collecting, exhibiting, and encouraging the understanding of works of art at an exemplary level. Over the years, the Gallery has consistently hired and retained the best available curatorial, educational, and management staffs. Day-to-day operations support our mission through the care, maintenance, and security of the works of art and the facilities.

The National Gallery is unique in the Nation in many ways. It is one of the great examples of a public/private partnership. It is not only an art museum of the first rank but an institution of higher learning created and sustained by government and private citizens.

The Gallery's founder, Andrew W. Mellon, set a standard for artistic excellence which the Gallery has consistently maintained. Through a joint resolution adopted in 1937, the Congress accepted Mr. Mellon's gift to the people of the United States and pledged to provide funds for the upkeep, administration, and operations of the Gallery, including the protection and care of works of art, so that the National Gallery would be open to the general public free of charge.

All works of art in the National Gallery collection have been acquired by donation or through purchases with private funds. A collection of international stature has been created by the generosity of some 2,000 donors who have presented the Nation with approximately 100,000 works of art.

This spirit of philanthropy, coupled with an understanding and supportive government, has created a remarkable institution in the National Gallery of Art.

As a further example of this partnership, in the Gallery's immediate future is the opening in late May of this year of the National Gallery of Art Sculpture Garden which is in construction on the Mall. Many of you may have watched its emergence over the last several years in the six-acre block adjacent to the West Building on Constitution Avenue.

Designed to offer year-round enjoyment to the public in one of the most preeminent locations on the National Mall, the Sculpture Garden features flexible spaces to display outdoor sculpture in the Gallery's collection. In the winter, the fountain will return to an ice skating rink, long a favorite to Washington area residents and tourists.

The Sculpture Garden is made possible by a 1991 agreement signed by the National Park Service and the Gallery and approved by the National Capital Planning Commission that transferred jurisdiction of the site from the Park Service to the Gallery. Construction of the National Gallery Sculpture Garden has been made possible by a gift from the Morris and Gwendolyn Cafritz Foundation.

FISCAL YEAR 2000 REQUEST

The fiscal year 2000 appropriation request, in line with the Gallery's strategic plan, focuses on two basic areas: continued funding at the present no-growth level of our day-to-day operations and special exhibitions program, plus essential monies for the repair,

restoration, and renovation of the Gallery's two architecturally important buildings.

The National Gallery's Federal funds request to Congress for fiscal year 2000 is $67,749,000, a net increase of $3,500,000 compared to the 1999 budget. This includes $3,391,000 for mandatory/uncontrollable costs, and $109,000 for five FTE's for security of the new Sculpture Garden.

A major priority for the Gallery is and will continue to be the upkeep of the West and East Buildings, important national monuments as significant as the great works of art which they house. The West Building will be 59 years old in 2000. The East Building will be 22 years old.

It is not surprising, therefore, that the Gallery faces a steady ongoing program of repairs and renovations to keep these buildings functioning efficiently, securely, and safely.

Recognizing the need for a planned, comprehensive program of building and system repairs and maintenance, a master facilities plan was developed for the Gallery in order to determine when replacement of a building system or component is appropriate for inclusion in future budget requests. $6.3 million of our total request is for the repair, restoration, and renovation account.

This funding will allow us to work on two groups of master facilities plan projects, structural exterior repairs and restoration and interior mechanical/electrical equipment replacements, plus continued work on the fire protection system which is presently underway, as well as the ongoing renovation program.

I am pleased to report that we are nearing completion of the West Building's skylight and building automation projects and much of the fire protection project. I want to take this opportunity to thank the chairman, the subcommittee, and the U.S. Senate for the support so crucial to these projects.

When completed, the skylight project will allow the Gallery to reopen all of the permanent galleries in the West Building, and it will be the first time in many, many years we will have been able to show the entire range of the Gallery's collections in that building.

The fiscal year 2000 special exhibition schedule is an ambitious and international one. It will include exhibitions such as Art Nouveau 1890–1914, a thematic exploration of the first expansive, worldwide modern art movement; The Triumph of the Baroque: Architecture in Europe, an architectural models show that will present a panorama of architecture in Europe at this exciting time, which builds on the very successful Renaissance Models exhibition we had several years ago; and Monet and the Impressionists at Argenteuil, a selection of more than 50 paintings, some of the most lyrical and dazzling pictures of the day by the major impressionists, including Monet, Manet, and Renoir. The Gallery will also honor Paul Mellon with an exhibition focusing on Degas and other works drawn from his many gifts to the Nation over many years.

In 1998, we welcomed over 5.3 million visitors from all 50 States, the District of Columbia, and U.S. territories and some 80 foreign countries. The crucial, ongoing support of Federal funding makes it possible for the American people and visitors from around the

world to visit the Gallery 7 days a week, 363 days a year, free of charge.

Access to the Gallery's collection and educational programs has been increased by the dramatic development of our web site, launched just 2 years ago. In calendar year 1998, the Gallery Web site had 23,000 to 27,000 visitors per day, bringing our resources to national and international audiences. It has won innumerable awards for its content as well as its design.

On the eve of the new millennium, the Gallery looks forward to continuing on a path set in place over a half century ago, dedicated to the vision and high standards of excellence established by Andrew W. Mellon and the 1937 joint resolution of Congress.

PREPARED STATEMENT

Mr. Chairman and subcommittee members, the Gallery is very appreciative and grateful for your continuing support. I will be happy to answer questions following the other testimony.

Senator GORTON. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF EARL A. POWELL, III

Mr. Chairman and Members of the Subcommittee, it is my pleasure to be here with you this morning. Thank you for the opportunity to meet with the subcommittee about the National Gallery of Art. We are pleased to present our fiscal year 2000 budget for the Senate's consideration.

The National Gallery of Art is dedicated to serving the country by preserving, collecting, exhibiting, and encouraging the understanding of works of art at an exemplary level. Over the years the Gallery has consistently hired and retained the best available curatorial, educational, and management staffs. Day-to-day operations support our mission through the care, maintenance, and security of the works of art and the facilities.

The National Gallery is unique in the nation. It is not only an art museum of the first rank but an institution of higher learning created and sustained by government and private citizens. The National Gallery's founder, Andrew W. Mellon, set a standard for artistic excellence which the Gallery has consistently maintained.

The use of Federal funds to operate the National Gallery stems from the 1937 Joint Resolution of Congress, which accepted Andrew W. Mellon's unprecedented gift to the people of the United States. Mr. Mellon's gift consisted of his art collection, funds to construct a building (now the West Building) and an endowment fund. Mr. Mellon stipulated that the gift not bear his name so that other Americans might "contribute works of art of the highest quality to form a great national collection."

The National Gallery is a model of public-private partnership by its creation. In accepting Andrew Mellon's gift the Congress, in turn, pledged the faith of the United States to provide funds for the upkeep, administration, and operations of the Gallery, including the protection and care of works of art subsequently acquired by the Board of Trustees so that the National Gallery would be open to the general public free of charge.

All works of art in the National Gallery collection have been acquired by donation or through purchase with private funds. A collection of international stature has been created by the generosity of some 2,000 donors who have presented the nation with approximately 100,000 works of art. This spirit of philanthropy, coupled with an understanding and supportive government, has created a remarkable institution in the National Gallery of Art.

As a further example of this partnership, in the Gallery's immediate future is the opening in late May of this year of the National Gallery of Art Sculpture Garden. Many of you may have watched its emergence over the last several years in the six-acre block adjacent to the West Building on Constitution Avenue. Designed to offer year-round enjoyment to the public in one of the preeminent locations on the National Mall, the Sculpture Garden will feature flexible spaces to display outdoor sculpture in the Gallery's collection. The garden will also provide an elegant yet informal setting featuring new plantings of native American species of trees, shrubs, ground cover, and perennials. In the winter, the fountain will return to the ice skat-

ing rink, long a favorite, to Washington area residents and tourists. The Sculpture Garden is made possible by a 1991 agreement, signed by the National Park Service and the Gallery and approved by the National Capital Planning Commission, that transferred jurisdiction of the site from the Park Service to the Gallery. Construction of the National Gallery Sculpture Garden has been made possible by The Morris and Gwendolyn Cafritz Foundation.

The fiscal year 2000 appropriation request, in line with the Gallery's Strategic Plan, focuses on two basic areas: continued funding at the present no-growth level of our day-to-day operations and special exhibitions program, plus essential monies for the repair, restoration, and renovation of the Gallery's two architecturally important buildings.

The National Gallery's Federal funds request to Congress for fiscal year 2000 is $67,749,000, a net increase of $3,500,000 compared to the 1999 budget. This includes $3,391,000 for mandatory/uncontrollable costs, and $109,000 for five FTEs for security of the new Sculpture Garden.

A major priority for the Gallery is and will be the upkeep of the West and East Buildings, important national monuments as significant as the great works of art which they house. The West Building will be 59 years old in 2000; the East Building will be 22 years old. It is not surprising, therefore, that the Gallery faces a steady, ongoing program of repairs and renovations to keep these buildings functioning efficiently, securely and safely.

Recognizing the need for a planned, comprehensive program of building and system repairs, a Master Facilities Plan was developed for the Gallery in order to determine when replacement of a building system or component is appropriate for inclusion in future budget requests. Providing an organized framework for a comprehensive and effective implementation of infrastructure improvements and renovations, the Master Facilities Plan will phase in major repairs and systems replacements over the next decade. The intent is to successfully identify those projects that will ensure the continued high performance of the Gallery facilities and to minimize the impact on visitors and Gallery programs while proactively maintaining these national monuments for many generations to come.

$6.3 million of our total request is for the Repair, Restoration and Renovation account. This sum will allow us to continue work on two groups of Master Facilities Plan projects: "Structural/Exterior Repairs and Restoration," and "Interior Mechanical/Electrical Equipment Replacements," plus continue work on the "Fire Protection System" as well as the ongoing renovation program. I am pleased to report that we are nearing completion of the West Building Skylight and Building Automation projects, as well as much of the Fire Protection project. I would like to take this opportunity to thank the Chairman, the Subcommittee, and the United States Senate for the support so crucial to these projects.

The fiscal year 2000 special exhibition schedule is an ambitious and international one. The year includes exhibitions such as: Art Nouveau 1890–1914, a thematic exploration of the first expansive, worldwide "modern art" movement; The Triumph of the Baroque: Architecture in Europe 1600–1750, an architectural models show that will present a panorama of architecture in Europe at that exciting time; and Monet and the Impressionists at Argenteuil, a selection of more than fifty paintings by the six major Impressionists—Monet, Boudin, Caillebotte, Manet, Renoir, and Sisley—who were fascinated by this site in France and who painted many of the most lyrical, dazzling, and progressive pictures of the day at Argenteuil. The Gallery will honor Paul Mellon with an exhibition focusing on Degas and other works drawn from his many gifts to the American public.

Federal operating funds have a multiplier effect specifically for special exhibitions. Private funding from corporate and foundation sponsors match Federal dollars to cover exhibition costs. Many museums in this country and abroad look to the Gallery to organize and to share major special exhibitions. Recent examples of exhibitions originating at the Gallery and then traveling to other venues include Van Gogh's Van Goghs, now at the Los Angeles County Museum of Art; the Mark Rothko survey at the Whitney Museum of American Art in New York; and the M. C. Escher graphics exhibition now at Norfolk, Virginia's Chrysler Museum. Our current major exhibition of the works of John Singer Sargent will be on view this summer at the Museum of Fine Arts, Boston.

Last year, we welcomed over 5.3 million visitors from all 50 States, the District of Columbia, and U.S. territories, and from some 80 foreign countries. The crucial, ongoing support of Federal funding ensures the operations of the Gallery and the protection and care of the works of art. This support makes it possible for the American people, and visitors around the world, to the visit the Gallery seven days a week, 363 days a year, free of charge. Access to the Gallery collection and educational programs has been increased by the dramatic development of our Web site,

launched just two years ago. (http://www.nga.gov). In calendar year 1998, the Gallery web site had 23,000 to 27,000 visitors per day, bringing our resources to national and international audiences.

On the eve of the new millennium, the Gallery looks forward to continuing on the path set in place over a half century ago, dedicated to the vision and the high standards of excellence established by Andrew W. Mellon and the 1937 Joint Resolution of Congress.

Mr. Chairman and Subcommittee members, the Gallery is very appreciative and grateful for your continuing support. I will be glad to answer any questions you may have about the National Gallery, its operations, and its programs.

SUMMARY STATEMENT OF I. MICHAEL HEYMAN

Senator GORTON. Well, at least for the purposes of this subcommittee, Mr. Heyman, your swan song.

Mr. HEYMAN. Let me start with thanking you very much for your kind words. I really regret leaving the Smithsonian immensely. It is a wonderful place. But I must say, I also look forward to returning to the Bay Area and to renewing my ties with the University of California, which is what I will be doing.

My priority as Secretary has been to maintain the quality of the programs that we offer and to enhance the visitors' experience while touring our museums and utilizing our research facilities. Each time I come to a hearing when my colleagues and I are together I think how fortunate they are to be dealing with one or two buildings.

I deal with 16 museums, four very large research facilities, and a number of others at the National Zoo, all of which is extraordinarily exciting, but it is somewhat difficult to keep my arms around all of them.

AFFILIATIONS PROGRAM

I have been quite dedicated, as I think many know, to sharing the experience that one has, for instance here in Washington, with people outside of Washington and to make our programs and collections more accessible to the nation. We have done that through three programs, two of which have been enhanced considerably; in fact, both created during the last four and a half years. One of those is the Affiliations Program in which we enter into arrangements with local museums or museums that are coming into being, and under the right conditions, if they can take care of our collections and can utilize them well, we are willing to make long-term loans of objects. It seems to me this is a win-win game in many ways.

It is obviously good for the institutions with which we work, but it is really very good for the Smithsonian to be able to give access to collections which otherwise would probably not be seen but rather remain in storage.

We are dealing now with 23 active affiliations. This program began in 1996, or was created then. We have five that have been fully implemented and one could watch last week as a huge number of huge objects from the collections displayed in the Arts and Industries Building started to go up to Bethlehem, PA where they will be housed in a new National Museum of American Industrial History, a 501(c)3 that has been created. It is part of the revival of the city of Bethlehem in Pennsylvania.

A huge building has been dedicated, and at the expense of that museum and its supporters we are curating a very large show on the history of the American industrial revolution, something we never could do in the space that we have here. But I think it is going to be a fine show. The curators in the American History Museum who are involved in this are very excited with the possibility of being able to do that.

A lot of other affiliation agreements are being discussed. I think 15 or 20 years from now we are going to look back and think this program was one of the most important that has been created in a long time by the Smithsonian in terms of bringing our articles, our objects, our artifacts elsewhere.

OUTREACH PROGRAMS

We have been doing some very interesting work, as Senator Stevens knows, in Alaska. We have very deep collections of Alaskan materials. He discovered part of them about 15 years ago with one of our fine curators at the National Museum of Natural History.

A lot of those now are on tour and on loan to new museums, small museums, many in native villages in Alaska. That is turning out to be really a very good program, and an outreach program which is very important to us.

SMITHSONIAN INSTITUTION TRAVELING EXHIBITION SERVICE

Of course, the Smithsonian Institution Traveling Exhibition Service goes on, and enlarges, because it has begun to be able to garner some corporate and foundation support for its programs. In the packet that I have given to you, you have a good description of what the SITES projects are and where those tours have been. One of the programs that SITES runs is called Museum on Main Street, and it is designed for small, rural communities.

It has 100 participating communities at the moment. If I had at my hand, Senator Gorton, the five communities in Washington where we are at the moment, I would recite those. But that is just an example of the breadth of this program.

We do other kinds of touring, obviously, as you will find out later, if not before, when the National Museum of American Art and the National Portrait Gallery are closed because of the renovation of the Patent Office building. We will be touring major collections from both of those museums around the country.

INTERNET ACCESS

We too are very involved in the Internet. We really got into that in the last three years or so. It is a bottom-up project at the Smithsonian with each of the museums, research institutes, and major programs having their home page. They are all collected on the Smithsonian Institution home page, but, in all, we must have 50 hours of materials on the Internet. It covers everything. It covers exhibitions. It covers collections.

Some of it is technically very sophisticated, and becoming more so. Right now, we are in the process of putting together a virtual show for a millennium exhibition which will echo the 150th tour that we made a few years ago. The people who have been working

on this in the central administration and the Secretary's office in the Smithsonian are showing a lot of ingenuity in terms of the technical abilities to present that material.

The Internet also permits us to deliver not only informal education of the sort that I am talking about, but formal education also. We are deeply involved with a number of projects. Perhaps in the lead at the moment is the National Museum of Natural History, which has been creating segments of new and old courses which are being used in many contexts.

One of the most interesting ones is an after-school activity for both the normal school period and also during the summer. That seems to be working very well.

This is the time for me to put in a plug for that request in the budget for information systems. Because, basically, it will enable the Smithsonian to create and enhance the infrastructure for the Internet and for collection management. It is really absolutely crucial to the growth and the building of this outreach kind of activity. I could go on with regard to that, but it is all in the testimony which I have submitted.

VISITORSHIP

I would like to highlight just a few of the things that have been occurring at the Smithsonian over this past year. I am deleting most of this because I would go on much too long. But we did record over 31 million visits this past year to the museums plus the zoo. That is up about 4 percent from last year. Last year we were up about 15 percent from the year before. I suspect my colleagues are having the same experience.

In part, it is because we are all doing wonderful things, and in part because a lot more people are coming to Washington, which may have something to do with that. But whether or not that is the case, the phenomenon is that attendance has been going up a lot.

STAR-SPANGLED BANNER PRESERVATION PROJECT

On December 1, 1998, we took down the Star-Spangled Banner, which you know is to be conserved and preserved. We took it down and it is now in a specially-built container for it. It is soon to be moved to a conservation lab where the conservation activities will occur.

That laboratory is designed and has been constructed so people can watch the actual preservation and conservation of that flag. I think that exhibit in itself, over the 2-year period, is going to be a fascinating one and I'll bet you a lot of people are going to be interested in seeing that.

SMITHSONIAN RESEARCH INSTITUTES

You know, we have a number of research institutes. The Smithsonian started in 1846, and the first Secretary saw it as a place of basic research. Soon thereafter, it took on the responsibility for being a museum. Those two sets of activities, research on the one hand and a museum or exhibition on the other—because obviously

a lot of research is related to exhibition—have gone on since the middle of the nineteenth century.

We have some extraordinary research facilities, including the Smithsonian Tropical Research Institute in Panama and the Astrophysical Observatory that is located in Cambridge that, with Harvard University, runs the Center for Astrophysics. We have a number of telescopes in Arizona, and we are in the midst of finishing the Submillimeter Array on Mauna Kea in Hawaii. SAO is very big-time, as astronomical organizations go.

SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER

I want to just bring to your attention one that has not had quite that fame, which is the Smithsonian Environmental Research Center, in Edgewater, MD. One of the reasons that I bring it to your attention is that we have just completed a building with private funding that permits us to bring student groups, school groups, down there in a much better way than we could previously.

SERC is involved with estuarine studies. It is involved with the study of water quality. It is involved with the impact of uses of land on the quality of water, and the Chesapeake Bay is obviously an extraordinary place for doing that.

One of SERC's very large projects is identifying non-native species that come to the Chesapeake in the ballast of ships from all over the world, because when they let the ballast go which they have picked up in foreign places, out comes not only water but a whole variety of kinds of animals and flora.

At the moment we are looking at non-native species of bacteria that can cause cholera. It is a part of the largest research project in the United States dealing with the origin and the impact of alien invasive species.

In addition to that, SERC is playing a major role in demonstrating that stream-side forests and restored wetlands can reduce nutrient runoff into coastal waters. If one can do that by the dedication of a relatively small amount of land through natural means, the opportunity of being able to carry on what otherwise are viewed as inconsistent uses can be maximized.

SMITHSONIAN'S FISCAL YEAR 2000 BUDGET REQUEST

There is so much more going on in the research institutes that I would like to share with you, but time presses. I do want to talk a little bit about our request for fiscal year 2000. We are asking for $447.4 million, which is an increase of $35.1 million above the fiscal year 1999 appropriations.

But remember, our responsibilities include 16 museums, a zoo, and a lot of research facilities. Of this amount, $380.5 million is for salary and expenses and $66.9 million for our capital program. And more than half of the S&E requested increase is for mandatories.

The balance, which is $14 million, is for the following: one is for $2 million and 14 term positions, not permanent positions, at the Dulles Center to work on the restoration of aircraft for the Dulles Center when we have raised the money and it is built.

It might seem well in advance of the time that the Dulles Center will be completed, but at this level we can renovate about four planes a month. If we are going to be in a position to really fill up

that Dulles Center by the time that it is completed, we really should be starting on an enhanced program of renovation and restoration right now.

There is $5 million and 11 positions for the National Museum of the American Indian. Most of this request, actually, is for the Cultural Resources Center in Suitland and for moving the materials that are stored up in the Bronx down to the new Suitland Cultural Resources Center, which of course is the place where we are storing the million artifacts, all that will not be shown in either the Mall Museum or in the New York location.

Some of that money is for the beginning of exhibition development for the Mall Museum when it opens before 2003. That is my pledge to myself, in any event, that that shall occur.

I mentioned $5 million that we are requesting for collection information systems, essentially to support the electronic capture and digitization of object and specimen images, which is the base work for everything that we can do with regard to electronic communication, and $2 million for security system modernization. That $2 million, in addition to the $2 million we got in the budget last year and the $4.7 million that we got in the emergency supplemental that went to OMB for Y2K problems, will permit us to finish all of the internal electronic systems that we have intended to bring all of that up to high operational capacity.

We probably will be looking for another $3 million to $3.5 million in the future, but that will be mainly for electronic surveillance on the perimeters of buildings, not within them or at their entrances, and to permit us also to think about whether we want to use more cards for access to portions of buildings. We are not sure that we think that is such a good idea at the moment, but we want to evaluate that.

The $2 million this year is going to permit us to finish the internal electronic security system which will give us a greater sense of comfort. Our experience with security of this sort has been excellent. We have lost very few things. We have had practically nothing defaced.

Our insurance rates are about as low as they possibly can be for a museum. So we have been very fortunate in that regard. Largely, that has been because we have a security force that is really excellent.

CAPITAL ACCOUNTS

The two remaining items are on the capital side: $47.9 million for R&R and alteration and modification of facilities, and then $19 million for construction. The $19 million is to finish the National Museum of the American Indian. I think we will all be relieved when that occurs. We have run into a little problem, as you well know, with respect to the architects.

We have replaced the architects in the sense that we have now taken over the lead in the management of that project, but we have hired other people to help us. I believe that we are going to bring that museum in on time. It looks very, very much as if we will.

Clearly, we are not going to bring it in within the original budget, but we are not going to come to the Federal Government for any

enhancements with respect to construction funds. We will find other money somehow in the private sector to finish that up.

We are involved with a lawsuit presently, but my lawyer part of me tells me that I shouldn't be too worried and maybe I should look forward to collecting a little rather than being in a position of liability.

REPAIR, RESTORATION AND ALTERATION OF FACILITIES

That leaves the $47.9 million for R&R. You will recall that in the past we have analyzed our whole institutional repair and renovation problem. We have indicated that if we got a steady appropriation, inflation adjusted, of course, of $60 million, we could take care of all of our problems looking forward, and by judicious inspection and also the time of the use of the facilities. We are very, very confident of that.

Our request at $47.9 million is all that was possible this year. But I have had conversations with the Office of Management and Budget and, clearly, if we are not in for major construction again, they are optimistic about the possibility of including in the President's budget $60 million. I know I have gotten a lot of support in the Congress with respect to adequate R&R funds.

The major project that we are indicating that we will be proceeding with presently is the complete repair and renovation of the Patent Office Building where the National Portrait Gallery and National Museum of American Art and the Archives of American Art are located.

The Patent Office Building is the fifth oldest building in Washington and it has not had serious work done in it since 1964. It really needs a complete job.

We are costing that at $60 million. There are others who think we should spend considerably more. But we are hopeful that for $60 million we can replace all of the systems, we can replace the roof, we can do all of the things that are necessary to bring that back, and we can increase the public space in the Patent Office building. We are in for $8 million, the first of four increments that will be necessary in order to fund this.

There is a request for an advanced appropriation, which would permit us, of course, to sign a contract for the whole amount. Signing a contract for the whole $60 million at the outset would save a lot of money in many ways. I don't know whether that is going to be feasible with the Congress.

But if it is not, I would strongly recommend that there be language of assurance in the conference committee report, or in the report to the individual houses, that will give us the comfort of being able to go forward with a contract for the whole.

SECRETARY HEYMAN'S OBJECTIVES

Well, that is about it. I am going to be working very hard between now and when I leave at the end of December. I pledge myself at least the accomplishment of four objectives. One of them is to break ground for the National Museum of the American Indian sometime this year, after the budget obviously is passed.

The second one is to make sure that our capital campaign is well defined and ready to go. I intend to play some role, in a volunteer role after I leave, with respect to that capital campaign.

Third, I want to bring to fruition the acquisition of a building someplace downtown which will permit us to carry out the plans that we have for the Patent Office building, the relocation certainly of a number of the activities that are within it so that we can create more public space in the Patent Office building.

PREPARED STATEMENT

Finally, I am going to be working very hard on a new organization that we just formed, that had its first board meeting yesterday, to carry on business enterprises in the Smithsonian, hopefully at a level that will return a greater amount of unrestricted revenue on the trust side for the Institution to use.

I really appreciate the opportunity to speak to you today, and there is a little regret in the fact that this will be my last opportunity. Thank you.

Senator GORTON. Thank you.

[The statement follows:]

PREPARED STATEMENT OF I. MICHAEL HEYMAN

Good morning, Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to appear before you today on behalf of the Smithsonian Institution and to present a summary of our activities and our fiscal year 2000 budget request.

As you may know, after considerable deliberation, I have informed the Smithsonian Board of Regents that I will step down as Secretary at the end of 1999. I do this with regret, of course, but also with pleasant anticipation. I regret departing from the Institution that is so important in our national life, and from those people who are responsible for what it does. But I look forward to returning home to California and reestablishing my ties to the University of California and the San Francisco Bay Area.

I have tried to use my years as Secretary to promote a greater sense of the combined strength of the Smithsonian as a positive force in providing quality research and education programs for the nation. My priority as Secretary has been to maintain the quality of the programs offered by the Smithsonian and to enhance the visitor's experience while touring our museums and utilizing our research facilities. I have been equally dedicated to sharing that experience with people outside of Washington and to making our programs and collections more accessible to the nation. Increasing the Institution's outreach to other educational institutions and the general public is crucial in meeting this priority.

Three Smithsonian programs that seek to promote outreach to every American have been particularly important to me during my tenure with the Institution—the Affiliations Program, the Smithsonian Institution Traveling Exhibition Service (SITES), and electronic access to the collections. The goal of the Affiliations Program is to promote greater public access to the Institution's collections by providing an alternative means for their exhibition outside of Washington. Since the inception of the Affiliations Program in 1996, there have been more than 150 separate inquiries from organizations interested in forming affiliations. There are currently 23 active affiliations projects and five have been fully implemented. Recently a long-term agreement with the National Museum of Industrial History in Bethlehem, Pennsylvania, was finalized, and a 19th-century locomotive and hundreds of other industrial artifacts from our collections were moved to that site.

A long-time Smithsonian program, SITES, has been sharing the wealth of the Institution's collections, research, and exhibitions with audiences around the world through short-term exhibitions of collections and representations. Each year, millions of people beyond Washington, D.C., experience these programs. SITES popularity has been significantly enhanced as it continues to secure substantial corporate and foundation support for its programs. Two new projects highlight this success: a grant to host an interactive traveling science exhibition *Microbes: Invisible Invaders, Amazing Allies*, which opens Memorial Day weekend on the National Mall and an alliance with a theme park located in Branson, Missouri, to present the chil-

dren's geography exhibition, *Earth 2U, Exploring Geography and the exhibition, American Glass: Masters of the Art.*

In recent years, SITES has developed a rural initiative in partnership with the Federation of State Humanities Councils. Called Museum on Main Street, this program has brought SITES exhibitions to more than 100 rural communities across the country and has generated tremendous enthusiasm and participation.

In many ways, Internet-based learning is rapidly changing the nature and scope of education in America. The Smithsonian has witnessed a dramatic increase in the number of people who access our Internet website. At a rate already in excess of 30 million "hits" per month, our objects, databases, research, virtual exhibitions, lesson plans, and visitor services are being made available to schools, businesses, libraries, and individuals around the nation and the world. It is our goal to bring a large portion of our display collections on-line, making it possible for anyone with access to a computer to see and study these objects. We believe this evolving technology greatly enhances our ability to make Smithsonian programs and museums publicly accessible. We are pleased that the Administration has recognized our efforts in this area and has identified the Smithsonian as a key partner in its Digital Library initiative.

The cornerstone of these important institutional outreach activities is education. The National Museum of Natural History (NMNH) is expanding its efforts to become a national hub for science education. Last fall, six school districts around the nation began testing *Mammals in Schools*, a program to promote museum-style, object-based learning in middle school science classes. An electronic classroom with two-way videoconferencing links between the Museum's exhibition labs and classrooms enables teachers and NMNH scientists to assist students as they analyze mammal specimens, study their habitats, and build exhibitions based on what they have learned. Electronic field trips that simultaneously link several classrooms to Museum science labs via videoconferencing equipment are also being developed. For more than a year, the Museum has been providing an after-school learning program based on NMNH research on the ice age which has been presented to more than 10,000 young people in 25 States.

Also on the education front, the National Science Resources Center (NSRC) received a grant in support of its Leadership and Assistance for Science Education Reform (LASER) Project. During the next six years, LASER will help local leaders introduce and implement inquiry-centered kindergarten through 8th-grade science curriculum materials in more than 300 school districts that serve approximately one million students nationwide. To accomplish this, NSRC has formed partnerships with eight regional sites located in Alabama, California, New Jersey, Oklahoma, Pennsylvania, Rhode Island, South Carolina, and Washington.

Now, let me highlight some of the Smithsonian's achievements in the past year. We are very pleased to report that there were more than 31 million visits recorded at the Smithsonian museums and the National Zoo in 1998, an increase of more than 4 percent from the 1997 total and the highest recorded total attendance since 1984.

The National Air and Space Museum, the most visited museum in the world, attracted almost 10 million visits in 1998. This level of attendance last year was due primarily to the success of *Star Wars: The Magic of Myth*, an exhibition commemorating the 20th anniversary of the Star Wars trilogy. During its 15-month run, nearly one million people viewed the exhibit.

The Air and Space Museum has also enjoyed the success of the IMAX feature *Everest* at the Langley Theater. Since the movie premiered in March 1998, more than 110,000 people have attended, making *Everest* the best-selling film ever in the evening schedule.

Visits to the National Museum of American Art and the National Portrait Gallery increased last year, in part due to the revival of downtown Washington and the 7th Street art district. Looking to build on this momentum, both Museums are now participating in Third Thursday, a monthly art celebration organized by the downtown business and arts community, with special evening hours and guest lectures.

In the past year, a number of exhibitions suggested the array of programs available at the Smithsonian: *Theodore Roosevelt—Icon of the American Century, The Jewels of Lalique, Celebrity Caricature in America, Faces of Time: 75 Years of Portraits from Time Magazine, and Speak to My Heart: African American Communities of Faith and Contemporary Society.* Also, a series of concerts was preformed by the Smithsonian Jazz Masterworks Orchestra to mark the 100th anniversary of the birth of Duke Ellington. In November 1998, the "Rock Hall" opened at the NMNH, completing the final piece of the major, permanent exhibition complex that makes up the *Janet Annenberg Hooker Hall of Geology, Gems and Minerals.*

On December 1, 1998, the National Museum of American History witnessed a virtually flawless "takedown" of the Star-Spangled Banner from its display in Flag Hall to begin a major conservation and preservation project. The History Channel, in collaboration with Museum staff, aired a documentary on the history of the flag and the preservation project, which is the largest textile conservation project ever undertaken by a museum. In October, the preservation project began in earnest when walls were erected to enclose the conservation and exhibition area, and a NASA expert, using near-infrared spectrometry, began assessing the amount of moisture and surface dirt on the flag. Currently, the flag is protected in a specially built 30-foot container while construction of the conservation lab and exhibition is completed. The new space is slated to open in April. Once the flag is relocated to the conservation lab, visitors will have the opportunity to observe the preservation project in progress.

After a 4-year renovation, the Cooper-Hewitt, National Design Museum and its Design Resource Center in New York re-opened in June 1998. With its state-of-the-art environmental systems and storage equipment, the Center is a model for managing museum collections and making them more accessible to the public, while maintaining the integrity of the historic structure.

The Smithsonian Environmental Research Center (SERC) in Edgewater, Maryland, ushered in a new era of learning for school groups with the opening of its new Philip D. Reed Education Center. The Center also doubles as a visitor center, featuring an orientation hall, a teacher resource library, office space, and an 80-seat multipurpose room. In order to provide school groups and the public with the latest information about SERC research, the building will be connected to SERC labs via video and audio networks.

SERC's facility on the Chesapeake Bay provides a unique opportunity to study a variety of interconnected ecosystems whose impact is felt across the globe. Scientists at SERC have identified non-native species of bacteria, from ballast water on ships in the Chesapeake Bay, that can cause cholera. This is part of the largest research project in the United States dealing with the origin and impact of alien, invasive species in coastal and estuarine systems. Non-native species can endanger native species, disrupt food chains, and cause environmental and infrastructure damage exceeding, according to one estimate, $120 billion in 1998. This research has produced tools and strategies that are being tested as a means to control invasive species. SERC is also playing a lead role in research that has demonstrated that streamside forests and restored wetlands can reduce nutrient runoff into coastal waters. In addition, collaboration with other institutions has enabled SERC to find ways to detect and quantify the toxic organism *Pfiesteria*, which can kill fish and poison humans.

In the past year the Smithsonian has made tremendous advances in many other ongoing research efforts. At the Smithsonian Astrophysical Observatory (SAO), in partnership with the Harvard College Observatory, scientists' have developed low-field magnetic resonance imaging (MRI) which extends the technology to areas in the human body that could not be imaged previously, such as the lungs and sinuses. This technology will have applications ranging from detection of hard-to-reach tumors to use by people with pacemakers.

Research efforts at the Smithsonian benefitted from John Glenn's historic return trip to space last fall. The Shuttle flight carried Spartan 210, a solar physics experiment package that included an ultraviolet coronagraph spectrometer (UVCS) built by SAO, to observe the Sun's outer atmosphere. Also, NASA's Submillimeter Wave Astronomy Satellite (SWAS) carried an instrument, designed by SAO scientists, to observe the heavens in submillimeter radiation and study the birth of stars.

At the Smithsonian Tropical Research Institute (STRI) a study has revealed new data on conditions that support species diversity in ecological systems such as rainforests, grasslands, coral reefs, and lakes. The research conducted in a Panamanian rainforest on Barro Colorado Island, has led to developing methods for sustaining endangered species that are threatened with depletion and destruction.

While research and planning for the 1999 Smithsonian Folklife Festival, featuring the State of New Hampshire, is well under way, the Center for Folklife and Cultural Heritage is still experiencing the positive impact of previous years. The 1997 Festival featuring Mississippi and the 1998 Festival featuring Wisconsin were both replicated back home in the two States last summer. The Folklife Center is currently completing work on a cultural education kit for school children in the Mississippi Delta growing out of the 1997 Festival. A documentary, *Wisconsin Folks*, based on the 1998 Festival, aired on Wisconsin public television stations in December. In the year 2000, the Folklife Festival will feature the District of Columbia, the Rio Grande/Rio Bravo Basin (largely Texas and New Mexico), and a program on Tibetan culture.

Now to summarize the Smithsonian's request for fiscal year 2000: for all operating and capital accounts we seek a total of $447.4 million, an increase of $35.1 million above the fiscal year 1999 appropriation. Of this amount, $380.5 million is for Salaries and Expenses, and $66.9 million is for our capital program.

Of the requested increase in the Salaries and Benefits account, 58 percent is attributable to mandatory costs for sustaining base operations and the remainder is for priority program requirements. For fiscal year 2000 these program priorities total $14 million and 25 positions, and include activities related to the Dulles Center of the National Air and Space Museum, the Mall museum building of the National Museum of the American Indian, access to collections information, and modernization of the Institution's security system.

For the Dulles Center, $2 million and 14 term positions would be used for the preparation of artifacts for relocation from the Garber Facility in Suitland, Maryland, to the new site in Virginia.

For the National Museum of the American Indian, $5 million and 11 positions are required for operational support at the new Cultural Resources Center in Suitland, Maryland, the move of objects from New York to Suitland, and exhibition development associated with the opening of the Mall museum.

For access to collections information, $5 million is needed to support the electronic capture and digitization of object and specimen images, enrichment of related data, and storage, as well as retrieval, of that material.

For security system modernization, $2 million is necessary to continue replacement of the Institution's current security system, and to provide engineering support for and staff training on a new system as well as its installation, testing, and documentation.

In this request the Institution has consolidated its capital accounts, thus unifying all repair and restoration activity in one account and all construction in a separate account. Within the consolidated accounts, $47.9 million is identified for Repair, Restoration, and Alteration of Facilities and $19 million is identified for Construction.

The $47.9 million requested for repair and restoration will target:

—the repair and restoration of buildings on and near the Mall as well as buildings at the National Zoological Park

—major capital renewal projects at the National Museum of Natural History and the renovation of the old Patent Office Building, which houses the National Museum of American Art and the National Portrait Gallery

For renovation of the Patent Office Building the Institution requires $8 million in fiscal year 2000 and requests advance appropriations in order to award a single $60 million contract for this project. Receipt of the additional advance funds will allow cost-effective and time-critical renewal of the structure. We propose that $17 million of the advance appropriation become available on October 1, 2000; another $17 million on October 1, 2001; and $18 million on October 1, 2002.

Finally, in the Construction account, the Institution requests $19 million for the Mall museum building of the National Museum of the American Indian. Of that amount, $13 million will be used to complete construction and $6 million will be used to equip the building. This final increment of funding will complete the Federal share—two-thirds of the building cost—authorized in the legislation enacted on November 28, 1989. The other third, which totals $36.7 million, has been raised through the generosity of individuals, tribes, corporations, and foundations in this country and around the world.

As you can see, Mr. Chairman, 1998 was an active year for the Smithsonian and I personally intend to have a very active final year at the Smithsonian. There are four chief priorities on my agenda. First, I plan on participating in the groundbreaking for the National Museum of the American Indian Mall museum this spring and taking all steps necessary to assure that it will open before 2003. Secondly, I expect to see that the Institution's capital campaign is well-defined. Thirdly, I want to bring to fruition the acquisition of an additional facility in close proximity to downtown Washington for the activities presently located in the Patent Office Building, with settled plans for renovation and appropriate organizations and programs. Finally, I intend to establish a new organization within the Smithsonian to carry on our business activities by appointing its board of directors and, at their recommendation, the chief operating officer.

Mr. Chairman, I appreciate the opportunity to speak with you today, and I have enjoyed working with you for the past five years. I would be pleased to respond to any questions you and the other Members of the Subcommittee may have concerning our fiscal year 2000 budget request or on any other matter related to the Smithsonian Institution. Thank you.

SUMMARY STATEMENT OF LEE H. HAMILTON

Senator GORTON. Mr. Hamilton.

Mr. HAMILTON. Senator Gorton, thank you very much. It is a privilege to be here with you, back on Capitol Hill again, and with my colleagues this morning.

I am requesting $6.04 million for fiscal year 2000. And that is the same——

Senator GORTON. Certainly the most modest——

Mr. HAMILTON. Well, Senator, after listening to my colleagues make their requests, I have been very tempted to add a couple of zeros to that this morning.

The request is the same as last year. I have only been at the Woodrow Wilson Center for a couple of months, so obviously I have a lot to learn there. But I have benefitted from a very talented staff there and from the scholars and fellows in residence, the board of trustees members, and what we call the Wilson Counsel, a group of advisors.

I might say parenthetically that I was very pleased to have George Shultz join us on the Wilson Council just a few days ago.

As you know, the Center is now situated in marvelous new facilities at the Reagan Building. I hope you and members of your staff will feel free to come down. We would be honored to have you join us as guests sometime. I certainly want to work closely with you and the staff to try to make the Center responsive to requests from Capitol Hill.

I look back with considerable gratitude to the three past directors, Ben Read and Jim Billington and Charles Blitzer. As you probably know, we were saddened recently by the death of Charles Blitzer. He played a very important leadership role in bringing the Center to the Ronald Reagan Building.

I benefit from the wise counsel, of course, of our Librarian of Congress, Jim Billington. I have had tremendous support from the former Chairman of the Board, Joe Flom, a New York attorney, and from the present chairman, Joe Cari, from Chicago.

The Wilson Center is really quite an exciting place to be. It is an independent, wide-ranging institute for advanced study where vital current issues and their deep historical, cultural, and societal backgrounds are explored through research and dialogue. I think you might be pleased if you were to drop into one of the more than 200 meetings that take place there each year. You would find a very objective, non-partisan, free, open, dispassionate discourse taking place at the Center. We have state-of-the-art communication facilities which enable us to reach a large audience.

My immediate goals are, first, to expand and strengthen the activities of the Center, second, to increase its visibility, third, to boost the private sector funding, which you and other Members of Congress have expressed an interest in. We are well on the way to getting that done.

I also want to ensure that the work done by the Center is relevant and coherent, focused, and beneficial both to the policy maker and to the scholar.

It was President Wilson's idea that the scholar and the policy maker, or the politician, are engaged in a common enterprise. The

Center really tries to carry out that basic concept. We have had very able leadership by the interim director, Dean Anderson, to address the problems and I am very pleased to try to take over.

Let me try to give you a flavor of some of the activities at the Center, if I may. We will have during the course of the year 150 scholars in the institution. Scholars and thinkers really, not all of them from academia. One-third of them will be foreigners.

They work on almost every issue you can think about: national security, capital punishment, telecommunications, statistical work in the Federal Government, changes going on in Iran and Iraq and China, Ukraine, and many other places in the world.

We have got a remarkable group of scholars. We have a young woman, a Chinese scholar/journalist working on a biography of a Beijing professor who was an early reformer in communist China. Her story, incidentally, is worth a few newspaper articles and maybe a book in and of itself. She is a remarkable woman.

We have got a scholar working on telecommunications policy and meeting with government officials. We have got another scholar working on standards and statistics, working closely with the Census Bureau and has been in close touch with Congressman Dan Miller's subcommittee.

We are working with the Close Up Foundation to develop three international programs for high school students. These programs will be aired nationally through C-Span and they will be on the cold war history, on America's role in the post-cold war period, and on 21 century environmental challenges.

We are launching a project on the information revolution and its profound impact on the global economy. This rose out of meetings I had with entrepreneurs in Silicon Valley not too long ago.

They are deeply concerned, as you very well know, coming from the State of Washington, about the relations between that industry and government, the private sector and all of the concerns that they have with regard to the information revolution. The project will be called Sovereignty in the Digital Age.

Senator Lugar, from my home State of Indiana, and former CIA director, Jim Woolsey, will come soon to the Center to talk on energy security. They had an article in Foreign Affairs on that subject just recently. We have a conference coming up on space and foreign policy in the next century. All kinds of conferences on NATO, the EURO, United States and Taiwan, and many, many other programs. And one of our former scholars, here recently, has now become the top political advisor to the new king in Jordan.

We have, as you very well know, the Wilson Quarterly, which is a unique, popular publication and one of the most widely circulated magazines of ideas. It has a circulation of about 60,000, which is very high for that kind of a magazine. We have a Dialogue radio program now heard over 200 public and commercial stations.

It reaches an audience, we think, of about 300,000. A number of your colleagues from the Senate will be joining us on that Dialogue program in the next few weeks.

You asked in your opening comments about what direction we want to go in the institutions that we represent, those of us here at the table. Let me identify several directions for the Wilson Center.

I intend to make the work of the Center more visible, more coherent, more focused. We are bringing on a public affairs director in a few days now. I know we have to work closely with key constituencies in the policy world, including you and your colleagues. We are now exploring collaborative programs with other institutes and universities and the Library of Congress.

I think maybe the reason I am at the Wilson Center is to try to promote more interaction between the world of scholars and the world of the policy maker. And I want to try to do that. I want to bring more focus to the work of the Center by making it focused more on several themes instead of just going into a great variety of topics, an unending number.

We want to focus on several themes: the U.S. role in the world, governance issues, key long-term future challenges, and projects that help frame the context and provide essential backdrop for some of the key public policy debates that we have today in this country.

Second, I want the Wilson Center to be a very lively place. I want it to be an intellectual center. We are going to have the NATO Summit in this town in April. A lot of that is going to take place in the Reagan Building, and much of it will take place at the Wilson Center.

We will have major events there and bilateral meetings. The National Security Advisor is coming to speak. The Secretary of State has already been there. She is going to come again. I have asked Bob Livingston to come down and talk a little bit about his experience as an appropriator. You might have some sympathy with his comments, Mr. Chairman.

David Dreier, the Rules Committee Chairman, is coming down to speak to us about the Congress and the rules of the House. I am currently trying to get former Speaker Gingrich to come in and reflect on his speakership before the scholars at the Wilson Center.

Another thing I want to do is expand some of our programs and activities and capabilities. It is probably correct to be critical of the Wilson Center. We do not have the kind of balance that we should have. For example, I have been appalled that we really haven't been doing anything on Africa and very little on the Middle East. So I want to bring more balance into the programs that we have.

Some of my colleagues in the House of Representatives have scolded me a little bit because we don't have enough diversity in the staff and in the program. I think they are right in their criticism, and we are going to try to correct that in the years ahead.

Like all of these institutes, or institutions you have been hearing about this morning, we have got a lot of modifications and modernization steps to take. Anybody dealing with library capabilities knows that scholars now are turning more and more to the electronic library rather than to the hard cover library, and that means a considerable upgrade of our facilities and equipment has to be brought about.

I mentioned we are increasing our fund-raising efforts. We have brought on board an outstanding development director, Fred Bush, who is doing excellent work in trying to raise additional money in the private sector. The Center really is in good financial shape. We are on track to have our best year yet in unrestricted giving. We

have had an investment policy committee that has done awfully well.

We have had a little help, of course, from a bull market stock market. But our endowment has gone up substantially. But we do not want to rest on our laurels. More than 50 percent of the funding of the Center now comes from the private sector, and that will surely increase.

Let me just conclude by saying that I think the Wilson Center—at a time when this country is very deeply concerned about the quality of political discourse in the Nation—I think the Wilson Center gives us a model of how political discourse should proceed in a representative democracy.

It is a place where the world of ideas and the world of practice come together. Neither is suppressed and both are encouraged. Our premise is that by listening to all points of view, stepping back to take a broader view, and engaging in discussion and persuasion, a people can make better decisions in a representative democracy.

We believe that at the Wilson Center. We deeply believe in the free trade of ideas, that the best test of an idea is its power to get accepted in the competition of the market, and that in the end better ideas will prevail.

PREPARED STATEMENT

My task, I think, is to make the Center a bright and shining intellectual Mecca where we offer a place for thoughtful, objective, serious, non-partisan dialogue on the toughest issues that this country confronts. And with your help and support we will make it a unique presidential monument in a city of monuments. Thank you.

Senator GORTON. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF LEE H. HAMILTON

Mr. Chairman, Mr. Byrd, Members of the Subcommittee: It is a privilege to have this opportunity to return to the Congress, an institution in which I had the honor to serve for over three decades. It is also a special, personal pleasure to be with former colleagues. I appreciate having this chance to speak in support of the Wilson Center's request for an appropriations of $6.04 million for fiscal year 2000, the same request as last year.

I have been at the Woodrow Wilson Center for two months. I have benefited from the extraordinarily talented staff of the Center, the scholars and fellows in residence, and the Board of Trustees and the rapidly expanding Wilson Council that George Shultz recently joined. The Center is now fully ensconced in its marvelous new facilities in the Ronald Reagan Building on Pennsylvania Avenue. I hope each member of the Subcommittee and your able staff will visit the new Center.

I want to work closely with you and your staff. With your help and support, I look forward with enthusiasm to the challenge of helping this Center do its important work.

Let me also say at the start that I look back with gratitude to the three previous directors—Ben Read, Jim Billington, and Charles Blitzer—whose unstinting efforts helped make the Center what it is today. We were saddened by the recent death of Charles Blitzer: he played a leadership role in bringing the Center to the Ronald Reagan Building. I continue to benefit from the wise counsel of Jim Billington, the Librarian of Congress and a member of our Board. And I also want to commend Joe Flom, the former Chairman of the Board of Trustees, for his strong leadership and to express enormous confidence in Joe Cari, the new Chairman of the Board.

As I meet with people around town and with some of my former colleagues, I am impressed with the strong support the Center enjoys. Scores of policymakers, academicians, and friends of the Center have sought me out to express their admiration

for the Center's work. These people form a remarkable network across the country, indeed across the world.

The Wilson Center is an exciting and vibrant public/private partnership. The Center remains Washington's only independent, wide-ranging institute for advanced study where vital current issues and their deep historical and societal background are explored through research and dialogue. The Center provides a unique forum for objective, non-partisan, free and open, and dispassionate discourse, and it has some state of the art communications equipment.

My immediate goals for the Center are to expand and strengthen its activities, increase its visibility, boost its private sector funding, and ensure that the work done by the Center is relevant, coherent, focused, and mutually beneficial for the policymaker and the scholar.

I recognize that the Center has had some problems in recent years, including the problem of relating its work to current policy issues. Steps have been taken under the able leadership of interim Director Dean Anderson to address these problems, and I believe that the Center is now moving in the right direction.

ACTIVITIES AT THE CENTER

Let me give some specifics and some flavor of the good and useful activity at the Center which you are helping to support:

—We are hosting a good, even pre-eminent, group of thinkers. 150 scholars and fellows will work here at some point during 1999. A third of them will be foreigners. They work on diverse issues: national security, adoption, capital punishment, telecommunications, statistical work in the U.S. Government, Iran, Yugoslavia, economic change in China, the United States and Ukraine, and Iraq.

We have a Chinese scholar and journalist working on a biography of a Beijing professor who pushed for reform in the earlier Communist years in China. She is a remarkable person whose own story as an advocate of reform is a book in itself.

I hear many heartening vignettes of our scholars and fellows getting around town and interacting with policymakers. Let me cite two examples. One scholar, working on US telecommunications policy history, meets regularly with Federal Communications Commission colleagues. Another scholar, working on standards and statistics, is engaged in discussions with experts at the Census Bureau on improving statistical work. She has also been in touch with Members of Congressman Dan Miller's subcommittee. I am encouraging more such activity.

You can find any number of interesting activities taking place at the Center:

—Working with the Close Up Foundation, we are developing international programs for high school students. Programs will start to be aired nationally this spring by C-SPAN. The first three topics are: cold war history, America's role in the post-cold war world, and 21st century environmental challenges.

—We are launching a project on the information revolution given its profound impact on the global economy and on relations between governments and the private sector. This project brings together entrepreneurs, policymakers and scholars. A first series, entitled "Sovereignty in the Digital Age", will explore how to balance national sovereignty with the need for new international rules in an age in which the Internet and electronic commerce operate across borders.

—Senator Lugar and former CIA Director Jim Woolsey will soon discuss their proposal for increasing our energy security in the next century.

—We will host a March conference on space and foreign policy in the next century.

—Conferences will also be held on NATO, the EURO and its implications for the United States, the United States and Taiwan, North Korea, Indonesia, China, including China's environmental policies, and several transborder issues, such as informal economies, crime, water issues, and the role of women and of ethnic minorities.

—The Kennan Institute, which does superb work on Russia, Ukraine, and the Newly Independent States, has opened an office in Kyiv. Several presidential candidates in Ukraine will speak this year at the Center. The Kennan Institute will also have a conference on rural Russia and a major conference on Stalin in the fall. Because of its lengthy association with Russia, the Kennan Institute has a standing and a credibility that few, if any, other American institutions enjoy.

—The Latin American program has recently organized meetings in Mexico that opened an important new dialogue concerning peace in the Chiapas province.

A similar type of effort to forge an internal peace process in Colombia is underway.

—The Center is often facilitating Track Two, non-official diplomacy. The Center plays this key role because of the deep respect it has gained internationally.

An important part of the Center's outreach involves not just the dozen or so books that the Center will publish a year on policy issues, but its journal and radio program.

The Wilson Quarterly, the Center's journal, is a unique, popular publication and one of the most widely circulated magazines of ideas, providing a one-stop survey of the world of ideas. Its 60,000-plus readers are spread across the country; less than 15 percent of them are academics. The Quarterly's recent articles include: America's "hyperdemocracy," the digital economy, the state of rural America, the politics and future of Brazil, the history of money and politics in America. The next issue will feature an article on Nelson Mandela's five years in office. And the Quarterly's section entitled Periodical Observer surveys more than a hundred academic and intellectual journals and reviews a few dozen of the more important articles.

The Dialogue radio program has been extraordinarily successful. Dialogue, a forum for the discussion of ideas, is now heard on over 200 public and commercial stations nationwide, 23 European stations over the World Radio Network, and worldwide by way of the Armed Forces Radio Network. Its domestic audience is well over 300,000. In the month or so, Senators Lugar and Moynihan, former Senator Paul Simon, and Jim Woolsey are among the guests on the show.

WHERE THE CENTER GOES FROM HERE

As impressed as I am with what happens at the Center, I think we can and will do better. I want to move the Center in several directions:

First, I intend to make the work of the Center more visible, more coherent, and more focused: a public affairs director will be in place this month to spearhead a more coordinated effort. The Center must work closely with its key constituencies in the policy world, including you and your colleagues. Collaborative programs with other institutes, universities, and the Library of Congress are also being explored.

Coherence can be achieved through better interaction between our visiting scholars and policymakers. The policymaker and the scholar are engaged in a common enterprise, said President Wilson, and both can benefit by this process.

I especially want to bring more coherence to the Center's work by putting more focus on a few central themes at the core of the Center's mission. Let me mention a few such themes:

—The United States role in the world and issues of partnership and leadership;

—Governance issues, including such issues as the key features in developing democratic institutions, democratic society, civil society, and civic participation;

—Key, long-term, future challenges facing the United States and the world, such as limiting the spread of weapons of mass destruction or sustaining global financial stability;

—Projects that reflect the broad interests of President Wilson; and

—Projects that help frame the context and provide the essential backdrop for some of our key public policy debates.

Not all research and program activity can or should fit into this or any straightjacket, but broad themes can increase coherence in the work at the Center.

Second, I want the Wilson Center to be a lively place, Washington's intellectual center. The April NATO Summit will take place in and around the Ronald Reagan Building, and some 60 heads of States may be here. We expect to schedule several major events and bilateral meetings during the Summit in our facilities. Other speakers are expected soon. National Security Advisor Sandy Berger, a Board member, is coming, and Secretary Albright, another Board Member and a recent visitor, has indicated that she wants to return to speak where she once was a scholar-in-residence. I am working to schedule appearances at the Center for Newt Gingrich, Bob Livingston, and David Dreier. Foreign leaders will also speak at the Center.

Third, I would like to expand some of our programs, activities and capabilities. For example, I want to see the Center do some work on Africa and expand work on the Middle East. In the United States Program, I am interested in such issues as: why do many Americans not vote, how do you increase civic participation, and how do you attract better people to government service. Some modifications in the Library are also needed to allow for greater use by scholars, and for better "electronic library" capabilities. And while the new facilities at the Center contain state of the art communications, I feel the Center should work towards an all electronic

media infrastructure that can significantly enhance our outreach capabilities. Such expansions will lead to increased requests at the appropriate time.

Fourth, we are increasing our fund raising efforts. I know this is a key concern of many of you. I am committed to increasing our private sector giving, and we will do so under the able leadership of Fred Bush, our Development Director, but the Congressional appropriations remains the essential base for our fund raising efforts.

The Center is in good financial shape, and we are on track to have our best year yet in unrestricted giving. And thanks to the wisdom of our investment policy committee (and with a little help from the bull market), our endowment has gone over the $30 million mark.

But we can't rest on these laurels. More than fifty percent of the Center's funding now comes from sources other than those appropriated for the Center. That trend toward greater reliance on private funding needs to continue. Our future growth will depend in large part on successful, private fund raising. I am committed to making several fund raising trips around the country in order to expand sources of funding for the Center.

CONCLUSION

The Wilson Center provides the model of how political discourse should proceed in a representative democracy. The Center is the place where the world of ideas and the world of practice come together—neither is suppressed; both are encouraged. Our premise is that by listening to all points of view, stepping back to take a broader view, and engaging in discussion, deliberation, and persuasion, people can make better decisions in a representative democracy. We believe in the free trade of ideas, that the best test of an idea is its power to get accepted in the competition of the market, and that, in the end, better ideas will prevail.

Our task is to make the Center a bright and shining intellectual mecca: we offer a place for thoughtful, objective, serious, nonpartisan dialogue on the key public policy issues of the day. With your continued support, the Wilson Center can remain a unique presidential monument in a city of monuments.

Thank you.

BUDGET REDUCTIONS

Senator GORTON. Lee, we concluded with you, so perhaps I will ask you your questions right now and be finished.

First, did you have anything to do with the budget submission that we have before us now?

Mr. HAMILTON. Not very much. It really was put into shape before I got there, and it is transmitted by me to you. It was shaped principally by Dean Anderson, who was the acting director.

Senator GORTON. What is your reflection on the reductions in the last several years? Has much of that been made up by private contributions?

Mr. HAMILTON. Well, I think the serious part of the reductions has been the sharp decline we have had in the number of scholars we were able to bring on board. We are going to make up some of that with private funding. But we have had a fairly sharp drop in the number of scholars, especially public policy scholars. Too sharp a drop, in my judgment.

Senator GORTON. Has it been a drop in quality as well as in quantity?

Mr. HAMILTON. I do not think so. I am uniformly impressed with the quality. We have a very rigorous selection process. I think almost any academic panel would look upon our scholars as being preeminent. They are very, very good. We are going to keep that quality high.

Senator GORTON. If you have more support, either public or private, will a restoration in the number of those scholars be your first priority?

Mr. HAMILTON. It will be among my first priorities. We have some things that have to be done. I mentioned the library electronic facilities. We want to upgrade some of the communication facilities. So along with those matters, and perhaps a couple of others, the priority would be for the scholars, yes.

Senator GORTON. Your predecessor said that getting everyone together under one roof was going to have a very, very positive impact. In a sense you weren't that familiar with them beforehand, but is that the reaction of——

Mr. HAMILTON. I think so. First of all, we are very proud of the facilities. It is a very nice working atmosphere. Having everybody together is a tremendous help for us in terms of internal communication. I think it will be a tremendous advantage for us.

Senator GORTON. Thank you very much. I have welcomed you before. We talked about this toward the end of your last term. I think the Wilson Center is very, very fortunate to have you, Lee.

Mr. HAMILTON. Thank you.

Senator GORTON. We are going to be happy to work with you.

Mr. HAMILTON. I appreciate that.

NATIONAL AIR AND SPACE MUSEUM—DULLES CENTER

Senator GORTON. Mr. Heyman, I think I will go backwards across the panel here. I would like you to tell me a little bit more about the Air and Space Museum extension at Dulles. It seems to me the schedule is an extremely ambitious one, considering the amount of money that has been raised. Is 2003 realistic? How are we going to get that money?

Mr. HEYMAN. Well, I will know better just before I leave how realistic that is. We have a very enthusiastic director of the Air and Space Museum in Don Engen, and he refuses to view any situation pessimistically. He might well be right.

We have—he, but with our help, has reorganized his campaign staff recently and I am considerably more optimistic now about its capacities to raise that money.

But as I say, there are going to be some very big asks made in the next 3 to 4 months. If those come in close to the asks themselves, then I will be able to report not only optimism but optimism based upon some facts. But I am optimistic.

Senator GORTON. Is $8 million to $10 million a year still your best estimate for the operational expenses when it is open?

Mr. HEYMAN. Well, you know, I have not gone over again how we budgeted that. I do know perfectly well that we are going to have to come in for some Fderal help with regard to staff, especially for maintenance and security.

What the sources of revenue are going to be for staff over time, I am not sure. The more endowment we can raise, obviously, the more we are going to be able to make that self-sufficient. The more that the enterprises out there, parking, theaters, restaurants, and shops are really successful, the less we will have to be looking for Federal help. But I think we will be ready by the next budget cycle to give you some much better estimations of what our future requests might be.

SMITHSONIAN BUSINESS VENTURES

Senator GORTON. Talk to me for a few minutes about your business ventures and the partial spinoff there. Obviously, you have been very successful and have the opportunity to be even more successful in that connection. But how does it relate to the senior management—how does the mix take place?

Mr. HEYMAN. Let me start this way: business enterprises, or the auxiliary enterprises of the Institution, reached their peak someplace in the mid-eighties, and since then they have not grown.

The nets that are realized have really not grown, even before inflation adjustment. The dollar figures have been pretty steady. We have given an awful lot of thought to whether or not those can be enhanced. We have examined, with the help of consultants, what other institutions that are somewhat similar to ours, nonprofits that carry on some of these kinds of activities, have done. We looked at a number of models with respect to trying to enhance the success of these auxiliary enterprises.

We put to the Regents three choices. One was that we should not do anything; one was that we really ought to spin these off and make them a for-profit corporation which is a subsidiary in some way to the Smithsonian; and the middle path was to try to proceed by getting a new organization internally to carry on the activities, which hopefully will enhance the success of these enterprises.

Well, under Howard Baker's sage leadership—you know, Howard is a Regent and has been chairman of the Regent's ad hoc committee on business—we chose the middle path. So what we are doing is, we are putting together a board of directors for the business enterprises.

Those are largely the magazine, the shops, the catalog sales, product development and licensing, and whatever it is that we are going to do in the media world, mainly in television and in film, and also what might go on commercially with respect to the Internet.

We have put together the first half of a board which consists of three non-Smithsonian people and three Smithsonian people. Actually, it is four and two, because our consultant for all of this is a member of that board. But he will be going back completely into the private sector pretty soon. They are going to select a CEO who has a kind of a background that will hopefully help bridge the gap between a very entrepreneurial activity and a cultural institution of our sort.

Obviously, having two Smithsonian members of that board, the Under Secretary and Bob Fri, the Director of the Natural History Museum, is going to help a lot with respect to that kind of coordination.

As I said, we had our first organizing meeting yesterday. The group heard a report from consultants who have been looking for potential candidates for CEO and concluded that there are some who look good, but they wanted to go a little more broadly in terms of the search. Then we will see, when a new CEO comes in, with hopefully a lot of advice from some of us in the Institution, but really putting them in a kind of separate de facto category.

Final decisions of note still are going to have to go through the Secretary. There are issues that will certainly still have to go to the Regents. But the Regents and the Secretary have concluded that we are going to try to keep our hands off the operations, to the extent feasible, in order to permit it to enhance itself.

Now, what will be the result of this? I suspect, for instance, just to give one mundane example, we will probably go to specialized catalogs as well as a single catalog, and we will be looking at practices that others are carrying on.

Probably our conversations that have been going on now for 2, 2½ years with especially film media will get enhanced by having people who are more expert in the business as well as in the content in those conversations. We might go into additional magazines in addition to the Smithsonian Magazine. There are just a lot of potential possibilities within the framework of what we do presently. I expect that is what will start to occur.

It is a brave venture, from my point of view, to mix these cultures. But, you know, there are other places that are doing it. The Metropolitan Museum of Art has had some experience with that. The National Geographic Society surely is having a lot of experience with that presently. Minnesota Public Radio has. There have been a number of bench marking opportunities for us, which would make one optimistic about the outcome.

WOODWARD AND LOTHROP BUILDING

Senator GORTON. Thank you. When you lost the Woodward and Lothrop building you lost one possibility for more space. What is the alternative?

Mr. HEYMAN. Well, there are a number of other suitable buildings in that general neighborhood, and we are busy at work at the moment making inquiry concerning them. Our probabilities are pretty high that we are going to be able to take care of most of the problems that we wanted to take care of with Woodward and Lothrop.

The joy of Woodward and Lothrop was not only location but its size and being able to come up with 350,000 to 400,000 square feet, which is sort of the range we need in order to be moving over rent-paying activities from other places to help in the financing of that building. But there are opportunities around and we are spending a lot of energy right this instant on exploring those.

Senator GORTON. I think maybe I will skip over to you, Mr. Wilker, because Woodward and Lothrop reminds us of the opera, and now you've got it. How has that impacted on the capital improvements at the Center?

Mr. WILKER. Now that the opera has decided to remain at the Kennedy Center as its home it has caused us to look again at the center block project, since the opera will be the largest user of the Opera House, and that is one of the largest portions of the center block project.

We will be in discussions with them over the course of this spring to determine what sort of impacts that will have on the way we go about doing our accessibility and life safety renovations of that particular facility.

So we haven't delayed the center block project. But we have reordered within that the elements that we will take first. So we are working on the building systems and other areas and will push back the Opera House about a year.

Senator GORTON. You say they will be the principal user of the——

Mr. WILKER. In terms of dates. They will have about 26 out of the 40-week regular season of the Opera House.

Senator GORTON. You were ecstatic, it seems to me, when you described the first renovation of the Concert Hall. It lived up to your expectations and everything that you thought would happen happened?

Mr. WILKER. Then some. And more. Not only was it a cost effective renovation, but I think from a patron's standpoint, in terms of usability, in terms of accessibility, particularly for disabled patrons, it was a successful renovation. It has been called by many members of the press a model of accessibility for cultural institutions in the performing arts. So we are very proud of having a facility that is so accessible and so user-friendly.

Senator GORTON. Back when this whole series of projects was first proposed, the 10-year plan was supposed to cost $171 million. How accurate now is that figure?

Mr. WILKER. We feel very confident that we can remain within that figure which we established at the beginning of the comprehensive plan. Each year we revisit the plan and update it and resubmit it to Congress, and we feel very good about staying within that budget.

RESTRICTIONS ON PAUL MELLON'S BEQUEST

Senator GORTON. Well, Mr. Powell, you get to be last.

With Paul Mellon's will, money, and paintings, do you have any restrictions on the use of the money or the way in which the paintings will be displayed?

Mr. POWELL. The bequest of funding is restricted to the two primary areas that Mr. Mellon has always been supportive of, which are acquisitions and educational programs. As far as the works of art go, we have no particular restrictions in terms of an obligation to display them all of the time or not. But they will be of such quality that we will want to display as many of them as we can.

ATTENDANCE

Senator GORTON. In your gratifying and high attendance, how do you ascribe the portions of that attendance that are due to these very highly publicized special exhibitions as against your regular exhibitions themselves? How much have they enhanced attendance?

Mr. POWELL. Well, I think the Special Exhibitions Program is part of the equation that attracts the public as well as scholars. We have had enormously popular exhibitions in the last few years. And Secretary Heyman mentioned earlier that the attendance at the Smithsonian has been increasing. Ours has likewise been increasing incrementally each year. Part of that is due to special exhibitions.

Many people come from outside the Washington area for special exhibitions, but the core audience is here. They tend to enhance one another. People who come for special exhibitions also then usually—I would say the vast proportion of them—go to the permanent collections.

Special exhibitions tend to also attract first-time visitors to museums. They might tend to come for a Van Gogh or a Sargent and then go on and see other aspects of the museum. So they are very much hand and glove.

Senator GORTON. Do you ever have lines just stretching around and around the block on a regular day?

Mr. POWELL. We have lines stretching not quite around the block but inside the National Gallery, down in the Rotunda, for the Sargent exhibition. Most of those folks seemed to be going off into the American and the Northern Galleries afterwards or before.

ART CARE FUNDING

Senator GORTON. One small budget item that I would like to ask about. Art care seems to be, as I understand it, $2 million less in the way that the budget request came to us than what was submitted to OMB. Is that a problem?

Mr. POWELL. We had put in a request for some support for the Art Nouveau exhibition——

Senator GORTON. I see.

Mr. POWELL [continuing]. The millennium exhibition, and that did not go forward. But that would not impact on anything other than that program.

Senator GORTON. I see.

Mr. POWELL. We are actively looking for support for that as we speak.

Senator GORTON. All right then. I should like to thank each of you for your dedicated service and for the great enthusiasm each one of you has shown for his institution, enthusiasm that we think is well-warranted. And assuming that the budget resolution and Senator Stevens are generous enough, we hope to be able to help you out.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR BRYAN L. DORGAN

MUSEUM OF THE AMERICAN INDIAN

Question. When will the ground-breaking occur and how long will construction of the Museum take?

Answer. The ground-breaking for the National Museum of the American Indian Mall museum is scheduled for September 28, 1999. Site preparation work will begin this summer. We expect to have a general contractor for the building on site by spring 2000. Our projected public opening date is December 2002.

Question. How is the collection being displayed in the interim?

Answer. The collection is one of the world's largest assemblages of artifacts of the indigenous cultures of the Western hemisphere and includes nearly one million ob-

jects ranging from the Arctic Circle to Tierra del Fuego, and includes the Caribbean. Eighty percent of the collection is archaeological and 20 percent ethnographic.

A portion of the collection is on display at the George Gustav Heye Center in the Alexander Hamilton U.S. Custom House in Manhattan. The Museum also has objects on display in Canada, Alaska, California, Virginia, Minnesota, Georgia and New York. And, three inaugural exhibitions are being planned for the opening of the Mall museum in 2002.

The majority of the collection currently is stored at the Research Branch which is located in the Bronx in New York. The Museum has initiated the process of relocating the collection to the Cultural Resources Center in Suitland, Maryland, which will be the home of the collection and serve as a research, conservation program and reference center for the Museum. In preparation for the move, a digitized image will be taken of each object which will make the collection more accessible to the public.

Question. What is the status of repatriation of Indian remains and grave goods (pursuant to Public Law 101–185) held by the Smithsonian?

Answer. *National Museum of Natural History Repatriation Activity.*—Summary reports of potentially sacred or patrimonial objects were completed and mailed to all federally recognized tribes in February of 1997. A total of 170 reports encompassing approximately 40,000 items from 193 cultures were produced and mailed to more than 1000 Native American organizations. A listing of some 200,000 culturally unidentified objects was distributed to the tribes in July of 1997.

By June 1, 1998, the Repatriation Office completed and distributed inventory reports of the human remains and funerary objects held in the anthropology collections to all federally-recognized Native American tribes, Native Hawaiian organizations, and Alaska Native groups. These reports met the NMNH's long-standing commitment to finish an inventory of its Native American collection, distribute the results to the tribes, and meet the deadline requirements of the 1996 amendment to the National Museum of the American Indian Act. More than 1000 reports were sent to Tribes, Native Villages, Native Corporations, and other Native groups. More than 15,000 cataloged sets of human remains in the physical Anthropology collection and more than 230,000 items in the archaeology collections were reported in the inventories. Each inventory report contained a complete list of all human remains and archaeological objects from a specific State or group of States depending on the aboriginal territories of the groups involved.

To date, skeletal remains of more than 3,224 Native Americans have been repatriated. By the end of 1999 an additional 1,500 sets of remains will be repatriated to tribes in the northern plains. This total, almost 5,000, returned by the beginning of the year 2000, represents approximately ⅓ of the collection of Native American skeletal remains in the Museum. This number constitutes, by far, the largest number of repatriations by any organization in the United States. In addition, the NMNH has already returned more than 1,000 funerary objects, of cultural patrimony, or sacred objects subject to repatriation under the law.

For complete details on the NMNH Repatriation Office and all of its activities please visit our web site at: http://www nmnh.st.edu/anthro/repatriation

National Museum of the American Indian Repatriation Activity.—The National Museum of the American Indian's Repatriation Office has developed a strategy for the return of human remains and funerary objects to their affiliated indigenous communities at the recommendation of the NMAI's Board of Trustees. This plan anticipates the Museum repatriating remains directly from the Research Branch, in the Bronx, New York, rather than after their relocation to the new Cultural Resources Center in Suitland, Maryland. The current time line for the relocation of the collection from New York to Maryland is approximately five (5) years. The goal during this five year period is to facilitate the return of as many previously deaccessioned human remains and funerary objects as possible. NMAI staff members responsible for the treatment and disposition of the human remains agree that this is the most respectful approach to this sensitive issue, avoiding any unnecessary handling or disturbance of the human remains.

OUTREACH TO AREAS OUTSIDE OF WASHINGTON

Question. What specifically are you doing to increase the accessibility of the Smithsonian's collection to people who are unable to visit Washington?

Answer. The Smithsonian Institution lends approximately 200,000 objects and specimens to over 1,300 domestic and 700 foreign institutions annually. Through this lending program, SI has assisted thousands of institutions with specific exhibitions and research projects. The Board of Regents adopted the Smithsonian Policy on Collections-Based Affiliations in September 1996 with the goal of dramatically

increasing outreach to other educational institutions, and thereby a broader public, through longer-term loans that would be paid for by a third party.

At this time, there are 22 active affiliations in 10 different States, the District of Columbia and Puerto Rico, and another 12 are in negotiation. A large number of 19th century collections from the Museum of American History have already been sent on long-term loan to Bethlehem, Pennsylvania, to the new National Museum of Industrial History.

The Institution has also begun an aggressive program to digitize a large number of the Institution's collections for the purposes of research, preservation and increased public access. Digitized images will be linked to information on the object, as well as to associated exhibits and educational curriculum material. The capabilities of the World Wide Web are being utilized to deliver rich data from the Smithsonian's vast collections and research on these collections.

Question. You referred to the SITES program and its outreach to rural communities. Can you provide me with a list of the communities served by the program? Are there any in North Dakota?

Answer. SITES' mission is to share Smithsonian collections and resources through traveling exhibitions to educational, scientific, cultural, and commercial institutions across the United States. Since 1952, SITES has circulated hundreds of exhibitions to thousands of locations in every State in the Union. Through an initiative called Museum on Main Street, SITES, in partnership with State humanities councils, provides rural museums with top-quality Smithsonian exhibitions and related public programs. Since 1994, 112 communities in 20 States (see list below) have participated in this program, enlivening the cultural landscape in isolated communities, and at the same time, reaffirming the Smithsonian's role as the "nation's museum." The North Dakota State Humanities Council has received information on Museum on Main Street, and SITES is awaiting their response to the most recent invitation to participate.

In addition to its Museum on Main Street exhibitions, SITES reaches smaller communities through a partnership with the American Library Association and through an innovative railroad project called Artrain. Two exhibitions from these programs are scheduled for North Dakota: Art in Celebration! was presented onboard Artrain in Minot from July 23–26, 1998; The Jazz Age in Paris: 1914–1940 will be shown at the Fargo Public Library from August 19—September 30, 1999. In addition, The Prairie Schoolhouse: A Photo Essay was shown at the Plains Art Museum in Fargo from November 28, 1998, to January 10, 1999.

RURAL INITIATIVE

PARTICIPATING COMMUNITIES

Butler, AL
Elberta, AL
Monroeville, AL
Scottsboro, AL
Bisbee, AZ
Jerome, AZ
Parker, AZ
Payson, AZ
Corona, CA
Lompoc, CA
Marysville, CA
Tulare, CA
Cartersville, GA
Cordele, GA
Dublin, GA
Gainesville, GA
La Grange, GA
Moreland, GA
Thomasville, GA
Waycross, GA
Boone, IA
Corning, IA
Spencer, IA
Wellsburg, IA
Carrollton, IL
Dixon, IL
Effingham, IL
Galena, IL
Lacon, IL
Lawrenceville, IL
Peru, IL
Pontiac, IL
Union, IL
Boonville, IN
Plymouth, IN
Salem, IN
Vincennes, IN
Arkansas City, KS
Colby, KS
Elkhart, KS
Fredonia, KS
Hiawatha, KS
Highland, KS
Lindsborg, KS
Winfield, KS
Alpena, MI
Caspian, MI
Cass City, MI
Charlotte, MI
Coloma, MI
Escanaba, MI
Grand Haven, MI
Lake City, MI
Milford, MI
Port Huron, MI
Ray, MI
Three Rivers, MI
Doniphan, MO
Madden, MO
Park Hills, MO
West Plains, MO
Auburn, NE
Cozad, NE
Fairmont, NE
Harrisburg, NE
Kidron, OH
McArthur, OH
Paulding, OH
St. Paris, OH
Astoria, OR
Grants Pass, OR
Heppner, OR
Milton-Freewater, OR
Moro, OR
Newport, OR
North Bend, OR
Philomath, OR
Prineville, OR
Brownsville, TN
Butler, TN
Clifton, TN

Greenville, TN	Culpeper, VA	Westport, WA
Castle Dale, UT	Lancaster, VA	Elkins, WV
Delta, UT	Pulaski, VA	Lewisburg, WV
Ephraim, UT	Bremerton, WA	Mannington, WV
Heber City, UT	Dayton, WA	Point Pleasant, WV
Kanab, UT	Goldendale WA	Ripley, WV
Monticello, UT	Ilwaco, WA	Romney, WV
Payson, UT	Metaline Falls, WA	Sutton, WV
Vernal, UT	Redmond, WA	Weston, WV
Wellsville, UT	Vancouver, WA	Wheeling, WV

LEWIS AND CLARK

Question. As you are aware, the bicentennial of the Lewis and Clark expedition is fast approaching. What is the Smithsonian doing to commemorate the event? Are any events or programs planned to occur at locations along the Lewis and Clark trail?

Answer. The Missouri Historical Society (MHS) is planning a major exhibition to open in St. Louis in January 2004 with loans of up to 1,000 objects from collections nationwide, and expects to share it with up to five museums across the country. Several Smithsonian curators and staff members are consulting on content and presentation. SITES is in the earliest stages of discussions with the MHS to develop a smaller version of the exhibition that can be shown at locations along the Lewis and Clark trail.

The National Museum of Natural History's (NMNH) Natural Partners Program is developing several national educational outreach projects using the Lewis and Clark theme. These projects will allow students and teachers to learn about the Lewis and Clark expedition by incorporating object-based learning utilizing the Smithsonian's collections. Several of these projects will involve a web site which will contain elaborate databases, curriculum, learning games, and project ideas. All of these projects will show how scientists conduct their research. The projects are as follows:

Digital Collections Database.—Natural Partners will be digitally recreating the natural history specimens, tools, weapons, instruments and other objects documented in the Lewis and Clark journals. They will develop an access and use strategy of the combined digital collections to maximize their value as a research and educational database for school children, teachers and scholars. The digitization project will be launched in 2002 to coincide with the Lewis and Clark 200th anniversary.

Mammals in the Schools.—Mammals in the Schools will bring mammal specimens to the classroom. This project will provide object-based learning activities based on the mammals that Lewis and Clark encountered on their expedition. Mammals in the Schools will also be launched in 2002.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. Please describe the extent of the Smithsonian's collection related to the history and development of the movie industry, particularly California's contribution to this industry.

Answer. The Photographic History Collection (PHC) in the National Museum of American History (NMAH) focuses on the professional and amateur developments in the history of the science, technology and art of photography. In 1896, the unit was established by the Smithsonian's first official photographer, Thomas Smillie. Because PHC arose out of the photography-producing unit of the Smithsonian, there has been a strong apparatus, process and technological interest in its 100+ years of collecting. PHC preserves approximately 150,000 images and 10,000 pieces of still and moving picture apparatus. The objects in the early motion picture apparatus collection in PHC are the roots of today's film industry.

The motion picture apparatus collection in PHC consists of approximately 1000 objects of which some 300 pieces (cameras, projectors, accessories and patent models) are pre-cinema and early motion picture (1790–1915). Films were transferred to the Archives Center, NMAH and the Motion Picture Branch at the Library of Congress.

The question regarding California's contribution to the movie industry is more fully answered by the professional historians in California, like Herb Farmer at the UCLA archives. The Smithsonian recognizes this important history and will continue to work collaboratively with places like UCLA to ensure that the Institution's collections and expertise reach the broadest possible public.

Question. The spring 1998 issue of Sixteen Frames, the Journal of the Movie Machine Society, reports that the Smithsonian has an extensive collection of early American movie apparatus which he describes as "valuable treasures, valuable because these machines so eloquently speak the language of American technological thinking. In them we find shadows of the long gone men who conceived and built them. Some of these treasures have not been seen for years." The article notes that the public does not have access to this collection in that there have been no exhibits.

What are the plans for preserving this collection?

Answer. The importance of the pre-cinema and early motion picture apparatus collection has re-emerged thanks to the recent efforts of John Hiller, a long-time Smithsonian staff member, who has been detailed part-time to PHC. Hiller, a California native, and an experienced and talented Smithsonian cameraman, has spent the last year and a half cataloging, describing and researching the collection. This work has resulted in a large database, with images, that will be mapped to the museum-wide collection information system database. Eventually this database will be available within the Museum and on the World Wide Web.

One of the benefits of Hiller's work has been his networking with motion picture and magic lantern societies, connecting with film historians and writing articles indicating to researchers, historians, scholars, film professionals and students that this collection exists and is available for study. The spring 2000 issue of the History of Photography Journal, the field's most prestigious and widely read periodical, has devoted an entire issue to PHC. Among the articles is one by Hiller. His article contextualizes the motion picture apparatus collection and its relationship to the rest of the collection.

The Museum's early motion picture apparatus is stored off-site at the Museum Support Center in Suitland, MD with the rest of PHC's equipment collection. Over the last seven years, the Museum spent considerable time and energy rehousing and cataloging every PHC object that went to the Suitland.

Question. Are there plans to expand it?

Answer. PHC actively collects in the history of early motion pictures as donation and purchase opportunities arise.

Question. Are there plans to prepare an exhibit for the public or otherwise provide the public an opportunity to view the collection and learn about the early years of the industry?

Answer. Like many of the collecting units at the Smithsonian, we no longer have a specific gallery in the Museum for permanent exhibitions. The Hall of Photography was disassembled in 1992. Those objects and others are made available as requested. As we move further into the digital age, more of the objects will be publicly accessible. In 1995, the Museum curated a History-in-the-News showcase, Magic Lanterns Magic Mirrors: A Centennial Salute to Cinema. The virtual exhibition can be viewed on the NMAH web site at: http://www.si.edu/nmah/ve/cinema/cinema.html. There are no current plans for a specific early motion picture exhibition. Creating such an exhibition would require extensive outside funding. However, the National Museum of American History is crafting the exhibition, "New Views into the Collections" in which PHC objects will be included. The Museum will continue to consider loaning objects to appropriate educational institutions for their exhibitions. PHC has also made objects available at several conferences and lectures for lecture attendees and conference members to view, study and discuss. PHC stafff requently answer individual inquiries about motion picture apparatus and are amenable to taking researchers, scholars, museum personnel and others to visit off-site storage.

Question. Is there a curator for this collection?

Answer. The Photographic History Collection department staff currently consists of three full-time staffwith the Curator of Graphic Arts as Acting Curator of Photography.

SUBCOMMITTEE RECESS

Senator GORTON. The subcommittee will stand in recess until 2 p.m., Thursday, March 18, when we will receive testimony from Hon. Bill Richardson of the Department of Energy, on energy conservation, fossil energy research and development, and other DOE programs.

[Whereupon, at 10:53 a.m., Tuesday, March 16, the subcommittee was recessed, to reconvene at 2 p.m. Thursday, March 18.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

THURSDAY, MARCH 18, 1999

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:03 p.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Campbell, and Byrd.

DEPARTMENT OF ENERGY

OFFICE OF THE SECRETARY

STATEMENT OF HON. BILL RICHARDSON, SECRETARY OF ENERGY

ACCOMPANIED BY DAN REICHER, ASSISTANT SECRETARY OF ENERGY

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. We will start this hearing. I certainly want to welcome you, Mr. Secretary. This is your first appearance before this subcommittee, though you do spend a fair amount of time up here before one committee or another.

Your fiscal year 2000 budget request for programs under this subcommittee's jurisdiction is a mixed bag. On the one hand, there is a 33-percent increase for the Energy Conservation Program; while a $256 million deferral is requested for Clean Coal Technology; a 5-percent decrease in the Fossil Energy R&D Program; and no funds for the Naval Petroleum and Oil Shale Reserves.

Each of these requests raises questions that we will get to later in the hearing. For now, I would like just to put the President's request in its proper context, given where I think we are heading in this budget.

The budget request, as a whole, employs a variety of new taxes, fees, and accounting gimmicks to reach a total discretionary spending level that is $25 billion above the fiscal year 2000 statutory discretionary cap enacted in 1997.

Very few of the proposals that produce this $25 billion in additional spending will be enacted by this Congress, and virtually none of that amount is likely to be available to the Appropriations Committee when it begins to work on the bill for the year 2000.

The Interior Subcommittee's pro-rata share of this $25 billion would be about $625 million, which would eliminate a large share

of the $1 billion increase requested by the President for Interior bill programs.

We are, however, likely to take far more than a pro-rata share of this reduction, as it is the intention of the Republican leadership to make increases in education and defense spending high priorities within the existing caps.

This ultimately means the subcommittee will be fortunate to so much as maintain the fiscal year 1999 funding levels. It is also worth noting that the increases in pay costs for federal workers and GSA rental rates, items over which this subcommittee has very little control, will amount to more than $290 million for the Interior bill agencies in fiscal year 2000.

These costs must either be funded or absorbed by programs. While we will continue to challenge agencies to find ways to deliver programs more efficiently, in the context of flat or reduced subcommittee allocations, these mandatory cost increases leave no room for large program increases, such as those contemplated in the President's request for energy conservation programs.

In this environment, Mr. Secretary, we will need your assistance and that of your staff in setting priorities. We will be compelled to make tough choices, but I firmly believe we will make better choices if we have the benefit of your expertise and candor.

Senator Byrd is now here. And Mr. Secretary, I must confess to you that right now there is a Kosovo briefing going on upstairs in the Capitol. There are two rollcall votes on the floor of the Senate, set for approximately 2:30. I am a member of the Budget Committee. We will have three votes sometime shortly after that.

So, as a practical matter, I think we have got 30 minutes for your statement and for questions. That does not reflect the importance of what you have to say or our view of the importance of the programs that you are backing here.

And I, once again, reiterate that we are really going to want your help and cooperation as we go through a difficult year, and to tell you that from my own personal point of view, your response to my requests, since you have been confirmed as Secretary, have been thoughtful and—and really reasonably affirmative. And I certainly thank you for that and have enjoyed our relationship.

Given our short period of time, Senator Campbell, I would——

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Mr. Chairman, I agree with you, we have a very short period of time. And I think what I will do is submit my questions for the Secretary in writing.

I just have to say, I am happy to see that he is here and healed up pretty well since yesterday's being a witness in front of our joint committee. But I did want to say, since I will also have to leave, that I have some real concerns.

I am—I—my friend from New Mexico, by the way, Mr. Chairman, we—we voted on the southwest Colorado when I was in the House side serving with him on the Interior Committee. He was from north New Mexico. And so, we spent a lot of time together. And he is very, very knowledgeable about all of the things we face out there.

Today, I would hope that—even though it is not perhaps directly in your testimony, that you would reassure us that you are absolutely and firmly committed to getting that annum sublata done.

And second, we obviously have this problem with Rocky Flats in our State. And I would—he has made it a priority. I think that is reflected in the Administration's budget this time, but I am concerned with one thing that I am hearing through the DOE, that they are talking about building temporary facilities, like tents, to store some materials that are radioactive, some hazardous, called TRUW or Transuranic Waste. And I want him to assure us that that is not going to prolong the closing in 2006. And that, in fact, it is temporary.

And also, I understand the DOE is talking about adding more work to Rocky Flats. And I cannot understand how you are going to put more work into Rocky Flats and still be committed to closing it by 2006.

But I just wanted him to know that I am going to explore some language to put in this committee's bill that would require that if those temporary facilities are built here, that they are safe, they are temporary, and in fact, they will not add to the timing of the closures.

And with that, Mr. Chairman, if I have the time, I might ask a few questions later, but I would ask you—the Secretary to send his answers back to us if we do not get back to him.

Senator GORTON. Senator Byrd, you, obviously, are very welcome here. As you know, we have rollcalls at—votes at 2:30, and then a Budget Committee Markup.

Senator BYRD. Yes.

Senator GORTON. So, I think this is going to be a fairly short time with the Secretary, but we would be delighted to hear what you have to say, because your State is certainly affected by this budget.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you. Thank you. And thank you, Mr. Secretary. You are here to defend the President's budget proposal for some of these programs that are very vital to the nation. But I am not sure that this budget request is defensible.

The President proposes sizable funding deferrals and reductions in the Clean Coal Technology Program and in fossil energy research and development, two of the most important programs in the Interior bill.

These two programs are critical to the resolving of climate change issues in this country and also overseas, and can provide significant sales for U.S. companies abroad.

In my opinion, the budget request of the Administration indicates a lack of understanding about the importance of these programs and a lack of cohesive energy and climate change policy. And it seems incredibly out of balance with the energy research and technology needs to move our country and the world into the 21st century.

Now, taking a close look at Clean Coal Technologies, coal is an important, abundant, and cost-effective source of energy for our country and the world. And we have made great progress in devel-

oping technologies for burning coal more cleanly and efficiently. But there is more important work to be done.

About $385 million in program obligations of the original plan remain to be funded. Yet the President's budget request for fiscal year 2000 proposes a huge deferral of $256 million.

Does not this deferral and the companion threat of no future funding place the program in jeopardy? Deferral sounds so harmless. Well, we are just delaying that. Just putting it off. You come back next year with your appropriations for it. But it is difficult to come back next year and get the appropriations, because we have to find offsets next year for any appropriations we add.

So, we make for ourselves real problems for the next go around, when we have these deferrals.

CLEAN COAL TECHNOLOGY

So, what assurances can you offer that the Clean Coal Technology funds proposed for deferral in the President's fiscal year 2000 budget will ever be made available to complete the current obligations of the Clean Coal Technology Program?

Senator GORTON. OK. I think we better give you your—your opportunity at this point. And if you would like to answer that question as part of your opening statement——

SUMMARY STATEMENT OF HON. BILL RICHARDSON

Secretary RICHARDSON. First of all, I am delighted to testify before you and this committee, and not on China.

Second——

Senator GORTON. Good thinking.

PREPARED STATEMENT

Secretary RICHARDSON I will also not give a 30-minute opening statement, which I had.

Senator GORTON. We'll include that in the record.

[The statement follows:]

PREPARED STATEMENT OF HON. BILL RICHARDSON

Mr. Chairman, and Senators, it's my pleasure to be with you to discuss the Department of Energy's budget request for fiscal year 2000.

Thank you for your support in helping ensure that the Department of Energy continues succeeding in its missions which are crucial to America's future. I know that several of you have major DOE facilities in your States and you work closely with our people. In return, we want to be good neighbors to you. I plan to spend a lot of time "on the ground" at these sites. I've already visited more than 25 of our sites since coming to the Department this past August. I look forward to working closely with you to maximize the value of DOE's presence in your States.

I knew I was taking on an important challenge by coming to the Department. For several years now, DOE has been asked to do more for the nation while using fewer resources. Our staff has been cut by 25 percent in less than four years while its responsibilities have grown. Also, quite frankly, the Department needs a thorough examination and infusion of the same pioneering spirit that enabled it and its predecessor agencies to achieve spectacular successes and to benefit our nation immensely. As I view DOE today, it doesn't need rebuilding, but I think its batteries need a good recharging. That's where I see my role. I'm here to help provide a new perspective to the Department and to help make it one of our best cabinet agencies.

SCIENCE, SECURITY AND ENERGY: POWERING THE 21ST CENTURY

In this year's State of the Union message, the President set a bold agenda to lead our nation in meeting the challenges of the 21st Century. The Department's capabilities place it at the forefront of America's technological advance into the next millennium. This budget will enable our people to use DOE's capabilities in science, security and energy to power the 21st Century with American ingenuity, competitiveness, and technological breakthroughs that will dramatically improve our quality of life.

The President's agenda and budget build on a record of accomplishment. For example, just five of the technologies and innovations developed through this Committee's funding are responsible for over $33 billion in net savings to consumers and businesses—that is, energy savings less any additional costs of the associated efficiency improvements. The five innovations are: the flame retention head oil burner, the efficient refrigerator compressor, building design software [DOE–2], the electronic fluorescent lamp ballast, and advanced window coatings. All were developed by DOE, and are successful commercial products, today holding market shares from 15 to 100 percent. DOE's total cost to develop these technologies was less than $30 million. Our success formula seeks to improve technologies and methods and to work with industry, consumer groups, and other organizations to accelerate market acceptance of those improvements.

Another example of the value of federal and private sector partnerships in research and development is the Partnership for a New Generation of Vehicles (PNGV). DOE is cost-sharing with private industry to develop a smarter, smaller, less expensive electric power system for the "car of the future." They've already shrunk this system from the size of a large suitcase to smaller than a shoe box. Now they're working to cut its $10,000 cost to less than $500.

Our environment is cleaner today than at any time in the past quarter century. Still, global climate change poses major environmental challenges for the entire world. Our efforts at Kyoto helped negotiate an international agreement to reduce greenhouse gas emissions in an environmentally strong and economically sound way. Research and development, and accelerated use of energy efficient and clean energy technologies are major components of the President's Climate Change Technology Initiative (CCTI). Even without global climate change, these investments are wise national policy, increasing our energy security, improving our air quality, and strengthening our national economic competitiveness. Our budget seeks to increase support for CCTI programs by about 25 percent. Included among this broad and balanced R&D portfolio are: clean, advanced fossil energy technologies; carbon sequestration; and, energy efficiency applications in the building, industry, and transportation sectors.

We are requesting a 33.4 percent increase for Energy Conservation. Programs benefitting the most are in the Building Technology, Transportation and Industrial sectors, and the Federal Energy Management Program, which will enable us to pursue our ambitious goals of: cutting energy use in new homes 50 percent by 2010; lowering power bills for America's most energy intensive industries, making them even more competitive internationally; continuing cuts in federal energy use so by 2005, it's reduced by 30 percent from its 1985 level; weatherizing nearly 80,000 homes to make winters warmer and summers cooler for low-income residents, while lowering utility bills; and, providing ways to cut school energy costs through "Energy Smart Schools".

The U.S. is expected to remain dependent on fossil fuels for about 85 percent of its energy consumption for at least the next 20 years. One of the Department's key goals is to ensure that economic benefits from low-priced fossil fuels do not come with unacceptable environmental costs or energy security risks. Natural gas can play a key role in slowing the rate of carbon dioxide emissions and be a bridge to a renewable energy future. The programs in this budget include a portfolio of activities designed to accomplish this.

Preserving America's energy security is among the Department's chief responsibilities, and one which this Committee has worked hard to ensure. Today's world-wide, near-record-low oil prices have adversely affected domestic oil production, as well as increased U.S. oil consumption, resulting in greater dependency on imported oil. In fact, as the world's largest consumer of fossil fuels, the U.S. imported about half its 1998 daily oil consumption of 18.7 million barrels.

The 1973 oil embargo pointed out how vulnerable we had become to supply disruptions in foreign oil. Since then, we've diversified our suppliers and prepared for unexpected supply disruptions. In fact, with this Committee's help, we've stored 561 million barrels in the Strategic Petroleum Reserve (SPR). We're requesting $164.0 million to operate the SPR in fiscal year 2000, without having to rely on the sale

of oil. As you know, we are planning to partially refill the SPR with federal royalty oil from the Central Gulf of Mexico, which I announced two weeks ago. In a cooperative transfer from the Department of Interior, we plan to replace about 28 million barrels which were sold in fiscal year 1996 and 1997, largely for deficit reduction purposes. I feel it makes good business sense to take advantage of today's low oil prices to rebuild our reserves. At the same time, we're enhancing our national energy security, increasing our strategic assets, and getting a very good deal for the American taxpayer. This plan would enable the government to add oil to the SPR without an appropriation or any budget offsets.

To concentrate its resources on the most pressing problems, the Department's Fossil Energy program has integrated its R&D activities in petroleum and natural gas to maximize advantages of technologies that benefit both oil and gas production. Examples of this shared R&D include advanced seismic technologies, new drilling systems, and more cost-effective environmental compliance options. This work could yield an extra one million barrels of oil per day and more than two trillion additional cubic feet per year of domestic gas production by 2010. These expected DOE and industry breakthroughs could ultimately save the oil and gas industry $16 billion in environmental compliance costs by 2010.

FY 2000 BUDGET REQUEST

The Department's fiscal year 2000 budget request, before the Interior and Related Agencies Appropriations Subcommittee, proposes funding of $1.229 billion, a 1.9 percent reduction, or $23.7 million below the fiscal year 1999 appropriation. The reduction in budget authority is the result of an increased deferral of Clean Coal Technology funding, from $40.0 million in fiscal year 1999 to $256.0 million in fiscal year 2000, and the ability to fund the required $21.2 million operating budget of the Naval Petroleum and Oil Shale Reserve account entirely from prior year balances. A total of $375.0 million is proposed for Fossil Energy R&D, offset by $11.0 million in prior year balances.

Within the total request, we are proposing $837.5 million for Energy Conservation; a 2.4 percent increase, to $164 million, for the Strategic Petroleum Reserve; and an 11.0 percent increase, to $2.0 million, for Economic Regulation activities. The request for the Energy Information Administration rises by 3.0 percent, to $72.6 million. Following are highlights of some of the specific activities we are proposing for fiscal year 2000.

ENERGY EFFICIENCY

The Energy Efficiency programs funded by this Subcommittee improve fuel economy of automobiles and other vehicles, increase productivity of the nation's most energy-intensive and polluting industries, and improve energy efficiency of buildings and appliances. The fiscal year 2000 budget requests $837.5 million for the Department's Energy Conservation programs, an increase of $209.8 million over the fiscal year 1999 level. An amendment to the Petroleum Overcharge Distribution and Restitution Act, contained in the Omnibus Consolidated and Emergency Supplemental Appropriations for fiscal year 1999, transferred most of the refined product funds held in escrow for payment of refund claims to EE for use in Energy Conservation programs in fiscal year 1999. As a result, there will be no PODRA funds used for funding EE during fiscal year 2000.

Transportation economies for the 21st Century.—The U.S. transportation sector depends on oil for 97 percent of its fuel requirements. The Office of Transportation Technologies (OTT) funds research, development and deployment of technologies that can significantly alter current trends in energy usage. Developing and commercializing these innovative technologies and alternative fuels is the nation's best strategy for diversifying our use of fuels and dramatically reducing criteria pollutants and greenhouse gas emissions from the transportation sector. The DOE is a leader in the government's Partnership for a New Generation of Vehicles (PNGV) which focuses on significantly improving automobile energy efficiency and reducing emissions. The fiscal year 2000 PNGV request of $143.1 million, a $15.0 million increase, will focus on key component technologies, including fuel cells, advanced direct-injection engines, exhaust control, advanced batteries, and electronic power controllers. An increase of $2.8 million in the Clean Cities program, providing $10.7 million for fiscal year 2000, will advance infrastructure development to speed the deployment of alternative fuels in over 65 communities.

Industrial energy technologies.—Industry consumes over one-third of the energy delivered in the U.S. and spends tens of billions of dollars annually for pollution abatement and control. Nine industries account for 75 percent of the energy used in manufacturing: forest products, steel, aluminum, metal-casting, chemicals, petro-

leum refining, agriculture, mining and glass. These industries also account for over 80 percent of pollutant emissions and over 90 percent of the waste produced by U.S. manufacturing. The Office of Industrial Technologies focuses on developing innovative technologies to assist the nation's most energy-intensive industries to become more resource efficient and economically competitive, and pollute less. The budget requests $171.0 million for the Industries of the Future program. This amount reflects a reduced requirement of $21.0 million in the Turbine program, which has reached a stage where less government funding is needed. Thus, the $171.0 million request actually represents an increase in all the remaining Industries programs.

Improved energy efficiency for building technologies.—America's homes and offices consume $232.0 billion worth of energy each year. Heating and cooling, lighting, appliances, and equipment account for over one-third of U.S. carbon dioxide emissions. The Department is requesting $335.9 million for the Office of Building Technology, State and Community Programs (BTS), including $88.2 million for Building Research and Standards, $41.4 million for Building Technology Assistance—non grants, and $154.0 million for the Weatherization Assistance Program and $37 million for the State Energy Program. The budget allows the Department to implement technology roadmaps and provide the next generation of energy-efficient, environment-friendly technologies industry requires.

Federal Energy Management Program.—As America's largest energy customer, the Federal Government spends $8 billion each year on energy for its facilities and operations. The Federal Energy Management Program (FEMP) helps federal agencies identify, finance, and implement energy efficiency improvements for their facilities. This saves money for U.S. taxpayers through reduced federal energy spending. The FEMP request for fiscal year 2000 is $31.9 million, an increase of $8.1 million over fiscal year 1999.

Management Improvements.—During the past year, the Department of Energy has intensified its efforts to increase competition, achieve results-oriented quality and performance program measures, and increase efficiencies in management of construction. As part of these efforts, the Office of Energy Efficiency and Renewable Energy has been focusing on resolving long-standing management issues to increase dividends from its investments in new energy technologies. Specific management reforms accomplished this past year, and new initiatives, include:

Strategic Planning for Results and Technology Roadmaps.—EERE is developing a results-oriented strategic plan, building on technology roadmaps being developed, and focusing on procurement and business strategies.

Increasing Competition and Refining Merit Review Processes.—EERE is increasing funds competitively awarded, by issuing both targeted and broad-based solicitations for research, development, and demonstration proposals, and for information dissemination and outreach. The Broad-Based Solicitation for Information Dissemination and Outreach, issued in December, 1998, has attracted more than 400 applications. We are convinced it will bring many new, high quality participants, including leading universities and researchers, into DOE's energy-efficiency community. Also, in 1998, the Department completed the competition for its billion-dollar management and operating contract for the National Renewable Energy Laboratory in record time and with an improved focus on mission results.

Managing Smarter.—EERE has reduced its uncosted balances for Energy Conservation Research and Development programs by 38 percent between the beginning of fiscal year 1996 and the beginning of fiscal year 1999. It also has increased the proportion of funding for mission functions and reduced the proportion for support costs.

Strengthening Program Integration.—Recognizing solutions to energy challenges often cross sector lines, EERE is increasing integration across technologies and across their applications. Two leading examples are Bioenergy and the EnergySmart Schools Initiative.

Leveraging Federal Investments by Expanding Partnerships with Federal, State and Other Entities.—EERE is working closely with national laboratories, businesses, universities, nonprofit organizations, and the Congress to establish R&D priorities, conduct high-priority research, facilitate private-sector technology deployment, and disseminate information. Their EERE Regional Support Offices are strengthening delivery of services at State and local levels.

Increasing Emphasis on Project Management.—As EERE increases its role in demonstration projects, it will strengthen its capabilities in project management of costs, schedules, and performance.

Emphasizing Program Evaluation and Continuous Improvement.—EERE has discontinued activities that have not met predetermined goals and will continue to modify its strategies based on results from its program analysis and evaluation.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

The fiscal year 2000 request for Fossil Energy Research and Development is $375.0 million, including $11.0 million from prior year balances for a net fiscal year 2000 request of $364.0 million. This level continues investments in advanced technological concepts, such as the capture and sequestration of CO_2, and development of advanced, highly efficient, power generation and fuel producing technologies that together could reduce, or perhaps nearly eliminate, carbon emissions from fossil fuel facilities. In a world nearly 90 percent dependent on fossil fuels, development of new technologies along these lines will help maintain strong economic growth while meeting existing and new environmental goals.

The Department's fiscal year 2000 Natural Gas and Petroleum programs continue to emphasize technology transfer, especially to independent producers that make up an increasingly large share of the domestic oil and gas industry. The fiscal year 2000 program also includes support for follow-on advanced oil recovery projects, especially where prior field tests have shown that such projects could be the difference in keeping oil flowing in fields that otherwise would be abandoned.

Coal.—The fiscal year 2000 request for advanced coal-related R&D technologies is $122.4 million, which is basically the same as fiscal year 1999. The program will begin to couple progress made to date in advanced gasification and combustion systems, coal conversion, and environmental controls, with potentially revolutionary approaches to carbon sequestration, in a concept called the "Vision 21 Powerplex." Its goal is to develop a set of advanced technology modules that could be configured into a new class of fuel-flexible facilities for both central and distributed energy production in the 2010–2030 time frame. These new facilities would be capable of coproducing electric power, process heat, and high value fuels and chemicals at peak efficiencies with virtually no emissions of air pollutants. The $28.9 million for the Vision 21 concept could ultimately be combined with the $9.1 million in fiscal year 2000 funding elsewhere in the FE R&D budget for carbon sequestration, to produce a class of fossil fuel-based energy complexes with virtually no environmental impacts outside of their physical "footprints." Work also continues on characterizing and reducing pollutants such as particulates (PM2.5), air toxics, and NO_X from existing powerplants.

Petroleum.—The fiscal year 2000 request for Oil Technology activities is $50.2 million, an increase from the fiscal year 1999 appropriation of $48.6 million. The majority of the Department's Oil Technology program continues to focus on providing independent producers with advances that can keep oil flowing from U.S. reservoirs that would likely be abandoned with conventional technology. In the fiscal year 2000 budget, funding for a preferred "Petroleum Upstream Management Practices" (PUMP) program will be initiated, focusing on best management practices, data management, and effective environmental compliance.

Gas.—The fiscal year 2000 request for gas-related R&D is $105.3 million. The supply portion of the Gas budget, $25.9 million, will continue to focus on advanced technologies that can locate and produce gas that otherwise would be bypassed or unmarketable. In addition, a small $2.0 million R&D program in methane hydrates is being initiated with the long-term goal of converting the large potential gas hydrate resource (estimated at up to 200,000 trillion cubic feet, or over one hundred times the amount of US conventional gas resource) into economic gas reserves. The gas budget also continues to support two high-priority power generation technologies—High Efficiency Gas Turbines, and Advanced Fuel Cells—that could enhance the future use of natural gas, as well as ultimately contribute to higher-efficiency coal-based power generation. In the power generation Advanced Gas Turbine program, DOE is requesting $41.8 million, which will enable it to complete full-scale component/subsystem testing and engine manufacturing, and begin full speed prototype testing of a new class of gas turbines with unprecedented efficiency and environmental performance. DOE is requesting $37.6 million for the Fuel Cell program in fiscal year 2000, to continue R&D to reduce costs and improve performance for market-ready systems early in the next decade. In fiscal year 2000, the program will begin testing of the first market prototype solid oxide fuel cell at commercial sites for distributed power applications. In addition, $5.0 million of fuel cell activity is included in the Vision 21 activity in the Coal program.

STRATEGIC PETROLEUM RESERVE

The Strategic Petroleum Reserve (SPR) remains a crucial element of our national energy security policy. The fiscal year 2000 budget request for SPR operations and maintenance is $159.0 million, a 1 percent reduction from the fiscal year 1999 appropriation and a 44 percent reduction from fiscal year 1996's peak level of $284.1 million. These reductions reflect the successful completion in fiscal year 2000 of the

Life Extension Program and Weeks Island Decommissioning, as well as the completion of treatment for gas-in-oil by the end of the first quarter fiscal year 1998. This 1 percent decrease reflects the resumption of post Life Extension Program full standby operations and maintenance activities offset by the reduction in funding for the Life Extension Program. The fiscal year 2000 budget request for the SPR Petroleum Account is $5.0 million. At the end of fiscal year 1998, the account's remaining balance of $33 million was capable of supporting approximately 55 percent of a full SPR emergency drawdown for a six-month period. This addition assures the capability to sustain drawdown operations for close to four months of the six-month performance criteria.

Although the budget does not request funding for oil acquisition, the Administration has determined that the very low price of oil makes this an ideal time to replace the oil that was sold during 1996 and 1997 for budget balancing purposes. In addition to the transfer of 28 million barrels of federal royalty oil from the Department of Interior, I have directed that the remaining unutilized capacity of the SPR be offered for private storage, thereby adding oil to the SPR.

CLEAN COAL TECHNOLOGY

The fiscal year 2000 budget reflects a net amount of $246.0 million of previously appropriated budget authority be deferred until fiscal year 2001 and beyond. The proposed deferral of funds reflects schedule delays, primarily resulting from project restructuring activities. The 40 active projects have a total cost of $5.7 billion, of which DOE has committed $1.9 billion. At the end of fiscal year 2000, 29 projects are expected to be completed and one additional project is expected to complete operation and begin preparing final reports. Four projects are expected to be in operation, three projects in construction, and three projects in design. At the end of fiscal year 2000, two projects are expected to have outstanding obligation commitments. In fiscal year 2000, the Clean Coal Program will complete the demonstration of Pinion Pine, the third integrated gasification combined cycle project, using air-blown gasification and hot gas cleanup for improved thermal efficiency; and continued operations of the Polk project in order to establish the engineering foundation leading to a new generation of 60 percent efficient powerplants.

NAVAL PETROLEUM RESERVES AND OIL SHALE RESERVES

The fiscal year 2000 budget of $21.24 million is to be funded entirely from prior year balances. No new funds are being requested for fiscal year 2000. During the fiscal year, ongoing activities will be funded from prior year balances which resulted, in large part, from terminating operations at NPR–1 during fiscal year 1998. Fiscal year 2000 ongoing activities include the continued operation of the Teapot Dome Oilfield, the Rocky Mountain Oilfield Testing Center, environmental remediation activities at Teapot Dome, environmental and cultural resource assessments at NPR–1, with some remediation activity anticipated, finalization of NPR–1 equity shares with Chevron, and continued oversight of the NPR–2 property and leases.

Elk Hills School Lands Fund.—Section 3415 of Public Law 104–106 provides for the settlement of longstanding claims to certain Elk Hills lands by the State of California. Under the terms of the settlement, a contingency fund has been established in the Treasury for payment of nine percent of the net sales proceeds generated from the divestment of Elk Hills over a seven-year period. Provided funds are appropriated annually, the Department will pay the State of California Teachers' Retirement Fund $36.0 million each year for five years which began in fiscal year 1999. Any remaining balance due after the five years shall be paid in two equal installments in years six and seven unless the seventh payment is deferred due to delay in the equity finalization process. For fiscal year 2000, the Department is requesting $36.0 million for the second payment to the State of California Teachers' Retirement Fund.

The Office of Fossil Energy has modified its research and development program significantly through the use of the strategic planning process and the development of detailed program plans and road maps often done in conjunction with the industrial and technical communities as well as other portions of the Department.

Field operations have been successfully consolidated into the Federal Energy Technology Center (FETC) which is now fully operational. In addition, the privatization of the National Institute of Petroleum and Energy Research (NIPER) has been recently completed, reducing the costs of conducting oil research and increasing the amounts of funding for competitive research.

With the sale of the giant Elk Hills oil field in California, we have begun to significantly reduce the Federal presence in competition with the oil industry. The Oil

Shale Reserve in Colorado has been transferred to the Department of the Interior for leasing and other reserves will be transferred or closed in the next several years.

ENERGY INFORMATION ADMINISTRATION

The fiscal year 2000 budget request is $72.6 million which will fund EIA data and analysis activities supporting issues related to energy use. This level will enable EIA to produce approximately 240 reports and analyses covering a wide variety of energy issues, respond to about 300,000 inquiries and requests for energy information, overhaul their energy consumption surveys and continue overhaul of their electricity and natural gas surveys and data systems. The following programs are included: efficiency and renewable data collection and analysis; end-use energy consumption surveys; greenhouse gas data collection studies; mid-term energy demand modeling; and integrated end-use energy data compilation.

ECONOMIC REGULATION

The budget request of $2.0 million, for the Office of Hearings and Appeals (OHA), is for processing applications for refunds and for related activities arising from the regulatory program initiated under the Emergency Petroleum Allocation Act of 1973. OHA will transfer a portion of the money collected by the Department with respect to crude oil price violations to the Treasury Department for deficit reduction.

CONCLUSION

The Department of Energy's proposed budget for fiscal year 2000 will provide our scientists and engineers with the tools, facilities and processes to help lead this nation into the new millennium. The technological breakthroughs which lie ahead will provide improvements to the quality of life of all Americans. With your continued support, the Department of Energy will produce the science, security and energy to power this nation in the 21st Century.

CLEAN COAL TECHNOLOGY PROJECTS

Secretary RICHARDSON. I will go straight into answering questions, if that is agreeable to you.

Senator GORTON. All right. Why don't you answer Senator Byrd's question, first——

Secretary RICHARDSON. Yes; I will.

Senator GORTON [continuing]. Since he just presented it to you.

Secretary RICHARDSON. Senator Byrd, I do not want you to take a signal on the deferral that we are not committed to the Clean Coal Technology Projects. The funding being deferred is not needed until fiscal year 2001, and later for the two remaining projects; one in Illinois and one in Utah, that are not fully funded together.

We have recently approved restructuring and design extensions for both of these projects for purposes such as obtaining environmental permits. Both projects have adequate funding to complete these tasks. We have funded 38 out of the 40 projects that I believe are out there.

I want to commit to you, Senator—I know that you care a lot about coal—that we will develop cleaner, more efficient coal technology. I want you to know that I am committed to deal with being more positive and generous toward coal, both in the budget and in terms of our policies.

Senator BYRD. Mr. Chairman, are we asking questions at this point or not?

Senator GORTON. We are. The Secretary sort of just put his opening statement on the record, because we only have a few more minutes. Would you like a follow-up question on that?

Senator BYRD. I would like.

Senator GORTON. Go right ahead.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

Senator BYRD. Well, I am deeply troubled by the implications of this proposed deferral. It appears to be a clear indication that the Administration does not understand or appreciate the importance of fossil energy and fossil energy research.

This budget proposal sends a signal to the industry and the power community that coal is not needed. The deferral, in essence, robs one proven and worthy program to pay for other increases included in the President's budget.

The deferral means that the committee will be asked in the out years, to find replacement funding for the Clean Coal Technology Program. I look forward to working with you and other members of the committee to resolve this issue in a positive fashion, that leaves no doubt as to the importance of coal to our society.

My follow-up question is this: Why does the President's budget include a decrease for fossil energy research? Most of the other energy programs show at least modest increases in the President's budget. But this program, which is so important to the energy stability and health of our nation, is decreased. Proposed funding for coal research is down and so is the proposed funding for natural gas research.

Overall, the amount proposed in the President's budget request for fiscal year 2000 for the Fossil Energy Research and Development Program is $20 million less than was enacted for fiscal year 1999.

Now, why is that?

Secretary RICHARDSON. Senator, let me just say that I know you would have preferred a plus-up in the fossil energy budget, relative to the fiscal year 1999 level. I, too, wanted to do more for fossil energy, but the budget caps were too tight. We did win a victory with OMB, in that we were going to experience a deeper cut, but we have come very close to last year's request.

The $364 million requested for fiscal year 2000 in fossil energy continues investments in technology, such as the capture and sequestration of carbon dioxide, development of advanced power generation and fuel producing technologies that could reduce carbon dioxide emissions.

I also want you to look at the recent initiative, Senator, that I've done on oil and gas, that involve the Strategic Petroleum Reserve, that involve making it easier to drill in federal lands, and that involve several other initiatives to help the oil and gas industry.

We also need to consider the multi-billion dollar Clean Coal Technology Program, which has been successful over its lifetime. As I said, we got $50 million more than what was contained in the original passback from OMB.

But Senator Byrd, I said to you that I was going to be a Secretary of Energy that would not turn his back on coal; that will do more for coal. I commit to you that when I have full control of my budget—in the next cycle, because, as you know, I came in September—that you should look at my coal research budget. And I think you will be pleased. But we will work with you to keep the monies in there, the projects going, and recognize the importance of coal in our future.

Senator BYRD. Well, I appreciate that, Mr. Secretary. And we will work together in this regard.

I just point out, Mr. Chairman, that as I indicated earlier, most of the other energy programs show at least modest increases in the President's budget. But this program, this program which is so important, is decreased. And support for the program directly supports FETC. It creates jobs in West Virginia. It helps the energy economy of the State. And the President's budget for fiscal year 2000 takes the program back.

We appropriated $384 million to the program for fiscal year 1999. The President's budget takes it back to $364 million. And the DOE request to OMB for the program's fiscal year 2000 budget, was $440 million. So, I want to give the Secretary credit for that, which would be an increase of $55 million above the enacted level.

But anyhow, my time is consumed. I thank you, Mr. Secretary. Let us work together and see if we cannot do the right thing by coal, because it is going to be very, very important. And our Clean Coal Technology Programs are so important, if we think about global climate problems and change.

Secretary RICHARDSON. Well, Senator Byrd, you know you have persuaded me on that position.

Senator BYRD. Thank you. Thank you. Thank you.

FEDERAL AND PRIVATE SECTOR PARTNERSHIPS

Senator GORTON. One of the areas of endeavor in the department, that the department for many years has most fiercely defended, has been cooperative research and development leading to the actual use of new technologies in the market place.

You talk about some of them in your written statement, but I'd like you, if you can, to give me two or three recent examples and tell me how, specifically, the department was involved; why it got involved in them; and why these advances would not have been made if we'd left it to the private sector alone.

Secretary RICHARDSON. Senator, I will answer this question. The two that I would say to you is, one is the Partnership for a New Generation of Vehicles (PNGV), including support for the Northwest Alliance for Transportation Technology.

This PNGV project, initiated in 1993, is a cost-shared partnership whose goal is to develop technologies in partnership with industry that would enable a family sedan to achieve 80 miles per gallon by the year 2004.

We are working with industry to development technologies which improve fuel efficiency and reduce emissions without sacrificing safety. These programs are the hybrid electric vehicles, fuel cells, improved engines, and lightweight materials. I saw a lot of these at the Detroit auto show.

But I think one recent development in the lightweight materials is the establishment—and I know you are familiar with this—of the Northwest Alliance for Transportation Technology, which is a combination of industrial partners in the northwest United States brought together to improve American technology. And I know you have been a leader in this area.

My Assistant Secretary, Dan Reicher, is the expert on this, but I think this is our best example. Dan, can you give another?

Mr REICHER. Very quickly, Mr. Chairman, I have two things. One are the advanced industrial turbines. These are very high efficiency turbines that run on natural gas. And there has been very important work done, cost shared between industry and the government, to develop these turbines. They are going to make a huge difference.

They are making a huge difference today in industry, allowing industry to generate power much more efficiently, and in some cases, actually sell it into the grid.

We feel strongly that the development of these turbines either would not have happened or would have been much delayed. And there is a big international market for these.

The second example is gasification technology. This is to gasify wastes and other materials from both the forest products industry and from agriculture, which will allow us to produce a gas that can fire a turbine. And in the forest products industry, this is the number one technology priority of that industry.

If this kind of technology could go into that industry, it could go from a net user of energy to a net producer of energy, and radically change the bottom line for the industry.

So, those are the two I would say.

Senator GORTON. Thank you.

ELECTRIC POWER INDUSTRY RESTRUCTURING

Mr. Secretary, wearing another hat or wearing the same hat in a different committee, you are very much aware of the controversy and the progress surrounding the restructuring of the electric power industry, and especially in the marketing of power. And I understand, soon we will have a recommendation from the Administration on that subject.

But, of course, the industry has been changing more rapidly than the laws have been. It is going on quite rapidly.

How has that restructuring affected federal energy research and development programs? Are—does this have any impact on the actual use in the market place of new techniques? And does it give us some caution as to whether or not we ought to let some of these restructurings work their way out before we know what research and development directions we should take?

Secretary RICHARDSON. Senator, let me say that we think that having a federal restructuring bill will improve the input and impetus for new technologies.

As you know, a lot of the States—I think it is 19—have already moved with restructuring legislation. We are going to have, very soon, a restructuring bill. It is going to include—I know this is an issue of concern to you—a BPA (Bonneville Power Administration) title. We are discussing that.

And it is generally going to be consistent with the recommendation made by the region's governors. So, we will work closely with you on that.

But on the technology issue, Senator, we think that it is important that we have a strong effort to improve our energy technologies. What we want to make sure is that our objectives are consistent.

Senator GORTON. I have several more, but Senator Campbell, you were here, plenty on time. Have you got any questions that you would like to put to the Secretary while he is still present?

ROCKY FLATS

Senator CAMPBELL. Well, I might just say, Mr. Secretary, that I particularly was pleased with the amount of money that the Administration has requested, $657 million, to continue the clean up with Rocky Flats.

We had to—this committee put an additional $30 million last time around, in addition to what the President had asked. So, I think we are in the right direction, but I would like you to comment on two things I said in my opening statement.

By the way, as you probably know, by the time this thing gets cleaned up and finally shut down, we will have spent something like $500 billion of taxpayers' money that could have gone to energy research and developing alternative fuels and new technology and all kinds of things to make the lives of Americans a little better. We are still stumbling along, trying to get that shut down by 2006.

I would like you to just comment on two things. One, on this proposal I heard of putting additional work in there; whether that is going to prolong the shut down—the closing of Rocky Flats. The second is the so-called temporary locations, which I've heard described as tents, which I—they may be in some very safe sounding containers, but I have to tell you that the communities around Rocky Flats are kind of up in arms about the possibility of very, very flimsy or substandard structures to house this waste in; some of which obviously is radioactive; some of which is hazardous.

I would like you to comment on both of those things. By the way, I understand the difficulty of opening WIPP. We were neighbors, and for a long time, your home State was New Mexico. I guess if things were turned around, Colorado would not be in a particular hurry to accept any kind of waste from New Mexico being shipped into Colorado.

So, I can fully understand the lawsuit that is going on, but I would also like you to comment on that; if DOE can do anything to help resolve that, so that WIPP can be opened—those three things.

WASTE ISOLATION PILOT PLANT

Secretary RICHARDSON. Senator, the Judge, hopefully on Tuesday, will rule in our favor on the Waste Isolation Pilot Plant (WIPP). And we can move waste there. This has been an endless bureaucratic delay that——

Senator CAMPBELL. This coming Tuesday you expect that decision to be made.

Secretary RICHARDSON. Yes. The Department of Energy has been precluded bureaucratically by my own State to do its job to open WIPP. And I am working vigorously to make sure that WIPP opens and it is ready to open.

Senator CAMPBELL. Does that mean that they can be—shipments transported immediately after that or is there a time frame?

Secretary RICHARDSON. Yes.

Senator CAMPBELL. It can be.

Secretary RICHARDSON. No; I think right after that. And we are ready to move right away.

Senator CAMPBELL. What is the need for temporary structures, then?

Secretary RICHARDSON. Well, if it doesn't open on time—the Judge may rule against us. I hope he does not, but we would run out of site storage for this waste. In other words, we would need temporary storage.

So, let me just tell you a little bit about the tents. And let me, at the start, say to you that if I deem that these tents are not safe, I will reassess this decision. I commit that to you.

But I have been informed by the site that these tents were previously used to store lower level waste. And these are tents that are being reinforced to withstand winds of more than about 100 miles an hour. These tents——

Senator CAMPBELL. Winds through Boulder of 130 and 140 that tear up planes off of the tarmac, that are chained down.

Secretary RICHARDSON. If that is the case, and if they are unsafe, I will reassess this. But I am told that these are stainless steel, red fabric covered structures. It is an effective short-term option for us. But I will consult with you before I do this.

You know, WIPP—I have also got an Idaho problem. That is not your problem, but it involves——

Senator CAMPBELL. You have got a lot of problems. (Laughter.)

Secretary RICHARDSON. Now, Senator, I promise you, we will have closure on Rocky Flats by 2006. Let me just say that it should not be any signal.

We are accelerating the whole contracting process to meet the 2006 standard. I have made no decision on the contract, but it is going to be focused on whether we meet the 2006 goal. And we are committed to that.

But Senator, do not listen to the contractor, who is going around saying they need more money to meet the 2006 goal. The money that I have requested from you, Mr. Chairman, is all they need. So, they will come and tell you that they need more. Do not believe them.

Senator CAMPBELL. OK. I will not listen to them. I will listen to you. And I am sure the people that live around that area will be looking forward to your earliest visit, which you promised me, with great anticipation. And I will remind them of your promise. Thank you.

Secretary RICHARDSON. Thank you, Mr. Chairman.

ALTERNATIVE-FUELED VEHICLES

Senator GORTON. Let me go back to research and development. I think it was just yesterday's newspapers here that had a major story on fuel cells.

To what extent does the development of fuel cell vehicles threaten to overtake the developments that you have talked about here with respect to combustion engines and other, you know, alternatives? Is it reasonably imminent or so far in the future and so expensive that all of these other alternatives are justified, as well?

And again, when is industry going to be able to go on its own on this?

Secretary RICHARDSON. Well, Senator, we have some goals in some years that we want to see these vehicles go commercial on the market. We have worked very closely with industry up until that point. They are working with us on joint research. Their technology is good. They are committed. Their record is good.

I was in Detroit. I saw what they were doing. I think this is a very exciting new technology. Our hope is that in terms of time lines, that they meet this goal that has been imposed in the agreement they signed with the Administration. Dan?

Mr. REICHER. Very briefly, Mr. Chairman, I just wanted to say that we are 5 years into what is a 10-year research and development program under the partnership for a new generation of vehicles. We are on track. This is what the co-chairs of Chrysler and other auto companies say about the project.

It is a very strong partnership. With respect to your specific question about fuel cells overtaking other technologies, I think what we have been able to do in the partnership is narrow down, from a whole host of propulsion technologies, to essentially two: the so-called hybrid vehicle and the fuel cell vehicle.

Both of those have real market potential; the hybrid vehicle somewhat before the fuel cell vehicle. And they are very complementary in terms of the next generation of cars to be put on the road.

So, we are down from a much larger stable of propulsion technologies that this subcommittee supported. We are down to these two. We are making very good progress on both. We have healthy competition from across the globe.

And if it is something that we want to win as a nation, in terms of our auto industry, it is something we should continue to fund in this very vital partnership.

Senator GORTON. Thank you. Today 2:30 meant 2:30 on this vote, Mr. Secretary. We have a couple more minutes.

I have one more I would like to put to you now.

Secretary RICHARDSON. Sure.

ENERGY USE MEASUREMENT

Senator GORTON. Last year, both the House Committee and the Senate Committee reports urged the department to make a greater effort to increase the use of source measurement techniques in departmental programs within the parameters of the law under which you operate.

In part, this reflects the Committee's interest in seeing that the measurements used in assessing the relative success of various departmental programs reflect as accurately as possible the actual public benefits of these programs.

Have you taken significant steps in response to the Committee report language? And are you concerned that measures used to assess the success of any of these programs do or do not accurately reflect their actual benefits?

Secretary RICHARDSON. Senator, we are going to continue to use methodologies in determining appliance standards that are consistent with the applicable statutes. These are what are called

point-of-use measurements of emissions and energy costs, as opposed to looking at the full fuel cycle in a more complex way.

We have taken input from the language and the bill from the advisory committees. Mr. Reicher, maybe, can supplement what I have said.

Senator GORTON. Glad you came, Mr. Reicher.

Mr. REICHER. Very quickly, Mr. Chairman. There is a great difference of opinion between essentially—to be very candid—the natural gas industry and the electric industry over how to measure energy, site versus source. And as the Secretary indicated, we are looking at both.

What we are trying to do is actually help broker this difference of opinion. We are in the middle of a study right now that looks at ways that we can find some common ground in this dispute and do a better job of both measuring improvements in site energy use, which gets to the efficiency of the appliances and the equipment themselves, and also do a better job of seeing what kind of impact that has back at the source of that energy; what we are doing to the overall use of energy.

Senator GORTON. When are we likely to see that study?

Mr. REICHER. In the next couple of months. We put it into play shortly after we got the language from you. It is being done by the Rand Corporation. They are essentially interviewing all the people in what I can only describe as a small holy war that is going on with respect——

Senator GORTON. We are aware of it.

Mr. REICHER. Yes.

Senator GORTON. Senator Byrd, would you like to ask one more?

Senator BYRD. I will ask one more. Thank you, Mr. Chairman.

CLIMATE CHANGE

Mr. Secretary, considerable attention is being focused on climate change. This is an area in which I have a great interest, because of the potential cost to energy users, the risks contained in premature decisions, and the possible energy and economic impacts from proposed steps to reduce greenhouse gas emissions.

And there is no one answer to these difficult questions; no single silver bullet to fix the problem. We need to build upon science and research to help resolve the issues. Whatever approach we take, must balance fuel diversity, domestic energy security, energy efficiency, technological development, and economic growth.

In the next century, the greatest growth in greenhouse gas emissions will be in the large developing countries, like China and India. This growth provides an opportunity to promote the sale of our clean coal technologies abroad, and ensure that developing nations become partners in global solutions to climate change issues.

In my opinion, the Department is not doing enough to take advantage of this opportunity to help developing countries sustain the environment through the sale of our clean coal technologies.

This is my question: What plans does the Department of Energy have to facilitate the sale of U.S. clean coal technologies abroad and encourage developing nations to install and use these clean coal technologies?

Secretary RICHARDSON. Senator Byrd, we appreciate your leadership on this issue. And your resolution with Senator Hagel, which basically said that we cannot seriously address climate change without developing nations participating; makes a lot of sense.

We are focusing, at the Department of Energy, through technology, to deal with developing nations on utilizing clean coal technologies. This year, I will convene the Energy Ministers of Latin America and Africa, precisely on that point.

How can we reduce greenhouse gas emissions through a joint technology project? And a lot of it is due to your leadership and that resolution.

Second, with China, India, Pakistan, Mexico, Brazil, leaders of the developing world, we need to have more concentrated strategies. We need to make these countries more familiar with American technology by cooperative research and development, technical assistance, and workshops. We have to have better incentive packages for them—financing—that can reduce the costs of these new technologies.

And we need to continue our research and development program. But I can tell you that we got the message that you let us have in that resolution by the fact that in the last Buenos Aires conference, only Argentina and Kazakstan supported us in our efforts.

So, we need to do more to get more support. So, we commit to you a strategy that is already in place to bring technology and our expertise in environmental climate change to developing countries.

Senator BYRD. All right. Thank you, Mr. Secretary. I want to work with you in this.

Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. Well, Mr. Secretary, like Mr. Holyfield, you are saved by the bell. And I think you did a somewhat better job than he did on Saturday night.

Secretary RICHARDSON. Senator, I was there. He did lose. I was there.

Senator GORTON. OK.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

ACCOMPLISHMENTS

Question. You mentioned in your opening statement a few examples of technologies that have been developed with DOE assistance and successfully deployed in the marketplace. Can you describe a few of these or other examples in more detail, and talk a little bit about how specifically the Department was involved, why the Department was involved, why these advancements wouldn't have been made without federal support, etc.? If possible, please choose examples of successes that have occurred in the last year, and pick a number of examples from different program areas.

Answer. Some of the most significant technology developments emerging from DOE-sponsored research include the following:

—Lower-cost pollution controls: In the mid-1980s, the only available technologies for reducing nitrogen oxides (NO_X)—the pollutant that contributes to smog, ground-level ozone, and acid rain—cost nearly $3,000 per ton of NO_X. Today, DOE's research and development and Clean Coal Technology efforts have

helped develop the low-NO_X burner which can reduce nitrogen oxides at costs of only $200 per ton.

Had DOE not been involved in the development of these low-polluting burners, utilities would have likely opted for higher cost control options to meet new federal Clean Air regulations and passed the additional costs on to ratepayers. Recent data shows that U.S. utilities have installed one of the three major types of low-NO_X burners demonstrated in DOE's program on 150,000 megawatts of coal-fired capacity. Sales to date have totaled approximately $2 billion. As utilities make continuing investments to comply with the Clean Air Act Amendments over the next few years, sales are expected to reach 270,000 megawatts and total nearly $4.5 billion.

Another way to control nitrogen oxide pollutants is to create a "reburn" zone in the boiler to break down the pollutants into environmentally harmless gases. The first units have used natural gas as the reburn fuel, but recently as part of a DOE project, the feasibility of using micronized coal was shown. As a result, Eastman Kodak in Rochester, New York, has decided to use the technology to meet its NO_X reduction requirements, not only continuing its use at the demonstration site but installing it on at least two other units after the DOE program is finished.

—The "next generation" of power plants: Until the 1990s, power plants had basically one way to generate power from coal: burn it. In the last few years, DOE's coal technology program has helped pioneer a new, significantly cleaner and more efficient way to use coal to generate electricity. The integrated gasification combined cycle (IGCC) process changes coal into a gas that can be cleaned of virtually all of its pollutant-forming impurities, then burns the gas in a gas turbine and captures excess heat for use in a conventional steam turbine generator.

DOE's Clean Coal Technology Program shared the costs and risks of building the first three commercial-scale test units for this process in the United States—each test unit targeted at a different application in the power market. This year, one of these first-of-a-kind plants—the Tampa Electric IGCC project—set a new power production record, generating 325 megawatts of electric power, exceeding its "nameplate" capacity of 310 megawatts. To date, Tampa's 21st century power system has accumulated more than 11,000 hours of operation on gasified coal. Another of the demonstration plants, in Indiana, produced its millionth megawatt-hour of electricity and processed its 500,000th ton of coal in October 1998, both significant accomplishments in proving the operational reliability of this new, super-clean, power generating technology.

Had DOE not been involved, the innovative technology would have likely been confined to smaller-scale research for several more years, perhaps for a decade or more. DOE's involvement accelerated full-size testing of the process and positioned it for commercial market applications at a time when many nations are looking for cleaner power options to support economic expansion.

—Smaller oil and gas "footprints." A smaller wellpad is an environmentally better wellpad. DOE's research and development program has given industry a greater number of tools—and the confidence—to use new approaches such as horizontal drilling and, particularly in the last year, "slimhole" drilling, to reduce the size of wellpads. If research and development had stopped in the mid-1980s—at the point where many of the larger oil producers in the United States began shifting their attention to more lucrative prospects overseas—today's drill pads in the United States would have covered an additional 17,000 acres of land, an area roughly the size of nearly 13,000 football fields.

—Four-dimensional seismic technology. One of the most significant advances in petroleum technology has been the development of 3–D seismic imaging—which gives producers the ability to "see" potential oil- and gas-bearing formations in three spatial dimensions. But a DOE cost-shared project showed that imaging technology did not have to be limited to only three dimensions. A fourth—time—could be added to reveal entirely new and valuable data about the productive potential of an oil reservoir. In some fields, for example, 4–D seismic showed that reservoirs were actually being replenished by oil migrating upward through natural fractures from deeper sources. Tapping into self-replenishing reservoirs fed by these fracture systems is proving, in many cases, to be significantly more economically attractive than drilling large numbers of deep, expensive holes to less prolific sources. Because of DOE's investment to move the technology out of the laboratory and into practical application, 4–D seismic technology accounted for more than $500 million in commercial oil and gas services in the Gulf of Mexico in 1998.

—Subsalt seismic imaging. One of the nation's largest oil-bearing regions may have been hidden beneath the large irregularly shaped salt formations the extend beneath nearly 40 percent of the Gulf of Mexico continental shelf. Now, an industry team working in partnership with DOE's Los Alamos National Laboratory is developing advanced seismic processing techniques that increase the resolution of potential oil-bearing formations that lie below the complex salt structures. In the last year, this technology has spurred producers to begin new subsalt wildcat wells. Now over 30 such wells have been drilled by 16 producers. Eight successful discoveries have been reported so far, three of which contain reserves of more than 100 million barrels of oil. Industry experts now predict at least a 30 percent success rate for subsalt drilling in the Gulf—a rate that would have been unattainable without DOE's involvement in enhanced seismic processing and modeling techniques.

RESTRUCTURING

Question. The electric industry continues to undergo major restructuring, based on a combination of market forces and actions being taken in state legislatures. Federal legislation on this subject will again be a topic of considerable debate in this Congress. How has the industry restructuring affected federal energy research and development programs?

Answer. The two main ways that incipient and actual electric industry deregulation and restructuring has affected federal energy research and development programs are as follows:

—The electric industry has reduced funding for research and development.

Under regulation, electric companies were for the most part able to pass the costs of research on to their customers, with the approval of regulators. But under restructuring, where competition and profit will depend crucially on reducing costs, electricity companies have decreased their own research and development as well as industry-wide contributions to EPRI. Because EPRI and individual firms cost-share research and development with DOE, federal research and development suffers as well.

—Products of research and development must be able to compete even more on the basis of cost.

Although regulated utilities would always prefer to cost minimize, it is also true that if regulators could be persuaded to put costs into rate base, the utility could recover its costs with a profit, even if the equipment wasn't as low cost as it might have been. Now, however, electricity companies will concentrate even more on choosing the cheapest technology that gets the job done. If they were to do otherwise, the result in lost profits would immediately go to their bottom line. Thus there is an even greater sensitivity to using research and development to produce low- cost, emission reducing products or technologies with a longer payback time.

Question. With the industry in a state of flux, are the new technologies being developed in these programs having trouble making it into the marketplace?

Answer. Many Fossil Energy programs are long-range in nature; for example, the Vision 21 technologies and carbon sequestration activities. The program goals are for these programs to be economic by the time they are introduced to market, sometime in the 2010 to 2020 time frame, depending upon the specific technology involved. Therefore, it is too early to judge whether they would have trouble making it into the marketplace, but some indicators suggest there should be a strong market demand.

Several recent, shorter-term Fossil Energy research and development technologies have been very cost-effective, including low-NO_X burners, which reduce NO_X at a cost about one-tenth of previously available post-combustion technology. Low NO_X burners have not had any difficulties in penetrating the market. Close to half the existing coal power plants are using them.

Question. Should we be more conservative in making federal investments in energy generating technologies until the industry restructuring settles out, and it becomes more clear what types of technologies are likely to be accepted in the marketplace?

Answer. In this period of uncertainty, as electric companies focus their energies and dollars on the pressures of restructuring—market share, mergers, domestic versus foreign growth, and so on—the need for new technologies to provide lower environmental emissions is unlikely to wait. Domestic energy needs, too, will continue to grow, as the economy continues its remarkable expansion. A good argument can be made that, with private industry mostly otherwise occupied, the need for federal environmental research and development is high. Longer term, 60+ percent ef-

ficient coal units and 70+ percent natural gas units (efficiencies calculated before any credit for use of waste heat), with virtually zero-emissions, will take 10 to 20 years to develop. Given the desire of citizens to continue to have ever more clean emissions, development of these technologies should not be postponed.

SITE VERSUS SOURCE MEASUREMENT TECHNIQUES

Question. Last year, both the House and Senate committee reports urged the Department to make a greater effort to increase the use of "source" measurement techniques in departmental programs, within the parameters of current law. This in part reflects the Committee's interest in seeing that the measurements used in assessing the relative success of various DOE programs reflect as accurately as possible the actual public benefits of those programs. What steps has the Department taken in response to the Committee report language?

Answer. The Department has not had to make changes in the measurements used to assess the benefits of various programs since the Department has always used a number of different measurements to assess public benefits. For example, in evaluating the impacts of appliance energy efficiency standards, the Department considers the full range of impacts, including consumer and national impacts. In the analysis of consumer impacts, the Department considers the energy directly consumed by the product at the point of use. This, DOE believes, provides useful measures to consumers since it can be directly related to information readily available, that is, utility bills. In examining the impacts of standards on the nation, however, the Department considers the total energy consumed over the fuel cycle as well as emissions and energy costs. In this manner, the analysis captures the total impact of the standards.

Question. Is the Department concerned that the measures used to assess the success of any of its programs do not accurately reflect the actual benefits of the programs?

Answer. The Department believes that its selection of measures accurately reflects the benefits of its programs.

CARBON SEQUESTRATION

Question. The fiscal year 2000 budget request includes increased funding in a number of programs for research on carbon sequestration technologies such as bioprocessing of coal, CO^2 storage in coal seams, and other novel sequestration techniques. Is the research proposed in any way driven by an assumption that the Kyoto Protocol will be ratified?

Answer. Fossil Energy's sequestration research is targeted to produce a suite of practical technologies for deployment in the 2015 timeframe, with significant expansion in scope and reduction in cost for sequestration in the following decade. In contrast, emission reductions under the Kyoto Protocol are required over the 2008 to 2012 time period. Hence, the research is not directly related to the Kyoto Protocol. However, such technologies could prove useful as we define the potentially more difficult long-term goals of stabilizing greenhouse gas emissions on the long term. Additionally, several sequestration technologies have potential worth pursuing without any consideration of the climate issue, as they could increase U.S. energy resources when used in conjunction with enhanced oil recovery or methane recovery from unmineable coal seams.

Question. What other agencies are conducting research on carbon sequestration technologies?

Answer. Other government agencies, including the U.S. Department of Agriculture (USDA), Department of Interior (DOI), and Environmental Protection Agency, are conducting research on various aspects of carbon sequestration. USDA and DOI have been represented by the U.S. Forest Service (USFS) and U.S. Geological survey, respectively. All of these agencies have been actively involved in the production of DOE's draft report titled "Carbon Sequestration: State of the Science." In this report, USDA has been actively involved in the sections which address sequestration in terrestrial ecosystems (soils and vegetation) and advanced biological processes. All of the agencies have served in drafting and reviewing the report, and have participated a technical workshop that was held on this subject in October 1998. In addition, DOE is working closely with the USFS to demonstrate enhanced productivity from marginal soils by supplying needed nutrients from coal combustion byproducts such as flyash and flue gas desulfurization waste. These products are being applied as a part of a USFS biomass mulching research program.

Question. In your view, is the research proposed by the Department likely to result in economically feasible sequestration techniques at any time in the foreseeable future?

Answer. Fossil Energy's sequestration research is targeted to produce a suite of practical technologies for deployment in the 2015 timeframe, with significant expansion in scope and reduction in cost for sequestration in the following decade. Our long-term goal for this program is to create a portfolio of technologies which can sequester hundreds of millions of tons of greenhouse gases per year for under $10 per ton of carbon equivalent.

Question. Would these funds be more productively spent on some of the other, ongoing research and development programs under this subcommittee's jurisdiction that promise near or mid-term efficiency improvements that will also help reduce carbon emissions?

Answer. It is not an "either-or" issue. While the Fossil Energy strategy reflected in the budget does focus on key long term goals to achieve critical public needs and benefits, it also addresses promising near and mid-term opportunities to improve efficiency and reduce emissions.

Fossil Energy believes that a balanced portfolio of options is necessary to address the climate change issue. Fossil Energy has three program elements which address climate change both over the short and long term. These are increased efficiency of electric power generation, carbon sequestration, and more efficient use and production of natural gas. Development of higher efficiency power generation technologies will reduce the amount of carbon produced per kilowatt hour generated. Research to improve the nation's ability to supply, store, transport, distribute and utilize natural gas in an economically efficient and environmentally beneficial manner will reduce carbon emissions because natural gas is the least carbon intensive fossil fuel. The purpose of the Fossil Energy sequestration program is to develop and demonstrate technically, economically, and ecologically sound methods to capture, reuse and dispose of CO_2, in the post-2015 time frame. The Department believes that resources being requested to pursue improved fossil energy technologies are appropriately balanced with resources requested to pursue energy efficiency and renewable energy technologies.

DIRECT LIQUEFACTION

Question. The budget request contains funding for continued bench scale research on liquefaction technology, but does not include funds for deployment of a demonstration plant. What funding level would be required in fiscal year 2000 to support deployment of a demonstration plant?

Answer. On February 15, 1999, the Department solicited proposals to perform a feasibility study, research and development and a preliminary engineering design of an Early Entrance Coproduction Plant. Industry would be responsible for the subsequent detailed design, construction and operation of the plant in the 2004 to 2007 time period. The plant must be designed to produce some combination of electricity (or heat), fuels and chemicals through the gasification and indirect liquefaction of coal, alone or in combination with other feedstocks such as wastes and biomass. Since there is limited commercial interest in Direct liquefaction, the technology is likely to be deployed a number of years after the establishment of an indirect liquefaction industry. Thus, the bench scale research is directed toward smaller-scale tests with longer range perspective. If the Department were to conduct preliminary activities for direct liquefaction technology, these activities would include feasibility studies, supporting research and site specific preliminary designs. These are activities that would create the data base needed for U.S. industry to participate in international direct liquefaction projects (for example, China).

Question. Is this something the Department considered during fiscal year 2000 budget formulation?

Answer. The Department's current strategy is to conduct preliminary activities for demonstration of an Early Entrance Coproduction Plant which would utilize indirect liquefaction technology to produce ultra-low emission transportation fuels, chemicals and electricity. The commercial deployment of direct liquefaction technology in the United States is likely to be a number of years later than indirect liquefaction, thus the research on Direct Liquefaction is now focused on smaller scale laboratory and bench-scale tests. The Department did support bench scale and proof-of-concept activity with HTI to conduct a feasibility study for a potential demonstration of direct liquefaction technology in the Peoples Republic of China. No consideration was given to a domestic direct liquefaction demonstration in the United States since it is believed that the first liquids plants would be based on gasification of carbonaceous feedstocks such as petcoke, wastes and coal and, therefore, utilize the indirect conversion route to making fuels and chemicals.

INDIRECT LIQUEFACTION

Question. The request includes funds to continue feasibility study and conceptual design for a pioneer Fischer-Tropsch plant in conjunction with an industry consortium. How long does the Department anticipate this study will take to complete?

Answer. On February 16, 1999, the Department issued a solicitation for the Early Entrance Coproduction Plant. Proposals were due on April 30, 1999. The activities to be conducted within this procurement include three phases: feasibility and market studies to address the technical, economic, and environmental issues associated with the proposed plant concept; supporting research; and a site specific preliminary design. It is planned to fund at least three teams to complete all three phases. Each team's schedule would depend on the specific scope of work the team needs to perform prior to doing a detailed plant design. However, it is estimated that to conduct these three phases would require an average of four years to complete. It is estimated that the first phase feasibility study will take 12 to 18 months to complete.

Question. Does the Department intend to move to a detailed design and construction phase in this program?

Answer. On February 16, 1999, the Department issued a solicitation for the Early Entrance Coproduction Plant. Proposals were due on April 30, 1999. The activities to be conducted within this procurement include three phases: (1) feasibility and market studies to address the technical, economic and environmental issues associated with the proposed plant concept; (2) supporting research; and (3) a site specific preliminary design. The Department has not committed to funding the remaining phases that would encompass the detailed engineering design, construction and operation of the plant. With the information obtained in the first three phases, it is anticipated that the industrial teams will be able to obtain private sector funding for the detailed design and construction phase of the program. During the initial phases, the teams may also identify innovative financing strategies.

Question. If so, when will these stages likely be reached?

Answer. The objective of the three phase pre-detailed design activities is to provide the technical, economic, and environmental basis upon which the industrial teams will be able to secure private sector funding. It is planned that their plants could be ready for detailed design and construction as early as 2003.

Question. How much will construction of a pioneer plan likely cost?

Answer. The actual construction cost for an Early Entrance Coproduction Plant cannot be accurately established until the three preliminary design phases are conducted. The cost will also depend on the degree of existing facilities that are available to the industrial consortium. Preliminary economic analysis for "generic" Early Entrance Coproduction Plants" based on Gasification configurations for a power plant and refinery locations provided ballpark estimates of $75 to $350 million depending upon the availability of existing facilities.

ADVANCED RESEARCH AND ENVIRONMENTAL TECHNOLOGY

Question. The request indicates that fuels research focus in this program is shifting in part to hydrogen storage for fuel cell applications. How will the work that would be supported by the Fossil program relate to and be coordinated with the work being supported by the Office of Transportation Technologies?

Answer. The part of the Fossil Energy program that is shifting to hydrogen storage methods that may be applied to fuel cell applications is twofold; chemical storage and physical storage. The chemical storage work is the study of hydrogen release by the decomposition, under mild conditions, of coal-derived, hydrogen-containing liquid fuels. The physical storage work studies the storage of hydrogen in nano-structured [structures on the molecular scale] carbons by a sorption mechanism. Both would be applicable to fuel cell powered vehicles but are also be useful in many other applications of interest to Fossil Energy.

Generally, Fuels Advanced Research and Environmental Technology (AR&ET) funds more exploratory work (for transfer to Fossil Energy line programs when the technology is ready for further development). The Office of Transportation Technologies (OTT) has funded work of a more mature nature. For example, OTT (cofunding with the Energy Efficiency/Office of Power Technology H_2 program) is working on carbon-fiber-reinforced tanks for storage (Thiokol Corp) of either liquid or pressurized gaseous hydrogen for use onboard a vehicle. The advantage of carbon is its high strength-to-weight ratio as a fibrous material. In this case, the carbon fiber is on a macro-scale, much like fiberglass, and is a physical component of a lightweight, hydrogen storage tank assembly suitable for vehicle use. The nanostructured carbons of AR&ET interest, on the other hand, would be used as storage vessel filler material that would hold the hydrogen as a sponge holds water, releasing the hydrogen on mild heating or depressurization for feeding into the fuel cell.

These materials are not yet well understood and are much further from being commercialized.

Fossil Energy and Energy Efficiency/OTT are acutely aware of each other's work and are careful about redundancy. Work done by Fossil Energy that is applicable to OTT is well known to them; OTT/Office of Advanced Automotive Technology is a partner in co-funding the work in the chemical storage area. All three programs are coordinated through periodic meetings and program reviews.

Question. The request indicates that the Department will continue to work with the Consortium for Fossil Fuel Liquefaction Science (CFFLS) in fiscal year 2000. What level of support does the Department anticipate providing CFFLS in fiscal year 2000 from the AR&ET program? From other departmental programs?

Answer. The Advanced Research & Environmental Technology budget provides $300,000 for this activity in fiscal year 2000 at the reference budget level. This is the same funding level provided from this budget line in the current fiscal year (fiscal year 1999). In addition to the $300,000 budgeted by the AR&ET program, the Indirect Liquefaction and Gas-to-Liquids budgets will each contribute $50,000, for a total of $400,000 from Fossil Energy programs. No additional Departmental funding is provided for this activity.

Question. Mercury emissions remain a significant problem in the utilization of coal. What progress has been made in recent years in developing cost-effective mercury control technologies?

Answer. The Department has developed accurate methods to measure specific forms of mercury in flue gases, investigated the transformation of mercury in coal combustors, and evaluated numerous sorbents for mercury control. Bench- and pilot-scale testing on injection of activated carbon in conjunction with conventional particulate control devices, novel particulate control techniques that work in combination with existing particulate control equipment, and concepts that convert elemental mercury in the flue gas to the oxidized form are being developed. Significant mercury removals, up to 90 percent, are possible if most of the mercury is in the oxidized form and the power plant is equipped with Wet Flue Gas Desulfurization. Results from the pilot-scale tests have provided more definitive mercury control cost data, which was incorporated into EPA's Mercury Report to Congress. Because all of these concepts are at the pilot stage, field testing experience would be needed before commercialization and widespread application to the utility industry.

Question. What barriers remain to deployment of such technologies?

Answer. The most significant barrier to deployment is developing mercury control technologies that have widespread applicability across the utility industry. Coal, when combusted, produces several distinct chemical forms of mercury, which require specific control strategies. For example, subbituminous coals generate mostly elemental mercury while combustion of bituminous and lignite coals result in varying amounts of oxidized and elemental mercury. Control concepts that can reduce emissions of elemental mercury are not effective in reducing oxidized mercury. Because different control methods are required to capture all forms of mercury in coal combustion flue gases, considerable uncertainty exists over the costs of mercury control. More research is also necessary to determine the stability of mercury in solid or liquid byproducts from potential mercury control technologies to ensure that the mercury is not reintroduced to the environment.

Question. What work is being done in this area in fiscal year 2000 and in what program elements?

Answer. The testing of promising mercury control concepts will be completed in fiscal year 2000. The Department is planning to request proposals to obtain field experience for promising mercury control technologies in the fourth quarter of fiscal year 1999. Projects selected from this request would be implemented in fiscal year 2000. The mercury control technology research and development activities are conducted in the Air Toxics/Fine Particulates key activity in the Advanced Research and Environmental program.

In addition, the Environmental programs at the FETC and at headquarters are each contributing $50,000 to a multi-agency study of mercury exposure and diet in the United States. The collaborative study by the Centers for Disease Control and Prevention and the Food and Drug Administration, to cost $825,000 over 3 years, is co-funded by EPA, FDA, DOE, NOAA, DHHS, and NIEHS. It is scheduled to be completed in 2001.

LOW EMISSION BOILER SYSTEM

Question. The reduction in the request for the LEBS program reflects the fact that funds have already been appropriated for construction of the proof-of-concept facility. What is the status of the DB Riley team's effort to obtain the required cost shar-

ing, financing, and power sales agreements necessary to enable this project to go forward?

Answer. As of mid-January 1999, $3 million of the $25 million full Illinois cost-share has been appropriated. The State of Illinois supports this project and has authorized $25.2 million in coal development bonds for the project and is committed to providing the remaining $22 million necessary to complete this project. The Governor of Illinois included the $22 million in his budget for fiscal year 2000. The Illinois legislature will act on this budget which takes effect July 1, 1999.

The participants have indicated that several conditional letter agreements regarding the purchase of the full power output from the Prairie Energy Project have been received. Prospective purchasers include independent power producers and development arms of U.S. based Fortune 500 electric utilities. The project team is currently negotiating with prospective power purchasers, but is not able to divulge any details due to the confidential nature of these proceedings. The participants expect negotiations to be completed in the April to May time frame, at which time the results will be made public. The project requires private debt financing of $50 million. A financial business plan was released to lenders in February 1999. Responses from lenders are anticipated in time to have a loan commitment by June 1999. Project financing is expected to be complete by October 1999.

Question. If the project proceeds on the schedule currently anticipated, does the Department anticipate obligating all of the $3 million included the budget request during fiscal year 2000?

Answer. Yes, the Department intends to obligate the $3 million in the year 2000.

Question. For what specific purposes will these funds be used?

Answer. The funds will be use for Phase IV, the final portion of the program, which includes detailed design, construction, and operation of a proof-of-concept facility.

Question. Is the Department aware of the alternative proposal that would site the proof-of-concept facility at the Savannah River site in South Carolina?

Answer. Yes, the Savannah River site was offered as an alternate site in the DB Riley proposal submitted at the end of Phase II and III.

Question. Has the Department evaluated this proposal in any detail?

Answer. Yes, the DB Riley proposal for Phase IV, which included the Savannah River site as an alternate site, was evaluated in 1997. The Elkhart, Illinois, site was selected on the merits of the proposal.

Question. If the Illinois site were not viable for some reason, would the Savannah River site provide the type of operating information required to validate the technology?

Answer. Because Phase IV is cost-shared between industry and government, with industry bearing more than 50 percent of the total project cost, to build at any site other than Elkhart, Illinois, is the initiative of the DB Riley team, not the Department. Thus, the details of constructing and operating a proof-of-concept facility at another site would depend on what DB Riley proposes.

INDIRECT FIRED CYCLE

Question. $1 million is requested for combustion and furnace module development and systems design. How does this work relate to work performed in fiscal year 1999?

Answer. The High Performance Power Systems (HIPPS) program is being restructured. Phase III, which originally was to construct and operate a prototype HIPPS, has been eliminated. Those elements of HIPPS Phase II that are appropriate to Vision 21 will continue. The combustion and furnace module development and systems design are among those elements.

Question. Does this represent a new direction in research, or is this simply an ongoing program element being displayed in a different manner in the justification?

Answer. This is not a new direction in research since these activities were included as part of the original Phase II program. However, the focus of the HIPPS program is geared towards developing modules that can eventually be used in Vision 21. Therefore, those modules of HIPPS appropriate to Vision 21 will continue.

ADVANCED RESEARCH AND ENVIRONMENTAL TECHNOLOGIES

Question. Significant increases are requested for various components of the AR&ET program. What additional work will the increase requested for Fine Particulate Control enable the Department to do?

Answer. Additional work will be carried out in: the development of cost-effective control technology for both primary fine particulate emissions (for example, fly ash) and secondary fine particulate precursor emissions (SO_2 and NO_X); the collection

and chemical analysis of ambient fine particulate matter; the characterization of emissions from coal-based power systems; and the assessment of source-receptor relationships.

Question. At what locations is the Department currently supporting particulate monitoring stations?

Answer. The Department is currently supporting particulate monitoring stations in the upper Ohio River valley (southwestern Pennsylvania, southeastern Ohio, and northwestern West Virginia); in Atlanta, Georgia; in Birmingham, Alabama; in the Big Bend National Park in south central Texas; and in the Great Smoky Mountain National Park in eastern Tennessee.

Question. How are decisions made regarding the location of monitoring stations in this program?

Answer. Decisions regarding location of monitoring stations are based on discussions with key public and private sector stakeholders including USEPA, state and local agencies, and the electric utility industry, to meet the Department's overall goal of better understanding the relationship between coal-based power generation and ambient air quality. Decisions on location of monitoring stations are also made based on opportunities to leverage Department funding in ongoing monitoring programs such as those in Atlanta, Birmingham, the Great Smoky Mountain National Park, and Big Bend National Park, that are also designed to provide a better understanding of the potential contributions from coal combustion to ambient particulate matter and regional haze.

Question. How is this work coordinated with other federal and state agencies doing similar monitoring work?

Answer. The Department works closely with USEPA and state agencies to ensure that its monitoring activities are well coordinated. The USEPA serves on the Department's technical advisory committee for the monitoring program in the upper Ohio River valley region. DOE and EPA also participate together in NARSTO and on the federal Air Quality Research Subcommittee. The Department talks with USEPA on a regular basis on fine particulate monitoring issues. In addition, DOE has established memorandums of agreement with the states of Pennsylvania, Ohio, and West Virginia and with the Allegheny County (PA) Health Department related to collaboration on fine particulate monitoring in the tri-state region, and is also coordinating with the mid-Atlantic region Air Management Association, which represents air quality managers from several mid-Atlantic states.

Question. How long do the Department and its partners plan on operating these stations?

Answer. The Department anticipates collaborating with its partners on particulate monitoring in parallel with the current fine particulate National Ambient Air Quality Standards implementation schedule, which calls for the collection and analysis of ambient fine particulates through 2005.

Question. What is the status of funds appropriated in fiscal year 1999 for Greenhouse Gas Control?

Answer. The funds are being used to support research efforts under two programs related to greenhouse gas control under the Fossil Energy portion of the Climate Change technology Initiative: advanced, clean, efficient power generation technologies; and carbon sequestration research. The Fossil Energy budget for the Climate Change Technology Initiative in fiscal year 1999 is $24 million.

Question. Please provide for the record examples of the types of research that has been funded thus far in this program element.

Answer. Examples of the type of research funded so far include the following:

—$18 million in fiscal year 1999 to initiate research to double the efficiency of coal powerplants and virtually eliminate all emissions, including carbon emissions with sequestration.

—$6 million in fiscal year 1999 for carbon sequestration research and development. The carbon sequestration work includes technologies to capture and separate carbon dioxide from fuel gas or flue gas, as well as technologies to dispose of the captured carbon dioxide through various approaches, including depleted oil and gas reservoirs, underground saline aquifers, and unmineable coal seams.

Although not in the CCTI budget, Fossil Energy also has programs to reduce greenhouse gas emissions by improving the nation's ability to supply, store, transport, distribute and utilize natural gas in an economically efficient and environmentally beneficial manner. Natural gas emits less carbon dioxide per unit of useful energy than any other fossil fuel.

Question. Will the increase in this program be used for additional solicitations, follow-on work on proposals already selected, in-house research, or all of the above?

Answer. The increased funding for the program will be used for all of the above. At previous levels of funding for sequestration (below $2 million per year), the re-

search program was limited to paper studies and highly leveraged Fossil Energy contributions to research conducted by other organizations. At fiscal year 1999 and 2000 funding levels it is possible to take the better concepts emerging from our earlier research and conduct small scale field tests and experiments.

ADVANCED RESEARCH AND TECHNOLOGY DEVELOPMENT

Question. How does the CO_2 sequestration work being done in the Coal Utilization Science program differ from the sequestration work being supported from the Advanced Research and Environmental Technology, Greenhouse Control program?

Answer. The sequestration work being done in the Coal Utilization Science program has broad crosscutting application and supports all of the Fossil Energy Coal and Power Systems programs, including the Advanced Research and Environmental Technology program, which focuses on more applied areas of sequestration research such as sequestration in coal seams and depleted oil and gas reservoirs.

Question. Does the Department work with other federal agencies and programs (such as the National Oceanic and Atmospheric Administration) in the Bioprocessing program?

Answer. The Department works with other agencies and programs to coordinate its Bioprocessing program; specifically, the National Oceanic and Atmospheric Administration, U.S. Geological Survey, U.S. Army Corp of Engineers, and several state agencies.

Question. Is there a working group or council that coordinates federal research in this area?

Answer. Within the Department of Energy, there is a Bio Energy Coordinating Committee that Coordinates research in the biotechnology area. The Committee consists of representatives from the Offices of Science, Fossil Energy, Energy Efficiency and Renewable Energy, and Environmental Management. In addition, within AR&TD there are working groups formed within FETC specifically to coordinate and direct this research.

Question. Can you provide for the record some recent examples of research supported by the University Coal Research program that has proven useful to or incorporated into the principal programs of the Office of Fossil Energy Research and Development?

Answer. Research supported by the University Coal Research program supports all of the principal programs in the Office of Fossil Energy's Research and Development portfolio. This is accomplished by the active involvement of FE headquarters and field staff to identify and develop the highest priority research topics to be sponsored under an annual grant solicitation to U.S. universities. These research grants have resulted in significant accomplishments. An example of one of the most recent is highlighted below.

One of the grants that was awarded in 1996 was to the University of Arkansas to investigate the fundamental problems related to the electrostatic beneficiation of coal for cost effective sulfur reduction. The results from this project led to the development of a new laser based instrument called an Electrostatic Spray Dynamics Analyzer (ESDA). It was designed to provide clean coal, by electrostatically separating the mineral matter from coal in an environmentally safe and economic manner. The instrument measures, in real time, the magnitude and polarity of electrostatic charge distributions on individual particles in air. No such instrument is commercially available and the technological development of this project, therefore plays a unique role in applications where electrostatic properties of particles are employed. These applications include spin-off benefits in the areas of powder coating, electrophotography (used in copying machines and laser printers) as well as in electrostatic beneficiation of coals and minerals.

Question. Can you provide for the record some recent examples of research supported by the University Coal Research program that has proven useful to, or incorporated into, the principal programs of the Office of Fossil Energy Research and Development? The HBCU program?

Answer. Generally, this program's focus is not on technology applications but rather on support of basic research that is appropriate for masters theses and doctoral dissertations. However, there are several notable and promising research projects that have or promise to move into further research programs at DOE and industry. Two recent examples include the following:

—A project at Hampton University titled "Attrition-Resistant Iron-Based Fischer Tropsch Catalysts" is being conducted together with the University of Pittsburgh and an industry partner. They have developed, and are seeking to patent, a highly successful new catalyst formulation. This is a candidate project to be

incorporated into Fossil Energy's Liquefaction program, should funds be available.

—A North Carolina A&T University presentation at the recent (March 1999) HBCU Symposium in Miami, Florida, entitled "Dehydrogenation of Cyclohexane in a Palladium-Ceramic Membrane Reactor by Equilibrium Shift," produced exciting results for selective production and removal of H_2 for which patents have been applied. This is an extremely important area of research for the Office of Fossil Energy since H_2 separation is an important enabling technology for Fossil Energy's Vision 21 concept.

Question. What about technologies stemming from this program that have been incorporated into actual products currently in the marketplace?

Answer. Though the topics addressed in the annual solicitation for the HBCU/OMI program are those that are deemed of specific interest in helping the Office of Fossil Energy achieve their research objectives, grant awards do not specifically target technology commercialization or market entry activities. Instead they support basic research that is appropriate for Masters Theses and Doctoral Dissertations.

Question. Information provided by the Department indicates that a portion of Coal Technology Export funds are allocated to non-DOE entities such as the Southern States Energy Board, the National Association of State Energy Officials, and the United States Energy Association. Are these allocations for specific cooperative agreements? Dues?

Answer. All are for cooperative agreements.

Question. How did these particular entities come to receive these funds?

Answer. They were previously conducting programs funded by states and the private sector, which were focused on goals and objectives shared by DOE. The Department plans to provide an estimated $325,000 to Southern States Energy Board (SSEB) in fiscal year 1999. SSEB is in the unique position of being organized specifically to work with the legislative industrial and social leaders of the south eastern states which represent a major coal producing region. Consequently, they have the capability to introduce DOE to key issues, opportunities and contacts that have a direct impact on efforts to promote the use of coal and coal technology in other countries.

The Department plans to provide $54,150 to the National Association of State Energy Officials (NASEO) to promote peer exchange between U.S. and foreign government policy makers relating to information on Coal and Power Systems export. NASEO has an existing International PEER exchange program in place to facilitate these efforts and, therefore, is uniquely qualified to help leverage DOE's program.

In addition, the Department plans to provided $250,000 to continue its cooperative efforts with the United States Energy Association (USEA) to promote coordination between the World Energy Conference and the International Energy Agency related to improved environmental and efficient energy use in China and the Pacific Rim. The USEA has an extensive network of cooperative programs with both government and non-government organization including the China Utility Partnership Program, which provide unique capabilities for disseminating information and leveraging resources.

Question. Is allocation of these funds reevaluated on an annual basis?

Answer. Yes, as a requirement of cooperative agreements, an annual evaluation of activities is conducted during the year by DOE.

GREAT PLAINS GASIFICATION PLANT

Question. Last week you announced an agreement under which the Department would facilitate the construction of a carbon dioxide pipeline from the Great Plains Gasification Facility in North Dakota to oil fields in Canada. This pipeline would allow the Great Plains facility to sell the carbon dioxide that it produces and use the revenues from those sales to keep the facility operational. What is the value of the tax credits being used to finance this venture?

Answer. Dakota Gasification Company has the right to claim production tax credits generated by operation of the Great Plains project during the period January 1, 1999, through January 1, 2002, in an amount not to exceed $270 million. However, Dakota Gasification Company may only retain net proceeds (gross proceeds from the sale of the credits less applicable income taxes paid by Dakota Gasification Company) in an amount equal to 90 percent of the capitalized cost of the carbon dioxide pipeline project and 100 percent of the capitalized cost to improve the plant's environmental performance. Current projections of these costs total $140 million. All net proceeds generated in excess of this amount will be returned to the government.

Question. Why did the Dakota Gasification Company waive its right to claim Section 29 tax credits when it purchased the gasification plant in 1988?

Answer. Dakota Gasification Company waived its right to claim Section 29 tax credit credits as an element to enhance its offer to purchase the gasification plant in 1988. The other finalists in the bidding process offered a partial waiver of the Section 29 tax credits.

Question. Did the waiver of the Section 29 tax credits affect the sale price of the facility?

Answer. The offers to purchase the Great Plains facility had several different components which included cash payments, revenue sharing, full or partial waivers of Section 29 tax credits, and commitments to continued operation. All finalists offered at least a partial waiver of the Section 29 tax credits.

Question. What justification exists to essentially reverse this waiver?

Answer. Substantive potential for plant closure existed in 1998. Lower than expected gas and commodity prices jeopardized the prospects for long term operation and the return of DOE trust funds as well as scheduled settlement payments to DOE. The DOE agreed to make a "limited release" of the Section 29 tax credit waiver in order to provide the necessary capital to construct a project to compress and transport carbon dioxide to be used in tertiary recovery of oil and to make additional environmental improvements to the Great Plains Synfuels Plant. These projects significantly enhance the prospects for long term operation of the Great Plains facility while protecting the Government's investment and scheduled payments.

Question. What arrangements exist to guarantee that the value of the tax credits used to finance the pipeline will be repaid?

Answer. Under the terms of the third amendment to the Asset Purchase Agreement, Dakota Gasification Company has an obligation to make fixed payments totaling $3.3 million annually. In addition, effective January 1, 2002, Dakota Gasification Company is obligated to pay a variable payment calculated using an applicable percentage of positive cash flows.

Question. Will the CO_2 purchaser have a binding legal obligation to make the $3.3 million annual payments?

Answer. PanCanadian, the CO_2 purchaser, has an obligation to pay Dakota Gasification Company a monthly demand charge. Within 10 days of receipt of the monthly demand payments Dakota Gasification Company has a binding legal obligation with DOE to make the $3.3 million annual payment in monthly installments under the terms of the Third Amendment to the Asset Purchase Agreement.

Question. Is there any financial risk to this portion of the deal based on possible changes in oil markets, etc.?

Answer. The CO_2 agreement is structured as a long-term take-or-pay contract with fixed demand payments as well as levels of production. Substantial costs are required to terminate the agreement.

Question. Will the CO_2 demand charges and any positive cash flow to Dakota Gasification be deposited in the Treasury, or will they be available to the Department of Energy?

Answer. As with previous receipts (revenue sharing, interest on trust accounts, return of principal from trust account funds, and settlement payments) the CO_2 demand charges and any payments to the Department of Energy of applicable percentage of positive cash flows will be deposited in the Treasury as miscellaneous receipts and not be available to the Department.

Question. If no private entity is willing to finance construction of the CO_2 pipeline, why is the Department of Energy fulfilling this role?

Answer. The prospects for continued operation of the Great Plains facility and return of DOE trust funds and scheduled payments to DOE were in jeopardy. A restructured and amended agreement established a unique funding plan. DOE agreed to let Dakota Gasification Company use the previously waived Section 29 tax credits but required that the proceeds only be used to finance the CO_2 project and to fund the additional environmental improvements necessary to resolve the environmental issues at the plant. These modifications are subject to a repayment mechanism that returns the money lost to the U.S. Treasury back to the federal government.

Question. Is construction and operation of the pipeline expected to produce any information of scientific value?

Answer. The construction and operation of the pipeline for use in enhanced oil recovery significantly enhances the prospects for continued operation of the Great Plains Synfuels Plant. The pipeline also develops the capacity for additional enhanced oil recovery projects in western North Dakota and Montana. The limited release of the section 29 tax credit waiver also provides the funding for additional environmental improvements including the installation of a wet electrostatic precipitator to resolve pending environmental issues and improvements to a first of kind commercial application of an ammonia based scrubbing system.

Question. How specifically does DOE's participation in this project relate to the Department's goal and objectives under the Government Performance and Results Act?

Answer. DOE's participation in this project is consistent with DOE's strategic goal to promote secure, competitive, and environmentally responsible energy systems that serve the needs of the public. Specific objectives within this goal include reducing the vulnerability of the U.S. economy to disruptions in energy supplies; increasing the efficiency and productivity of energy use, while limiting environmental impacts; and carrying out information collection, analysis, and research that will facilitate development of informed positions on long term energy supply and use of alternatives. The objectives of the DOE strategic plan are used for reporting results under the Government Performance and Results Act.

NATURAL GAS RESEARCH

Question. The budget request includes $1.985 million for methane hydrates research. How will these funds be administered?

Answer. The methane hydrates program will be administered through the Office of Fossil Energy (FE). The Office will coordinate its activities with the hydrates research and development work of other government groups, including the U.S. Geological Survey, Naval Research Lab, Minerals Management Service, National Science Foundation, and Ocean Drilling Program. In addition, a Management Steering Committee (MSC) will be formed, comprising government and private organizations that finance methane hydrates research and/or will use the products of the program. The MSC will ensure that work under the methane hydrates program will complement other work conducted by federal, state, and commercial organizations and coordinate with International groups conducting hydrates research and development.

Question. Will the funds be used for in-house work, research contracts with other entities, or other types of activities?

Answer. Funding recipients have not yet been determined but will almost certainly include industrial partners; other Government organizations (such as the Naval Research Lab, U.S. Geological Survey, the Ocean Drilling Program, National Science Foundation, and Minerals Management Service); national laboratories; academia and oceanographic institutions, including university consortia and the Federal Energy Technology Center; and Rocky Mountain Oilfield Test Center. This is consistent with the draft Methane Hydrates Research and Development Act of 1999, which encourages "partnerships among government, industry and institutions of higher learning."

Few, if any, competitive procurements would be possible at the $2 million funding level, but at higher funding levels anticipated as the program matures, open solicitations would be added to the procurement mechanisms used to implement the program.

Question. Given the current state of knowledge regarding methane hydrates, could the Department effectively spend more money for research in this area if funds were available? If so, how much?

Answer. Yes, the Department could effectively spend more on methane hydrates research in fiscal year 2000. The Department considers the fiscal year 2000 Congressional budget request of $1.985 million to be the appropriate level of funding. Any proposed funding addition will have to be offset by funding reduction elsewhere to maintain the discretionary budget cap imposed by the BEA of 1990.

Question. How would these additional funds be used?

Answer. While specific procurement plans will not be finalized until appropriations have been approved by Congress, the Department anticipates that program activities could include the following work, depending on the funding level. Most of the funding would be used to leverage existing methane hydrates expertise at DOE and other government agencies. No competitive solicitations are planned. At the proposed $2 million funding level the program would:

—Initiate databases of hydrate locations and research results,
—Collect samples and conduct geologic/geophysical studies to define the location and quantities of naturally occurring hydrates,
—Conduct laboratory and modeling studies of hydrate dissociation,
—Initiate preliminary seismic evaluation of subsea hydrate structure and strength, and
—Monitor subsea hydrate sites.

At a $10 million funding level, for example the program could also:

—Conduct laboratory studies of the geologic, geochemical, thermodynamic, and acoustic properties of hydrates;

—Correlate field samples with geologic, geophysical, and geochemical data;
—Develop predictive models of hydrate formation and dissociation;
—Site selection and test design for onshore production test;
—Develop preliminary production process models;
—Monitor dispersed hydrate sites and the geologic record relative to methane release; and
—Assess methane hydrate storage options.

At the higher funding level, the program would issue competitive solicitations for work by academia, national labs and industry. Multiple approaches would be pursued and varied sites would be studied.

Question. Funds are requested in the turbine program for investigation of mid-size turbine configurations for use in "Vision 21 powerplex applications." Does the incorporation of turbines into a Vision 21-type power system present large technological hurdles that will require significant additional research, or can the use of turbines in this fashion be accomplished with relatively little reconfiguration?

Answer. Many of the Vision 21 configurations will present large technological hurdles for gas turbine integration. For example, current ATS turbines have been developed for operation with natural gas. Vision 21 systems are intended to be fuel flexible—capable of using coal, gas, biomass in combination with other fuels. Further development is needed to make advanced turbines compatible with these fuels. Another example of a major turbine integration challenge would be associated with Vision 21 systems employing fuel cells in a hybrid fashion, which constrains operating temperatures, pressures, and mass flows. Integrating these hybrid systems with a gasifier will be especially challenging.

To meet the aggressive goals set for Vision 21 systems, significant effort will be required in both integration and controls as well as in improvements in gas turbine performance. Under the proposed Next-Generation Gas Turbine Systems program, enabling technologies and products will be developed to support the Vision 21 program. As clear goals and objectives emerge from the Vision 21 program, turbine-based concepts will be defined that can be integrated into Vision 21 plants. Currently, Vision 21 gas turbine based modules are conceptualized as High Efficiency Engines and Turbines (HEET) and are expected to include evaluation of ultra-high efficiency systems such as reheat, recouperative cycles, hydrogen turbine systems, and intercooled advanced cycle systems, adaptation of improvements made for natural-gas-fueled turbines to coal fuels or other opportunistic fuels, and development of ultra- high efficiency power modules using novel or innovative concepts for combustion or steam power conversion devices.

Question. Is this likely to be an area requiring significant additional resources in future years, or can the adaptation of turbines for this purpose be accomplished with relatively little DOE support?

Answer. Though there are near-term market spinoffs expected from the turbine portion of the Vision 21 program (referred to as High Efficiency Engines and Turbines or HEET), industry will not be able to the support this longer-term research and development effort on their own. In addition, market restructuring has all but eliminated public utility research and development efforts related to power generation equipment. Government/industry partnerships are needed to induce manufacturers to invest in technically risky, longer term, research and development efforts.

Question. The request includes $32.59 million for the Advanced Turbine Systems program, a decrease of roughly $3 million from fiscal year 1999. Assuming Congress provides the requested amount in fiscal year 2000, what will likely be the level of the Department's fiscal year 2001 budget request for this program?

Answer. The Department is currently developing its budget proposal for fiscal year 2001. It depends on Congressional Appropriations as well as other factors. Thus it is almost impossible to speculate on fiscal year 2001 funding levels for a program of this magnitude at this time.

Question. In fiscal year 2002? Do we know yet whether the ATS technology developed in this program will actually meet or exceed the goals established at the outset of the program?

Answer. Both Siemens-Westinghouse and General Electric expect to meet the goals set forth in the ATS program. Test results, to date, indicate that they are on track. It is expected that the full-speed, no-load tests and full-scale ATS demonstrations (not being fund by DOE) will confirm that the ATS program goals have been met. By fiscal year 2002, we expect that the utility scale testing will have been completed successfully, while the base technology program will continue to support improvements on turbine blades, address fuel flexibility, with a transition to intermediate scale turbine development.

Question. The amount requested for the Gas-to-Liquids program represents a decrease of $1.5 million from the fiscal year 1999 level. Is the amount requested suffi-

cient to maintain work on the ITM SynGas program in fiscal year 2000 at the level contemplated in the original work plan?

Answer. No, higher levels of funding were estimated in the original work plan.

Question. If not, how much additional funding would be required to do so?

Answer. The Department considers the fiscal year 2000 budget request to be the appropriate level of funding. The fiscal year 2000 budget currently includes $5.1 million to complete Phase I project activities that entail selecting a single membrane material composition and developing necessary ceramic-to-metal sealing technology. Phase I is scheduled to end during the first quarter of fiscal year 2000. Additional funds of about $1.5 million would be required to initiate Phase II; DOE does not propose to initiate Phase II in fiscal year 2000.

Question. What additional work, if any, could be accomplished in fiscal year 2000 if additional funds were provided?

Answer. If additional funds are provided in fiscal year 2000, we would put additional funds on the Ionic Transport Membrane (ITM) contract. The ITM project is a three phase, $86 million, 8-year, competitively-selected effort directed to the development and demonstration of selected ceramic membrane(s) to separate oxygen from air and enable the precise partial oxidation of natural gas within a single reactor to make a "synthetic gas" (syngas), which then can be converted to a liquid in a second reactor.

Air Products and Chemical, Inc. (APCI), the prime contractor for the effort, and DOE believe that the present Phase I deadline for completion of March 30, 2000 will be met. APCI hopes to more quickly move into Phase II work (assuming a go-ahead decision by DOE in late 1999) with the goal of completing the initial, two major ITM-Syngas process tests in less time than the present 3½ year schedule.

Question. Does the request include any funding in support of the alternative gas-to-liquids technology being developed by a university team led by the University of Alaska-Fairbanks?

Answer. No funding has been requested in the fiscal year 2000 budget for this work because it will be fully funded with fiscal year 1998 and 1999 appropriations.

Question. What is the status of funds appropriated to date for this project?

Answer. On April 16, 1999, DOE announced the award of a 2-year, $3.1 million university effort in support of BP Amoco's alternative approach to one-step oxygen separation and methane partial oxidation. DOE will provide $2.5 million to the University of Alaska-Fairbanks for the project. The project will also receive $625,000 in private sector cost-sharing. Joining the University of Alaska will be the Massachusetts Institute of Technology, the University of Houston, the University of Illinois-Chicago, and the University of Missouri-Rolla. This project will be fully funded with fiscal year 1998 and 1999 appropriations.

Question. The request for the coal mine methane program is level with fiscal year 1999. What is the current status of this program?

Answer. The program is in Phase II which is the design phase of the field demonstration of technologies for capturing and using emissions from coal mining operations.

Question. Has there been a downselection of demonstration proposals developed in this program?

Answer. No, downselection has not yet taken place.

Question. If not, when will this selection be made?

Answer. Downselection for the field demonstration projects will begin in late summer of 1999.

Question. How many projects is the Department likely to continue supporting?

Answer. The Department plans to choose two projects for field demonstration.

Question. Assuming the amount requested in fiscal year 2000 is provided, what will be accomplished in this program in fiscal year 2000?

Answer. The program funding for fiscal year 2000 will allow for the initial implementation phase of the field demonstrations.

Question. What is the estimated funding profile for the remainder of the program?

Answer. There will be 50-percent industry cost-sharing with the field demonstrations. The estimated funding profile for the remainder of the program will be as follows:

Fiscal year	*Amount*
2000	$500,000
2001	1,000,000
2002	1,000,000
2003	1,000,000

Question. The request proposes a 75-percent increase in Outreach and Technology Transfer within Natural Gas Research, but does not explain what the increase will accomplish. Why is this increase requested?

Answer. This modest increase of $187,000 would be used to provide independent natural gas producers with better information on current and upcoming environmental regulatory issues that affect their operations and potentially increase their costs. This outreach will include information on compliance, reporting, and permitting requirements and will provide training for operators on least-cost, environmentally protective methods of compliance. Surveys of operators have identified the need for better environmental regulatory and compliance information as a top priority need of independent producers. It is anticipated that the Petroleum Technology Transfer Council and possibly others would implement this environmental outreach effort.

FUEL CELLS

Question. The request includes $30 million for continued work on two molten carbonate fuel cell systems and one tubular solid oxide fuel cell system. Assuming the budget request is provided, what will MC Power and ERC accomplish in fiscal year 2000 in their molten carbonate development programs?

Answer. In fiscal year 2000, the budget request for Fuel Cells is $37,649,000 for the continuation of the three major development efforts, plus an additional $4,950,000 is requested in the High Efficiency Integrated Gasification/Combined Cycle program for the development of advanced fuel cell systems for Vision 21 gasification/combustion applications.

Siemens Westinghouse will test a 250-kilowatt fuel cell turbine hybrid system at the National Fuel Cell Research Center in California. Siemens Westinghouse will also be involved in development of advanced fuel cell systems for Vision 21 gasification/combustion applications.

ERC plans to complete a 250-kilowatt tall stack test in the grid connected mode of operation at ERC's 400-kilowatt test facility, and also plans to complete a 2500-kilowatt power plant demonstration at a U.S. site. The results of the demonstration will provide the basis for a commercial design for a plant in the 250-kilowatt to 3-megawatt size range.

MC Power plans to complete a 250-kilowatt endurance stack test to validate the lifetime and performance of stack components that will provide the basis of a total plant systems demonstration on the 250- to 500-kilowatt size.

Question. What work will likely be done in fiscal year 2001?

Answer. ERC plans to complete the commercial design for a plant in the 250-kilowatt to 3-megawatt size range, and plans to conduct a megawatt scale power plant test to validate its commercial design. MC Power plans to initiate a 250- to 500-kilowatt plant system demonstration to validate its commercial design.

Question. How much has the Department spent thus far on molten carbonate fuel cell development?

Answer. The Department has provided approximately $364.1 million to molten carbonate fuel cell developers through 1998 and expects to provide an additional $26.3 million in the current fiscal year.

Question. What is the Department's estimate of when these technologies will be ready for market entry?

Answer. Commercial entry could occur in the 2003 to 2004 time frame, following pre-commercial demonstrations and the completion of the current projects.

Question. When does the Department expect to cease supporting these two development contracts?

Answer. The current contracts are scheduled to end in 2002–2003. As with many new technologies, the first generation of commercial fuel cells (phosphoric acid fuel cells) have encountered significant hurdles competing with low cost, albeit less environmentally pristine, conventional technology. However, market studies have indicated that even with the high initial costs, there are distributed generation markets for these fuel cells, particularly in applications where premium power (high quality and reliability) is in demand. The next generation (molten carbonate and solid oxide) fuel cells ought to be more economically attractive, but significant cost reduction will be needed to enable the capture of major market shares. DOE is currently assessing the need for an advanced program focused on major reductions in cost for fuel cell and balance of plant components.

Question. Does the Department intend to downselect to one molten carbonate contractor during fiscal year 1999 or 2000? If not, why not? If so, when?

Answer. A decision to downselect to one molten carbonate contractor has not been made, but that option will be considered in the course of a periodic process for eval-

uating the progress of each of the fuel cell developers and their ability to provide their cost share. DOE will initiate such a review at the end of May 1999, and a determination concerning downselection will occur at that time.

Question. What would likely become of the technology and data developed with DOE support under the terminated contract?

Answer. The outcome depends on specific contract provisions, whether the contractor is a small business or a large business, and the value of the technology and data. By statute, small businesses get an automatic right to retain title to their inventions and there is no specific requirement to obtain DOE's approval to transfer those rights to another entity, including a foreign entity. However, the entity receiving those rights can only exercise them subject to statutory requirements that apply to small businesses, including a requirement that products for use or sale in the United States must be substantially manufactured in the United States. No such requirement applies for use or sale outside the United States.

Large businesses must obtain a waiver of patent rights from DOE in order to retain rights to inventions made with Government funding (that is, subject inventions). Advanced waiver clauses require DOE approval before transferring patent rights to a foreign company. The large business and any entity to which it would transfer patent rights must substantially manufacture in the United States and products for use or sale in the United States. Violation of this requirement subjects the contractor to repay all funds provided by DOE and either license subject inventions to a third party U.S.-owned entity who agrees to commercialize the technology or return title to subject inventions to DOE. There are additional requirements to license background patents necessary to practice the technology to the third parties.

The fuel cell awards also have adequate recognition provisions requiring DOE approval of any contract, license, or other agreement that transfers fuel cell technology developed at least, in part, with government funding to a foreign entity. However, it is not known whether adequate recognition provisions are enforceable against a small business because there is no such restriction in the statute that gives small businesses title to their inventions.

The contractor can use the data developed under the government award for its private purposes as long as its reporting requirements to the government have been met. These fuel cell contractors have the ability to withhold certain information from public disclosure for up to 5 years under the Energy Policy Act. However, there is nothing to prevent the contractor from transferring such data under confidential arrangements to a foreign entity. The only contractual restrictions on the contractor's private use of the data are related to patent and security issues, and these restrictions are not likely to impede the flow of data to a foreign entity.

The current value of the technology would be a factor in determining whether the contractor would attempt to sell the technology and data, and what options DOE might choose to exercise to prevent a significant loss of the U.S. taxpayer's investments and loss of the technology.

Question. Have the three principal contractors in the fuel cell program each lived up to the cost sharing requirements of their individual research agreements?

Answer. Yes, the principal contractors have lived up to the cost sharing requirements. Earlier in this fiscal year, MC Power began to fall behind in meeting their cost-share requirements. DOE slowed the obligation of funding until the delinquency was corrected. MC Power is currently meeting the cost-share requirements.

Question. Is the Department confident these cost sharing requirements will be met in fiscal year 2000?

Answer. Yes, at this time we are confident.

Question. Has the Department yet made a decision whether to proceed to Budget Period 4 of the research program with MC Power? If not, when will this decision be made? Is so, what is the decision and the nature of the arrangement for Budget Period 4?

Answer. No, the Department has funded the cost overrun in Budget Period 3. Depending on the progress made in Budget Period 3, a decision will be made whether or not to fund Budget Period 4. This decision will be made by late spring of 1999.

Question. How has the Department acted to protect the federal investment in the fuel cell program as a result of the Siemens-Westinghouse merger?

Answer. Siemens-Westinghouse has agreed to a provision to ensure the United States obtains Adequate Recognition. A specific contractual clause requires the substantial manufacture of technology first developed under DOE's program in the United States and provides for verification. In the event that Siemens-Westinghouse does not substantially manufacture in the United States, Siemens-Westinghouse must repay the U.S. government all monies, with appropriate interest, granted to them.

OIL TECHNOLOGY

Question. The 1998 Strategic Plan for the Office of Fossil Energy sets a goal of stopping the decline in domestic oil production by 2005, and increasing production by 500,000 barrels per day by 2010. Is it possible to achieve this goal if oil prices remain as low as they are currently?

Answer. No, if oil prices remain below about $14 per barrel, we believe that it will not be possible to arrest the decline in domestic oil production by 2005, and to increase the production by 500,000 barrels per day by 2010. The sharp decline in oil prices caused DOE concern about achieving the stated goal. Therefore, we have initiated the Preferred Petroleum Upstream Management Practices (PUMP) program, starting with $500,000 requested in fiscal year 2000.

The original PUMP program was designed to supplement existing DOE mid- and long-term research and development through the involvement of the nation's oil technology experts in industry, government, and academia. The program would focus on integrated and expedited application of advanced technologies through field demonstrations, best practices, and resolution of environmental and regulatory constraints. Strategies are threefold: use known technology mechanisms; regional approaches; and integrated solutions to technology, regulatory and data constraints.

Question. Is the additional production needed to achieve this goal likely to come predominantly from enhancements to existing wells and fields, or from development of new fields?

Answer. The additional production needed to achieve this goal would come mostly from enhancements to existing wells and fields (about 75 percent of total), and also from the development of new fields and field extensions (about 25 percent of total). Additional oil production from enhancements to existing wells and fields will result from improved oil recovery technologies, and field demonstration of technologies, such as the Reservoir Class program. Additional production from new fields will result from research on sophisticated computational techniques needed for much more accurate reservoir characterization and interpretation of seismic data, such as subsalt imaging in the Gulf of Mexico.

Question. Oil development on the North Slope presents a number of challenges. What work is being done in the Oil Technology program that would lower the cost of recovering heavy oil in locations such as the North Slope?

Answer. The currently ongoing research that directly relates to the recovery of heavy oil and that has potential for lowering the cost of recovering heavy oil in locations such as the North Slope are as follows:

—Modification of Chemical and Physical Factors in Steam Floods to Increase Heavy Oil Recovery (University of Southern California)
—Quantitative Methods for Reservoir Characterization and Improved Recovery: Application to Heavy Oil Sands/Fundamental Geoscience Awards (Clemson University)
—North slope Heavy Oil Recovery (CRADA with BP Exploration, Inc., BDM International)
—Heavy Oil Recovery Mechanisms (Stanford University, ARCO, Chevron, Texaco, INTEVEP, Amoco, Exxon, Mobil, Elf)
—Transport and Phase Equilibria Properties for Steam Flooding of Heavy Oils (Prairie View University HBCU grant)
—Reactivation of an Idle Lease to Increase Heavy oil Recovery through Application of Conventional Steam Drive Technology, Reservoir Class III (University of Utah, ARCO Western, Utah Geological Survey)
—Increasing Heavy Oil Reserves in the Wilmington Oil Field through Advanced Reservoir Characterization and Thermal Production Technologies, (Reservoir Class III)
—Removal of Heteroatoms and Metals from Heavy Oils by Bioconversion Processes (Texaco, Exxon, Unocal, Energy Biosystems, Baker Chemicals, Chevron)
—Fundamental Chemistry of Heavy Oil Thermodynamics (Oak Ridge National Laboratory)

Past research that directly relates to heavy oil recovery in areas such as Alaska, includes the development and demonstration of double insulated tubing for steam injection and a downhole steam generator. Both are important in areas where permafrost is encountered and both were commercialized, but not widely used due to low oil prices.

Question. In what program elements is this work being performed and with what research partners?

Answer. Projects 1 through 5 below are performed under the Exploration and Production Supporting Research; projects 6 and 7 are performed under the Recovery

Field Demonstration, and; projects 8 and 9 are performed under Effective Environmental Protection.

—Modification of Chemical and Physical Factors in Steam Floods to Increase Heavy Oil Recovery (University of Southern California)
—Quantitative Methods for Reservoir Characterization and Improved Recovery: Application to Heavy Oil Sands/Fundamental Geoscience Awards (Clemson University)
—North slope Heavy Oil Recovery (CRADA with BP Exploration, Inc., BDM International)
—Heavy Oil Recovery Mechanisms (Stanford University, ARCO, Chevron, Texaco, INTEVEP, Amoco, Exxon, Mobil, Elf)
—Transport and Phase Equilibria Properties for Steam Flooding of Heavy Oils (Prairie View University HBCU grant)
—Reactivation of an Idle Lease to Increase Heavy oil Recovery through Application of Conventional Steam Drive Technology, Reservoir Class III (University of Utah, ARCO Western, Utah Geological Survey)
—Increasing Heavy Oil Reserves in the Wilmington Oil Field through Advanced Reservoir Characterization and Thermal Production Technologies (Reservoir Class III)
—Removal of Heteroatoms and Metals from Heavy Oils by Bioconversion Processes (Texaco, Exxon, Unocal, Energy Biosystems, Baker Chemicals, Chevron)
—Fundamental Chemistry of Heavy Oil Thermodynamics (Oak Ridge National Laboratory)

Past research that directly relates to heavy oil recovery in areas such as Alaska, includes the development and demonstration of double insulated tubing for steam injection and a downhole steam generator. Both are important in areas where permafrost is encountered and both were commercialized, but not widely used due to low oil prices.

Question. Are there particular problems associated with directional drilling and other advanced drilling technology in Arctic conditions?

Answer. Yes, all drilling projects—vertical and directional—must address problems associated with the surface location in addition to problems associated with the subsurface reservoir. Drilling projects must address diverse, often extreme, surface environments, numerous species of wildlife, wilderness, sparse population, remoteness, and limited infrastructure: offshore extremes from arctic to subarctic climates; earthquakes and associated tsunamis; volcanic activity that can result in dust fallout, toxic gases, land slides, floods, tidal waves, or other associated hazards. Commercial fishing is an important industry in Alaska, and offshore oil exploration must be conducted in a manner which does not interfere with these activities. Other challenges on the surface which must be met by operators drilling in the Alaska offshore areas include: extreme wave heights and long wave periods; high tides, high currents, and strong winds; intense storms; the remoteness of the Bering Sea and Chukchi Sea; temperatures and associated conditions require the use of special steels, safety devices, and procedures for the protection of personnel and equipment; and annual sea ice and pack ice dictate seasonal operations or drilling and production structures. Downhole, there are other issues being addressed, such as the following:

—Refrigerated mud systems are necessary when drilling in areas with permafrost;
—An independent third party review is required for new or untried technology;
—Real-time well control equipment and technology, and improved accuracy and sophistication of equipment for monitoring of wellbore and drill string parameters provide early warning of abnormal down hole conditions;
—Computer application and automation of safety sensing devices and equipment; prediction or detection of abnormal pressure through seismic data analysis or drilling measurements, automated drill pipe handling equipment, and top drive or improved rotary swivel equipment;
—Avoidance of wellbore collision in areas of high well density; and
—The use of new wells versus sidetracks; conventional rotary rigs versus coiled tubing drilling unit, horizontal and/or high angle completion profiles versus vertical, short radius directional build profiles versus medium radius; slotted liner completions versus solid and selectively perforated casing, chrome production tubing versus carbon-steel tubing, thru-tubing rotary drilling and multi-lateral well designs, ultra-slim diameter mud-pulse-telemetry directional drilling tool for application through 3½-inch tubulars to drill directionally steered 2¾-inch boreholes at Prudhoe Bay using coiled tubing as a directional extension of the horizontal section below the existing 3½-inch tubing string.

Question. If so, are these problems the focus of any work being performed in the Oil Technology program?

Answer. Yes, the Department's Oil Advanced Drilling, Completion and Stimulation program includes investigation of problems associated with surface conditions including miniaturization of equipment both uphole and downhole, and problems associated with the reservoir environments encountered during the drilling phase. The program includes the following projects which have application to drilling in Arctic regions:

—Fiber Optic Sensor Technology Development—optical fiber sensors for the measurement of pressure, temperature, flow, and acoustic waves.
—Stimulation Research—investigation of advanced acidization treatments, formation consolidation techniques, microbial processes, formation fracturing, and real time seismic data acquisition.
—Optimization of Horizontal Well Completion—development of guidelines and software to optimize the horizontal well performance.
—Compact Three-phase Separator—to reduce the amount of surface area needed for fluid separation operations on offshore platforms or onshore situations benefitting from extremely small footprint.
—Advanced Cuttings Transport Facility—assessment of the ability of aerated and compressible drilling fluids to transport cuttings under various conditions of high temperature and pressure.
—Tulsa University Drilling Research Program—acquisition of results of experimentation on the ability of aerated and compressible drilling fluids to transport cuttings under conditions of low temperature and pressure.
—Wellbore Stability and Heat Flow—experimentation and data collection for use in predictive models that will assist in basin development.

Question. A number of refineries in the United States have been operating under EPA waivers for sulfur dioxide emissions. That waiver will soon expire, which may have a severe impact on smaller refineries that cannot afford costly equipment to reduce emissions. What technologies are being developed to lower the cost of reducing sulfur dioxide emissions?

Answer. There are several commercial technologies that are available to reduce sulfur dioxide emissions from refineries. These technologies are constantly being improved by their developer. The most utilized technology is the Claus process. To achieve lower emissions of sulfur, two other methods are being used, enhanced Claus conversion (for example, BSF, Selectox, Sulfreen, Cold Bed Absorption, Maxisulf, and IFP–1 processes) and gas scrubbing (for example, SCOT and Beavon processes).

Question. What departmental programs are supporting this type of work?

Answer. There are no programs which are intended to directly support developing technology for capturing SO_2 emissions from refineries. The Environmental Systems program has developed a number of systems for reducing SO_2 emissions from coal fired power plants and this research is ongoing. Some of this technology may be useful for reducing SO_2 emitted from refineries also.

Question. A $500,000 increase is requested for Analysis and Planning in the Exploration and Production Supporting Research program, but the justification does not explain the purpose of the increase. Why are the additional funds necessary?

Answer. The additional funds will be used to improve the oil and gas models used by Fossil Energy. These models are used to assess the costs and benefits of competing RD&D initiatives to help pick the most beneficial RD&D; to provide metrics to identify the benefits of oil and gas programs as part of the presentation of the budgets; and to assess the costs and benefits of wide-ranging policy initiatives affecting the petroleum industry to support DOE, the Administration, and Congress in determining the relative merits of these proposed policies.

The additional $500,000 requested will be used to: integrate the oil and gas models that are currently separate, and add modules for offshore, environmental regulations and costs, and downstream operations. These improvements will allow the integrated model to more accurately simulate how the industry operates in terms of having an integrated perspective on oil and gas development. They will also give the program the ability to better model new or evolving areas of the program—that is, offshore, environmental, and downstream. This will provide significant benefits in all three model applications described in the previous paragraph.

Question. What would be the impact if the increase were not provided?

Answer. The immediate and ongoing impact would be the loss of the information that comes from these models as described in the three types of model applications outlined previously. This information is vital to all aspects of the oil and gas programs in terms of providing information on the best RD&D paths to choose, metrics information to supplement the budget process, and information to support DOE's wide-ranging policy initiatives. These policy initiatives include: environmental

issues, financial and tax issues affecting the industry, and impacts of federal lands development policies on the domestic petroleum industry.

The longer-term impact would be that, it will be more expensive to do these model improvements in the future then it would be to do them now. This is because this model development process has been underway since 1998 and a group of knowledgeable modeling experts have been assembled and trained to do this work. Right now these modelers can do this work with maximum efficiency and cost-effectiveness. If this work is not funded now those modelers will be moved to other work. Then, if it is decided these model improvements should be made some time in the future new modelers may have to be assembled and trained, or if the same modelers are available, they will have lost the level of knowledge they currently have on the workings of the models and will have to be retrained.

Finally, while this is a $500,000 increase in the Analysis and Planning budget as compared to the 1999 budget ($3.7 versus $3.2 million), this is only a $200,000 increase in budget as compared to the 1998 budget when this modeling initiative began ($3.7 versus $3.5 million).

Question. The Department will continue to provide funding for the Petroleum Technology Transfer Council in fiscal year 2000. Was it originally intended that the Council eventually would become self-supporting and not rely on Department of Energy funds?

Answer. The Council was first funded in fiscal year 1993 with the intention that after 5 years full support would come from industry.

Question. If so, when were federal appropriations for the Council to cease according to the original program plan?

Answer. The original plan was to provide federal support for a 5-year period, with DOE providing most of the funding for the first few years. Because of budget constraints, DOE funding for the first 5-year period was significantly below the proposed levels. This resulted in a longer than anticipated time frame to set up the Council structure.

Question. What is the current projection of when federal support for the Council will cease?

Answer. The current grant to the Council started May 1998 and ends May 2003. At the end of the current grant the Department will evaluate the need to continue supporting the Council. Continuation of support will depend on the need for the type services that the Council provides toward meeting the Department's mission and the ability of the Council to remain a strong technology transfer organization to the industry without federal support. The Council has been an economical and effective tool supporting the Department in meeting its mission by assisting in the dissemination of technology developed by the Department's research and development programs to the independent petroleum producing community.

PROGRAM DIRECTION

Question. The justification indicated that roughly $7.5 million will be allocated in fiscal year 2000 for the SBIR and STTR programs. How are these funds allocated each year?

Answer. These funds are set aside, by law, as a percentage of the extramural budget (funds other than those used for in house research or for salaries). The SBIR offset is 2.5 percent and the percentage of funds for STTR programs is 0.15 percent. The funds are then competed.

Question. What are some examples of the types of activities funded, and their relationship to Fossil Energy Research and Development program goals?

Answer. These activities are designed to provide broad support to Fossil Energy Research and Development program goals. For Example, the SBIR topics are coal and gas turbine systems, and recovery and utilization of fossil fuels in SBIR; the STTR topics are instrumentation for sampling, measuring and monitoring green house gases, coal-fired related pollutants and hydrogen.

Question. The justification indicates that four additional FTE's will be supported in fiscal year 2000 at the National Petroleum Technology Office. What is the rationale for these additional positions?

Answer. With the closing of the National Institute for Petroleum and Energy Research (NIPER), the workload for the former Bartlesville federal employees now located in Tulsa, has increased significantly. In order to alleviate some strain on the staff, four federal employees from the Elk Hills California Oil Field site were transferred to Tulsa. These employees are very knowledgeable of oil industry activities and of the Department of Energy.

ADVANCED METALLURGICAL PROCESSES

Question. It has been several years since the Albany Research Center was transferred from the Bureau of Mines to the Department of Energy. Has the transition been successful from the point of view of the Fossil Research and Development program?

Answer. Yes, the program at ARC has been successfully redirected to address Fossil Energy research and development needs. This has been made possible by extending the cross-cutting research expertise and capabilities resident at ARC. In addition, the Fossil Energy research efforts at ARC are being effectively leveraged throughout a number of other program offices in DOE.

Question. Is the transition complete?

Answer. Yes, as new Fossil Energy research program needs developed and emerged, and partnership opportunities presented themselves during the past three years, appropriate mission priorities at ARC were realigned and refocused. Today all activities in the Advanced Metallurgical Processes program support Fossil Energy research and development goals.

Question. Does the work currently being performed at the ARC directly support the goals of the Fossil Energy Research and Development program?

Answer. Yes, as examples, two primary cooperative research opportunities addressing needs associated with the Vision 21 EnergyPlex were identified within Fossil Energy and research was initiated at ARC late in fiscal year 1998. Those two technology efforts consist of gasifier refractory materials research and mineral carbonation for CO_2 sequestration research. Support from the Coal Technology Research and Development-Advanced Research and Technology Development and from the Advanced Power Systems programs is being matched with Advanced Metallurgical Processes funding in pursuit of this work during fiscal year 1999 and is expected to continue into fiscal year 2000 for both of these research areas. Continued and further coordination of the ARC program with Fossil Energy research and development goals is being accomplished through ARC participation on the Advanced Research Product Team at the FETC. It is anticipated that ARC will continue to be a significant contributor to critical materials enabling technologies needed for future Fossil Energy systems.

Question. What about other DOE programs?

Answer. The Albany Research Center's (ARC) approach for integration into its parent Office of Fossil Energy includes efforts at establishing partnerships with other offices within the Department of Energy (DOE) where ARC's core capabilities are relevant and applicable. ARC is attempting to create a balanced approach to this integration by developing a research portfolio which complements both the Office of Fossil Energy and also other offices within the DOE, while at the same time retaining current private sector and other government customers. An underlying corollary to this strategy is the identification of potential future customers having needs which can be met under the umbrella of the adaptable and flexible core capabilities of the Center. Currently, it is anticipated that ARC will play a significant role in the joint Fossil Energy/Energy Efficiency Mining Initiative.

Question. How much work for others is currently being performed at ARC?

Answer. Research efforts for organizations other than DOE (both public and private) is currently being conducted through 19 agreements representing a total of $370,000. Work for other DOE offices includes EE-OIT for $350,000 and EE-OTT for $225,000. In addition, research is being conducted for other programs within Fossil Energy for a total value of $600,000.

Question. What is the total operating budget for ARC in fiscal year 1999?

Answer. The total operating budget for ARC in fiscal year 1999, excluding specific directed ES&H activities, is $7,300,000.

Question. How many personnel are currently employed at ARC?

Answer. Currently 83 personnel are employed at ARC representing an FTE level of approximately 81.

CLEAN COAL TECHNOLOGY

Question. The budget requests a $256 million deferral in Clean Coal Technology appropriations. Will this deferral, if enacted, have any impact on any remaining go/no-go decisions for projects remaining in the program?

Answer. If the proposed deferral is enacted, it will not impact remaining go/no-go decisions. The two projects with remaining go/no-go decisions are the Clean Energy Demonstration Project—an Integrated Gasification Combined Cycle (IGCC) planned for Illinois and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project—a combined steel making and power generation project planned for Utah. For the Clean Energy project, the Department recently approved a re-

siting of the project to Carbondale, Illinois and a restructuring of the team members. For the CPICOR project, an extension was necessary due to a change in the technology vendor. The next decision point for both of these projects is in December 2000, at the start of the construction phase. The proposed deferral includes a specific schedule for the return of deferred funds that will enable the Department to meet funding commitments for these two projects.

Question. Will the deferral have any impact on outstanding decisions on whether to approve project re-siting proposals?

Answer. The Department recently approved a re-siting/restructuring proposal for the Clean Energy Demonstration Project—an Integrated Gasification Combined Cycle (IGCC) planned for Carbondale, Illinois. The only CCT project without a firm site is the Commercial Demonstration of the NOXSO NO_X/SO_2 Removal Flue Gas Cleanup System. The participant for the NOXSO project is in Chapter 11 Bankruptcy. A suitable host site and participant financing is required for this project to continue. Since the full DOE-commitment for this project has been obligated, the proposed deferral would not impact on the decision to proceed with this project.

Question. Please provide for the record a description of all projects remaining in the program for which go/no-go decisions remain to be made, or for which project re-siting is under discussion.

Answer. There are two projects with remaining go/no-go decisions. These projects are the Clean Energy Demonstration Project and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project. Both of these projects are in the design phase with construction scheduled to begin in December 2000. Project re-siting is required for the Commercial Demonstration of the NOXSO NO_X/SO_2 Removal Flue Gas Cleanup System to proceed. The participant for the NOXSO project is currently in Chapter 11 Bankruptcy. A suitable host site and participant financing is required for the NOXSO project to continue.

The CPICOR project will demonstrate the integration of a direct iron-making process with the co-production of electricity using various U.S. coals in an efficient and environmentally responsible manner. The project will be located at the Geneva Steel facility in Vineyard, Utah. The project will utilize the HIsmelt® Technology for producing direct reduced iron (DRI) and the high temperature but low Btu by-product gases from HIsmelt will be used to generate electricity. The technology is ideal for both basic oxygen furnace and electric arc furnace steel makers and will handle a wide range of ores and coals.

The Clean Energy project will demonstrate the commercial scale-up of the British Gas/Lurgi (BG/L) slagging, fixed-bed gasifier with combined-cycle power generation. In addition, the operation of a molten carbonate fuel cell (MCFC) on coal gas will be demonstrated. The BG/L gasifier utilizes steam, oxygen, limestone flux, and coal to produce a coal gas that is cooled and cleaned prior to combustion in a turbine to produce electricity. The project will be located at AMEREN Corporation's Grand Tower Station in Carbondale, Illinois. The AMEREN Corporation intends to provide a 50-percent ownership position in the project and provides financial strength and the ability to market the electricity.

The NOXSO project will utilize a dry, regenerable system capable of removing both NO_X and SO_2 in flue gas from coal-fired utility boilers burning medium- to high-sulfur coals. In the process, flue gas passes through a fluidized-bed adsorber containing a sorbent for capturing NO_X and SO_2. The captured NO_X is released back to the boiler where equilibrium processes cause destruction of the NO_X. The captured SO_2 is recovered from the sorbent and used to produce elemental sulfur that can be processed to produce liquid SO_2, a saleable by-product. The process is expected to achieve SO_2 reductions of 98 percent and NO_X reductions of 75 percent.

In addition to these go/no-go decisions, the Department anticipates requests to share in project cost growth for the Wabash River Coal Gasification Repowering Project and the Self-Scrubbing Coal: An Integrated Approach to Clean Air project.

Question. Please provide for the record the 5-Year Obligation Timing Profile for the program.

Answer. The 5-Year Obligation Timing Profile for the Clean Coal program is in the table on the following page.

CLEAN COAL TECHNOLOGY DEMONSTRATION PROGRAM—FISCAL YEAR 2000—5 YEAR OBLIGATION TIMING PROFILE

[In thousands of dollars]

Project	Fiscal years—							Remaining obligations fiscal years 1999–2004
	1998	1999	2000	2001	2002	2003	2004	
Clean energy	.....	.....	.....	152,241	.....	5,389	21,803	179,434
CPICOR	.....	.....	.....	135,662	.....	4,969	.....	140,631
Wabash [1]	.....	9,000	.....	.....	.....	.....	.....	9,000
McIntosh 4B	95,672	.....	.....	.....	.....	.....	.....	.....
McIntosh 4A	87,295	.....	.....	.....	.....	.....	.....	.....
Thermochem	2,799	.....	.....	.....	.....	.....	.....	.....
Project Total	185,766	9,000	.....	287,903	.....	10,358	21,803	329,065
Program Direction	15,000	14,900	14,399	13,919	13,459	13,019	11,597	81,294
Total Obligations	200,766	23,900	14,399	301,822	13,459	23,378	33,401	410,358
FY99 Budget (105–277)	.....	(40,000)	10,000	15,000	15,000	.....	.....	.....
FY00 Request (BA)	.....	.....	(256,000)	189,000	40,000	27,000	.....	.....
EOY Unobligated	424,174	360,274	99,875	2,053	43,594	47,216	13,815	.....

[1] Remaining obligation requirement shown is for an anticipated cost growth that would require ASFE approval. DOE has obligated all currently committed funds.

Question. What are the principal technology benefits of the two Clean Coal projects for which major obligations remain?

Answer. The two Clean Coal Technology projects that have major funding requirements are the Clean Energy Demonstration Project—an Integrated Gasification Combined-cycle (IGCC) planned for Illinois and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project—a combined steel making and power generation project planned for Utah. The British Gas/Lurgi (BG/L) technology being demonstrated in the Clean Energy project is a needed addition to the other gasification technologies being demonstrated in the CCT program. The BG/L gasifier offers the highest cold gas efficiency (over 90 percent) of any coal gasification technology. The gasifier does not require elaborate coal feed and handling systems, as the preferred coal size is 3 inches and has the lowest oxygen requirements of any "modern" gasification process because of the moderate operating temperature of the gasifier. Environmental performance of the BG/L gasifier is expected to be superior to other gasifiers or among the best performing. The BG/L gasifier in an IGCC system can potentially offer the lowest capital and operating costs and highest performance of any of the existing gasifier technologies. Also, the integration of a molten carbonate fuel cell with the IGCC technology will assist in establishing the foundation for high efficiency, Vision 21-type EnergyPlex plants of the future.

The CPICOR project will demonstrate the HIsmelt® Technology for producing direct reduced iron (DRI) with the co-production of electricity. The principal benefit of the direct-iron making technology is the elimination of the need for coke in the iron-making process. The HIsmelt® process is capable of producing high-quality pig iron (over 95 percent iron) by simply mixing run-of-mine ores and coals in a smelter furnace. No coke, sinter, or pellets are required as in a conventional blast furnace. A variety of coal types and ore grades can be used in the process. The direct iron-making process offers improved economics and reduced emissions over the conventional coke oven and blast furnace technology.

Question. Do the technologies to be demonstrated in these projects (projects for which major obligations remain) represent entirely new technologies, or are they variations on technologies previously demonstrated within the Clean Coal program?

Answer. The two Clean Coal Technology projects that have major funding requirements are the Clean Energy Demonstration Project—an Integrated Gasification Combined-cycle (IGCC) planned for Illinois and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project—a combined steel making and power generation project planned for Utah.

The British Gas/Lurgi technology to be demonstrated in the Clean Energy project is the fourth utility-scale gasification technology in the Clean Coal program. While all four projects are IGCC systems, each project demonstrates unique gasification and coal-gas cleanup technologies. Since gasification technology is viewed as one of the most promising electric power generation options for the future, it is vital to demonstrate the leading gasification technologies in a commercial operating environment to enable comparisons of performance, reliability, and economics.

The direct iron-making process along with the co-production of electricity to be demonstrated in the CPICOR project is unique in the Clean Coal program. There have been two other projects awarded in this program relating to the use of coal in the steel industry. The Innovative Coke Oven Gas Cleaning System for Retrofit Applications demonstrated an innovative process for removing hydrogen sulfide and ammonia from coke oven gas generated in the production of coke used in blast furnaces. The project withdrew from the Clean Coal program when coke-making operations were suspended at the host site. The Blast Furnace Granulated-Coal Injection System Demonstration project involved the use of both granulated and pulverized coal as a blast furnace fuel supplement and began operation in late 1995. The coal-injection technology reduced the use of coke in the blast furnace but did not eliminate its use and did not offer the co-production of electricity. While both of these projects were in the steel industry, they were completely different technologies than what is planned for the CPICOR project.

Question. As the Clean Coal program winds down, how does the Department intend to handle the reduction in personnel supported by CCT funds?

Answer. The Department intends to manage reductions in Clean Coal Technology personnel by absorbing those reductions within the overall staffing levels provided for Fossil Energy programs under the Strategic Alignment Initiatives. Under this approach the CCT personnel would be reduced through attrition and transfers to other Fossil Energy programs.

Question. Are all of these personnel likely to be absorbed into other Fossil programs through normal attrition and vacancies?

Answer. The Department anticipates that most of the Clean Coal Technology personnel will be absorbed into other Fossil programs through the savings achieved

under the Strategic Alignment Initiatives. Certain Clean Coal Technology activities, such as those related with recoupment, will continue for some time beyond the end of the program.

STRATEGIC PETROLEUM RESERVE

Question. You recently announced your intention to use existing authorities to use royalty oil to add 28 million barrels to the Strategic Petroleum Reserve. Would you provide for the record the statutes that provide you with the legal authority to fill the Reserve in this manner?

Answer. The authority to use royalty oil to fill the Strategic Petroleum Reserve exists both in the Energy Policy and Conservation Act and in the Outer Continental Shelf Lands Act. Section 160 (a)(2) of the Energy Policy and Conservation Act (42 U.S.C. 6240) authorizes the Secretary of Energy to place in storage, transport or exchange crude oil which the United States is entitled to receive in kind as royalties from production on federal lands. Section 27(a)(3) of the Outer Continental Shelf Lands Act (43 U.S.C. 1353) authorizes the Secretary of the Interior to transfer any royalty oil to the Secretary of Energy for disposal within the federal government.

Question. Because the royalty oil being diverted to the Reserve would otherwise take the form of a cash royalty payment to the Treasury, this proposal will in fact have a cost. Does the use of royalty oil in this manner lower OMB's receipts estimates?

Answer. At the time this initiative was announced, the Administration estimated that the Treasury would forego about $370 million in cash royalty receipts due to this transfer of royalty oil. This revenue impact would be spread across fiscal years 1999 and 2000. Since that initial estimate, oil prices have increased due to eventual impact on the Treasury could be larger.

Question. Does the use of royalty oil in this fashion manifest itself in federal bookkeeping in any manner?

Answer. Yes, at the time the oil is transferred from the Department of the Interior to the Department of Energy and becomes part of the Strategic Petroleum Reserve it has a market value. That value will be entered into the Department of Energy balance sheet for the Reserve that is reported annually as the DOE Accountability Report.

Question. If not, why not fill the Reserve to capacity in this manner?

Answer. In its Statement of Policy on the Strategic Petroleum Reserve issued in May 1998, the Administration determined to conduct a study of the Reserve's appropriate size prior to year 2000. That study is scheduled for completion this summer. The appropriate method of financing inventory expansion would be addressed only if the Administration concludes that it should increase the inventory of the Reserve above 590 million barrels. However, it is true that use of royalty-in-kind oil does have a cost and this would be considered in the event that further expansion of SPR was appropriate.

Question. The budget request includes $5 million for the SPR Petroleum Account to bolster emergency drawdown readiness. What is the current unobligated balance in the SPR Petroleum Account?

Answer. The unobligated balance in the SPR Petroleum Account at the end of fiscal year 1998 was $33,018,989.

Question. What is the total amount required to meet 100 percent of anticipated emergency drawdown requirements?

Answer. The estimate to sustain a full 6-month drawdown capability is $60,516,000. A maximum rate drawdown requires staff augmentation in New Orleans and the sites, an increase in maintenance workload, additional posting hours for security subcontractor personnel, and significantly higher power costs at the sites. Additionally, terminalling/throughput charges are required for pipeline and marine deliveries.

Question. Would the need for additional readiness appropriations for the SPR account be obviated if the Department had a mechanism whereby it could borrow from the Treasury to cover the costs of a drawdown during the fourth quarter of a fiscal year, then repay such borrowed amounts from the proceeds from oil sales?

Answer. If an emerging drawdown of the SPR became necessary, and there were insufficient funds available, balances in other DOE accounts could be transferred to the SPR oil account.

Question. Would the Department work with the Committee to see if such a mechanism could be developed?

Answer. The Department will work with the Committee if such a mechanism is developed.

NAVAL PETROLEUM AND OIL SHALE RESERVES

Question. No appropriations are requested for the Naval Petroleum and Oil Shale Reserves, in anticipation that unobligated balances will be sufficient for program operations in fiscal year 2000. What amount of unobligated balances were carried over from fiscal year 1998 to 1999?

Answer. Unobligated balances carried from fiscal year 1998 to the Naval Petroleum and Oil Shale Reserves program in fiscal year 1999 are shown on the following page:

NPR–1 and NPR–2 Operations and Maintenance	$20,086,100
NPR–3 Operations and Maintenance	65,200
Naval Oil Shale Reserves	7,496,100
Program Direction (including equity/divestment activities)	6,562,400
Total NPR	34,209,800

Question. What is the current estimated carryover into fiscal year 2000?

Answer. The current estimated carryover is about $21.2 million, calculated as follows:

Fiscal year 1998 End-of-Year Carryover	$34,210,000
Plus fiscal year 1999 Appropriation	14,000,000
Less Anticipated fiscal year 1999 Obligations	−27,000,000
Anticipated fiscal year 1999 End-of-Year Carryover	21,210,000

Question. Assuming no new appropriations are provided in fiscal year 2000, what level of unobligated balances does the program expect to have at the end of fiscal year 2000?

Answer. As much as $25 million of unobligated balances may be available at the end of fiscal year 2000, based on de-obligating funds from various contracts at Elk Hills. Earlier this fiscal year, we began identifying how much money currently found on NPR contracts could be considered "excess" and redirected for use in other areas of NPR's operations. The majority of these contracts were originally put into place to support operations at the Elk Hills oil field or its divestment. We believe that between $8 and $25 million might be available for de-obligation: $5 million from "inactive" contracts, $3 million from revenues generated from the sale of natural gas from Naval Oil Shale Reserve No. 3 (which transferred to the DOI on May 1, 1999, for leasing), and perhaps as much as $17 million from the former Elk Hills oil field management and operating contractor pending the outcome of various lawsuits. Whatever money is deemed "excess" will be de-obligated from existing contracts and used elsewhere within the program.

There are a number of "imponderables" which will affect the funds available at the end of fiscal year 2000 and beyond. First, there are numerous lawsuits against the former Management and Operating contractor arising from Elk Hills operations that DOE may be responsible for paying. This may prevent DOE from de-obligating the full $17 million estimated above. Second, as required by several agreements associated with the sale of Elk Hills, some environmental assessment and cultural resource activities are underway. Depending upon the findings, DOE may have to perform some environmental remediation work, thus increasing planned expenditures. Finally, the finalization of equity with Chevron is an exacting and contentious process that, if further delays ensue, could require funding above currently planned levels, as shown below:

Estimated Funding Requirements

Estimated unobligated balance, end of fiscal year 1999	$21,210,000
Obligated balances redirected from contracts	25,000,000
Estimated balance available, end of fiscal year 2000	46,210,000
Fiscal year 2000 anticipated obligations	−21,240,000
Estimated remaining balance, end of fiscal year 2000	24,970,000

Question. The justification indicates that $3.3 million will be spent for NPR–1 closeout activities, including retirement benefits for M&O contractor employees. For how many years will NPOSR appropriated funds be required for this purpose?

Answer. DOE will fund the retirement benefits of some former contractor employees as a result of the sale of the Elk Hills oil field which caused the termination of all current and future contracts for the management and operation of Elk Hills by their employer, Bechtel Petroleum Operations, Inc. (BPOI). Consequently, all of the BPOI employees were required to find new jobs or to retire. As a result of their service, some of these employees had earned the right to post retirement or post em-

ployment medical and dental benefits. Consistent with DOE policy and practice under contracts for management and operation of its facilities and sites, DOE is responsible for funding such post-retirement medical benefits for these former retirees. (If DOE had merely selected a new contractor to operate the Elk Hills oil field, then the successor contractor would have been required to fulfill this obligation as a part of their operating contract. Currently, Bechtel Nevada is administering the BPOI post-retirement and post-contract plans through its contract with DOE at Nevada. Funding for the BPOI plan is provided from Naval Petroleum and Oil Shale Reserve appropriated funds.) The estimate of costs for this obligation is up to $1 million annually for up to 40 years for these former employees and their eligible dependents.

Question. The estimated program level for environmental restoration at NPR–3 declines in fiscal year 2000 from $3 million to $1.4 million. Does the Department anticipate those costs will continue to decline in fiscal year 2001?

Answer. No, but we are not anticipating a sharp increase, either. Environmental restoration activity will gradually increase until the oil field is eventually abandoned. We have just started the process of putting together our fiscal year 2001 budget and early estimates are that the program may spend about $2.2 million on environmental restoration activities at NPR–3 during that year.

Question. FTE levels under Program Direction drop by 23. Why do associated program levels drop by only $876,000?

Answer. The overall drop of $876,000 would be more significant if it were not for the change in the way the program reports divestment-related obligations in its fiscal year 2000 budget. While salaries and benefits are somewhat reduced in fiscal year 2000, there are slight increases in travel and contractual services due to the inclusion of divestment expenditures. Most divestment activities, primarily equity finalization, are funded from program direction.

Divestment expenses are paid from funds that were reprogrammed as program direction from various operating accounts. Since divestment expenditures are paid from prior year funds that had already been appropriated, prior budget submissions did not include anticipated divestment-related obligations under program direction. In fiscal year 2000, the program is not seeking any new appropriation of funds for any part of its program, but believes that it is prudent to list all anticipated obligations for the year—thus causing a less significant decrease in program direction than would otherwise be expected.

Question. Why does the program level for contractor services increase by $1.473 million?

Answer. The increase is mainly due to a change in philosophy by the program in reporting the anticipated obligations and does not represent an actual increase in obligations from fiscal year 1999. The fiscal year 2000 budget for the Naval Petroleum Reserve includes program direction funds anticipated to be obligated in support of divestment activities, specifically, finalization of equity shares with Chevron. In prior years, unobligated balances had been reprogrammed to support such divestment activities. Such expenditures were not included in previous budget requests because no "new" money was being requested to support them. The program is still utilizing those reprogrammed dollars in support of divestment activities, but have included them in the fiscal year 2000 budget because we are describing all of the new obligations that may be entered into, and not just those to be made from "new" money. The program is not seeking any newly appropriated funds for fiscal year 2000.

Question. Does this represent more than just the adoption of the seven FTEs from the NPR–3 site?

Answer. The increase is mainly due to a change in the way the program reports its anticipated obligations and does not represent an actual increase in obligations from fiscal year 1999. The fiscal year 2000 budget for the Naval Petroleum Reserve includes program direction funds anticipated to be obligated in support of divestment activities, specifically, finalization of equity shares with Chevron. In prior years, unobligated balances had been reprogrammed to support such divestment activities. Such expenditures were not included in previous budget requests because no "new" money was being requested to support them. The program is still utilizing those reprogrammed dollars in support of divestment activities, but have included them in the fiscal year 2000 budget because we are describing all of the new obligations that may be entered into, and not just those to be made from "new" money. The program is not seeking any newly appropriated funds for fiscal year 2000.

Question. The justification indicates that the Lighting Research and Development program in fiscal year 2000 will support work on hybrid lighting systems. Within the $6 million request for Lighting Research and Development, how much does the Department plan on devoting to this effort?

Answer. The ongoing industry-driven Lighting Roadmap and the analysis on hybrid lighting being done by ORNL this fiscal year will provide the guidance for prioritizing activities in this research area. Provided the technical and market analysis currently underway supports the decision and that the recommendations of the industry-driven Lighting Roadmap prioritizes this technology, meritorious proposals for hybrid lighting received under the fiscal year 2000 competitive solicitation will be funded.

Question. How would the Hybrid Lighting Partnership be involved?

Answer. The Hybrid Lighting Partnership is participating in the ongoing Lighting Roadmap. If industry agrees in their roadmap recommendations that this technology is a priority in meeting its vision, hybrid lighting will be offered as one of the topics of opportunity in the fiscal year 2000 competitive solicitation. The Hybrid Lighting Partnership will have the opportunity to respond to the competitive solicitation.

Question. The Department is requesting additional funds for field testing of GAX heat pumps that will lead to commercialization in fiscal year 2001. How much will the Department be contributing to this effort in fiscal year 1999?

Answer. The total fiscal year 1999 appropriation for the Residential Absorption Heat Pump was $5.91 million. This funding is being used for a variety of research, development, and demonstration activities. Significant field testing of GAX air conditioners and heat pumps is being started in fiscal year 1999. GAX technology is being applied to a number of different products planned for market introduction over several years. The first production equipment using GAX technology will be introduced into the marketplace in 1999 (GAX chillers used for air conditioning). This will be followed by additional product introductions currently projected for 2001 (mild ambient heating and cooling heat pumps) and 2002 (cold ambient heat pumps). The GAX family of products is being introduced with the simplest to manufacture products being introduced first and the more complex products following in order.

A 180-unit GAX field test is planned to begin in a new subdivision (Village Green) scheduled to begin construction in May of 1999. Village Green is a "PATH" subdivision located in Los Angeles, California. This subdivision will be almost 100 percent air-conditioned using early production gas-fired GAX air-conditioners. Construction and occupancy of the dwellings is scheduled to occur over a 2-year period (1999–2000). As initial prototype GAX heat pumps (mild ambient heating and cooling heat pumps) become available, they will be installed in Village Green (likely starting in 2000). The Village Green GAX field test is being cost-shared by Southern California Gas Company and Robur Corp for 50 percent private sector cost-sharing. As preproduction prototype GAX hydronic, mild ambient, and cold ambient heat pumps become available, they will be placed in field test locations at various sites throughout the country in cooperation with natural gas utilities.

Question. In fiscal year 2000 request level?

Answer. The fiscal year 2000 request for the residential absorption heat pump program is $6.5 million. These funds will be used for the residential GAX heat pump and the residential/light commercial "Hi-cool" heat pump. Field testing of at least 12 prototype residential GAX heat pumps will begin at various locations. A light commercial eight-ton prototype "Hi-cool" heat pump will be fabricated and laboratory testing will begin.

Question. What is the level of cost sharing with industry in this phase of the program?

Answer. In the GAX and HI-cool activities, cost share by the private sector is 35 percent coming from the manufacturers and the gas industry.

Question. Will funds be requested for additional GAX heat pump work in fiscal year 2001?

Answer. It is anticipated that funds will be requested for GAX heat pump work in fiscal year 2001. This would be principally for the continuing development of the mild ambient and cold ambient GAX heat pump technology along with the associated field testing and demonstration. Some fiscal year 2001 funding would be used for continuation and completion of field testing started in 1999 and 2000.

Question. The request also indicates that in fiscal year 2000 the department will ". . . complete field test of the commercial prototype and facilitate the commercialization of a 450-ton DCC chiller . . . with York International." How much will be devoted to this effort in fiscal year 2000, assuming the requested level of funding?

Answer. Fiscal year 2000 funding of $1.5 million would be devoted to the Triple-Effect field test to be located in the Government Center of Clark County, Nevada. This fiscal year 2000 funding is projected to be sufficient to complete the field testing program. This field test is being co-funded principally by York International.

Question. How will the Department "facilitate the commercialization" of this technology?

Answer. Commercialization of the technology will be facilitated principally through the efforts of the partners in this program during and after the field test. For example, the Clark County Government Center was selected in part for the accessibility and visibility of the test site. In the October 27, 1998, letter of intent for the field test, witnessed by the Secretary of Energy Bill Richardson, Clark County agreed to cooperate in the publication and dissemination of information about the chiller's performance through appropriate media. The fiscal year 2000 funding will be used principally for demonstration of the Triple-Effect chiller. Specifically, the funding will be used to complete design and fabrication of the full size direct gas-fired Triple-Effect chiller, installation and testing of the Triple-Effect chiller, providing technical assistance and monitoring at the test site, analyzing the test data, and documenting the performance in published reports. This field test demonstration step is important in verifying the efficiency and economic benefits of the Triple-Effect chiller technology for large commercial buildings. This dissemination of information documenting the predicted substantial energy and operating cost savings of the Triple-Effect chiller in actual operation should facilitate the commercialization of this technology by York.

Question. Why is the Department involved at all in the commercialization phase of this technology?

Answer. The Department is principally involved in development and demonstration of this technology. Technology transfer activities intended to result in accelerating utilization of this emerging technology in commercial and institutional buildings through information dissemination would only be a small part of the total Department effort. This small effort is important to the development of this technology, as field verification activities provide information on any final technology changes needed to complete the development cycle.

Question. The Committee provided $500,000 in fiscal year 1999 for the demonstration of modular fuel cells at federal facilities. How are these funds being administered?

Answer. The funds are being administered under the Office of Building Technology, State and Community Programs Fuel Cells for Buildings program. Preliminary discussions have been held with a potential supplier of the modular fuel cell. Issues of cost-sharing and demonstration vs. test and evaluation are being addressed. In addition, efforts are underway to identify an appropriate site. A work/test proposal is being prepared and this program will begin in fiscal year 1999.

Question. The Department has worked with industry since 1997 to develop a roadmap for technology improvements in the heating, ventilation, and air-conditioning and refrigeration sectors. The Department has reportedly been very supportive of this Air-conditioning and Refrigeration Technology Initiative (ARTI). Have any funds been provided in support of ARTI?

Answer. Yes, in fiscal year 1998 the Department completed the last increment of funding of a successful multi-year program totaling $10.5 million through ARTI for research and development in Materials Compatibility and Lubricant Research. DOE also began work in fiscal year 1998 to establish a co-operative agreement with ARTI to initiate a new more comprehensive program of research for the twenty-first century, referred to as the ARTI 21–CR program. This co-operative agreement has recently been approved for funding the ARTI 21–CR program.

Question. If so, how much and from what program elements?

Answer. Fiscal year 1998 funding was provided to ARTI for the Materials Compatibility and Lubricant Research program from the Space Conditioning and Refrigeration program.

Question. If not, does the Department intend to allocate any funds for this purpose in fiscal year 1999?

Answer. In fiscal year 1999, $1 million will be provided to support the ARTI 21–CR Research and Development program. Funding will come from the Space Conditioning and Refrigeration program and the Technology Road Maps and Competitive Research and Development program.

Question. Are any funds included in the fiscal year 2000 request for this purpose?

Answer. Yes, funds are included in the fiscal year 2000 request under both the Technology Road Maps and Competitive Research and Development program activity, and the Space Conditioning and Refrigeration program for the ARTI 21–CR program. The level of funding will be dependent on the level of appropriations for these program elements.

LIGHTING AND APPLIANCE STANDARDS

Question. The Department is seeking a $6.5 million, 100-percent increase for the Lighting and Appliance Standards program, which follows on a $1 million increase provided in fiscal year 1999. What specifically will be accomplished in the Codes and Standards program in fiscal year 1999?

Answer. The Department plans to issue Notices of Proposed Rulemakings (NOPR) for energy efficiency standards for ballasts, clothes washers, and residential water heaters. A final rule for energy efficiency standards for gas kitchen ranges and ovens will also be issued in fiscal year 1999. The Department also plans to issue NOPRs for test procedures for dishwashers, commercial furnaces, boilers, water heaters, air conditioners, and heat pumps. A final rule for large electric motors test procedures will be issued in fiscal year 1999. This effort is a priority of the Assistant Secretary and an aggressive schedule to complete the activities has been adopted by the office.

Question. What rulemakings will be issued in fiscal year 2000? In fiscal year 2001?

Answer. Standards rulemaking activities are determined through a prioritization process which solicits public input. The selection process for fiscal year 2000 and 2001 has not been completed yet. However, in fiscal year 2000 the Department expects to publish the following:

—Both an advance Notice of Proposed Rulemaking and NOPR proposing energy efficiency standards for residential central air conditioners;
—Final rules for energy efficiency standards for ballasts, clothes washers, residential water heaters; and
—Final rules for test procedures for dishwashers; commercial furnaces, boilers, water heaters, air conditioners, and heat pumps; and distribution transformers.

In fiscal year 2001, the Department expects to issue a final rule for energy efficiency standards for residential central air conditioners and NOPRs proposing standards for the following commercial equipment: furnaces, boilers, water heaters, air conditioners, heat pumps, and distribution transformers. If sufficient funds are available, the Department would also conduct a study to determine the potential energy savings that might be realized if standards were established for high-intensity discharge lamps and small electric motors, as directed in the Energy Policy Act.

Question. If the program is held to the fiscal year 1999 funding level, what work would not be accomplished in fiscal year 2000?

Answer. Increased investments in buildings technology research, development, pre-commercial deployment and codes and standards are of critical importance to meeting the energy and environmental challenges of our times and the next century. However, we realize the existence of budget constraints and will work closely with the committee staff to identify priorities.

Question. The Committee recognizes the effort the Department has put into reforming the Codes and Standards program, but given the contentious history of the program, why is the Department in such a rush to issue so many rulemakings in fiscal years 2000 and 2001?

Answer. In many instances the Department is more than 5 years behind the rulemaking schedule established by Congress. The Department is trying to catch up with this schedule because of the huge economic and environmental benefits which these standards will produce for consumers and the nation. By the year 2010, the cumulative national effect of standards for five appliances (refrigerators, dishwashers, clothes washers, clothes dryers, and room air-conditioners), will be 5.9 quads of primary energy savings and $24 billion (in 1997 dollars) in savings to consumers. The standards we are currently working on for ballasts and water heaters as well as the revisions to the clothes washer standard will collectively generate additional savings equal to or greater than the 5.9 quads and $24 billion. The funds requested in fiscal year 2000 will enable the Department to accelerate the analysis and rulemaking regarding energy conservation standards for commercial furnaces, boilers, central air conditioners, heat pumps and water heaters.

FEDERAL ENERGY MANAGEMENT PROGRAM

Question. Information provided by the Department indicates that federal energy use has been reduced by 17 percent from 1985 and that the Department's goal is to reach the 20-percent level by fiscal year 2000. Is any of the 17-percent gain attributable to a reduction in space occupied by the federal government since 1985?

Answer. No, the Energy Policy Act of 1992 specifies that the goal is to be measured by energy use per gross square foot, which is a measure of efficiency. Progress toward the goal is calculated using reported current year energy use divided by current year square footage in goal buildings.

Question. Is any of the gain attributable to efficiency gains from closure of old facilities or the movement from old to new facilities that would have taken place regardless of the existence of the Federal Energy Management Program (FEMP)?

Answer. Yes, renewal of the building stock is one component of efficiency change. However, the extent of change attributable to these circumstances is not calculable, as agencies report only aggregate square footage and energy use; individual buildings are not tracked other than those excluded from the goal calculation. Some of the increased efficiency in new federal buildings can be attributed to FEMP efforts to promote energy efficient new construction through design assistance activities, designation of federal showcase facilities, collaborative efforts with GSA, as well as the established federal building code.

Question. Have these statistics been verified by entities outside of the Department?

Answer. No, there is no requirement or funding for independent third party verification or audit of these statistics. Third parties have examined the annual reports to Congress, have commented on progress toward established goals, and have made suggestions for improvement. These reviews, however, have not actually audited or verified the reported data.

Question. Is the primary goal of the FEMP program to reduce energy costs to the federal government, or to reduce energy consumption generally?

Answer. The FEMP program is structured to save both energy and energy costs. Federal energy management goals established by the Energy Policy Act of 1992 and Executive Order 12902 are energy efficiency improvement goals, measured in BTU per gross square foot reductions from a 1985 baseline. The achievement of these goals is to be accomplished in a life- cycle cost effective manner, as specified in the code of federal regulations.

Question. What are the Department's Government Performance and Results Act performance measures for the program?

Answer. The Department's Government Performance and Results Act performance measures for FEMP are the Energy Policy Act goal of a 20-percent reduction in energy use per gross square foot of goal building area by 2000, and the Executive Order 12902 goal of a 30-percent reduction in the same measure by 2005. Both are measured against a 1985 baseline. Intermediary performance measures are focused on putting in place, and implementing Energy Savings Performance Contracts that enable agencies to invest in efficiency, renewable and advanced technologies.

Question. Is the 17-percent reduction in energy use calculated using primarily "source" or "site" based techniques?

Answer. Progress toward the goal is measured in site energy.

Question. How do you respond to criticisms that energy savings since 1985 measured on a "source" basis are close to 0 percent?

Answer. When measured on a primary energy (source-based) basis, energy consumed in fiscal year 1997 in federal buildings per square foot was 4 percent below the fiscal year 1985 baseline. Source-based measures effect the reporting of electricity and steam consumption and include the consumption of resources used to generate and transport the energy to the point of use. As such, source-based calculations are an estimate based on the average heat content of those constituent fuels and the generation efficiency. The FEMP uses 11,600 Btu per kilowatthour of electricity to estimate primary energy consumption for electricity used. This is compared to the heat content of a site-delivered kilowatthour of 3,412 Btu. Using a source-based measure of consumption increases the proportion of electricity in the fuel mix by more than three fold, resulting in a consumption trend that more closely mirrors that of electricity. Electricity intensity increases in federal buildings peaked in fiscal year 1994, at 17 percent above fiscal year 1885 consumption per square foot. Since fiscal year 1994, however, electricity intensity in federal buildings has decreased more than 4 percent.

The federal government uses site-based energy accounting because federal agencies can measure and report based on their site metered and billed consumption. This method is direct and accurate, comparable across regions, and readily con-

verted into economic terms. While program goals have been set on a site energy basis, we have tried to provide additional direction to federal energy managers. All federal energy management decisions are to be based on a life- cycle cost basis. The Interagency Energy Policy Committee has provided guidance instructing that energy projects that save source (total) or site energy should be completed where there are cost savings to the government. The choice whether to switch from one energy source to another, where the source versus site issue arises, is left to individual agencies and sites, based on all relevant factors and local conditions they face when making that decision.

The success of federal energy management is reflected in an estimated program impact of approximately $900 million (1997 dollars) in annual energy cost savings in 1997 from the 1985 baseline. Total reduction in the energy bill for federal buildings was $2.16 billion in 1997 from 1985 levels, reflecting all factors influencing buildings energy use (that is, reductions in square footage, energy price reductions, building retirement and new construction, changes in mission, and changes in equipment).

Question. Can the Department do more to ensure that the FEMP program promotes both cost savings and reductions in energy use measured on a "source" basis?

Answer. The FEMP program supports the pursuit of all life-cycle cost-effective energy efficiency, renewable energy, and advanced technology investments by federal energy managers. The Interagency Energy Policy Committee has provided guidance instructing that energy projects that save source (total) or site energy should be completed where there are cost savings to the government. The choice of whether to switch from one energy source to another is left to individual agencies and sites, based on all relevant factors and local conditions.

Question. I understand the Administration is actively considering an Executive Order designed to ensure that federal agencies move aggressively to implement energy management projects that provide both cost savings and reductions in energy use. What is the status of this Executive Order?

Answer. A draft Executive Order is being prepared by the Office of the President at this time.

Question. Pursuant to language included in the Interior appropriations bill several years ago, the Department can be reimbursed by other agencies for work performed in the FEMP program and use such reimbursements for additional work within the program. The budget justification estimates total reimbursements to be $1.2 million in fiscal year 1999 and $3.5 million in fiscal year 2000. Will the Department's estimates for fiscal year 1999 hold up?

Answer. The status of reimbursements for FEMP technical and contracting services associated with the Super-ESPC program as of March 30, 1999, is as follows:

Funds in hand	$203,000
Billed or billable	460,000
Anticipated near-term	330,000
Anticipated long-term	[1] 200,000

[1] Approximate at fiscal year-end.

Total available and anticipated receivables are approximately $1 million by year-end.

Question. To what level does the Department estimate such reimbursements will rise in the future?

Answer. At this time the Department estimates that up to $36 million in direct and indirect costs associated with servicing the FEMP Super-ESPC contracts could be recovered by reimbursement by customer agencies through fiscal year 2005. The actual amount recovered is dependent upon the extent to which agencies choose the FEMP Super-ESPCs as a financing mechanism, and the extent to which agencies need to access FEMP's technical resources in support of their efficiency projects. Additional amounts of reimbursables are anticipated from support of agencies technical needs associated with utility-financed projects. The FEMP will be closely monitoring the federal market response to the various available financing mechanisms, and adjusting its budget requests to reflect infrastructure, staffing, and contractual requirements to meet demands for FEMP technical assistance and Super-ESPC use. The distribution of receipts of reimbursable funds across the performance period is dependent upon the timing of demand for FEMP services and whether or not agencies choose up front or delayed reimbursement of the Department for those services.

Question. Can this Committee at some point anticipate a budget request for FEMP that will be level or actually decline from the previous year based on the availability of these reimbursements?

Answer. Among the chief assumptions were meeting the Executive Order 12902 fiscal year 2005 30-percent goal, full funding of the budget requests, and sufficient

market demand for FEMP Super-ESPCs to generate the projected reimbursable funding stream. Appropriations significantly less than those requested in fiscal year 1999 resulted in lower FEMP levels of ESPC services and delivery order activity, and proportionate loss of reimbursable activities and funds, which delays and decreases the potential for lower budget requests in the out years.

Lower than expected demand for FEMP Super-ESPCs in the early years would also decrease the potential of receipt of reimbursed funds, and subsequent decreases in budget requests. The federal market of alternatively financed energy efficiency and renewable energy projects is dynamic, and FEMP will closely monitor the market and adjust its budget requests to reflect the level of demand for FEMP technical and contracting services accordingly. The fiscal year 2000 budget request includes funding to support alternative finance approaches to mobility energy efficiency, water conservation, and efficiency in federal leased space. These are new activities that will require appropriations support over and above the fiscal year 1999 appropriations level.

Lower outyear appropriations requests for FEMP alternative financing activities are possible, given adequate appropriations in early years to establish a base of reimbursable activities, and sufficient utilization of FEMP services and contracts by agencies. Additional appropriations requests in the out years are possible for new, currently unknown, initiatives associated with energy and cost savings opportunities in the federal government. The FEMP will strive to hone its program to the highest value activities, and to submit budget requests aligned with achieving the greatest benefit to the government in terms of energy and costs savings outcomes.

Question. The FEMP program now has in place "Super Energy Savings Performance Contracts" in various regions to facilitate the development of energy savings at federal sites. How much actual work has been contracted with this mechanism thus far?

Answer. Seven projects have been awarded under the Super-ESPCs for the U.S. Coast Guard, the Federal Aviation Administration, the General Services Administration, the U.S. Forest Service, the Department of Veterans Affairs, and the National Aeronautics and Space Administration. These projects are being financed with over $27.5 million of private sector funds. The projects will result in gross savings of $57 million. The contractors' investments will be paid from these savings.

Question. Is progress to date as great as predicted by the Department in presenting its fiscal year 1999 budget request?

Answer. Progress to date is on track. There are currently about 190 delivery orders signed, in progress, or supported by FEMP under the Super-ESPCs. Several of those cover multiple facilities which have been bundled together under a single delivery order. This bundling will make the contracts easier to administer for both the government and the energy service company. Of the 190, about 62 have already either signed delivery orders (7) or selected a specific a contractor (55) to evaluate the facility and prepare a proposal specifically tailored to the site. Within the 190, we have some Department of Defense sites we have worked with to move toward a delivery order. Some of those sites are likely to use the contracts that the Army and Air Force have awarded but the results will still be the same, the agency will realize energy savings and cost savings.

We do not expect to "close" each of the delivery orders we now have in process, but since starting the Super-ESPC process, we are continually responding to new requests for delivery order assistance. Our projection for 1999 reflects our estimate of the total number of agency requests for support in developing delivery orders.

Question. If not, why not?

Answer. We now have lessons learned that will help to speed up project implementation. The ESPC process is a new way of doing business for the federal government. We are working with agencies' technical, contracting, legal, and budget personnel to guide them through the process. One additional delay in the delivery order process was caused by agencies developing processes for required notifications to Congress for projects with cancellation ceilings in excess of $750,000. Since most agencies are now signing their first ESPC delivery orders requiring Congressional notification, they are having to set up processes within their organizations to manage the notification. This usually slows the first delivery orders and improves somewhat in later orders. However, DOE intends to submit a legislative recommendation to raise the notification limit from $750,000 to some higher level, yet to be determined, in order to minimize these delays in future.

Question. Is there anything that this Committee can do to encourage other federal agencies to pursue energy savings contracting more aggressively?

Answer. Yes, the FEMP has been given the authority to accept funds from agencies for assistance they receive from FEMP for achieving energy efficiency through Super-ESPCs. The cost the Department is seeking to recover from other agencies

is quite modest, from $10,000 to $50,000 for a delivery order, depending on the level of services required by a particular federal site. These costs are far less than what it would cost an agency to develop and implement an energy savings performance contact from scratch. In addition, the time from initiation to completed project is greatly reduced through utilization of the existing FEMP-based contracts. In spite of these advantages some agencies and sites are reluctant to commit to use of the contracts because of reimbursement requirement, citing lack of funding or an unwillingness to lose part of their projected savings. The Committee could be helpful if it encouraged all agencies to utilize FEMP services and the private sector energy savings performance contracts.

TRANSPORTATION TECHNOLOGIES

Question. Within the limitations of its funding allocation, this subcommittee has been supportive of the Partnership for a New Generation of Vehicles (PGNV) program. How does progress within the program to date measure against the goals established at the outset of the program?

Answer. Today, at the halfway point, we consider the PNGV to be a successful partnership. When PNGV began, some said that the auto manufacturers and government could not work together. Five years of cooperation have proven the skeptics wrong. This unprecedented partnership is now viewed by many as a model for government and industry working together to meet technology challenges of national importance. The program is on schedule. As planned, research and development activities have been narrowed to those technologies identified as "most promising" by the technology selection process in 1997. Concept cars employing these technologies are under development and expected in 2000. Pre-production prototype vehicles are due in 2004. The concept cars displayed by companies at the January 1999 North American International Auto Show in Detroit include technologies developed or enhanced through the PNGV program and provide public evidence that significant progress is being made. We expect that many PNGV technologies will be used in sport utility vehicles, pickups, and medium and heavy trucks, not just mid-sized sedans.

Question. A focus of the Transportation program has been development of "clean diesel" engines that would increase efficiency and lower emissions of sport utility vehicles. What are the significant barriers remaining in the development of 'clean diesel' engines that would be affordable and acceptable to consumers?

Answer. The major remaining technical challenge is to reduce the exhaust emissions of the diesel engine to near-zero levels, to meet upcoming California Air Resources Board and Environmental Protection Agency standards. The specific emissions-related barriers that require further federal research and development support are reductions of nitrogen oxides and particulate matter. An advanced formulation, low-sulfur fuel is also critical to overcoming these barriers. High volume use of diesel-powered passenger cars in the European market will continue to drive reduction of engine cost, but fuel injection and emission control system costs will increase in the near-term to meet these more stringent requirements. Other factors important for consumer acceptability such as noise, vibration, cold starting ability, and acceleration are being addressed primarily by engine manufacturers.

Question. Who are the Department's major partners in this effort?

Answer. The major Department of Energy industry partners include the three principal U.S.-based automakers, General Motors, Ford, and Daimler-Chrysler. Within the federal government, the Department of Commerce, Environmental Protection Agency, Department of Defense, and several other federal agencies are included in the Partnership for a New Generation of Vehicles (PNGV). In parallel with research being carried out directly with, or through, PNGV participants, additional research and development programs are being established under cost-shared agreements directly with major suppliers. For example, in June 1999, DOE expects to award contracts to Detroit Diesel Corporation and the Cummins Engine Company, two major U.S. diesel engine manufacturers, to develop emission control systems for diesel passenger cars which can also be scaled up for light truck applications. Through recent DOE initiatives, working relationships also are being established among DOE's national laboratories and four major catalyst manufacturers—ASEC, Johnson-Matthey, Degussa, and Engelhard—through the Manufacturers of Emission Controls Association, to integrate and test state-of-the-art emission control components.

Question. At what point in the development process will the federal government step out of the picture and let the industry "go it alone"?

Answer. Compression-ignition, direct-injection (CIDI) engine technology efforts under the Partnership for a New Generation of Vehicles (PNGV) follow a research

and development roadmap, including schedules and technical targets, developed in cooperation with the PNGV Four-Stroke, Direct Injection (4SDI) Technical Team. This team is composed of scientists and engineers from the auto industry, federal government agencies, and federal laboratories who specialize in such areas as combustion and emission control systems. To ensure that the CIDI effort is focused on the candidates most likely to achieve the objectives, go/no-go decision milestones have been incorporated within the technology development schedule. Technology development will continue beyond a decision milestone only if the technical targets for that milestone have been achieved. Failure to achieve the targets will result in project termination or revision of the roadmap. Once the desired performance has been validated, and the established targets achieved, federal research efforts will conclude and each industry partner will determine where, and in what configuration, the technology will be commercialized.

Question. There has been significant media attention this week on the fuel cell automobiles being produced by Daimler-Chrysler, Ford, and other automakers. What are the significant barriers remaining in the development of fuel cell cars that will be affordable and acceptable to consumers?

Answer. Fuel-flexible fuel cell systems that can operate on gasoline or advanced petroleum-based fuels are considered by DOE necessary for the successful early introduction of fuel cell vehicles. This relates simply to the issue of fuel availability. To date, no fuel cell developer or auto company has built an automotive-size integrated fuel cell system operating on gasoline. Beyond that, the cost of the automotive fuel cell system is currently estimated at ten times higher than that needed to be competitive with the internal combustion engine. Significant barriers are as follows:

—On-board fuel processing technology that can meet system efficiency, size, weight, start-up and transient response targets.

—Lack of low-cost, high-volume fabrication processes for fuel cell systems and components.

—Integration of fuel processor, fuel cell stack, and balance of plant components needed to enable successful resolution of system level issues such as durability, freeze-thaw performance, and thermal/water management.

Question. To what extent does the development of fuel cell vehicles threaten to "overtake" developments in advanced combustion engines, alternative fuel vehicles, and other advanced transportation technologies?

Answer. The extent to which fuel cell vehicles will succeed in the marketplace, thus "overtaking" competing technologies, is dependent on a number of factors that include: price of fuel, emissions regulations, mass production cost, progress of competing technologies, fuel cell technical progress, foreign activity, and the economy. The difficulty in predicting these factors makes it impossible to accurately forecast if and when fuel cell technology will be commercially available in vehicles. Lowering the cost of fuel cells to compete with technologies which primarily have only technical barriers, such as advanced internal combustion engines, suggests it will be a number of years before fuel cell vehicles move beyond the concept and prototype stages. However, each technology has significant development risks sufficient to prohibit identification of a clear winner at this stage. The benefits of fuel cells—extremely high efficiency, very low emissions, and utilization of renewable and alternative fuels—make a compelling case that the technology will ultimately succeed.

Question. Is the development of practical and affordable fuel cell technology so far in the future that these other technologies are likely to have a life span in the market that will justify the federal investment in them?

Answer. The Department has structured the investment in transportation technologies to be complementary. These technologies are not necessarily in direct competition, where one technology will "win" over another. For example, our work in electric vehicles (motors, batteries and power electronics) is directly applicable to compression-ignition, direct- injection (CIDI) hybrids, gasoline hybrids and fuel cell vehicles since all are electric drive vehicles that require those components. Technologies other than fuel cells in which the federal government is investing to improve vehicle fuel economy and emissions are likely to have shorter term payoffs.

In the case of fuel cells versus other advanced technologies such as CIDI, it is likely that the fuel cell will have significant market penetration later due to cost considerations. As fuel cells enter the market, different technologies will likely start to dominate certain market segments (that is, sport utility vehicles, automobiles, and vans). Full conversion over to a single technology, presuming that a clear "winner" emerges, will take at least a few decades.

Question. At what point in the fuel cell development process will the federal government step out of the picture and let the automobile industry "go it alone"?

Answer. Fuel cell research and development activities are currently conducted under the PNGV program; the completion strategy is based on achieving established targets and transferring the technology to America's automakers and their suppliers to ensure a viable, competitive domestic fuel cell industry. The federal government should step out of the fuel cell development picture when the established targets of cost, efficiency, and performance are met or when the likelihood of meeting those targets falls below an acceptable level in light of other alternative technologies.

Question. The Transportation program has been working with the Northwest Alliance for Transportation Technologies (NATT), a consortium of aluminum and titanium producers, truck manufacturers, Boeing, the Pacific Northwest National Laboratory, and others. Are you familiar yet with the work being done by NATT?

Answer. Yes, the Office of Transportation Technologies (OTT), in the Office of Energy Efficiency and Renewable Energy, has worked with NATT since its inception in 1997, and has supported NATT's activities which are helping to accomplish OTT's mission.

Question. Is it your impression that NATT is making a valuable contribution to Department of Energy programs?

Answer. Yes, the NATT's expertise in aluminum, magnesium, titanium, metal-matrix composites, glazing, and polymer-matrix composites has provided an important dimension to the materials research and development work supported by OTT. Its collaboration with industry in the Northwest also bodes well for more rapid commercialization of developed technologies.

Question. What is the status for funds appropriated for NATT in fiscal years 1998 and 1999?

Answer. In fiscal year 1998, $2.39 million of the Lightweight Materials funds were committed and distributed to NATT for automotive applications. The Lightweight Materials program within the Office of Advanced Automotive Technologies (OAAT) has committed $3,725,000 to NATT in fiscal year 1999; all but $575,000 has actually been sent to NATT. the Office of Heavy Vehicle Technologies (OHVT), has been sent to NATT, for Cooperative Research and Development Agreements (CRADA) activities.

Question. Have all such funds been obligated to research contracts?

Answer. The $575,000 of committed research funds yet to be distributed to NATT from OAAT's fiscal year 1999 program resources are planned for specific research projects. Of funds already provided to NATT, $250,000 are for NATT program management; that amount will not be obligated to research projects. All OHVT funds for NATT are to be obligated to specific research project areas that are currently being planned and are nearing CRADA status.

Question. What are some of the specific research areas being targeted by NATT, and how do these research areas relate to PNGV program goals?

Answer. Specific research areas targeted by NATT under the OAAT program for automobiles include aluminum, magnesium, titanium, metal-matrix composites, glazing, and polymer-matrix composites. The work accomplished in all these areas all contributes to the PNGV goal of 40-percent vehicle weight reduction at comparable cost. These areas contribute to high structural strength, with no degradation in durability and reliability, and are also important for achieving a high efficiency, 10-mile-per-gallon heavy truck in the OHVT program.

Question. Does the fiscal year 2000 budget request include funds for NATT?

Answer. Yes, funding for NATT is in the Lightweight Materials Technology program request within the Materials Technologies program managed by OTT.

Question. If so, how much and in what program elements?

Answer. Funding proposed for NATT in fiscal year 2000 is $3,175,000. These funds are in the Lightweight Materials Technology portion of the transportation programs request. Specific research areas to be addressed by the fiscal year 2000 work will again include aluminum, magnesium, titanium, metal-matrix composites, glazing, and polymer-matrix composites.

Question. How will the proposed reduction in Lightweight Materials Research impact the NATT program?

Answer. Ongoing efforts will be "stretched out" over more years at reduced annual funding. Industry partners may be asked to assume higher cost-share on more mature projects. No new projects will be started.

INDUSTRIES OF THE FUTURE

Question. The budget request for the Industries of the Future program includes a large increase ($9 million) for the Forest Products program. This increase will fund demonstrations of black liquor gasification technology that would substantially

lower NO_X, SO_2 and CO_2 emissions from paper mills and would make these mills much more energy efficient. Can you tell me a little more about this project?

Answer. The Department of Energy has partnered with the Forest Products industry to develop a research and development strategy, known as Agenda 2020. Through this effort technology roadmaps have helped prioritize research and development areas that offer the most significant benefits for the industry and the nation. Demonstration of black liquor and biomass gasification systems are considered key elements that can provide a pathway to an energy sustainable future. Multiple gasification technologies are needed to meet the diverse needs of the industry and achieve the energy and environmental goals of the nation. There are risks associated with demonstrating these technologies that one company alone cannot endure and therefore justifies government participation. The fiscal year 2000 President's budget request for Energy Conservation includes a $9 million increase for biomass and black liquor gasification; this funding will support the initial year of a competitive solicitation for multi-year field evaluations.

Question. How many demonstrations does the Department intend to fund?

Answer. The planned release of the fiscal year 2000 solicitation is dependent on favorable House and Senate appropriation marks. Proposals submitted to the solicitation will be evaluated by merit and program policy review committees. Selections will be made based upon the outcome of the reviews and availability of appropriated funds. The $9 million that was requested in fiscal year 2000 can support up to multiple technologies in the initial year.

Question. Why this many?

Answer. Due to a variety of gasifiers, feedstocks and processing technologies several demonstrations performed simultaneously (rather than sequentially) are necessary to provide the industry adequate information to make timely decisions for replacing their aged boiler infrastructure (40 to 50 years old).

Question. Who are the industrial partners and what is the level of non-federal cost sharing?

Answer. Naturally, the industrial partners will depend on the outcome of the fiscal year 2000 solicitation. However, the Forest Products industry has proposed an initiative which has aligned several key paper companies with gasification suppliers. Champion International Corporation is teaming with Kvaerner Chemrec AB to develop a pressurized Oxygen-Blown Black Liquor Gasification and Integrated Combined Cycle system. This project has recently been selected for funding in fiscal year 1999 for preliminary engineering designs, cost estimates and supporting analyses, which will be used to determine the economics of demonstrating integrated gasification combined cycle technologies in pulp mills. Georgia-Pacific Corporation, together with StoneChem, Inc, is proposing to demonstrate a Steam Reforming Black Liquor gasification system. This project is being considered for funding in fiscal year 1999, as well. Weyerhaeuser and FERCO are working together to demonstrate biomass gasification combined cycle systems to replace inefficient power and lime kiln boilers. Babcock and Wilcox has also discussed interest in black liquor gasification. Proposals for the fiscal year 2000 solicitation will require a minimum of 50 percent industry cost-share.

Question. How long will the program last?

Answer. A gasification program that fully supports the Forest Products industry will be approximately 5 to 8 years in duration, depending on allocation of appropriated funds. Milestones will be incorporated into project schedules and go/no go decisions will be established throughout the life of the projects.

Question. What will the fiscal year 2001 funding requirements be?

Answer. Total cost per demonstration project is estimated to be $50 to $60 million over five to six years. The fiscal year 2001 funding requirements will be based upon the amount of appropriated funds in fiscal year 2000, number of projects ready for design phase versus implementation, and levels of cost sharing from a variety of sources.

Question. What are the barriers to industry development and demonstration of this technology without federal support?

Answer. As with all initial large-scale process technologies, installations will require larger capital costs than subsequent units and will incur larger initial operating expenses. Without DOE cost share, the risks associated with implementing gasification technologies are too burdensome for one company to withstand. Additionally, industry is working with the Environmental Protection Agency (EPA) to acquire innovative technology waivers for MACT II regulations. Since the new technologies provide significant environmental benefits, it is expected that the EPA will grant leniency for the host sites to comply with these rules. However, if this does not occur, the advancement of these demonstrations may be jeopardized.

Question. What is the relationship of this program to the Department's Bioenergy Initiative?

Answer. The gasification effort is part of a broader Bioenergy Initiative, which will accelerate the use of fuels, energy crops, and feedstocks in power generation, industrial processing and manufacturing and transportation activities. The Bioenergy Initiative research and development will produce an array of technologies that will enable production from a variety of energy crops of multiple products (fuels, power, and chemicals) for various markets in different regions. In this way, a ton of biomass could be as fungible as a barrel of oil today. This effort will provide an integrated, long-term strategy with the chemical, forestry, agricultural and energy communities and will help strengthen the nation's energy and economic security, protect the environment and revitalize rural America. Successful demonstration of gasification technologies in the forest products industry will provide a springboard for applications in other industries and bioenergy areas, such as the agricultural sector.

Question. Do any funds in the budget request outside of the Forest Products program support the black liquor gasification project? If so, how much and in what programs?

Answer. There are no other requests outside of the Forest Products program that support black liquor gasification activities. The $9 million increase within the fiscal year 2000 President's budget request for Energy Conservation appropriation will support the initial year of a competitive solicitation for multi-year field evaluations.

Question. The budget request also includes increases for the Mining ($3 million) and Agriculture ($4 million) industry programs that were initiated in fiscal year 1999 and a $1 million request to restart the Petroleum Refining industry program. What is the status of the Mining Industry Technology "roadmapping" process? Of the $2 million appropriated in fiscal year 1999?

Answer. The Mining Industry of the Future is currently soliciting 50 percent cost-shared proposals from industry, academia, and national laboratories to address the needs identified in the "Mining Industry Roadmap for Crosscutting Technologies". This roadmap, available from both the National Mining Association and the DOE Office of Industrial Technologies, provides a prioritized list of needed technologies identified by both hardrock and coal mining industry partners in the United States. The funds appropriated in fiscal year 1999 will be directed to the national laboratories in order to start addressing these needs as soon as possible.

Question. What is the status of the Agriculture industry technology "roadmapping" process? Of the $2 million appropriated in fiscal year 1999?

Answer. Our industry and grower partners convened two roadmapping sessions late last summer in Indianapolis, Indiana. The first focused on current crops in current processing systems; the second focused on modified plants for new processing methods. Over one hundred experts from both the public and private sectors attended or participated in the review process for the draft roadmap. The roadmap was published in February and is being used in the Agriculture Team's first solicitation for proposals now underway. We are seeking new research and development ideas from the high priority targets identified by industry in the processing and utilization categories. Proposals are due by April 23rd and we plan to make our selections for financial awards by June 9th.

Question. How is the Agriculture program being coordinated with other Department of Energy biomass programs and with the Department of Agriculture?

Answer. The Office of Industrial Technologies' Agriculture Team is a member of the broader Office of Energy Efficiency and Renewable Energy (EERE) Bioenergy Team, and as such, is a full participant in the planning and activities of that new initiative. Representatives of EERE, as well as the Department's Office of Science, have been invited to key Agriculture Team events, such as the roadmapping workshops last summer; they also were given the opportunity last year to review the draft strategic vision and technology roadmap.

Similarly, there is a broad and active web of interaction and collaboration between the Agriculture Team and the U.S. Department of Agriculture (USDA). Various agencies at USDA have attended key meetings sponsored by the Agriculture Team and offered comments on key documents. The Agriculture Team likewise attends on a regular basis meetings of the USDA's Biobased Products Coordinating Council; participated in the Council's strategic review last fall; and, visited recently the USDA's National Center for Agricultural Utilization Research in Peoria, Illinois, to expand contacts collaboration with scientists at that premier facility. We are also exploring the possibility of adding a USDA staff member to the DOE Merit Review Committee for the Agriculture Team's first solicitation for research proposals.

Question. What types of research will be funded in this program?

Answer. The Agriculture Team will be guided in its research funding decisions by the suggestions and priorities set by its industry and grower partners. They came together voluntarily last year to form the Executive Steering Group, an informal oversight body responsible for producing the technology roadmap for Renewables Vision 2020. The group also recommended that the Agriculture Team focus its first solicitation on the roadmap barrier areas of processing and utilization; the team agreed. Those categories contain research and development targets for bioprocessing, bioseparations, and biocatalysis; all proposed projects also have to meet our office missions of reducing energy use and waste. We will be looking to establish a balanced portfolio of research projects, ranging from short to long term in duration and with a broad array of partners and topics to advance the strategic goals of the renewable bioproducts industry.

Question. How is this research distinct from research being funded by the Department of Agriculture or other DOE programs?

Answer. No other program in the federal government duplicates the unique research and development focus and decision-making process of the Office of Industrial Technology Agriculture Team. We are targeting 100 percent of our research funding to the high priority targets established by our industry and grower partners in their published technology roadmap for renewable bioproducts. These targets are tied directly to the ambitious long-term goals set by the private sector for the use of crops, trees and agricultural wastes as basic chemical feedstocks for a wide range of consumer goods, such as plastics, paints and adhesives. Research projects also have to result in significant energy efficiency gains and reduction of wastes. Our solicitations are competitive and open to the public. The solicitations require teaming and 50 percent cost-sharing for proposals. Proposed projects will be screened and reviewed by a mix of industry and federal experts, including from the USDA.

Question. Given the existence of the Agricultural Research Service with USDA, why is the Department of Energy involved in this area of research at all?

Answer. The basic philosophy guiding the 1995 Memorandum of Understanding between the Departments of Agriculture and Energy was that the skills and technologies of the two departments are largely complementary and can be brought together to benefit the industry and agriculture of this country. The USDA's Agricultural Research Service (ARS) celebrates a proud tradition of research successes, but its focus, mission, and method of operations are nonetheless quite different than the "Industries of the Future" program's Agriculture Team. ARS is the main research arm for the USDA and that research is done basically by its own federal employees. In the area of renewable bioproducts, the Agricultural Research Service has tended to focus more on basic plant sciences and crop production issues, rather than on the efficient processing or utilization of those plants; the latter categories have traditionally been the strong suits of the Energy laboratories, with their expertise running more to the core physical sciences, high-speed computing, and sensors and controls. Moreover, the Agriculture Team's focus is energy-related and seeks new research ideas from the public through open, competitive solicitations. The Agriculture Team is working closely with a unique coalition from the agricultural, chemical and forestry communities across-the-board.

To reach industry's stated goal of winning 10 percent of the market for basic chemical feedstocks from plants—a five-fold increase in just 2 decades—will require the sustained and concerted efforts of a multitude of groups from both the public and private sector across the country; not just the ARS, but other relevant offices at USDA, as well as the DOE and possibly other federal and state agencies, academia, environmentalists, industry, and farmers. Much more inter-disciplinary collaboration and cross-fertilization of approaches also will be crucial to grow this new industrial sector. Success will require new mixes of talent and equipment. One part of one federal agency working alone will not be able to bring all of the necessary talent, equipment, ideas and funds to bear in the time required to help reduce our increasing reliance on imported oil.

Question. Are there any specific barriers to USDA funds being used for research at DOE's national labs?

Answer. No, there are not, but USDA would have to meet the rules and regulations governing "Work for Others" or any other type of technology transfer mechanisms, just like any other organization. The USDA can even propose to fund a portion of the work at a laboratory for a project to be submitted under the Agriculture Team's current solicitation, given that all the requirements of that Request for Proposals are met.

Question. I understand that the Environmental Protection Agency is releasing a proposed rule that would dramatically reduce the amount of sulfur allowed in gasoline. Given that current sulfur reduction technologies are expensive and energy intensive, this rule could have significant impacts on the cost of gasoline and the

amount of energy used to produce gasoline. What kind of research is the Department supporting to address this challenge?

Answer. The Office of Industrial Technologies has been supporting pioneering research in gasoline biodesulfurization since fiscal year 1997. This technology is likely to have lower capital and operating costs than the conventional technology, hydrodesulfurization, and, as such, has the potential to meet industry needs for a low cost technology which is also less energy intensive and retains the quality and value of the gasoline by not degrading octane. Over $1.8 million has been committed to this project since inception in fiscal year 1997.

Additionally, the Office of Fossil Energy is supporting three research and analytical efforts within the Oil and Gas and Coal and Power programs, to produce cleaner transportation fuels. The Gas-to-Liquids program is concentrating on the development of ceramic membrane technology for combined air separation to produce oxygen and partial oxidation of natural gas to produce a lower cost synthesis gas. This synthesis gas could be used to produce ultra-clean transportation fuels which contain no sulfur or aromatics. The Oil program is supporting activity for effective environmental protection. It includes identifying various pollutants such as sulfur in petroleum, and developing process technology to reduce these potential pollutants more efficiently and at lower cost.

The Advanced Clean Fuels Research Program for Indirect Liquefaction is supporting development of technology to convert synthesis gas from a variety of feedstocks, including coal, petroleum coke and refinery bottoms, to ultra-clean diesel and gasoline fuels. These fuels would not contain sulfur or aromatics and therefore would achieve significantly lower regional emissions of SO_2, Volatile Organic Compounds, NO_X, and particulate matter when blended with conventional transportation fuels.

Question. In what programs is such research being proposed in fiscal year 2000 and at what amounts?

Answer. Gasoline biodesulfurization is being pursued through the OIT Petroleum Industries of the Future (IOF) Program. $1 million has been proposed for all OIT IOF Petroleum projects in fiscal year 2000. The industry-formulated roadmap will prioritize industry needs. This will determine the percentage of total proposed budget to be allocated to this project in fiscal year 2000.

The Fossil Energy Oil and Gas funding request for fiscal year 2000 includes $5.3 million for gas-to-liquids and $3.4 million for effective environmental protection identification and development activities related to sulfur and other regional and global pollutant reduction. The Advanced Clean Fuels Research budget, also managed by DOE's Office of Fossil Energy, includes $6.6 million for indirect liquefaction activities to produce ultra-clean transportation fuels.

Question. Does the budget include funds for research on biodesulfurization of coal? If so, in what programs and in what amounts?

Answer. No funds are included in the OIT budget for biodesulfurization of coal research.

Question. Has the petroleum industry identified this technology as a research priority in its industry "vision" process?

Answer. The "Technology Vision of the U.S. Downstream Petroleum Industry" notes the prospect that bioscience will be increasingly introduced into refining operations as this technology advances. It states further that bioprocessing may be able to provide environmental, performance and cost benefits in fuel processing that the refining industry seeks and singles out the biodesulfurization of fuels as being a research priority in its vision.

ADVANCED TURBINE SYSTEMS

Question. The budget request for the Advanced Turbine Systems program within the Office of Industrial Technologies is $12 million below the fiscal year 1999 level, reflecting the fact that the ATS program is nearing completion. How much has the federal government invested in the ATS program to date?

Answer. The federal government has invested $151 million dollars in the Advanced Turbine Systems program (industrial) to date.

Question. What has been the level of industry cost sharing?

Answer. Overall program cost share is 50 percent. Specifically, Solar Turbines cost share is 69 percent, Allison Engines cost share is 38 percent. The materials base technology program cost share is approximately 25 percent

Question. Do we yet know whether the technology developed in this program will meet or exceed original program goals?

Answer. The Department is confident that the advanced engine developed in this program will exceed the 40-percent efficiency goal and demonstrate single digit

emissions. Thus far, cost, reliability, maintainability, durability and availability remain on target to meet goals. Once the technology demonstration is completed, the Department will confirm.

Question. Is the Department and its industry partners confident that the technology developed in this program will move rapidly into the marketplace?

Answer. The Department and its industry partners are confident that most of the technology is already moving into the marketplace. Technology, such as the Mercury 50, Solar Turbines Advanced Turbine Systems is well position to move rapidly in the market with its orders booked for 1999 and the year 2000. Other sub-system technologies including coatings and low sulfur alloy development are currently being incorporated in the supplier base. For example, Howmett and PCI are currently processing alloys with the low sulfur technology developed under the program. Subsystem advanced technologies such as ceramics and catalytic combustion will not move rapidly into the market without additional funding.

ENERGY INFORMATION ADMINISTRATION

Question. The budget request for EIA includes funds to develop better modeling capabilities for international carbon mitigation analysis. How many years does EIA anticipate it will take to develop this capability to the planned level?

Answer. Assuming receipt of the requested funding in fiscal year 2000, EIA will need an additional 2 years to complete the development and integration of the modeling enhancements to attain the planned analysis capabilities level.

Question. Does EIA anticipate future increases in funding requirements beyond that requested in fiscal year 2000?

Answer. EIA does anticipate investment funds will be needed beyond that requested in fiscal year 2000. Specifically, EIA anticipates $1.0 million will be needed in fiscal year 2001, and $500,000 will be needed in fiscal year 2002 representing the minimum level needed to develop the modeling capabilities required to provide reliable assessment of carbon mitigation alternatives and reliable assessment of our potential trading partners mitigation efforts. As with any analysis or modeling effort, this level of funding provides a certain capability. Additional funding could provide additional regional detail, a longer forecast time horizon, additional policy analysis capabilities, or a faster development schedule.

RAMJET TECHNOLOGY

Question. The Committee has been monitoring the development of technology that applies ramjet technology from the aerospace industry to electric power generation. The Committee further understands that a prototype of this technology has been constructed, and that a proposal has been submitted to the Department to test this prototype engine using coal mine methane as a fuel. Is the Department aware of this proposal?

Answer. An unsolicited proposal was received from Ramgen by the Department several weeks ago. The three-phase, 3-year effort would demonstrate the use of the Ramgen engine on coal bed methane.

Question. What is the status of the proposal?

Answer. The Federal Energy Technology Center is in the process of reviewing the proposal.

Question. What are the potential benefits of successfully demonstrating and deploying this type of technology?

Answer. The market potential for the Ramgen engine would be a full range of distributed generation applications ranging from unit sizes of 750 kilowatts to 40 megawatts. The Ramgen engine design is expected (by Ramgen) to allow capital costs which are one-third lower than equivalent power systems. Ramgen also expects the engine to have the ability to operate on a wide range of fuels while maintaining high efficiency and low nitrous oxide emissions.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

THE ROLE OF FOSSIL ENERGY

Question. What percentage of the energy needs of the United States are currently supplied by fossil fuels?

Answer. In 1997, the latest year for which complete data are available, fossil fuels (coal, petroleum, and natural gas) accounted for 85 percent of the nation's energy needs.

Question. What percentage of the nation's energy needs are fossil fuels expected to supply in the year 2020?

Answer. According to the Energy Information Administration's (EIA) Annual Energy Outlook 1999 reference case, fossil fuels are expected to supply 90 percent of the nation's energy needs by 2020.

Question. What percentage of the energy needs of the world are currently supplied by fossil fuels?

Answer. In 1996, the latest year for which complete data are available, fossil fuels accounted for almost 86 percent of the world's energy needs.

Question. What percentage of the world's energy needs are fossil fuels expected to supply in the year 2020?

Answer. According to the EIA's International Energy Outlook 1998 reference case, fossil fuels are expected to supply 89 percent of the world's energy needs by 2020.

Question. How much electricity does the United States currently generate each year? How much does the world generate?

Answer. In 1997, the last year for which complete data are available, the United States generated 3.5 trillion kilowatthours of electricity. Total world electricity generation in 1996, the last year of complete data, was 13.1 trillion kilowatthours.

Question. What is the projected annual electricity generation for the United States and the world by the year 2020?

Answer. EIA projects in its Annual Energy Outlook 1999 reference case that electricity generation will be 4.8 trillion kilowatthours in 2020. EIA's International Energy Outlook 1998 reference case projects total world electricity consumption will be 23.1 trillion kilowatthours in 2020. Assuming a similar ratio between generation and consumption as existed in 1996, generation would then be about 25.2 trillion kilowatthours in 2020.

Question. How much electricity in the United States is currently generated by coal-fired power plants each year?

Answer. EIA estimates coal-fired utility power plants generated 1.8 trillion kilowatthours of electricity in 1997.

Question. How much electricity will be generated from coal in the year 2020?

Answer. EIA's Annual Energy Outlook 1999 reference case projects that coal-fired generating units will produce 2.4 trillion kilowatthours of electricity in 2020.

Question. What are comparable numbers for the world?

Answer. EIA's International Energy Outlook 1998 reference case estimates world coal consumption for electricity generation in 1995 to have been 51 quadrillion (quads) British thermal units (Btu) and a projected 87 quads Btu in 2020. Based on an average of 10,500 Btu per kilowatthour of electricity generated, total coal-fired generation would have been approximately 4.8 trillion kilowatthours in 1995, rising to 8.3 trillion kilowatthours in 2020.

Question. How many gigawatts of new coal-fired capacity are projected to be built in the United States in the next 20 to 50 years?

Answer. Between 1997 and 2020, EIA's Annual Energy Outlook 1999 reference case projects that 31 gigawatts of coal-fired generating capacity will be built in the United States. EIA does not project beyond 2020.

Question. How many gigawatts of current coal-fired capacity are expected to receive major rehabilitation?

Answer. EIA does not project major rehabilitation for coal-fired generating units. It is assumed that plants are maintained at sufficient operating condition through their annual maintenance plans. It is generally assumed in EIA's projections that coal plants will operate at least 45 years, with extensions of up to 20 years depending on the cost of competing new technologies. In EIA's Annual Energy Outlook 1999 references case, approximately 3 gigawatts of coal-fired generating plants are projected to retire between 1997 and 2020. EIA projections do not go beyond 2020.

Question. Are generating costs projected to decline over the next 20 years for coal-fired and gas-fired power plants; and if so, by how much?

Answer. Generating costs (fixed and variable operating costs, including the cost of fuel) are projected to decline for coal-fired gas plants, but to rise slightly for gas-fired plants between 1997 and 2020. EIA estimates that the operating costs of a typical coal steam unit running at a 70-percent capacity factor will decline by about 27 percent from 1997 to 2020, to about 1.4 cents per kilowatthour produced from an estimated 1.9 cents in 1997. For a natural gas combined- cycle unit, the operating cost is expected to go up slightly, from 2.2 cents per kilowatthour to 2.3 cents per kilowatthour, mainly because of higher fuel costs (all costs are in 1997 dollars). The decision to build new generating capacity will also be based on capital costs, which are approximately twice as high for coal as they are for natural gas.

Question. In the transportation sector, what percentage of energy consumption is currently met with fossil fuels? How does that percentage change in the next 20 years?

Answer. In 1997, fossil fuels accounted to 99.5 percent of energy consumption in the transportation sector. By 2020, EIA's Annual Energy Outlook 1999 reference case projects that fossil fuels will account for 98.3 percent of total transportation energy consumption, due to additional consumption of ethanol and electricity.

Question. What can the Department of Energy do in the future to better educate and inform the other parts of the Administration as to the importance of and the economic and environmental benefits of the fossil energy research program?

Answer. We believe that DOE has successfully worked within the Administration to convey fossil energy information and analyses. For example, our development of a "state-of-the-science" analysis of carbon sequestration technology—in preparation for "roadmapping" a coordinated research and development program—was developed jointly with the DOE Office of Science, in close cooperation with other federal agencies, such as the Department of Agriculture, in addition to others. Our research and development efforts in alternative liquids from both coal and natural gas are being linked closely with the development of high-efficiency, cleaner engines in DOE's Partnership for New Generation Vehicles overseen by the DOE Office of Energy Efficiency. Our efforts in methane hydrates research are being planned as an Administration-wide effort involving the U.S. Geological Survey and the Naval Research Laboratory. Recently our Federal Energy Technology Center signed a "memorandum of understanding" with the U.S. Office of Surface Mining to apply fossil energy technologies to mitigate acid mine drainage and other environmental concerns associated with mining.

FOSSIL ENERGY RESEARCH—COAL

Question. What is the future of coal as an energy source for both domestic and international energy markets, and how does the fiscal year 2000 budget proposal contribute to this future?

Answer. According to estimates by the Energy Information Administration, domestic consumption of coal will increase 28 percent between 1996 and 2020. During the same period, coal consumption in the rest of the world is expected to increase 80 percent. Beyond 2020, coal use is expected to continue to increase at a substantial rate, especially in developing Asia. These projections assume implementation of current environmental regulations. They do not consider, for example, new regulations for meeting PM 2.5 ambient air quality standards in the United States or possible future climate change mitigation requirements.

The fiscal year 2000 budget anticipates such requirements and will contribute to reducing the environmental impacts of coal use as well as reducing the cost of electricity generated from coal. Vision 21 coal-fired power plants will generate electricity 10 percent cheaper than current coal technology while producing near-zero emissions of SO_2, NO_X and particulate. Our cost goal for reducing CO_2 emissions, should that be required, is $10 per ton of carbon. These low emission characteristics will become especially important in a world with a greatly increased population combined with global efforts to reduce greenhouse gas emissions. Long-term economic, yet environmentally sound, energy from coal will contribute to growth of the domestic economy as well as economies of developing nations.

Question. What is the long-range role of coal as an energy source for this country and the world?

Answer. In the coming decades, coal use is expected to increase substantially in the United States and increase even more rapidly in developing nations which have economies and populations that are growing rapidly. According to the Energy Information Administration, domestic coal use will increase 28percent by 2020 while increasing 80 percent in the rest of the world.

Coal is an attractive fuel because it is relatively plentiful in many countries, including the in the United States, and low in cost. However, coal use also presents environmental problems. In the past, collaborative research and development between DOE and industry have found solutions to these types of problems. It is our belief that we can continue to enable the United States to enjoy the benefits of low cost coal use by development of additional technologies to protect the environment.

Question. How many years worth of coal reserves and resources does our country have?

Answer. The U.S. Geological Survey (USGS) has recently developed estimates of the U.S. coal resource. The USGS publication, Coal Availability Studies: A New Look at Resource Estimates, available from the USGS web site, indicates that the coal demonstrated reserve base is 475 billion tons, or enough to meet projected energy needs for almost 200 years, based on current production rates (not all of the reserve base is recoverable). The current production rate for coal in the United States is 1.1 billion tons per year.

Question. How many years worth of natural gas?

Answer. The USGS has recently developed estimates of the U.S. natural gas resource base. A publication available from the USGS web site, A Summary of the U.S. Geological Survey 1995 National Assessment of Oil and Gas Resources, indicates that the Unites States has 1,073 trillion cubic feet of recoverable gas. The natural gas reserves are roughly equivalent to 55 years of supply based on current production rates of approximately 19 trillion cubic feet per year.

Question. What are some of the success stories associated with coal research and development funded by the Department of Energy?

Answer. Below are listed several success stories of the DOE Coal Research and Development and Clean Coal Technology (CCT) programs. The CCT successes—mostly demonstrations of pre-commercial, new technologies—could not have occurred without earlier DOE research and development. The research and development successes that culminated in CCT demonstrations include the following:

—Low NO_X burners: Far less expensive than preceding technology for removing NO_X (oxides of nitrogen, precursors of smog) emissions, about one-half of U.S. coal-fired capacity today has these burners. Sales to date are about $1.5 billion, and will likely double by January 1, 2000.

—Atmospheric Fluidized Bed power plants: DOE/industry investments in this clean technology have resulted to date in at least $9 billion in domestic and foreign sales ($6.2 billion domestic, $2.8 billion foreign).

—Advanced Scrubbers: Three advanced scrubbers have been demonstrated by DOE, one of which earned Power magazine's 1993 Power Plant of the Year award.

—Tomorrow's Power Plants (Integrated Gasification Combined Cycle, or IGCC, and Pressurized Fluidized Bed, or PFBC): These pre-commercial, virtually pollution-free plants have the potential of far higher efficiencies (thus, 20 to 40 percent lower CO_2 levels).

—The Rosebud SynCoal™ and Encoal™ processes are two different ways to upgrade low-rank coals to cleaner, more efficient fuels. Both processes are being marketed worldwide.

DOE supported coal research and development successes that occurred with no involvement with the CCT program include the following:

—Microcel coal cleaning, now a commercial technology worldwide.

—Super 9 Chrome Alloy, which allows increased efficiency in power plants because of its ability to withstand higher heat than predecessor materials.

—Tomorrow's Gas Turbines, initiated in 1992, has already resulted in many new commercial components to increase efficiencies of turbines, using either natural gas or gasified fuels.

—The ASPEN Model, fully commercialized computer software for energy/chemical firms.

—Toughened Ceramics, which increase efficiencies in many energy and power uses.

—Neural Networks for Pollution Control (GNOCIS system), which continually adjusts boiler firing conditions, reducing NO_X emissions by 15 percent while increasing efficiency. GNOCIS will be installed at 21 U.S. sites this year.

—Several spinoff applications, including components for a better, safer artificial heart, and technology now used for more cost-effective aluminum recycling, with other possible applications, including vitrification of low-level radioactive waste.

ADVANCED CLEAN FUELS RESEARCH

Question. The fiscal year 2000 budget request includes a 22-percent decrease below the fiscal year 1999 enacted level for coal preparation and a 48-percent decrease below the fiscal year 1999 enacted level for Direct Liquefaction. What is driving the reductions proposed for these programs?

Answer. In the fiscal year 2000 budget request, the Advanced Clean Fuels Research program continues its transformation to a focus primarily upon the environment. Its emphasis is on affordable, ultra-clean, low emission transportation fuels, composite solid feedstocks which incorporate biomass, and light-weight, high-strength premium carbon products which will:

—Enable U.S. vehicle manufacturers to meet more stringent vehicle emissions standards,

—Improve the nation's regional air quality by reducing emissions of SO_2, NO_X, Volatile Organic Compounds, and particulates, and

—Reduce potential global climate change gases.

The activities proposed are market driven to insure program relevancy, highly leveraged with private cost-sharing dollars, and of significant interest to industry. The

budgets proposed are appropriate to continue this refocus in fiscal year 2000. In line with this thinking, emphasis is being placed on Indirect Liquefaction technologies that will permit:

—Coproduction of highly efficient electric power, ultra-low emissions transportation fuels, and strategic chemicals;

—Development of a "new generation" of ultra-clean transportation fuels, compatible with the existing infrastructure, which are to be used in advanced high efficiency engines being developed by the Office of Transportation Technologies' PNGV and heavy vehicle programs; and

—Production of hydrogen from fossil resources without CO_2 by-product generation (since many now believe fossil fuels are the primary resource capable of enabling the "hydrogen economy").

The Direct Liquefaction program is primarily looking toward the development of longer term advanced research activities, and the Coal Preparation program is primarily emphasizing environmentally preferred feedstocks, premium carbon products, and the development of precombustion Hazardous Air Pollutants removal technologies (for example, mercury).

Question. Is either of these programs being de-emphasized?

Answer. Current Direct Liquefaction Technology is being de-emphasized because there is little commercial interest in this technology at this time and little prospect to its use domestically. Advanced research aimed at significant, innovative changes to direct liquefaction concepts is being emphasized instead. The Coal Preparation program is being re-focused to emphasize environmentally preferred feedstocks, premium carbon products, and the development of precombustion HAP's removal technologies (for example, mercury). The budget proposed is appropriate to continue this refocus in fiscal year 2000.

Question. What research activities would be undertaken if coal preparation was funded at a level of $5 million above the fiscal year 1999 level?

Answer. If additional funds in the amount of $5 million were made available, research would be initiated in advanced, cross-cutting separations technologies, and sensors and controls applied to all phases of mineral mining, extraction, and processing. Additionally, currently sponsored work would be increased in the use of coal as a non-fuel resource (that is, premium carbon products), the development of coal/waste/biomass composite fuels, the development of coal combustion by-product separation and use, and the development of technologies permitting the precombustion control of HAPS (for example, mercury).

The Advanced Separations Technology Initiative ($2 million) would incorporate work for enhanced, environmentally benign processing operations designed to minimize wastes and reduce costs. The Advanced Sensors and Controls Technology Initiative ($2 million) would investigate the development of non-intrusive diagnostics, directed toward resource mapping, and sensors and controls for "smart" mining machines.

Additional funds ($1 million) would also be used to expand the number of Phase II projects participating in our existing Grand Challenge program component, as well as the number of projects participating in our premium carbon products from coal program component, both currently sponsored program activities. In the Grand Challenge area funds would be used to support the development of coal/waste/biomass composite fuels, the development of coal combustion by-product separation and use, and the development of precombustion HAPS control technologies. These ongoing activities are cost-shared by industry at more than 50 percent, and will be demonstrated at commercial sites. In the production of premium light-weight, high-strength carbon products from coal funds will be used to sponsor additional cost-shared, industry-driven projects as part of the Consortium for Premium Carbon Products from Coal.

Question. What would be the benefits of these activities?

Answer. The work supported in the development of innovative concepts for coal preparation would produce several benefits. Advanced Separations Technology Initiative will develop technology that can support sustainable mining operations characterized by near zero wastes, reduced ground-water pollution, and improved energy efficiencies. Advanced Sensors and Control Technology Initiative will permit rapid discovery and exploitation of coal resources and other minerals while minimizing the production of excess wastes. When linked to "smart" mining machines and their attendant sensor arrays, innovative diagnostic technologies will reduce costs of coal and minerals production and minimize environmental impacts by combining resource mapping, real-time recovery, and on-site processing.

Strong industry, cost-shared, participation in each of the Phase II projects of the Grand Challenge program, as well as in the projects of the premium carbon products from coal program, is accelerating the identification and development of innova-

tive technologies that, when developed, will expand markets, ensure market relevance, and instigate early commercialization of technologies that will expand the use of coal as a source of energy in an environmentally responsive manner.

The work ongoing in the area of Coal Liquefaction has been refocused to develop technologies and processed to produce affordable, ultra-clean, low emission transportation fuels that will: enable U.S. vehicle manufacturers to meet more stringent vehicle emissions standards; improve the nation's regional air quality by reducing emissions of SO_2, NO_X, Volatile Organic Compounds (VOC), and particulates generated by the transportation sector; reduce potential global climate change gases; enable the coproduction of highly efficient electric power, ultra-low emissions transportation fuels, and strategic chemicals; produce a "new generation" of ultra-clean transportation fuels, compatible with the existing infrastructure, which can be used in advanced engines being developed by the Office of Transportation Technologies PNGV and heavy vehicle programs, to significantly increase their efficiency and performance.

Question. The fiscal year 2000 budget request proposes to increase funding for Indirect Liquefaction. A portion of this funding is to initiate advanced shift, separation research for hydrogen preparation. What benefits would come from this higher funding level?

Answer. The Advanced Clean Fuels Research program (of which indirect liquefaction is a significant portion) continues to emphasize the production of next generation ultra-low emission fuels, and the development of multiple feedstock, multiple-product, energy coproduction plants. In the ultra-low emission fuels area, we are developing gasification based Fischer-Tropsch and oxygenated fuels, fuel blendstocks, and fuel additives capable of achieving EPA's 2012 vehicle emission targets (that is, 1 gram NO_X, 0.05 gram/bhp/hr particulates) when used in combination with advanced diesel engine power plants currently under development. In the coproduction plant area, we are developing gasification based plants capable of using coal (or coal in combination with other feedstocks such as petroleum coke, refinery bottoms, refinery wastes, and biomass), and of economically coproducing low emission clean fuels, strategic chemicals, and electric power (for either export or internal consumption).

The increased funding requested will be used to perform technical, economic, and market analysis, preliminary concept design and initial supporting research for at least three gasification based coproduction concepts (to be sited at an existing refinery, chemical plant, and power plant), each capable of using multiple feedstocks, and producing multiple products; and to initiate development a "new generation" of advanced ultra-low emission transportation fuels to be used in advanced vehicles systems, such as the highly efficient diesel engines for sports/utility, light truck, and passenger vans currently being developed by the Department's Office of Transportation Technologies.

DOE will also continue to develop key supporting technologies, such as those which can economically produce low cost hydrogen and synthesis gas from fossil feedstocks, while concomitantly reducing the amount of CO_2 produced. The hydrogen preparation activity intends to develop advanced separations technology capable of producing low cost hydrogen from mixed gas streams, and from synthesis gas in a clean and affordable manner.

These activities will keep to foster lower cost clean fuels and improved regional air quality with reduced emissions of SO_2, NO_X, VOC, and particulates. Each of these program components is market driven and highly leveraged with participant cost sharing in order to insure program relevancy and industry interest.

Advanced Clean/Efficient Power Systems

Question. The fiscal year 2000 budget proposed $3 million to complete Phase IV of the Low Emission Boiler System (LEBS) program which involves the design construction and operation of a proof-of-concept facility. This project, known as the Prairie Energy Project, will operate as a source of independent power and will serve as a showcase for LEBS technology. What is the total estimated cost of the Prairie Energy Project?

Answer. The total cost of Phase IV of the LEBS program is $127 million. The estimated cost of the proof-of-concept facility alone is $113 million.

Question. How much of this project is cost-shared?

Answer. DOE is funding 27 percent of the project's cost.

Question. What are the other sources of funding beyond DOE's contribution of $34 million in fiscal years 1998, 1999, and 2000?

Answer. The sources of funds for LEBS Phase IV in 1998, 1999, and 2000 are as follows:

LEBS PHASE IV FUNDING SOURCES

[In million of dollars]

Source	Other years	Fiscal years—			Total
		1998	1999	2000	
U.S. DOE	1	15	15	3	34
State of Illinois	.....	.....	3	22	25
Owner	11	1	3	3	18
Lender Debt	.....	.....	.....	50	50
Total	12	16	21	78	127

Question. How much of the total estimated cost of the project is for construction versus non-construction?

Answer. The total cost of Phase IV of the LEBS program is $127 million. The estimated construction cost of the proof-of-concept facility alone is $113 million. Thus, non-construction represents $14 million of the project.

Question. When will the effort be completed?

Answer. Commercial test operations are scheduled to be complete in December 2001. The LEBS Phase IV is scheduled to be complete in June 2002.

Question. Why is DOE involved in developing this power plant which will operate commercially after the test phase?

Answer. This technology developed competitively in a partnership between government and industry, reduces NO_X (an ozone precursor) and SO_X, and is more efficient (less greenhouse gas per kilowatt) than existing technology. To facilitate early commercial use and showcase the technology the DOE cost-shared the design, construction and test operation of a proof-of-concept facility.

Question. A significant increase is being proposed in fiscal year 2000 for the Integrated Gasification Combined Cycle. What would these funds be used for?

Answer. The fiscal year 2000 budget request of $38.661 million represents a 19-percent increase over the fiscal year 1999 appropriation of $32.388 million for the Integrated Gasification Combined Cycle (IGCC) Program. This increase in funding ($6.273 million) would support the research and development needs for the Vision 21 program. The Vision 21 program is geared to the development of energy plants of the future that will be highly efficient facilities producing an array of energy products while simultaneously achieving near-zero discharge of solid, liquid, and gaseous pollutants. The energy products include electrical power, steam for industrial heating, hydrogen, environmentally superior liquid fuels, and premium chemicals. Gasification-based technologies being developed in the IGCC program are major "building blocks" of the Vision 21 energy plants from which these energy products can be produced. Gasification must become more feedstock flexible, that is, capable of processing all carbon-based materials including coals of all ranks, petroleum coke and residuals, industrial and municipal waste, and blends, while simultaneously producing a high quality, extremely clean synthesis gas that can be integrated with downstream advanced technologies such as hydrogen membranes, synthesis gas conversion, fuel cells, advanced combustion, and future "H" class gas turbines.

Specifically, the increase in funding will be used to continue development of the advanced transport gasifier at the Wilsonville PSDF; complete construction and shakedown of the Gas Processing Development Unit at FETC; investigate advanced gas cleaning technologies for ultra-clean synthesis gas for integration with fuel cell and co-production technologies; develop ion transport membranes for low-cost oxygen production from air; develop membrane technology for high-temperature hydrogen separation; investigate concepts for CO_2 concentration; develop advanced fuel cell systems for coal-based gasification/combustion applications in conjunction with gas-based fuel cell system development; and conduct experimental investigations on the co-feeding of coal with various carbon-based feedstocks. The IGCC funding profile is as follows:

IGCC FUNDING PROFILE

[In thousands of dollars]

Activity	Fiscal years— 1999	2000	Change
Program Management Support	223	381	+158
Gasification Systems	11,244	14,045	+ 2,801
Gas Cleaning & Conditioning	2,605	3,761	+ 1,156
Products/By-products Utilization	1,050	700	−350
System Analysis	3,791	3,524	−267
Vision 21 Support	13,475	[1] 16,250	+ 2,775
Total	32,388	38,661	+6,273

[1] $4,950 included for Fuel Cell for Vision 21.

Question. What is the Federal Energy Technology Center's role in this program?

Answer. The Federal Energy Technology Center (FETC) is responsible for the implementation and administration of all research and development activities for the Integrated Gasification Combined Cycle (IGCC) Program. These activities include both in-house research and cooperative developmental efforts with industrial stakeholders. FETC's in-house research team continues to conduct both laboratory and bench-scale particulate removal and sorbent research for power generation applications and is expanding into the production of ultra-clean synthesis gas for Vision 21 applications. The capabilities of FETC's new Gas Processing Development Unit at Morgantown, West Virginia, are also being expanded to investigate advanced gas cleaning methods for integrating gasification technology with the Vision 21 energy plants. FETC's scientists have also become an integral part of the advanced hydrogen separation membrane development effort, focusing on the evaluation and performance testing of high temperature membranes being developed by ANL and ORNL for the separation of hydrogen from shifted synthesis gas. In addition, as a result of their prior experience in CO_2 hydrates, FETC in-house scientists are assisting in the development of a low-temperature approach for separating hydrogen from shifted synthesis gas via the formation of CO_2 hydrates. FETC's IGCC Product Team is responsible for strategic program development, planning, and outreach, while project managers administer the individual research and development contracts with various technology developers.

VISION 21

Question. Explain the concept of the Department's "Vision 21 Energy-Plex."

Answer. Vision 21 is a government-industry-academia collaboration to develop technology that will effectively remove all environmental concerns associated with the use of fossil fuels for producing electricity and liquid transportation fuels and will almost double the efficiency of coal powerplants. The approach is to develop technology modules that respond to key public needs (for example, the production of clean burning transportation fuels, clean, efficient, affordable, electricity generation from all of our fossil fuels, alleviating municipal waste issues by using this waste as a feedstock) and can be integrated into a variety of configurations to meet specific market needs in multiple applications (for example, electricity generation, fuels/chemicals coproduction, cogeneration). Vision 21 builds on a portfolio of technologies already being developed, including clean coal combustion and gasification, turbines, fuel cells, and fuels synthesis. To these, the Vision 21 program adds other critical or "enabling" technologies such as membrane gas separation, advanced combustion technologies, and alternative fuel utilization technologies.

Vision 21 is part of the Department of Energy's work to maintain our nation's economic prosperity by ensuring a future supply of affordable, clean energy. The specific performance targets, costs, and timing for Vision 21 plants are as follows:

SPECIFIC PERFORMANCE TARGETS, COSTS, AND TIMING FOR VISION 21 PLANTS

Efficiency-Electricity Generation	60 percent for coal-based systems (based on fuel HHV); 75 percent for natural gas-based systems (LHV) with no credit for cogenerated steam.
Efficiency-Combined Electricity/Heat	Overall thermal efficiency above 85 percent; also meets above efficiency goals for electricity.

SPECIFIC PERFORMANCE TARGETS, COSTS, AND TIMING FOR VISION 21 PLANTS—Continued

Efficiency-Fuels Only Plant	When producing fuels such as H_2 or liquid transportation fuels alone from coal, 75 percent fuels utilization efficiency (LHV).
Environmental	Near zero emissions of sulfur and nitrogen oxides, particulate matter, trace elements, and organic compounds; 40–50 percent reduction in CO_2 emissions by efficiency improvement; 100 percent reduction with sequestration.
Costs	Aggressive targets for capital and operating costs and RAM; products of Vision 21 plants must be cost-competitive with market clearing prices when they are commercially deployed.
Timing	Major benefits, e.g. improved gasifiers and combustors, gas separation membranes, begin by 2006 or earlier; designs for most Vision 21 subsystems and modules available by 2012; Vision 21 commercial plant designs available by 2015.

Question. What is the goal of "Vision 21" and how does it fit into the overall Coal Power program?

Answer. The primary goal of the Vision 21 program is to close to double the efficiency of coal power plants and to effectively remove all environmental concerns associated with the use of fossil fuels for producing electricity, liquid transportation fuels, and high value chemicals. The approach is to develop and integrate high-performance technology modules to create energy plants which are cost competitive, with zero emissions, and which allow us to responsibly and cost effectively use all of our abundant fossil resources.

Vision 21 builds on the technological successes in the current Coal and Power Systems, Natural Gas, and Fuels programs. The aggressive goals set for Vision 21 systems demand innovative approaches along with dramatic improvements in cost and performance of our technologies. Early spinoffs from the Vision 21 program are expected to provide near-term economic and performance benefits to the U.S. economy in general and to the DOE sponsored energy products in particular.

Question. What program activities are supported by the key technology program elements of the Coal and Power Systems program?

Answer. Our economic future depends on a supply of affordable electricity to run our factories and heat and light our offices and homes, and on clean fuels for transportation. The bottom line is that the United States will need to rely on fossil fuels for the major share of its electricity and transportation fuels well into the 21st century. To achieve radical improvements in the performance of fossil fuel-based power systems and to virtually eliminate environmental issues as a barrier to fossil fuel use will require a new paradigm for the development of both technology and systems that incorporate the technology. Vision 21 is the Department of Energy's role in helping to maintain our nation's economic prosperity by ensuring a future supply of affordable, clean energy.

Vision 21 activities are supported by the Integrated Gasification Combined Cycle (IGCC), Pressurized Fluidized Bed (PFBC), Fuel Cells, Indirect Fired Cycle/High Performance Power Systems (IFC/HIPPS), Advanced Turbine Systems (ATS), Advanced Research and Technology Development (AR&TD) and the Advanced Clean Fuels (ACF) programs. Under the IGCC program, Vision 21 activities include: advanced oxygen, hydrogen, and carbon dioxide separation technologies; advanced gas cleaning technologies for fuel cell application; advanced IGCC/fuel cell system studies; experimental investigation on co-firing fuels. The PFBC program will support Vision 21 activities which include co-firing with carbon neutral fuels, cycle studies which examine carbon dioxide recycle, oxygen enrichment, and integration of fuel cells and other components. In the fuel cell program, Vision 21 efforts are focused on performance enhancement and cost reduction of fuel cell hybrid systems. Some advanced heat exchanger work and combustion studies in IFC program will directly support the Vision 21 program. The ATS program will fund fuel flexible and high efficiency turbine work for Vision 21. The AR&TD program will continue research toward the Virtual Demonstration Plant, CO_2 capture, and sequestration in support of Vision 21 power and fuels complex; will conduct systems analysis of Vision 21 concepts to identify critical research areas; will implement projects to develop critical enabling technologies for advanced power and fuel systems in support of Vision 21 and incorporate the results into the Virtual Demonstration. Finally, the ACF program will study options for incorporating fuel and chemical modules in Vision 21

plants and conduct research on fuel and chemical production aspects of Vision 21 technologies.

Question. How much is included in the fiscal year 2000 budget for each of these program activities in fiscal years 1998, 1999, and 2000?

Answer. The funding for Vision 21 from each of the program areas is listed in the following table:

VISION 21 FUNDING

[In thousands of dollars]

Program	Fiscal years—		
	1998	1999	2000
IGCC	.....	14,000	16,250
PFBC	.....	.....	1,600
Fuel Cells	.....	.....	5,085
IFC	.....	1,000	1,000
ATS	.....	.....	800
AR&TD	.....	2,990	3,457
ACF	.....	.....	575
Total	.....	17,990	28,767

Question. If there is an increase in fiscal year 2000 over the fiscal year 1999 enacted level, explain what the increase is for.

Answer. Our economic future depends on a supply of affordable electricity to run our factories and heat and light our offices and homes and on clean fuels for transportation. The bottom line is that the United States will need to rely on fossil fuels for the major share of its electricity and transportation fuels well into the 21st century. To achieve radical improvements in the performance of fossil fuel-based power systems and to virtually eliminate environmental issues as a barrier to fossil fuel use will require a new paradigm for the development of both technology and systems that incorporate the technology. Vision 21 is the Department of Energy's role in helping to maintain our nation's economic prosperity by ensuring a future supply of affordable, clean energy.

In fiscal year 2000, increases in Vision 21 activities occur in all program areas except the IFC. The PFBC, Fuel Cell, ATS, and ACF programs had no dollars specifically for Vision 21 activities in fiscal year 1999. The IGCC fiscal year 2000 higher funding level for Vision 21 activities will be used to increase levels of effort in advanced gas separation, gas cleaning, fuel cells integration, and co-firing investigations. Fiscal year 2000 funds in the PFBC program support co-firing with carbon neutral fuels, cycle studies which examine carbon dioxide recycle, oxygen enrichment, and integration of fuel cells and other components. In the fuel cell program, the fiscal year 2000 Vision 21 funds support efforts which are focused on performance enhancement and cost reduction of fuel cell hybrid systems. Vision 21 fiscal year 2000 ATS program funds support fuel flexible and high efficiency turbine work. In the AR&TD program, work on advanced materials for hydrogen and oxygen separation membranes progresses from the initial solicitation stage of fiscal year 1999 to working on breakthrough concept in fiscal year 2000. Finally, with fiscal year 2000 Vision 21 funds, the ACF program will study options for incorporating fuel and chemical modules in Vision 21 plants and conduct research on fuel and chemical production aspects of Vision 21 technologies.

FOSSIL ENERGY RESEARCH—NATURAL GAS

METHANE HYDRATES

Question. The fiscal year 2000 budget proposes $1,985,000 for methane hydrates research and development. What specifically will these funds be used for?

Answer. While specific procurement plans will not be finalized until appropriations have been approved by Congress, the Department anticipates allocating the funding as follows:

—Approximately 50 to 55 percent would be used for characterizing methane hydrate reservoirs. This will involve geologic, geochemical, microbiological, and thermodynamic studies of hydrates, the development of a data base documenting hydrate locations and research results, and collection and analysis of Arctic and marine hydrates.

—Approximately 20 to 25 percent will be used for laboratory tests and to develop models of the ways hydrates dissociate. This research would be a precursor to developing specific production technologies.
—Approximately 15 to 20 percent would go to developing sensors and monitoring subsea hydrate sites to determine what role hydrates may be playing in the release of methane that could contribute to global climate change.
—Approximately 15 to 20 percent would be used for seismic and well logging to evaluate subsea hydrate zone structure and strength. This will be important information to assess safety and sea floor stability issues.

Question. Who will perform the work?

Answer. Funding recipients have not yet been determined but will almost certainly include industrial partners, other government organizations (such as the Naval Research Lab, U.S. Geological Survey, the Ocean Drilling Program, National Science Foundation, and Minerals Management Service), National Laboratories, academia and oceanographic institutions including university consortia, the Federal Energy Technology Center, and the Rocky Mountain Oilfield Test Center. This is consistent with the draft Methane Hydrates Act of 1999, that has been reported out of the Committee on Energy and Natural Resources, which encourages "partnerships among government, industry and institutions of higher learning."

Question. Why is this work important?

Answer. As much as 200,000 trillion cubic feet of methane may exist in hydrate systems in the U.S. permafrost regions and surrounding waters. This is over a hundred times greater than the estimated conventional U.S. gas resource. The volume that may be economically producible is unknown. However, these enormous resources, if proven, have significant implications for U.S. energy security and global environmental issues, particularly global climate change. In addition, because the bulk of these methane hydrates are located on federal lands, gas production would provide significant resources through royalties and leases.

The United States will consume increasing volumes of natural gas well into the 21st century, and methane hydrates can contribute to a reliable and low-cost domestic supply. Gas demand is expected to grow substantially throughout the first half of the 21st century because of an expanded transition to a role as a transportation fuel or a competitive source of transportation liquid fuel (gas-to-liquids conversion) and hydrogen for fuel cells.

The technology to locate and safely produce methane from hydrates does not currently exist, and industry is unable to conduct the necessary research and development. In the current low oil and gas price environment, there is almost no industry research for methane production from hydrates. DOE's fossil energy research and development program, including methane hydrates research and development, is developing advanced concepts that are well beyond the timetables and performance goals of private sector research and development.

COAL MINE METHANE

Question. The fiscal year 2000 budget request includes $500,000 to continue the coal mine methane project. How does this program fit into the Natural Gas Research and Development program?

Answer. The Natural Gas Research and Development program seeks to develop and demonstrate for commercial readiness, technology by which economical gas supplies can be produced and made available for productive domestic utilization. The Coal Mine Methane program addresses technology needed to harness and utilize methane that is naturally released in the course of underground mining of coal.

Question. What is its objective?

Answer. The Coal Mine Methane program objective is to ensure that coal producers have a documented knowledge base of how methane released in the course of underground coal mining can be economically captured and utilized in productive ways. Accordingly, the program has requested, through a competitive process, proposals to design and demonstrate advanced means by which mine released methane can be captured and readied for commercial use and/or directly used.

Question. How much is required in the out years to complete this program?

Answer. Outyear budget estimates for the 50-percent cost shared program to completion are estimated at $1 million each year from 2001 to 2003. This will allow the completion of no more than two projects.

ADVANCED TURBINES PROGRAMS

Question. The fiscal year 2000 budget includes $41.8 million in fiscal year 2000 for the Advanced Turbines program, which is $2.7 million less than the amount ap-

propriated for fiscal year 1999. How does this lower level of funding affect the program's schedule?

Answer. The lower funding level in fiscal year 2000 is due to the ATS Utility program nearing completion. No slippage in the current schedule, due to funding level, is expected. However, due to the acquisition of Westinghouse by Siemens, there may be some delays in the Siemens-Westinghouse program.

FUEL CELLS

Question. The fiscal year 2000 budget proposes $37.6 million for Fossil Energy's fuel cell program which is a decrease of $6.6 million (15 percent) below the fiscal year 1999 level. What impact will this lower level of funding have on the program?

Answer. No significant impacts are expected to result from the reduction because the decreases are largely offset by increases in fuel cells in other Fossil Energy program areas; for example, $4.95 million in the High Efficiency Integrated Gasification Combined Cycle program is for the development of advanced fuel cell systems for Vision 21 gasification/combustion applications, in conjunction with gas-based fuel cell systems development. In addition, no funding was requested in fiscal year 2000 to continue the multi-layer ceramic technology initiative for fuel cells because awards for that effort are scheduled to occur in the July-August 1999 time frame although the work will continue through most of fiscal year 2000.

FOSSIL ENERGY RESEARCH—OFFSETS

Question. What is the rationale for proposing to use $11 million of prior year balances to offset the fiscal year 2000 budget request for Fossil Energy Research and Development?

Answer. The effort to provide funding for high priority projects in the Fossil Energy program, it was thought that prior year balances would become available to cover future budget activities.

Question. What was the $11 million originally budgeted for and what will not be accomplished as a result of using these funds to offset the fiscal year 2000 budget request?

Answer. These carryover funds resulted from two types of actions. First, through the contract closeout process, approximately $4 million has been recovered from contracts that are no longer active. Second, as a result of delays in the procurement process, various amounts from Coal, Oil and Gas programs were not obligated by the end of fiscal year 1998. However, these funds will be obligated during fiscal year 1999. We believe that additional procurement delays will occur in fiscal year 1999, and additional contracts will be closed out to make available sufficient funding at the end of fiscal year 1999 to cover this offset.

Question. Before taking into account the use of prior year balances, the Department of Energy is providing a $9 million (2 percent) decrease from the fiscal year 1999 enacted level for Fossil Energy Research and Development in fiscal year 2000. The fiscal year 2000 budget request for Energy Conservation Research and Development is a $121 million (23 percent) increase over the fiscal year 1999 enacted level. Was there consideration given to using prior year balances to offset the increase being proposed in the Energy Conversation budget? If so, how was the decision reached? If not, why not?

Answer. Yes, consideration was given to using prior year balances in the Energy Conservation budget request. In fact, the Energy Conservation account is offset by balances from the Biomass Energy account.

CLEAN COAL TECHNOLOGY

Question. What is the Department's rationale for proposing a net $246 million deferral in fiscal year 2000 for the Clean Coal Technology program?

Answer. Only two Clean Coal Technology projects have remaining funding requirements. These projects are the Clean Energy Demonstration Project—an IGCC project planned for Illinois and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project—a combined steel making and power generation project planned for Utah. DOE recently approved project restructuring and design phase extensions for both of these projects. These extensions were necessary to complete teaming arrangements, perform design activities, and to obtain environmental permits. Both projects already have adequate funding to complete these tasks. Since funds for the construction phase will not be needed until fiscal year 2001, DOE has proposed to defer these funds until they are needed to meet project commitments.

Question. What is the impact of the fiscal year 2000 deferral on the out years?

Answer. DOE's fiscal year 2000 request has proposed a specific schedule for the return of the deferred funds that will enable DOE to meet funding commitments for

the two CCT projects with future funding requirements. DOE has proposed that the deferred funds be made available starting with $189 million in fiscal year 2001, $40 million in fiscal year 2002, and $27 million in fiscal year 2003. Provided the deferred funds are made available to DOE following this schedule, there will be no adverse impacts to the CCT program.

Question. What happens if the net $246 million deferral is accepted and the out-year repayment of this deferral is not provided?

Answer. If the funds proposed for deferral in fiscal year 2000 are later rescinded, DOE would not be able to fulfill the existing funding commitments as defined in the Cooperative Agreements for two projects: the Clean Energy Demonstration Project and the Clean Power From Integrated Coal/Ore Reduction (CPICOR) project. These projects would not proceed if federal funds were not available. Since these Cooperative Agreements require at least 50 percent industry funding, private-sector investments in these projects would also be lost and there could be resulting litigation.

Question. What is the current status of the Clean Coal Technology projects and what are some of the recent milestones in the program?

Answer. The CCT program currently has 40 active or successfully completed projects. Twenty projects have successfully completed all requirements and three additional projects have completed operation and are preparing final reports. Of the remaining 17 projects, 9 are in the operation phase, 1 is in construction, and 7 are in the design phase.

Below are listed several success stories of the DOE Coal Research and Development and Clean Coal Technology (CCT) programs. The CCT successes—mostly demonstrations of pre-commercial, new technologies—could not have occurred without earlier DOE research and development. Research and development successes that culminated in CCT demonstrations include the following:

—Low NO_X burners: Far less expensive than preceding technology for removing NO_X (oxides of nitrogen, precursors of smog) emissions, about one-half of U.S. coal-fired capacity today has these burners. Sales to date are about $1.5 billion.

—Atmospheric Fluidized Bed power plants: DOE/industry investments in this clean technology have resulted to date in at least $9 billion in domestic and foreign sales ($6.2 billion domestic, $2.8 billion foreign).

—Advanced Scrubbers: Three advanced scrubbers have been demonstrated by DOE, one of which earned Power magazine's 1993 Power Plant of the Year award.

—Tomorrow's Power Plants (Integrated Gasification Combined Cycle, or IGCC, and Pressurized Fluidized Bed, or PFBC): These pre-commercial, virtually pollution-free plants have the potential of far higher efficiencies (thus, 20 to 40 percent lower CO_2 levels).

—The Rosebud SynCoal™ and Encoal™ processes are two different ways to upgrade low-rank coals to cleaner, more efficient fuels. Both processes are being marketed worldwide.

Some of the recent project specific milestones include the following:

—Delivery of the 18-cylinder engine for the coal diesel project (January 1999). The coal diesel project will demonstrate the performance and durability of a coal-fueled diesel engine during 6,000 hours of operation.

—Completion of the first year of operation for the Healy combustors project (January 1999). The advanced slagging combustors is demonstrating reliable and low-emission operation on a blend of run-of-mine and waste coal.

—Completion of the Pneumatic Fuel Project for the Rosebud project (January 1999). The Pneumatic Fuel Project was needed to improve the handling of the SynCoal® product, allowing the participant to enter into a long-term supply agreement with a utility customer.

—Approval of proposed restructuring/resiting of the Clean Energy project (December 1998). The restructuring/resiting approval significantly improved the likelihood for a successful demonstration of the British Gas/Lurgi gasification technology and the operation of a fuel cell on coal gas.

—Completion of the third year of operation for the Wabash River project (November 1998). During the third year of operation, the syngas facility had an availability over 72 percent and a capacity factor of approximately 68 percent.

—Approval of new technology vendor for the CPICOR project (October 1998). The new technology vendor will enable the direct production of iron without the use of coke along with the co-production of electricity, providing an economic and environmental advantage over the traditional coke and blast furnace technology.

—Completion of long-term testing of micronized coal reburning for a cyclone boiler (September 1998). The micronized coal reburning technology offers an economical approach for reducing NO_X emissions with minimal boiler modifications.

—Completion of the operating phase for the NYSEG flue gas cleanup project (June 1998). The project demonstrated an advanced wet scrubber with high sulfur capture efficiency in combination with low NO_X burners that resulted in a system with minimal power requirements, zero waste water discharge, and the production of usable byproducts instead of wastes.

—Completion of final reports for four environmental control projects during calendar year 1998:

Enhancing the Use of Coals by Gas Reburning and Sorbent Injection.—Project demonstrated NO_X reductions of at least 60 percent and SO_2 reductions of at least 50 percent on two different boiler configurations.

Demonstration of Advanced Combustion Techniques for a Wall-Fired Boiler.—Project demonstrated 50 percent NO_X reduction using low NO_X burners, advanced overfire air, and the use of an advanced instrumentation and control system.

Evaluation of Gas Reburning and Low-NO_X Burners on a Wall-Fired Boiler.—Project demonstrated 70 percent reduction in NO_X emissions using Foster Wheeler's low-NO_X burners and gas reburning.

LIFAC Sorbent Injection Desulfurization Demonstration Project.—Project demonstrated a utility retrofit of a high sulfur-removal technology that produced a dry solid waste product.

Question. Given the rescissions that have been made to the Clean Coal Technology program and the proposed deferral for fiscal year 2000, is there sufficient funding for its successful completion?

Answer. Of the 40 projects in the Clean Coal Technology program, 38 projects are fully funded. The two projects with remaining funding commitments will not require additional funding until fiscal year 2001. Provided the deferred funds are made available in the out years as proposed, DOE will have sufficient funding for the successful completion of the CCT Program. Prior rescissions were achieved through savings resulting from project restructuring and project withdrawals.

Question. How many projects are yet to be completed and what is the current plan to complete them?

Answer. Of the 40 projects in the Clean Coal Technology (CCT) program, 20 projects have successfully completed all requirements and 3 additional projects have completed operation and are preparing final reports. Of the remaining 17 projects, 9 are in the operation phase, 1 is in construction, and 7 are in the design phase.

Of the nine projects currently in the operation phase, only the Custom Coals project is anticipated to have difficulty completing remaining activities. Recently, the Custom Coals' processing facility was sold at auction and the new owner of the facility has approached DOE about completing the CCT project.

The Coal Diesel project is the only project in the construction phase. The diesel engine was delivered to the project site in January 1999. In April 1999, the participant indicated that a significant funding shortfall is anticipated for the project and that project activities have stopped until additional funds are identified. DOE previously has already committed to provide nearly the full 25 percent cost growth maximum allowed in the Clean Coal Program. Additional funding from DOE over the 25 percent maximum is not allowed by law. If the participant cannot secure additional project funding, the coal-fueled diesel technology may not be demonstrated.

A total of seven projects are in the design and permitting phase. Three of these projects have been delayed due to protracted contract negotiations between the project participants and the technology suppliers. DOE believes the parties are close to reaching agreements and the projects will be moving forward as planned. Two additional projects were recently granted extensions to allow for restructuring activities. While these projects are early in the design and permitting phase, DOE believes these projects are on track to begin construction activities within 2 years. The two remaining projects are the ThermoChem project in Baltimore, Maryland, and the NOXSO project. The ThermoChem project was recently granted approval to proceed with a reduced-scope project and the project is ready to initiate construction activities. The participant for the NOXSO project is in Chapter 11 bankruptcy. A suitable host site and participant financing is required for this project to continue.

Question. Do you plan to terminate any ongoing Clean Coal Technology projects?

Answer. No projected terminations are planned. The Department is committed to the successful completion of all ongoing Clean Coal projects.

Questions: What are your plans if significant cost overruns occur in any of the projects?

Answer. Cost overruns in the Clean Coal Technology program are capped by legislation. If cost overruns occur they would be evaluated for merit and the existing cost overrun reserve of $13 million could be utilized. In addition, if any of the existing projects terminate, the excess funds related to those projects would be available as an overrun reserve.

Question. Is the Clean Coal Technology program producing results?

Answer. The Clean Coal Technology (CCT) program has and continues to produce results that are changing the face of the electric power generation industry and other major coal use industries. Of the 40 active projects, 23 have completed operation, 20 of which have submitted final reports. These reports are made available to the public and a bibliography is produced and updated to aid interested parties. The reports represent a comprehensive compilation of timely information invaluable to the utility sector and other coal users faced with increasingly stringent air pollution standards.

Below are listed several success stories of the DOE Coal Research and Development and Clean Coal Technology (CCT) programs. The CCT successes—mostly demonstrations of pre-commercial, new technologies—could not have occurred without earlier DOE research and development. Research and development successes that culminated in CCT demonstrations include the following:

—Low NO_X burners: Far less expensive than preceding technology for removing NO_X (oxides of nitrogen, precursors of smog) emissions, about one-half of U.S. coal-fired capacity today has these burners. Sales to date are about $1.5 billion.

—Atmospheric Fluidized Bed power plants: DOE/industry investments in this clean technology have resulted to date in at least $9 billion in domestic and foreign sales ($6.2 billion domestic, $2.8 billion foreign).

—Advanced Scrubbers: Three advanced scrubbers have been demonstrated by DOE, one of which earned Power magazine's 1993 Power Plant of the Year award.

—Tomorrow's Power Plants (Integrated Gasification Combined Cycle, or IGCC, and Pressurized Fluidized Bed, or PFBC): These pre-commercial, virtually pollution-free plants have the potential of far higher efficiencies (thus, 20 to 40 percent lower CO_2 levels).

—The Rosebud SynCoal™ and Encoal™ processes are two different ways to upgrade low-rank coals to cleaner, more efficient fuels. Both processes are being marketed worldwide.

Of the 23 completed projects, 9 demonstration projects continued in commercial operation. Almost all the environmental control device demonstrations have completed operations. The resultant body of information represents the largest demonstration database ever compiled on advanced environmental controls. The technologies incorporated in the database cover the full range of potential utility applications. The fact that it contains demonstration-based data enables potential users to assess cost and performance of the various options for their site-specific situations. Movement of the technologies into the commercial market underscores the value of the data.

The Tri-State Generation and Transmission Association, Inc., Nucla Station repowering project provided the database and operating experience requisite to making atmospheric circulating fluidized-bed a commercial technology option at utility scale. Through the Ohio Power Company's repowering of the Tidd Plant (70 megawatts), the potential of pressurized fluidized-bed combustion as a highly efficient, very low pollutant emission technology was established and the foundation laid for commercialization (through extensive documentation of the operational, environmental, and cost performance). Three Integrated Gasification Combined-Cycle projects, representing a diversity of gasifier types and cleanup systems, are producing information on a new approach to coal use that could revolutionize the power generation industry. The projects are attracting interest from utilities worldwide.

ENCOAL recently completed documenting their successful demonstration of a unique technology that produces both clean, high energy density solid and liquid fuels from low-rank coal. Demonstration data enabled the technology supplier to conduct five feasibility studies in three countries that have high potential for resulting in commercial projects. Data coming out of the ongoing demonstration of the Liquid Phase Methanol process (LPMEOH™) suggests that coproduction of electricity and methanol may provide a clean, cost-effective energy option. A project with Bethlehem Steel Corporation is providing proof that coal can be substituted for coke for a significant portion of the carbon requirement in steelmaking, enabling a major reduction in pollutant emissions.

DOE is making every attempt to disseminate the results of the demonstrations to customers and stakeholders. The annual Clean Coal Technology Demonstration program: Program Update briefly summarizes progress and accomplishments on all ongoing projects and, for projects that have completed operations, provides a more extensive summary of results. A Clean Coal Technology Demonstration Program: Project Fact Sheets document updates project information mid-year. The annual Clean Coal Technology Conference and associated proceedings provide a yearly snapshot of how each of the active projects is progressing along with an in-depth

presentation of technical findings. The CCT Compendium provides an electronic database, incorporating the CCT program publications that can be accessed on the Internet (http://www.lanl.gov/projects/cctc).

Question. What are some of the recent major accomplishments associated with the Clean Coal Technology program?

Answer. The Clean Coal Technology (CCT) program enabled the utility industry to respond cost effectively to the first wave of NO_X control requirements imposed and has positioned the utility industry to respond to NO_X control requirements in the 21st century. Under Title IV, Phase I of the Clean Air Act Amendments of 1990 (CAAA), NO_X emission limits were established for wall- and tangentially-fired boilers, effective January 1, 1996. The CCT Program not only positioned industry to respond to the regulations with low-NO_X burners, but provided valuable input to the regulatory process by furnishing realtime data. Similarly, the CCT Program has been instrumental in preparing the utility industry for Title IV, Phase II CAAA NO_X control requirements, effective January 1, 2000, addressing the balance of the boiler types and imposing more stringent requirements on wall- and tangentially-fired boilers. Also, the technologies demonstrated under the CCT program have positioned the utility industry to respond to even tougher NO_X emission standards, effective in May 2003, recently imposed on 22 states and the District of Columbia in an EPA "SIP Call." Technologies demonstrated include combustion modification control technologies, such as low-NO_X burners and coal- and gas-reburning, and post-combustion NO_X control methods, such as selective catalytic reduction and selective non-catalytic reduction. To date, over one-third of coal-fired generating capacity in the United States has installed low-NO_X burners, with sales exceeding $1.5 billion.

The CCT Program has also provided a portfolio of SO_2 control technologies to enable utilities to respond cost effectively to year 2000 CAAA emission levels. Technologies are available for the full range of units from small space-constrained boilers to large, relatively new boilers. The technologies also span a range of costs commensurate with performance, but significantly less than conventional technologies existent before the CCT Program. For example, the two advanced wet flue gas desulfurization technologies demonstrated under the CCT Program redefined the state-of-the-art for sorbent-based scrubbers by: halving operating costs and significantly reducing capital costs; producing by-products instead of waste; and mitigating plant efficiency loses by using high-capture-efficiency devices.

The CCT Program was instrumental in commercializing atmospheric circulating fluidized-bed combustion (ACFB) technology through the Tri-State Generation and Transmission Association, Inc., project in Nucla, Colorado. An industry consortium joined with DOE to fully evaluate the potential of the technology for utility application. The results and the attendant comprehensive database served to establish ACFB as a commercial offering, which has realized an estimated 9.5 gigawatts of capacity installation worldwide. Today, every major boiler manufacturer offers an ACFB system in its product line. Power magazine has called fluidized-bed coal combustion "the success story of the last decade in the power generation business. This success [is] perhaps the most significant advance in coal-fired boiler technology in more than half a century."

Pressurized Fluidized-bed Combustion (PFBC) technology is also beginning to make market penetration as a result of work performed at The Ohio Power Company's Tidd Plant. The CCT Program demonstration and associated development work have resulted in several commercial sales, including a 360-megawatts unit in Japan and a 220-megawatt unit in Germany. The technology represents a new generation of advanced power systems, with efficiencies far higher than conventional coal-fired systems and pollutant emissions far below new source performance standards, without need of add-on emission controls.

Three Integrated Gasification Combined-cycle (IGCC) demonstration projects, representing a diversity of gasifier types and cleanup systems, are pioneering the introduction of a new approach to power generation. Two of the technologies are currently operating in a commercial dispatch mode, gaining invaluable performance data. The units are attracting worldwide interest because of their potential to significantly improve efficiency, reduce pollutant emissions, and serve as building blocks for even more advanced systems.

ENCOAL recently completed successful demonstration of a coal processing technology capable of producing a high energy density solid fuel and a liquid product from low-rank coal. The solid fuel is low enough in sulfur to be considered a compliance fuel; that is, capable of meeting CAAA standards for 2000. Also, the solid product has demonstrated combustion characteristics that enable reduced NO_X emissions. The liquid product has most potential as a chemical feedstock, but can be used as a low-sulfur boiler fuel. Efforts are progressing toward establishing a com-

mercial plant in the United States and detailed feasibility studies have been carried out in Indonesia and Russia.

The Liquid Phase Methanol process (LPMEOH™) being demonstrated at the Eastman Chemical Company in Kingsport, Tennessee is showing promise as a cost effective means of coproducing electricity and methanol. Continued stable production of methanol at or beyond design rates from high-sulfur bituminous coal suggests that IGCC with LPMEOH offers a very clean, highly efficient means of using high-sulfur coal in chemical and electricity production.

Demonstration of granular-coal injection at Bethlehem Steel's Burns Harbor blast furnace operations is proving that coal can replace up to 40 percent of the coke requirement in ironmaking. This has significant environmental and cost ramifications. Coke production in the United States has been severely cut because of the magnitude and extent of resultant pollutant emissions. Steel producers have had to rely on foreign coke, which is often of poor quality. Granular-coal injection allows substitution for much of the coke. Emissions from the injected coal are controlled in the blast furnace.

Question. What lessons have been learned from the Clean Coal Technology program that could be applied in the future?

Answer. The Clean Coal Technology (CCT) program has proven to be an effective means by which the government can work cooperatively with the private sector in developing and introducing new technologies into the commercial marketplace. Several guiding principles evolved during the implementation of the program which could be applied to future programs meeting the following conditions: the objective is to place a product into the commercial marketplace; the technology has evolved to the stage where the private sector is willing to fund at least 50 percent of the project costs; and the projects are large enough to truly reflect its intended commercial configuration under commercial operating conditions. The principle lessons learned during the CCT program are as follows:

—A strong and stable up-front commitment by the government is needed for the life of the projects.

—The technical agenda is determined by industry not the government with industry given the flexibility to use their expertise and innovation to define the technology and to propose a project in response to the government's defined objective. Multiple solicitations spread over a number of years enabled the CCT program to address a broad range of national needs with a portfolio of evolving technologies.

—At least 50 percent cost-sharing throughout all project phases demonstrated industry's commitment to fulfilling the project objective and to confirm the market potential continued over a period of time.

—Allowing for cost growth to be shared at the ratio of the original agreement recognized the risk involved in first-of-a-kind demonstration while confirming the need for industry's commitment to share in the total cost of the project.

—Industry retains the real and intellectual property rights in order to avoid relinquishing their competitive position in technologies developed to the point of demonstration.

—Roles of the government and industry are clearly defined with industry responsible for technical management of the project and government supporting the project as long as project milestones and terms and conditions of the negotiated cooperative agreement are met.

—Industry must be committed to commercialize the technology and make the technology available to potential users on reasonable commercial terms.

CLIMATE CHANGE

Question. A recent study by Pacific Northwest National Laboratory assessed the most cost effective ways for the world to control the buildup of greenhouse gases in the atmosphere. Their preferred scenario controlled greenhouse gas at lowest cost, thereby providing for continued economic growth. In this least cost scenario, world utilization of fossil energy doubles while about half of the carbon dioxide produced is sequestered. Given the large role that sequestration could play in cost-effectively reducing emissions, does the Department's fiscal year 2000 budget request adequately fund the carbon sequestration program?

Answer. Much of the Department's budget for climate change related work is in the area of increased energy efficiency and in the development of renewable and other no-carbon forms of energy. Fossil Energy has two related programs in this area: advanced, clean efficient power generation technologies and carbon sequestration research. Sequestration is a relatively new carbon mitigation strategy and the current budget request reflects its developmental status. If practical low-cost seques-

tration options can be developed, millions of tons of carbon could be reduced, and the United States and the world might avoid drastic shifts in fuel use or severe economic penalties. Sequestration is the only carbon mitigation option that is completely compatible with the existing energy infrastructure.

The requested budget is an attempt to balance competing budget priorities, and reflects a relatively near-term focus for climate change mitigation research. A longer term focus with emphasis on capping atmospheric concentrations of greenhouse gases, as suggested by the study you referenced, would likely favor greater resources for carbon sequestration options.

Question. Is it technologically possible to develop cleaner, more efficient systems to produce electricity from fossil fuels?

Answer. Yes, we agree with the conclusions of the Pacific Northwest Lab Study that economically viable, clean, very high efficiency, fossil fueled electric generation systems, which can sequester carbon in a cost-effective manner are possible. The Department's Vision 21 program, coupled with carbon sequestration, is a government-industry-academia collaboration aimed at bringing these generation systems to commercial readiness.

Question. Under almost any scenario, fossil fuels will continue to dominate the power generation sector both domestically and internationally for a very long time. If ultra-high efficiency power generation technologies coupled with carbon sequestration were used for all new plants built in the United States over the next 50 years, what would the impact be on reducing greenhouse gas emissions?

Answer. The Office of Fossil Energy has conducted a screening analysis of the impact on carbon emissions if ultra-high efficiency natural gas and coal-fired power plants began to deploy in 2005 and 2010, respectively. The generation efficiency of new gas-fired plants reached 70 percent by 2015 and the efficiency of new coal-fired plants coming on line reached 60 percent by 2020. Sequestration technology was assumed to be available for all new plants coming on line after 2020. Under these assumptions, carbon emissions from U.S. electricity generation in 2050 would be reduced from 850 million metric tonnes of carbon per year to 75 million metric tonnes per year—a 91-percent reduction. In this scenario, carbon emissions from power generation have not fallen to zero because some power plants built before 2020 are still assumed to be in the inventory. If there were an incentive to retire those remaining plants which do not have carbon sequestration, carbon emissions from power generation could be zero in 2050. In 1995, carbon emissions from this sector were 495 million metric tonnes per year.

Question. Assume that the Energy Conservation program in the Department of Energy is successful and that the United States achieves energy efficiency halfway between current U.S. and European levels. This is a reasonable goal in view of the vastly higher energy prices in Europe and the broader geographical expanses in the United States. If successful, how much could this program reduce the projected growth in U.S. greenhouse gas emissions over the next 50 years?

Answer. If successful, the programs of the Office of Energy Efficiency and Renewable Energy at the Department of Energy are expected to achieve a significant reduction in the projected growth of greenhouse gas emissions over the next 50 years. In the Department's analysis conducted for the Government Performance and Results Act (GPRA), its energy efficiency programs are projected to yield annual carbon savings of over 200 million metric tons of carbon equivalent by the year 2010. The GRPA analysis does not extend beyond 2010; however, the Department is presently conducting a study which will look at the benefits of energy efficiency and renewable technologies to 2020. A focus of this study will be an analysis of the energy, environmental, and economic impacts of different public policies and programs, and the identification of policy implementation pathways that can form the basis for national solutions to those challenges. We expect that this report will be published by September 1999.

There are few studies which examine the impact of energy efficiency technologies beyond the year 2020. One such study is entitled Energy Innovations: A Prosperous Path to a Clean Environment, (Alliance to Save Energy, American Council for an Energy-Efficient Economy, Natural Resources Defense Council, Tellus Institute, and Union of Concerned Scientists, 1997). By using energy efficiency and renewable technologies, the study claims there is the potential for carbon emissions to drop to 45 percent below 1990 levels by the year 2030. The authors state that such a reduction could be attained by a set of program and policies that could guide our economy toward lower cost, less polluting, more secure, and more sustainable ways of producing and using energy. The authors maintain that technological progress would be the cornerstone of such an achievement.

Question. The fiscal year 2000 budget request includes $2.1 billion in its Energy Resources business line. Fossil Energy Research and Development is funded at $163

million. These advanced systems, when fully commercialized, could reduce energy usage by 10 quads per year and combined with sequestration could reduce carbon emissions by over 750 million tons per year. The fiscal year 2000 budget request for Energy Conservation is $837 million, and this technology could reduce carbon emissions by 400 million tons and reduce energy usage by 20 quads. Overall, these technologies appear to have a similar impact. In light of this, is the allocation of resources in the Department's fiscal year 2000 budget request appropriate?

Answer. First, we should note that the request for the Fossil Energy Research and Development account is $364 million, not $163 million. That also does not include funding on- going Clean Coal projects. The comparable number for Energy Conservation—the research and development component without weatherization and state formula grants is $646 million, so the actual difference in funding is substantially less than it appears.

The allocation of funding within the Department's fiscal year 2000 budget request is based on analysis of how each program can contribute to the nation's multiple energy goals as articulated in the National Energy Strategy. Both fossil energy and energy conservation programs are important to meeting these goals. However, increased investments in energy efficiency technologies are the most cost-effective means of meeting the broad set of national energy goals. The increase proposed for energy conservation reflects this fact.

Question. Please describe what Climate Change Technology Initiative activities are included in the fiscal year 2000 budget for Fossil Energy.

Answer. Fossil Energy has two related programs contained in the Climate Change Technology Initiative (CCTI): advanced, clean, efficient power generation technologies, and carbon sequestration research. The FE budget for the CCTI in fiscal year 1999 was $24 million; in fiscal year 2000 the budget request is $37 million. The main components of the budget request are as follows:

—$18 million in fiscal year 1999 ($28 million in fiscal year 2000) to make advanced natural gas and coal powerplants' more efficient and compatible with carbon sequestration (IGCC, PFB, Fuel Cells, Turbines).

—$6 million in fiscal year 1999 ($9 million in fiscal year 2000) for carbon sequestration research and development. This includes exploratory research on innovative approaches to sequestering carbon, research to investigate a spectrum of techniques for sequestration of carbon in geological formations, and initial efforts to conduct field study and small scale experiments to gather "real world" data on the fate of sequestered carbon.

Question. What other activities are funded in the Fossil Energy budget which will contribute to reducing greenhouse gas emissions?

Answer. The Fossil Energy technologies most focused on climate change mitigation are those identified under the Climate Change Technology Initiative, and include Vision-21 technologies and sequestration technologies. However, the remaining power systems budget, including coal and natural gas fueled systems, will also lead to lower cost and more efficient electricity generating technologies, which translates to lower carbon dioxide emissions. These technologies include indirect fired cycles, integrated gasification combined cycle, pressurized fluidized bed, fuel cells, and advanced gas turbines. Other activities funded in the Fossil Energy budget which will contribute to reducing greenhouse gas emissions include programs to reduce greenhouse gas emissions by improving the nation's ability to supply, store, transport, and distribute natural gas in an economically efficient and environmentally beneficial manner, because natural gas is the least carbon-intensive fossil fuel.

Question. Why does the fiscal year 2000 budget request for the Climate Change Technology Initiative reflect a 53-percent increase in Fossil Energy Research and Development while the overall Fossil Energy Research and Development budget for fiscal year 2000 is $20 million below the fiscal year 1999 enacted level?

Answer. Most of the funding shown for climate change research and development is part of an integrated coal research and development program focused on developing technologies for using coal in the cleanest and most efficient manner possible, while at the same time reducing the cost of energy. This research and development effort responds to key public needs and would be pursued with or without climate change considerations. The increased amount for climate change reflects a change in the nature of the work associated with our Vision 21 clean power program: inclusion of some fuel cell work in the climate change category and an increase in long range work on carbon sequestration. The overall reduction in the Fossil Energy's budget reflects two items: a $12 million decrease in the Low Emission Boiler System (LEBS) program, which is being completed; and the use of $11 million in obligated balances from fiscal year 1998 to offset new appropriations requirements. The remainder of the program is consistent with fiscal year 1999 levels.

Question. What role does the Department of Energy have in the development of climate change policy?

Answer. The Department has been an active participant in the interagency process that has developed and supported the Administration's climate change policy. DOE was an early and strong supporter of flexible, market-based mechanisms, which include international emissions trading and the Clean Development Mechanism, have become central to the U.S. climate policy and were incorporated in the Kyoto Protocol. DOE was also a successful advocate for the inclusion of all major greenhouse gases and carbon sinks in any international agreement.

DOE funding and technical expertise led to the development of the Second Generation Model, which in one of the economic modeling tools used by the Council of Economic Advisers to assess the potential impacts of international climate agreements on the U.S. and world economy. DOE's five-lab study of the potential of technology to reduce greenhouse gas emissions helped lead the Administration to boost its budget request for climate-related energy research and development, and to propose selected incentives for investment in new energy technologies. DOE continues to be an active participant in the U.S. team participating in international climate change negotiations and in the interagency process that continues to develop and refine U.S. policy in this area.

Question. What role does clean coal and other fossil fuel technology research and development have in developing a sound climate change policy?

Answer. Current programs in three areas in the Office of Fossil play a role in developing a sound climate change policy. These are increased efficiency of electric power generation, carbon sequestration, and more efficient use and production of natural gas. Development of higher efficiency power generation technologies will reduce the amount of carbon produced per kilowatthour generated. In addition, both the Integrated Gasification Combined cycle (IGCC) technology and the fuel cell technology, which have been under development for several years, can produce a concentrated CO_2 waste stream which requires minimal processing prior to reuse or disposal.

The purpose of the Fossil Energy sequestration program is to develop and demonstrate technically, economically, and ecologically sound methods to capture, reuse and dispose of CO_2. Fossil Energy also has programs to reduce greenhouse gas emissions by improving the nation's ability to supply, store, transport, distribute and utilize natural gas in an economically efficient and environmentally beneficial manner. This will be accomplished by taking advantage of opportunities to develop technology for increasing supply from both conventional and unconventional sources.

FEDERAL ENERGY TECHNOLOGY CENTER

Question. In December 1996, as part of the Department of Energy's Strategic Realignment Initiative, the Morgantown, West Virginia, and Pittsburgh, Pennsylvania, research centers were consolidated into one Federal Energy Technology Center with two coequal locations. Another aspect of the Strategic Realignment Initiative was an agreement that efforts would be made to make better use of the Federal Energy Technology Center's expertise in the execution of various DOE programs, not only those funded by the Office of Fossil Energy. What efforts have been taken to ensure that the Federal Energy Technology Center portfolio of programs is widely mixed?

Answer. The Federal Energy Technology Center (FETC) has undertaken efforts to broaden the portfolio of programs since the consolidation including new program initiatives in environmental technology, energy management services, and water quality. These efforts have helped FETC to apply its extensive in house technical and managerial expertise to other DOE activities.

Question. What are the total dollars and staffing associated with each source of funding provided to the Federal Energy Technology Center for fiscal years 1998, 1999, and 2000?

Answer. The total dollars and staffing associated with FETC's primary sources of funding are as follows:

Source of Funding	Fiscal years—					
	1998 Budget authority		1999 Budget authority		2000 Request	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Fossil R&D (FE) [1]	488	481	607	504	600	482

Source of Funding	Fiscal years—					
	1998 Budget authority		1999 Budget authority		2000 Request	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Environmental Rest. and Waste Management (EM)[2]	94	66	64	65	54	51
Former BOM[3]	.....	.....	.....	.....	.....	14
Energy Efficiency (EE)	29	.....	22	.....	20	.....
Other, DOE	11	.....	8	.....	8	.....
Other, non-DOE	34	.....	16	.....	16	.....
Total	656	547	717	569	698	547

[1] FTEs reflect authorized levels for Fossil R&D, including Clean Coal Technology.

[2] Prior to fiscal year 2000, EM provided funds for 29 FTEs that were transferred to the FETC from the former Bureau of Mines (BOM). In fiscal year 2000, EM will only fund 15 of these FTEs, with no funding in fiscal year 2001.

[3] Former BOM FTEs requiring funding in fiscal year 2000.

Question. Is the funding in the budget request adequate to fully support the efforts being un dertaken at the FETC in fiscal year 2000?

Answer. The Fossil Energy funding request for salaries in the fiscal year 2000 budget is adequate to fully support the employees on board at the FETC. A proposed reduction of $1.5 million in the Environmental Management funding will place about 14 employees at risk. The FETC intends on pursuing reimbursable work to compensate for this loss of funding.

Question. What activities are proposed in the fiscal year 2000 budget request for the Federal Energy Technology Center to undertake in support of the DOE offices of Environmental Ma nagement, Energy Efficiency, and Defense programs?

Answer. The FETC's efforts on behalf of the Environmental Management program for fiscal year 2000 include the following:

—Support the remediation and waste management of Environmental Management sites through the development, demonstration and deployment of environmental technologies by private sector industries and universities.

—Develop, demonstrate and deploy technologies to reduce life-cycle costs/mortgages and reduce risk to the public/workers/environment for the deactivation, decontamination and decommission of DOE's contaminated surplus facilities.

—Operate Environmental Management's Center for Acquisition and Business Excellence (CABE), to provide all aspects of business, cost engineering, and project management assistance to Environmental Management headquarters and DOE wide Environmental Management program.

—Environmental Management program direction funds to support FTEs, and related travel and supplies for FETC performed Environmental Management work.

For Energy Efficiency programs:

—Technical and project management support for the Energy Star program, Rebuild America program, and the cooperative research and development program to advance energy efficient building equipment and envelope technologies.

—Technical and project management support for the Mining Industry of the Future.

—Project Management for Energy Efficiency/Fossil Energy jointly funded programs to convert natural gas to clean fuels for the transportation sector.

—Project Management for Energy Efficiency/Fossil Energy joint funded industry/University Consortium for the Advanced Turbine System program.

For Defense programs:

—FETC will provide Defense program technical, environmental, management, quality assurance, and engineering support to the Office of Tritium Production, in the Commercial Light Water Reactor (CLWR.) project, the Accelerator Production of Tritium Project (APT) targets, and the Tritium Extraction Facility at DOE's Savannah River site. This work includes the support of the EIS for the CLWR Project Alternative.

APPLIANCE EFFICIENCY STANDARDS

Question. What statute governs how appliance efficiency standards are set by the Department of Energy?

Answer. The Department of Energy's appliance standards program is conducted pursuant to Title III, Part B of the Energy Policy and Conservation Act, 42 U.S.C. 6291–6309.

Question. Does this statute require the Department of Energy to determine appliance efficiencies based on measurements of site energy usage?

Answer. The statute requires that in prescribing new efficiency standards, the Department determine the maximum efficiency level that is technologically feasible and economically justified. In determining whether the standard is economically justified, the Department is to consider the costs/benefits to the consumer. The measures of energy efficiency and energy use are, by statute, based on the energy consumed at the point of use and these are the measures of energy use that are used in the consumer analyses, for example, life-cycle-cost.

Question. Does the Department of Energy appliance efficiency standards program adhere to this statute?

Answer. Yes, when considering a new efficiency standard, the Department not only determines the consumer life-cycle-costs savings, but also carefully evaluates the impact of a new standard on manufacturers, the potential energy savings to the nation, impacts on gas and electric utilities and the environmental benefits of the proposed standard, as prescribed by the statute.

Question. Is the Department of Energy developing any plans to change how it measures appliance energy efficiencies for the purpose of setting energy standards?

Answer. The Department is always looking for ways to improve the analysis used as a basis for establishing new efficiency standards. In 1996, the Department undertook an effort to revamp the way it does standards rulemaking and established new procedures in the Appliance Standards Process Rule issued July 15, 1996. At that time the Department established an Appliance Standards Advisory Committee to advise it on efficiency standards rulemaking issues. One of the recommendations made to the Department by the Advisory Committee was to use the full range of consumer marginal energy prices rather than a national average price in examining the impact of standards on consumer life-cycle-costs. Similarly, the Department intends, with stakeholder input, to use a range of energy price forecasts and energy conversion factors and associated emission reductions based on electric power generation displaced by standards rather than averages, for the standards analysis.

Question. From an appliance buyers perspective, isn't the actual energy cost to the user at the site of use the most important variable for setting appliance standards?

Answer. DOE believes site energy prices provide the most useful measure to consumers since these can be directly related to information readily available, that is, utility bills.

Question. Is the Administration's interest in setting "source" efficiency standards rather than "site" efficiency standards for appliance energy usage a back door approach to trying to implement the Kyoto protocol or a government plan to encourage fuel switching?

Answer. The Department is not implementing the Kyoto Protocol through either a backdoor or front door approach. The Department is not changing the basis on which efficiency standards are set from "site" to "source." The statute requires that the Department determine the consumer life-cycle-costs, which are based on site energy prices, and national energy savings, which is measured as source energy savings, when prescribing a new energy efficiency standard. The Department has always done this and will continue to do this in the future. Furthermore, the Department considers the likely impact new standards will have on fuel switching to try to find ways to minimize fuel switching.

In response to direction from the Senate and House Interior Appropriations Subcommittees in their fiscal year 1999 appropriations bills, the Department is analyzing the site versus source issue. However, no changes in the basis for setting efficiency standards are anticipated at this time and none will be considered without extensive consultation with Congress and the relevant stakeholders.

Question. I understand that the Department of Energy has contracted with the Rand Corporation to do a study of site measurements versus source measurements with regards to appliance efficiency standards. Why has the Department of Energy undertaken to do this study?

Answer. The Office of Energy Efficiency and Renewable Energy (EERE) has contracted with the Rand Corporation to provide EERE with an independent assessment of the implications of measuring energy using site or source measurements. The main outcome will be a quantitative assessment of the impacts that may be associated with the different measurement approaches as a means of providing objective information to DOE for addressing future policy issues. The study will not focus on a particular standard and goes beyond the appliance standards to include issues in measuring energy use in homes.

Question. Why did the Department of Energy chose the Rand Corporation for this study?

Answer. The Department contracted with Rand because Rand has a long history of providing objective information to policy makers addressing major national policy problems. While high-quality, objective research on national security became the institutions first hallmark, today Rand researchers continue to operate objectively on a broad front, assisting public policy makers at all levels and private sector leaders in many industries. Rand brings a unique perspective to informing this debate, one that is independent and grounded on rigorous analysis and objectivity. Rand's process is inclusive and open, which provides for inputs from all interested parties.

Question. How much will the study cost? What funds are being used for the study (please be specific)?

Answer. The study will cost about $110,000 and is using fiscal year 1998 funding provided for Assistant Secretary cross-cutting activities.

Question. When will the study be complete?

Answer. We expect the study to be completed by the end of June 1999.

Question. How does the Department of Energy plan to use the results of this study?

Answer. The Department will use the results of this study to both inform it's own position on this complex issue and to begin a new round of stakeholder discussions on the appropriate use of site and source energy measurement in various programs and policies. Hopefully, the study results will be able to replace some opinions with measured and verified facts.

Question. Can the Department of Energy make any use of the results of the study without federal authorizing legislation?

Answer. The information can inform issues related to Energy Star homes and the joint DOT/FTC Energy Guide labeling system, as well as coordination with states that have varying degrees of codes and ratings for homes. It can help shape future analysis for appliance standards and help inform the dialogue with stakeholders.

CLEAN COAL TECHNOLOGY PROGRAM

Question. Doesn't this "deferral," and the companion threat of no future funding, place the program in jeopardy?

Answer. The proposed deferral reflects a rescheduling of outyear funding for the Clean Coal Technology program. It is the Department's intent to use these funds as they become available if Congress approves the deferral language as proposed in the budget. If for some reason such funds did not become available, it would indeed jeopardize the two projects affected by the proposed deferral.

Question. Did the Department of Energy include this deferral in funding for the Clean Coal Technology program in its budget submission?

Answer. The Department requested a deferral of $59 million in its fiscal year 2000 OMB budget request. The deferral amount was later increased in recognition of the schedule delays encountered in the Clean Energy and CPICOR projects.

Question. What assurances can you offer that the Clean Coal Technology funds proposed for deferral in the President's fiscal year 2000 budget will ever be made available to complete the current obligations of the Clean Coal Technology program?

Answer. The Department has stated before this committee and others that we are committed to completing the clean coal projects and meeting our obligations under the project agreements. We have proposed specific language in our fiscal year 2000 budget request which provides for the deferred funds to be returned in subsequent fiscal years to ensure timely completion of project funding.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT PROGRAM

Question. Mr. Secretary, why does the President's budget include a decrease for fossil energy research?

Answer. The Fossil Energy fiscal year 2000 budget request was about $20 million below the fiscal year 1999 appropriation. Part of this reduction is due to the fact that the Low Emission Boiler Systems program which was funded at $15 million in fiscal year 1999 has been fully funded, thus only $3 million was needed for this project in fiscal year 2000. The remainder of the reduction is attributed to reductions in Congressionally added funds for Fuel Cells ($2 million), and reductions in the Advanced Turbines Program ($2 million), and the Gas-to-Liquids Program ($2.0 million), both of which are adequately funded.

Question. Did you request an increase in this program for the fossil energy program above the fiscal year 1999 enacted level in your budget submission to OMB? Why wasn't the increase supported?

Answer. Yes, the Department submitted a $439,000,000 request to the Office of Management and Budget for the Fossil Energy Research and Development account. The increase was not supported because of the Administration's commitment to stay within the budget caps and because other priority projects were ranked higher in the allocation of limited dollars within the President's budget.

Question. Isn't it true that fossil energy and research on fossil energy are critical to our future? Don't you agree that the fossil energy research program managed by your Department provides major benefits to energy users through lower costs from more efficient systems and effective fuels, to the environment through the development of cleaner fuels and technologies that reduce greenhouse gas emissions, and to the nation by enhancing national security and providing economic advantages to U.S. companies?

Answer. I agree with you. Fossil fuels—coal, oil, and gas—supply 85 percent of U.S. energy, and that figure could approach 88 percent by 2015. Our fossil energy research and development program can benefit energy consumers by reducing the costs of additional pollution controls that will likely go into effect over next 10 years under the Clean Air Act Amendments, perhaps lowering costs to ratepayers by $5 to $7 billion per year. In addition, beyond just cost savings for pollution controls, our research and development program to develop higher efficiency power systems, fueled by both goal and natural gas, could reduce the cost of electricity by 10 to 20 percent compared to currently-available conventional power generating technology.

Over the longer term, in the post-2015 time frame, our research and development could lead to a pollution-free power plant fueled by coal and other fuels. We may also be able to develop ways to sequester greenhouse gases, preventing their buildup in the atmosphere, at costs several orders of magnitude below the likely costs of the limited carbon control approaches available today. We are also working on new technologies that can diversify our domestic supplies of natural gas and as a result, keep natural gas prices affordable even as demand for natural gas escalates in the future.

Cost reduction is also a major objective of our oil technology program, although the price impact on consumers is often overshadowed by global oil price trends that are outside of our control. Nonetheless, research and development that reduces costs in our domestic oil fields has the beneficial effect of making available U.S. resources that might otherwise have been uneconomical to produce. This research and development can also reduce the oil- and gas-related environmental regulatory costs incurred by state and federal agencies. Overall, in fact, our oil and gas technology research and development program could potentially save as much as $16 billion in environmental regulatory and compliance costs by 2010, allowing these dollars to be directed toward additional domestic oil and gas exploration and production.

There are also environmental benefits beyond just regulatory cost savings. More accurate oil and gas exploration technologies can ensure a greater success rate in finding producible resources, reducing dry holes and associated environmental disturbances. Better drilling technologies—for example, horizontal and slimhole drilling systems—can significantly reduce the surface "footprint" of oil and gas operations. New oil and gas waste treatment technologies can significantly reduce the amount of wastewater and other production wastes that must be handled and disposed of properly.

CLIMATE CHANGE ACTIVITIES

Question. Mr. Secretary, what plans does the Department of Energy have to facilitate the sale of U.S. clean coal technologies abroad and encourage developing nations to install and use these clean coal technologies?

Answer. The Department considers international deployment (that is, sales) of improved U.S. technologies important both for the global environmental benefits that accrue, and for the benefits which flow to the U.S. economy. U.S. clean coal technologies are inherently lower in emissions of traditional pollutants, such as sulfur dioxide and nitrogen oxides. In addition, they are also more efficient than conventional coal technologies, which makes them lower in carbon dioxide emissions and reduces pressure on global climate change.

The Office of Fossil Energy has a number of efforts to assist in the deployment of clean coal technologies in developing countries, particularly in China and India which are projected to increase coal use substantially over the next decades. For example, in China we are working with the Chinese government, and U.S. and Chinese universities, and have created the U.S.-China Center for Energy and Environmental Technology. This center will facilitate information exchanges between the U.S. and China and promote U.S. technologies for use in China's energy sector. Types of activities covered include identification of market opportunities in China and U.S. technology capabilities; training and education related to the environment,

technology, and financing of projects; and assistance by U.S. experts on energy and environment. In India, the Office of Fossil Energy has conducted workshops on coal beneficiation and other clean coal technologies. In addition, the Department has supported trade missions to specific countries, and continues to participate in international conferences and other fora where the advantages offered by advanced technologies are addressed.

The Department is also considering various incentives which would aid in the accelerated deployment of advanced technologies abroad. We have offered technical advice to the World Bank, which is considering implementing such incentives on a limited scale, and we are examining a package of incentives proposed by U.S. coal stakeholders. These incentives include investment tax credits, performance guarantees, and production credits for a limited number of advanced, high efficiency coal-based technologies.

Question. Do you agree that no realistic or effective solutions regarding climate change and the reduction of greenhouse gas emissions can ignore the domestic and international importance of coal as a power source and of clean coal technologies for reducing greenhouse gas emissions?

Answer. Yes, we agree. Fossil fuels provide more than 85 percent of the energy consumed in the United States and 75 percent of the world's energy and are key to both developed and developing countries economic growth projections. Combustion of these fuels, to varying degrees, creates greenhouse gases. Current programs in two areas in the Office of Fossil Energy reconcile the prevalence of coal use and greenhouse gas reduction. These are: increased efficiency of electric power generation, and carbon sequestration. Development of higher efficiency power generation technologies will reduce the amount of carbon produced per kilowatt hour generated. In addition, the Integrated Gasification Combined cycle (IGCC) technology and the fuel cell technology, which have been under development for several years, can produce a concentrated CO_2 waste stream which requires minimal processing prior to reuse or disposal. The purpose of the Fossil Energy sequestration program is to develop and demonstrate technically, economically, and ecologically sound methods to capture, reuse and dispose of CO_2.

FEDERAL ENERGY TECHNOLOGY CENTER

Question. Mr. Secretary, you have indicated over the past few months that you would welcome a visit to the Morgantown site of the Center. I want to encourage you to fit such a visit into your schedule. I think you would find it very rewarding and stimulating. Do you think such a visit might occur in the near future?

Answer. I had the pleasure of visiting the Federal Energy Technology Center's (FETC) Pittsburgh site on October 6, 1998. During my visit, I held a meeting with all of the employees from both Pittsburgh and Morgantown—some of the Morgantown employees were there in person and others participated through TeleVideo. I was asked that very question during my visit—whether or not I would visit the Morgantown site—and my answer was "yes." A visit to the site is still on my agenda for the near future.

Question. Will you work with your immediate staff to include the Center more completely in climate change issues?

Answer. The FETC already plays a crucial role in supporting development of low or no carbon emission technologies. However, until recently, the contribution such technologies could make to a future with restrictions on carbon emissions has not been explicitly factored into detailed studies of mitigation strategies.

We intend to more fully involve the Office of Fossil Energy, and FETC in particular, in comprehensive, integrated analyses of mitigation strategies. This will allow us to make use of the large existing base of knowledge within FETC in advanced gas turbines, fuel cells, carbon sequestration, and advanced coal-fired power system concepts, such as Vision 21.

Comprehensive, integrated analyses of mitigation strategies would compare a range of energy-supply and end-use technologies, exploring the benefits and costs on a common basis. This common basis would incorporate a variety of criteria into the evaluation, including economic criteria, environmental benefits, and the pursuit of other acknowledged national goals.

Question. Would you please provide for the record your thoughts as to how these activities can receive greater emphasis in developing future budgets for the defense environmental restoration and waste management program?

Answer. In a carbon-managed future, all new technologies should be developed recognizing of their full impact on carbon emissions. These technologies (for Environmental Management) need to be evaluated for their possible impact. In addition, it is probable that innovative low carbon emission technologies could benefit by

transferring knowledge, techniques, and sensors from this arena to development of energy technology.

SUBCOMMITTEE RECESS

Senator GORTON. Thank you very much for coming. The subcommittee will stand in recess until 9:30 a.m., Wednesday, April 14, when we will receive testimony from Kevin Gover, Asst. Sec. Bureau of Indian Affairs.

[Whereupon, at 2:40 p.m., Thursday, March 18, the subcommittee was recessed, to reconvene at 9:30 a.m, Wednesday, April 14.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

WEDNESDAY, APRIL 14, 1999

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Domenici, Burns, and Dorgan.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SPECIAL TRUSTEE

STATEMENT OF THOMAS M. THOMPSON, ACTING SPECIAL TRUSTEE FOR AMERICAN INDIANS

BUREAU OF INDIAN AFFAIRS

STATEMENT OF KEVIN GOVER, ASSISTANT SECRETARY

ACCOMPANIED BY MIKE ANDERSON, DEPUTY ASSISTANT SECRETARY

BUDGET REQUEST

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Good morning. We will bring to order the Interior Subcommittee with the third of its hearings for the fiscal year 2000 budget request for agencies funded through the subcommittee.

This morning we will hear testimony on the Bureau of Indian Affairs and the Office of the Special Trustee for American Indians.

Mr. Gover, I want to welcome you to your second hearing before this subcommittee as the Assistant Secretary for Indian Affairs and acknowledge publicly your efforts over the course of the last year and a half. I am very pleased, as I have told you privately as well, about the opportunities we have had to work together.

Your candor and intellect, and forcefulness for that matter, provide me with valuable insights in connection with my work as subcommittee chairman. You are a welcome change for the way I thought that the bureau was run for a number of years.

Mr. Thompson, we want to welcome you to your first hearing as the Acting Special Trustee for American Indians. I know both of you have been compelled to testify before several committees in

both the House and Senate during the course of the last couple of months. I appreciate your taking time to be with me here today.

I would ask Mr. Thompson to present the budget of the Office of Special Trustee first. Then after we have had an opportunity to direct questions to Mr. Thompson and Mr. Gover on the Office of the Special Trustee and the Trust Management Improvement Project, we can move on to the Bureau of Indian Affairs.

I want to remind my colleagues that the special trustee does not report to Assistant Secretary Gover. Authority flows directly from the Secretary of the Interior to the special trustee. The BIA, however, is involved in our government's efforts to clean up trust management. As Mr. Gover can attest personally, Judge Lamberth is not drawing much in the way of distinction between the two agencies and their responsibilities for addressing the problems of trust management.

For the moment, I would like to put the President's request for these two agencies in context, given where this subcommittee may be headed in fiscal year 2000. The President's budget is replete with initiatives that require passage of separate authorizing or taxing legislation, and very few of those initiatives are likely to be enacted by this Congress.

In addition, the President's budget overall is $25 billion above the fiscal year 2000 statutory cap on discretionary spending enacted in 1997. The Interior Subcommittee's pro rata share of this $25 billion is about $625 million, which, if eliminated, will cut out much of the $1 billion increase requested by the President for interior bill programs.

We are likely to get more than a pro rata share of this reduction, as it is the intention of Congress to secure increases in education and defense spending within the caps. This means that for most interior bill programs, we will be fortunate even to maintain fiscal year 1999 funding levels. In total, the budget request for the BIA is $1.9 billion, a $156 million increase over the fiscal year 1999 level, roughly 9 percent.

Major increases are requested for law enforcement and education, two areas to which I have committed my support.

The Office of the Special Trustee is requesting to more than double its budget, a total of $100 million compared to $39.5 million provided for this year. This figure does not include $21.8 million requested by the office in supplemental funds. We have not completed work on the supplemental but are acutely aware of the troubles at the Office of the Special Trustee.

As members of this committee and subcommittee know, I have made every effort to increase funding for tribal programs paid for by this subcommittee since I became chairman.

The chart provides indicates where we have gone since 1996. The future health and welfare of the next generation of Indian children depends on adequate education, health care and on safe communities. The chart outlines the funding provided by the committee for the BIA and IHS since 1996.

For example, I took the initiative to increase the appropriation of the Indian Health Service by $35 million over the President's request last year. I would like to continue to focus the subcommittee's limited resources within targeted areas during the upcoming

appropriations process. As I mentioned, however, the task will be made doubly difficult this year. And I am looking forward to hearing from both of you.

Mr. Gover and Mr. Thompson, I hope you will work with us to identify the most important priorities for your agencies. We will be compelled to make tough choices, but I believe we will make better decisions if we have the benefit of your expertise and candor.

It may very well be that the two of us who are here now, Senator Burns and I, may be the only ones here. We have conflicting hearings. I know that Senator Campbell is in a closed oversight hearing in the Energy and Natural Resources Committee on Chinese espionage at the Department of Energy. In fact, both of the members who are here are members of that committee as well. I suspect that Senator Burns may want to spend some time there.

So please do not take the relatively sparse attendance at this hearing as an indication that there is not great interest in the work that both of you do. That interest is very much there.

With that, Senator Burns, do you have anything that you would like to——

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. Well, thank you, Mr. Chairman. I have no statement. But I think you laid it out pretty well when we all start to set our priorities in Indian country. Of course, we are all very, very much interested in the problems of the trustee and what will finally become of that. I think we have the responsibility now to reform that in how it is kept.

I was very distressed when I found out that there are accounts all over the country, rather than one account or one central place that controls or is a watchdog of that money. I think the chairman is very, very much aware of our problems right now and we need to fix them as soon as possible.

Another one of our big problems is safety and law enforcement. I hear that everywhere I go in Indian country. All the citizens of Montana that talk to me, that seems to be one of their primary concerns.

Then I drop from there to education. Without a doubt, we have one of the best educators there is in this country. I would put Joe McDonald up on the Flathead Reservation, the 2-year college up there, against anybody. I have never seen a man so dedicated to education. He runs a great, great school.

When you get great leaders like that, I think it tells us that there is something going on that is very, very good. I have some problems with the infrastructure of education, because we have to build a couple schools. We have children that are absolutely sitting on top of one another, and that is not a learning environment. We must correct that situation. I have committed all the resources that I know how to address those areas, because education, law enforcement, and safety are primary, if we are to see people progress in this great country.

So I think the chairman has laid out his priorities very, very well and the responsibility that this Government has, and also the responsibility that tribal governments have in fulfilling these areas of great concern.

So, Mr. Chairman, thank you very much. I look forward to listening to the witnesses. I am going to duck out and go up to the other hearing. I suppose you were going to do about the same thing. It seems like we are not short of work here after coming back after a 2-week break.

Thank you, Mr. Chairman.

SUMMARY STATEMENT OF THOMAS M. THOMPSON

Senator GORTON. Mr. Thompson, we would like to hear from you now.

Mr. THOMPSON. Thank you, Mr. Chairman, Senator Burns.

I appreciate the opportunity to present the Office of Special Trustee's fiscal year 2000 budget to the committee. As Secretary Babbitt has stated in previous testimony to the House, the reform of Indian trust management is his highest priority. He is saying that every day at the Interior Department. He has appeared before various committees with us and as our point man, as Senator Burns knows, to support this effort. Time and again he has expressed his commitment to clean up this problem on his watch.

With this committee's assistance, I would like to talk a little bit about some of the things we have done in the last year to show you that we have been using the resources provided by the committee to make improvements and to start on this rather long journey we have to go on.

As you know, the Department published its High Level Implementation Plan, its general road map to the reform of Indian trust management, in July of last year. It basically covers in general terms 13 areas that need to be worked on in some detail in order for the Department to meet its trust responsibilities as outlined in the Indian Trust Reform Act of 1994.

The sub-projects are scattered across five different line bureaus and offices of the Department of Interior who have major responsibilities for administration and management of Indian trusts. That includes the Office of Special Trustee in its oversight role and some line authority, certainly the Bureau of Indian Affairs with major responsibilities for land management and title control.

In addition, we have the Minerals Management Service responsible for royalty collections, the Bureau of Land Management dealing with issues on lease inspection, rail inspection, and then the Office of Hearing and Appeals, who deals with probate issues for the Department.

We have made substantial progress since last year. We successfully ran a pilot of the new trust fund accounting system, the replacement system for the basic trust accounting system that BIA had developed some 30 years ago. We piloted that project in Phoenix, Sacramento, and Juneau in August of last year.

In January of this year, we move it onto the Albuquerque and Navajo areas. At the end of February, we converted all of the tribal accounts.

Today we can tell you that about $2.7 billion of the $3 billion in trust is on the new system. The new system is exciting to us because it is commercial, off-the-shelf technology, provided by SEI Investments of Oaks, Pennsylvania. This company provides about 40 percent of the technology for trust management across the country

to the 7,000 banks that do this sort of business. They are a major provider, and they are right on the edge of technology.

We have asked them to provide the system and to operate it for us. We provide the data; they provide the reports back to us. It is a major advance. It gives us a lot more power and authority.

With contractor assistance before we did this conversion, we went to work on cleaning up the individual trust account file jackets, so that when we looked at a file on the system, we could back it up with the documentation. A key problem that has been identified time and again is the issue of records management, or the lack of records management, on this issue over time.

With the work of another contractor, Data Comm Sciences, we have gone through nearly 311,000 file jackets. We have cleaned up about 250,000 of those file jackets at this point. Not unexpectedly, we found problems. Nearly half of those file jackets are missing essential documents that a normal trustee would find in a jacket in a bank or such an account.

At this point, we expect to finish this work with the contractor, the pre-conversion work, in June of this year. The work is on time, ahead of schedule, and, believe it or not, under budget. This work as expected, is identifying other cleanup work that we will have to address as part of the post-systems conversion effort. And we have a similar effort working forward.

About a year after we began our work, BIA started its work on its new system, the trust asset and accounting management system. That system contract was let to a major developer of trust system software, Artesia Company out of Dallas, Texas.

They are now in the design process prior to beginning the pilot of that system in June of this year in the Billings area of BIA. Again, this is a commercial, off-the-shelf system that is being modified somewhat to meet BIA's requirements, principally in the area of land title and title information.

BIA also awarded a cleanup contract to work in the Billings and Juneau areas. That work began in February of this year.

In another arena, BIA commenced a pilot to work on the fractionization problem. With the help of the Congress, we received $5 million in fiscal year 1999 and are beginning the work to purchase the small interests caused by the fractionization of lands over the last 120 years out of the General Allotment Act of 1887.

The BIA expects to purchase some 20,000 to 30,000 small pieces of land owned by interest owners in the Minneapolis area. The proposal is to start to consolidate those pieces of land and roll them back in to the tribe.

Once the fund to pay for the land is reimbursed, we will turn those lands over to tribes, who will operate them in a much more efficient manner than we can do with upwards of 1,100 owners on a single 80-acre tract.

In addition, we have managed to make all of these systems Y2K compliant, with the help of the contractors, obviously. We have continued our other work on improving internal controls with daily reconciliations with Treasury on the cash balances, a central——

Senator GORTON. Are you telling me that you are one of the government agencies that is not going to have any Y2K problems whatsoever?

Mr. THOMPSON. I can tell you OST will not have any Y2K problems. We are ahead of the power curve on that. I believe Kevin will probably tell you pretty much the same thing, as far as the trust accounts are concerned.

Senator GORTON. Right. Thank you.

Mr. THOMPSON. A success story for a change.

In addition, we have all been training the people on trust business. We have set up a central lock box for returned checks when they go out without an address that is current and accurate. We have contracted for annual audits. We have also contracted for centralized safekeeping of investment securities.

We are also working to propose a methodology to address the historic multi-million dollar imbalance on account variances between the Department of Interior and the Treasury Department that has existed for decades.

You will note that many of these initiatives are being handled by contractors, people who are well-versed in trust practices and trust business, people that we do not have to train on how to do this sort of job.

The fiscal year 2000 request is $100 million, as you noted. It is a little over $90 million for OST, of which about $40 million will go directly to BIA to support their trust improvements. There is an additional request for $10 million for continuation of the land consolidation pilot that I mentioned earlier. It is a $60 million increase. We understand the issues with the budget caps.

This is the single largest increase for any office or bureau in the Department of Interior, reflecting the Secretary's and management's commitment to fixing Indian trust management on the Secretary's watch.

We will spend $65 million for trust improvements, which is an increase of $48 million over this year. This reflects the fact that these systems are coming on line in both OST and BIA. We will acquire and upgrade trust management accounting systems, finish cleanup of the account data in the pre-conversion stage, and work on eliminating backlog and probate and other such functions.

As you mentioned, Mr. Chairman, we have requested a supplemental. We have had some success in the House in getting those amounts recognized. The money is essential if BIA is to continue moving forward in its data cleanup effort. It is obviously essential and of interest to Mr. Gover and the Secretary and to me, because it is going to be needed to support our work with Judge Lambert or the Special Master who was appointed to oversee our efforts to produce documents in the *Cobell* v. *Babbitt* litigation.

I have to also mention that we are obviously feeling an impact of this litigation. The logistics and the manpower required to support this effort and to work on this litigation is rather massive. The commitment is certainly there. It was an embarrassment for which we apologized. We do not plan to make the mistake twice.

Of course, that requires the commitment of resources and the commitment of people who are already strained working on trust improvements and carrying out the daily business of the Department.

PREPARED STATEMENT

We expect there will be some impact on some of these schedules. We do not see the overall schedule slipping, but we will have to do some internal adjusting to make this thing happen.

Mr. Chairman, I would like to conclude my remarks now and respond to any questions you or the committee would have.

[The statement follows:]

PREPARED STATEMENT OF THOMAS M. THOMPSON

INTRODUCTION

Good morning, Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to present the President's fiscal year 2000 budget request for the Office of the Special Trustee for American Indians (OST). The total 2000 request for OST is $100 million, $90.025 million for OST and $10 million for Indian Land Consolidation. This is a $60.5 million increase over the 1999 enacted level of $39.5 million, and the single largest percentage increase for any bureau or office in the Department.

In addition, OST also has requested fiscal year 1999 supplemental funding totaling $21.8 million; $6.8 million for the trust fund improvements based on the High Level Implementation Plan; and $15 million for additional expenses related to the class action lawsuit, *Elouise Pepion Cobell et. al.* v. *Bruce Babbitt et al.*

The Secretary has stated in his testimony previously before this Committee that one of the highest priorities of the Administration is to successfully resolve the Indian trust fund management problems that have accumulated over the last 70 years. The Secretary has also committed to clean up this problem on his watch.

INDIAN TRUST MANAGEMENT REFORM PROGRESS

I am happy to report that with this Committee's assistance, much has been accomplished since OST appeared before the Committee last year. Most significantly, the Department developed and published its High Level Implementation Plan, a general roadmap to the 13 Sub Projects which comprise the Department's Trust Management Improvement Project. The Plan contains information on and describes each of the Sub Projects, responsible Bureaus and Offices, supporting tasks, critical milestones, work plans, resource estimates and accountable officials. Substantial progress has been made, including:

—Following a successful Pilot in Phoenix, Sacramento, and Juneau, OST is implementing a new commercial off-the-shelf Trust Funds Accounting System to administer all 300,000 Tribal and Individual Indian Monies (IIM) accounts and investments. Albuquerque and Navajo areas were converted in January 1999, and all tribal accounts were converted in February 1999. The balance of accounts will be converted by December 1999. This is an off-the-shelf, and contractor operated system provided by SEI Investments Company of Oaks, Pennsylvania.

—With contract assistance, OST has gathered, organized, and updated systems data for more than 237,000 of the estimated 300,000 IIM File Jackets in conjunction with the new Trust Funds Accounting System. The entire pre-conversion data cleanup will be completed by June 1999.

—The Bureau of Indian Affair's (BIA) has contracted with Artesia Data Systems of Dallas, Texas, for a new Trust Asset and Accounting Management System (TAAMS) to replace BIA's aging, antiquated, and non standardized automated systems for land title operations and land and lease management functions. The system will be piloted in the Billings area beginning in June 1999, and the balance of areas are expected to be converted by December 2000.

—BIA awarded a data cleanup contract for Billings and Juneau areas in February 1999. BIA is utilizing the same contractor currently finishing the pre conversion data cleanup for OST in this initial effort. BIA's pre conversion data cleanup process is expected to be completed by December 2000.

—The Department's automated trust systems and accompanying infrastructure have been made Year 2000 Compliant.

—OST has contracted for a central lockbox for returned checks to ensure control and timely redeposit to trust accounts.

—OST has contracted for training of 70 employees within OTFM in commercial trust management operations and practices through the Cannon Financial Institute, one of the industry's leading training firms for commercial trust banks.

Many of these initiatives are either being accomplished by contracting, or assisted by contractors, not just hiring additional employees. Indeed, an estimated 74 percent of fiscal year 1999 obligations for trust management improvements will be through contracts.

It should be noted that as a result of the *Cobell* v *Babbitt* litigation and other requirements, the Department is currently evaluating its ability to maintain the above schedules.

FISCAL YEAR 1999 SUPPLEMENTAL APPROPRIATIONS

As you are aware, the Department has two fiscal year 1999 supplemental requests totaling $21.8 million. The 2000 budget included a $6.8 million request for supplemental funding in 1999 to implement the Trust Management Improvement Project. We appreciate the Subcommittees inclusion of this request in its supplemental bill. The pace of obligations for the trust management improvement project (TMIP) has increased, as the most significant Sub Projects have passed from the planning phase to the implementation phase. In particular, about $34 million in contracts for BIA and OST data cleanup, TFAS, TAAMS, records management, training, and other TMIP Sub Projects will be renewed or let in 1999. Given these pending obligations, the Department estimates that currently available funding for implementation of the trust management improvement project will be fully committed by the third quarter of 1999. Reprogramming flexibility provided by Congress in fiscal year 1999 to meet unfunded TMIP needs has allowed the Department to reduce its TMIP shortfall from a high of $16.2 million at the beginning of 1999 to a current shortfall of $7.3 million. Supplemental funding of $6.8 million will cover most of this shortfall, and the balance of the shortfall can be met through other means.

An additional supplemental request in the amount of $15 million was transmitted to support Department-wide estimated fiscal year 1999 costs of the IIM litigation.

Mr. Chairman, as you know, Federal District Court Judge Lamberth found Secretary Babbitt, Secretary of the Treasury Rubin, and Assistant Secretary Gover in contempt for failing to comply in a full and timely manner with certain discovery orders. These matters and the claims of approximately 300,000 IIM account holders remain before Judge Lamberth. The basis for his decision is a matter of public record. The Department has apologized to the court for the government's failures in this litigation and intends to do all that we can to be fully responsive to the Court's orders. The government recommended the appointment of a Special Master, as a way of addressing many of the discovery issues that have proven to be difficult. The Special Master will oversee the discovery process and administer document production, compliance with court orders, and related matters.

As a result of the ruling, there will be significant additional costs to BIA, OST, MMS, BLM and the Solicitor's Office in searching for and producing documents of predecessor accounts and other documents previously thought to be beyond the scope of the original request. A portion of these costs can be funded from resources previously requested, and appropriated by Congress, for document production related to performing a statistical sample. The $15 million supplemental will cover the balance of the Department's costs, as well as other costs stemming from the litigation, primarily, the cost of document production for the anticipated statistical sample.

In regards to the supplemental request, Mr. Chairman, these funds are needed to cover our current best estimate of anticipated costs. I can tell this Committee that numerous staff members from OST, BIA, the Solicitors Office, Minerals Management Service, Bureau of Land Management and the Department have spent thousands of hours, often late into the night and on weekends working on this case. In many cases, these are the same staff responsible for daily ongoing responsibilities in meeting the milestones and achievements of the High Level Implementation Plan. While supplemental funding will greatly enhance the ability of the Department to meet litigation demands without comprising trust reform efforts, the litigation does have an indirect impact on reform efforts because many of the employees involved in fixing the system also have responsibilities for producing documents stemming from the IIM litigation. Additionally, because plaintiffs are seeking an as yet undefined, new system for trust fund management that may be different from either the system in place and/or the systems envisioned by the High Level Implementation Plan, this case places substantial demands on the Department in terms of trial preparation, responses to plaintiff discovery requests, depositions, and testimony. While the Department is, to the extent possible, utilizing contract assistance and deploying staff from other program areas to assist in meeting litigation demands and trust reform schedules, these demands do place significant workloads on the Department's employees.

The House has included the total $21.8 million in its pending supplemental. While we greatly appreciate the Senate's provision of $6.8 million in its supplemental, we respectively request your support for the additional $15 million in Conference. Without funding, the Government's ability to adequately defend this case will be severely compromised, and the Government will face substantial risks of additional court sanctions for failure to meet court ordered activities.

FISCAL YEAR 2000 BUDGET REQUEST

The budget request for Program Operations, Support and Improvements is $88.4 million an increase of $50.5 million over the 1999 enacted level. Of this amount $65.3 million will be available for continued implementation of the trust management improvement project, an increase of $42.9 million over 1999, net of a $5.1 million transfer from BIA.

The OST request also includes $5.2 million to support settlement and litigation activities, and $10 million for continued implementation of the Indian Land Consolidation Pilot, which will commence in 1999 on three reservations in Wisconsin. The pilot is aimed at consolidating highly fractionated interests in allotted Indian lands, to improve the economic productivity of and reduce the cost of administering these lands. The 2000 request will allow the pilot program to be expanded to one or more additional reservations. While funded under OST, BIA will continue to lead pilot implementation.

Improvement initiatives

The 2000 request provides a total of $65.3 million for trust management reform activities of OST, BIA, and the office of Hearing and Appeals, which will be necessary to continue systems contracts already in place, eliminate programmatic backlogs, and strengthen support functions. Specifically, the request provides:

—$21.8 million to replace BIA's key trust management systems (lease management, accounts receivable, land records, and trust resources management) by the end of 2000 and related pre conversion data cleanup costs.

—$12.6 million to eliminate appraisal and probate backlogs in BIA and OHA to ensure trust beneficiaries receive timely distributions of trust assets.

—$16.4 million for OST's off the shelf trust fund accounting system that will be installed nationwide by the end of 1999, and related post conversion data cleanup.

—$14.5 million for strengthening support functions: internal controls, records management, policies and procedures and training.

—Approximately $50 million of the $65 million requested for trust management improvements or 75 percent of these funds will be obligated through contracts.

Operations

The OST's budget includes $17.9 million to be utilized to conduct day-to-day operations of financial trust activities at the Office of Trust Funds Management (OTFM) including the field staff and support services. Included in the request is an additional $.7 million for fixed costs such as pay raises, and space costs paid to the General Services Administration and other fixed costs.

Settlement & litigation support

An increase of $1.9 million is requested to fund the Office of Trust Litigation Support and Records ongoing activities in litigation, including Cobell vs. Babbitt document production requirements and funding needed to prepare and begin implementation of a Tribal settlement legislative proposal.

Executive direction

The budget provides $1.6 million for Executive Direction, which supports staffing of the immediate Office of the Special Trustee and includes $250,000 for support of the Intertribal Monitoring Association and $85,000 for the Advisory Board. These groups advise the OST on trust funds matters. The funding for the OST staff will be essential for the implementation of the trust improvement efforts.

This concludes my opening statement, Mr. Chairman. I will be pleased to answer questions of the Subcommittee.

FISCAL YEAR 2000 FUNDING

Senator GORTON. Well, Mr. Thompson, you have given us a wonderful report of very real success. But, of course, the better the report is, the more relevant the question becomes. Assuming that you get your supplemental, if your year 2000 appropriation is no larger

than this year's together with the supplemental, will you not be able to keep up the same degree of progress?

Mr. THOMPSON. What it will do is retard our ability to roll out these systems further than we have them right now. BIA will not be able to take the trust asset and accounting management system beyond the pilot in Billings area. That will rule out for the rest of the BIA as scheduled for year 2000. The funding we have now supports only the initial stages of that system.

We are in the process of rolling out the trust fund accounting system in the OST office. We will have to re-look and decide if we can move it out into all of the BIA offices with the amount of funding we have right now. I do not believe we can do that.

FUTURE BUDGET REQUESTS

Senator GORTON. Would there be major increases beyond the year 2000 or will you be able to get all of these initiatives accomplished with this appropriation?

Mr. THOMPSON. We would expect that the request for appropriations in future years will come down. This is the peak year by the way the schedule was set up. It peaks because we have major systems development and major cleanup activities occurring at the end of 1999 and through 2000. That is not to say that the work will all be done, but this clearly is the peak year. We will bring the figure down from 2001 on out.

Senator GORTON. Well, whatever our ability to do that, I can tell you that we will work with the House to come up with an appropriate supplemental for you.

Mr. THOMPSON. We cannot ask for anything more.

CONSOLIDATION OF TRUST FUNCTIONS

Senator GORTON. We do think you have started out on your proposed course of action very, very well. Is the process of consolidating and gathering trust functions into your office complete?

Mr. THOMPSON. The effort to consolidate trust functions is centered on our internal business of operating the trust fund's management side. As you know, the Secretary in 1997 said that we were going to make these reforms under the current organizational structure. That is, we would not move to the structure recommended by the former Special Trustee, Paul Homan, who recommended we take these functions out of the Department of the Interior.

The Secretary wants to try and work this out internally. That is why you see Kevin Gover and I sitting arm in arm here at the table. It is working well now. Time remains to see how it is going to work in the future.

In our case, we are moving to consolidate some of our accounting business in the Albuquerque office of the trust fund's management. Included in that is moving to centralize the data entry. We are also moving to centralize our trust records at a single site in Albuquerque.

STAFF SUPPORT FOR IMPROVEMENTS

Senator GORTON. Mr. Gover, maybe this part of the question is for you: Has the Secretary created all the new support offices he needs to address trust management reform?

Mr. GOVER. I believe that we have, Mr. Chairman. We have established a separate project team to attack the Cobell versus Babbitt document production. Within, of course, Tom's organization there are various project teams to work on their elements of the overall project.

Within BIA, we have established a similar structure, where we have project directors on each of our three primary projects and then an overall director of our trust management activities.

So I believe that structurally we are in the right position now. Maybe it really should have been done sooner, but we are ready now. Tom is right, that if we can get this money in fiscal year 2000, then by the end of fiscal year 2000 we will be so far along that I think we would be able to declare a success in overhauling the system.

GAO REPORT

Senator GORTON. Back to you, Mr. Thompson. In a report, a draft report, to Chairman Campbell, the GAO is critical of Interior's trust improvement plan, especially with respect to computer systems. What can you tell us, or what can either of you tell us, about these concerns and the way in which they have been responded to?

Mr. THOMPSON. Sure. Mr. Chairman, the GAO has been working closely with us over the past year and a half as we move forward in this process. Their draft report, which the Department has responded to, had recommendations in two areas. One dealt with the manner in which the high level implementation plan was put together and rolled out, for which I was responsible.

The second deals with the manner in which the BIA is planning and moving forward with its implementation of the trust asset and accounting management system. Our basic problem with the GAO report is that it is looking at a point in time that is probably 9 months ago and does not reflect what has happened——

Senator GORTON. Would you have sent your own criticisms to Mr. Homan?

Mr. THOMPSON. I am sorry, sir?

Senator GORTON. I say is that—well, let us see. It is about 9 months ago, is it not, when you were Deputy Special Trustee, that you were critical of some trust management aspects of the plan?

Mr. THOMPSON. Yes, and let me turn to that quickly. That was a note that I wrote to Mr. Homan the day before I presented the high-level plan for publication to the Department.

Senator GORTON. I see.

Mr. THOMPSON. In that I addressed what I considered to be risk to success in the way some of the plans were put together and the approach that some of those plans laid out. They reflected my professional opinion, my experience in the Department. Basically, the Secretary and the Department recognized those issues, pointed out that it was a very aggressive plan, and decided to move forward with the plan.

There are lots of ways to do a plan, lots of ways to put a system out. That reflected my personal view.

Senator GORTON. But you are saying that the GAO report was as of about that time.

Mr. THOMPSON. That is correct. The GAO report, to go back to that, basically thought that the high-level implementation plan should have had more background and design documentation behind it. They were looking for some historical documents in our view that did not exist and that they thought should be developed before we move forward.

With the Cobell litigation, with the time frame and commitment of the Secretary, we felt it was worth the minimal risk to move forward with a high-level plan and supplement that plan downstream with more detailed project plans, which we have done in many situations.

The other issue that the GAO brought forward was the approach to developing the trust asset and accounting management system. They had very specific criticisms of that approach. In the sense of many people in the Department, including the Chief Information Officer, those views reflected a methodology for systems development that was basically 10–12 years old.

It was the sort of comments and the sort of concerns you would raise if you were developing a major mainframe computer system, where you develop all of the software from the ground up, from scratch, and you did not understand the functions that you were trying to take care of.

In the case here, since we are buying these systems from commercial vendors who do this job every day, we felt comfortable that they had probably proven the systems and had dealt with the issues that the Department had not and had the foresight to see. It is a bit of a risk, but it was worth the risk in the view of the departmental management.

IIM LITIGATION

Senator GORTON. I do not know which one of you this question is primarily addressed to. But apparently Judge Lamberth has set a trial date for June 10. Is that earlier than you expected? And does that have any impact on your budget request?

Mr. THOMPSON. It is certainly earlier than we had hoped. It does not impact our budget request. The production of documents does not have to be completed before that trial. So in that respect, it is not affected.

Mr. GOVER. The impact from my perspective, Mr. Chairman, is that the trial, this trial, is on the adequacy of the high-level implementation plan. We made commitments that we plan to move forward to correct in these 13 areas. We have done work in several of them successfully. Of course, driving those plans, supporting those plans, are the resources to do the job. They will watch very carefully our success in front of this committee.

LAND FRACTIONATION

Senator GORTON. Give me a little bit more, if you will, Mr. Thompson, about the fractionation of Indian lands and trust management. You gave me a certain statistic with respect to Min-

nesota. Repeat that and tell me how widespread that is and what your long-range plan is in connection with it.

Mr. THOMPSON. I may ask for some help from Kevin on this.

Senator GORTON. That is fine.

Mr. THOMPSON. Basically in 1887, Congress passed the General Allotment Act, which basically divided lands into allotments of 160, 80 and 40 acres. The intention was to give this land to Indian tribal members as an allotment, and then in 25 years deed those lands to these tribal members, these individual Indians.

However, the land never was deeded to these indiviual Indians and remains in trust. Therefore, without further guidance, we ended up with what is called fractionation. As the Indian population died intestate, the land became divided among the heirs. Basically, it gives each heir undivided interest in a parcel of land.

I do not have the statistics at my fingertips about where we sit exactly. There are thousands and thousands of such interests.

Senator GORTON. We were just handed this chart.

Mr. THOMPSON. Yes. This gives you an idea of what happens over five generations. This is what happens to the ownership of the land over four or five generations, also.

Mr. GOVER. What we do know is that the average piece of Indian allotment property now has 40 owners. That is the average. Some have literally over 1,000. Those are, obviously, the oldest allotments and tend to be in the Great Lake states.

Senator GORTON. What policy change is proposed to deal with that?

FRACTIONATION LEGISLATION

Mr. GOVER. Primarily the fractionation legislation that was actually introduced, I believe, in the House last year. We have asked again for the Indian Affairs Committee to consider this legislation. It would establish a revolving loan fund that would allow us to acquire from willing sellers the small interests. The interests, the loan, the money used to purchase the small interests, would be repaid out of revenues generated from the property itself. At the point it was——

Senator GORTON. Well, now, would the BIA own those interests then?

Mr. GOVER. We would then turn the interest over to the tribe.

Senator GORTON. OK.

Mr. GOVER. So the idea is to consolidate ownership in the tribe itself.

Senator GORTON. So there would no longer be an allotments to individuals——

Mr. GOVER. Right.

Senator GORTON [continuing]. Of those lands.

Mr. GOVER. Yes.

Senator GORTON. The income that the tribe received from the lands would go to pay off the loans.

Mr. GOVER. Correct, and replenish——

Senator GORTON. Then after that would be tribal interest.

Mr. GOVER. Right. That is right.

Senator GORTON. Thank you.

BUDGET PRIORITIES

Mr. Thompson, and for both of you, I appreciate your testimony in this regard. I think given the nature of the budget problems with which we are faced, I am going to need you to think and at least privately communicate with us what the situation would be with respect to programs, if you do not get that full $100 million, you know, what your priorities are, what would come first or what would drop off first. We need to understand that.

I would like very much to get this job done just as rapidly as you would. I just do not know whether I will be granted an allocation that is sufficient to do it. So we are going to need the help of both of you in setting priorities.

With that, this portion of the hearing is over. Mr. Thompson, you and your people can leave or stay and listen, as you will, but your time is done. If you have more important things to do, we certainly understand that.

Mr. THOMPSON. Thank you, Mr. Chairman. We will drop back here and wait a few more minutes to see if any other questions arise in this area to support Kevin.

Senator GORTON. Fine.

Mr. THOMPSON. Thank you for your time.

SUMMARY STATEMENT OF KEVIN GOVER

Senator GORTON. With that, Mr. Gover, we will hear your opening statement on general BIA matters.

Mr. GOVER. Thank you very much, Mr. Chairman. With me is Michael Anderson, the Deputy Assistant Secretary for Indian Affairs.

Let me first thank the chair for all of the candor and the cooperation that we have received in the past year, particularly for the help we received in the fiscal year 1999 budget.

We are able to accomplish some important things with the additional law enforcement money and with the money that goes to the land consolidation pilots, so that we can prove this concept that if we go out and start buying these small interests, we can begin closing accounts, reducing administrative costs and reconsolidating land in tribal ownership.

Let me make it as clear as Mr. Thompson did that the trust program is our top priority. Obviously, when we deal in many areas of human need, it is difficult to designate a single priority. Yet, it is clear to us that unless we attack this particular problem of trust management with everything we have, we are not going to get it done.

We have seen halting starts in the past, where they got halfway through a reform and for some reason it just never crossed the finish line. So we are anxious to do everything that we possibly can in that area. To that end, as I stated before the committee on the other side, if other things have to suffer, they simply have to suffer in order for us to accomplish this objective.

Having said that, we also appreciate the constraints within which the committee has to operate and know that not every request can be granted. We do want to designate our priorities to the committee, both in the trust area and in other program areas.

Our two other priorities beyond trust are the same as yours. They are law enforcement and education. We have made a request for an additional $20 million for our law enforcement programs. Last year's money has been very effectively spent. As we promised the committee, less than 10 percent went to the creation of the new regional administration for law enforcement. Over 90 percent went to uniformed officers, criminal investigators, prison guards, and equipment and services for the tribes.

The $20 million we are requesting this year would again be spent in a variety of ways, I think ideally on more uniformed officers. This would be the first priority. We have also put in a specific request for some high-grade radio equipment. One of the things that is happening to our officers is far too often they find themselves out of touch without any backup.

That is due to distances, due to terrain, but mostly due to an old system that we have been sort of holding together for a number of years. With these new radios, we would be able to ensure that our officers are never alone in the field, or at least not out of communication with assistance.

Let me also note for the record, Mr. Chairman, that in the past year, three tribal and BIA law enforcement officers died in the line of duty. In each case, they were car accidents, usually related to very long hours and the long distances that tribal police and BIA officers are forced to work.

Turning next to schools, we have asked for increases in both the area of construction and school operations. If forced to choose between the two, I am confident that the problem with facilities is our most severe problem at this point.

In the past year, we find ourselves responding to various crises in our facilities, whether it be a sprinkler system that does not work to much more serious issues, like PCB contamination in our classrooms.

We had another incident where there was a very severe lead contamination to an entire school campus because of old heating equipment and some poor methods of disposing of the ash from the boiler.

So as Senator Burns said earlier, our schools no longer represent in many cases an effective learning environment. While I am very pleased with the kind of progress that our instructional program is making in terms of educational reforms, in terms of the quality of the teachers and the personnel involved with the schools, we are basically providing a modern education in sub-modern facilities. We are very anxious to do something about that.

Under the proposal we made this year, were the committee to grant our request and the necessary authorizing legislation be enacted, we would be able to complete the school construction priority list that has existed since 1992. The last of the 16 schools could all be begun, not completed.

But certainly the funds for all those schools could be committed in fiscal year 2000, so that we could turn our attention to the known backlog of other schools that need to be replaced.

We estimate a minimum of 60 other schools that have to be replaced at a cost of a minimum of $1 billion. We realize that those are very large numbers.

Senator GORTON. What share of all Indian students do these schools educate, as against the general public school systems of the states in which they are located?

Mr. GOVER. About 10 percent of all Indian students are in BIA schools, about 53,000 students.

Senator GORTON. What determines those 10 percent? Are they, generally speaking, located far from an available public school?

Mr. GOVER. They do tend to be——

Senator GORTON. How is it broken down?

Mr. GOVER. They do tend to be extremely rural. Of course, there was a time when BIA had schools at virtually every location, on every reservation. As time has passed and most of the reservations become far less remote, the Congress has chosen to provide that the kids would go to public school.

The schools that remain, though, are, in general, in places like the Navajo Nation in the desert Southwest, in the northern great plains, and tend to be very remote from public schools.

Senator GORTON. The public school districts that encompass Indian reservations and educate Indian children are beneficiaries of impact aid, are they not?

Mr. GOVER. Yes, they are. But without going into a dissertation on Impact Aid, it is not having all of the effect that one would expect, certainly not a dollar-per-dollar effect because of the equalization formulas that are in place in some states.

So Impact Aid is good in the sense that it is additional resources for a school system, but it is not a dollar-for dollar addition to operating budgets in those school districts. So still, the public school districts are finding it extremely expensive to educate reservation children. Yet they continue to do so for 90 percent of the kids.

Senator GORTON. Please go on.

Mr. GOVER. Let me mention quickly, Mr. Chairman, two committee directives that we received in the fiscal year 1999 appropriations legislation, and report on their progress. First, again, let me apologize for the fact that we have not produced the TPA report by the April 1 date. We are very close to completing that work.

We spent a good 9 months working with a workgroup consisting of tribal leaders, tribal program directors and BIA personnel, to develop some information that I think you are going to find very useful in understanding just how it is we allocate TPA.

We think that it turns out that, in general, TPA is allocated in a rational way. There are exceptions, and we will point some of those out for the benefit of the committee, along with some suggestions on how those disparities ought to be dealt with.

The committee also directed us to prepare a report on tort liability. We have again been working with tribal leaders and others to develop that report. We will be sending out a survey instrument to all of the tribes and to their insured by the end of this week. We expect a pretty quick return on that. It is not a complicated survey. We are very hopeful of having their report available to the committee by mid-summer.

So we are making progress in both areas. We wish we might have moved a little faster, but we are doing the best that we can.

So with that, Mr. Chairman, we obviously have a number of other specific requests that are all in the written statement. Let me

just mention one relatively small ticket item, which is that we request the reestablishment of the Office of Alcohol and Substance Abuse Prevention. It is a $400,000 request.

What we would like to do is simply to keep this issue on the front burner. It is a primary problem in most Indian communities. It is, in my mind, the single largest obstacle to real progress in the social and economic condition of reservation Indian people.

While it is not appropriate for BIA to administer a large programmatic initiative to fund tribes to do this, it does seem to us that there is a place for the Bureau in the coordination of the many agencies in the Federal Government that fund these sorts of activities.

We have established both a governmental workgroup and a tribal leader workgroup looking at these issues. They will produce two documents. One is a directory of resources available from the Federal Government for all aspects of alcohol and substance abuse prevention and treatment. Second, a catalog of successful tribal programs that have been identified by our tribal workgroup, most of whom are people who are themselves in recovery from alcoholism or addiction.

Senator GORTON. Would such an office not be more appropriate in the Indian Health Service?

Mr. GOVER. We think that—well, first of all, the Congress has directed the establishment of an office in BIA. IHS does have a major initiative, but we have been working closely with them. We believe that should be the centerpiece of the effort.

As I say, we do think there is a role for the Bureau in coordinating the various agencies throughout the Government. There are alcohol and substance abuse prevention funds everywhere from the Justice Department to the Housing and Urban Development, the Department of Education, and the White House.

We found that they do not talk to each other a lot. We found that it has been a good place for us to be the ones to convene everyone so that we can coordinate our activities in working with the tribes a little better.

PREPARED STATEMENT

Most of all, Mr. Chairman, I think it just sends an important message to Indian Country that it is part of the business of the Bureau of Indian Affairs to deal with this critical problem. To not have an effort, even if a small one, sends exactly the wrong signal, because this is the most disabling malady in virtually any Indian community in the country.

With that, Mr. Chairman, I would be happy to answer any questions.

Senator GORTON. Thank you.

[The statement follows:]

PREPARED STATEMENT OF KEVIN GOVER

Good morning, Mr. Chairman and members of the Subcommittee: The Bureau of Indian Affairs (Bureau) is the primary agency of the Federal Government charged with the responsibility to administer Federal Indian policy and to fulfill the Federal trust responsibility for American Indian Tribes, Alaska native villages and Tribal organizations. Federal Indian policy and the trust responsibility are derived from the special legal and political relationship between the Tribes and the Federal Gov-

ernment. This unique (legal and political) relationship is rooted in American history. Much of Federal Indian policy evolves around this "special" relationship which is often broadly expressed in terms of legal duties, moral obligations and expectancies that have arisen from the historical dealings between Tribes and the Federal Government.

Today, the Bureau provides services directly, or through Self-Determination contract, grant and compact agreements with Tribes, to more than 1.2 million American Indians and Alaska Natives in 31 states. The scope of Bureau programs is extensive and covers virtually the entire range of state and local government services.

More importantly, the Bureau's programs are funded and operated in a highly decentralized manner with more than 90 percent of all appropriations expended at the local level with an increasing amount operated by Tribes and Tribal organizations under contracts or self-governance compacts. In addition, the Bureau administers more than 43 million acres of Tribally-owned land, more than 11 million acres of individually owned land held in trust status and 443,000 acres of Federally-owned land.

The Bureau's most basic responsibilities are its trust obligations and facilitating Tribal self-determination. However, while the protection of trust resources is a fundamental responsibility, Tribal communities struggling to meet the basic needs of their communities must compete for the same limited resources the Bureau uses to protect trust resources. The Bureau's success relies on judiciously balancing these competing mandates.

ORGANIZATION

The Bureau has two service components reporting to the Assistant Secretary-Indian Affairs:

The Deputy Commissioner for Indian Affairs has line authority over 12 Area Offices, 83 Agency offices, three subagencies, six field stations, and two irrigation project offices. The Deputy Commissioner provides program direction and support through the Directors for the Offices of Tribal Services, Trust Responsibilities, Law Enforcement, Economic Development, Management and Administration, Indian Gaming, and the Facilities Management and Construction Center.

The Director of the Office of Indian Education Programs supervises 26 education line officers stationed throughout the country and two post-secondary schools. During the 1997–98 school year, the Office of Indian Education Programs supported the operation of 115 day schools, 56 boarding schools, and 14 dormitories which house Indian children who attend public schools.

The Bureau's headquarters offices are located in Washington, D.C. and Albuquerque, New Mexico. The Bureau's organization and regions are outlined in the justifications. As a highly decentralized organization, nearly 95 percent of Bureau's staff work is performed in schools, Area and Agency offices, and other field locations.

In fiscal year 1996, the Office of Trust Funds Management was transferred from the Bureau to the Office of Special Trustee pursuant to Secretarial Order 3197.

At the end of fiscal year 1998, the Bureau's total employment was 9,687 full-time equivalents.

FISCAL YEAR 2000 BUDGET SUMMARY

The 2000 budget request for the Bureau is $1,902,054,000 in current appropriations, an increase of $155,626,000 above the 1999 Enacted level. The budget stresses the resources Tribes need to provide basic reservation programs and develop strong and stable governments, ensure accreditation of Bureau schools, address critical infrastructure needs, and meet the Secretary's trust responsibilities. The Bureau continues to keep administrative costs low; more than 9 of every 10 dollars appropriated to the Bureau is provided directly to programs on Indian reservations. The request allows the Bureau to attain its goals which are designed to meet the commitment to American Indians and Alaska Natives as outlined in its Strategic Plan and annual performance plans.

The fiscal year 2000 budget request for the Bureau seeks to maintain core existing programs on behalf of our trust responsibilities and commitments to facilitate self-determination for American Indians and Alaska Natives. While the Bureau has evolved in its role as trustee for the American Indian and Alaska Natives from the paternalism of the 1800's to its role today as partner, Tribes continue to turn to the Bureau for a broad spectrum of critical and complex programs administered either by the Tribes or the Bureau—from an education system for more than 53,000 elementary and secondary students; to 28 Tribally Controlled Community Colleges; to law enforcement and detention services on more than 200 reservations; to social

services programs for children, families, the elderly and the disabled; to management of the forest, mineral, fishery and farmland resources on trust land; to the maintenance of more than 25,000 miles of roads on rural and isolated reservations; to economic development programs in some of the more depressed areas in the nation; to the implementation of legislated land and water claim settlements; to the replacement and repair of schools; and to the repair of structural deficiencies on high hazard dams. The joint Trust and Federal responsibilities are daunting as the Bureau strives to uphold the President's commitment to the American Indian and Alaska Native; Indian Country needs in every program are massive.

OPERATION OF INDIAN PROGRAMS

For fiscal year 2000, the total request for Operation of Indian Programs is $1,694,387,000, an increase of $110,263,000 over the fiscal year 1999 Enacted level.

Tribal priority allocations (TPA)

TPA provides the principal source of funds for local units of Tribal Government, most of which are small and lack independent resources to meet the increasing costs of Tribal government operations. Beginning with fiscal year 1998, TPA comprises nearly half of the Bureau's operating budget. Increased funding in TPA is consistent with the Bureau's Strategic Plan and Annual Performance Plan. For fiscal year 2000, the TPA activity is funded at $716,139,000, an increase of $17,131,000 over the fiscal year 1999 Enacted level, which will help Tribes address some of the unmet needs in these basic programs. Shortfalls in these programs have become particularly serious with the reductions in this activity since 1995.

Program increases proposed in this budget submission include $2,058,000 for New Tribes to support 8 new Tribes as they begin to establish viable Tribal government operations. Federal recognition, supervision and support over some Tribes was terminated by an Act of Congress. Others may not have become Federally recognized because they made no treaty with the United States prior to 1871 when treaty-making was prohibited by the Congress; or they may have negotiated a treaty which was not ratified by the Senate. A Federal court ruled in 1975 that the United States has a trust responsibility to existing Tribes, regardless of whether the Government has acknowledged that responsibility by past Federal actions or previous recognition of the Tribe.

An increase requested for Contract Support will provide $6,447,000 over the 1999 Enacted level. In fiscal year 1998, the Bureau was able to provide only 80.34 percent of contract support needs, which has resulted in significant concern, anger and hardship with Tribes throughout Indian Country. Tribes are discussing the possibility of retrocession of programs back to the Bureau because appropriations are not sufficient to meet the rates as negotiated between the Tribes and the Office of the Inspector General. Given the downsizing at the Central, Area and Agency level that resulted from the severe budget reductions in fiscal year 1996, the Bureau has neither the staff nor the funding to resume Tribally-operated programs. The end result of retrocession would be no services provided to Indian families and communities, which is in direct conflict with the President's commitment of self-determination to Tribes. Given the level of budget reductions and increasing populations in Indian communities throughout the country in recent years, Tribes are challenged every day to maintain even level services.

An increase of $3,000,000 is proposed for Small Tribes to support the operation of viable Tribal Governments in the State of Alaska. The requested funds will go entirely to small Tribes in the State of Alaska to move those Native Alaskans toward the Task Force recommended minimum level of funding of $200,000. An increase of $2,048,000 is requested for Welfare Assistance geared towards its Tribal Work Experience Program (TWEP) component. TWEP programs are administered by the Tribes for eligible general assistance recipients to provide these Indian individuals with the resources and means to gain proper work experience and job skills needed to successfully compete in the job market. It is an investment in recipients today to move them towards self-sufficiency tomorrow.

An increase of $2.0 million is requested for Adult Care Facility Rehabilitation to bring 7 adult long-term care facilities on the Navajo Reservation to standard condition. Once the standard is attained, the facilities are eligible for funding of their operation and maintenance costs from the State Medicare, Medicaid, and other programs.

Other recurring programs

The prominent theme for the new millennium described by the President is the education of our children. The Bureau is responsible for the only major domestic elementary and secondary education system operated by the Federal Government. As

such, it is incumbent that this system reflects the high standards President Clinton has set for all education. The request for school Operations, which will fund schools and dormitories serving more than 53,000 elementary and secondary students in 23 States, is $503,568,000, a program increase of $27,482,000 over the fiscal year 1999 Enacted level. The increase will ensure that schools can deliver quality education and provide safe and adequate transportation for an estimated increase in enrollment. Increases are also proposed in facilities operations, facilities maintenance, and administrative cost grants to encourage the continuation of schools going into grant status and under Tribal control.

The budget increases operating grants to the 28 Tribally controlled community colleges by $7,100,000 over fiscal year 1999. The colleges have been successful in providing Indian youth with college degrees and eventual professional employment. They also promote entrepreneurship on reservations.

An increase of $1.0 million is requested to assist Tribes in the return of the bison to Indian homelands and for the prudent development and management of bison herds and habitat on Indian reservations. Bison are sacred to American Indians and represent a powerful symbol of America and its heritage as a Nation.

Non-recurring programs

The budget includes trust investments crucial to program performance in the out years. The request level for the Bureau's environmental management program is $9,809,000, an increase of $3 million more than appropriated in fiscal year 1999, to begin to address an estimated $200 million backlog of environmental cleanup work in Indian communities throughout the country. The EPA has demonstrated a vigorous interest in the Bureau's environmental compliance in recent years and has directed its enforcement actions at Bureau locations. The request level will provide the resources for the Bureau to conduct baseline assessments of all Bureau facilities and operations by the end of fiscal year 2002. An additional $1,247,000 is requested for endangered species to increase the number of Federally listed threatened and endangered species as well as support Tribal participation in species recovery. An additional $1,100,000 is requested for the Navajo-Hopi Settlement Program to provide services in areas that have been under served as a result of the Navajo-Hopi disagreement. Other program increases include $4,002,000 for Water Rights Negotiation, $1,000,000 for Federal Energy Regulatory Commission re-licensing activities.

Other programs

An additional $400,000 is proposed for the establishment of the Office of Alcohol and Substance Abuse Prevention to help stem the flow of alcohol abuse and illegal drugs in Indian Country. An increase of $900,000 is requested for a post secondary school, the Southwestern Indian Polytechnic Institute, to handle the increased need for resources due to its rising curriculum and enrollment.

CONSTRUCTION

The request for the Bureau Construction appropriation is $174,258,000, with $108,377,000 for Education Construction. The Bureau will continue to make progress in eliminating the unobligated balances in Construction facilities projects. Increased emphasis on Tribal contracting for projects will be supported by the Bureau's Facilities Management and Construction Center awarding and approving officials until the Tribes and Agencies are fully trained to take over the construction contracting challenge.

SPECIAL INITIATIVES

Law enforcement in indian country

Fiscal year 2000 represents the second year of the multi-year Presidential Initiative on Law Enforcement in Indian Country, a jointeffort by the Bureau and the Department of Justice (DOJ), to combat the rising crime rates in Indian Country to fulfill the Presidential directive to the Secretary of the Interior and the United States Attorney General to work with Tribal Leaders to improve public safety in Indian Country.

Pursuant to the *Final Report of the Executive Committee for Indian Country Law Enforcement Improvements,* significant investment by the Government is necessary to stem the increasing problem of crime in Indian Country. In simple terms, current resources are inadequate; continued infusion of manpower and financial resources are necessary to ensure that Indian communities receive the same quality and quantity of law enforcement services as their non-Indian counterparts.

The initial investment in fiscal year 1999 for the Initiative provides the foundation from which the Bureau can begin addressing the shortages in law enforcement, but much more resources are needed to adequately respond to the concerns as outlined in the Final Report. The requested increase of $20.0 million continues to build on this foundation while complementing the efforts of the DOJ to maximize the use of the Federal dollar.

TRIBAL COURTS

Going hand in hand with increasing the resources for law enforcement in Indian Country is the ability of Tribal Governments to handle the accompanying increase in caseloads; the fiscal year 2000 increase requested is $2,565,000. More than 250 Tribal justice systems and courts of Indian offenses (serving 40 Tribes) are supported by Bureau funds. These Tribal courts must face the same issues State and Federal courts confront every day, such as child sexual abuse, alcohol and substance abuse, gang violence, and violence against women. Tribal court systems have historically been under funded and understaffed. With the Presidential Initiative on Law Enforcement in Indian Country underway to improve law enforcement services in Indian Country, it is essential that additional support be provided to Tribal courts as it is expected with the effort to clean up crime, Tribal courts caseloads will increase dramatically. Tribal courts must have the capacity to adjudicate the resulting criminal cases and resolve disputes. This effort complements the Department of Justice's efforts to provide one-time (competitive) grant support to Tribes.

In addition, Public Law 103–176, the Indian Tribal Justice Act, recognizes the situation in Indian Country to improve its judicial function to assist in keeping law and order for its constituency. The Bureau's requested increase will also focus on providing initial funding to Tribes for implementation of the Act.

ALCOHOL AND SUBSTANCE ABUSE

Another factor in the efforts to reduce crime is the influence and effect of alcohol and substance abuse in Indian Country. An additional $400,000 is requested in fiscal year 2000 to establish the Office of Alcohol and Substance Abuse to provide training and technical assistance on prevention efforts and implementation by Tribes of their Tribal Action Plans regarding programs designed to reduce the incidents of alcohol and substance abuse in their communities.

EDUCATION CONSTRUCTION

Replacement school construction

Eight-two percent of the Bureau's building square footage is education space; the majority of the buildings are old and often in poor condition. With the Bureau responsible for the only major domestic elementary and secondary education system operated by the Federal Government, it is vital that we provide adequate facilities for this Nation's Indian school children to obtain an education. Research has demonstrated that placing instructional and residential programs in facilities that do not meet health and safety codes distract from the educational program. A point made by the President in Executive Order 13096, which calls for creating educational opportunities for American Indian and Alaska Native students in our nation.

To this end, the fiscal year 2000 request provides for a requested level of $39,859,000 for replacement of two schools—Seba Dalkai and Fond du Lac Ojibway—on the existing priority list for school replacement. As the President has stated in his call for modernization of our schools, it is through construction that our Nation will begin to meet our generation's historic responsibility to create 21st century schools. Schools may be operated directly by the Bureau or operated by Tribal organizations under the contracting authorities of Public Law 93–638, as amended, or Public Law 100–297 grant.

The Bureau's request is an intricate part of the President's education agenda which seeks to reduce class size and help communities renovate and build new schools. The request is also part of the Department's 5-Year Maintenance and Capital Improvement Plan.

The Bureau is moving forward to eliminate its code and standard deficiencies, currently estimated for school-related facilities alone at approximately $743.0 million; the Bureau's total facilities backlog for education and non-education facilities is nearing the $1.0 billion mark. Projects included in the Plan outline the comprehensive strategy of the Department to address the most critical needs in the Bureau's backlog of construction and maintenance requirements. It is the most in-depth analysis and display of the enormity of the dire situation facing the Bureau

in trying to maintain its facilities for the consumers we serve. It is a comprehensive list, causing the Bureau to reassess and validate its many facilities located throughout the Nation to fully capture the challenge we face in maintaining our responsibilities for Bureau-owned facilities and providing for safe and health environments for our constituency. The requested funding level of $39,859,000 for replacement school construction, a key factor in the success of the President's revitalization of Indian education, will greatly assist in reducing the mounting backlog of construction needs.

School bond initiative

An increase of $30 million is requested in fiscal year 2000 for school construction to enable Tribes and/or Tribal organizations to defease qualified school construction bonds by ensuring the repayment of principal to bond holders. This proposal is part of the Administration's school modernization initiative to provide school repairs and replacement in needy public school districts throughout the country. Funding for additional school construction or repairs is proposed as part of the second year of the Administration's facilities restoration initiative. These funds emphasize the Administration's commitment to the long-term stewardship of Federal lands and facilities.

SECRETARY'S TRUST MANAGEMENT IMPROVEMENT PROJECT

Over $37 million is requested in the Office of the Special Trustee's 2000 Budget for the Bureau's components of the Trust Management Improvement Project's High Level Implementation Plan. Since the Plan's publication last July, BIA has been making steady progress in its trust reform efforts. Most significantly, in December 1998, the Bureau contracted with Artesia Data Systems of Dallas, Texas, for a new Trust Asset and Accounting Management System to replace the aging and antiquated automated systems for land title operations and land and lease management functions. The system will be piloted in the Billings area in June 1999, and the balance of areas are expected to be converted by December 2000. Additionally, in February, the Bureau awarded a data cleanup contract for Billings and Juneau areas. BIA's pre-conversion data cleanup process is expected to be completed by December 2000.

This concludes my opening statement, Mr. Chairman. I will be pleased to answer questions of the Subcommittee.

LAW ENFORCEMENT

Senator GORTON. You started with law enforcement, so I will start with law enforcement, too. Tell me the source of all law enforcement funds. Are the funds that are appropriated by this subcommittee the only funds that go into law enforcement on Indian reservations? Do some come from the Department of Justice or some other Federal programs?

Mr. GOVER. All three of those. The primary and the largest source of funding is the Office of Law Enforcement Services. Those funds are spent on the reservations in three ways, either by the Bureau directly—and we do maintain our own police forces.

Our own BIA personnel carry out the law enforcement function in many communities—through self-determination contracts, where the tribe contracts with us using funds we provide to provide those law enforcement services in the community, and finally through self-governance compacts, which are similar to the contracts in that we provide the funding for the tribe to carry out the services themselves.

In addition, we have done a survey, based on your question to me last year, and found that at least $30 million additional dollars are put into tribal law enforcement programs by the tribes themselves. That is a partial number, because we have not heard from every tribe. But of the, I believe it was, 150 tribes we did get responses from, we know that they are contributing at least $30 million in addition to what the Bureau provides.

Finally, the Department of Justice was provided $88 million by the Congress last year to support reservation law enforcement. I believe $30 million to $35 million of that was for uniformed officers on the reservations. That in total comes to probably around $160 million, $170 million.

Senator GORTON. Did the tribes get all the money they were entitled to out of the Department of Justice funds?

Mr. GOVER. Not yet. But the grants—the time for when those grants go out has just arrived. So those grants will begin to be made this month, in fact.

Senator GORTON. How do you determine the distribution of the funds that go to the tribes themselves, either by contract or to self-governing tribes, as opposed to your own BIA people? I rather suspect you have applications for more money than you can distribute, do you not?

Mr. GOVER. We do. In the past year what we have had to do is focus on the BIA-operated programs. Approximately 60 percent of the $20 million increase went to the BIA programs. They tended to be the least, or the most, understaffed and under-funded in the country. So we did do that.

Plus the tribes are eligible for the Justice Department grants and Bureau of Indian Affairs programs are not. So given that the tribes had other options and the BIA had none, we thought it important to bring the BIA programs up to at least a level where we do not have single officer locations out there. That was all too common prior to fiscal year 1999.

Senator GORTON. I do remember your testifying to that last year. To refresh my recollection, are the BIA officers generally used on smaller reservations? Is there any correlation between the size of the reservation and whether it has its own officers or yours?

Mr. GOVER. Some correlation. It tends to be the smaller reservations, but there are many exceptions to that observation. We do provide law enforcement services on several of the larger reservations.

Senator GORTON. Let us go now to education. You said it is my priority and yours as well, although we have the triple problem of attempting to determine how much goes to operations, how much to construction and how much to repair. By my notes, Congress has provided funding for 10 of the 16 schools on the BIA's replacement school priority list. The remaining 6 would cost, we understand, about $111 million. You have asked for $40 million for 2 of those.

In requesting funds for Seba Dalkai and Fond du Lac, the Bureau skipped over Shiprock in New Mexico and the Tuba City school. I understand that Tuba City's design is not complete, but Shiprock would be ready for construction. Concerned tribes have contacted us, and I am sure you, about this.

I have had the general feeling that we ought to follow the priority list, rather than to deal with this in any kind of political fashion. Can the funding be phased in such a way as to follow the priority list?

Mr. GOVER. Mr. Chairman, I actually do not know the answer to that. I can certainly ask our construction staff if that is a possibility. That is a good idea. We would prefer not to skip over a school. I think very simply the decision was made that even though

the money to construct the schools were smilar, it was better to build two schools than just one. Had we gone with Shiprock, that would have been a single school in the construction program in fiscal year 2000.

Senator GORTON. Will we get the same answer from you next year?

Mr. GOVER. Let me find out if we can phase that in, because I think that is an excellent compromise to having to chose between the schools.

[The information follows:]

PHASED FUNDING FOR SCHOOL CONSTRUCTION

Full funding for an entire capital project is preferable, particularly if the project cannot be divided into more than one useful segment. The replacement schools that are proposed in the fiscal year 2000 President's budget are designed as single integrated structures. Providing phased funding could result in construction scheduling delays and lack of functional facilities to house the students in a timely manner. Also, Tribes that undertake construction or repairs through contract of grant are reluctant to accept phased funding because of difficultly in sub-contracting phases of a project. There is the potential for different companies being awarded sub-contracts on phased projects, which would interfere with one another and the overall continuity of construction of the facilities. Of the two schools proposed for replacement in the budget request, one is being contracted with the Seba Dalkai School Board, Inc. and the other is proposed for a grant award with the Fond du Lac Ojibway Tribe. In addition, incremental funding for a capital asset, in which funds could be obligated to start the segment (or project), despite the fact that the funds are insufficient to complete a useful segment or project, is inconsistent under Office of Management and Budget Circular A–11, Preparation and Submission of Budget Estimates.

Shiprock Alternative School is scheduled to completer design in September 1999, thus the school would be ready for construction funding as early as fiscal year 2000. Although, phasing is not recommended, the school construction could be addressed in the same manner as Pyramid Lake and Sac and Fox School were in the fiscal year 1998 appropriations.

SCHOOLS

Senator GORTON. I can certainly sympathize with your problems. The highest priority I find in members of my subcommittee is always the school in their state.

Mr. GOVER. Yes; well, two schools represent four votes. [Laughter.]

Senator GORTON. Both here and there, I assume.

Now, you have already told us that for the long range you have a billion dollars' worth of school construction. For how many schools?

Mr. GOVER. For at least 60 that we know we have to replace. We are very close, in fact, we have delivered to OMB the report that I guess it was this subcommittee that requested it last year, a 5-year plan for doing away with or eradicating the backlog. We expect that to be ready, again, before the end of the month. The committee will have that available as well.

The bottom line, of course, is money. We are trying and using every advantage that the scoring system offers to try to generate more funds in as painless a way as possible and without diminishing other priorities. But, for example, the additional $30 million that we request beyond the $30 million that you mentioned will support about $70 million to $75 million in bonding.

It would allow the principal repayment of $70 million to $75 million in bonds, if the President's School Construction Initiative were enacted.

Senator GORTON. Well, that is a good question, and of course a big if.

Mr. GOVER. Yes.

Senator GORTON. Do you know where that legislation is at this point?

Mr. GOVER. I do not. I do not know. I am not aware that there has been a sponsor. I am sure that the legislation is prepared, because I have seen it. But I do not even know that it has been sent to the Congress yet.

Senator GORTON. Was the Bureau an active part in drafting that bonding legislation?

Mr. GOVER. We were in the sense that once the idea began to make the circuit around the various agencies, we were certainly allowed our input. I think our comments were taken seriously and reflected in the legislation.

Senator GORTON. Where would the money come from to repay the bonds?

Mr. GOVER. The money to repay the bonds would—basically what we would do is take this $30 million and invest it so that in 15 years, it would represent the amount necessary to pay off the principal of the bonds, whatever that might be. That is why I say the $30 million would support about $70 million to $75 million in bonds, because we would invest it, and repay the bonds at the end of 15 years.

Senator GORTON. You would invest it where?

Mr. GOVER. In Federal securities, obviously in T-bills and that sort of thing, so they are no-risk investments. The interest payments on those bonds come in the form of tax credits to the bondholders. That is the idea behind the President's initiative.

So for that $30 million, the tribes would be able to issue over $70 million in bonds. That would allow for that much school construction. That is why we say we could finish the 16-school priority list in fiscal year 2000 were the authorizing legislation to be enacted and were the committee to grant our request.

Senator GORTON. Let us go on to school repair. Are we even keeping up with repair and maintenance and remodeling needs?

Mr. GOVER. No. We are losing ground in repair as well. What you see in the request that is before you, represents only the most critical health and safety needs. It does not represent the money that we need to properly maintain these facilities.

One of the questions the Congress has to ask and that we have to address is, it will make no sense for us to build a lot of new schools only to have them fall into disrepair and fall far short of their useful life. So we really are talking about a major commitment.

Even were the Congress to fund all the school construction that is necessary, the maintenance requirements would be large, but well worth it. It is better than replacing all these schools. One of the reasons we need to replace so many schools is they were never properly maintained.

Senator GORTON. Before going on, I would just like to say I do not have any particular questions about school operations, but obviously the day-to-day operations, the teachers, your recruitment and the like, is vitally important as well. Part of the excruciating nature of dividing up an inadequate amount of money for all of our programs, both within Indian programs and across our subcommittee's jurisdiction, is just that. It is setting priorities of money needs to various entities.

Obviously, my statement is the same to you as it was to the special trustee. You have heard this before. It really is doubtful that all of these initiatives are going to pass that are of a legislative nature, or that we are going to have the kind of money that I would consider quite appropriate for the Department of Interior programs.

So again this year as we had last year, we are going to need your help, at least informally, in setting priorities.

Senator Dorgan is here now. Each of the members who has been here has either two or three hearings going on at the same time. Both the one on the Olympics and the one at the Department of Energy are hearings of committees on which I am a member.

So, Senator Dorgan, I think I will simply turn it over to you for whatever statement you would like to make. When you are finished, you may adjourn the hearing, unless someone else is here. If that is the case, you can turn it over to them.

Senator DORGAN. Well, Mr. Chairman, thank you. I will be able to conduct a fair amount of business in your absence. [Laughter.]

Senator GORTON. In my absence, I suspect you will. You do not have a sufficient quorum to spend any money, though.

Senator DORGAN. You are right. You are correct.

Senator GORTON. So we will trust you.

Senator DORGAN [presiding]. You are correct about that. [Laughter.]

Let me just mention to you that I have been at the Commerce Committee hearing and following this have to go to the hearing on the Energy Committee and the security at the labs. That is why I was not here for the statement.

I have read Mr. Gover's statement, and I appreciate especially the work that you have done as subcommittee chairman on these issues. I would like to ask a couple questions. Thank you very much for your courtesy.

Mr. Gover, let me focus just for a moment on Indian schools. Then I want to talk to you just for a moment about housing, as well, and health care. But on schools, the chairman indicated, and you know well, that we face a tremendous backlog. Frankly, the administration budget, I think at your urging, finally does begin to take some steps, halting steps, and probably inadequate steps, but some steps in the right direction.

With these steps, we are not going to get to where we need to get to to make sure that these young children who are our responsibility, our trust responsibility, are being served the way we should serve them from an educational standpoint. Let me just mention a couple of schools for you. I could mention schools in other states that I know about as well, but let me mention the ones in North Dakota.

At the Ojibwa Indian School there is report after report after report that tells us that these children are going to school in circumstances that are not appropriate and, in many cases, not safe.

As you know, the central school building there is over 100 years old and has been condemned. So the result is that you have all these kids placed in trailers.

I have been there. I have seen exposed wiring. I have seen conditions that should not exist. We have reports that describe the circumstances. Some day, God forbid, there will be a fire in the middle of the winter that will sweep through those portable trailers, and there will be loss of life, loss of young lives. Everyone will scratch their heads and say: How did that happen?

It happened because the Congress and the administration have not responded with the resources necessary to give those kids what they deserve, a school that is safe and a school that is good for their education needs.

The Standing Rock School. I was at the Standing Rock School, as you know, last year. I worked with you extensively on that. Instead of worrying about their ABCs, those kids are worrying about PCBs. I mean, that school was closed. Those kids were all herded to the gymnasium with temporary partitions. When I grabbed the partition, you could swing them 6, 8, 12 inches. I worried that those partitions would fall on those kids.

We had to spend months and months cleaning up a PCB mess in a school, and that school still needs apparently anywhere from $8 million to $10 million investment.

Cannon Ball Elementary School. That is not your responsibility, but it is a school just north of Fort Yates that has no tax base. A little third grade girl named Rosie said to me as I toured the school—it has 140 kids, two bathrooms and one water fountain and no capability to hook a computer into the Internet, over-crowded classrooms, a terrible situation. The bulk of that school has been condemned. One of the rooms they have to evacuate about weekly because of sewer gas coming up into the rooms these kids are using.

The little girl said to me, "Mr. Senator, can you build me a new school?"

Well, regrettably, I cannot do that by myself. But that young third grader walking into a classroom is not well-served. Her future is not served by our lack of responsibility here to the needs of her and her classmates.

So I just want to say to you that this need exists in a very critical way. We are not, the administration and the Congress are not, taking aggressive enough steps to meet it. In the majority budget that was just passed, Senator Domenici, I believe, added provisions for up to $200 million more in school construction above the administration budget. But we have to tell the President and OMB, and you know this, Mr. Gover, that this is a priority.

Those children cannot fend for themselves. They are our responsibility. We have trust responsibility for them. The fact is we should be ashamed, we should be ashamed, for having put off the needed investments to make sure these kids are going to safe schools and good schools.

It is unfair to these children, unfair to young second and third graders and fourth and fifth graders, to send them into classrooms that do not adequately prepare them and do safeguard them.

So I just want to put in my statement again this year that I appreciate that you have gotten the administration to move in a halting way to add some things here. In fact, I know it is your work, because I worked with you to have the administration make certain that part of this school modernization program would apply to Indian schools as well. That only happened because we pushed to make that happen.

But can you give me some response to how we not just get rid of this backlog or get rid of the list—no one even knows how the list was developed—but then how do we go beyond that to do what is necessary to meet our responsibility?

Mr. GOVER. Well, first, Senator, I agree with everything you have just said. As you know, we have advocated within the administration to increase the commitment to Indian schools. I am scared to death that what is ultimately going to happen is a tragedy like you described. Then everybody is going to say: Well, we have got to do something. You know, let us go fix this.

But it is too late at that point. I do believe, and I will say this in defense of the administration, we made a certain request last year. We did not get what we asked for. We are reluctant to make a request that goes far beyond anything we have ever received until we start seeing the incremental increases that we have been asking for.

I will also say that the total request this year represents $100 million in school construction. That is a lot. Yet that is not enough. That is not enough, but it is a lot. It is much more than has been thrown into the problem in the past.

We are going to send the committee a report that will describe the schools that we believe need to be replaced, that estimates the amounts. It basically says: Here is what has to be spent in order to achieve this result of putting every BIA pupil in a safe school.

From there, Senator Dorgan, I find it very frustrating that we even have to explain the obligation the United States undertakes when it chooses to have an elementary school. It offends me that—for example, we begin to look at the DOD school system that is maintained for military dependents. As one would expect, they have a sparkling school system, wonderful buildings, excellent teacher pay, and a great program.

The only other school system the United States is responsible for directly are the BIA schools. Yet for some reason, notwithstanding the resources that go into the DOD schools, the BIA schools go begging year after year after year.

One is left to draw the unfortunate conclusion—and I have had tribal leaders and school administrators say to me, "Is it because we're Indians?" I mean, how can they do this? How could the United States, the richest country in the world, do this to schools that it is responsible for?

I will continue to push OMB. I will add that OMB has to clear the report we are going to send you that addresses this 5-year plan. I am going to need your help to push these proposals through the administration. But I think, Senator, we just continue to make

these points over and over again. I would love to have a conversation with the President about this, because I know he would not stand for it, if he knew this. But getting that message to the President is difficult.

Senator DORGAN. Well, it is the President. It is this President, the past President, the one before him. It is the Congress, this Congress and every Congress before it, that has not met its responsibility. Just in recent weeks I toured a school on a military base, a wonderful school, one I was proud to see.

I was proud of the teachers. I was glad that the students had the capability they had. These young tykes were showing me how they were doing all kinds of work on the Internet. What a great school, and what a wonderful thing for these students.

Then I go to Ojibwa or I go to the gymnasium at Standing Rock and see the difference. I think, you know, it is the same responsibility that we have, and we are not meeting it. It is a tragedy for these young children. It is not their fault. I mean, it is not their fault they live in circumstances, in many cases, in circumstances of poverty where there is not an adequate tax base.

We ought not walk a second or third grade young woman like Roseie through a school door and have to be ashamed of the school that young child enters when that school is our responsibility. We have a responsibility to do something about that.

I would hope—incidentally, when you talk about OMB, I would hope that with Mr. Lew and others you would say to them: Here is what we need. None of this incremental nonsense. Here is what we need next year, now, in this budget to fix the schools and repair the schools and build the schools necessary to meet our responsibility to these kids. If they say, well, that is something we cannot even entertain, let us have a fight about that. But at least let us fight about the real number.

You know, last fall in the omnibus appropriations bill that passed, $1 billion in emergency funds was stuck in for national missile defense, $1 billion that was not asked for, was not needed, was not requested by the Defense Department. I checked just in the last week, they could not use the $1 billion.

They found a way to put $600 million of it in national missile defense contracts in very unique and creative ways, but it was creative to do that because they did not want it and did not need it, said they could not use it. The Congress said, "We demand we give you $1 billion more for national missile defense."

So even being very creative, they were able to find $600 million to stick it in some of these little accounts; $400 million they could not even use.

Now that is last October, a priority by some here saying: National missile defense, the sky is the limit. We are willing to throw money at it. But education of Indian kids, sorry, that is just not a big priority. That is wrong.

Now, Senator Domenici is coming in the room, and he has spent a lot of time and effort on this issue as well. We need, in my judgment, with this Congress and this administration, to confront this issue in a very significant and aggressive way to meet our responsibility to these kids.

Let me just go to one other point, and then I know Senator Domenici will want to talk about this.

Senator Domenici, we have been talking about education, repair, construction of these schools and the responsibility, the administration's budget, the responsibility of the administration and Congress in the recent two decades or so on this issue.

I want to just turn to one other point. I have been trying to arrange a meeting at the White House, as you know, and we had to cancel it. It was scheduled for last Monday with Indian tribal leaders and others, talking about the emergency that exists in housing and health care.

I told on the floor of the Senate a story about Sarah Swift Hawk, who, on January 2, died on the Rosebud Reservation. She was a grandmother. She went to bed at night in a house. Where windows would have been, there was thin plastic sheeting covering the holes. There was one cot. So the grandmother used the cot. Four children and the mother and father, they slept on the floor with two blankets, huddled together. The grandmother slept on the cot.

It was 45 below zero that night. The next morning when they woke up, they found Sara dead, frozen to death. That is not in a third world country. That is here. That is in our country, and circumstances where we have a housing emergency as well in many of these areas.

It is almost unthinkable, a house without windows, without adequate furniture, without heating. You have a grandmother laying on a cot freezing to death on January 2. I mean, it is just unthinkable. You read about this in third world countries, but not here.

So we have this housing emergency. I have been deeply involved in trying to move houses that are going to be destroyed from military bases. We have saved hundreds of them from being bulldozed over. Instead, we are moving them to reservations. But we need money for infrastructure to hook them up to water and sewer and to heat.

So all of these things represent just an overwhelming need: housing, health care, education. I have to confess to you, there are many times over the recent years I have thought, you know, the best thing is probably just to decide to let us abolish the Bureau of Indian Affairs. Let us just flat out abolish it. I do not know of anybody that has been able to come and grab the reins and make much of a difference.

It probably pains you to hear that from me. I know you are trying very hard. But frankly, we do not have the resources. The resources have not been put into these accounts. I am not convinced that the BIA is not so bureaucratic it could not effectively use them anyway.

So I just have this terrible frustration about the emergencies that I think exist in education for these innocent children, who so much deserve our help, and housing and health care. The stories, I could go on for an hour about what I have seen in housing and health care.

You know, I hope that we can find a way to add substantial resources. I hope one day somebody would decide that sticking $1 billion in a program that nobody asked for and they cannot use would be much less a priority than using that money to help children and

help others who are suffering immensely on some of these reservations.

Mr. GOVER. Well, again, Senator, I agree with most of what you said. I do think there is some good news here. For one thing, we have overhauled the way that the BIA spends its education construction money and reduced the amount of time it takes for us to build a school from 7 years down to 3 years and even manage to build one school in a single year, from design to ribbon cutting.

That is very much to the credit of the Facilities Management and Construction Center, who literally have overhauled the way they do their business.

Second, we are going to be begin to take new applications, applications for replacement school construction, for the first time since 1992. Now that is in anticipation that we are going to see some substantial funds so that we can complete the existing priority list. But nevertheless, at least we can begin to have that next generation of schools. So schools like Ojibwa can know that they are on the list at long last and that the trailers are not a permanent condition.

I, too, wish that we had all the resources we need just to meet the basic human needs in Indian Country. We know that we fall far short. The TPA report that we will be providing later this month will demonstrate that very clearly.

If it were up to me, we would get three times the money we get. I do believe we could spend it and spend it well. Most of our funds still go directly to the tribes so that they can provide the services. We would love for all of our service operations on the reservations to be handled by the tribes themselves.

I think that if we got more money, more tribes would contract. The BIA has to be unique in the sense that the more money we get, the smaller our agency becomes, the fewer Federal employees there are, because that means the tribes are taking over these programs. That is what we want to see.

So I sometimes get this overwhelming sense of despair, when you see the scope of the problems that exist in Indian Country. But I do not see that giving up is an option. So we will continue to try.

Senator DORGAN. I am not suggesting giving up. I am suggesting being much, much more aggressive and trying to find a way in which we in Congress and the administration can understand our responsibility does not allow us to compromise on this issue. You cannot compromise on what you must provide for education purposes for these young children. They are our responsibility.

You make the point, and I think it is absolutely accurate, and probably Senator Domenici has done the same thing. You go to a school on a military base and it is a wonderful school. You go to a school 50 miles away on an Indian reservation, in which we have the same responsibility, but they are different kids, and you find deplorable conditions.

Now that is intolerable, and it ought to change. We must stop it.

Let me call on my friend, Senator Domenici.

Senator DOMENICI. Thank you very much. Are you the acting chairman this morning?

Senator DORGAN. I have done a lot of business in the absence of the real chairman. He indicated that we should continue our questioning and then adjourn the hearing.

Senator DOMENICI. Well, first, Mr. Secretary, let me apologize to you for being late. I would share with everyone the reason I was not here is we are having a closed hearing with reference to the espionage efforts by the People's Republic of China versus our nuclear weapon secrets. It is obviously a very serious problem. I called in a couple times to make sure you had not gone before I could get here.

First let me say—if no one has said it, I will. If somebody else said it, it deserves being said again—you are doing a good job. You are very forthright with Members of the Congress. It is your objective to indicate where we cannot do what Indian people ask us to do, and you indicate clearly to us what you think we ought to do that we are not doing, and I compliment you for that.

I think the Bureau is being run a little better, and thank you for that.

Mr. GOVER. Thank you.

Senator DOMENICI. I do not think any good comes from saying we will solve the problem by getting rid of the Bureau of Indian Affairs. I think you were speaking figuratively, but what we need to do is make it work right.

Now, we could get to a point where BIA cannot be as productive as it ought to be. Then we might get you up here and ask for some major way to change it. I do not think that date is too far away.

Now having said that, let me just say, last year in the appropriations process, not merely in the budget resolution, we put language in the Interior report asking the President of the United States, and thus you—you cannot act without OMB's permission—to submit a school construction plan. We asked you to produce for us a 5-year plan to totally take care of the school construction needs in Indian country for BIA schools. Now we were not joking. We said we think if you do it, Mr. President, the President of the United States, we think Congress would fund it.

Now frankly, I have to say, the administration fell far short of that. In fact, I do not think we still have a 5-year plan to build all the schools that need to be rebuilt and the major construction and maintenance issues that are there, which, incidentally, could be more than $1.2 billion, according to some estimates.

Now what we got instead was, in my opinion, a very meager proposal regarding Indian school construction. I am not blaming you, Mr. Secretary. You have to do what you are told. I would not be surprised if, in the exchange of information that occurred, as you went through your two or three cycles with OMB, that you probably on behalf of the Indian people asked for a lot more money for Indian school construction than was given to you.

But to come up with this small increase and then say we could participate in some bonding issue, when we are kind of bonding ourselves because it is the Government issuing bonds—well, we do that when we spend more than we take in. We borrow money.

So why would we have some special way to treat the taxpayer differently on those bonds? There are other bonds that are out

there, if we want to incur debt. Just add it to that. We do not even have to incur debt. We have a surplus.

So, look, I want to say to the Indian people, I do not know how much we will get this year. But we are trying very, very hard to get substantially more than the President suggested, to get on a path that we can tell you and tell Americans we are going to meet this responsibility once and for all. We are going to stop putting other priorities ahead of it.

Now for anybody that does not believe this was not given a priority, then I would ask how come the President in his budget could have some 80 new programs and spend, you know, scores of millions of dollars for new things and not fund this need.

I mean, I think a simple proposition could have been: Before we start anything new, could we take care of this? That would not have been a very difficult proposition. Frankly, you could have found the money, because you found the money in your budget for these other things.

So I am very disturbed. I am sure my good friend, Senator Dorgan, is going to join me on appropriations in trying to get the maximum amount appropriated. But Senator Slade Gorton is going to be faced with a very difficult problem, because he has many, many things in that bill that Americans insist upon: Fish and Wildlife, Bureau of Land Management, National Park Service, all the management things that are out there on the public domain, and many other things.

We recommended the highest priority be given to a $200 million appropriation by him in his bill. That does not mean he has enough money for it. It depends on a lot of other things. But we will be fighting for it, and we will continue to push the administration to give us a plan.

Now, I have a number of parochial questions, and I am not going to burden this entire crowd with some further New Mexico issues. I am just going to give them to you for a response.

Mr. GOVER. OK.

Senator DOMENICI. I think you know the questions, and I think you know the answers. It would be nice to have the answers as soon as possible from your Department.

Now having said that, I also think we have some very excellent institutions wherein Indian people are getting educated for today's job market. I would hope that because we are short of money, that we do not penalize those that are doing a good job.

I mean, we have a number of them in our state. We have a number of them in Indian country that are technical vocational schools that in today's market are producing trained young Indian people so they can go into $25,000, $30,000, $35,000 start-up jobs in high tech industries. I mean, those schools are working in Albuquerque. They are working in Shiprock. They are working in other places.

I hope you keep in mind that when the schools work, we have to keep them going. We have to try to get the rest of the Indian country to follow suit in these areas of appropriate training for today's job market. There should not be such difficulty in terms of employment among our Indian people, although they would have to move distances to take the jobs.

Right now the most difficult problem for American business, believe it or not, is that it cannot find enough trained workers. I mean, if you put out a poll among medium-sized American business, and asked what is the principal impediment to growth, they will say, "We cannot find enough workers to fill the jobs."

The jobs may take a year's training, but that is a truism, what I just said. Frankly, that should provide some very good opportunities, like it is to everybody.

I am going to close on this and just ask you one question. What is the status of the 5-year construction planning effort? I am hearing reports that there is a two-tier plan that is being developed. The first tier would be to allocate about $100 million a year to the backlog. The second tier would be to give the full cost of upgrading all BIA elementary and secondary schools.

Is this the case? Could you briefly tell us what all this means?

Mr. GOVER. Yes. I am not familiar with this two-tier concept. That may be something that was under consideration at one point. We have now received from the construction staff a 5-year plan to address repair or replacement of all Bureau-funded schools. I misspoke earlier. I said it was OMB. It is actually under review in the Department. It will go to OMB this week or early next week. That means we should have the report to the committee by the end of the month.

I do not see any way around spending a lot of money. If we are going to do it in 5 years, that means, you know, assuming it is $1 billion, that is $200 million a year. I have not heard anything about a tiered approach.

It may be we want to sort of ramp up so that in the first year we are less than $200 million, but in year five we are over $200 million, so that we can expand our ability to spend the money.

But there is no alternative to spending an awful lot of money on this issue. I think it is overdue. It still astonishes me, as I was discussing with Senator Dorgan earlier, that we have to explain this to anyone in the administration or elsewhere, that this is a Federal responsibility.

While certainly we appreciate being included in the Presidential Initiative, in the Bonding Initiative, the tribes are asking a very insightful question, which is, why should they issue bonds and incur long-term debt for Federal facilities? It does not make any sense for the poorest communities in the country to incur debt on behalf of the most powerful Government and the richest nation in the world.

So we are not where we need to be. I do feel free to say that Assistant Secretary John Berry agrees that we are not yet where we need to be, and that he will—he has been a great advocate for the Indian schools. We keep trying, and we appreciate all the help that you are providing. We will just keep beating on this drum until somebody listens.

Senator DOMENICI. Well, you make the best point. Whatever responsibility the U.S. Government has to help with public education in America, it is clearly optional on the part of the U.S. Government.

We have gone from helping public education with 10 percent of the national budget of public education to 6 percent, back up to 8

percent, because we feel like we ought to put something in the local institutions that are not Federal, that belong to counties, districts, school districts, and states.

But it is pathetic when we neglect the only one we are obligated to pay for—and if we do not, no one will. I mean, who will? I mean, it is our job. So we are doing all that, proposing to help the inner city schools rebuild. Yet here we sit with the only school system that belongs to the U.S. Government, except the military, and we do not pay for it.

So you have to make that point with these people. If we need to get them over here, even OMB, we can haul them over here and set them out front and ask them: What in the world are you thinking about in terms of priorities? I mean, I would be glad to do that.

If you think it would help, let us ask the chairman and bring them over here. We will bring in our good friend from OMB, Mr. Lew. He will explain. He will explain it well. If you have this big a crowd, it would be nice, though. He will have a sense that we worry about it.

With that, I am going to turn the hearing back to our acting chairman for me to go to another hearing, and I assume you are about ready to go.

Senator DORGAN. Mr. Chairman, I am just going to ask one additional question, or make one additional point. Then I am intending to leave as well.

But I wanted to make a point—well, let me also agree that—I did not say at the start of my conversation that when we went through the process of confirmation for your appointment, we had some lengthy discussions. I agree with Senator Domenici that you have done a good job under difficult circumstances. I have confidence that you have the right instincts and urges to do the right thing. I hope we can get you the resources to help.

But let me just mention the issue of the Indian schools, such as the Wahpeton Indian School. In Wahpeton, North Dakota—I do not remember how many of those schools we have across the country, but the Wahpeton School, for example, is a boarding school that houses a lot of children who are sent there from all across the country, in many cases by tribal courts and others, children from troubled backgrounds, dysfunctional families, are sent to this boarding school.

We need to have a therapeutic model there in order to help these children, because only part of their need is education. Part of it is also to respond to some of the serious problems they are confronting. We do not yet have a full therapeutic model to meet all those children's needs.

To describe what kind of children these are, Joyce Burr, the woman who is the superintendent down at the Wahpeton School, told me of a young grade schooler who asked if he could stay at the school while the school is closed down over Christmas, he would be willing to pay for whatever meals he had, because he had no place to go, no family, no home.

So he said, "Could I just stay here alone at the school, if I would be willing to pay for whatever I eat, just to have a place to be over Christmas?"

I mean, that is the kind of circumstances that students face. Schools like this have an awful time trying to meet their responsibilities, because it is not just education. It is therapeutic. They need the psychologists and the trained experts to help these kids deal with their needs.

I hope you will help us also push for the resources necessary to do that.

Mr. GOVER. Senator Dorgan, I am grateful for that question. I have noticed the same thing. I mean, I do not have a large background in Indian education, but it became immediately apparent to me in seeing some of the situations that we have at several of our boarding schools that we need exactly what you describe, a therapeutic program.

These kids are troubled young people. What we are doing for them is simply inadequate. I have asked the Acting Director of the Office of Indian Education Programs—I will not say I asked him. I will give him credit.

He came to me and said, "I want to work on such a therapeutic model. I want to work with IHS and see if we can find the resources to give these kids the kind of assistance they need."

So we will bring you a—I do not want to say a proposal, because it may not require money. It may just be a matter of using the money we have a little smarter. But understanding that these are not ordinary students and they need some additional assistance. But we will bring you a report on this matter by summertime, I would say.

Senator DORGAN. That is very helpful. Would you also pass on to Assistant Secretary Berry that we appreciate his work? I know of his support on these issues. I think it is important to have him there fighting and working to try to resolve them as well.

Mr. GOVER. I will do so.

ADDITIONAL COMMITTEE QUESTIONS

Senator DORGAN. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO THE OFFICE OF SPECIAL TRUSTEE

QUESTION SUBMITTED BY SENATOR PETE V. DOMENICI

Earlier this year, Assistant Secretary Gover, in his prepared testimony on the President's fiscal year 2000 budget request for the Bureau of Indian Affairs before the Indian Affairs Committee, noted the Bureau was proposing a transfer of $5.068 million in base funds to the Office of the Special Trustee (OST) to begin implementation of the High Level Implementation Plan for the Trust Management Improvement Project (TMIP), with increased funding for the Bureau's responsibilities under the plan being sought in OST's fiscal year 2000 request, which, from his submitted testimony for today's hearing, appears to exceed $37 million.

The Senate has provided $6.8 million in the Supplemental for TMIP, but also directed that no funds will be spent in fiscal year 1999 to implement Secretary Babbitt's Order No. 3208, which would reorganize the Office of the Special Trustee.

Finally, the Office of Special Trustee's fiscal year 2000 budget request is $100 million, an enormous increase of $60.5 million over the 1999 enacted level of $39.5 million, with much of the requested increase going to the trust management improvement project.

I know that you share our deep concern with the extraordinary problems that have been uncovered with respect to Indian trust accounts. Regrettably, it appears that the costs associated with solving these problems continue to escalate. While I appreciate the encouraging update you have provided in your testimony, I would like for you to clarify for the Committee, if possible, the bottom line for solving these problems.

Question. Specifically, can you provide the Committee with your best estimate as to WHEN you expect to complete the reform of the system and what do you anticipate to be the Total Cost, including any expenditures required for litigation and settlement costs?

Answer. The Department shares the concern of the Congress regarding the problems in trust fund accounts and is committed to resolving these long standing problems. Systems reform as outlined in the High Level Implementation Plan will substantially be implemented by the end of the year 2000, if the President's fiscal year 2000 budget request for the Office of the Special Trustee is provided and a successful pilot of BIA's replacement lease management, accounts receivable, land records, and trust resource management systems is completed. Specifically, OST will complete nationwide implementation of the Trust Funds Accounting System (TFAS) by May 2000. Pending completion of the pilot, BIA plans to complete implementation of the Trust Asset and Accounting Management System (TAAMS) in the Area Offices by September 2000. Due to the extensive data clean-up requirements in the Bureau of Indian Affairs, implementation of the Trust Asset and Accounting Management System in some locations may not be fully operational until approximately June 2001.

While it is true that the Department is requesting increased budget authority for trust reform efforts in 2000, the Department does not concur with the characterization that costs for trust reform continue to escalate. On the other hand, costs to support litigation may very well continue to escalate. Additionally, court decisions stemming from the phase of the case that began trial June 10, 1999, could impact the costs of reform.

In July 1998, the Department completed its High Level Implementation Plan (HLIP) for the Trust Management Improvement Project subsequent to the submission of the fiscal year 1999 President's Budget to Congress. At HLIP's completion, the Department recognized that fiscal year 1999 cost estimates for HLIP implementation exceeded the amount requested in the 1999 President's Budget. Congress recognized this situation, and provided the Department increased flexibility in fiscal year 1999 to reprogram funds to meet any unfunded HLIP needs. This flexibility allowed the Department to reduce it's HLIP shortfall from a high of $16.2 million at the beginning of 1999 to $7.3 million at the time the Department forwarded its fiscal year 1999 supplemental request to the Office of Management and Budget. While cost estimates of the various sub-projects continue to change, overall, the total estimates of HLIP have not changed significantly. At the time the President's Budget was submitted, the cost estimates to implement BIA, OHA, and OST components of HLIP in 2000 was $65.3 million; and the 2001 estimate was $34.1 million. The Department expects to have revised cost estimates when it updates HLIP this summer.

Litigation costs cannot be reasonably estimated at this time for a number of reasons. The retrospective portion of *Cobell* v. *Babbitt* is still in the discovery phase of the case, and the Department could have substantial additional costs to support this aspect of the litigation. The Department continues to face the possibility that the court could order an accounting for each individual Indian's trust fund account. The Department could also face additional litigation from tribes in the absence of tribal trust fund settlement legislation.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

I am disturbed by Secretary Babbitt's January restructuring of the Office of Special Trustee. Specifically, I call into question the independence of the Office in the wake of the restructuring.

In March, I sent a letter to the Secretary regarding your March 3, "certification" that the department's budget and reform plan would enable the Secretary to meet his trust responsibilities. But 8 months earlier you were very critical of the planned reforms and thought they were so bad you wrote "I am grateful that I'm not responsible for implementing the plans."

Question. Are my fears about lack of independence confirmed by these events?

Answer. No, these are unrelated actions. The July 1998 note to Special Trustee Paul Homan expressed concerns about the adequacy of project planning and efficacy

of project approaches by BIA in support of the High Level Implementation Plan. The Department and Secretary acknowledged these problems and, the aggressive nature of BIA's schedule in approving the Plan, and committed to additional management oversight. The "certification" memorandum of March 1999 simply attests to the Department's requirement and need for $100 million in fiscal year 2000 to continue implementation of reforms contained in the High Level Implementation Plan necessary to enable the Secretary to meet trust responsibilities under the Reform Act. The memorandum clearly indicates the Acting Special Trustee's view that the Department is not yet in full compliance with the trust obligations as defined in the Reform Act.

Language I proposed to the Supplemental Appropriations bill would suspend the implementation of the Secretarial Order restructuring the OST, but would allow reform efforts to proceed.

Question. Why is the Department opposed to this provision?

Answer. The Special Trustee's statutory responsibilities are outlined in the American Indian Trust Fund Management Reform Act. The Secretarial Order in no way alters the Special Trustee's statutory authorities and responsibilities and is designed to strengthen the organization with the establishment of the Principal Deputy Special Trustee/Chief Operating Officer concept which places total responsibility for all operations, reforms, and other activities in a single position reporting directly to the Special Trustee who, in turn, continues to report to the Secretary.

The proposed amendment may preclude the Department from implementing these planned improvements and may be contradictory to the intent of existing law. It could be construed to require the Department to:

—Abolish the position of Principal Deputy Special Trustee;

—Abolish the Office of Trust Litigation Support and Records; and

—Restore the position of Deputy Special Trustee for Operations.

Elimination of the Principal Deputy Special Trustee and return to the previous reporting relationship with the Office of Trust Funds Management would negatively impact day-to-day oversight of field operations. This organizational alignment, placing a principal deputy to manage day-to-day operations, is an approach that is used in nearly every other bureau and office in the Department. Additionally, given that many employees are involved in both day-to-day operations and implementation of the High-Level-Implementation Plan, abolishing the Principal Deputy Special Trustee would leave the organization with no single day-to-day manager in place who is held accountable for both trust reform and day-to-day operations. The Department is engaged in an aggressive reform effort and subject to significant workloads stemming from the *Cobell* v. *Babbitt* litigation. The absence of a single day-to-day accountable manager could seriously jeopardize the Department's ability to achieve trust management reform and also meet litigation demands.

If the language is construed to eliminate the Office of Trust Litigation Support and Records Management it could have significant adverse impacts on the Department's ability to meet litigation demands and continue making progress in reform efforts. Trust records management and litigation support are areas of significant importance to the Department. The Office is charged with specific responsibilities that will permit it to concentrate on the monumental effort required to meet immediate litigation demands as well as effecting needed reform to Indian trust records management. Prior to the Secretarial Order, the office operated under an informal organization led by a Special Assistant to the Special Trustee, with staff detailed from the Office of Trust Funds Management. The Special Trustee had proposed establishment of a similar, larger office in 1998; establishment of the Office was deferred until more progress was made on an agreed upon records management approach. Continuation of this informal organization would blur lines of authority and responsibility, and hamper the ability of the Department to respond to litigation demands and achieve records management reforms.

In May 1999 the Assistant Secretary Policy, Management and Budget, Assistant Secretary Indian Affairs, and Acting Special Trustee agreed upon a joint records management plan, including a single office—the Office of Trust Litigation Support and Records Management being responsible for day-to-day records management operations of both BIA and OST, hiring, training and managing records officers, developing records management policies and procedures.

We expect to receive a GAO report in the days ahead that is very skeptical of the High Level Implementation Plan. Specifically, it charges that the technology and systems chosen are not properly coordinated and will not do the job. We were originally told the Plan would cost $147 million from 1997 through 2000, with $60 million on improving management systems.

Question. Have we seen the high-water mark in terms of requests to fix, once and for all, the trust funds problem at Interior?

Answer. It is estimated that funds requested in fiscal year 2000 to address trust fund reform, including data clean-up and systems implementation are a peak level. While operational costs for the systems will be needed in the out-years, these costs will be less than the amounts needed in fiscal year 2000. However, fixing the trust problems goes far beyond just implementing new systems and data-cleanup. Trust funds problems are not fully resolved until two other significant issues are also addressed, compensating tribal and individual Indians for any deficiencies in past management of trust funds and Fractionation of Indian Lands. It is likely that these two additional requirements will also involve substantial costs.

Question. Along with Senator Murkowski, I introduced a bill to allow tribes to use their discretion to pull their identifiable balances out of the Department and invest them in qualified banks to increase the rate of return on that money. As you work to clean up documents and determine accurate account balances, shouldn't tribes have this option?

Answer. The Department strongly supports tribal withdrawal of trust funds pursuant to Title II of the American Indian Trust Fund Management Reform Act of 1994 (the Act). S. 739 is intended to meet similar objectives by providing opportunities for tribes to have their trust funds managed by banks in order to receive increased rates of return. However, the Department strongly opposes the mechanism proposed in S. 739 to achieve this objective, as the Secretary would maintain significant responsibilities for monitoring and oversight of funds that would no longer be in the Secretary's control. The Department believes S. 739 is counter to principles of self-determination.

QUESTION SUBMITTED TO THE BUREAU OF INDIAN AFFAIRS

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

SCHOOL CONSTRUCTION BONDING INITIATIVE

You are requesting $30 million as seed money for a bonding initiative to assist tribes in building new schools. The BIA has been included as a very small part of the Administration's fiscal year 2000 School Modernization Initiative, which seeks the renovation of public schools throughout the U.S. by providing Federal tax credits in lieu of interest payments to those investing in school bonds. For the BIA schools, the Administration proposes that Congress give the Tribes authority to issue up to $200 million in bonds in each of the next two years, a total of $400 million, for the repair or replacement of Bureau-funded schools in their communities.

Question. Did the Bureau actively participate in formulating the bonding initiative? Were the Tribes consulted, and what do they think?

Answer. The Bureau held several meetings with the Departments of Education and Treasury concerning steps that would be necessary in implementing the bill. Treasury staff outlined the eneral process that would be followed in implementing this legislation. The Department and the Bureau will continue to consult with these agencies and outside experts in this field. As a part of BIA's preparing to implement this proposal, a Five-Year Education Deferred Maintenance and Construction Plan and School Replacement Guidelines have been developed. A prioritized list of replacement schools projects will be completed in September, 1999, and the new list can be added to what remains of the fiscal year 1993 list of the highest priority 16 schools that needed replacement.

The Tribes did not participate directly in the initial discussions on the Bonding Initiative. They have shared their views with the Bureau since its introduction ranging from those that were in favor of the Initiative to others that were concerned about an equitable distribution in the allocation of the bonding authority between Tribes.

This initiative requires the passage of legislation that is the jurisdiction of the Finance Committee.

Question. What's the status of the legislation?

Answer. Senate Bill 223 was introduced in the Senate on January 19, 1999, and has been referred to the Senate Committee on Finance. The Bureau is not aware of companion legislation in the House, to date, however, it is anticipated soon.

As of six weeks ago when staff were briefed on the Initiative, the Bureau had not determined specifically how this Initiative would work with the Tribes.

Question. What do you think about the initiative?

Answer. The Bureau favors the Bonding Initiative as it would increase the funding authority available for addressing the huge backlog of priority health and safety deficiencies in Bureau-funded school facilities.

The Initiative would allow a creative solution to addressing the educational backlog of facilities needs by leveraging private capital. The initiative anticipates the investment of the community into bonds that would finance the construction of schools.

Question. Given the poverty in much of the Dakotas and in other parts of Indian Country, who is going to invest in these bonds?

Answer. Investors would be affluent individuals, companies, or foundations, primarily non-Indians, who acquire the bonds to receive benefit of tax credits. With the payment of the principal guaranteed by a fund set aside for that purpose and tax credits in lieu of interest payments, the Bureau believes the bonds will be attractive to many investors. Thus, the Bureau will not be looking to needy communities to invest in these bonds.

The Administration proposes that we put $30 million in escrow in fiscal year 2000 to assist the Tribes in paying off the $200 million in bond principal. The BIA would then seek another $30 million in fiscal year 2001 for the second $200 million worth of bond principal. The BIA estimates that if it is provided $30 million for fiscal year 2000, $72 million would be available for principal repayments in 15 years. Growth is based on the assumptions of 6 percent annual interest rate; 15 year life of the bond; and monthly compounded interest.

If $72 million will be available to repay $200 million in bonding authority, $128 million of bonding authority will remain.

Question. The BIA's briefing materials state that the remaining authority would be available to "Tribes able to secure principal through other sources." What does that mean? How will it be determined how the $72 million in bonding authority is allocated among Tribes?

Answer. The Bureau's $30 million proposal in its budget for fiscal year 2000 will grow to an estimated $75 million over a 15-year period at 6 percent interest, thus leaving roughly $125 million of bonding authority still available in fiscal year 2000. This estimated $125 million in remaining bonding authority will allow those Tribes not allocated a portion of the Bureau's $30 million program to use the remaining authority to pursue other creative solutions to addressing school construction needs, such as partnering or cost sharing.

With regards to allocation of the bonding authority, schools with critical health and safety needs are the Bureau's priority. The Bureau will continue to use what remains of the list of 16 Replacement Schools established by the Congress in fiscal year 1993. Additional schools will be added to the list of sixteen after being identified through a priority ranking process to be completed by September, 1999. Facilities Improvement and Repair Projects that may be eligible will continue to be ranked based on their code and standard deficiencies.

Question. Has BIA determined who will determine which Tribes are eligible for "assistance" in paying off the bond principal? Will any Tribes be declared ineligible because they can afford to pay the principal completely from other sources?

Answer. No determinations have been made as to which Tribes will participate in the Bonding Initiative program. The Bureau will first use the new authority to complete what remains of the list of 16 replacement schools established by the Congress in fiscal year 1993. Additional schools will be added to this list after being identified through a priority ranking process to be completed by September, 1999. Facilities Improvement and Repair Projects that may be eligible will continue to be ranked based on their code and standard deficiencies.

Question. Will the Tribes be allowed to replace any BIA schools on their reservations, or will they be confined to replacing only the oldest schools? What are the criteria for a school to be eligible?

Answer. Tribes selected to participate in the Bonding Initiative program will be selected based on their proposals to replace schools that meet the Bureau's priority of replacing schools with critical health and safety needs. The Bureau will first focus on replacing the remaining schools on the list of 16 replacement schools established by the Congress in fiscal year 1993; additional Bureau-operated and funded elementary and secondary schools will be added to this list after being identified through a priority ranking process to be completed by September, 1999. Facilities Improvement and Repair (FI&R) Projects that may be eligible will continue to be ranked based on their code and standard deficiencies.

The Bureau's budget justifications state that the "Secretary would have the discretion to select which bond proposals would be eligible to receive funding from the $30 million."

Question. On what would the Secretary rely to select proposals that are eligible for assistance?

Answer. As stated previously, a school would have to be one of the 185 schools operated or funded by the Bureau and would have to be on Bureau established Re-

placement School or FI&R list. The Tribe would have to apply for bonding authority and be approved by the Bureau. The school's proposal would be evaluated based on its ranking on the replacement or FI&R lists.

The Department of the Interior does not have the authority to invest the $30 million the Bureau is requesting. According to those who briefed staff, the funds would be allocated to the Tribes for them to invest.

Question. Which office will have oversight responsibility to assure bondholders that they will get their principal in 15 years? Will there be limitations on where Tribes' escrow can be invested? Will these investments be government-backed?

Answer. As sovereign nations the Tribes have the oversight responsibility to assure bondholders of return of the principal in 15 years.

While there are currently no restrictions on where the Tribes' escrow can be invested, the Administration has recommended an amendment to the Internal Revenue Code to provide for restrictions to the kinds of sinking funds that can be used to fund school construction. The Treasury Department has already recommended that the bond issues be invested in Federal securities or in State and Local Government Securities (SLGS). These investments are government-backed.

Question. What will the Federal government's liability be to bondholders on the principal?

Answer. The Federal Government will have no liability, except to establish guidelines that assure that Tribes invest in only certain security instruments and to monitor Tribal investments.

SCHOOL IMPROVEMENT AND REPAIR

This Committee has provided significant increases for school improvements and repairs over the last several years because repair and maintenance are critical to getting the BIA schools out of the cycle of dilapidation and replacement. We provided increases of $8 million in both fiscal years 1998 and 1999, taking funding from $24 million to $40 million in two years.

Nevertheless, the backlog appears to be growing. The estimate in 1998 was $695 million and now stands at $743 million.

Given the growing backlog, it would make sense to me to increase funding for School Facilities Improvement and Repair. But the funding request is $4 million lower for this program for fiscal year 2000, $36 million rather than the $40 million we provided last year.

Question. Why has the Bureau requested fewer funds for school repairs for fiscal year 2000?

Answer. The Bureau's fiscal year 2000 request for education construction funding is the highest since 1992. Quite often, replacing a school is a more cost effective measure than Facilities Improvement & Repair (FI&R). The replacement of the Seba Dalkai and Fond du Lac schools will produce a reduction in the maintenance backlog, because those costs are foregone by replacement.

Also, the $30 million requested in the President's Budget for the bonding initiative would result in a significant reduction in the maintenance backlog overall. Current budgetary limitations on appropriations preclude a major infusion of funds due to the existing and competing overwhelming needs and requirements on a Bureau-wide basis. Ideally, if new construction is possible to reduce the backlog, it will have a corresponding reduction on FI&R needs.

Last year, when we realized we would not be able to fully fund all of the requested increases for programs, you and I worked together to focus on education and law enforcement programs. I am still committed to those program areas. We still have much to accomplish.

CHIEF LESCHI SCHOOL

Question. What is the status of the various investigations at Chief Leschi School? I understand that a whistle blower at the school alleged that the school received about $1.5 million more than it should have for bus transportation miles that were claimed but were not accurate. I understand that the FBI and the U.S. Attorney's Office began an investigation in early 1998 and that this past January the BIA and U.S. Attorney met with the Puyallup Tribe.

Answer. According to the Deputy Assistant Inspector General for Investigations, this case remains under active investigation. The OIG has requested that the Committee direct specifics concerning the case to their office.

Question. How much do you think the school owes the government? Does the BIA intend to recover misappropriated funds? When?

Answer. The School owes the Federal Government in excess of $4 million, which includes interest. Because of the ongoing investigation, the Bureau has been re-

quested to delay collection actions by the U.S. Attorney. The recovery of these funds will be coordinated with the Offices of Inspector General, the Solicitor, and the U.S. Attorney. At this time, the Bureau cannot state with certainty what amount may be recovered.

I also understand that, as a result of the transportation funding controversy, BIA conducted a review of Chief Leschi's programs.

Question. What are the results of that review?

Answer. The Bureau's Office of Indian Education Programs (OIEP) conducted a program review of the Chief Leschi School. The review included school administration, school operations, Indian School Equalization Programs, and consolidated school reform plan. The significant findings of the OIEP review included:

1. *Budget*.—There was no record that the school year 1998–1999 budget had been submitted for approval to the School Board. Since converting to grant status, the School has operated under one grant agreement with annual amendments, which make reconciliations difficult.

2. *Procurement*.—Procurement procedures and forms need updating. Purchase orders contained only vague descriptions of items to be bought.

3. *Construction*.—The School, without Bureau approval, used ISEP funds in excess of $2.0 million to construct the School's auditorium.

4. *Administrative Cost Grant*.—The School was overpaid $546,400 in administrative grant funds for the school years 1993–1994 through 1997–1998 because of the overpayment of the transportation funds.

5. *Personnel*.—Despite a School policy that work days be limited to 7 hours, 179 employees worked and were paid for 8-hour days.

6. *Pay Scale*.—The School has used several pay scales the last two school years that were not equitable or based on experience and qualifications. The School has not provided retirement benefits to staff for the past 3 years, which has been cited by some staff as the reason for leaving.

7. *School Board*.—The School Board has not provided adequate oversight and direction for the operation of the School.

8. *School Operation*.—There appears to be a loss of focus on the objective of providing quality education for Indian children which has resulted in increased problems with discipline, violence, and drugs. School enrollment has declined. Some staff members question the quality and level of expectation of the School's curriculum and the textbooks and material. There is no approved organization chart. Supervisory responsibilities and chain of commands are not identified clearly.

9. *Indian School Equalization Program*.—Record keeping in this area was good. The School counted 639 students in grades K through 12 during count week; all but 11 student records had the required documentation.

10. *Consolidated School Reform Plan*.—Implementation of the plan has been sporadic and inconsistent. Despite extensive revisions over the past two years, implementation plans were set aside this year. The revised plan has not been distributed widely or discussed with the staff.

Question. What academic standards must Chief Leschi meet?

Answer. The Chief Leschi School must meet either regional accrediting standards or State standards. The school is currently accredited by the State of Washington.

Congress provided $27 million for design and construction of the Chief Leschi School. Despite having been told that before funds were expended and work was done, the Tribe's construction contracts exceeded the amount available by about $2 million.

Question. What is the status of that situation?

Answer. The School's single audit reports and the Department's Office of Inspector General identified total construction expenditures of $31,873,131. This includes construction, furnishings, and interest. The September 24, 1998, financial report submitted by the School listed the total Federal share of expenditures through September as $28,845,942. The Bureau has paid $25,822,182 for the construction of the School. The Bureau has required the School to contract with a CPA firm to review the construction billings to determine the actual cost of construction and the Federal share, based upon the scope of work approved by the Bureau.

Sadly, as a result of these investigations, some parents have pulled their children out of the school, and enrollment has declined in the last year from 758 students to 639 students. I regret that parents have had to do it, and yet I understand why they would do it. I fully support the complete investigation of these problems. You can count on my support.

Question. Finally, could the BIA please explain the per student funding allocation at Chief Leschi School. Specifically, is the school claiming both a per pupil BIA allocation and a per pupil Washington allocation for every Washington resident student? As I understand it, all of Chief Leschi's students are Washington residents

and most are Native Americans. Is this double-dipping? Is that typical of BIA schools?

Answer. The Chief Leschi School System (School System) and the Puyallup School District have entered into a local agreement. This agreement provides that Indian students within the public school's boundaries are to be counted for funding purposes by the public school district. The school district receives State education funds for these students. A portion of these funds are kept by the public school for administrative purposes with the remainder going to the School System. The School System did enroll the students and provide the basic academic program. The State deems this to be a legal arrangement under State law. The School System is reviewing the local agreement to decide if it will be continued in the future. This is not a typical arrangement for other Bureau schools.

UNLAWFUL INVESTMENTS BY GRANT SCHOOLS

In December 1998, the Inspector General submitted to Congress its Final Report on "Investments and Deposits of Grant Funds by Schools Operated by Indian Tribes and Tribal Organizations". The objective of the survey was to determine whether schools invested BIA grant funds in accordance with law.

The IG found that at least 18 of the 41 schools reviewed did not invest Bureau grant funds in accordance with the law requiring that grant funds be invested only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.

At least three schools lost grant funds of about $691 thousand that were invested in obligations, securities, and accounts which were not adequately insured or guaranteed.

Question. What is being done to recover those funds?

Answer. The Bureau does not have the authority to recover the funds. Certain provisions of the Indian Self-Determination and Education Assistance Act (Public Law 93–638, as amended), which are incorporated into the Tribally Controlled Grant School Act, bar the Bureau from disallowing grant expenditures identified in Single Audits unless notice has been given within one year of receipt of the school's Single Audit report.

The Office of the Inspector General (OIG) relied on the Single Audit reports for its audit. All of the audits in question had been submitted to the OIG more than one year prior to the date of the OIG report. On October 8, 1998, the Bureau requested an opinion from the Office of the Solicitor (SOL) based on the following scenarios:

"If a Single Audit Report accurately identifies inappropriate charges to or conditions concerning Bureau awards but does not specifically question the charges or identify a reportable condition, does the issuance of a subsequent audit report by OIG/GAO that identifies the same inappropriate charge serve as a basis for the Bureau to initiate collection action?"

"If a Single Audit Report which was accepted by the OIG contains insufficient information, and subsequent OIG/GAO analysis questions costs in a later audit report, may BIA initiate collection action?"

In a March 16, 1999, response to this request, the SOL's response was that neither of the situations described above would serve as a basis for the Bureau to initiate collection actions.

Question. When recovered, will these funds be available for other education programs?

Answer. Any recovery of disallowed costs is credited to the appropriation account that was originally charged with the obligation and the availability of funds is governed by the availability of the original appropriation. Thus, recovery of funds charged to a no-year account would be available for future obligation. The appropriations for school operations are available for obligation from July 1 of one fiscal year through September 30 of the subsequent fiscal year. So, for example, funds available for obligation on July 1, 1997, would have to be repaid prior to September 30, 1998, in order to be available for obligation. Since the Grant School legislation only requires that schools submit audits every other year, it is highly unlikely that any funds would ever be recovered within the timeframe allowed for re-obligation of available funds.

Question. Given the IG Report that almost half of the schools surveyed did not know the law or were not following the law, what is the Bureau doing to address the problem?

Answer. When the Bureau received the draft IG report, the Director, Office of Indian Education Programs, contacted each of the Education Line Officers who award grants and instructed them to include in the grant award the specific restrictions

contained in statute governing the investment of grant funds. The restrictions are now contained in all grants to schools.

Question. Could this situation—investment in uninsured securities—be repeated in the proposed construction bond program?

Answer. No, the terms of the school bonding initiative reiterate this policy that limit the funds being invested to only specific Government securities.

Question. Do you think misinvesting is a widespread problem, or a case of "a few bad apples?"

Answer. The failure to maintain advanced Federal funds in accounts fully covered by depository insurance or collateral is fairly wide spread among grant schools, self determination Tribal contractors and self governance compact Tribes. In an effort to improve compliance with the law, the Bureau has included special audit testing requirements in the Single Audit Compliance Supplement which is issued by the Office of Management and Budget. Unfortunately, the Bureau learns of these improper investments only long after the time when Single Audits are submitted. Moreover, some Tribes and school boards maintain that the Bureau has no authority to limit investments and even that it cannot sanction failures to comply with the Single Audit Act. In its efforts to reduce Bureau interference in the affairs of the Tribes and school boards, the Congress has deprived the Bureau of the ability to oversee vigorously the use of appropriated funds.

LAW ENFORCEMENT

The per capita rate of violent crime involving Indian victims is estimated to be more than twice as high as the national average. Arrests of Indians for alcohol- related offenses in 1996 were also more than double the national average. These statistics are devastating.

In response, Congress provided $95.3 million for law enforcement in Indian country in fiscal year 1999, a $20 million increase over fiscal year 1998. These funds are part of a joint effort Congress is funding through the Department of Justice to improve law enforcement in Indian Country.

Question. To what degree is the Department of Justice involved in the initiative in Indian Country? How is the distribution of funding among reservations determined?

Answer. Both the Department of Justice and the Bureau continue to combine efforts in combating the rising crime rate in Indian Country. The Bureau continues to concentrate on providing direct permanent resources to both Bureau and Tribal programs, while the Department of Justice (DOJ) continues to concentrate on providing grants to Tribes. In FY1999, DOJ appropriations total $88.7 million for Indian Country criminal justice programs; included in this level is $34.0 million for construction of new detention facilities. In the past three years, DOJ has provided $68.0 million to Tribes to hire additional police officers through its COPS program. Since the Bureau is not eligible for DOJ grant funds, the Bureau has concentrated on providing resources to those programs still operated by the Bureau.

While the $20 million in new funds appropriated in fiscal year 1999 to the Bureau is very helpful, it only allows the Bureau to begin addressing the most basic of identified needs. Therefore, Bureau funds were made available to existing Tribal 638 contracts, Tribal self-governance compacts and to Bureau-operated law enforcement programs on a "neediest of the needy" basis. Some criteria for determining need included: population, land base, crime statistics, current levels of funding and staffing, and equipment. No fiscal year 1999 Initiative funds were used to start up new law enforcement programs; instead, with the need so great, the Bureau focused on improving existing law enforcement programs.

Question. How much of the law enforcement services are the Tribes providing through contracting?

Answer. There are 203 law enforcement programs in Indian Country operated by the Bureau, Tribal 638 contracts, and Tribal self governance compacts. Of this total, at least 13 Tribes fund their own law enforcement programs and 93 law enforcement programs are contracted through Public Law 93–638, as amended.

Question. Are the Tribes getting any direct funding from the Department of Justice's programs?

Answer. In fiscal year 1999, DOJ was appropriated $88.7 million for Indian Country criminal justice grant programs. Prior to fiscal year 1999, DOJ provided $68.0 million to Tribes to hire additional police officers under its grants programs, such as COPS. DOJ continues to concentrate on providing direct grants to Tribes to fund police officer positions along with related police equipment through its COPS grant program.

The Ramah Navajo case is evidence that other agencies, including the Department of Justice, refuse to pay their share of contract support to the Tribes. This has come back to haunt the Bureau, which has been held liable for the contract support of other Federal agencies. I understand that some Tribes are unable to participate in the "COPS" program because Justice refuses to pay contract support.

Question. What are your recommendations regarding the failure of agencies to pay their share of contract support?

Answer. The Bureau cannot meet its own contract support obligation, much less those of other agencies, within the current budgetary constraints. We believe other Federal agencies should pay their own contract support costs to the Tribes. Tribes have expressed their positions that participation in DOJ's COPS program was limited, not because of the lack of contract support, but because they could not guarantee retention of COPS-funded police officer positions after the grant period expired or the availability of funds to properly outfit the officer. A number of Tribes also advised the Bureau they could not meet the matching funds requirement for DOJ grants and therefore did not apply for the grants.

For fiscal year 2000, the Bureau is requesting another $20 million increase for law enforcement. Of that amount, roughly $12 million is for personnel: new uniformed officers, dispatchers, investigators and detention personnel. The request includes $2.5 million for replacement of police vehicles.

Question. How many more years of substantial increases in law enforcement do you anticipate? Will the Administration continue to keep this a priority beyond the initiative?

Answer. *The Presidential Initiative on Law Enforcement in Indian Country* is a four-year initiative. At the end of the four-year Initiative, if funding is increased each year, both the Bureau and DOJ will have addressed the core law enforcement issues in Indian Country. While the Administration will leave office before the Initiative is concluded, we hope our successors will continue to support law enforcement as a priority program.

CONTRACT SUPPORT

You are requesting $22.8 million in program increases for TPA. Half the increase, $11 million, is for new and existing contracting. Last year, we struggled with the problems of contract support and imposed a one-year moratorium on new and expanded BIA and IHS contracts.

Last year Congress provided an $8 million increase for contract support to close the gap between the obligation and the discretionary funding available. With the increased funding, the Bureau is able to pay about 83 percent of contract support in fiscal year 1999.

You're requesting a $6 million increase this year.

Question. Will this increase cover contract support at 100 percent of your obligation? If not, what can you tell us about the one-year shortfall you would have, and what's the status of the total multi-year shortfall in contract support?

Answer. The Bureau estimates that the fiscal year 2000 request level will allow the Bureau to meet approximately 84 percent of Tribes' contract support fund need in fiscal year 2000, with an estimated shortfall of $23.3 million.

On December 4, 1997, the Department of the Interior Board of Contract Appeals issued its decision in *Alamo Navajo School Board Inc. and Miccosukee Corporation* v. *Bruce Babbitt, Secretary of the Interior.* The Board held that the Miccosukee Corporation was entitled to full funding of contract support costs, notwithstanding an appropriations cap, under the Indian Self- Determination and Education Assistance Act. The United States filed an appeal of the Board's decision with the U. S. Court of Appeals for the Federal Circuit on October 26, 1998. The appellees recently filed briefs with the Court and all parties are awaiting further instructions from the Court.

Because of the growing shortfall and the lawsuits that have been filed on the unmet obligations, we imposed a moratorium last year on new and expanded contracts. This year, you are asking us to lift the moratorium and provide $5 million for new contracts.

Question. When you know you aren't asking for enough to pay contract support for existing contracts, and this shortfall subjects the government to liability, why are you asking Congress to lift the moratorium?

Answer. The moratorium on contracting Bureau programs did not and will not address the real problem, which is full funding for existing ongoing contractors. The Indian Self Determination (ISD) Fund has fully funded the contract support needs of new Tribal contractors. As the Bureau pointed out during the Congressional appropriations process last year, new and expanded contracting is not the problem.

The Bureau distributes the ISD Fund on a first-come, first-serve basis. Once the funds have been completely distributed, contracting Tribes must wait until the next available appropriations before they receive Contract Support Funds (CSF). In addition, the $5 million request for the ISD Fund has historically been sufficient to meet the total requests for new contracting. The Bureau also proposed in its previous budget request to transfer the ISD monies to the main CSF to assist in covering the new contractors from the previous year.

At the request of the Bureau, we have placed a cap on the amount of BIA funding available for the payment of contract support since 1994. Without the cap, the Bureau would have had to reprogram funds away from Tribes that have chosen to continue to receive services directly from the Bureau. Now, there are several lawsuits pending related to contract support. The Bureau has reached a partial settlement in the Ramah Navajo case for $76.2 million. That settlement covers contract support claims through 1993, when we first implemented a cap on contract support.

Question. What's the status of this settlement?

Answer. On May 14, 1999, the District Court for the District of New Mexico entered Partial Final Judgement in favor of the class for a total of $79,903,529 inclusive of pre-judgement interest and attorney fees but exclusive of post judgment interest. The Partial Settlement represents damages for indirect costs for the years 1989 to 1993. The Judgement Fund is to pay, but certain issues (like whether the Department will have to reimburse the Judgement with its operation funds) is not ripe and the Court retained jurisdiction to hear the issues if and when they arise.

The Court awarded attorney fees in the sum of 11 percent of the Gross Common fund (which equals $8,338,000), plus 11 percent of the post judgement interest earned on the Common Fund. The Court also awarded $170,036.37 for costs.

Claims still pending are years 1994 to present (years in which there was an appropriation cap on contract support costs) and an equitable claim for how the Department determines indirect cost rates in the future.

The settlement of Ramah will be paid initially out of the Judgment Fund. The Contract Disputes Act, which is the law used by the plaintiffs in their suit, requires repayment by the BIA. Briefing materials from the BIA budget office state that "the actual responsibility for reimbursement is still under discussion."

Question. What is the status of a determination of the Bureau's source of reimbursement?

Answer. The settlement of Ramah will be paid initially out of the Judgment Fund within the Department of Justice. The Contract Disputes Act, which is the law cited by the plaintiffs in their suit, requires repayment by the Bureau. The actual responsibility and plan for reimbursement is still under discussion, but the Bureau may have little choice except to cover the repayment from appropriations, thus adversely impacting Tribal and Bureau programs.

Question. What is the status of litigation regarding the sufficiency of the cap language the Bureau has had for the last six years?

Answer. On December 4, 1997, the Department of the Interior Board of Contract Appeals issued its decision in *Alamo Navajo School Board Inc. and Miccosukee Corporation* v. *Bruce Babbitt, Secretary of the Interior*. The Board held that Miccosukee Corporation was entitled to full funding of contract support costs, notwithstanding an appropriations cap, under the Indian Self-Determination and Education Assistance Act. The United States filed an appeal of the Board's decision with the U. S. Court of Appeals for the Federal Circuit on October 26, 1998. The Bureau understands that the appellees have very recently filed briefs with the Court and all parties are waiting further instructions from the Court.

Currently, the Indian Self-Determination Act is inflexible. The Secretary has no discretion to decline to enter into a contract—even if no funding exists to cover the costs of the contractual obligation.

Question. Would the Administration support an amendment to the Indian Self-Determination Act resolving the contract support shortfall by giving the Secretary discretion to refuse to enter into contracts when insufficient annual funding is available?

Answer. No, as denoted in a previous response, new contracts are not a problem when Congress grants the Bureau's request for the ISD Fund. However, if the Committee is referring to terminating contracts with existing Tribal contractors in order to meet 100 percent of the Contract Support Fund (CSF) need, the Bureau would be put in a very difficult predicament. The Bureau distributes CSF for existing contractors based on Congressional direction requiring equitable distribution of the available funds on a pro rata basis. Should the law be amended to take such action, existing regulations would have to be modified and difficult decisions would have to be made as to which Tribal contracts would remain in place and receive CSF funds. Efforts in the past to modify the regulations in response to the 1994 amend-

ments to the 638 law took 18 months and an estimated $500,000 in Bureau funds to complete the process. These kinds of resources are not available within the Bureau's limited budget. The more appropriate response is to continue allowing the Tribes to contract in their discretion. The Tribes are aware of the shortage in funding, and take on these obligations understanding the problem. The Congress should continue to make clear, however, that the Bureau will not be liable for payment of contract support beyond the amount appropriated for that purpose.

If the moratorium is lifted, according to budget justifications, the BIA expects about 50 new or expanded contracts in fiscal year 2000.

Question. What are the Bureau's estimates on the saturation point—when will all the interested Tribes have taken everything they're interested in? Do you have estimates on the final, total contract support costs?

Answer. During the hearing, the Bureau provided testimony that addressed the number of new Tribal contracts/compacts which may be awarded within the next five years. Based on a recent polling of the Tribes and Bureau locations addressing historical trends, the Bureau believes that Tribal contracting and compacting of Bureau programs may be leveling off due chiefly to the level of appropriations available in the Bureau's budget. The Indian Self Determination and Education Assistance Act authorizes Tribes, not the Bureau, to determine whether and when to enter into new contracts. Therefore, the Bureau cannot predict with any certainty what new contracts/compacts will be awarded and to the amount of CSF required for such contracts/compacts. The Bureau believes the majority of Tribes interested in contracting and compacting are now doing so based on the level of appropriations available in the Bureau's budget. Any increases in the contracting level will result from Tribes adding to their contracting/compacting volume and/or contracting by newly recognized Tribes. For fiscal year 2000, the projected CSF requirements totals approximately $145 million.

When a tribe takes over all programs and services, it enters into a compact that results in, for lack of a better term, a block grant to the tribe. As part of that block grant process, the tribes have been successful in negotiating for funds equal to a percentage of a Bureau employee, even though, in reality, significant numbers of employees must remain to provide services to the tribes, usually the less sophisticated, poorer tribes, which are not contracting with the BIA.

Question. What kinds of discussions are going on in the Bureau or in Indian Country related to the fact that, in contracting, the winners tend to be those Tribes that got "in the door first," and are the more sophisticated Tribes; and the losers are, again, the Tribes that truly rely on the Bureau for services?

Answer. Following the directives contained in the fiscal year 1998 Conference Report on Bureau appropriations, the Assistant Secretary—Indian Affairs established a joint Bureau/Tribal Task Force to review and determine a distribution method for allocation of available Tribal Priority Allocation (TPA) funding for fiscal year 1998. This initial workgroup evolved into a separate workgroup, the BIA/Tribal Workgroup on Tribal Assessment, to focus on the development of accurate and meaningful data to address funding inequities, unmet Tribal needs, and funding shortfalls. This effort is currently being finalized, thus results are not yet available. Once completed, the report will be submitted to the Committees.

Question. You have established a Bureau/Tribal Workgroup on Contract Support Costs in conjunction with the National Congress of American Indians. What is the status of this workgroup? When will we receive its recommends? Can you share any of the ideas with us today?

Answer. The Workgroup is currently finalizing two reports on the issue for submission to the Congress. One report will focus on the position of the National Congress of American Indians (NCAI) and a second will reflect the Bureau's recommendations through its efforts with the Workgroup. The Bureau's report is expected to be sent to the Committees by mid-summer. Several significant concerns will be addressed in both reports that have been a matter of contention for years, including such issues as the payment of direct contract support costs, establishment of each Tribe's contract support requirement, and the current pro rata distribution.

BIA distributes contract support on a pro rata basis, so that any shortfall in funds is spread evenly over all contracting Tribes. The IHS chose to fully fund the oldest contracts and puts the rest of the contracts into a "queue" where they remain unfunded until increases are obtained. I agree with the Bureau's pro-ratadistribution method.

Question. Is this pro rata method up for discussion or change under any of the findings and efforts of the contract support cost workgroup?

Answer. The issue of the current pro rata method was one of the topics considered by the joint Workgroup. While the final report of the Bureau has yet to be finalized

and submitted, the Bureau's report will not recommend a change in the pro rata distribution method.

WATER RIGHTS LITIGATION

The Administration is requesting a $4 million increase for water rights litigation and negotiations. This is a fairly significant increase over the $11 million we provided last year.

Question. Can you tell us what the Bureau has been accomplishing with funding in this account, and tell us about the status of efforts in water rights negotiations around the country?

Answer. Adequate water rights negotiation and litigation funding is critical to carrying out the United States' core trust responsibility of protecting Indian water resources. Negotiation and litigation funding is used to conduct various evidentiary studies necessary to support the United States' claims to water on behalf of Tribes. Failure to adequately prepare and support such claims may subject the United States to actions for breach of trust. Furthermore, in many instances, water rights litigation is initiated by states or individual non-Indian water users; the United States is named as a defendant in such cases and the only alternatives are litigation or negotiation. If funds are not made available for negotiating settlements, they will have to be expended in typically costly litigation, which often extends over decades. While both litigation and negotiation have attendant costs, the benefit of a settlement is that the needs of both Indians and non-Indians can be met. Conversely, in litigation, there may be no mechanism by which the needs of the "losing" party can be met. The Department believes that workable solutions secured through negotiation rather than litigation serve the best interests of both Indian and non- Indian citizens alike, and that funding this effort is well worth the investment.

Specifically, funding from the Water Rights Litigation and Negotiations account is used to support the ongoing efforts of 18 water rights claims negotiation teams, as well as 15 settlement implementation teams, in California, Arizona, Colorado, Oregon, Washington, Idaho, Montana, Nevada, Utah and New Mexico. For each unique Indian water rights claim where the state and non-Indian parties have formally indicated their willingness to work toward settlement, a Federal negotiating team with representatives from the various involved Federal agencies has been established. Each Federal team, working with the other parties, attempts to reach a negotiated settlement that will to the maximum extent possible prevent disruption of existing water uses while simultaneously preserving future Tribal water use and development. The Department is mindful of the fact that $4 million is a significant increase relative to the $11 million appropriated in fiscal year 1999, but it is noted that the President's budget requests over the past 6 years have averaged $15.2 million, and demand among the Bureau's stakeholders for that funding has averaged $23.7 million.

Additionally, the Department views this increase in funding as critical because it is prudent to address Indian water rights claims sooner rather than later. The Department's experience has shown that delay in addressing Indian claims ultimately leads to significantly increased costs to the United States in the future. In part, this is because non-Indian parties increasingly use more and more water in systems in which Tribal rights have not been quantified and/or implemented, and as they do so, they come to rely on using water that may actually belong to a Tribe. As long as residential and commercial dependence on such Tribal water exists and grows, it is impractical to assert a Tribe's valid claim to the water, and thus more and more difficult to resolve competing claims. In sum, the longer non-Indian dependence persists and expands over time, and as water becomes more scarce, the more costly settlements are likely to be.

Question. Are we nearing the end of water rights disputes with the Tribes?

Answer. The Department is involved in negotiations in most of the major general stream adjudications across the West. At present, there are 18 active water rights claims negotiation teams in 10 states. While the Department is hopeful that these negotiations will result in successful settlements, it is difficult if not impossible to predict the timeline that these complicated undertakings will follow. Whereas a handful of these claims may be ripe for settlement within the next 18 months, others, though they may be ardently pursued, may require several years or more before they approach a final settlement.

In addition, the Department cannot reliably anticipate when states or individuals may initiate new general stream adjudications or other water related litigation. There are hundreds of Tribes in the West that may have valid claims which have not yet been asserted for any number of reasons. However, as the population in the West grows and as cities and their attendant development expand, it is very likely

that more Tribal water claims will surface. It is therefore difficult to assess when disputes over Tribal water rights may reach an end, but it would be misleading to say the end is near.

ENVIRONMENTAL MANAGEMENT

The Administration is requesting $9.8 million for environmental management, compared to $3 million provided for fiscal year 1999. The budget justifications state only that the Department ordered the BIA to develop the program and conduct assessments of all Bureau facilities by 2002.

Question. Can you be more specific about what this funding is for?

Answer. Prior to fiscal year 1999, the Bureau was annually appropriated approximately $3.7 million under a program element entitled Waste Management. In fiscal year 1999, the Bureau was appropriated $6.7 million for its environmental programs: $3.7 million under the Waste Management line item and an additional $3 million under a new program element entitled Environmental Cleanup. For fiscal year 2000, the Bureau decided to combine those two program elements into one, entitled Environmental Management, to more accurately reflect the Bureau's vast array of environmental expenses—some of which do not neatly fall under the "waste management" or "environmental clean-up". This reflects the Bureau's commitment to aggressively managing its environmental responsibilities.

Thus, the $9.8 million requested in fiscal year 2000 in the newly combined line item is a $3.1 million increase over the fiscal year 1999 appropriation.

The requested increase of $3 million will be used for two main purposes. First, it will fund the clean-up of open dumps in Indian Country either as part of the Interagency Solid Waste group chaired by the Environmental Protection Agency (EPA), in response to requests for assistance from Tribes, and/or where the Bureau has contributed to an open dump and therefore may have some responsibility for closing it. The Bureau expects that the majority of the additional $3.1 million requested will fund solid waste projects. (The Indian Health Service has estimated that it will require $120 million to close approximately 1,200 open dumps in Indian Country.)

Second the increase will fund the corrective actions that are found to be necessary under the Bureau's environmental auditing program. The Bureau will not know the exact magnitude of those costs until it actually performs the audits, but audits conducted in fiscal years 1998 and 1999 required corrective actions costing between $100,000 and $1,000,000 per quarter. Thus, it is possible that four quarters of audits in fiscal year 2000 could lead to total corrective action expenses as high as $4 million. The increased funding will pay for a portion of these corrective actions.

Question. Can you explain why $3.8 million of the $6.8 million increase are identified as "uncontrollable" changes?

Answer. The $3.8 million reflected under "Uncontrollable and One-Time Change" consists of a transfer of $3,771,000 from the Waste Management program element to the Environmental Management program element to properly align the environmental programs in the budget structure as outlined in the previous response; $38,000 is also included for pay raises. The increase requested for fiscal year 2000 for the program is the same as that requested and appropriated for fiscal year 1999: $3 million.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Assistant Secretary Gover, I have been impressed with the cooperation from your office in addressing the problem of deteriorating BIA elementary and secondary schools. Last year this Subcommittee asked for a report on the extent of the problem and a five year plan to address the problem.

Question. What is the status of that planning effort? I hear reports that a two tier plan is being developed. The first tier would allocate about $100 million per year to the backlog; the second tier plan would give us the full cost of up-grading all BIA elementary and secondary schools. Do you have an estimate of when this Subcommittee will have this information?

Answer. In Senate Report 105–227, the Bureau was directed to develop an alternative administrative plan to complete the repair, renovation, and reconstruction (including new construction), of all education facilities in five years, on an annual basis. The Department submitted this plan to the Committees on June 8, 1999.

Question. Among the 16 top priority BIA schools for replacement, the Shiprock Alternative School was next on the national list for funding, yet it was skipped over in the President's budget, and a BIA school in Minnesota (Fond du Lac Ojibway) was recommended for funding. Please give this Subcommittee a brief explanation

for this action. Is there any possibility that the Shiprock Alternative School construction program could be funded in the fiscal year 2000 budget?

Answer. The Bureau's fiscal year 2000 Budget request did not include construction of the Shiprock School because design of the project will not be completed until Fall, 1999. The Fond du Lac School project is presently being designed by the Tribe and will be ready for construction in June, 1999. Additionally, inclusion of the Shiprock Alternative project at its full funding level would have required the Bureau to offset the Shiprock costs in the Education Facilities Improvement Repair construction program, leaving only approximately $10 million in the program. This would have negatively affected the Bureau's ability to provide portable classrooms and make repairs that attribute to the nearly $1 billion backlog of repair work in Bureau facilities, including roofing and repair projects, minor improvement projects, and address environmental problems in and around Bureau facilities. Fifty-one schools would have been affected as opposed to one school, Shiprock.

In response to funding the Shiprock Alternative School construction program in fiscal year 2000 within the President's budget request, funds would have to be reduced from either the Fond du Lac project or by reducing the number of repair and improvement projects. The Bureau is opposed to taking such action. OMB Circular A–11 requirements related to phasing of capital improvements requires that capital improvement segments, if phased, must be usable when completed. The Shiprock Alternative School Board, working with their architect, is developing a phasing plan, but have indicated that it will not be available until sometime in May, 1999. Consequently, the Bureau does not have the phasing scope or costs per phase at this time. Funding for site work such as utilities, grading and earthwork, paving/parking, and access roads as a phase is not considered to be a funding phase option because it will not result in a complete and useable facility. Secondly, the Fond du Lac school situation presents real and potential risks to the students and staffs. It is critical that the Bureau advocate for construction and completion of Fond du Lac school as soon as possible so that the risk of loss of life can be minimized.

There are several post-secondary BIA schools in New Mexico that have some fundamental concerns.

Question. For over a decade now, the Crownpoint of Technology in New Mexico on the Navajo Nation has been struggling to meet annual operating costs. How is it that the United Tribes Technical College (UTTC) in North Dakota continues to receive line item funding in the BIA budget while CIT does not? This is of particular concern to me as the number of full time students in class, the number graduating, and the number placed in jobs is consistently higher at CIT. Is there a legislative change necessary to place CIT on equal footing with UTTC for BIA funding? If so, would you please provide this Subcommittee with such a recommendation?

Answer. The United Tribes Technical College (UTTC) is a Tribally-controlled residential vocational school founded in 1969. It is accredited by the North Central Association of Colleges and Schools at the Certificate and/or Associate of Applied Science level, offering eight certificate programs, 11 Associate of Applied Science Degrees, and provides pre-school, K–8 and day care services for families with dependent children. It also provides counseling, placement, medical services and other support services, all focused on the unique social and cultural context of its students. UTTC also works in cooperation with the State Welfare to Work program to provide work related and child care services for State referred Temporary Assistance for Needy Families recipients. This year the college is celebrating 30 years of academic and cultural excellence. In that time, the College has graduated over 10,000 Indian students from more than 45 Federally recognized Indian Tribes across the nation.

The UTTC has been funded by the Bureau for 20 years to provide training services to eligible Indians from across the nation. Initially, for many years, appropriations for UTTC were earmarked by the Congress. After several years, the Bureau included the funding in its annual budget request to Congress. Appropriation for UTTC is under specific statute—Indians- Employment on or Near Reservations (Public Law 959), with a ceiling of $3.5 million to be appropriated annually.

Crownpoint college is similar to UTTC. The Bureau would not object to funding for Crownpoint, but not at the expense of UTTC. There could be separate authorizing legislation for Crownpoint, or as a second option, the ceiling of $3.5 million in the current authorizing law for UTTC could be increased. A third option the Congress might consider is revising the authorizing statutes for the Tribally Controlled Community Colleges to include UTTC and Crownpoint, with increased appropriations to accommodate all the schools.

Question. The Southwest Indian Polytechnic Institute (SIPI) has a large and growing student population of over 650. SIPI's success rate is very high, above 85 percent job placement rate. To keep their accreditation, a new science building is needed.

Would you please tell this Subcommittee how the BIA views capital needs like this one in terms of responsibility and possible funding assistance?

Answer. Capital needs at the Southwestern Polytechnic Institute (SIPI) in terms of responsibility and possible funding assistance can be addressed separately from the replacement school construction priority setting process. In the fiscal year 1991 Senate Report, the Committee indicated, "With respect to the facility requirements of the post secondary schools (SIPI and Haskell), the Committee concurs with the recommendation of the House that master plans, rather than priority ranking process for education facilities, be used to address the comprehensive facility requirements at these locations." Both schools have completed facilities master plans. The Bureau will work with SIPI to develop a plan for the review and implementation of the Bureau-approved Master Plan, and work toward implementation of the first increment of work in the initial fiscal year 2001 budget request.

Question. The Dine College campus in Shiprock, New Mexico, had a severe fire last year, and I thank you for your prompt emergency assistance. Now Dine College is planning a new campus at a different location in Shiprock with costs estimated to be in excess of $40 million. Can you give this Subcommittee any guidance about how the plans for such a campus and its related funding might be possible? Could you also explain to this Subcommittee where the responsibility lies for capital improvements at this and other Dine college campuses (8 total)?

Answer. The Dine College is not on the Bureau's construction priority list. The Navajo Community College and the Tribally Controlled Community Colleges all have specific Congressional legislative authority that governs their respective post-secondary institution as stated in the fiscal year 1991 Senate Report. Many of these institutions have been authorized to establish foundations as a mechanism to solicit the private sector for contributions and investment for their operations. Portions of the philanthropic gifts and other non-Federal funding sources could be placed in interest bearing accounts and applied to facilities and related infrastructure needs.

On another topic, I am very interested in the proposed law enforcement budget for next year. As you may have heard, there is a virtual heroin epidemic in Rio Arriba County and northern Santa Fe County. The per capita heroin death rate is the highest in the nation in this area.

Question. Are there any plans to allocate some of the proposed new law enforcement funds to help the affected Pueblos in the area, like San Juan, Santa Clara, San Ildefonso, Nambe, and Pojoaque?

Answer. The core focus of the Presidential Initiative on Law Enforcement in Indian Countryhas been to address the ever evolving law enforcement needs in Indian Country. In fiscal year 1999, a survey of law enforcement needs in Indian Country was conducted by the Bureau to determine the "neediest of the needy". Based on the results of that survey, an additional $92,000 of Initiative funds were provided to the Pueblo of San Juan, Pueblo of Santa Clara, and the Pueblo of Pojoaque to replace 4 vehicles with mileage over 100,000. Additionally, the Bureau provided $285,000 to the Northern Pueblos Agency to hire 3 uniformed officers, replace 3 vehicles, and obtain needed equipment such as body armor and weapons. The Agency provides direct law enforcement services to the Pueblo of Nambe and the Pueblo of Ildefonso. In fiscal year 2000, the Bureau will again assess the law enforcement needs in Indian Country and make distributions based on those findings, taking into account the assistance provided in fiscal year 1999. Should the Congress provide the fiscal year 2000 increase of $20 million, the Bureau will continue to strengthen law enforcement programs across the nation. Thus, based on the factors denoted, the Pueblos may be eligible to receive additional assistance in staffing and equipment needs.

Question. Is there a planned juvenile detention center in northern New Mexico for the Eight Northern Indian Pueblos?

Answer. The Bureau developed a priority list of 17 detention centers which was published in the Federal Register on December 30, 1993; the Northern Pueblos Detention Facility was ranked 15 on this list. To date, only the top five priority projects have been provided appropriations by the Congress. As part of the Presidential Initiative on Law Enforcement in Indian Country, funding for construction, modernization and repair of detention centers in Indian Country is included in the Department of Justice's (DOJ) budget request(s) and therefore no funds were requested in the Bureau's request for construction of detention facilities in Indian Country in fiscal year 1999 or fiscal year 2000. In fiscal year 1999, DOJ was appropriated $34 million for this purpose. DOJ's budget request for fiscal year 2000 includes another $34 million for the construction of detention facilities in Indian Country. The Bureau has provided DOJ with its construction priority list (which includes the Northern Pueblos facility) and has urged DOJ to consider its existing priority lists because a great deal of time, energy and funds have already been invested

to identify, plan and design some of the facilities. The Bureau will continue to encourage DOJ to give consideration to the projects identified on the Bureau's priority list.

The Tribal Priority Allocation (TPA) system remains a vital issue for most Tribes. In New Mexico, you mentioned to me that you were interested in a pilot program of accountability for these TPA funds. I now have a request for completing the planning for Nambe Pueblo as an initial pilot "needs-based" program. This small pueblo now receives less than $200,000 in TPA funds annually. Yet they seem to believe that your pilot accountability program will allow them to request almost $9 million for the first year of a three year effort to meet their needs.

Question. With at least five other pueblos (of the Eight Northern Indian Pueblos) looking at the Nambe example and planning similar increases, this pilot accountability model of yours could easily balloon into requests exceeding $100 million per year for these northern New Mexico Pueblos alone. How do you envision this accountability pilot working, and is it your plan to encourage such huge increases in funding to make it work?

Answer. The pilot you are referring to is not a Bureau initiative; it is the effort of the Eight Northern Indian Pueblos Council (NIPC). The Bureau is interested in the effort for two reasons. First, it is presented as a needs-based approach to Tribal budget requests. Second, it is portrayed as increasing accountability and reporting accomplishments that support the Government Performance and Results Act. The Bureau has not been provided with a final Nambe Pueblo plan and has not discussed the cost estimates. The Bureau does not have a plan to include this proposal in the fiscal year 2000 request and has told Nambe representatives and the NIPC that large increases in funding are not likely. The Assistant Secretary—Indian Affairs has further stated that he will not support the plan if it takes funds away from other Tribal governments.

Question. Do you support the pilot TPA effort in northern New Mexico as a way to make a statement about full funding of each and every statutory requirement supported by TPA funds? Is there a misunderstanding about this pilot effort that has raised the hopes of getting such large annual increases? Do you see the statutory requirements being cited to support these increases as different from other statutory requirements to achieve other national goals? For example, the Housing Act of 1936 envisions a safe and sanitory home for each and every American, yet Congress has never been able to fully fund the national housing need.

Answer. The Bureau has not provided support to the proposal other than attending a briefing on the proposal and acknowledging the Bureau's support for a needs-based approach to requesting TPA funds. The Bureau has not encouraged NIPC or Nambe to believe that their approach would result in any significant increase in funding. The Bureau was told that the Northern Pueblos were interested in this approach even if no additional funding was provided because it was a logical, rational approach to requesting funds. The Bureau has seen no presentation of statutory requirements and would not see a difference between what is presented to the Senator and requirements for other national goals.

Question. Finally, is the "need based" program pilot at Nambe Pueblo an idea encouraged by you as an alternative to current TPA commitments as a national pilot? What are the conditions for your support of this pilot TPA accountability program at the Eight Northern Indian Pueblos?

Answer. The only encouragement provided to Nambe and NIPC was that their approach as explained was a tangible example of a needs-based approach to determining a Tribal budget request. The request would be supported by analysis of Tribal needs, meet Tribal membership concerns, and provide a mechanism for a Tribe to prioritize usage of financial resources from various sources, not just the Bureau. It seemed very consistent with the efforts of the TPA Workgroup on Tribal Needs Assessment in attempting to provide a mechanism to distribute future TPA increases, except that Nambe had considerably more Tribal involvement, greater details, and was broader than just TPA funding.

The Assistant Secretary and his representatives have stated that the Bureau will not support the Nambe proposal if it takes funding away from other Pueblos, Tribes in New Mexico, or Tribes elsewhere in the nation. If additional TPA funds were available and Nambe had a viable needs- based plan for allocation of a part of those funds, the Bureau would support a pilot to test both the ability to satisfy the needs and report accomplishments under such a system. In addition, it would be necessary that any Tribe contract for the programs if the Tribes are truly going to be responsible for implementation of a needs-based plan.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. Has the TPA Work Group developed ways to quantify the core serviceneeds of an average Tribal government so that they can be used to provide a "Benchmark" for allocation TPA funds?

Answer. The Workgroup on Tribal Assessment of Needs established a subgroup that attempted to determine standards for a variety of Tribal needs. The purpose was to establish a benchmark that would allow for the best distribution of future TPA increases by allocating funds to Tribes where the need is greatest. The Workgroup attempted to determine standards for all programs within TPA, including Tribal government, but also the human service and trust related programs. Development of a benchmark for Tribal government became the most challenging part of the effort. For the most part, the Workgroup used either industry standards or similar governmental programs as the basis for a benchmark to determine need. In the case of a Tribal government, it is exceedingly difficult to find a similar model, such as a state or local government, and acquire enough data to make a reasonable comparison. In addition, many Tribes, like local governments, have a variety of funding resources to support their activities beyond TPA funding. Even when a model of a Tribal government is described and defined, it will not be clear that the TPA budget category should be providing funding for all the activities.

Question. I recently introduced legislation (S. 612) to require all federal agencies, not just the BIA and IHS, to identify and quantify Tribal needs and to submit that information to Congress so we have a better idea of what needs there are and whether they are being met or not. Does the Administration favor this approach? Could you provide us your comments on that bill?

Answer. The Administration will support a needs-based approach to funding Tribes. However, the Bureau is not in a position to commit the Administration's support for S. 612 at this time. The Bureau will develop comments on S. 612 and clear them through the Office of Management and Budget (OMB) and other agencies while establishing an Administration's position on S. 612 as written.

Question. I am very concerned about the ability of the Department to put in place proper trust management systems. I am even more concerned, frankly, that because the trust funds mess has gone on for so long that Congress gets fed up and stops providing money to fix the problem. What confidence do you have that the "High Level Implementation Plan" will provide a workable Trust funds system?

Answer. The High Level Implementation Plan (HLIP) provides a road map to a comprehensive, coordinated, inter-Bureau effort to correct the many well-documented problems associated with the Department's management of Indian Trust funds. The HLIP incorporates supporting tasks, critical milestones, work plans, resource estimates and accountable officials who are charged with the responsibility to ensure its success. The HLIP was implemented under the guidance and oversight of the Trust Management Improvement Steering Committee, chaired by the Secretary of the Interior with membership including the Assistant Secretary—Indian Affairs, Assistant Secretary -Land and Minerals Management, Assistant Secretary—Policy Management and Budget, Special Trustee for American Indians, Solicitor and Chief Information Officer. The bureaus are individually responsible for implementing trust management improvement activities in their respective line organizations. On behalf of the Secretary, the Assistant Secretary—Policy, Management and Budget conducts semimonthly meetings with top bureau officials to report on the activities associated with the plan and to deal with any resource issues, roadblocks, or other matters. Since the approval of the HLIP by the Secretary, there are notable successes evident in the Plan's Sub projects. The Department is confident the HLIP is an appropriate mechanism to articulate the strategies to address the longstanding Trust management system problems.

Question. On April 28 the Indian Affairs Committee will have an oversight hearing on the BIA's Capacity and Mission to determine whether we are asking the Bureau to do too much, or the wrong things or whatever. In the next 10 years do you see the Bureau primarily as a service provider or a technical assistance provider?

Answer. Currently, Bureau programs are approximately 50 percent under contract, compact, or grant. In the next 10 years, the Bureau will continue to be in transition and serving both as a service provider and provider of technical assistance. The "mix" of each role depends largely on how much funding is provided for Bureau programs.. The primary impediment to Tribes' interest in taking programs under contract or compact is that funding is insufficient to properly execute those programs. Nonetheless, as Tribes secure funds from other sources, Tribes continue to accept the responsibility for additional programs so the Bureau will continue to turn programs over to Tribes once the contract/compact moratorium is lifted. It is clearly the intention of the Bureau to encourage Tribes to manage their own pro-

grams and reduce the Bureau's role to providing technical assistance and a Federal Government contact for the government-to-government relationship promised the Tribes.

Question. Public Law 93–638 has been very successful for the Tribes that have chosen to administer their own programs. Should Congress require that all Tribes provide services by administering self determination contracts and compacts? If not, how long can the Bureau continue to be an effective service provider to non-contracting Tribes?

Answer. The Congress should not require Tribes to provide services or to establish Tribal consortia that provide services. At the same time, it does become increasingly difficult for the Bureau to function as an adequate service provider. The most difficult problem exists where most of the Tribes in an Agency or Area decide to contract but a single Tribe remains, requiring direct Bureau provision of service. Fortunately, this is the exception rather than the rule. In places such as the Aberdeen Area and the Billings Area, most of the Tribes continue to expect services to be provided by the Bureau. They view that service as a right guaranteed by the Federal Government and would only consider assuming responsibility for providing service if significant increases in funds were available. This allows the Bureau to be reasonably effective and take advantage of a larger scale operation. In those places where only a few Tribes demand direct service, the Bureau will have to continually reorganize to provide services where they are needed.

Question. Can you briefly explain the proposed regulations on "Fee to Trust Land Acquisitions" by Indian tribes?

Answer. The proposed regulation will amend the current fee-to-trust acquisition regulation found at 25 CFR 151 as follows:

A. The proposed regulation will make acquisitions in trust easier for individual Indians and Tribes when the property is located on-reservation. Each applicant will still have to comply with the following factors: (a) existence of statutory authority to take lands into trust; (b) the need for additional land in trust status; (c) state how the land will be used; (d) supply title insurance or abstract of title; and (e) provide information that allows the Secretary to comply with the National Environmental Policy Act and Hazardous Substances Determinations. Applicants will not be required to address the impact, jurisdictional issues, taxation, or regulatory issues affecting the state and local governments. In other words, the Secretary will lean toward a more favorable decision to Tribes acquiring lands in trust inside their reservations.

B. The proposed regulation will make acquisitions in trust more difficult for Tribes when the property is located off-reservation. The applicant will still have to comply with all the current factors for on-reservation acquisitions, which are: (a) authority; (b) need; (c) proposed use; (d) for individuals, amount of land already owned and decree to which the individual needs assistance in handling his affairs; (e) impact on the state and local governments; (f) jurisdictional problems and potential conflicts; (g) whether the Bureau is equipped to discharge additional responsibilities; and (h) provide information that allows the Secretary to comply with the National Environmental Policy Act and Hazardous Substances Determinations.

In addition, the applicant must also address: (1) the past, present, proposed use of the land, and any future anticipated uses of the land; (2) the location of the land in relation to the reservation, Bureau's Agency, Bureau Area Office, and the State boundary; (3) impact to local governments from loss of tax revenues; (4) any agreements with the state or local governments for payments of lost revenues; (5) ability of local governments to provide public safety services (fire protection and emergency medical services); (6) past, present, and future law enforcement on the land; (7) an analysis of road capacity and traffic impacts; (8) impacts on available water supply and local utilities; and (9) impact on local sanitation and sewage services. In other words, the Secretary will lean toward a more favorable decision to the non-Indian community when Tribes are acquiring lands in trust outside their reservations.

C. Lands that are contiguous to a Tribe's reservation will be considered as off-reservation for acquisition purposes.

D. The proposed regulation allows Tribes without reservations to establish a "Tribal Land Acquisition Area" which will be considered as on-reservation for purposes of acquiring lands in trust.

E. There are new provisions for Congressionally-mandated acquisitions.

F. The Secretary will continue to not take lands into trust in Alaska except for the Metlakatla Indian Community.

G. The Secretary will not take lands into trust until all administrative and judicial appeals are exhausted.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

LAND CONSOLIDATION PILOT PROGRAM

Three Wisconsin Tribes have been identified to participate in the Land Consolidation Pilot Program. These Tribes have expressed a number of concerns about the implementation of the pilot program, and in particular, are concerned that BIA has set up the pilot program in a manner that unduly limits the role of the Tribes.

Question. The tribes have indicated that key parcels of land are being overlooked. Why have the tribes been prevented from identifying parcels of land for acquisition?

Answer. The Appropriation language specifically states:

"For implementation of a pilot program for consolidation of fractional interests in Indian lands by direct expenditure or cooperative agreement, $5,000,000 to remain available until expended, of which not to exceed $250,000 shall be available for administrative expenses: *Provided*, That the Secretary may enter into a cooperative agreement, which shall not be subject to Public Law 93–638, as amended, with a tribe having jurisdiction over the pilot reservation to implement the program to acquire fractional interests on behalf of such tribe: *Provided further*, That the Secretary may develop a reservation-wide system for establishing the fair market value of various types of lands and improvements to govern the amounts offered for acquisitions of fractional interests: *Provided further*, That acquisitions shall be limited to one or more pilot reservations as determined by the Secretary: *Provided further*, That funds shall be available for acquisition of fractional interests in trust or restricted lands with the consent of its owners and at fair market value, and the Secretary shall hold in trust for such tribe all interests acquired pursuant to this pilot program: *Provided further*, That all proceeds from any lease, resource sales contract, right of way or other transaction derived from the fractional interest shall be credited to this appropriation, and remain available until expended, until the purchase price paid by the Secretary under this appropriation has been recovered from such proceeds: *Provided further*, That once the purchase price has been recovered, all subsequent proceeds shall be managed by the Secretary for the benefit of the applicable tribe or paid directly to the tribe."

The Bureau has met with Tribal officials from each of the three Tribes and discussed the project, Tribal participation, why the program was developed and its intended objective of producing a measurable reduction in fractional interests on the three Reservations. It is vital that the Tribes participate in the program to assist the Bureau in achieving the objectives of the pilot project and to seize increased economic opportunity on lands that are consolidated into Tribal ownership.

To that end, the Tribes have been offered funding to assist the Bureau in a number of functions which will be necessary to effect the transactions. Given the importance of achieving success with this project and since it is a pilot demonstration, it is critical that the focus be on the reduction of small fractional interests as opposed to expanding the pilot to accommodate certain interests which are not entirely devoted to this goal.

The Tribes are permitted to identify certain tracts as long they meet the intended goals and objectives of the project. The Bureau has not received any requests from the Tribes indicating their priorities, nor have they communicated any preference, in such acquisitions. The purpose of the project is to reduce and, in some cases, eliminate fractional interests for tracts of land on these Reservations. As long as the Tribes' priorities are aligned with this requirement, the Bureau will accommodate them. The difficulty exists with attempting to implement the project in such a way that would provide the most cost effective process in reducing fractional interests. The bottom line is to purchase as many small fractional interests as possible. If the project's focus is allowed to shift to interests which are larger, this would defeat the purpose of the project resulting in a smaller impact on the reduction of record keeping responsibilities for the Bureau. The project's primary objective is not to be a means for land acquisition but rather to reduce and eliminate a pervasive problem of Indian land titles and management. Certainly, one of the benefits is that the Tribes will obtain ownership and control of properties that would have continued to be unproductive and a drain on existing resources.

Question. What role does the Bureau envision the tribes playing in future acquisition decisions? Does BIA intend to maintain the same level of control over future land consolidation projects?

Answer. This project is a pilot and any future projects will be somewhat dependent on its outcome. It is too early in the implementation of this project to determine and provide any clear indication as to how future possible projects will be addressed. However, it is important that the Tribal Governments participate in the process to assist the Bureau in obtaining a successful result. After the requirements and re-

sults are determined for this project, contracts with Tribes could be considered as another approach that could be used for future allocations.

Question. According to the tribes, there are key parcels of land that have ownership of less than three percent. Why has the threshold been set at less than two percent?

Answer. The priority for acquiring less than two percent interests is because they constitute the highest percentage of all interests in these properties. They also represent the largest number of record keeping responsibilities for the Bureau and result in additional probates, leases, right-of- ways, financial accounts, etc. The Bureau has not ruled out acquiring interests above the two percent level, as long as it fits within the goal of overall reduction. For example, if an individual has multiple two percent interests and has a number of interests in the two to five percent range, it would be reasonable to attempt to purchase all of that person's interests to prevent further fractionation.

Question. What would BIA's position be on a provision to permit Tribes to contract for the pilot project under Public Law 93–638?

Answer. This project is a pilot and any future projects will be somewhat dependent on its outcome. It is too early in the implementation of this project to determine and provide any clear indication as to how future possible projects will be addressed. However, it is important that the Tribal Governments participate in the process to assist the Bureau in obtaining a successful result. After the requirements and results are determined for this project, contracts with Tribes could be considered as another approach that could be used for future allocations. However, the Bureau would consider contracting only on terms that ensure that our primary objectives are addressed. Acquisition of land for the Tribes is not the primary objective. Instead, the primary objectives are the consolidation of unproductive interests and the reduction of administrative costs.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

INDIAN TRUST FUNDS

In 1996, five Native Americans filed suit against the Clinton administration for mismanaging billions of dollars in trust funds held for Indians. BIA funnels $500 million a year into 300,000 trust accounts held by individual Native Americans.

Much of the money cannot be accounted for, but BIA contends that a massive records overhaul will correct the problem.

In a recent ruling, U.S. District Judge Royce C. Lamberth found Secretaries Babbit and Rubin in contempt for withholding trust fund records and other documents during the hearing. The judge assigned a Special Trustee, Mr. Thompson, to monitor the financial dealings of BIA and correct the problem.

Question. What are your plans to overhaul the records management system for Indian trust accounts?

Answer. The plaintiffs in the *Cobell* v. *Babbitt* have requested that we produce all records (title reports, leases, probate orders, etc.) related to their individual trust accounts, including those of their predecessors dating to the original trust patents issued in the late 1800's. Judge Lamberth ruled Secretaries Babbitt and Rubin and the Assistant Secretary-Indian Affairs in contempt due to our failure to produce all trust fund documents for five named plaintiffs and their predecessors in interest. The judge assigned a Special Master, Mr. Alan Balaran, to oversee the discovery process and administer document production compliance with court orders and related matters. The costs to produce documents for the five-named Plaintiffs and thier predecessors in interest based on the Government's definition of predecessor is estimated to be $13 million. The definition of predecessor remains before the Special Master for decision. The Solicitor has advised that the definition advocated by the Plaintiffs would add thousands of individuals to the definition. If Plaintiffs prevail, the costs to produce these documents will increase by tens of millions.

In accordance with the American Indian Trust Fund Management Reform Act of 1994, the Special Trustee is charged with trust fund reform oversight. Mr. Thomas Thompson is currently serving as the Acting Special Trustee while the Administration conducts a search to fill the post permanently. In April 1997, the Special Trustee submitted his "Strategic Plan to Implement the Reforms Required by the American Indian Trust Fund Management Reform Act of 1994". Notwithstanding the Secretary's reservations about certain aspects of the Strategic Plan, the Secretary and the Special Trustee agreed that selected trust system improvements and data clean up efforts in the Strategic Plan should proceed. The approach selected to implement the Secretary's decisions on portions of the Special Trustee's Strategic Plan is cen-

tered on 13 major Sub Projects outlined in the Department of the Interior's High Level Implementation Plan. This Plan outlines the comprehensive, coordinated, inter-Bureau effort to correct the many well- documented problems associated with the Department's management of Indian trust funds. Implementation of this Plan will cost $136 million through fiscal year 2000.

Presently, the Office of the Special Trustee and the Bureau of Indian Affairs are developing and implementing two systems—the Trust Funds Accounting System and Trust Assets Account Management System—which will facilitate management of trust funds and trust land transactions. Records management considerations are being incorporated into the information system development. For example, all existing electronic information systems will have their data and documentation scheduled under the Federal Records Act requirements.

In addition, the Secretary's High Level Implementation Plan contains a Records Management Sub project to resolve Indian Affairs long standing records management weakness in the Bureau. The scope of the Sub project includes Indian Affairs records policy, management, storage, access, control and disposition and electronic records-keeping, including imaging technology. The Sub project was further refined based on a recent study of the Bureau and Office of Special Trustee's (OST) records management activities. The recommendations and actions to be taken to implement each of the recommendations that resulted from the study follow. While OST has requested $7.4 million in fiscal year 2000 to reform Indian Affairs records management, senior officials from the BIA, OST and the Department will share in the responsibility of overseeing the reform efforts. Please see attached High Level Implementation Plan—Records Management Sub Project.

Question. What is BIA doing to compensate the Native Americans whose trust accounts have been lost?

Answer. In November, 1997, the Department submitted its recommendations for settlement of disputed Tribal trust fund accounts to the Congress. The recommendations were based on the Tribal Reconciliation Project, a five-year, $21 million study of Tribal accounts undertaken by Arthur Anderson, LLP under the supervision of the Department. The Department drafted legislation and, after a series of consultation meetings with Tribes, submitted the proposal to the Congress. The Administration's proposal envisioned immediate payment of known errors, a good faith settlement offer to all Tribes with trust accounts that did not accept the good faith settlement offer, and finally, litigation for those circumstances where a settlement could not be reached. It was introduced by Congressman Miller by request on April 30, 1998 (H.R. 3782). A joint hearing of the Senate Indian Affairs Committee and the House Resources Committee was held on the proposal on July 22, 1998. The Inter Tribal Monitoring Association (ITMA) offered its own proposal as well. The 105th Congress ended without the adoption of any Tribal settlement legislation. Departmental officials have met several times this year with ITMA representatives to discuss principles for a new consensus settlement bill. The Department invites active involvement of the Congress in developing Tribal Trust Funds settlement legislation.

The administration of Individual Indian Monies accounts for individual Indians is the subject of the Cobell v. Babbitt et. al. litigation. While Plaintiffs in this lawsuit contend that they have claims for recovery of "lost" funds and/or for damages for alleged mismanagement of trust lands (or other assets), this lawsuit does not involve a claim for monetary relief. Lawsuits for such claims have yet to be filed.

MORE TEACHERS IN NATIVE AMERICAN SCHOOLS

In an effort to reduce class size in Native American Communities, Education Secretary Riley has introduced a program to train 1,000 teachers to teach in Native American communities.

The BIA Office of Education Programs will receive $3.46 million from the Department of Education's Class Size Reduction Program for the 173 schools funded by BIA. Although the funds are to target reducing class size in grades one through three, each BIA-funded school is eligible to participate.

At this time, the Department of Education feels funds should be distributed based on student enrollment. However, if this method of distribution is used, only 62 of the 173 Bureau funded schools will receive enough money to hire one teacher.

Question. How does the BIA propose the money from the program be distributed?

Answer. The Bureau is working with the Department of Education (Department) on the distribution methodology for the Class Size Reduction program funds. The Department is currently requiring that these funds be distributed to schools based on enrollment and level of poverty. As BIA's 185 schools qualify for the free and reduced lunch program and as high poverty schools the Bureau is working with the

Department to re-evaluate its distribution method.. In addition, the Bureau funds many schools with small enrollments due to the isolation and rural conditions where Bureau schools are located. If funds are distributed based on enrollment, the Bureau will have some schools receiving only $900, which is not sufficient to effect a reduction in class size. The Bureau is recommending that the funds be distributed equally to each school. This would result in each school receiving approximately $20,000, which in some locations is enough to hire a beginning teacher. The Bureau will continue to work with the Department on this issue.

ISHI'S REMAINS

Three weeks ago, I wrote a letter to the Smithsonian's Museum of Natural History Director regarding the repatriation of the remains of Ishi, the last of the Yahi Indians.

For over 80 years, it was widely believed that Ishi's entire body was cremated by officials at the University of California, Berkeley after his death from tuberculosis. But in February, two historians found that a Berkeley anthropologist offered Ishi's brain to the Smithsonian.

Ishi's remains are currently stored in a formaldehyde tank at the Smithsonian Institution's Maryland storage facility. The discovery has angered American Indians in Northern California, and around the nation, who believe that an Indian's spirit cannot travel to the afterlife unless his remains are buried whole. The rest of Ishi's body was cremated and buried in a cemetery in Colma, California.

Museum policy dictates that Native American remains can only be returned to ancestors of a person's tribe. However, Ishi was the last of his tribe.

Question. The Smithsonian can only return Ishi's remains to Indians with close cultural, linguistic and dietary ties to Ishi's people. What can the BIA do to help in the search for possible ancestors of the Yahi tribe?

Answer. Under the Native American Graves Protection and Repatriation Act (NAGPRA), remains are returned to the Tribe with which they have a close cultural affiliation. This distinction is significant, because the closest affiliation may, in fact, be a quite distant relationship. Under NAGPRA, museums are responsible for determining which Tribe has the closest cultural affiliation to a given set of remains. The Bureau has no statutory or regulatory role in that process. The Bureau may, however, serve as a source of information for museums who are seeking to make determinations of closest cultural affiliation.

SUBCOMMITTEE RECESS

Senator DORGAN. Thank you all very much for appearing. The subcommittee will stand in recess until 9:30 a.m., Thursday, April 15, when we will receive testimony from Mike Dombeck, Chief, U.S. Forest Service, and James R. Lyons, Under Secretary, Natural Resources and Environment, USDA.

[Whereupon, at 10:57 a.m., Wednesday, April 14, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, April 15.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

THURSDAY, APRIL 15, 1999

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:34 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Stevens, Domenici, Burns, Bennett, Byrd, and Kohl.

Also present: Senator Craig.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENTS OF:

JAMES R. LYONS, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT

MIKE DOMBECK, CHIEF

ACCOMPANIED BY:

VINCETTE GOERL, DEPUTY CHIEF, CHIEF FINANCIAL OFFICER

RON STEWART, DEPUTY CHIEF, PROGRAMS AND LEGISLATION

GLORIA MANNING, ACTING DEPUTY CHIEF, NATIONAL FOREST SYSTEM

ROBERT LEWIS, DEPUTY CHIEF, RESEARCH AND TECHNOLOGY DEVELOPMENT

CLYDE THOMPSON, DEPUTY CHIEF, BUSINESS OPERATIONS

JANICE MC DOUGLE, ACTING DEPUTY CHIEF, STATE AND PRIVATE FORESTRY

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Good morning. As we begin this hearing I am delighted to welcome as witnesses Jim Lyons, Under Secretary for Natural Resources and the Environment, of the Department of Agriculture, and Mike Dombeck, Chief of the Forest Service, both of whom are familiar with this subcommittee and have been here frequently before.

BUDGET RESOLUTION

Before we take up the Forest Service budget request for the fiscal year 2000, let me make some observations about the current fiscal climate in which this subcommittee is required to do its work.

Based on a budget resolution, which will be passed later today, the total for non-defense discretionary spending available for the entire appropriations subcommittee will be less than a freeze level. This subcommittee can expect, therefore, that its allocation will also be less than last year's.

Accordingly, I do not see how the Congress can provide more than the $1 billion increase proposed by the President for this year's Interior and related agencies' bill. It is against this backdrop that we must examine the Forest Service budget.

BUDGET AND ACCOUNTABILITY

After the various gimmicks are set aside, the President proposes to increase the agency's budget by $172 million over 1999. Even if we were not faced with the current budget constraints, it is increasingly difficult for members in either the House or Senate to support such large increases in the Forest Service budget. There is a widespread feeling that the Forest Service has not become accountable when it becomes to policy issues or how it spent its money.

For example, the Forest Service's financial statements have been subject to an annual audit by the USDA Inspector General and the General Accounting Office since fiscal year 1991. The agency has yet to receive a clean audit opinion despite repeated promises to improve its performance. Moreover, in January 1989, the General Accounting Office added the Forest Service to its list of agencies at "high risk" of waste, fraud, abuse and mismanagement due to the unreliability of the agency's financial statements.

The agency does not fare much better when it comes to fulfilling its policy mission. Indeed, the Forest Service seems each year to move farther and farther away from its statutory mission of multiple-use to one solely of preservation. The agency's year 2000 budget proves the point. While the Service proposes large increases in many of its non-commodity programs, the only program slated for a significant decrease is the timber program.

Let us review some of these programs in a little more detail. First, there is $53 million in increases for the purchase of conservation easements and for USDA rural business loans as a part of the administration's land legacy smart growth initiative; second, $37 million in increases for research in the areas of vegetation management and wildlife and aquatic habit; and third, $23 million more for fish and wildlife habitat management.

As I said, the only Forest Service program slated for a large decrease is timber sales. Apparently, the 75 percent decrease in timber harvest levels on Forest Service lands since 1990 does not fit with the agency's agenda, because the fiscal year 2000 budget proposes to cut the timber sales program by another $30 million and reduce its harvest level an additional 400 million board feet, and that is not all.

By the Forest Service's own estimates the agency's recently announced interim rule implementing a moratorium on road building in roadless areas will also serve to delay 170 million to 260 million board feet currently planned for offer in fiscal years 1999 and 2000.

Other funding priorities in this budget raise troubling questions. The Forest Service wildfire preparedness program, which performs

critical work concerning human safety and the protection of Federal and private property, were frozen at last year's levels. But according to the agency's own formula this represents a 7-percent decrease in the preparedness level.

I do not see the merits of this decision when recent data compiled by the GAO shows that 39 million acres of national forest lands in the interior west are a tinderbox. Likewise, the agency's decision to fund the recreation management program at last year's level in the face of ever-increasing demand for recreation by the public raises questions about how the agency is allocating its resources. I find it difficult to reconcile increases of 600 percent for programs that focus on acquiring easements on private land with the decision to hold level or cut many of these other critical programs that serve existing forest service lands.

Do not misunderstand me. Acquisition programs like Forest Legacy have done good work on the Mountains-to-Sound Greenway, and other projects across the country, but the magnitude of the proposed increase in this program in light of other funding needs seems excessive.

BUDGET RESTRUCTURING

Finally, at last year's hearing we discussed the issue of budget restructuring. Chief Dombeck and Mr. Lyons, along with then Chief Operating Officer Francis Pendolfi emphasized the need for significant budget restructuring as a necessary part of fiscal accountability for the Forest Service.

Last year's bill directed the Forest Service to eliminate the general administration line item as a part of larger budget restructuring proposals that the agency would work out with Congress prior to your submission of the fiscal year 2000 budget. I see that this budget still contains the general administration line item, and that the fiscal year 2000 budget includes only minor restructuring.

It does not seem that budget restructuring has been taken seriously. At a minimum the Forest Service has disregarded the explicit direction of Congress. As I said last year, while we may disagree on some policy issues, I believe that we should be able to work together on a budget restructuring proposal that will enhance the Forest Service's ability to account for appropriated dollars and get work done on the ground. I look forward to hearing from you about any proposals the Forest Service is working on in this area.

With that, I will turn to my distinguished ranking Democratic member, Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman. Let me ask a question about the Wood Education and Resource Center. The President's budget request for the Forest Service funds for the center is $1.5 million, which covers basics such as salaries, but not much else.

In fiscal year 1999, at my request, and with the direction of this committee and the Congress, the Forest Service took over the Hardwood Training Center and renamed it the Wood Education and Resource Center. We added $2.5 million directly to the fiscal year 1999 appropriation for that center. It is now being operated by the State and private forestry part of the Forest Service, but the

Forest Service has also formed a partnership between the Wood Education and Resource Center. Were you asking for questions at this point, Mr. Chairman?

Senator GORTON. Well, basically, I was letting people have their opening statements, and I will let the two witnesses testify first, Senator Byrd.

Senator BYRD. Fine. Let me just postpone the remainder of my statement and question until you are ready for that.

Senator GORTON. OK. Senator Burns.

Senator BURNS. I have no statement. Mine will come in the form of questions, Mr. Chairman. I am just absolutely ecstatic and elated waiting in anticipation of the witnesses before us.

Senator GORTON. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. I am sure the witnesses are as well. Thank you, Mr. Chairman, I appreciate the opportunity for an opening statement. I want to welcome Secretary Lyons and Chief Dombeck. I have met with them both in anticipation of their testimony, and I have appreciated the way in which they have always kept the lines of communication open and worked with me on issues relating to Utah.

I must raise one issue generally, which I have raised with them privately, but need to get on the record, which I think may not be a parochial issue, and from the chairman's opening statement does not sound to me like it is completely parochial.

FOREST HEALTH

The Forest Service's new direction seems to be aimed at eliminating timber sales. We have a forest health crisis in the Dixie National Forest. Over 200,000 acres of the forest have been decimated by beetles, and there is concern that the Forest Service has not done enough to stop the decimation, and the problem is that the local mills are starving, for lack of wood, and by coincidence the local forest is starving too, because the beetles are not being dealt with, and the cutting down of trees that would stop the infestation of the beetles is not being allowed.

There are those that have gone so far as to say that, in an effort to prevent timber sales, which seems to be the mission of the Forest Service currently, or some portions of the Forest Service, they are allowing a condition that is destroying the forest, and we will end up with neither forest nor forest sales.

So that is an issue we think we ought to pursue, and I am looking forward to hearing from the witnesses on that and other issues relating to the timber sale question that the chairman raised.

Senator GORTON. Thank you.

I think at this point we should hear from the witnesses. I believe Mr. Lyons, you are schedule to go first.

SUMMARY STATEMENT OF HON. JAMES R. LYONS

Mr. LYONS. That is correct, Mr. Chairman.

Senator GORTON. Fine.

Mr. LYONS. Thank you very much, sir. It is a pleasure to be here this morning and to be joined by Senators Byrd, Burns, and Bennett to discuss issues related to the Forest Services fiscal year 2000 budget.

FOREST HEALTH AND SUSTAINABILITY

Last year when I testified before the subcommittee I emphasized that despite the many contentious debates we have had over Forest Service management issues, I believe the Congress and the administration agree in many more areas than we disagree, at least in terms of our overall goal of protecting the health and sustainability of the nation's forest, and we worked together last year over the fiscal year 1999 appropriations debate, and I think worked out some very contentious issues.

For example, as you know, Mr. Chairman, we worked very closely with you to try to resolve issues over conveyance of the Wind River Nursery of Skamania County in exchange for county lands while protecting the research values of the Wind River Experiment Station, and I think that project is proceeding nicely.

I think there may be some technical changes to what we agreed to last year, but I think all parties are in agreement that we can get this issue resolved.

Similarly, we worked diligently to finalize a complex land exchange between the Mount Baker-Snoqualmie and Wenatchee National Forest and Plum Creek Timber Company, which I think is going to benefit both the company and the public in that region of the country. We also worked closely with Congress on a range of broad national issues.

One of those, of course, was the forest health issue, and we are pleased with your granting us the authority to develop an experimental program we call the Stewardship Contracting Program to help improve forest health in collaboration with local interests through long-term contracts designed to address forest health concerns. I think in a number of instances, although we agreed to disagree in others, we were able to work together to accomplish some very important things.

This year's budget, despite the concern we have for the overall budget resolution and the atmosphere in which we are working, would recommend a 6.5-percent increase in our appropriations over the 1999 appropriations act. The budget continues to emphasize critical investments necessary for the management, restoration, and protection of the agency's 192 million acres of public lands as well as needed reinvestments in the State and private arena, as well as in the research programs.

LANDS LEGACY INITIATIVE

There are a number of initiatives that were identified in the budget that I would like to highlight for the members of the subcommittee. First of all the President's budget includes a new Lands Legacy Initiative, which you referenced in your opening statement, Mr. Chairman. The Lands Legacy Initiative is a $1 billion Federal program which includes about $218 million in Forest Service funding.

It is an initiative that focuses on working with States, local governments, and willing partners to protect great places, conserve open space for recreation and wildlife, and to preserve forests, farmlands, and coastal areas.

Currently, 30 million people live within an hour's drive of national forest system lands, and that has changed dramatically the management and the pressures that are placed on our forest supervisors.

Recently, the front page of the Portland Oregonian, for example, highlighted a decision by the Mount Hood National Forest supervisor to reevaluate a proposal to limit hiking on the parts of the forest's wilderness lands. When the supervisor proposed to limit access the public outcry was such that he elected to pull back and take another look at how to better manage the recreation use on the Mount Hood, which is growing at an exponential rate.

The national forests adjacent or in close proximity to cities like Seattle, Portland, San Francisco, Los Angeles, Boise, Salt Lake, Albuquerque, Boston, and Durham, New Hampshire, and many others are increasingly challenged to meet the multiple and expanding needs of customers who also share in the ownership of these resources.

Two elements of the President's Lands Legacy Initiative would support the acquisition of long-term conservation easements, the forest lands, and open space threatened by development. To be clear, these programs are to be used only to acquire lands and interest in lands on a willing seller basis, but we believe additional investments in the Forest Service's land acquisition and the Forest Legacy program are critical components of the fiscal year 2000 budget.

PUGET SOUND MAP PHOTOGRAPHS

I want to also highlight another element of the Lands Legacy Initiative, Mr. Chairman, by use of satellite photos. I will put that up now. I believe, Mr. Chairman, you are very familiar with this part of the world.

Senator GORTON. I can tell what that is a map of.

Mr. LYONS. I thought you would. What is interesting about this map, and I want to credit American Forests for working with the Forest Service in putting this information together, is that there has been a tremendous loss of tree cover in the Puget Sound region over the past few years. In fact, the total loss during this time period has been 37 percent of the tree cover in that particular region.

I think this helps to illustrate the point that the loss of forest cover and rapidly urbanizing environments like Seattle is a risk to watersheds, to viewsheds, and in general, the quality of life in the region. You are all too familiar, Mr. Chairman, and, in fact, I realize that you recently had a hearing on issues related to salmon and salmon listings in the region, this deforestation and the extent to which it is occurring is one of the issues that is exacerbating concerns related to future salmon habitat.

Now, the Forest Service administers programs designed to work with communities to help maintain forest cover, to preserve open space, and those quality-of-life elements that are disappearing from

the Puget Sound region. The specific program I am referring to is the Urban and Community Forestry Program.

URBAN AND COMMUNITY FORESTRY

It is one of the programs we have proposed for an increase in funding this year, and hopefully for permanent funding, should the Land and Water Conservation Fund [LWCF] legislation be authorized this year by the Congress.

It is a program that is vital to helping communities help themselves protect their national resources, whether they are in their communities, neighborhoods, or backyards. I want to point out that we also have active Urban and Community Forestry Programs in all 50 States, especially in the Salt Lake area, that I know Senator Bennett is very familiar with.

Just 3 weeks ago, Mr. Chairman, as I mentioned to you when Mike and I came to visit, I was part of a wetlands restoration effort on the Dwuamish estuary, and I would acknowledge, as you pointed out, that we are not likely to save the Dwuamish estuary through one wetlands restoration effort.

I think the participation in that restoration work does a lot to not only engender community spirit, but a greater understanding of the role that communities can play in long-term conservation.

CLEAN WATER ACTION PLAN

The President's fiscal year 2000 goal for the Clean Water Action Plan is to further enhance Forest Service programs which assure that all the nation's lands, not just the National Forest lands, provide clean water, healthy fish and wildlife, as well as sustain the production of goods and services the public demands from our forested lands. Certainly, the debate over salmon and the future of listed species of salmon, steelhead, and bulltrout has brought the issue of watershed health and watershed protection to national focus.

INSECTS AND DISEASE

Equally important to watershed health would be appropriate investments in sustainable forestry, particularly, as Senator Bennett pointed out, where insects and disease have killed thousands of acres of productive forest lands, oftentimes leaving a powder keg of dead and dying trees awaiting ignition.

I know some of the members have seen this forest risk map that we are displaying now. I want to refer in particular, for an example, to the insect and disease problems we are facing in Northern Idaho. In recognition of the problems reflected by the threat in Northern Idaho, we are working cooperatively with the State to limit the impact of bark beetles on high-value stands, particularly in recreational and wildland-urban interface areas where the risk of wildfire to life and property is significant.

We are using various means to address the beetle infestation, as well as removing currently infested trees, conducting thinning, and establishing field breaks to reduce hazardous fuels, and to restore stands to a drought resistant and insect and disease tolerant situation.

PAYMENTS TO STATES

The fiscal year 2000 budget contains additional initiatives as well. As was proposed last year, the administration again intends to forward legislation to stabilize payments to States. I believe it is essential to provide these payments through a process that does not link the output of forest products to the education of our rural school children or the quality of roads used by their parents.

On this subject, Mr. Chairman, unfortunately, the debate is centered around the future of the timber sale program, as if this is the only issue at hand, but I would implore the Congress to take a different look at the issue. The reality is that this issue is about education.

Is it right to continue to balance the education of thousands of children in rural communities on the backs of the timber sale program? If you asked a parent of one of these children if they were more comfortable with a stable funding base for their children's education needs, as opposed to funding that depended on future Federal timber sales, they might provide you with a different perspective.

ROADS

Let me briefly focus on one additional issue, Mr. Chairman, and that is the Forest Service Road System. The fiscal year 2000 budget seeks an increase in funding of about $23 million for the maintenance of roads important to rural transportation, as well as investments that will help obliterate roads that are no longer needed or beyond repair. Although we are pleased with this increase, it is important to emphasize that the maintenance and capital improvement needs of the Forest Service road system continues to grow. This chart helps to illustrate that fact.

MAINTENANCE

As you can see, the annual maintenance needs for our road system today are about $568 million compared to the fiscal year 1999 funding level of just about $100 million. Until we close this gap, either through increased funding or reducing the size of the road system, the $8.4 billion backlog in forest road maintenance will continue to grow significantly each year.

Mr. Chairman, I want to end my remarks by restating that I am confident that with your support we can work together to build a Forest Service program that accomplishes the long-term land health objectives that we have, that helps to ensure delivery of clean water, provides quality access, assures diverse recreational opportunities for all Americans, and helps to preserve and protect the natural legacy that we are entrusted to manage.

PREPARED STATEMENT

I recognize, Mr. Chairman, that the numbers are tight, and we are going to face a very difficult challenge, but as you demonstrated in the past, I am confident with your continued leadership we will be able to get through this issue as well, and I look forward to addressing any questions that the subcommittee may have.

Thank you.

Senator GORTON. Thank you.

[The statement follows:]

PREPARED STATEMENT OF JAMES R. LYONS

Chairman Gorton, Senator Byrd, and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Forest Service's proposed budget for fiscal year 2000.

BACKGROUND

Last year when I testified before this Subcommittee, I emphasized that despite many contentious debates we have had on Forest Service management issues, Congress and the Administration agree more than we disagree on our goals for the sustainable use of our national forests. Despite differences regarding budget priorities and the environmental riders which were part of the fiscal year 1999 appropriations debate, we worked together to develop a bill which moved the Forest Service forward to resolve some of the contentious issues we faced in addressing high priority watershed and forest health concerns.

Let me note some examples of this cooperation: In your home State of Washington, Mr. Chairman, we worked closely with you to convey portions of the Wind River Nursery to Skamania County in exchange for county lands while protecting the research values of the Wind River Experimental Forest. We worked with you to finalize a complex land exchange between the Mt. Baker-Snoqualmie and Wenatchee National Forests and the Plum Creek Timber Company which will enhance recreation opportunities, improve wilderness management, and result in more efficient administration of Forest Service and Plum Creek lands. We also worked closely with Congress on broad national issues including developing an experimental program for end results contracting to improve forest health in collaboration with local interests. We jointly addressed the sensitive issue of anchor bolts in wilderness areas by increasing public involvement as part of the decision making process. As these examples show, I continue to believe we have common interests and greater agreement than disagreement, although I'm sure we'll be involved in tough debate again over this year's budget.

As for the Forest Service fiscal year 2000 budget, it would provide for an overall increase in discretionary appropriations of 6.5 percent compared to the fiscal year 1999 Appropriations Act. The budget continues to emphasize critical investments necessary for the management, restoration, and protection of the agency's 192 million acres of public lands. In addition, the budget proposes a substantial increase of $37.2 million to enhance the agency's leading role in Forest and Rangeland Research. Finally, the budget also proposes increases in selected State and Private Forestry programs, which are key components of the agency's management portfolio that has been largely overlooked.

PRESIDENTIAL PRIORITIES

The President has proposed several initiatives in the fiscal year 2000 budget, as well as continued investment in the Clean water Action Plan, first initiated as part of the fiscal year 1999 budget.

The President's budget includes a new Lands Legacy Initiative, the largest one-year investment ever made in the preservation of America's lands. The Lands Legacy Initiative is a $1 billion Federal program, and includes $217.6 million in Forest Service funding. The initiative focuses on working with States, tribes, local governments, and willing private partners to protect great places, conserve open space for recreation and wildlife, and to preserve forests, farmlands, and coastal areas.

Currently, 30 million people live within an hour's drive of national forest system lands. The pressures on these lands to meet growing recreation demand are tremendous. Recently the front page of the Portland Oregonian highlighted a decision by the Mount Hood National Forest Supervisor to reevaluate a proposal to limit hiking on parts of the forests' wilderness lands. Limits were proposed to maintain the wilderness character of these hiking experiences, yet public outcry required a new look at the proposal.

National forests adjacent or in close proximity to cities like Seattle, Portland, San Francisco, Los Angeles, Boise, Salt Lake, Albuquerque, Boston, Durham, NH and many others are increasingly challenged to meet the multiple and expanding needs of customers who also share in the ownership of these resources.

In New England, for example, the Forest Service has made judicious use of limited land acquisition funds to purchase key recreation areas and lakefront properties

to ensure continued public access. The Lake Tarleton acquisition completed last year in partnership with the Trust for Public Land provides one good illustration of how limited acquisition dollars can have a large impact in the region.

Similarly, in partnership with the governors of Maine, New Hampshire, Vermont, and New York, the Forest Service has committed funds from the Forest Legacy program to aid in acquisition of key timber and utility lands that are now being put up for sale in large blocks. This is the same program, Mr. Chairman, that we've used in partnership with the Mountains to Sound Greenway Trust and other land conservation groups in the Pacific Northwest to preserve important recreation areas and hiking trails such as those that line the Interstate 90 corridor.

Two elements of the President's Lands Legacy Initiative would support the acquisition of long term conservation easements of forestlands and open space threatened by development. To be clear, these programs are used only to acquire lands and interest in lands on a willing seller basis. But we believe additional investment in the Forest Service's land acquisition and Forest Legacy programs are critical components of the fiscal year 2000 budget.

I want to also highlight another element of the Lands Legacy initiative by use of satellite photographs. I'm sure you recognize this part of the world, Mr. Chairman. It's the Puget Sound region and the three photos illustrate the degree to which tree cover has disappeared. In fact the total loss in this time period has been 37 percent of tree cover in the 24 years between 1973 and 1997 as growth occurred in the area. I want to thank American Forests for providing me with these photos to help illustrate the point that the loss of forested cover in rapidly urbanizing environments like Seattle is a risk to the watersheds, viewsheds, and, in general, to the quality of life of the region. The Forest Service administers programs designed to work with communities to help maintain forest cover, preserve open space and those quality of life elements that are disappearing in the Puget Sound region. The specific program I am referring to is the Urban and Community Forestry Program and it is one of the programs proposed for increases (and, hopefully, permanent, funding) in the President's budget.

This program is vital to helping communities help themselves protect the natural resources in their communities, neighborhoods, and backyards. Just three weeks ago, I participated in a project to restore a wetland in the Dwuamish estuary in the industrial part of Seattle. I know you know that area, Mr. Chairman. I won't suggest to you that we can bring back the Dwuamish entirely, but I can assure you that the 50 or so schoolkids who participated in the project and the Federal, State, and local partners who joined in probably got more benefit out of the project than the watershed. Projects like this occur every year in communities in every State in the nation and the Urban and Community Forestry Program makes that possible. This program needs your continued and expanded support.

The President's fiscal year 2000 goal for the Clean Water Action Plan is to further enhance Forest Service programs which assure that all the nation's lands, not just National Forest lands, provide clean water, healthy fish and wildlife habitat, as well as the sustain production of goods and services that the public demands of our forested lands. Certainly the debate over salmon and the future of listed species of salmon, steelhead, and bulltrout has brought regional if not national focus to the importance of clean water. It is important to keep in mind the fact that approximately 25 percent of the water that flows in the west originates in the national forests. Yet the health of many national forest watershed has been adversely affected by excess roading, logging, and the management activities whose cumulative effects are a cause for concern.

Equally important to watershed health will be appropriate investments in sustainable forestry, particularly where insect and disease have killed thousands of acres of productive forests leaving a powderkeg of dead and dying trees awaiting ignition. For this reason, renewed focus is being placed on investments in thinning forest lands and treating devastated watersheds through tree removal and prescribed fire.

I know some Members of the Committee have seen the forest risk maps. Let me refer to the insect and disease map now. Note the severe problem in Northern Idaho as identified by the large red area. In recognition of this problem the Forest Service is working cooperatively with the State of Idaho to limit the impact of the bark beetles in high value stands in recreational and wildland/urban interface areas using pheromones to manipulate local beetle populations. The Forest Service is proposing watershed restoration work on National Forest System lands to improve forest health by removing currently infested trees, reducing the build-up of hazardous fuel, and implementing stand treatments to restore stands to drought resistant and insect and disease tolerant species composition with greater proportions of white pine, western larch, and ponderosa pine.

The fiscal year 2000 budget contains additional initiatives. As was proposed last year, the Administration again intends to forward legislation to stabilize payments to States. I believe it is essential to provide these payments through a process that does not link the output of forest products to the education of our rural school children or the quality of the roads used by their parents. If enacted, the legislation will result in long-term predictability of payments needed by the States and counties of America.

On this subject, Mr. Chairman, I implore the Congress to take a different look at this issue. Unfortunately, some would have this be another debate over the future of timber harvests on the national forests. But this describes the issue in too narrow a context.

The reality is that this issue is about education. Is it right to continue to balance the education of thousands of children in rural communities on the back of the timber sale program? If you asked a parent of one of those children if they were more comfortable with a stable funding base for their children's education needs as opposed to funding that depended upon future Federal timber sales, they might provide you with a different perspective. And that's not to say that the Administration and the Forest Service are not committed to a sustainable timber supply from the national forests. We've made clear our opposition to "zero cut." But the uncertainties of timber supply, dictated by budgets, an annual debate in the halls of Congress, public opinion, and local challenges are such that greater certainty is needed in terms of the payments to counties for education.

Let me briefly focus on the forest road system. The fiscal year 2000 budget seeks increased funding of $22.6 million for maintenance of roads important to rural transportation, and to obliterate roads no longer need or beyond repair. Although we are pleased with this increase, it is important to emphasize that road needs are significant and the backlog of deferred maintenance and capital improvement needs continues to grow. Let me show you a chart that depicts this. As you can see the annual maintenance needs for our road system today is $568 million as compared to a fiscal year 1999 funding level of $99 million. Until we close this gap, either through increased funding or reducing the size of the road system, the $8.4 billion backlog will continue to grow significantly each year.

Finally, the President's budget includes a significant increase in funding for the Forest Service's Research Program. Research and sound scientific information are the foundations for natural resource management and critical elements in guiding future natural resource management decisions. As recommended in the recent report of the Committee of Scientists, we are seeking to enhance our research investments to build a stronger link between science and management. The proposed increases in research funding in the President's fiscal year 2000 budget are vital links to a sound scientific foundation for sustainable forest management.

SUMMARY

Mr. Chairman, I will end my remarks simply by restating that I am confident that with your support we can work together to build a Forest Service program that accomplishes long-term land health objectives, delivers clean water, provides quality access, assures diverse recreational opportunities for greater numbers of Americans, and continues providing strong livelihoods for communities for generations to come.

I know that the numbers are tighter and therefore, the challenges even greater. But, we've done it before and, with your continued leadership, will do it again. I look forward to working with you in constructing the fiscal year 2000 budget; the agency's first step toward its second century of conservation leadership.

Thank you for the opportunity to address you today. I would be pleased to answer any questions you may have.

SUMMARY STATEMENT OF MIKE DOMBECK

Senator GORTON. We will hear first from Mr. Dombeck.

Mr. DOMBECK. Thank you, Mr. Chairman. Senator Byrd, committee members, I appreciate the opportunity to be here to talk about our Forest Service programs.

I have with me the Deputy Chief of the Programs of the Forest Service, Vincette Goerl, Deputy Chief, Chief Financial Officer; Ron Stewart, Programs and Legislation; and we also have Gloria Manning, from National Forest System; Robert Lewis, from our Re-

search and Technology Development; Clyde Thompson, Business Operations; and Janice McDougle, from State and Private Forestry.

I have been in the job now about 2 years, just a little bit over that. In fact, it has been an interesting ride, seeing the evolution and being part of the controversy of natural resource management in the United States, and the issues that the Forest Service has been involved in, and as one who likes history, it is interesting to see that many of the controversies we are dealing with today are very similar to the controversies that the first chief of the Forest Service, Gifford Pinchot, dealt with. I think one of the premises that I like to keep in mind is that we need to maintain our view on the long-term interest and health of the land and the communities that are dependent upon the land.

The 2000 budget that we will be discussing, I will be happy to highlight some of those areas, but one thing that strikes me, especially over the last couple of decades, is that the makeup of our demographics, the urban growth in the United States, the continual change in stress on local communities, that fewer people are viewing the national forest as a warehouse of commodities to be taken to market, and more people are putting values on the overall health of watershed management, forest health, and the moralistic values that the forest ecosystems provide in this country.

The ensuing controversy that I mentioned has emanated in many, many ways, and I am sure we will discuss many of those ways soon, but some people look to you, the Congress, to fix problems that they see depending on how their interests are affective. Others push appeals to the limit, so the agency can get on with either producing timber or not producing it, depending upon their point of view, and still others ask the courts to resolve land use policies through litigation, and oftentimes we find ourselves as the wrestling mat waiting for someone else to focus on resolving our issues.

I am hopeful that this budget and the continuing dialog that we can have by working more closely with local communities, with the communities of interest, will enable us to move forward in the long-term health of the land, because healthy watersheds, as the Organic Administration Act points out, as well a sustainable supply of timber are important to what we do on national forests.

In fact, I am one who believes that there is room for a reasonable flow of outflows of timber, livestock, water, the recreation opportunities, the many, many other wildlife habitats that are dependent upon national forests.

WATERSHEDS

I want focus on water and what watersheds do for us just a moment here with this graphic. It is interesting to note that of the world's water supply, .008 percent is renewable fresh water. This is the very water that agriculture, that humanity is dependent upon, in a sense, this tiny drop of the entire amount of water that is on the globe, and we have increasing urban pressures, increasing populations, and increasing uses of this water.

If we could take a look at the next graphic we can see that the national forests are the largest single source of water, making up about 14 percent, and then if we take a look at all the forest lands

of the United States, about 66 percent of the runoff comes from all of these lands. The fact is that the best water quality in the United States is coming off of our forested lands. These are also the anchors for many of our aquatic species that we have concerns over.

It is also interesting to note that 60 percent of the nation's runoff occurs east of the Mississippi, and about 70 percent of that occurs from private forest lands. The picture is somewhat different in the West.

For example, in California, national forests occupy about 20 percent of the State of California; yet, 50 percent of the runoff that occurs in the State of California comes off of National Forest System lands, and water, of course, is one of the issues that will be of increasing importance to all Americans as time marches on.

TIMBER HARVESTS

Now, as we move through the debate, there are those that advocate we move to the timber harvest outputs of 10 years ago, and then there are those that promote zero cut. My reaction to that is, we need to have a little more realism in the debate. In fact, the budget proposals provide funding for outputs, which we believe are consistent with land health.

I do not visualize timber harvests of 10 years ago, and also I do not visualize a wealthy nation like the United States and the science that we have being totally dependent upon third-world nations that have lesser environmental protections than ours, so I believe a sensible timber program is important, and the fact is, we have the best science, the best technologies in the world here in the United States, and it is important that we work together to move the debate forward.

SUSTAINABLE FOREST MANAGEMENT

I would like to now move to sustainable forest management. I just recently returned from a trip to California where I was at the Eldorado National Forest, but this is a similar situation that I believe Senator Bennett spoke of, and I know in every State in the West at least we had this type of situation.

This was the Cleveland fire. It occurred in 1992. We lost 2 lives, 22,000 acres, 3,500 acres of Spotted Owl habitat, 41 homes, and other buildings burned. It destroyed the Eldorado Canal, which supplied water to local communities on the Eldorado.

Now, if we could take a look at the next graphic. Note the island that was left behind. There were several islands like this left behind. The reason that we have these, if you will, inclusions that survive is because of management practices that have occurred on that land, prescribed burn, those types of things, and we need to apply this type of technology every place that we can, and the fact is, that watershed, for a time, lost a great portion of its watershed function, and yet in the areas where we see the inclusions of green, the soils survived, watershed function was maintained at least in part, and we can apply these kinds of technologies and need to be applying these technologies every place we can, and we can afford to.

Now, if we could take a look at the next graphic, this is another shot on the Eldorado National Forest. This is a before picture, be-

fore management practices were applied, in this case, thinning some level of harvest that was economic, by the way. Now, let us take a look at it after.

We see we have a situation here, if we have a tough fire year, which we are going to have in many parts of the country this year, like in your State, Senator Domenici, it is exceedingly dry right now, we may experience a fire there, but it is likely that it will not be a stand-replacing fire, that, in fact, the next step in the management practice there would be to do a prescribed burn, and then enter into a routine of prescribed burn, and the appropriate level of management to move forward.

Let us just take a look at the last one. I was at this spot just a couple of weeks ago, and I believe that if we could all get out in the field and look at some of these things that many of the things that we discuss in our hearings and other places like this that we could reach agreement. The fact is that we need to apply the best technologies.

What we have on the right-hand side of the road is a fairly healthy situation, where we have applied the science and the management techniques. On the left-hand side of the road we basically have problems that need to be addressed and we need to make investments in those areas.

FINANCIAL ACCOUNTABILITY

I just like to spend a few minutes, Mr. Chairman, making some comments about accountability and financial management. I do not think there is another chief of the Forest Service that has had more hearings on financial management accountability than I have, and I have only been on the job for 2 years, and we have gotten the message, believe me, and we are in the process of moving forward in a variety of things. I have Vincette Goerl here to talk in detail about those things.

No. 1 is, I feel it is important for the Forest Service to do what it has to do internally with regard to administrative procedures, streamlining what we can streamline before we come to the Congress and ask for changes. We have begun to do many of those things. For example, we have eliminated retroactive redistribution, we have reformulated work activity codes and management codes, we have eliminated, if you will, almost a million management codes that Vincette will talk about soon.

The business of financial management and accountability also involves behavioral changes. You have an organization that has a very decentralized culture, and that is the way resource management should be, because watersheds and ecosystems are different in one part of the country than another, but the fact is a credit and a debit is the same wherever we go, so we are working hard conducting training sessions and those kinds of things to make sure that our accounting systems are what they should be.

I was part of getting a clean financial audit for the Bureau of Land Management when I worked there a few years ago, and Vincette Goerl comes highly qualified, was part of the Custom Service getting a clean financial audit, is currently the president-elect of the D.C. Chapter of the Association of Government Accountants, the National Finance Chair of the Business and Profes-

sional Women's Club, and I have made financial management and accountability as an equal priority to resource management in the Forest Service by basically creating a chief financial officer side of the organization that deals with the business management side that Vincette Goerl is a part of, as well as maintaining the natural resources side of the program through the Associate Chief for Natural Resources and deputies associated with that.

MULTIPLE-USE MANAGEMENT

So we have a lot of ways to go on budget structure. We want to work on that, but I just in closing want to say that multiple-use management is alive and well.

The balances may be different, but the fact is our 192 million acres of national forest, we have 380,000 miles of roads, $30 billion worth of infrastructure, 74,000 authorized uses, 23,000 developed recreation sites.

We have 35 million acres of wilderness, we have 5.8 billion board feet of timber under contract. We graze about 2.1 million animal unit months. We have 960 hard-rock mining operation proposals that were approved in 1998. We have about 3,400 operations, minerals operations, that we administer. We have about 500 energy operations, 859 million recreation visits to the national forest.

What we have in this organization that oftentimes is under fire, is we have the best forest and rangeland research organization in the world. We have some of the best technical assistance that we provide to State agencies through our State and private forestry program. We have the best wildland fire fighting organization in the world.

PREPARED STATEMENT

My hope is that our resource policy debates do not detract from the need to streamline, to focus on what is good for the land, and I think we all want a smooth running operation that is efficient, that is effective, and I am sure that is a goal that we share, Mr. Chairman, and with that I will ask that my statement be entered into the record, and we would be happy to answer any questions you might have.

Senator GORTON. Both your written statement that of Mr. Lyons will, of course, be included in the record.

[The statement follows:]

PREPARED STATEMENT OF MIKE DOMBECK

Chairman Gorton, Senator Byrd, and members of the Subcommittee, thank you for the opportunity to appear before you this afternoon to discuss the Forest Service's proposed budget for fiscal year 2000.

In February, I addressed our employees in Missoula Montana about the state of the Forest Service. I would like to review some of those remarks today as I discuss the proposed budget for the Forest Service.

I am honored to have served as Chief of the Forest Service for over two years. During this time, I have had the pleasure to be a part of the continuing evolution in the direction of the Forest Service. I have come to appreciate that many of the conflicts we face today over management of natural resources are very similar to the conflicts faced by the agency's first Chief, Gifford Pinchot. What made the Forest Service unique under his leadership was a set of conservation values that were not always popular, but which reflected the long term interest of land health. Mr.

Chairman, as in the days of Gifford Pinchot, the values put forth in the President's fiscal year 2000 budget emphasize long term health of the land.

In my testimony today I want to concentrate on the values of healthy land by elaborating on some key areas: 1) the major changes reflected in the President's budget that set a new leadership direction for the Forest Service; 2) how the Forest Service Natural Resource Agenda reflects these values; and 3) how we are addressing important accountability issues. Let me first address some overall perspectives about where the Forest Service has been and where the Secretary and I want to take it in the future.

Over the last decade there has been a significant change in how society views conservation values. Many people have ceased viewing publicly owned resources as a warehouse of outputs to be brought to market and instead have begun assigning greater value to the positive outcomes of forest management.

The result of such change is that we often find ourselves caught in the middle between competing interests. Some look to you, the Congress to "fix" the legislation that they perceive has negatively affected their interests. Others push to limit the number of appeals, so the agency can get on with producing timber or stopping timber production, as the case may be. Still others ask courts to resolve land use policies through litigation.

Too often we find ourselves waiting for someone else to resolve our issues for us. I think that must end. The budget we are going to talk about today sets the framework for the Congress, the Administration, the States, local governments, and private parties to begin working together in a new way to collaboratively resolve conservation conflicts. The central premise of our approach is that by restoring and maintaining a healthy land base on public and private lands alike, we can ensure that our children, and their children's children enjoy the benefits of land and water.

Mr. Chairman, with healthy watersheds as a foundation, there is room for a reasonable flow of outputs; timber and livestock specifically, but many other products also. There is and will be the ability to produce cleaner water. There is a land base which will allow us to set aside additional places untrammeled by human beings, and there is an ability and a necessity to preserve now and for generations to come, additional open spaces before such spaces are fragmented or degraded due to private land development, urban sprawl, and other such issues.

For those who advocate a return to timber outputs of 10 years ago, or those who advocate a "zero cut" philosophy, I say it is time to inject realism into the debate. The President's budget provides funding for outputs which are consistent with land health. I can not visualize a circumstance when such outputs will ever be at the level of 10 years ago, but I say to the other side of the spectrum, timber harvest will, and should continue. The President's budget contains innovations that recognize the ability of people to restore ecosystems from those already degraded, using modern science and technology, where people have either contributed to poor land health by over using the land, built roads in unstable or overly steep terrain, or prevented natural processes such as fire. We can improve the health of these areas, and do so by not only allowing the removal of forest products but by demonstrating in some cases such activities can contribute to forest health. The more timber harvest contributes to ecological sustainability, the more predictable timber outputs will be. This budget presents a solid balance that if enacted will help accomplish these goals.

The Forest Service serves many people. With our 192 million acres, 383,000 miles of roads, $30 billion infrastructure, 74,000 authorized land uses, 23,000 developed recreation sites, tens of thousands of dispersed recreation sites, and 35 million acres of wilderness, the national forests are many things to many people. The Forest Service has the premier Forest and Rangeland Research organization in the world which is involved in research to improve land health and to improve the experiences enjoyed on the land by Americans.

SPECIFICS OF THE PRESIDENT'S BUDGET

The President's budget creates a new focus on State and Private Forestry programs. Over time, our leadership capacity to assist those who manage the more than 500 million acres of forests outside of the national forest system has diminished. One of our greatest contributions to society will be our ability to bring people together to provide technical assistance and scientific information to States, private landowners, and other nations of the world. The fiscal year 2000 proposed budget contains an increase of $80 million in State and Private Forestry, and $37 million in Forest and Rangeland Research to increase our involvement in this critical collaborative role. Consider that we have been spending about $2 billion annually to

manage the 192 million acres of national forest land, yet spend less than $200 million in support of the 500 million acres of State managed and privately owned lands.

With this budget, support to State and locally managed lands and non-industrial private lands dramatically increases. The budget proposes $218 million for the Lands Legacy Initiative, which will make new tools available to work with States, tribes, local governments, and private partners to protect great places, to conserve open space for recreation, and wildlife habitat; and to preserve forest, farmlands, and coastal areas. This $218 million is part of the President's bold Government wide initiative to provide $1 billion for the Lands Legacy Initiative.

The President's budget also continues support for key programs initiated with the fiscal year 1999 budget by targeting an increase of $89.4 million for the Clean Water Action Plan to maintain priority attention to the health of watersheds on Federal, State, and private lands. Let me show you two displays which graphically emphasize the importance healthy watersheds, not only on the National Forests, but from all forested lands. As the first graphic shows the total readily available fresh water represents less than 1 percent of the total world supply. It is truly a precious resource. The second chart shows that although water from the National Forests is important, only 14 percent actually originates from the National Forests. The vast majority originates from other forested lands in the United States. I believe this clearly shows the importance of the President's Clean Water Action Plan.

Forest and Rangeland Research programs are an important aspect of emphasis in the President's budget. In addition to funds to support global climate issues, an additional $14 million is proposed for the Integrated Science for Ecosystem Challenges project which addresses science and technology needs related to ecological systems.

The President is also proposing as part of this budget several new legislative initiatives. Most notably, a proposal similar to one put forward last year, to stabilize payments to States and counties by separating payments to counties from a reliance on receipts generated by commodity production. At the beginning of my testimony, I noted the need to manage outputs from the national forests in a manner consistent with land health. In doing so, emphasis for producing those outputs has changed. For example, today a significant number of timber sales are sold for stewardship purposes rather than pure commodity objectives. There is an increase in the sale of dead or dying timber. In these cases receipts are less than were experienced several years ago. I expect this trend to continue particularly in the west. What we are asking is, why should the richest country in the nation finance the education of rural schoolchildren on the back of a controversial Federal timber program? The Forest Service has a stewardship responsibility to collaborate with citizens to promote land health. Collaborative stewardship implies an obligation to help provide communities with economic diversity and resiliency so they are not dependent on the results of litigation, the whims of nature or unrelated social values to educate their children and pave their roads. We need to work together so States and counties can anticipate predictable payments on which to base education and road management decisions.

NATURAL RESOURCE AGENDA

The President's budget contains many important initiatives. It also contains a broad program of funding for management of national forest lands. Just one year ago I announced the Natural Resource Agenda, which is a comprehensive science based agenda that will lead management of the agency into the 21st century. As an integral partner with the Government Performance and Results Act, this agenda focus on four areas; (1) watershed health and restoration, (2) sustainable forest and grassland ecosystem management, (3) the national forest road system, and (4) recreation.

I want to highlight briefly our emphasis in each of these areas. A retired Forest Service employee offered me some advice a while back. He said, "if you just take care of soil and water, everything else will be OK." Multiple use does not mean we should do everything on every acre simply because we can. We must protect the last best places and restore the rest. Forest Service lands are truly the headwaters of America. They contain riparian, wetland, and coastal areas that are essential for the nation's water supply and prosperity. The President's budget provides an increase of $48.6 million included in programs such as wildlife habitat management, watershed improvements, fisheries habitat management, rangeland vegetation management, threatened and endangered species habitat management, and State and private forest health programs. These increases will allow the Forest Service to make important watershed restoration and protection efforts.

Restoration and maintenance of watershed health is contingent on quality land management planning. As you know, the Committee of Scientists has issued final

recommendations on forest planning. The Committee's recommendations will be used to prepare a draft planning rule so that future forest plans will support how we will:

—provide an informed collaborative basis for decisions about management activities, protection objectives and restoration potential;
—provide for the protection, maintenance, and recovery of native aquatic and riparian-dependent species and prevent the introduction and spread of nonnative species;
—provide for monitoring to insure we accomplish our objectives in the most cost-effective manner;
—include the best available science and research, in a collaborative manner with interested citizens; and
—provide opportunities to link social and economic benefits to communities through restoration strategies.

I believe our new planning approach will be invaluable in breaking the forest planning gridlock that is hampering national forest management in so many areas.

A second area of the Natural Resource Agenda is sustainable forest and grassland management. The President is proposing a billion dollar initiative to protect open space, benefit urban forests, and improve the quality of life for the 80 percent of Americans living in urban and suburban areas. Through sustainable forest and grassland management, the Forest Service will play an essential role in accomplishment of this initiative. The President's budget provides an increase of $113 million in State and Private and Research programs which are integral to protecting and restoring the lands and waters that sustain us. We will collaborate with State fish and wildlife agencies, State foresters, tribes, and others to develop conservation and stewardship plans for an additional 740,000 acres of non-industrial private forestland. We will help States protect an estimated 135,000 additional acres of forestland through acquisitions and conservation easements. We will acquire environmentally sensitive lands through the Land and Water Conservation Fund, and we will include nearly 800 more communities in efforts to conserve urban and community forests. In addition, 300,000 more hours of conservation training will be provided to local communities.

Mr. Chairman, I am truly excited about budgetary emphasis in sustainable forest and grassland management through cooperation and collaboration. This emphasis will carry into many programs including fire management where we will employ fire as a tool to give priority to high-risk wildland/urban interface areas where people, homes and personal property are at risk. An excellent example of this need can be understood if we examine the 1992 Cleveland Fire on the Eldorado National Forest. This fire tragically claimed two lives, destroyed 22,500 acres including 3,400 acres of Spotted Owl habitat, and burned 41 homes and other buildings. In addition, the fire destroyed the El Dorado Canal which supplied water to the local communities of Pollock Pines and Camino. In examining this fire, we found there were several areas of large trees which survived despite the intense flames. Here topsoils were not destroyed and watershed functions continued, at least in part. These trees survived because prescribed burns over the previous 13 years had removed fuels sufficiently to prevent intense heat that would have otherwise destroyed these trees.

Based on the lessons learned about the benefits of this active management, the Eldorado National Forest identified 17 other areas where forest health projects could avert similar fire disasters through the use of innovative contracting techniques which involved selling commercial timber as well as removing small diameter trees. The timber stand which was left provided extensive wildlife and fisheries habitat and substantially reduced the fire hazard. Not only was forest health improved, but the timber sales produced positive economic results. The agency collected $3 million in receipts from an investment of $430,000. When the positive effect on the economy is considered this effort to protect land health resulted in a total economic benefit of $4,300 per acre on an investment of $165 per acre. Let me show you some graphics which highlight this very successful effort. I don't want to portray a situation where all such circumstances will result in positive economic return, but I do want to point out how in many cases we have the chance to improve forest health and support the local economy.

As a result of this and other experiences we understand that resources must be devoted to using fire and other tools, such as thinning, to reduce accumulated fuels adjacent to urban and wilderness areas alike, to aid threatened and endangered species, and to help lower long term costs of suppressing wildfires and protect public safety. The stewardship end-result contracting authority which this Subcommittee included in the fiscal year 1999 Appropriations Act, gives us similar opportunities to employ innovative contracting techniques to improve forest health.

Now I would like to turn to one of the more challenging aspects of the Natural Resource Agenda. That involves management of the National Forest Road System. As you know, on February 11, I announced an interim suspension of road construction in most roadless areas of the national forest system. We offer this time-out to reduce the controversy of roadless area entries in order to reduce damage to a road system which is already in disrepair.

A personal source of frustration is that few people or interest groups are focused on the issue of our existing road system as opposed to the roadless area issue. Yet if we care about restoring the ecological fabric of the landscape and the health of our watersheds, we must concentrate on areas that are roaded in addition to those that are not. Let me show you a display which I believe clearly displays the need to focus attention on the existing road system, not roadless areas. As the chart shows, of the total estimated road program that would have occurred in the absence of a suspension only 262 of 9,210 miles, or 3 percent of roads planned for reconstruction or construction would be affected, and only 221 million board feet of 5.7 billion board feet, or 4 percent of the planned timber sale volume would be affected.

The President's budget proposes a $22.6 million increase in the road budget, primarily for maintenance. The agency has an estimated road maintenance backlog of over $8 billion. Meanwhile we are only maintaining 18 percent of our roads to the safety and environmental standards to which they were built. With the proposed funding level in the fiscal year 2000 budget, we will increase by 50 percent from 1998, the miles of road to be decommissioned or stabilized. We will increase the percentage of forest roads maintained to standard from 18 percent to 24 percent.

With roads that could encircle the globe many times, our road system is largely complete. Our challenge is to shrink the system to a size we can afford to maintain while still providing for efficient and safe public access in a manner that protects land health.

Over the year, we will develop a long term road policy with three primary objectives: (1) develop new analytical tools to help managers determine where, when or if to build new roads, (2) decommission old, unneeded, unauthorized, and other roads that degrade the environment, and (3) selectively upgrade certain roads to help meet changing use patterns on forests and grasslands.

Management of roads is very important to local communities that rely heavily on these roads for livelihoods and rural transportation. I expect decisions about local roads to be made by local managers working with local people and others who use or care about our road system. We will obviously continue to provide access to and through forests. However, it is clear that we simply cannot afford our existing road system.

The fourth element of the Natural Resource Agenda involves recreation. The President's budget provides strong support to the recreation program. With appropriated funds totalling $288 million, and additional funds provided from the recreation fee demonstration project receipts and the ten percent road and trail fund, this program will continue to provide strong support to the 800 million annual visitors which we expect to increase to 1.2 billion over the next 50 years.

The Forest Service recreation strategy focuses on providing customer service and opportunities for all people. The successful recreation fee demonstration program has served many people at the sites operated under the program through improved visitor experiences and repair and upgrade facilities which were badly in need of attention. I strongly support continuation of this program. I do want to pass on one caution lest this program is viewed as an answer for reducing future recreation discretionary funds. The recreation fee demonstration program serves many people in a limited number of recreation sites. The Forest Service recreation program is highly dispersed. It is the place for a family drive or hike on a Sunday afternoon, a weekend camping trip, or a week long grueling hike in the rugged backcountry. Many of these experiences do not lend themselves to a recreation fee demonstration type program. In fact, less than 10 percent of forest recreation visits occur at fee demonstration sites. As the backyard playground for many Americans, it is essential we maintain a recreation program that allows enjoyment of the national forests without charge in addition to fee programs in limited areas.

A key part of enhancing this dispersed recreation is through our wilderness management program. The President's budget includes an increase of $7 million for protection and restoration of natural conditions in wilderness and to mitigate the impacts of high use areas adjacent to large population centers. The wilderness legacy is a crown jewel. I am committed to increasing the Forest Service commitment to the Wilderness Act and intend to give more emphasis through increased land management planning and re-establishment of a national wilderness field advisory group.

Each of the four emphasis areas of the Natural Resource Agenda links directly to one or more of the goals of the Results Act Strategic Plan. I am pleased that the President's budget supports this plan for moving forward.

FOREST SERVICE ACCOUNTABILITY

Successful implementation of the President's initiatives and the Natural Resource Agenda is dependent on having the trust of Congress and the American people. To be trusted, we have to be accountable for our performance. We have to be able to identify where our funds are being spent, and what America is receiving in return. We have to do this as efficiently as possible in order to assure that a maximum amount of funds are spent on the ground for intended purposes without being diverted for unnecessary overhead.

Mr. Chairman, as you know, the Forest Service has had problems with accountability in the past. We have been the subject of more than 20 oversight reports and internal studies. We have been resoundingly criticized for having poor decision making, either bloated or inaccurate overhead costs, and non-responsive accounting systems. While some of this may be exaggerated, I fully acknowledge that some is true. We've got the message. We will improve dramatically. Let me highlight several initiatives that are now underway.

First and most importantly, I have made it clear through organization changes and personal statements that the business and financial management functions of this agency are equally as important as attention to managing the resources. I have placed business management professionals in operations and financial management positions. We have established a Chief Operating Officer at the Associate Chief level which reports directly to me, thus placing our business management functions on an operating level equal to that of our natural resource functions. We have brought in a new Chief Financial Officer at the Deputy Chief level to implement the Foundation Financial Information System. This is her top priority, with a goal of achieving a clean financial opinion from the General Accounting Office as soon as possible.

It is also time to reform our budget structure. I want to work with the Congress and the Administration to design a budget structure that reflects the work we do and the Results Act Strategic Plan on which the Natural Resource Agenda is based. The current budget structure does not support the integrated work necessary to restore and maintain land health while promoting ecological sustainability.

In order to ensure accountability while implementing a new budget structure, we will employ land health performance measures to demonstrate that we can have a simplified budget and improve water quality, protect and restore more habitat, and improve forest ecosystem health.

In fiscal year 2000 we will begin to implement reforms to our trust funds. We will examine alternatives for trust fund management in the future to avoid unintended incentives to pursue forest management activities that are not consistent with land health objectives.

For the first time, at the direction of Congress, we have developed and implemented standard definitions for indirect costs which are in full compliance with the Federal Accounting Standards Advisory Board. These definitions have been reviewed by several oversight groups. Based on these definitions, for the first time we have accurately determined indirect expenses for the agency, which during fiscal year 2000 we project to be 18.9 percent.

As you know, the issue of indirect costs, often referred to as overhead, received extensive attention during the 105th Congress, as did the poor quality of our financial system and records. I want to make a specific request as your Committee examines our budget in the coming year. I ask for your patience and support in rectifying much of our accountability problems. The Forest Service's financial management and reporting of overhead took a decade or more to fall into disrepair. It will take more than a year to fix the problem. Let me emphasize that we are devoting extensive resources to implementing new financial systems, improving our audit processes, and improving decision making. The resources we devote to make these fixes involves expenditures of an overhead type nature. As we concentrate on cleaning up our problems, we need to have flexibility without legislated limitations which could prevent us from being successful.

In my testimony today, I have reviewed the President's initiatives, discussed the Natural Resource Agenda, and described our intent to improve agency accountability. In conclusion, I want to say that a Forest Service that meets the needs of the American people and restores and preserves the health of the nations forests and rangelands, is a goal we all strive for. I'll leave you with some thoughts based on Aldo Leopold's Sand County Almanac:

> Let us recommit ourselves to an invigorated nation and land ethic. An ethic that recognized that we cannot meet the needs of people without first securing the health, diversity, and productivity of our lands and waters. An ethic that understands the need to reconnect our communities—both urban and rural—to the lands and waters that sustain them. An ethic that respects that the choices we make today influence the legacy that we bequeath to our children and their children's children.

That concludes my remarks. I would be pleased to answer any questions you may have.

WOOD EDUCATION AND RESOURCE CENTER

Senator GORTON. Now, Senator Byrd, why do you not go on with your questions. I have extensive ones, so I am going to wait until last, and other members can stay if they wish, but you can go ahead.

Senator BYRD. Thank you very much.

Chief Dombeck, the President's budget request includes I believe $1.5 million for the Wood Education and Research Center, near Princeton, West Virginia, as part of the State and private forestry budget, but the current funding for the Center is $2.5 million. Now, does that mean that there is a reduction of $1 million from its fiscal year 1999 budget?

Mr. DOMBECK. Let me ask Janice McDougle, who is responsible for that program area, to give you the details on that, Senator.

Senator BYRD. All right.

Ms. MCDOUGLE. Yes, Senator, there is a reduction of $1 million from fiscal year 1999's budget. What I would like to say about this is that in 1998 we had a budget in our economic action programs of about $11 million. In 1999, it went from $11 million to $16 million, and we are appreciative of that, but 60 percent of that $16 million were earmarks. This is a national program that serves many forest-dependent programs, and it does not go very far.

We think that with the help of the partners that we have at the Center we can leverage those dollars for 2000.

Senator BYRD. I believe the $2.5 million is what I added, is it not——

Ms. MCDOUGLE. That is correct.

Senator BYRD [continuing]. For the fiscal year 1999 appropriations.

Ms. MCDOUGLE. Yes, sir.

INSTITUTE OF HARDWOOD TECHNOLOGY TRANSFER AND APPLIED RESEARCH

Senator BYRD. Now what you have here, you formed a partnership between the Wood Education and Resource Center and the Princeton Research Lab, which is located near the Center. This partnership is called the Institute of Hardwood Technology Transfer and Applied Research.

We have been having a lot of problems with the Wood Education and Resource Center, that was not making a go of it, so I worked with the Forest Service to have the Forest Service try to make something out of it that would recompense the taxpayers for the money they invested in it.

I cannot understand how we can do that if you are going to reduce the $2.5 million that we had there last year, meaning fiscal

year 1999, reduce it by a million dollars, to $1.525 million. I cannot understand how we are going to do that.

Ms. MCDOUGLE. It is our understanding, as has been in the past, that eventually the Center would be self-sufficient. We think we have made substantial progress since the fiscal year 1999 budget in terms of partnerships. We have developed partnerships with the Department of Energy——

Senator BYRD. I am interested in this one item right here. Tell us about the partners in the Institute.

Ms. MCDOUGLE. What is it that you want to know? I am sorry.

Senator BYRD. Well, I asked a question. Please explain the Institute for Hardwood Technology Transfer and Applied Research concept, and the partnership between the Princeton Research Lab and the Wood Education and Resource Center. You say we think we are making a lot of progress with partners in the various institutes, or whatever, and I asked the question, are there any other partners in this institute?

Ms. MCDOUGLE. Yes.

Senator BYRD. What are they?

INSTITUTE PARTNERSHIPS

Ms. MCDOUGLE. The Department of Energy, West Virginia Army National Guard, West Virginia Forestry Association, West Virginia Wood, the technology center, and the University of Morgantown.

Senator BYRD. How many people do you have working here at this Wood Education and Resource Center?

Ms. MCDOUGLE. I am not sure of the number we have there at this time.

Senator BYRD. Well, if we do not know how many people we have there, how can we say we can stand a $1 million reduction?

Ms. MCDOUGLE. We believe that we can maintain the Center and leverage those dollars in fiscal year 2000.

Mr. DOMBECK. What we can do, Senator, is we will be happy to provide you a breakdown of the partnerships, the contributions, as well as the employee roster.

Senator BYRD. Would you come to my office and talk with me about this item?

Mr. DOMBECK. I would be happy to.

Senator BYRD. I want to understand why we are reducing this by $1 million. We are just starting. We just put one foot forward this year. I am trying to make something out of this particular center. The Princeton Research Lab has been there for probably 30 years, the wood marketing research center, and I got the first $250,000, or perhaps it was $400,000, for it more than 30 years ago, and that has been doing a good job.

But then we added this other facility, it was not paying its way, and I suggested the Forest Service take it over and work with the two facilities and see if we cannot make some money there for the Forest Service, and here we start out the very first year after we have created this complex, the very first year we cut it $1 million. That is not going to fly here. It is not going to fly, not here in this subcommittee. We have to have some explanation for that, do you understand that? Do you?

Mr. DOMBECK. Yes.

Senator BYRD. All right. So let us have a little visit in my office. I want you to explain this in detail to me. Now, do I have time for one more question, Mr. Chairman?

Senator GORTON. You certainly do.

MONONGAHELA NATIONAL FOREST

Senator BYRD. I want to pick up on what you were saying about watershed restoration, Mr. Dombeck. The watersheds of the Monongahela National Forest have been degraded by past logging practices and wild fires, which have resulted in heavy loads of fine sediments clogging its streams.

Restoration of these watersheds is important to improving the wild trout populations and attendant recreational opportunities. Almost 80 percent of West Virginia's native trout streams lies within the Monongahela National Forest.

The Monongahela National Forest has identified 25 watersheds that need to be assessed for restoration needs. The State of West Virginia has identified four watersheds partly within the Monongahela National Forest that need restoration. The Monongahela National Forest has spent a total of $2.1 million in the past 2 years on watershed restoration projects.

Now, I commend you on your emphasis on the need for water supply and pointing out that a very high percentage of the water supply that we can use that is potable and drinkable comes from the national forest. Is that what you said?

Mr. DOMBECK. Yes.

Senator BYRD. The Monongahela National Forest is one of the Forest Service units that desperately needs these dollars to correct old problems and restore some of the important fish and aquatic resources in West Virginia. While we have started to make progress in restoring these watersheds, you still have a way to go.

How much have you recommended as an increase in watershed improvements in your budget request?

Mr. DOMBECK. Nationwide, the watershed health and restoration items specifically are about $48 million. Now, I also want to point out that many of the other areas that influence this, and this relates to our budget structure like the roads program——

WATERSHED IMPROVEMENTS

Senator BYRD. I do not want to hear that right now, and I do not mean to be discourteous to you. I only have a very limited amount of time. What is your total increase for watershed improvements in this budget request?

Mr. DOMBECK. About 13 percent for watershed health and restoration.

Senator BYRD. In dollars how much is that?

Mr. DOMBECK. About $48 million.

Senator BYRD. How much is that over 1999?

Mr. DOMBECK. It is about a $10 million increase.

Senator BYRD. $10 million. Now, what is the process for determining which regions will get a portion of the increase?

Mr. DOMBECK. What we are involved in with out budget process is taking a look at the regional allocations, and I can give you some breakdowns of regional allocations, but I might ask Gloria Man-

ning, who runs the national forest system, to give you that breakdown.

REGIONAL ALLOCATION CRITERIA

Ms. MANNING. Senator Byrd, what we have is, we have allocation criteria that the regions got together with us and set the criteria. It is based on the resources that are there, the population, condition of the resources, and we allocate from the Washington office, based on that, to the regional office, and then the regional office, in turn, takes their criteria, which we do not have with us today, but we can furnish you, to decide which forests get what percent.

Also, I would like to add that we are working with the States, once they identify the priority watersheds, to focus that money that we do have to those priority watersheds.

Senator BYRD. All right. So much for the process. How much is the region, I believe it is region number nine, is it not, the Monongahela? Are we in region number nine?

Ms. MANNING. Yes.

Senator BYRD. How much is going to that region?

Ms. MANNING. I do not know the percentage that would actually go to—the total percentage, but in fiscal year 1999 it was $3.667 million.

Senator BYRD. So now you have asked for a $10 million increase in watershed improvements, right?

Ms. MANNING. Right.

Senator BYRD. How much of that is going to region number nine?

Ms. MANNING. I do not have the breakdown for that. I will have to get that to you.

Senator BYRD. Well, do you not expect questions like that from this subcommittee?

Ms. MANNING. Yes, sir; we do, but I only had it broken down by the whole category, which is soil, water, and air, with me.

Senator BYRD. Well, this is another area we need to talk about. I am glad to hear your emphasis on the importance of water, and our need for cleaning up the nation's water, and I want to know more about what you are doing in region number nine, in particular. So thank you very much, for the moment.

Senator GORTON. Thank you, Senator.

Senator Burns.

Senator BURNS. Thank you, Mr. Chairman. We do have a change going on in the management of the forest, recreation. America wants to recreate here, they do not want to harvest a renewable crop. We understand that.

FOREST ACCESS

But does America know that they cannot get in the forest anyway, Mr. Dombeck? I mean they are limited to the access on the forest, all of America. I mean if they have to operate under the same rules that we do, who live locally, is that true?

Mr. DOMBECK. Well, one of the things with the National Forest is that you do not have to worry about no trespassing signs, and from the standpoint of that sort of limitation, there are accesses open. I am sure you have a follow-up in——

Senator BURNS. Well, no, but I am OK with the no trespassing signs, but——

Mr. DOMBECK. You are talking about vehicle access.

Senator BURNS [continuing]. There are trespassing signs, are there not? There are times that you cannot get on the forest. Times when nobody can get on the forest.

Mr. DOMBECK. Well, there are limitations with regard to fire closure, with activities that may result in resource damage, and things like that.

ROADS

Senator BURNS. But the majority of the people who would like to—there are some people who would like to enjoy the forest and cannot get on it, because large areas are closed. This increase in the road fund that you are getting, you are going to close roads, is that correct? You are going to continue to close roads, and remove culverts as seen in those photos?

Mr. DOMBECK. There will be some road closures through the local road management programs, that is correct.

Senator BURNS. In other words you are jerking culverts out, you are building tank traps, you do not want any access onto our forest lands.

Mr. DOMBECK. The objective, though, is looking at the resource protection and the long-term benefits of the land.

Senator BURNS. We are going to put that ahead of access for the rest of America. Now, this all sounds funny in Chicago, and New York, and Philadelphia, that this is your land, we are going to let you visit it, and we are going to let you enjoy it, and we are going to manage these resources, yet when they go out there, they cannot get on it. Some can, there are hikers, but some of the older people cannot get on it, because you cannot drive on those roads, they are closed off.

What I am saying is, as a renewable resource we are growing more wood than we are cutting. I realize that there are some areas for watershed health that should be protected and not developed in those areas. I do not want to get that hard, but all of America cannot get on that forest.

We have some people out West, Mike, to be right honest with you, that will be just like an old Yellowstone bear, we will have to stand alongside the road and let some of these folks pitch us a hamburger every 5 years just to live.

There is no balance here. Jim, I will talk to you later. There is no balance here. That is what I am saying. I mean any time that you allow this to go on on your national forests and allow this kind of erosion to take place, because you do not want access on there, I think is a little extreme.

We have some folks out there, some conservation people and water management people that are very concerned about this. I would be happy to work with you on this. I am trying to be as nice as I possibly can.

PREPARED STATEMENT

By the way, I have a statement I want to submit for the record.

Senator GORTON. It will be done.

Senator BURNS. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you Mr. Chairman for the opportunity to address the committee this morning. As you are aware, we have had a number of hearings on this budget request in both the full Energy and Natural Resource Committee and the Subcommittee on Forests and Public Land Management.

At the risk of boring the witnesses, I want to reiterate my concern with the direction the Forest Service has been taking recently. Montana has vast quantities of our land tied up under the ownership of the Forest Service, the BLM and the National Park Service. In the past these agencies were generally tolerated as being good neighbors. They were our friends and we were able to make a living off the land. We harvested timber, we extracted minerals and we were able to support our communities with the money we made off of oil and gas. They weren't glamorous jobs, but they paid well and they allowed Montanans to make an honest living. They made Montana what it is today.

Now the Forest Service, under pressure from groups who have never set foot in Montana, is drastically changing how we use the land. Or rather, how we don't use the land. We can't log, we can't mine, we can't explore for oil and gas. In a nutshell, they have declared an economic war on the West. Don't think it is a coincidence that Montana's per capita income is now at the absolute bottom of the heap when compared to the rest of the United States. Natural resource jobs were the best paying jobs in the State. Now they are gone.

The Forest Service is also pushing recreationists of the land. They have shut down numerous areas to snowmobiles. Now they are working on shutting off all off road travel throughout Montana, North and South Dakota. I have even heard plans of restricting hikers out in Oregon. When will it stop?

I asked Chief Dombeck a very simple question when I met with him earlier this year. I asked; if they want to leave the land as God intended, then why do they need to give them any money? They aren't managing the land. In our Energy and Natural Resource Committee hearings it was pointed out that fewer Forest Service dollars are actually spent on the land each year, despite increasing budget requests. What are we getting for our money?

I challenge you to travel to Libby, Montana and explain to the taxpayers up there why we should increase the Forest Service's budget. Libby is on the verge of becoming a ghost town. Used to be a booming timber town. Now the timber industry is virtually gone and the Forest Service's main action seems to be to keep us off the land. They put up gates, rip out roads and culverts, and stop recreation. Now, Secretary Babbitt wants to radically increase the amount of land that gets burned though prescribed fires. Now we are supposed to give the Forest Service funding to burn the lumber that could keep our towns alive. It is ridiculous and I am not going to stand here and watch it without a fight.

I urge my colleagues on both sides of the aisle to really look at what is happening. We all know that, nationally, it is more popular to say we are protecting everything, but look at what is going on. We have an agency out of control that is running my State, and many others, into the ground. It's time for a change in direction and I will work my hardest to see that we begin those changes through the Appropriations process. This administration is too arrogant to comply with Congress' direction if we do it any other way.

Thank you again, Mr. Chairman, for this opportunity to address the committee.

BEETLES

Senator BURNS. That is where I am coming from. As far as Mr. Bennett is concerned here on the beetles, we have been arguing about beetles on the Yaak and the Kookenai for 10 years and got nothing done, 10 years, and he thinks he is going to get it done the first year, according to Mr. Lyons. I will guarantee you that he is not going to get his done. It will burn. It will burn first.

PAYMENTS TO STATES

As far as the net proceeds that goes back to counties, that is just a tax that the Government pays for owning land in that county. Every other taxpayer pays taxes, too.

Now, if you want to go out and explain to that person that lives in, let us say, Polebridge, MT, we are going to rely on an annual appropriations for a payment sort of like PILT. You are familiar with PILT, payment in lieu of taxes, that the BLM participates in if we are going to rely on that road, and on those proceeds, we need a guarantee the Government will fully fund the program. I will guarantee you this Government has never funded PILT to the 100 percent of what it has authorized yet. Not yet.

You get some accountant out there at the Forest Service that says, "Well, maybe we ought to use that money for something else, that we really do not want to pay our amount of taxes to the local government."

Balance, that is what I am looking for. I am not going to go into anything specific, but I am looking for some balance. If you want to manage this like a park, let us turn the forests over to the National Park Service. We have parks and we have forests, and forests are managed for multiple use, and that is not what is happening now. I am sorry. I just get more and more disgusted every day.

Now, you said you wanted a year. Give me a year. Well, old friend, your year is about up. We are in two. I just want to see some balance, that is all I want to see. You hold up that thing on Puget Sound on tree disappearance. Tell those people to move. Is anybody going to go out there and tell those people to move?

On those trees, any time that you see an increase of people, you are going to see the loss of trees sometimes. You can put up the same land SAT here in Washington, DC.

FOREST ACCESS

The U.S. Fish and Wildlife can go out there and tell you what they—you cannot keep them off the forest, but they can keep everything off the forest. You want to put them grizzles down there. I will tell you what, it is pretty sad—I just want to give you a for instance on what this has caused up at Whitefish and Kalispell, MT.

When a man stands there on his front porch on his land, with a little old video camera and watch wolves carry off his calf crop, 25 cows and 30 calves this spring, and there is nothing he can do about it, and he only runs 175 cows. Do you want to put a face on something? I will put a face on it. He took pictures of it. The director of NASA sat right there and watched that same film.

He said, "Why don't you shoot the wolf?" Well, No. 1, there are only six of them. Of course, six rounds could do a lot of work. But you cannot do it. The people that live there, is there no feeling for the people who live there? None. We are not there according to the Fish and Wildlife Service. We were just kind of born there. But I am looking for some balance, Mike, and it is not there. I am very, very upset about this. I look at this, and this is stupidity, out and out stupidity.

Thank you, Mr. Chairman. I will find something to ask a question about pretty soon. But that is what you are going to get your road money for is to dig more holes in the Earth and make tank traps. If you want to be run like a park, we will put you under the park department. We do not need two different outfits out there.

Senator GORTON. I am going to go back and forth. I am going to go to Senator Kohl, who has only a relatively few questions, and another engagement.

Senator Kohl.

OPENING STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Thank you, Mr. Chairman. Unlike other members of this subcommittee whose States have extensive Federal forest land, 90 percent of the forest land in Wisconsin is not federally owned.

In addition, in the State of Wisconsin, forest lands are owned by more than a quarter of a million private owners, and so the Forest Service cooperative programs of State and private forestry are of a great interest to me.

GYPSY MOTH

I would like to ask you a question about the Gypsy Moth. This year we are facing a serious problem with the spread of Gypsy Moth across Wisconsin and much of the Northeast. In the past Gypsy Moth infestations have not been a problem for Wisconsin.

Our harsh winters have usually been too severe for the moths and their larvae to survive; however, the past few mild winters have resulted in a dramatic increase in Gypsy Moth population that has been devastating trees across Eastern Wisconsin.

In 1998, 18 counties in Wisconsin were guaranteed and another 13 counties were in transition. In 1999, it is anticipated that more than half of the State will be affected by Gypsy Moth and will require traps and treatment sites. So my question to you is: What is the Forest Service doing to slow the spread of Gypsy Moth?

Mr. DOMBECK. Well, overall we have made significant investments in research and are making progress with biological controls, like a fungus agent that works with the control, but also working with States in applying the technologies. In fact, I will ask Janice McDougle, from our State and Private Program to elaborate on the Gypsy Moth program.

Janice.

Ms. MCDOUGLE. Senator, in 1998, the Forest Service was appropriated $3.5 million for our Slow-the-Spread program. In 1999 we got a little over $4 million. The President's budget for fiscal year 2000 is the first time that, if appropriated, we will be fully funded to address this issue.

This program is one that we are extremely proud of. It has been able to reduce and delay the speed of the Gypsy Moth spread by 60 percent. It is wildly popular with the States, with the regional and national planning boards, the National Association of State Departments of Agriculture, National Association of State Foresters, and American Nursery and Landscape Association, who also fully support the full funding of the $8 million. Without that we have learned that we cannot be effective in reducing the spread.

Senator KOHL. All right. I have requested funds for forest health management programs, and if the subcommittee agrees, and I hope they will with those additional funds, then I hope that you will put this money to good use in working to prevent the spread of Gypsy Moth, and I think you feel that way, too.

Ms. MCDOUGLE. Yes. Thank you.

REGIONAL OFFICE MOVE

Senator KOHL. Last question. As you may know I have had concerns over the proposal which reappeared in this year's budget submission to move the Forest Service's regional office from Milwaukee to Madison. I am surprised to see this again.

As I understand it, the GSA has addressed your recent concerns about rent, and that by fiscal year 2000 the rent in Milwaukee will be reduced by 18 percent. Does the Forest Service have any current plans with respect to relocating the Milwaukee office?

Mr. DOMBECK. Senator, not at this time. In fact, Tom Hamilton, who is the Director of the Forest Products Laboratory in Madison, as well as Regional Forester Bob Jacobs, have withdrawn that proposal. So I assume if any additional activity occurs in that, while we will make sure that your staff is involved, and I assume that that dialogue will occur locally.

Senator KOHL. Thank you. Mr. Chairman, I appreciate your allowing me to ask these questions.

Senator GORTON. Thank you.

Senator Bennett?

Senator BENNETT. Does Senator Stevens want to come in here and——

Senator STEVENS. I would, if you would allow me. I only have two questions.

Senator GORTON. All right.

TONGASS RECORD OF DECISION

Senator STEVENS. Mr. Lyons, I understand you issued a decision yesterday, a Final Record of Decision [ROD]. Let me see if I can summarize what I understand it to be, that you have issued a Final Record of Decision, rather than deciding the appeals before you and remanding the plans of the chief forester.

I understand you have revised the 1979 plan for the Tongass, and you believe that there is no further need for public review or comment or a national environmental impact statement [EIS], because your decision yesterday replaces the regional forester's 1997 decision in its entirety; thus, in effect, the regional forester's 1997 decision is nullified as if it never existed. Would you say that is a fair summation of what you have done?

Mr. LYONS. No, that is not quite accurate, Mr. Chairman.

Senator STEVENS. Tell me what is wrong.

Mr. LYONS. We actually did decide the appeals that were pending. There were 33 appeals pending on the 1997 ROD that was issued by the regional forester at the time, Phil Janek, but we elected to rewrite and issue a new ROD simply to have a comprehensive record and to show in context how we had addressed all those appeals issues.

Senator STEVENS. Is that a revision of the 1979 plan?

Mr. LYONS. It is a revision of the 1997 ROD. The 1979 plan, I suppose that would be accurate.

Senator STEVENS. The Record of Decision.

Mr. LYONS. It is a modification of the 1997 ROD that was issued by——

Senator STEVENS. What happens to the 1979 plan?

Mr. LYONS. Well, this supersedes—this is the Final Record of Decision on that plan.

Senator STEVENS. It is the Final Record of Decision, so your action really nullifies everything that has taken place since that time, right?

Mr. LYONS. No, sir; it does not. It is a response to the appeals that have been raised, so what it does is it modifies some of the decisions that were made in 1997, and then renders a final decision based on the appeals of the 1997 decision.

So it is not a totally new document in any way. It is simply a modification responding to the appeals, taking into account the issues that were raised in the 1997 EIS.

TONGASS TIMBER REFORM ACT

Senator STEVENS. Well, this is the appropriations committee. Let me put it this way. The regional forester's decision in 1997 has been pending now for 2 years. It is my judgment that what you have done is you have revised the 1979 plan. This is 1999. We have been working on that now, you have been working on that for 20 years. This is April 15. This is tax day. This is the day people pay their taxes. You spent $13 million, and now you have taken action which is contrary to the Tongass Timber Reform Act, and you have taken action in a way that unfairly deprives these people an opportunity to be heard.

I really do not have any more questions. I just want to make a statement to you. I am sorry that I agreed to clear your nomination. You and I had a talk, and you told me you were going to be fair to people in Alaska. I think this is the most unfair decision I have seen in my 31 years in the Senate.

I have never seen a man destroy the lives of people as much as you have in the Tongass. I can tell you, as long as I am here, you will not be cleared for anything again. I was at the Interior Department at one time, as you know, and the concepts of integrity, honesty, and judgment are just absolutely frustrated by what you did yesterday.

I can tell you, as far as I am concerned, I am going to do everything I can to reduce the appropriations for the Forest Service, maybe even transfer it to the Interior Department. You have destroyed the timber industry in my State, and we have no need for a Forest Service without a timber industry. You are a division of recreation now. There is no longer any justification for the existing Forest Service, and I intend to offer some amendments along those lines—severe reductions in this Forest Service.

I urge you all to study it, $13 million spent on the process was totally eliminated by the decision yesterday which revised a plan that was put forward but never approved in 1979. I am sorry, but I find it impossible to ask questions of a person that would make a decision like that.

Senator GORTON. Well, Senator Bennett, now it is your turn.

PAYMENTS TO STATES

Senator BENNETT. Maybe I should have gone first and let that come later. Let me raise a philosophical question that may not be as incendiary as either Senator Burns or Senator Stevens, but in your testimony you discussed the administration's proposal to decouple the 25 percent fund from timber sale receipts, and I think the comment was that the timber program should not finance the education of the nation's rural school children.

I am sympathetic with that philosophic point of view, that while we have challenges for education, for the nation's rural school children, and we look for money wherever we can find it, and I am sure that is the attitude that drove this original decision, whenever it was made, I can understand that sometimes the connection between the two gets a little tenuous.

The philosophical problem I have is this, if education is going to be primarily a local financial responsibility, it should obviously make sense to keep the local economy as strong as possible, and the continual destruction of the local economy, particularly with respect to loggers, truck drivers, and mill workers, as the timber sales are cut back, puts that much of a bigger educational burden on the local school districts.

So my plea to you, and I would like your reactions once again, there are no actions that Government can take that do not produce side effects.

BALANCED FOREST MANAGEMENT

While many times all of us love to give speeches about how pure our motives are and how wonderful our actions are, all of us are subject to the criticism that we do not pay enough attention to the side effects, and the desire to be responsive to the environmental groups that have a religious objection to logging may play well in certain circumstances, but the side effects are to destroy the economies of these rural areas, and then raise the issue of, well, what do you do about education for their children and the impact, the very human impact, of these economic decisions.

Mr. Dombeck, you stressed that multiple-use is alive and well in the modern forest service, and I am sure you have gotten now the flavor of those of us who represent States where timber sales are important, and they are not nearly as important to me in Utah as they are in some other States, but you get the frustration, I am sure, that comes as we see these kinds of situations on the ground.

I agree with you that we all ought to get on the ground. I have gone on the ground. I have gone through the Forest Service by horseback. I still remember. Certain portions of my posterior remind me from time to time. I am not used to riding horses for the length of time that I did.

I have been out on BLM land, and quite frankly I have seen where Federal land management practices are less than optimum, and that in many cases, land management practices on private land exceed the benefit of land management practices on Federal land, where the land is healthier if it is not in Federal hands,

where the land is healthier if it is in the hands of those who are decried as predators and exploiters.

There is more education, there is more wildlife, and there is more diversity, bio-diversity, on many of the privately managed lands in my State than there are on the federally managed lands, and the frustration that comes out of economic destruction with some of the timber processes, and the land degradation, leave some of us with the sense that we are in Alice in Wonderland somewhere in these areas.

Now, I know you are a thoughtful land manager, and you have right motives and the right desires here, listen to what I am saying and react so that all of us can get a better sense of where the Federal direction in this administration wants to go to achieve some kind of sensible, scientific, multiple-use on all of these lands.

Mr. DOMBECK. Well, we are really talking about the topic of balance, I think, as was Senator Burns in his comments, and I think there has been a struggle throughout the entire century as to what is the best balance that the nation reacted to, the condition of the watersheds at the turn of the century, and passed the legislation like the Organic Administration Act, the Wheats Act, and move it on through. This is the debate that will follow us for many, many years.

As Jack Thomas told me when he talked to me about this job, the former chief, as being probably one of the toughest jobs with regard to balance with sort of all sides converging, and we are essentially many times a wrestling mat, and I struggle with questions like why is it that starting about in the 1960's and the 1970's that actually the third branch of Government began to become more involved in national resource management decisions, as we had increases in litigation and things like that, and the major decline in the forest timber harvest programs, for example, in the Pacific Northwest that occurred as a result of the Spotted Owl issue, and the real question was, well, how much old-growth do we want to have left in the United States, and those kinds of things. So where is it then that one goes? I believe in a couple of things. No. 1 is we have to apply the best science that we have, and No. 2, that we have to keep our eye on the long haul, on the major issues, and as we do that we need to be as empathetic and as positive in our approach in providing assistance and working with local communities through transitions, because transitions have always occurred and they will continue to occur, and they are never really very much fun for anyone who is involved in those kinds of transitions.

TRANSITIONAL FOREST MANAGEMENT

In fact, this agency, as all public land managers are involved in this kind of transition today, where we have increases in demands for water, and one of the few ways that we can enhance water quality, water quantity, is through our good, sound watershed management practices, and active management is part of that, because when people say to me what are the two or three most serious forest management problems that you see in the United States today I would give you three.

No. 1 is the invasion of exotic species, and that problem will continue to increase, because we are basically in a boundary-less world from the standpoint of ecosystems, with the international trade, and products moving every direction every day, and that will continue, and it will be a very serious problem for us to deal with. The more we can make investments in things like Gypsy Moth research that Senator Kohl asked about, the better.

The second issue is the one that I talked about with the graphics, largely in the Intermountain West, where they overstocked stands, off-site species, the result of 70 years of total fire suppression, and then when we do get a very, very dry year, we are going to have a catastrophe, and that is going to happen, and we have to then apply the best science we can to mitigate that, and the graphic, I think, of the Cleveland fire depicted that well.

EDUCATION

But the third area is one that we do not talk about very much, and that is the whole area of education. Bringing a broader group of the American public into really understanding what is important rather than sort of us being whipsawed between the ends of the spectrum to those that think it is a sin to cut a tree, between those that perhaps want to cut them all, and education I think is, as our population grows, and we move into the information age, something that in natural resources we are going to have to make more investments in, so we can move forward on the land, because people are ultimately the delivery system, the local communities, the resource managers that are there, the community of interest that—the owners of all the public lands. So I guess I would respond philosophically in that way.

Senator BENNETT. I have two quick comments, and I apologize if they are presumptuous. First, I am interested in your description of those who think it is a sin to cut a tree and those who want to cut them all. I have never met anybody who wants to cut them all. I have met a lot of people who think it is a sin to cut a tree.

I am very distressed, you talk about education, with children who come home from grade school in tears because a tree was killed for them to have a bed to sleep in. I think we do a tremendous disservice when we let that kind of notion go forward that somehow it is better for a tree to be left there to stand so that it can burn than it is to harvest it so that a child can have a bed made out of wood, and a new tree planted, this is, in fact, a renewable resource, and there is nothing immoral about cutting a tree, but we are having a lot of propaganda now that says it is absolutely immoral.

It is like the folks who talk about first amendment rights for animals. I do not want to get off on this. My sister teaches in the Montgomery County Schools and she sees essays coming through about first amendment rights for animals, and she says, freedom of speech for cows, the rights to assemble peacefully for badgers, and what she finds out is that the school children know nothing about the first amendment, but they keep hearing all of this information about animal rights. I think that is a very bad balance in the educational system. I will get off that.

You talk about education. As I say, this is presumptuous of me, but that is one of the prerogatives of being a Senator. Can I give you a homework assignment? There will be a test at the end of the hour. Can I ask you to read a book called, "In a Dark Wood," by Austen Chase? I know in the environmental community Austen Chase's name is absolute anathema, but before you decide that everything he says is nonsense will you do him the courtesy of reading what he has to say? I think it is the best analysis—by the way, he is a philosophy professor. He has taught at Harvard.

Can I ask you to read that book and then maybe we can have another conversation about balance, direction, and unintended consequences on the national forest?

Thank you for your good humor and your indulgence. Thank you, Mr. Chairman.

Mr. DOMBECK. I would be happy to. In fact, this is one of the best assignments I have ever received from the Senate.

Senator BENNETT. It is pretty heavy going from time to time. It is not easy.

Mr. DOMBECK. In fact, I am traveling to a couple of national forests next week so I have some time in the air that is about the only time one seems to have these days, so I would be happy to read the book.

Senator BENNETT. Thank you. Thank you, Mr. Chairman.

Senator GORTON. Senator Domenici, are you ready?

Senator DOMENICI. Am I ready?

Mr. DOMBECK. I am ready for the assignment.

Senator DOMENICI. You just run out of gas sitting here. I came so refreshed, ready to ask so many questions, and then the distinguished chairman made me wait 2 hours to have a question, and he called on all kind of people before me. It is like I am not busy around here, I do not matter.

Anyhow, I wanted to tell you, Senator, that if this is your hearing room, the clocks on the wall are confusing. That one says it is seven-minutes-of-eleven, this says ten. Do you think you are going to leave them there so that when the time changes one will be right again, or what?

Senator GORTON. That is correct. Daylight Savings Time has not gotten that far west.

Senator DOMENICI. Well, I want to tell you, I did not set my clocks ahead nor my watch on Easter, and I had planned to have my family over for an 11 a.m., brunch, and got up at 7:30 a.m., and put a leg of lamb in the oven and a couple of other things and went back to bed, and sleeping away there, knowing I had a lot of time, and I heard a doorbell, and I said, "Oh, let's let them ring. Who the hell could that be?" In about 5 minutes we heard one of our daughter's beautiful voices, "Mama, Papa, we are here."

Well, we were having brunch and we were still in bed, but anyway, we ate 1 hour and 15 minutes later than we should have, and a good time was had by all, and I am asking questions about 1 hour and 20 minutes later than I thought, and I am going to have a good time.

ENVIRONMENTAL LITIGATION

Let me ask you, Mr. Chairman, in their presence if you would listen to me on a couple of things and see if you could, as your bill proceeds through, provide some assistance. First, I would like to ask this Department of the Federal Government to submit to this committee how much has been spent in New Mexico, Arizona, and Utah, and break it down, on environmental litigation. I would like you to also tell us how much the courts awarded to environmental plaintiffs in litigation involving your department.

Now, Mr. Chairman, since you have jurisdiction over the other entities that are part of this litigation, like Fish and Wildlife, like BLM, I would wonder if you would mind or think it relevant to submit a similar question to them in my behalf.

I would share another question with you, another observation, and I think they are aware of this as it affects their Department.

When an environmental group or a conservation group, I do not say this with any—I think I am just stating a group of people, I am not passing judgment, but when they litigate with the Forest Service over such a thing as Spotted Owl habitat, or when a group in my State litigates over a silver minnow in a river that, while I was growing up, ran dry many, many years, I lived 10 or 12 blocks from it, and the purpose of the litigation is to make the river run wet all year so we can protect a silver minnow, which is an endangered species, or could be, and the suits never include those people who are adversely affected. You read some of them. It will be such and such environmental group versus Fish and Wildlife.

Now, I believe that is wrong, and I believe we ought to think together about how do we make it such that the affected parties can get in that lawsuit. Now, I know this is a big issue, because the plaintiffs in these causes resist mightily the court letting any of them, and they may even have a little precedent on their side. I do not know.

But it seems to me if you are a cattle permittee, we did not add to that extreme, there are actually groups who want no grazing on the public domain and there are groups who want it just like it was 50 years ago, or 30 or 40 years ago, and we are required to do some balancing, but the plaintiff does not want the permittee in the lawsuit, even though when it is finished it adversely affects them, and this kind of lawsuits on the silver minnow and its right to use much of our stored water for its protection in a desert State in a middle of a drought, which is this year, the city of Albuquerque ought to be part of that litigation. They are going to take their water.

The farmer and ranchers in that valley ought to be a part, and I would like you to think with me about that and see if we might use your appropriation bill to make them at least such that they can petition to be in, not indispensable, as you and I remember it, but it may be necessary.

Now, having said that, first, you tried to get a hold of me and I missed you and you missed me, and I will make myself a available today on the telephone. I do not expect you to talk to me about whatever you wanted to speak to me about on the telephone.

DROUGHT ASSESSMENT

But I do want to know, do you have an assessment of the condition of drought in the State of New Mexico? Have you been advised by your experts what it looks like in our State?

Mr. DOMBECK. Yes, we have. In fact, we are part of the drought commission that has been meeting at least on a biweekly basis, watching very carefully through all of the Ag programs, and the Forest Service has been part of that.

Senator DOMENICI. We are in serious jeopardy——

Mr. DOMBECK. Yes.

Senator DOMENICI [continuing]. Of having one of the worst droughts we have ever had, is that correct——

Mr. DOMBECK. Yes.

Senator DOMENICI [continuing]. Because we do not have much snow left up in places which feed our rivers. Are you prepared to tell us or could you prepare to tell us from your Department's standpoint what you think we might need by way of some extraordinary type of assistance so that we might prepare ourselves? Is there anything we could be doing in advance?

We just have to sit by and watch this drought come, but we know some things are going to happen. We know water wells are going to be in trouble, we know crops are going to have problems. Could you share that with us today, or could you share it with us personally at another time?

FIRE RISK ASSESSMENT

Mr. DOMBECK. Well, I can make a few comments, but I think it would be very beneficial to provide that kind of information to people who could be affected; for example, things like with fire risks beyond what they normally are, because of the drought.

I sure hope people are taking care of the fuel loads that might be close to their buildings, any of their buildings, things like that, making sure that we are following the groundwater table trends, the aquifer trends, and those that perhaps could have problems with water are aware that they are near some level of risk. I think there are a wide variety of things.

I think this sort of moves into this area of education that Senator Bennett and I were philosophizing about. If you would like, Janice McDougle can speak I think in more detail to the fire situation that could occur.

Senator DOMENICI. If you would, submit for the record the fire assessment, and if there is anything that you need by way of emergency to get ready in advance I would hope you would submit it quickly, because we are going to have one or two supplemental bills going through, and just as sure as we are sitting here, the State of New Mexico is going to have some extraordinary government expenses about 3 or 4 months from now, because this drought is going to take place about half-way through the summer or less from what we understand already. Can you ask your Department——

Mr. DOMBECK. Of course, NRCS, also oversees, is right now doing a similar assessment, so why do we not pull together a comprehensive assessment for you and——

Senator DOMENICI. I would very much appreciate it. If you need some other sister departments——

Mr. DOMBECK. We have already talked to James LeWitt, FEMA, for example. Why do we not try to organize something and get it to you as quickly as possible in terms of the overall——

IN-HOLDINGS

Senator DOMENICI. All right. I would appreciate it. The President has a $1 billion program called the Lands Legacy Initiative. What percentage of that funding or land acquisition, if we do set that in motion, would go towards the purchase of existing in-holdings from willing sellers?

Mr. LYONS. Let me point out Senator Domenici that the actual acquisition portion of the funds in this proposal that would go to the Forest Service is $118 million. In terms of actual in-holding acquisitions, we have a breakdown, and it may be better if I gave you that detail later on. We have actually prioritized each acquisition that would be covered by the $118 million.

Senator DOMENICI. Mr. Chairman, I wonder if you would inquire of the departments like this one that are part of the proposed acquisition, expenditure of $1 billion, how much, if any, do they intend to use for in-holdings within the lands that they have jurisdiction over that should already have been purchased, but are sitting there, with people waiting to be paid for their in-holdings, if we could get that from each of them.

Senator GORTON. We will be happy to make that request, and we will not get a responsive answer. They will say they do not know.

Senator DOMENICI. I mean look at the $1 billion, you know what land they are buying, they are either buying in-holdings or they are not buying it, but anyway, I appreciate it.

I want to say I am not very sanguine about another billion dollars being spent on a legacy of lands when we still owe hundreds of millions of dollars to property owners in America for in-holdings in national parks, national monuments, and other things, and we have not paid them for it yet. You did not want to comment on this, did you?

LAND ACQUISITION PRIORITIES

Mr. DOMBECK. I would like to say to the chairman, I think we can provide that information through our prioritization of land acquisition projects, which are in-holdings and the objectives of each of the acquisitions that are proposed. We will be happy to provide that.

Senator DOMENICI. Mr. Chairman, do you consider the billion dollar program, maybe you do not want to answer yet, do you think it has any chance of proceeding with any large amounts of money being put in it?

Senator GORTON. I believe it needs an authorization, and I do not believe that your budget is going to give me the money.

Senator DOMENICI. I am thinking that is the case. [Laughter.]

But I am thinking also, you know, that before we set about on many of these new initiatives, we ought to look at some initiatives that we ought to be doing to help the communities that are landlocked by Federal land.

In northern New Mexico more than anything we need a change in the legislation to permit a local community to acquire some acreage from the BLM or the Forest Service for a land disposal site, for an expansion of community service buildings. I mean they are just like this, with public land around them, and we have minimal opportunity for them to acquire Federal land, and it is very difficult. In fact, I have been passing legislation to get them that.

There are three of them we have already passed this year. That should be ministerial. It should be they applied, there is a need, it does not harm the forest, and it is diminimus in size.

So if you could look into that, I would like to expand the current definitions by statute so that we could help the communities instead of doing some new things, when they are sitting there wondering what is wrong with us. Do you understand the problem we have, Mr. Lyons?

Mr. LYONS. Yes, I do, Senator Domenici. As you know, we have some limited authorities, but we would be glad to sit down with you and look at specific cases and see how we might make adjustments.

Senator DOMENICI. I appreciate it. I have about five parochial questions and I do not believe there is anyone from the press of New Mexico covering this hearing. Some of you-all may have thought your press was covering it a while ago, but I am just going to submit mine. Thank you. I appreciate your hospitality.

Senator GORTON. Senator Craig.

OPENING STATEMENT OF SENATOR LARRY CRAIG

Senator CRAIG. Mr. Chairman, I have had the opportunity of being an observer here this morning for quite some time, like my colleague from New Mexico, and I say that with a certain amount of reaction to the Chief and to the Secretary, because while I have not heard any detailed questions this morning, I have heard a huge outpouring of frustration, and in some instances, anger.

I would have to think that ought to be recorded amongst you as being relatively significant, because you are dealing with Senators from large public land States, in which there are large forest land holdings, Federal land holdings.

In my lifetime of living in and around the forests, and with Forest Service green suits sitting at our dinner tables, at our ranches, working with us cooperatively, and this has been going on since my grandfather homesteaded there and was anxious to establish a Federal forest reserve along with BLM to protect the public lands, I have never known such frustration or anger.

We sit back here, and you sit back here, and some sit back here and pull strings and design a grand new national scheme based on some people's image, and in most instances it denies the relationships that other chiefs have understood and known as a result of the Organic Act between the public land and the immediate communities of interest in a broad national spectrum and in a broad national understanding. Whether it is the Senator from Utah, or New Mexico, or Alaska, or Washington, or this Senator from Idaho, what you hear today is frustration, and in some instances, absolute anger, and we are simply projecting from our population bases what we hear, communities dying, families without jobs, schools

without money, all based on former or existing policy that does not appear to be working under the current constraints.

Now, I understand what you are doing, and some of it I disagree with, and we have dealt with that already head on. We have had two hearings on your budget before the Energy Committee and before my subcommittee, and I will deal with a few more details today, but first of all, out of that frustration let me state a positive note.

DOUGLAS FIR BEETLE

First of all, let me thank you for your decision as it relates to the Douglas Fir Beetle in the Panhandle and in the Colville Forests. While you may be trying to reflect a broader perspective of the population's interest in our public lands, we should never deny the obvious of disease and the ability to react to that in good management, because while it may be politically popular to react in some of the ways you are reacting, if it does not prescribe good management in a reasonable sense or in a scientific or knowledge-based sense, we somehow have to balance that out, and I think you are doing that with the Douglas Fir Beetle.

We have an epidemic on our hands, so we could see 300,000 or 400,000 acres infested, and broad landscapes turning red out there in the near future. You have given us a chance to deal with 4,000 acres immediately in an emergency sense. We are looking at I think an additional 21,000 and we are working it through the NEPA process, and we hope that that is done in an expeditious way. It is critical.

Can I go ahead with questions now?

Senator GORTON. Yes. It is your turn.

Senator CRAIG. All right. Let me walk you-all through a couple of questions that have dealt with the past budgets and current budgets.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PLAN

As you know there was a lot of debate over the implementation of the Interior Columbia Basin Ecosystem Management Plan, and I think part of the criticism circles around the lack of inclusion of the local governments in that planning process, or an inclusion that would appear to be an exclusion or a jettison of some of their concerns and some of their input.

Consequently, language was included in the fiscal year 1999 appropriations bill, directing you to include affected States and local governments in the process by developing a new approach to the plan. What is the Forest Service doing to ensure that the affected States and local governments are included in that process? Chief? Jim? Either one.

PUBLIC INVOLVEMENT

Mr. LYONS. Senator, let me point out that both as a result of conversations that Mike and I had with you and Subcommittee Chairman Gorton, as well as the commitments we made in writing, we have followed through and are in the process of reissuing an EIS supplemental so that we can engage in further dialogue about op-

tions for management of the lands in the Interior Columbia Basin. As a part of that, outreach to the affected counties and communities is continuing.

As you know, there continues to be a great deal of debate about that. I know we have taken to heart the notion that sufficient flexibility has to be built into any management decision so that local conditions can be reflected in those decisions.

That is what we are seeking to accomplish in this new EIS and the alternative that will be chosen, while at the same time recognizing that we are dealing with a regional challenge in listings of some stocks, trout, steelhead, salmon, and dealing with other landscape-level issues, such as the forest health concern that you just identified.

It is a difficult challenge. It provides sufficient guidance to deal with those regional issues, while at the same time the flexibility to make sure that local managers can make decisions that are responsive to local conditions. But we have taken that to heart. We will be issuing an EIS and moving forward with another comment period to address these concerns.

Senator CRAIG. Well, I hope you are sensitive to it, because while some of our stakeholders have used existing law as trip wires, I have a feeling that there is a growing concern out there because the Forest Service has really kind of ground to a halt in any kind of activity decision making, that if this one does not work, a whole new set of stakeholders are going to use it as a trip wire, and we will see another decade of gridlock on our public lands and the concern of the Chief that the third branch of Government will be the decision maker who is going to be out there, unless we can gain a majority here in the Congress that will work with us and then we will simply start mandating again in public policy and clarifying that.

I know what you are trying to do, but your credibility with the collaborative process or inclusion process is at stake on this one.

Mr. LYONS. We recognize that, Senator.

NOXIOUS WEEDS

Senator CRAIG. Chief Dombeck, as you know, noxious weeds are a serious problem on both public lands and private lands. You talked about those invaders a moment ago. I am in the process of taking, I have the permission of all 50 States' Departments of Agricultures now, we are introducing a noxious weed bill, and we are using some of the President's Executive order in it.

I do not think 18 months of talk is anything necessary anymore. We all know what is needed, and we need to come to people like the chairman and others and put some money behind it and maybe some new policy, and my bill will do that.

It is a serious problem, and some of your lands are habitat, if you will, or they are harboring. The Plant Protection Act of 1999 that I have introduced will focus on efforts in the Federal land a better fight on this concern, and APHIS will be given expansion of its authorities to move, and it will be the lead Government agency.

I have declared an all-out war on weeds in the West, and I was absolutely amazed at the army that appeared out of the weeds to fight, because we recognized what is going on out there finally, and

I did it, because of the interest of the State, only to find out that 50 States immediately stood up and said, oh, thank you very much, somebody is finally speaking out on a problem that most have been silent on or at least limited on.

I guess my question to you will be: Are you willing to join in that fight?

INVASIVE SPECIES

Mr. DOMBECK. Yes, we will. In fact, as I said, one of the major problems with resource management across the country is the invasive species, and it is true all over the country. It is not only the Starthistle, or the Nap Weed, or the Leafy Spurs in the West, you have Mellowluke in the Everglades, and Kudzu in the Southeast, and it is Gypsy Moth, Asian Long Horn Beetle.

We could go on and on and list problem species, and I would also hope that as you move that forward that you would take a look at the research needs, because one of our best defenses against this, of course, is to avoid the problem of coming to our shores to begin with, but then once it is here, the more it can be isolated the better, and we are making increased investments in research with regard to these, but the need is much greater.

Senator CRAIG. Well, if we can bring State, Federal, and local universities, private resources together, and there are some of the new biological efforts that are underway, makes some sense, this is something that we just need to spend more time at working, I suspect, harder.

Mr. DOMBECK. Our technology transfer capabilities in our work, with strong support from the State foresters, I know the land commissioners are all going to be in town next week, the State land commissioners, and——

Senator CRAIG. Well, I have been working with them, and they are very excited about a greater coordinated effort. I hope we can get there.

PRESCRIBED BURNS

It is my understanding that some prescribed burns are planned for the Boise National Forest. I will only say as an added commentary, I find it fascinating that the Secretary of the Interior is out flying over the Boise Forest prescribing burns instead of the Chief of the Forest Service.

I said to the press in Idaho, "Do not listen to Bruce Babbitt, he does not manage the Forest Service, he just thinks he does." I trust you two will continue to do that. Anyway, he was out there getting great press over burning down the Boise.

I do not think that is going to happen, but anyway, last year we put language in your appropriation bill, directed line officers to see to it that commercially viable and harvestable timber is not burned, recognizing that fire is necessary and we ought to be doing some burning out there to create our uneven-ages, and our mosaics, and the health of our forests.

Be that as it may, that was to be done and the public was to be consulted in that. What is being done on the Boise National Forest to ensure that you are complying with that language?

Mr. DOMBECK. What I can do is give you—I cannot give you the specifics of what is being done on the Boise, but we would be happy to check with Dave Rittenhaus and get back with you.

Senator CRAIG. I wish you would, and we will chat with Dave, too. All of a sudden, when I saw the Secretary out talking about burning the Boise, I thought maybe he has not read the law, but then again, not too surprising on that issue.

PRESCRIBED FIRE

Mr. DOMBECK. I try and reinforce that fire is a natural part of the system——

Senator CRAIG. Absolutely.

Mr. DOMBECK [continuing]. And we need to understand that, but our assessment is that about 10 percent of our at-risk acres can be burned without some other kind of treatment, whether it is mechanical thinning, salvage, harvest, some type of other fuel reduction mechanisms. So we need the whole regime to be applied. Not one of those single methods is the answer in itself.

Senator CRAIG. Well, we agree on that. We absolutely agree on that, but there is a frustration. If there is commercial timber out there, and our mills are setting idle, and our people are without work, and our mill operators or loggers are without work, and we are burning commercially valuable timber for the sake of forest health, when we could be thinning and cleaning, we have a problem, and we have a little more pouring out of anger, and then you are going to hear a little more anger coming over this dais at you, so that is why that language is in the bill, now law, and we hope you look at that to make sure that we are working in that direction.

Chief, an issue that has come to my attention, which I think disturbs me, is the discrepancy between the Forest Service's funding for the timber sale program and the funding for timber roads.

ROADS AND TIMBER SALES

Numbers from your agency show that you provide one level of funding for timber sales and another level for timber roads, which is I think inconsistent. Based on numbers we received from you, on a national level, the various regions requested $48 million in road money to support a timber offer level of about 2.5 billion board feet. The agency is providing about $35 million to accomplish that level. Why is there such a large discrepancy?

Mr. DOMBECK. I can get you the numbers in detail, but here is my view of that. First, in all areas I do not think we have a program area where our region is getting all that it has requested. We have heard requests for increased funding in programs here this morning, and other places——

Senator CRAIG. Sure.

Mr. DOMBECK [continuing]. So that is a given, but also I believe some of the requests likely involve a request for road support, for overhead, for other things that may not directly be road construction. The second thing I believe occurred was that through the conference report last year that harvest was increased by about 200 million board feet, and dollars were added, I believe, to the forest management program, but to my knowledge I do not think those

dollars, commensurate dollars' were added to the roads program. I believe that is correct, right, Ron?

Mr. STEWART. That is correct.

Mr. DOMBECK. But we will give you a breakdown of that.

Senator CRAIG. Well, we need that, because if these are accurate, you cannot make those timber targets, and I say this, I have been told that there has been a particular problem in region ten.

According to reports from the region, roughly one-third of their fiscal year 1999 timber program may be in jeopardy, because it was not given enough money for roads. Are you aware of that problem?

Mr. DOMBECK. I am not aware of that one, no.

Senator CRAIG. That is pretty significant. I mean I understand the dislocations of numbers, but when you set targets, then you ought to be able to back them up with the necessary tools to at least under normal, reasonable circumstances meet those targets.

TONGASS LAND MANAGEMENT PLAN

Jim, let me pursue with you only briefly the issue of the Tongass. I am not going to be as impassioned as my colleague from Alaska, because I guess for the simple reason that the Tongass is not in Idaho, but at the same time I have followed that episode in that process before the committee of jurisdiction that I chair and working with Senator Murkowski for a good number of years.

I must tell you that yesterday I think my reaction would be that we found the Tongass Land Management Plan is so significant as a final decision that it warrants the signature not from the regional forester, not from the Chief of the Forest Service, but yourself as the Under Secretary of Agriculture.

What I am trying to understand about this process is process, because your credibility rests on process on both sides, all stakeholders, and how we get it defined, and how we understand appeals, and the credibility of those appeals, and working our way up and down the ladders from the region to the chief's office, and back down.

I got a strange feeling that all of a sudden somebody walked in and just went, chunk, and whatever happened below does not count any more, I am going to make a decision from the top, that is it, take it, or sue me.

If that is the case, I can understand why the senior Senator from Alaska was so exorcized, because our credibility around here is one of being believable, and trusting, and that processes that are prescribed as law work. So let me walk you through some questions that I am concerned about, because, first, I can assume that your decision involved no participation from the Council of Environmental Quality or other White House offices, as George Frampton testified before the House the day-before-yesterday.

Mr. LYONS. That is correct.

ADMINISTRATIVE APPEALS

Senator CRAIG. Were the administrative appeals you decided yesterday first filed on September 24, 1997?

Mr. LYONS. I believe—I could not tell you the specific date, but those are the appeals that were filed on the 1997 plan, that is correct.

Senator CRAIG. Do not the Forest Service regulations indicate that the agency will try to decide these appeals within 160 days?

Mr. LYONS. That is correct, and as you know, we were delinquent in doing so on litigation related to that issue.

Senator CRAIG. In light of the extraordinary delay for a response, have not some of the appellants maintained that you have constructively denied their appeals and sought redress in the Federal district court?

Mr. LYONS. I think that is the litigation I was referencing, Senator.

Senator CRAIG. What will you tell the court about their claims, and how will the Government advise the court to deal with those claims that have been resolved by yesterday's decision?

Mr. LYONS. Well, we had told the court previously that we intended to resolve the appeals issue as expeditiously as possible, and, in fact, that was one of the reasons that I elected to take the appeals. As Senator Stevens pointed out, it has been over a decade that this issue has been debated, and, therefore, I was attempting to expedite resolution by simply moving past the chief's appeal level to bring this to closure, and then if the——

Senator CRAIG. Then how about the claims that were not resolved by your decision yesterday?

Mr. LYONS. I think we addressed all the appeals that were raised yesterday, either individually or as they were consolidated, as I think the appellants were aware of.

Senator CRAIG. So you tried to persuade the court to dismiss all claims, even though some may still be substantively relevant, and force these appellants to refile.

Mr. LYONS. Well, there is no right of further appeal, as you know. When I elect to take——

Senator CRAIG. I guess that is right. It is just sue now.

Mr. LYONS. Well, one of the reasons to resolve this issue, and this is a unique decision, but not unprecedented, is to try and bring these issues to closure as quickly as possible.

Senator CRAIG. Will you try to get the courts to dismiss a suit if one comes?

Mr. LYONS. Well, I think we——

Senator CRAIG. One is pending. You have one pending now.

TONGASS LAND MANAGEMENT PLAN

Mr. LYONS. Yes, and I think our argument would be, though I am not the Department of Justice, that the final decision rendered yesterday should resolve that pending suit.

If I could make one point, Senator, and that is, I think we all agree that this issue has gone on long enough, and that there was need to seek resolution. We had, in fact, received a request from some staff that this issue be remanded.

We felt we could work within the issues that were raised in the original EIS, that the public had an opportunity to comment on within the alternatives that were presented in the EIS to address the relevant and I think significant issues raised by some of the appellants to render——

Senator CRAIG. I think all of us are frustrated by time, Jim, but why would it not be appropriate under the current process to allow

the pending litigation to proceed to a conclusion on any issues unresolved or any new matters that might be raised as a result of your decision yesterday?

Mr. LYONS. Well, Senator, I think my view was that we can go on and discuss this issue forever. It was about time for someone to make a decision and move on with the debate, which will now be addressed in the form of the district court.

As far as the claim that the public had not had adequate opportunity for input, I point out that there was extensive comment on the 1997 EIS, there has been comment throughout this whole process, and so we dealt with issues which were in the context of the——

Senator CRAIG. Will you allow the court to continue? I mean you——

Mr. LYONS. Well, the court will make that decision.

Senator CRAIG. Pardon?

Mr. LYONS. I said I guess the court will make that judgment.

Senator CRAIG. What will the Government recommend? I mean obviously you are going to recommend something.

Mr. LYONS. I assume we will recommend that we want to be able to proceed, and to implement the 1999 decision, which was a modification of the 1997 ROD issued by Phil Janek.

Senator CRAIG. OK. Let me see if I can summarize your rationale for proceeding the way you have, that is, issuing the Final Record of Decision rather than deciding the appeals and remanding the plan to the chief or to the regional forester. As I understand, and Jim, you probably ought to listen to this——

Mr. LYONS. I am sorry.

Senator CRAIG. As I understand it, you are justifying this course of action by asserting that your decision is a revision of the 1979 plan, and there is, therefore, no need for further public review or comment or NEPA analysis, because your decision yesterday replaces the regional forester's 1997 decision in its entirety, thus the regional forester's 1997 decision is nullified as if it never existed. Is this a fair summation of how you would justify your course of action?

Mr. LYONS. No. As I mentioned, Senator Stevens, I do not think that is a correct characterization of what was done.

Senator CRAIG. OK.

Mr. LYONS. What we did was, we decided the appeals that were pending, I decided the appeals that were pending, with regard to the 1997 Record of Decision, and modified—both affirmed the 1997 decision and modified it in response to the issues raised by the appellants, and a ROD was issued simply to provide for those issues to be described in context.

So it was a matter of simply trying to, if you will, present the entire story, as opposed to simply presenting a response to each individual appeal, which is another way in which we could have presented it.

FOREST PLAN DEVELOPMENT PROCESS

Senator CRAIG. Has not your course of action blurred the process normally followed to first develop a forest plan under the National Forest Management Act, second, conduct environmental analysis

under NEPA, and third, later hear appeals of final decisions in such a way that it is hard to follow the logic behind just exactly what you did yesterday, or put differently, is yesterday's decision a final National Forest Management Act plan, or is it a response to appeals on what was a final National Forest Management Act plan? I do not think it can be both at the same time, so what is it?

Mr. LYONS. Well, as I said, Senator, I think what we did was, we resolved the issues that were raised by appellants with regard to the 1997 plan, and modified that plan in rendering a Final Decision yesterday. That is, I believe, fully consistent with the forest planning process.

We went through public review, a NEPA process, there was public comment on that, a Record of Decision was issued in 1997, it was subject to appeal, and I simply resolved the appeals yesterday.

Senator CRAIG. It is arguable to say that you just rewrote a new plan, or you just wrote a new plan.

Mr. LYONS. I do not think we should confuse the mechanism we used to issue a Final Decision with whether or not it was simply a resolution of the appeals issues.

Senator CRAIG. OK.

Mr. LYONS. It is not a wholly new plan, it is an affirmation of the 1997 plan, with modifications.

Senator CRAIG. Well, let us assume for a moment that we accept your rationale, that you were really making a final plan decision, describe for me how, without engaging expert communications, you had sufficient information for a decision, even though you could not even talk to the people in the regional office who wrote the plan, that does not now exist.

Mr. LYONS. We had a sizeable record, as you might imagine, having been accumulated over a decade, from which to work. We assembled a team of individuals with expertise relevant to the issues raised by appellants and with some knowledge and experience of Alaska issues, that team then worked with the existing record to address the issues raised by appellants, and to help guide me in making this Final Decision.

Senator GORTON. Senator Craig, I am pretty quick going to have to intervene.

Senator CRAIG. OK. I have a couple more, and I will quit.

Senator GORTON. OK.

Senator CRAIG. Thank you. I think it is important that we get this for the record, because, Mr. Chairman, I am very concerned that the Under Secretary's decision yesterday is precedent-setting in very significant legal ways, and because I think that we as policymakers and the prescription of process was sought and denied in a significant way yesterday. So let me ask this question.

RECORD OF DECISION AUTHORITY

Do you as the Under Secretary even have the authority to approve a Record of Decision under 36 CFR 21910C–1, specifically calls for the regional forester to prepare a record of decision for a plan?

Mr. LYONS. I do not know that I can answer that question, Senator. I frankly do not understand it. I know the Secretary has final

authority to render a Decision on the appeals that were filed on the 1997 decision, and that is what we exercised yesterday under our appeals rule.

Senator CRAIG. OK. Well, let me ask one last question, and then I am going to bring it back to the chairman, because I want the chairman to understand what I am trying to do here.

Mr. LYONS. And I am trying to understand.

Senator CRAIG. Maybe it will justify his patience. In every appeal decision that I have reviewed, the decision resulted in either affirming the plan or remanding it to the deciding officers for changes. In every instance with which I am familiar where these changes were major, they were construed to require a significant plan amendment.

This is triggered both by NFMA public participation and NEPA environmental analysis requirements. Are you trying to tell me that the changes that you made in the 1997 Record of Decision or in the 1979 Record of Decision, whichever you claim to be changing, were insufficiently major that they did not involve a revision or a significant plan amendment?

Mr. LYONS. What I am telling you Senator is that we worked within the scope of the record that already existed and evaluated it in making the decision to affirm the 1997 plan, with modifications, and that is what we did yesterday.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PLAN

Senator CRAIG. Well, my concluding thought, Mr. Chairman, as it relates to ICBEMP, or our regional ecosystem analysis, I believe dangerous precedent was set yesterday, in that while we have created, or the Forest Service has caused to be created by NEPA and NFMA, a rather complicated process, with tiers of decision making that are relatively clear cut now, but when these kinds of actions occur, what happens to all of the kinds of energies that we in our communities put into efforts like ICBEMP, and if some group decidedly disagrees, whether they are in the majority or the minority, but they happen to be consistent with the politics of the office, and I am talking about your office or the Chief's office, you make these kinds of decisions, and it appears to me that you have denied the process.

Now, I am no lawyer, and my guess is we will find that out over due time, but it is kind of like I cannot get my way, so I am going to do it anyway. Now, that is how I have to read these kinds of decisions. Now, you know the credibility gap we, you and I, are into right now on efforts like ICBEMP.

I think your action yesterday had a real chilling impact well down into the lower 48 when it comes to these decision making processes. That is why I was very curious as to your thinking and how it aligns.

Mr. LYONS. Senator, I would simply respond by saying that the issues related to the appeals on the Tongass were decided in a manner that I think is fully consistent with regulations, in order to allow us to move on to implementation of what we think is a solid plan.

I do not view those in the context of ICBEMP, and I think further discussions we have had both with you and Senator Gorton,

we are going to continue to work through that process to try and, of course, be true to NEPA and NMFA, and the other processes in which we are bound to operate, and also to seek opportunities for public input involvement to hopefully come up with a sound plan that has broad regional and community support.

Senator CRAIG. OK. Thank you.

Mr. Chairman, thank you for your patience.

PUGET SOUND MAP PHOTOGRAPHS

Senator GORTON. Mr. Dombeck, would you get your assistant to put out those three Puget Sound map photographs? Maybe right in a row, at the base of the dais here. Oh, they are all in one. You can just put them back the way they were before.

I think you all know that I try to be understanding and relatively calm, perhaps more so than some of my colleagues over some of our policy differences, but I have to tell you, Mr. Dombeck, I regard those photographs as fraudulent.

The color scheme seems to be designed to show that green is good and black is bad, and that basically what has happened there has been such a huge urbanization as to destroy the environment, but the selection of colors is rather peculiar. On the map on the left, one of the large black areas, of course, is the metropolitan part of the city of Seattle itself, but the largest black area is Mount Rainier National Park.

Now, no map or photograph that is designed to educate is going to have the ice and snow on the top of Mount Rainier in the same color as the metropolitan downtown area of the city of Seattle.

Now, I have lived in that area for more than 40 years, and it certainly is growing rapidly, and between the first photograph and the last there has probably been a doubling of the population, but you are trying to illustrate to us, it seems to me, that the environment of the area has been irrevocably destroyed.

Again, the very use of black is, of course, negative. It sort of looks like, coming from the Forest Service, that we had a wonderful set of forests and they have all burned down at the same time.

In fact, when I look at the detailed copies of the map I have here, I will give you two illustrations. In the city of Seattle itself, within the city limits of Seattle itself, the clear implication of the difference between the first photograph and the last photograph is that three of the four largest parks in the city of Seattle have been destroyed. They are green on the left map, they are black on the right map.

Now, I know that those three parks have not been destroyed. In fact, if anything, they have more tree cover now in 1999 than they did 24 years earlier.

My family's vacation home is on one of those two islands in the upper left-hand corner in all three of the maps. In the map on the left, 1977, that area is mostly green. In the one on the right, both of those islands look more thickly settled and more totally destroyed than does the central district of the city of Seattle. They are for all practical purposes entirely black. Now, that is not true on Canano Island and on the south side of Whidbey Island.

So you have presented to me a set of photographs that I can only say very bluntly are fraudulent. They do not show land use, they

do not show the state of vegetation, and I will be damned if I know what they do show. We try to work together on things like this, and I am given this kind of stuff, it is supposed to mean something.

It does not mean anything, and I sure hope that you are not showing these around to prove some cause or another. That is just flat out wrong, and if you want to use photographs like that, let us have them shown meaningfully, and colored areas that are totally different from one another, in a different fashion.

I do not know where that green, yellow, black color scheme came from, but it does nothing but obstruct an understanding of what has taken place in a rapidly growing, mostly, but not entirely major metropolitan area in the United States.

You can take it down, if your assistant will, but I hope when you go back to your office you will destroy it, or come up with something that is more meaningful than what you have shown us here today.

CROWN JEWEL MINE

Now, I have a wide range of questions. I may ask a couple of them. I do not have time for all of them, but I do want to cover another action in your case, Mr. Lyons, that has taken place in just the last couple of days, for which I suppose you are prepared, and it has to do with Crown Jewel, specifically, and mining regulations, generally,

Two years after this administration, in January 1997, approved a Record of Decision, after that Record has been successfully defended by the Forest Service in a Federal district court, after the company concerned has spent $80 million on the project, after more than 50 permits have been obtained, after the direction of the Washington Department of Ecology stated, and I quote: "No other proposal has received this level of environmental scrutiny," a letter that you signed together with three others, presumably by the Interior Department's solicitor, John Leshy, pulled the rug out from under the entire project, rendered an opinion directly contrary to the U.S. Forest Service manual, and has not only destroyed that project, and perhaps the company that did so, but apparently has had the impact in national markets of causing almost every mining company in the United States that operates largely now on public lands to have a tremendous loss in the value of their securities and grave warnings about their future.

I guess I have to ask you, Mr. Lyons, no private person could ever act in this fashion. Does not the Government of the United States owe at least a minimal degree of fairness to people who operate in good faith pursuant to the laws, and for that matter, the regulations that the Forest Service has kindled?

How possibly can the Government justify, simply justify on the basis of the most minimal standards of justice, a decision of this nature?

Mr. LYONS. I agree with the concern about fairness, Mr. Chairman. I would simply explain that the letter that was signed by myself, our general counsel, Charlie Walls, as well as the Solicitor of Interior, John Leshy, and Assistant Secretary Bacca, was the result of a legal interpretation of the 1872 Mining Act by the Department of Interior, and as you know, Interior has jurisdiction over sub-

surface rights related to the National Forests, so based on their guidance and their interpretation of the amount of surface occupancy that is provided for under the 1872 Mining Act, we were sending that letter to the company in question.

Senator GORTON. Then it does not represent your own or your own Department's independent analysis of the law.

Mr. LYONS. Well, it represents the guidance we have received, based on Mr. Leshy's legal decision——

Senator GORTON. Please answer the question. Does it represent your view and your Department's view of the law?

Mr. LYONS. It represents what I have been told is an appropriate interpretation of the law.

Senator GORTON. Does it mean that you will now change your regulations in the Forest Service manual to the extent that that manual is diametrically, takes a diametrically contrary point of view?

Mr. LYONS. Well, I think it raises a number of policy questions, Mr. Chairman, that we are currently assessing. This is obviously a new interpretation rendered by Mr. Leshy that serves as the basis for this decision.

Senator GORTON. Are you going to engage immediately in a new rule making on that subject?

Mr. LYONS. I have asked for an analysis of the implications.

Senator GORTON. Well, I want to go back and ask the first question again. Do you believe that there is the remotest degree of justice or fairness in the Government of the United States acting in this way with respect to an individual applicant or for that matter with respect to the wide range of companies that now apparently are operating in a way inconsistent with this interpretation?

Mr. LYONS. Well, I would agree, Mr. Chairman, it would have been preferable to have some sense of this interpretation sooner in the process.

Senator GORTON. That really is not a very good answer. Does not the Government of the United States owe organizations like that some minimal degree of fairness?

INTERPRETATION OF MINING LAWS

Mr. LYONS. I agree, Mr. Chairman. I also have to acknowledge that we are responsible for implementing the law, and if this is what the appropriate legal interpretation of the law is, not being a lawyer, then I have to follow it.

Senator GORTON. Then are you recommending to us that we reverse this interpretation as a part of our bill this year?

Mr. LYONS. No, sir, I am not doing that.

Senator GORTON. So you think that this interpretation is not only required by law, but it is fair and to be continued.

Mr. LYONS. I believe it is consistent with the law. I am not going to make a judgment about the fairness.

Senator GORTON. You do not think fairness falls within your assignment or job.

Mr. LYONS. I think it does, Senator, and I think it would have been fairer to give the company some forewarning that this was likely to be the interpretation of the 1872 Mining Act as it affected

their proposal. Nevertheless, this is the interpretation that has been rendered, and that is what we have communicated to the——

Senator GORTON. It is an interpretation that has been rendered and one that you do not want changed by statute.

MINING ACT IMPLICATIONS

Mr. LYONS. You asked if I was recommending that in the context of the fiscal year 2000 budget. I am not, and I am asking now for an interpretation of the implications of this, both for existing operations and future operations.

I think there has been tremendous debate about the 1872 Mining Act in this Congress. There are a lot of issues I think we would like to revisit in the 1872 mining law. If in that context we were addressing issues, this is one we might address.

Senator GORTON. Well, I can only give the editorial comment that I hope Mr. Lyons that I would have had the courage to resign rather than to sign such a letter that does such an injustice.

HIGH-RISK AGENCY LIST

Mr. Dombeck, you did try to cover your various accountability problems in your opening statement, but I want you more specifically to respond to the General Accounting Office's statement earlier this year adding the Forest Service to its list of agencies of high risk of waste, fraud, abuse, and mismanagement. Do you agree or disagree with the assessment?

Mr. DOMBECK. Well, based upon their criteria I will agree with GAO's assessment. Let me ask my chief financial officer if she would like to provide an interpretation or additional information.

Ms. GOERL. The listing of the financial management concerns that the Forest Service is a high risk, when you view the basis for which they make those determinations, would seem fair, in view of the past actions that GAO has listed in terms of their criteria for that. So it was actually not that surprising for me to learn that we were put on the high-risk list, in view of my past experience.

Senator GORTON. When you come back here next year will you be off that list?

Ms. GOERL. I think that the GAO likes to reserve that you have to get a clean opinion for a couple of years before they would determine that the long-term health of the financial management program is enough that they would remove you from the list, and that has also been their past history.

GENERAL ADMINISTRATION

Senator GORTON. Mr. Dombeck, last year's conference report directed you to eliminate the general administration line for this budget, but you have one. When are you going to comply with that direction?

Mr. DOMBECK. Also let me ask Vincette to address that.

Ms. GOERL. I think that improvement in the budget structure is essential to improving our accountability, and I believe we did forward one change this particular year in public asset protection and management.

I think what we have to do before we do significant budget reform is to ensure that we have a sound financial basis and a financial system in place, which we do expect to have by October 1, 2000. However, we did forward for discussion and dialogue a proposed budget structure that we would like to have discussions with you and the Congress over the next couple of months, so that we can come back in 2001 with a renewed budget structure that would consider the general administration as well.

BUDGET STRUCTURE REFORM

What we did in that particular proposal that we forwarded with the budget justification is link it back to what I think is very important, the strategic plan is long-term outcome measures, with current performance plan, products, and services we expect to do in the current year with the new budget structure.

I think that that is essential, along with a strong financial infrastructure to ensure that we can report against that. We would be very pleased to work with you on that structure together.

Senator GORTON. Given the length of this hearing and given the fact that I have 30 or 40 more questions by staff, I think we will submit the balance of them to you.

Senator BENNETT. Mr. Chairman, I came back to hear you.

Senator GORTON. You missed the good part. [Laughter.]

It went first.

Mr. LYONS. Mr. Chairman, if I could just have one second.

Senator GORTON. Yes.

PUGET SOUND MAP PHOTOGRAPHS

Mr. LYONS. Since I was the one who raised the issues related to the photographs of the Puget Sound area I would like to have an opportunity perhaps to address your concerns at a later time and maybe come up and visit with you, but I want to assure you there is no intent, and I do not concur that those photos are fraudulent, but rather I think the black areas you identified simply reflect areas where there are no trees, which, of course, is why Mount Rainier shows up black.

I would like to have an opportunity to explain to you how those photos were developed and in their utility at least in guiding us in terms of some of the work we are doing in the area, and I certainly did not mean to offend you in presenting that information.

Senator GORTON. You will have that opportunity, Mr. Lyons.

Senator CRAIG. Mr. Chairman——

Senator GORTON. Yes.

MINING LAWS

Senator CRAIG [continuing]. It is not that I want the last word, but I agree with you and I am glad you pursued the issue of the letter that both Secretary Lyons and Solicitor Lechey signed. I worked on mining law for a long while, I have read the letter, I have read the context and understand it generally, and my reaction is simply this, I guess I am a little sorry that Jim got caught up in it. Mr. Leshy has had an agenda for the mining industry for a

long time, it is well known. He has gone around the country giving political speeches about it for a long while.

I kind of view this as a way of dragging the industry kicking and screaming to this administration's vision of reform of the 1872 mining law. The great tragedy is, of course, that it may well destroy companies and all of that, but then again, I guess that is relatively insignificant when one pursues one's politics.

Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. Thank you very much. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

FIRE

The Subcommittee is very concerned about the fire risk on Forest Service lands, particularly in the interior West. GAO Associate Director for Energy, Resources and Science Issues Barry Hill testified recently that as many as 39 million acres of the interior West's national forests are a "tinderbox." However, the budget request for fire preparedness, is the same as last year. This represents only 67 percent of the optimal level of MEL (Most Efficient Level). This is down from 74 percent last year. Your own budget states:

At the lower protection levels associated with a smaller percentage of MEL, there is increased risk of injury and loss of life to both the public and to firefighters, due to reduced staffing levels and decreased availability of firefighting resources.

Question. How can the agency justify lowering the preparedness level in light of these facts?

Answer. The president's fiscal year 2000 budget will allow the Forest Service to field an effective initial attack suppression force. There may be fewer initial attack resources available, but they will not be delayed in their action. Having fewer initial attack resources available may result in more escaped fires, higher suppression costs, and damage to resources. Much of this depends on the overall severity of the fire season.

Question. For the last 10 years, what was the level of funding for Fire Preparedness and what percent of the Most Efficient Level did it represent?

Answer. The level of funding and percent of Most Efficient Level fluctuates from year to year. The 10-year averages for fiscal years 1990 to 1999 are $259 million for Fire Preparedness (WFPR) which equates to an average of 87 percent of Most Efficient Level (MEL).

Fiscal year	WFPR	MEL	Percent of MEL
1990	176.2	196.2	90
1991	179.9	200.1	90
1992	187.5	219.5	85
1993	247.9	275.3	90
1994	257.7	294.2	88
1995	285.1	311.4	92
1996	295.3	328.0	90
1997	319.3	341.0	94
1998	319.3	390.0	82
1999	324.9	430.0	76
10 Year Average	259.3	298.5	87

Question. The Department of Interior (DOI) is funding its Fire Preparedness operations at 83 percent of the MEL, why is there such a discrepancy between Forest Service funding and DOI?

Answer. The Forest Service funding in terms of MEL was comparable to DOI up through the fiscal year 1998 budget year, and has averaged 87 percent over a ten-year period. Decreases in program level have occurred very recently as balances with other equally important programs within the Forest Service occur, while program and inflationary cost continue to arise. In addition, DOI's budget allocation was more generous than the Forest Service's.

Financing a higher percent of MEL should manifest itself as more available initial attack firefighters. Depending upon the severity of the fire season, the size of firefighting organization available for initial attack purposes that is funded by a lower percent of MEL in fire preparedness could result in more escaped fires, increased costs of fire suppression, and greater changes to resource values.

Question. Does this mean that DOI is more concerned about limiting damage from fire than the Forest Service?

Answer. No. Both DOI and USDA are equally concerned about limiting damage from fire as evidenced by continuing interagency efforts to improve wildland fire policy and program implementation. But, again, DOI's overall allocation was higher, giving that agency the ability to fund the program more aggressively.

Question. Are there any problems caused by this discrepancy in the level of preparedness between the Forest Service and DOI?

Answer. The Interior and Agriculture Departments have an effective working relationship, which has not been affected in prior years by different funding levels, and should not be affected in fiscal year 2000.

Question. Are the costs for maintaining the same percentage of MEL increasing more rapidly for the Forest Service than the DOI? If so, why? What can be done to resolve this problem?

Answer. Yes. The Forest Service organizations and program is larger than DOI's, therefore issues are magnified in relation to budget. Implementation of actions recommended in various management review studies, since the catastrophic fire season of 1994, has resulted in increased costs primarily related to personnel, safety and training. Also, in the past, fire programs were heavily dependent on shared personnel from other program areas such as timber, wildlife, and engineering. As these programs decrease, fulltime fire positions are needed and greater fixed costs are required to maintain basic program capability.

The Subcommittee is also concerned about how the Forest Service is planning to reduce the fire hazard on Western forestlands in the future. Last year, the Congress fully funded the hazardous fuels reduction program ($67,000,000). However, the GAO recently testified that "the Forest Service lacks a cohesive strategy for reducing fuels on our National Forests" and that the Forest Service current plans may significantly underestimate the number of acres on which fuels must be reduced annually to adequately reduce fire hazards.

Question. Is GAO correct in its assessment? If GAO is incorrect, why?

Answer. The GAO testimony was based on a draft report, which was subsequently released in April 1999 as GAO/RCED–99–65. In the Forest Service letter offering comments on the draft which is included on pages 50 and 51 of the final report, we state that: "We feel that the GAO report is very comprehensive and does a good job of covering the problem. GAO has effectively portrayed the existing forest conditions that exist throughout much of the interior West forests. We agree with the principal findings of the report."

We have a strategy in place to accomplish our fuel reduction program. We will complete a plan similar to the one suggested in the report that will provide a more accurate estimate of the acres at risk and a cohesive plan to address the problem. However, not all acres in the entire system will be treated as this may require management activities that may jeopardize other ecological or human values. Acres treated will be decided after the appropriate science, environmental, and public input.

Question. What is the current Forest Service strategy for reducing fuels on the National Forests?

Answer. The Forest Service's long-term trend is to increase the fuel reduction to 3 million acres by 2005. Reduction of fuels is through a combination of treatment methods including prescribed burning and mechanical treatments. In addition, the plan noted above will outline all Wildland Fire and NFS programs that contribute to meeting this objective. The Forest Service has undertaken a Risk Assessment effort to identify high-risk areas and opportunities for priority treatments. We will use the information from the assessment process to help prioritize the allocation of funds and to address future funding requirements.

Question. What are the Forest Service's specific plans to address the serious fire hazards in the interior West? Does the budget adequately reflect the significance of this problem?

Answer. The Forest Service has undertaken a Risk Mapping effort to identify high-risk areas and opportunities for priority treatments. The President's fiscal year 2000 Budget includes $65 million for hazardous fuel reduction. This level of funding is in line with the planned increases in funding needed to increase accomplishment from 350,000 acres per year in fiscal year 1994 to 3.0 million acres per year in fiscal year 2005.

Question. On how many acres of land must fuels be reduced annually in order to adequately reduce fire hazards?

Answer. The long-term goal is 3 million acres per year by 2005. The Chief has testified that 39 million acres of critical forested ecosystems are in an unhealthy condition and are at a greater risk of severe damage from fires. As the risk assessments are completed we expect a more accurate figure, but feel that at least 3 million acres per year of accomplishment is needed to address the problem.

Question. On how many acres of land are fuels reduced using the following methods: (1) mechanical treatments, (2) prescribed burning, and (3) timber sales? Please break these numbers out by Region. What are the average costs for each of these treatments on a per acre basis? Please provide these numbers broken out by Region.

Answer. We do not collect hazardous fuel reduction accomplishment data by type of treatment, such as numbers of acres treated by burning versus those treated by mechanical means. The fiscal year 1998 cost per acre by region, averaged for all types of treatments, is as follows: R–1 $52; R–2 $68; R–3 $62; R–4 $52; R–5 $124; R–6 $73; R–8 $12; R–9 $56; R–10 $240. In fiscal year 1998 over 932,000 acres of the 1.4 million acres accomplished were in R–8; which contributed to a national average cost to $33. Timber sales are not reported in this category.

Question. What is the agency's assessment of the fire risk in New Mexico?

Answer. We are in close contact with the southwest Regional Office (AZ and NM). While parts of the Region are in extreme fire danger, other portions have received precipitation which has moderated conditions. The potential for a more active than normal wildland fire season is greater than normal, so we have been working with the Region to minimize fire risk.

Question. How does the current situation compare to prior years?

Answer. Current conditions reflect those seen in 1996. That year was characterized by an early start to the wildland fire season which had more large wildfires than normal, and had a length longer than normal.

Question. What additional actions is the agency taking to respond to the increased fire hazard caused by the drought?

Answer. Beginning in March, the Forest Service has used the Severity authorization to support deployment and early hiring of fire prevention and firefighting resources in the Region. To date, $4 million has been sent to the Region. This money is used to offset extreme fire danger conditions that occur from time to time across the country. The southwest Region is using the severity authorization to hire their fire prevention and initial attack firefighting resources earlier than normal. The Forest Service, States of Arizona and New Mexico, Bureau of Land Management, and the National Park Service are coordinating their activities in regards to fire prevention, public service announcements, and deployment of firefighting resources. Severity authorizations will allow the Forest Service and States to minimize the risk of wildland fire occurrence.

Fire lookouts are in place and initial attack resources are deployed throughout the Region.

Question. What, if any, plans are there for the Forest Service to take advantage of advanced satellite technology used by other agencies to detect and fight fires?

Answer. The Forest Service does utilize some of the satellite remote sensing from other government agencies, such as National Oceanic Atmospheric Administration (NOAA), National Aeronautic and Space Administration (NASA) , and the military.

Question. What obstacles does the agency face in attempting to access this technology? Would the use of such technology increase costs to the fire program?

Answer. We have not encountered any obstacles to date, and would not expect any increased cost to utilizing these technologies unless the agencies providing the service were to begin charging for the information.

Question. Would particular regions of the country benefit more than others from the use of this more advanced technology, i.e., more remote areas where there is a less significant Forest Service presence on the ground?

Answer. We have a fairly reliable detection system for most regions of the country. The technology would be most useful for mapping existing large fires.

RECREATION

According to the agency's budget, the Forest Service is the largest supplier of outdoor recreation in the Nation with close to 900 million visitors annually. The agency's own projections are that demand for recreation is increasing rapidly. The Service has also stated that the business of recreation can provide similar economic benefits to communities that prior uses, like timber, did. Indeed, the budget states that, "Tourism and recreation provide economic contributions equal to, if not greater than, traditional public land uses."

Question. If demands on the recreation program are increasing significantly and it supports economic benefits to local communities, why is the Recreation Management request frozen at last year's level?

Answer. Recreation is just one of many programs funded by the Forest Service budget. It is one of the emphasis areas in the Forest Service Natural Resource Agenda. The other emphasis areas are: roads, watershed health and restoration, and sustainable forest management. Other agency priorities identified by Secretary Glickman and Under Secretary Lyons in the hearing before the House Interior Appropriations Subcommittee on March 10, 1999, are lands legacy; research; and accountability.

The Administration has also proposed a series of legislative proposal that should help provide for long-term funding stability for much of the recreational program's activities (e.g. concession reform legislation).

Recreation is just one of many programs funded by the Forest Service budget. In fiscal year 2000 the Agency has five major priorities: watershed health; roads; lands legacy; research; and accountability. While it is true that recreation programs are funded near the fiscal year 1999 level, other activities of lesser priority are proposed for funding decreases.

Question. What economic impact will this have on communities that depend on recreational use of the National Forests to generate revenue?

Answer. Since the Recreation Management budget has remained flat we see no change. However, over time because of the backlog in maintenance and the effects of inflation on a level budget there could be some decline in the quality of recreation experience for visitors. In addition, many private tourism/recreation related businesses (outfitter guides, resorts, concessions and lodges, etc.) rely on quality forest landscapes for their market niche in local, national and sometimes international tourism markets.

Question. While the Recreation Management line item was held level, the budget asks for an additional $7,000,000 for Wilderness Management. What is the historic wilderness recreation use over the last 10 years?

Answer. The agency believes that funding for wilderness has not been what it needed to be over the past decade to maintain pristine conditions that the public expects and the law requires. Therefore, an increase was made to help bring it up to a responsible level.

The estimated wilderness use for the Forest Service, over the last 10 years of available data, are reported below:

[In millions]

Year	*Estimated Wilderness RVD's* [1]
1986	11,489,709
1987	11,634,201
1988	12,022,736
1989	12,221,059
1990	12,288,321
1991	12,356,925
1992	12,667,430
1993	12,815,143
1994	13,889,700
1995	13,862,800
1996	13,889,700

[1] "Recreation Visitor Day" is a statistical reporting unit consisting of 12 visitor hours. A visitor hour is the presence of a person on an area of land or water for the purpose of engaging in one or more recreation activities during a period time aggregating 60 minutes.

Question. What is the top priority for the agency with respect to wilderness recreation use?

Answer. To provide, consistent with management of the area as wilderness, opportunities for public use, enjoyment, and understanding of the wilderness, through experiences that depend upon a wilderness setting. Also, with an ever increasing pop-

ulation, people expect the Forest Service to provide outstanding opportunities for solitude or a primitive and unconfined type of recreation.

Question. What is the increase in the number of wilderness areas created and managed over the last 5 years?

Answer. Seventy-six wildernesses were created in the five year period 1993–1998. Eight of these are managed by the USDA Forest Service, four are jointly managed by the Forest Service and the Bureau of Land Management, and the remaining 73 are managed by the Bureau of Land Management or the National Park Service. There are currently 624 wildernesses in the National Wilderness Preservation System.

Question. Is recreational use in wilderness areas increasing more than use in other areas of the National Forests? If so, by how much?

Answer. Records do not exist that permit an accurate comparison of National Forest recreation and wilderness recreation use trends. Recreation use estimates are not available beyond 1996; from 1994 through 1996, a comparison of the rate of increase of recreation use in wilderness and in other areas of the National Forests, expressed in recreation visitor days, shows:

Year	Wilderness recreation Use	Recreation use (outside wilderness)
1994	13,889	835,238
1996	14,512	859,210
Percent Increase 1994–1996	4.4	2.8

This comparison would indicate that wilderness recreation use is increasing at a greater rate (4.4 percent) than National Forest recreation use (2.8 percent).

Question. How does the magnitude of economic benefits that local communities derive from wilderness use compare to the rest of the recreation program?

Answer. The Forest Service has not calculated a comparison of economic benefits to local communities derived from wilderness use as compared to the rest of the recreation program. Such a comparison would be difficult for a number of reasons; one reason is that many people visit wilderness and other national forest areas in the same trip; the economic benefits are therefore not distinct to one area or the other. The question also limits the source of the economic benefit to the actual on-site, recreation visitation activity and excludes other wilderness or national forest sources of economic benefit, such as effect on the value of surrounding private lands (and resultant tax base).

In terms of total gross magnitude, one can presume the economic benefits to communities from wilderness use is less than that from the rest of the recreation program for the following reasons: (1) total numbers of recreationists (in 1996, estimated recreation visitor days in wilderness were 14,512 million, compared to 859,210 million for general National Forest recreation), and (2) total land area (designated wilderness is only approximately 18 percent of the National Forest System). However, areas such as the Boundary Waters Canoe Area in Minnesota, and other large wildernesses where people need to pack in such things as canoes, other equipment, and food, may benefit more economically per wilderness visit than those where people drive through a national forest and stop only briefly.

Question. Estimates from the agency indicate that the use of concessionaires has increased by 70 percent over the last decade. Prior to the implementation of the Recreation Fee Demonstration program, how did the Forest Service treat monies it received from concessionaires vis a vis the 25 percent payments to states, i.e., were these monies subject to the 25 percent payments?

Answer. Prior to the Recreation Fee Demonstration program, all rental fees for concession based authorizations were subject to the 25 percent payments to states. The exception were authorizations issued under the Granger/Thye Act, which allows permit holders to do work on government owned structures they occupy in lieu of fees. Campground concessions are the activity most associated with the Granger/Thye Act.

Question. What, if any, portion of receipts from concessionaires could be retained for administrative or other costs by the Forest Service prior to the Recreation Fee Demonstration program?

Answer. As mentioned above, the Granger/Thye Act allows for the permit holder to do work on government owned facilities they occupy. In some cases, the permit holder funds the agency to conduct the work for them. This is generally the case when the agency has the expertise to do the work. The Land and Water Conserva-

tion Fund Act allows for 15 percent of fees collected to be retained by the unit to cover the cost of collecting such fees.

Question. If a portion could be retained, what statutory authority provided for this?

Answer. See answer to previous question.

Question. What economic impact has the implementation of the Recreation Fee Demonstration program had on the 25 percent Fund payments to states? What are the future impacts likely to be?

Answer. Congress exempted the Recreation Fee Demonstration program from the 25 percent Payment to States requirement when it passed Public Law 104–134 in 1996. In the fiscal year 1999 and 2000 budgets, the Administration proposed legislation that would provide a historic level of return to States as a replacement for the 25 percent payment to States statutory authority.

In fiscal year 1998, the Forest Service Recreation Fee Demonstration program reduced historic payments to States by an estimated $1 million, as $4 million of historic fee sites were converted to Fee Demo Projects. Approximately $16 million in new fees collected in fiscal year 1998 were never subject to the 25 percent payment requirement. Recreation contributions to historic payments to States make up less than 1 percent of total historic returns—the bulk of payments have come from Agency commodity programs.

If in the future all remaining Agency managed recreation fee sites were transferred to the Fee Demonstration Program, historic payments to States would be further reduced by approximately $1.4 million (25 percent of the remaining $5.4 million of historic receipts not currently covered by Fee Demo).

Question. What would the impact be of making receipts from the Recreation Fee Demonstration program subject to the 25 percent Fund payments to states? (Please provide a specific estimate of the fiscal impacts on the program.)

Answer. In fiscal year 1998, the Forest Service collected $20.8 million gross recreation fee demonstration receipts. If that entire amount was subject to a 25 percent return to States assessment, approximately $5.2 million would be available to the States. This figure would increase as future receipts increased. Note that Agency available funds would decline by the same amount, limiting Agency ability to provide visible improvements desired by fee paying visitors. This could greatly reduce public support for the fee system and might cause future reductions in receipts.

In fiscal year 1998, costs for the Forest Service to collect and process the fees collected were about 17 percent of gross receipts. If 25 percent of receipts are shifted to the States only 58 percent of the gross fees paid by the recreating public would be available to spend on recreation maintenance and improvements. Moreover, when the public visits, many are in-state and county residents who may be paying sales and income taxes to the state and counties. Also, out of state visitors are utilizing local hotels, restaurants and other facilities which help counties and states. If the forests cannot use the money to maintain the quality of these sites, people may choose to recreate elsewhere. Therefore, the local governments would lose the greater economic benefit of the people temporarily residing in these communities.

Question. Does the Forest Service have the discretion to do this now, or would it require statutory authorization?

Answer. Public Law 104–134 explicitly exempts Recreation Fee Demonstration receipts from the 25 percent payment to States statutory authority. The Forest Service does not have the authority to give 25 percent of recreation fee demonstration receipts to the States. It would take new legislation to remove the exemption.

Question. Recently, the Department of Labor (DOL) issued a ruling that will require Forest Service concessionaires to pay wages to their employees as set out in the Service Contract Act. What is the impact of this decision on the Recreation program?

Answer. It is too early in its implementation to make any predictions on levels of impacts. Possible effects include no bids due to some offerings now being uneconomical, and where there are bids, bid amounts could be reduced to cover the increased costs.

Question. What are the Forest Service's estimates on the number of concessionaires who would not re-bid on existing contracts if they are required to pay wages pursuant to the Service Contract Act?

Answer. It is too early to make any estimates on impacts. Each concession offering is unique in its content, therefore the Agency has no basis to make estimates. To date pursuant to the Service Contract Act, five offerings have been awarded and three offerings did not receive bids.

Question. What would be the impact on the Forest Service budget, if the agency has to operate these areas out of appropriated dollars?

Answer. For reasons stated above, a value can not be calculated. However, should concession opportunities receive no bids and the agency field unit determines the campground should remain open to meet public demands, appropriated funds could be used. Currently, the agency is developing data to determine what it costs the agency to operate campgrounds. Preliminary information is anticipated to be available in July of 1999.

Question. What, if anything, is the Forest Service doing to mitigate the effects of the Department of Labor's decision on the Recreation program?

Answer. Because the level of effects is not known the agency has multi-faceted approach: (1) Implement the Service Contract Act requirements as existing authorizations come due. This will require a minimum five years cycle time. (2) Use the Recreation Fee Demonstration program as a safety net to allow operation of selected sites by the agency should no bidders come forward. As a temporary safety net, the agency is using the Recreation Fee Demonstration program in funding operations by allowing fees collected to be used, without further appropriation for site operations. (3) Over the next two years analyze the effects and adjust the program with a focus to maintain the concession campground program within the constraints of statutes and regulations.

Question. Last year, the agency instituted a national policy banning fixed anchors in wilderness areas of the national forests without any public input. Subsequently, the agency postponed implementation of this national ban while it goes through a negotiated rulemaking process which includes the public, climbers and environmentalists.

What is the current status of this process?

Answer. The Forest Service is involved in a negotiated rulemaking process to determine the appropriate limits on the placement of fixed anchors for climbing in wilderness areas of national forests. The following items have been developed by the Forest Service and are awaiting approval by the Department of Agriculture: We are awaiting approval from the Department of Agriculture on the FACA requirements for the negotiated rulemaking and the Notice of Intent (NOI). Upon approval, the NOI will be published in the Federal register, and the public will have the opportunity to nominate members to the committee. The names of committee members will then be published in the Federal Register and announced through news releases. News releases and FS Today website postings will also be used to announce committee meetings and progress on the rulemaking.

We are targeting September through October 1999 as the timeframe for committee meetings, November 1999 for the final committee recommendations, and June 2000 for the publication of a final rule in the Federal Register.

Question. What is the likelihood that a policy can be developed which satisfies all stakeholders?

Answer. This question is best answered by reading the Convening Report, "The Potential for a Negotiated Rulemaking on Fixed Anchors for Climbing in Wilderness Areas Administered by the Forest Service", January 27, 1999, by Philip J. Harter, Mediation Consortium. The Forest Service contracted with Mr. Harter for this report as the first phase of the negotiated rulemaking. Mr. Harter investigated all aspects of the fixed anchor in wilderness issue and interviewed many of the stakeholders; his findings, impressions and recommendations are included in the Report. The conclusion of the Report acknowledges that there are significant aspects of the fixed anchor issue that will make it difficult to reach agreement, but states, "In sum, not only does a negotiated rulemaking appear feasible, it appears to be the recommended procedure. But, a reg-neg will be successful only in developing a policy to manage the use of fixed anchors. Negotiated rulemaking is not the means to issue a rule prohibiting them altogether nor to announce that there will be no restrictions whatever. If, as an initial matter, the Forest Service determines that the Act or its internal policies require either of these endpoints, then reg-neg is not the route to take."

The Forest Service is committed to the success of a negotiated rulemaking to draft a rule for fixed anchors in wilderness, working for an outcome that is recognized as a success for all stakeholders.

Question. A few weeks ago, news accounts reported that the Forest Service is considering limiting hikers on some of the most popular trails in the Mt. Hood National Forest by as much as 90 percent. More recently, it has been reported that the Forest Service is re-thinking its proposal.

What is the current status of proposals to limit access on the Mt. Hood National Forest?

Answer. Over the last five years, the Mt. Hood National Forest has worked with a variety of interested people and groups in workshops, field trips, camp trips and interviews to prepare an environmental assessment (EA) to address how to best pro-

tect wilderness character in the Mt. Hood, Mark O. Hatfield and Salmon-Huckleberry Wildernesses. The draft EA was released in January 1999. The Forest then invited interested publics to review and comment on the proposal. Information was provided through mailings, web sites, open houses, direct contacts and other means. Written comments to the proposal were due on April 1, 1999.

The Mt. Hood National Forest is now evaluating over 600 written comments and input received, including those from over 400 people who attended three public meetings. Preliminary impressions include that there is broad public support for limiting use to protect physical wilderness resources. However, there is considerable opposition to maintaining solitude standards in areas that have historically experienced much higher levels of use, such as the south side Mt. Hood, climbing in the Mt Hood Wilderness, and on the Ramona Falls trail.

The Mt. Hood National Forest is still working on the analysis of public comment and, based on that comment, a new draft EA will not be ready for public review until late November, at the earliest.

Question. How much of the proposed policy is based on tangible on-the-ground impacts which have degraded the resource versus subjective notions of solitude?

Answer. The proposed Mt. Hood National Forest policy was based on approximately 50 percent on-the-ground impacts and 50 percent on the need to provide opportunities for solitude. The basis of the proposal varied and depended on the needs and conditions on individual sites. Examples include the south side Mt. Hood, a durable terrain (ice and rock) with high use levels (over 600 climbers on a May or June weekend) where the proposed limit was predominately based on limiting encounters, and on trails and popular camping sites where problems with vegetation trampling, soil compaction, and excessive human debris are the factors limiting use.

Question. How does the Forest Service define solitude, if at all?

Answer. National Forest Service Wilderness Policy (Forest Service Manual 2320) does not contain a definition of solitude. The solitude component of wilderness management originates from the Wilderness Act of 1964, which defines wilderness in part as an area that "has outstanding opportunities for solitude or a primitive and unconfined type of recreation;" (Public Law 88–577, Sec. 2 (c)(2)). The American Heritage Dictionary (Houghton Mifflin Co., 1982), defines solitude as, "The state of being alone or remote from others; isolation," but acknowledges in explanatory notes, "Solitude implies the absence of all other persons but is otherwise not very specific." Individual wildernesses treat the concept of solitude, with public participation, during the planning process. A Limits of Acceptable Change approach is often used. Solitude is defined according to specific opportunities and resources for each wilderness, and standards identified for focusing management on protecting wilderness resource values and providing quality wilderness experiences for visitors.

Question. If solitude is used as basis for establishing the maximum numbers of visitors, what is the methodology for measuring "solitude" and determining the appropriate level of visitors?

Answer. The methodology has developed from work conducted by Forest Service scientists, wilderness managers' experience, and years of input by wilderness visitors and interested others. Although there have been a few attempts to study wilderness visitors' perceptions of solitude directly, most research has focused on number of encounters between groups rather than on solitude. Researchers have typically assumed that opportunities for solitude should generally increase as encounters with other groups decrease. Because numbers of encounters can be more directly influenced by management actions than solitude can, managing the number of encounters has become the most accepted means of managing opportunities for solitude. Wilderness staffs can manage the number of encounters informally, by such means as suggesting to visitors alternative trailheads to reduce numbers at one that is overused, or rerouting trails to change travel patterns (and therefore encounters) along popular routes. Formal controls, such as a permit system limiting the total number of visitors in the wilderness at any one time, are generally the last to be imposed.

Question. To what extent does the agency base public access decisions in wilderness areas nationwide on the concept of solitude versus physical degradation of the resource?

Answer. There is no National policy or standard as the basis of public access decisions in wilderness and we have no plans to establish such a policy. Since the early 1980's the Forest Service has used the "Limits of Acceptable Change (LAC)" planning and management process developed by Forest Service wilderness researchers to address recreation use in wilderness as part of the forest planning process. Both the concept of solitude and the physical degradation of the resources are considered. The LAC process provides for local decisions including public involvement on a wilderness by wilderness basis to determine the limits of recreation use and environ-

mental impact that a wilderness should sustain within the framework of the Wilderness Act.

ROADLESS MORATORIUM

In January of last year, despite the request of a number of members from both the House and Senate, to work with the Forest Service in developing a revised road policy, the agency unilaterally issued a proposed policy imposing a moratorium on road construction in roadless areas.

Question. What, if any, timber sales or road building were done in any areas defined by this proposed policy over the last 15 months? Please provide a complete list of all National Forests in which timber sales or road building took place in areas defined by the proposed policy issued in January, 1998.

Answer. We do not have a list of projects that took place within areas covered by the proposed interim roads rule published in January, 1998, since the policy was proposed and did not apply to, or affect, any projects in fiscal year 1998. We did not collect information pertinent to projects that may have been subject to the roads rule since the rule was not in effect.

In late January, just before the Service announced the roadless moratorium the agency briefed a number of Senate staff and suggested that the impact of the moratorium in fiscal year 1999 would be the cancellation of between 160 and 240 MMBF of timber sales. A press release issued by the agency suggested that about 200 MMBF of fiscal year 1999 timber sale volume would be canceled.

Question. How much volume has been, or is now likely to be, canceled in fiscal year 1999?

Answer. The numbers quoted in the preface to the question need to be clarified. These were estimates for the entire 18-month period affected by the suspension based on the environmental assessment and preliminary estimates from the field. Following publication of the interim rule in the Federal Register on February 12, 1999, each national forest evaluated their proposed projects to determine which projects would be suspended. This analysis was completed in early March. The forests identified timber sales with an estimated volume of about 219 million board feet that would be subject to the suspension over the next 18 months. Of this amount approximately 96 million board feet was tentatively scheduled to be offered for sale in fiscal year 1999 and subject to the suspension. The remaining 123 million board feet was identified from timber sales subject to the suspension and proposed for offer in fiscal year 2000. A final volume estimate is not possible before the end of the fiscal year because forests have the ability to modify sales affected by the policy or substitute future sales for any delayed sales.

Question. Please provide the following information: (1) Copies of the 6-month and 12-month Periodic Timber Sale Program Announcements generated by each forest that has, or will be, canceling timber sales in fiscal year 1999; (2) a copy of the revised 6-month and 12 month Periodic Reports which were generated after the Roadless Moratorium was announced; and 3) an explanation of why each sale was, or will be canceled tied to the different land classifications included in the Moratorium.

Answer. Projects are delayed or curtailed for a number of reasons, such as, cost of implementation, lack of feasibility, lack of funds, environmental risk, or public opposition. In order to address the potential impacts resulting from the interim rule, each forest evaluated their proposed projects in light of the interim rule. Each affected project was identified along with the miles of road construction and reconstruction and any timber volume associated with suspended timber roads.

Please refer to Enclosure 1, on following pages.

Enclosure 1

FY 1999 Forest Projects Impacted by the Interim Rule

State	Forest	Project Type	Projects	Direct Reconstruction (Miles)	Direct Construction (Miles)	Direct Temporary (Miles)	Indirect Reconstruction (Miles)	Indirect Construction (Miles)	Indirect Temporary (Miles)	Total (Miles)	Direct Volume (MMBF)	Indirect Volume (MMBF)	Total Volume (MMBF)
California	Inyo	recreation	1	.0	.3	.0	.0	.2	.0	.5	.0	.0	.0
	********** sum		1	.0	.3	.0	.0	.2	.0	.5	.0	.0	.0
	Sierra	forest mgt	1	.0	.7	.2	.0	.0	.0	.9	1.8	.0	1.8
	********** sum		1	.0	.7	.2	.0	.0	.0	.9	1.8	.0	1.8
********** sum			2	.0	1.0	.2	.0	.2	.0	1.4	1.8	.0	1.8
Colorado	Grand Mesa - Uncompahgre - Gunnison	forest mgt	3	2.6	2.9	9.1	.6	.0	.6	15.8	5.5	.8	6.3
	********** sum		3	2.6	2.9	9.1	.6	.0	.6	15.8	5.5	.8	6.3
	White River	forest mgt	1	.0	.7	.0	.0	.0	.0	.7	3.0	.0	3.0
	********** sum		1	.0	.7	.0	.0	.0	.0	.7	3.0	.0	3.0
********** sum			4	2.6	3.6	9.1	.6	.0	.6	16.5	8.5	.8	9.3
Georgia	Chattahoochee - Oconee	forest mgt	5	.0	1.0	2.2	.0	.0	1.0	4.2	1.6	.8	2.4
	********** sum		5	.0	1.0	2.2	.0	.0	1.0	4.2	1.6	.8	2.4
********** sum			5	.0	1.0	2.2	.0	.0	1.0	4.2	1.6	.8	2.4
Idaho	Boise	forest mgt	2	.0	5.3	.0	1.2	.0	.0	6.5	5.8	.9	6.7
	********** sum		2	.0	5.3	.0	1.2	.0	.0	6.5	5.8	.9	6.7
	Caribou	minerals	4	.0	.0	4.1	.0	.0	.0	4.1	.0	.0	.0
	********** sum		4	.0	.0	4.1	.0	.0	.0	4.1	.0	.0	.0
	Nez Perce	forest mgt	1	.0	8.0	.0	.0	.0	.0	8.0	10.0	.0	10.0
	********** sum		1	.0	8.0	.0	.0	.0	.0	8.0	10.0	.0	10.0
	Payette	forest mgt	4	.0	7.0	.0	.0	.0	.0	7.0	6.7	.0	6.7
	********** sum		4	.0	7.0	.0	.0	.0	.0	7.0	6.7	.0	6.7
	Sawtooth	minerals	1	.0	.6	.0	.0	.4	.0	1.0	.0	.0	.0
	********** sum		1	.0	.6	.0	.0	.4	.0	1.0	.0	.0	.0
********** sum			12	.0	20.9	4.1	1.2	.4	.0	26.6	22.5	.9	23.4
Minnesota	Superior	forest mgt	2	.0	.0	7.0	.0	.0	.6	7.6	4.2	.0	4.2
	********** sum		2	.0	.0	7.0	.0	.0	.6	7.6	4.2	.0	4.2
********** sum			2	.0	.0	7.0	.0	.0	.6	7.6	4.2	.0	4.2
Montana	Beaverhead - Deerlodge	forest mgt	2	.0	.0	1.3	.0	.0	.0	1.3	.5	.0	.5
	**********												

State	Forest	Project Type	Projects	Direct Reconstruction (Miles)	Direct Construction (Miles)	Direct Temporary (Miles)	Indirect Reconstruction (Miles)	Indirect Construction (Miles)	Indirect Temporary (Miles)	Total (Miles)	Direct Volume (MMBF)	Indirect Volume (MMBF)	Total Volume (MMBF)
	sum		2	.0	.0	1.3	.0	.0	.0	1.3	.5	.0	.5
Montana	Bitterroot	forest mgt	2	.0	3.5	.4	.0	.0	.0	3.9	2.1	.5	2.6
	**********												
	sum		2	.0	3.5	.4	.0	.0	.0	3.9	2.1	.5	2.6
	Gallatin	recreation	2	.0	4.2	.0	.0	.0	.0	4.2	.0	.0	.0
	**********												
	sum		2	.0	4.2	.0	.0	.0	.0	4.2	.0	.0	.0
**********													
sum			6	.0	7.7	1.7	.0	.0	.0	9.4	2.6	.5	3.1
New Hampshire	White Mountain	forest mgt	1	.0	.0	.3	.0	.0	.0	.3	1.0	.0	1.0
	**********												
	sum		1	.0	.0	.3	.0	.0	.0	.3	1.0	.0	1.0
**********													
sum			1	.0	.0	.3	.0	.0	.0	.3	1.0	.0	1.0
North Carolina	National Forests in North Carolina	forest mgt	1	.0	.0	.5	.0	.0	.0	.5	.4	.0	.4
	**********												
	sum		1	.0	.0	.5	.0	.0	.0	.5	.4	.0	.4
**********													
sum			1	.0	.0	.5	.0	.0	.0	.5	.4	.0	.4
North Dakota	Dakota Prairie Grassland	minerals	4	.0	2.0	.0	.0	.0	.0	2.0	.0	.0	.0
	**********												
	sum		4	.0	2.0	.0	.0	.0	.0	2.0	.0	.0	.0
**********													
sum			4	.0	2.0	.0	.0	.0	.0	2.0	.0	.0	.0
Tennessee	Cherokee	forest mgt	4	.0	.4	3.4	.0	.0	.0	3.8	3.5	.0	3.5
	**********												
	sum		4	.0	.4	3.4	.0	.0	.0	3.8	3.5	.0	3.5
**********													
sum			4	.0	.4	3.4	.0	.0	.0	3.8	3.5	.0	3.5
Utah	Ashley	forest mgt	1	.0	.0	15.0	.0	.0	.0	15.0	8.0	.0	8.0
	**********												
	sum		1	.0	.0	15.0	.0	.0	.0	15.0	8.0	.0	8.0
	Dixie	access	3	.0	1.1	.0	1.0	.0	.0	2.1	.0	.0	.0
		forest mgt	2	.0	14.3	.0	.0	.0	.0	14.3	5.3	.1	5.4
		recreation	1	.0	.5	.0	.0	.0	.0	.5	.0	.0	.0
	**********												
	sum		6	.0	15.9	.0	1.0	.0	.0	16.9	5.3	.1	5.4
	Manti - La Sal	forest mgt	1	.0	.0	8.6	.0	.0	.0	8.6	10.0	.0	10.0
	**********												
	sum		1	.0	.0	8.6	.0	.0	.0	8.6	10.0	.0	10.0
**********													
sum			8	.0	15.9	23.6	1.0	.0	.0	40.5	23.3	.1	23.4
Virginia	George Washington	forest mgt	1	.0	1.6	.0	.0	.0	.7	2.3	1.2	.8	2.0
		watershed	1	.0	2.6	.0	.0	.0	.0	2.6	.0	.0	.0

State	Forest	Project Type	Projects	Direct Reconstruction (Miles)	Direct Construction (Miles)	Direct Temporary (Miles)	Indirect Reconstruction (Miles)	Indirect Construction (Miles)	Indirect Temporary (Miles)	Total (Miles)	Direct Volume (MMBF)	Indirect Volume (MMBF)	Total Volume (MMBF)
	**********												
	sum		2	.0	4.2	.0	.0	.0	.7	4.9	1.2	.8	2.0
Virginia	Jefferson	forest mgt	2	.0	.5	.3	.0	.0	.0	.8	1.6	.0	1.6
	**********												
	sum		2	.0	.5	.3	.0	.0	.0	.8	1.6	.0	1.6
**********													
sum			4	.0	4.7	.3	.0	.0	.7	5.7	2.8	.8	3.6
Washington	Okanogan	forest mgt	2	.0	12.3	.0	.0	.0	.0	12.3	10.9	.0	10.9
	**********												
	sum		2	.0	12.3	.0	.0	.0	.0	12.3	10.9	.0	10.9
**********													
sum			2	.0	12.3	.0	.0	.0	.0	12.3	10.9	.0	10.9
West Virginia	Monongahela	forest mgt	2	.0	2.3	1.5	5.3	.0	.0	9.1	4.7	.0	4.7
		minerals	3	.0	7.0	.0	3.0	2.0	.0	12.0	.0	.0	.0
	**********												
	sum		5	.0	9.3	1.5	8.3	2.0	.0	21.1	4.7	.0	4.7
**********													
sum			5	.0	9.3	1.5	8.3	2.0	.0	21.1	4.7	.0	4.7
Wyoming	Bridger - Teton	forest mgt	1	.0	.0	.3	.0	.0	.0	.3	.2	.0	.2
	**********												
	sum		1	.0	.0	.3	.0	.0	.0	.3	.2	.0	.2
	Medicine Bow - Routt	forest mgt	1	.0	3.1	2.8	1.3	.0	.0	7.2	3.2	.0	3.2
	**********												
	sum		1	.0	3.1	2.8	1.3	.0	.0	7.2	3.2	.0	3.2
	Shoshone	forest mgt	1	.0	.0	.8	.0	.0	.0	.8	.5	.0	.5
	**********												
	sum		1	.0	.0	.8	.0	.0	.0	.8	.5	.0	.5
**********													
sum			3	.0	3.1	3.9	1.3	.0	.0	8.3	3.9	.0	3.9
			63	2.6	81.9	57.8	12.4	2.6	2.9	160.2	91.7	3.9	95.6

Question. How much volume and on which forests were timber sales canceled due to roadless area concerns in fiscal year 1998? In support of the agency's answer, please provide the following information for the fiscal year 1998 timber sale program: (1) Copies of the six and twelve month Periodic Timber Sale Announcements generated on each National Forest in fiscal year 1997 and fiscal year 1998; and (2) a list of sales, and volume of those sales, which were scheduled to sell in fiscal year 1998 but that were not offered. Please include an explanation on whether or not the canceled sale(s) fall within any of the classifications that are included in the Roadless Moratorium. This information should be displayed on a forest by forest and sale by sale basis.

Answer. Projects were delayed or curtailed for a number of reasons in fiscal year 1998, such as cost of implementation, lack of feasibility, lack of funds, environmental risk, or public opposition. The interim rule on the temporary suspension of road construction and reconstruction in unroaded areas was not adopted until March 1, 1999, therefore, fiscal year 1998 projects could not have been delayed because of the interim rule.

Question. Please also provide a listing of the average stumpage price paid for sales sold in fiscal year 1998 on these forests for any forest that did not fulfill their target (as articulated in the Periodic Timber Sale Program Announcements for fiscal year 1998).

Answer. There were no sales subject to Section 3006 of the fiscal year 1998 Supplemental Appropriations Act, since the interim rule was not in effect for fiscal year 1998. Therefore, a report on compensation was not applicable.

Section 3006 of the fiscal year 1998 Supplemental Appropriations bill required the Forest Service to compensate counties for funds lost as a result of delayed or halted timber sales caused by the roadless moratorium in fiscal year 1998 and fiscal year 1999. The agency was to report the amount needed for such compensation to the Appropriations Committee. The Committee has not received a report from the Forest Service.

Question. Has the agency done an analysis of how many sales were delayed or halted over the last fiscal year as a result of the roadless policy and what impact this had on 25 percent fund payments to counties?

Answer. There were no fiscal year 1998 timber sales subject to Section 3006 of the fiscal year 1998 Supplemental Appropriations Act, since the interim rule was not in effect for fiscal year 1998. Therefore, a report on compensation was not applicable.

Question. If no such activity occurred, does that not, in fact, mean that there were timber sales halted as a result of the roadless policy and that the affected counties are entitled to compensation from the Forest Service?

Answer. See answer to previous question.

Question. The Forest Service's own estimates are that 170–260 million board feet will be delayed or halted by the interim rule implementing the roadless moratorium in fiscal year 1999 and fiscal year 2000. How much will be delayed or halted in fiscal year 1999? How much will be delayed or halted in fiscal year 2000?

Answer. The estimate of 170–260 million board feet stated in the question was a preliminary estimate based on the environmental analysis. Following publication of the interim rule in the Federal Register on February 12, 1999, each national forest evaluated their proposed projects to determine which projects would be suspended. This analysis was completed in early March. The forests identified timber sales with an estimated volume of about 219 million board feet that would be subject to the suspension over the next 18 months. Of this amount approximately 96 million board feet was tentatively scheduled to be offered for sale in fiscal year 1999 and subject to the suspension. The remaining 123 million board feet was identified from timber sales subject to the suspension and proposed for offer in fiscal year 2000. A final volume estimate is not possible before the end of the fiscal year because forests have the ability to modify sales affected by the policy and substitute future sales for any delayed sales.

Question. Is the agency preparing a report to the Appropriations Committee for fiscal year 1999 on the impacts to county payments of the roadless moratorium? When will this report be issued?

Answer. Yes, the agency will document the amount of any payments resulting from timber sales suspended because of the interim rule on road construction and reconstruction in unroaded areas in conformance with Section 3006 of the fiscal year 1998 Supplemental Appropriations Act. The payment can not be calculated until after the end of the fiscal year in order to take into consideration any substitute timber sales, as recognized in Section 3006 (b)(2)(A)(ii). The Committees on Appropriations will be notified and requested to approve the use of funds for any pay-

ments as soon as practicable after the end of the fiscal year in accordance with Section 3006 (b)(2)(B).

FINANCIAL ACCOUNTABILITY

Recently, GAO testified that there are serious problems with implementing the agency's new Foundation Financial Information System (FFIS) accounting system which is critical to obtaining a clean audit opinion of the Forest Service's financial statements. In fact, GAO stated that because of problems with the system in the three Regions where it is being piloted, implementation has been postponed from October 1, 1998 until October 1, 1999.

Question. Will this system be implemented agency-wide by the end of this fiscal year? Before it is implemented agency-wide will the agency be able to demonstrate that it works satisfactorily in any of the pilot Regions?

Answer. Yes. Implementation of FFIS agency-wide for the Forest Service will begin on October 1, 1999 for fiscal year 2000. Implementing a new accounting system within the Forest Service is a complex task, requiring continuous identification and resolution of operational and technical issues. FFIS pilot testing within two Forest Service regions and one Forest Service research station has been operational and ongoing since October 1, 1997. These efforts have provided Agency managers with a wealth of knowledge on the operation and maintenance of FFIS. Knowledge gained and lessons learned from implementation efforts within pilot units have been incorporated into strategies for full, Agency-wide implementation of FFIS. Also, complete end-to-end and user acceptance testing of those FFIS system attributes which were not used and tested by pilot units, but will be used during Agency-wide implementation of FFIS, will be conducted prior to moving FFIS to an Agency-wide production environment on October 1, 1999. The agency will continue to evaluate and learn from the pilot testing effort right up to and into agency-wide implementation in fiscal year 2000.

Question. When will the agency be able to obtain a clean financial opinion? Besides implementation what are the primary obstacles to obtaining a clean opinion? What is the agency doing to remove these obstacles?

Answer. Our goal is to have a "clean" or unqualified audit opinion on the agency's fiscal year 2000 financial statements. We recognize that this is an enormous challenge given the amount of change that needs to take place. One potential obstacle to obtaining a clean opinion could be the inconsistent application of financial management principles and procedures. One of the most important changes being implemented in fiscal year 2000 is the use of the primary purpose principle for funding work and the charging of expenditures. This change will reduce the number of lines of accounting in the system which will increase accountability and improve system response time. The agency has invested significant time and energy to ensure that this change is implemented correctly. A video, video guide and implementation document containing rationale, definitions and examples have been developed and distributed across the agency. An intra-agency web site has also been established which will contain all of this information as well as field-generated questions and agency-approved answers. Even though this shift to primary purpose is requiring many in the agency to re-think how they plan, fund and account for work, we are confident that this change will be implemented consistently and not prevent us from obtaining a clean audit opinion.

GPRA

Question. What specific steps has the Chief taken as head of the agency to achieve performance-based management within the agency, as required by the Government Performance and Results Act?

Answer. A series of steps are necessary to fully implement these measures agency-wide. As explained in our fiscal year 2000 Budget Justification, we are in the process of establishing an inter-disciplinary team of specialists from all levels of the agency to ensure implementation of these measures. This team will develop an implementation plan, assign responsibility for completing tasks, and have coordination and oversight responsibilities. A number of specific implementation tasks may be worked on by that team. Tasks will include defining performance measures, identifying units of measure, developing protocols and standards for measuring and collecting, evaluating and reporting information. The agency also intends to work with an outside contractor to ensure that information system needs for implementing these performance measures are in place and compatible with other systems, including our new financial management system, FFIS.

The agency's leadership is identifying the key long-term measures that will be focused on in fiscal year 1999. It is expected that these measures will be implemented

as appropriate in fiscal year 2000. During fiscal year 2000, another set of measures will be worked on for implementation in fiscal year 2001.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. The performance elements of the agency's senior executive service contain accomplishment targets for each of the GPRA performance indicators which tie directly back to the goals and objectives in the Forest Service GPRA Strategic and Performance Plans.

Question. How is the agency using performance information to manage the agency?

Answer. As mentioned above, SES employees receive targets for each of the GPRA performance measures. They are held accountable for achieving their assigned performance goals. In addition, field unit performance accomplishments from the previous year are used to assign performance goals and distribute funding to the field units in the following year. Those units that demonstrate the ability to perform are assigned higher targets and may be more competitive for higher funding in subsequent years.

Question. How did program performance factor into decisions about the funding the agency request in fiscal year 2000? Please provide examples.

Answer. Each year the starting point for the President's Budget is based upon prior year accomplishment information. This forms the basis for the instructions to the field. Field units respond with any changed conditions, shifts in emphasis, etc. which is considered along with other information to develop the national levels for both funding and outputs. An example would be Noxious Weeds treated acres, The Washington Office proposed 67,000 acres as a starting point. The field responses indicated 51,410 acres the fiscal year 2000 request is 56,000 acres to be accomplished.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. Using the Natural Resource Agenda, the Agency is able to emphasize the Results Act's goals and objectives such as Watershed Restoration and Recreation. We continue to refine our allocation criteria which allows for a more accurate reflection of regional workload which in turn provides for a better starting point in future budget proposals.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. To the extent possible, GPRA performance indicators, are linked directly to a specific GPRA goal and objective, and where possible link to a single budget line item.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. The fiscal year 2000 Budget Justification includes a section on budget structure reform. Please refer to Table 2, Outcome-based Performance Measurement structure.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. To the extent possible, performance measures with reliable data are used in the fiscal year 2000 Performance Plan. In several instances however, new measures are included which will require several years of data collection before performance trends can be evaluated.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The agency is in the process of developing sound, scientific protocols for those measures that are currently not measured. Where measurement protocols exist, the agency is completing the necessary inventories to establish baseline data against which accomplishments can be compared.

Question. How will the agency's future funding requests take into consideration actual performance compared to expected or target performance.

Answer. Actual performance from previous years is used as a starting point for distributing targets and funding in subsequent years. Efforts are being made to reduce the variation or disparity between targets (or projections) and actual accomplishments including greater emphasis to line-officer performance standards.

STATE AND PRIVATE FORESTRY

The budget for the State and Private Forestry program proposes to spend $62 million in Land and Water Conservation funds for the Forest Legacy, Urban & Community Forestry, and Stewardship Incentives activities.

Question. Will the agency send proposed legislative language to the authorizing committees to permit expenditure of these funds in this fashion, or is it the agency's position that the appropriations committee will provide it with this authority as part of the budget? What is the agency's rationale for this decision?

Answer. Language is included in the fiscal year 2000 Budget Justification.

Question. The budget proposes spending $50 million in State and Private on the Forest Legacy program which acquires conservation easements. This is a 600 percent increase over last year's level. What is the basis for providing a 600 percent increase in Forest Legacy when the agency has stated that there is an $8 billion backlog in road maintenance and a $1 billion backlog in recreation facilities maintenance on the lands that are already under its management authority?

Answer. The President's Budget balances many important priorities to assure sound management across all the nation's forests. The support for the Forest Legacy program responds to increased demands from the private sector to maintain threatened habitat types and unique ecosystems. Since the 1996 Farm Bill, the majority of Forest Legacy acquisitions are in fact made by the States, not the Federal government. The current project list contains $85 million worth of potential Forest Legacy acquisitions, located in several different states. Some of the States have several projects on the list, others have only one.

Question. Why shouldn't the agency place more emphasis on management of lands already under its stewardship before spending large amounts on the acquisition of easements on private lands?

Answer. The Forest Service mission is to both care for federal lands and to assist private landowners, in cooperation with state partners, in the management of private forests. The Forest Legacy program operates in most participating states with an emphasis on conservation easements on private forests, leveraging additional non-federal funds to assure the conservation of unique and valuable forest lands. Legacy tracts lie within the priority areas identified when the state conducts an assessment of need when joining the program. Management of acquired tracts and easements is supported by the relevant state or local organization. Thus, the Forest Legacy Program focuses on keeping important forests in productive, private ownership while protecting the forest from development and fragmentation, in a cost-effective manner for the American public.

We should take care of the lands we currently administer while acquiring the priority lands that will help the Forest Service meet it mission and provide for future public recreation demands. The Forest Service land acquisition program provides lands critical for wildlife habitat, watershed protection, outdoor recreation opportunities and improved management efficiency of adjacent National Forests.

Question. The fiscal year 2000 budget justification states that over half of the funds for the Forest Legacy program are for national commitment and the Washington Office. What national commitment will be funded out of this program? How much will go to the Washington Office for overhead/indirect expenses?

Answer. In keeping with the established fiscal year 2000 allocation process, one half of the funds will be allocated in the initial allocation and the balance will be allocated later to support the national Forest Legacy Program priorities. Please refer to pages 353 and 354 of the fiscal year 2000 Budget Justification.

Question. Six Regions of the Forest Service do not participate in the Forest Legacy program. Will states in these Regions participate in the future? When?

Answer. Eight Forest Service (FS) regions (1, 2, 3, 4, 5, 6, 8, 10), the Northeastern Area (NA), and the International Institute of Tropical Forestry (IITF) are the responsible field units for administering the Forest Legacy program. Seventeen states and territories from five (4, 5, 6, NA, IITF) of these ten FS units currently participate in the program and will be joined this fall by an additional six states (TN, SC, NC, MT, MN, PA), including states from two FS Regions (1, 8) not currently in the program. At that time there will be seven of ten FS units represented. Six additional states (NM, IA, VA, OH, GA, WI), including a state from one FS Region (3) not currently in the program, are interested in the program and may choose to prepare an Assessment of Need plan in the next year. We expect that a year from now eight of ten FS units will be represented.

Question. The agency has requested a $15,000,000 increase in the Stewardship Incentives Program. What is the state-by-state breakdown of funds provided under the SIP program for fiscal years 1995–1998? What is the planned breakdown for fiscal year 2000?

Answer. Please refer to enclosure 2, on following pages.

Enclosure 2

FY 1998/1999 ISP ALLOCATION
(Including 10% Admin breakout)

Region State	FY 1998 Cost-Share Funds	FY 1998 Regional Admin	FY 1998 State Admin	FY 1998 Total Allocation	FY 1999 Cost-Share Funds	FY 1999 Regional Admin	FY 1999 State Admin	FY 1999 Total Allocation
IDAHO	122,400		13,600	136,000	104,400		12,000	116,400
MONTANA	53,400		5,600	59,000	67,500		7,000	74,500
N. DAKOTA	48,600		5,400	54,000	79,200		9,000	88,200
R-1 Total	227,400	2,600	24,600	249,600	251,100	9,000	28,000	298,100
COLORADO	54,900		6,100	61,000	196,200		22,000	218,200
KANSAS	49,500		5,500	55,000	90,900		10,000	100,900
NEBRASKA	48,600		5,400	54,000	79,200		9,000	88,200
S. DAKOTA	48,600		5,400	54,000	81,000		9,000	90,000
WYOMING	49,500		5,500	55,000	99,000		11,000	110,000
R-2 Total	251,100	2,800	27,900	281,000	546,300	16,000	61,000	622,300
ARIZONA	50,400		5,600	56,000	109,800		12,000	121,800
NEW MEXICO	127,800		14,200	142,000	217,800		24,000	241,800
R-4 Total	178,200	2,000	19,800	198,000	327,600	8,000	36,000	363,600
NEVADA	48,600		5,400	54,000	76,200		9,000	85,200
UTAH	49,500		5,500	55,000	99,900		11,000	107,900
R-5 Total	98,100	2,000	10,900	109,000	176,100	8,000	20,000	204,100
CALIFORNIA	81,200		9,000	90,000	325,800		36,000	361,800
HAWAII	48,600		5,400	54,000	67,500		8,000	75,500
Other PACIFIC Is	-		-	-	45,000		5,000	50,000
R-6 Total	129,800	2,000	14,400	144,000	438,300	12,000	49,000	499,300
OREGON	68,400		7,600	76,000	306,700		34,000	340,700
WASHINGTON	175,200		19,000	194,000	351,000		39,000	390,000
R-9 Total	243,600	2,400	26,600	270,000	657,700	6,000	73,000	730,700
ALASKA	48,600		5,400	54,000	67,500		7,500	75,000
R-10 Total	48,600	1,200	5,400	55,200	67,500	3,000	7,500	77,500
WEST TOTAL	1,176,600	23,000	123,400	1,287,000	2,644,000	57,000	294,000	2,995,000
ALABAMA	194,000		-	194,000	556,700		62,000	618,700
ARKANSAS	98,000		-	98,000	294,600		33,000	327,600
FLORIDA	91,000		-	91,000	476,700		53,000	529,700
GEORGIA	126,000		-	126,000	899,000		-	899,000
KENTUCKY	123,000		-	123,000	652,500		72,000	724,500
LOUISIANA	93,000		-	93,000	263,500		31,000	294,500
MISSISSIPPI	91,000		-	91,000	662,500		72,000	734,500
N. CAROLINA	88,400		7,600	96,000	276,300		31,000	307,300
OKLAHOMA	87,000		-	87,000	171,000		19,000	190,000
S. CAROLINA	91,100		7,900	99,000	391,500		44,000	435,500
TENNESSEE	98,000		-	98,000	325,000		-	325,000
TEXAS	91,900		7,100	99,000	463,500		51,000	514,500
VIRGINIA	102,400		6,600	109,000	376,700		42,000	418,700
R-8 Total	1,229,800	-	37,200	1,264,000	5,799,000	-	500,000	6,299,000
PUERTO RICO	25,000		-	25,000	25,000		3,000	28,000
ITP Total	25,000	-	-	25,000	25,000	125,000	3,000	153,000
CONNECTICUT	48,000		5,000	53,000	68,400		6,000	74,400
DIST. OF COLUMBIA	-		-	-	-		-	-
DELAWARE	50,000		-	50,000	27,000		3,000	30,000
ILLINOIS	83,000		-	83,000	237,900		26,000	263,900
INDIANA	58,000		-	58,000	164,700		18,000	182,700
IOWA	107,400		5,000	112,400	145,800		16,000	161,800
MASSACHUSETTS	48,000		5,000	53,000	261,000		29,000	290,000
MARYLAND	71,000		5,000	76,000	102,600		12,000	114,600
MAINE	45,000		5,000	50,000	235,800		26,000	261,800
MICHIGAN	45,000		5,000	50,000	500,100		55,000	555,100
MINNESOTA	58,000		-	58,000	395,100		44,000	439,100
MISSOURI	161,200		-	161,200	164,800		18,000	182,800
NEW HAMPSHIRE	45,000	5,000		50,000	187,200		21,000	208,200
NEW JERSEY	45,000	5,000		50,000	88,000		10,000	98,000
NEW YORK	60,000	5,000		65,000	828,000		92,000	898,000
OHIO	45,000	5,000		50,000	437,400		48,000	485,400
PENNSYLVANIA	121,000	5,000		126,000	251,000		28,000	280,000
RHODE ISLAND	50,000		-	50,000	22,700		3,000	25,700
VERMONT	45,000	5,000		50,000	143,800		16,000	159,800
WISCONSIN	56,400		-	56,400	527,800		60,000	587,800
W. VIRGINIA	55,000		5,000	60,000	269,900		30,000	299,900
NE Total	1,222,000	25,000	85,000	1,307,000	5,064,000	53,000	562,000	5,679,000
WIO Total	-	-	-	-	-	1,329,000	-	1,329,000
Total FS ALLOCATION	3,680,400	40,000	219,600	3,940,000	13,532,000	1,564,000	1,360,000	15,456,000
ASOS Administrative	-	450,000	-	450,000	-	-	1,826,000	1,826,000
TOTAL	3,680,400	490,000	219,600	4,390,000	13,532,000	1,564,000	3,187,000	18,283,000

FY 1996/1997 GIP Allocation
(including 10% Admin Expenses)

Region State	FY 1996 Cost-Share Funds	FY 1996 Regional Admin	FY 1996 State Admin	FY 1996 Total Allocation	FY 1997 Cost-Share Funds	FY 1997 Regional Admin	FY 1997 State Admin	FY 1997 Total Allocation
IDAHO	[illegible]		[illegible]	[illegible]	[illegible]			[illegible]
MONTANA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
N DAKOTA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-1 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
COLORADO	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
KANSAS	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
NEBRASKA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
S DAKOTA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
WYOMING	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-2 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARIZONA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
NEW MEXICO	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-3 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NEVADA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
UTAH	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-4 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CALIFORNIA	271,000		30,000	301,000	[illegible]		[illegible]	[illegible]
HAWAII	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
Other PACIFIC Islands	[illegible]	[illegible]	[illegible]	[illegible]				
R-5 Total					[illegible]	[illegible]	[illegible]	[illegible]
OREGON	471,000		52,000	523,000	[illegible]		[illegible]	[illegible]
WASHINGTON	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-6 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ALASKA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
R-10 Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
WEST TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ALABAMA	126,000			126,000	[illegible]			[illegible]
ARKANSAS	104,000			104,000	[illegible]			[illegible]
FLORIDA	115,000			115,000	[illegible]			[illegible]
GEORGIA	152,500			152,500	[illegible]			[illegible]
KENTUCKY	165,500			165,500	[illegible]			[illegible]
LOUISIANA	90,000			90,000	[illegible]			[illegible]
MISSISSIPPI	77,000			77,000	[illegible]			[illegible]
N. CAROLINA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
OKLAHOMA	[illegible]			[illegible]	[illegible]			[illegible]
S. CAROLINA	120,000			120,000	[illegible]		[illegible]	[illegible]
TENNESSEE	120,000			120,000	[illegible]			[illegible]
TEXAS	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
VIRGINIA	[illegible]			[illegible]	[illegible]			[illegible]
R-8 Total	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
PUERTO RICO	[illegible]		[illegible]	[illegible]	[illegible]			[illegible]
VIR Total	[illegible]		[illegible]	[illegible]	[illegible]			[illegible]
CONNECTICUT	[illegible]			[illegible]	[illegible]			[illegible]
DIS. OF COLUMBIA	[illegible]			[illegible]				
DELAWARE	[illegible]			[illegible]	[illegible]			[illegible]
ILLINOIS	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
INDIANA	[illegible]			[illegible]	[illegible]			[illegible]
IOWA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
MASSACHUSETTS	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
MARYLAND	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
MAINE	[illegible]			[illegible]	[illegible]		[illegible]	[illegible]
MICHIGAN	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
MINNESOTA	[illegible]			[illegible]	[illegible]			[illegible]
MISSOURI	[illegible]		[illegible]	[illegible]	[illegible]			[illegible]
NEW HAMPSHIRE	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
NEW JERSEY	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
NEW YORK	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
OHIO	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
PENNSYLVANIA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
RHODE ISLAND	[illegible]			[illegible]	[illegible]			[illegible]
VERMONT	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
WISCONSIN	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
W. VIRGINIA	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
NE Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NO Total								
Total FS ALLOCATION	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FSA Administrative		[illegible]				[illegible]		
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The fiscal year 2000 President's budget includes $5 million for the Stewardship Incentives Program and $10 for the Smart Growth Initiative.

Question. Based on agency projections, what are the long term effects on future timber production from this program which are attributable to the increase in requested funding? What is the total number of landowners that will receive funding?

Answer. SIP is a multi-resource program, increasing the ability of landowners to implement a wide variety of forest stewardship practices such as fish and wildlife habitat enhancement, recreational improvements, forest stand improvements, agroforestry, and many others. While we track the numbers of acres on which SIP practices are implemented, including forest stand improvement and reforestation, we do not keep statistics on the program's effects on timber production.

Since its inception in 1991, the SIP program has enabled the States to assist over 36,000 landowners (an average of 5,000 landowners each year).

Question. According to industry statistics, the majority of timberland is in private ownership (not including timber industry ownership). What statistics are available to identify how the SIP program improved productivity from these lands? If so, what do these statistics show?

Answer. The Stewardship Incentive Program (SIP) assists landowners to implement multi-resource priorities on non-industrial private forest land. The wide variety of practices that can be cost-shared through SIP include reforestation and afforestation, forest improvement, wildlife habitat enhancement, soil and water protection and enhancement, forest recreation enhancement, agroforestry, and fisheries enhancement. As of October 1998, close to 3.5 million acres had benefited from the application of one of these practices.

The importance of USDA cost-sharing programs to the sustainable management of non-industrial private forests (NIPF) is great. According to the Sampson and DeCoster report "Public Programs for Private Forestry", USDA forestry cost-share programs have funded almost 40 percent of all tree planting on NIPF lands in recent years. There is also documented evidence that, in the southern region, where NIPF owners hold the majority of the productive pine forest lands, both cost-sharing and tax credits are important in achieving reforestation after harvest.

Question. Since fiscal year 1996, from which line items has the International Programs activity been funded? Please provide a break-out for each year.

Answer. Please refer to enclosure 3, on following page, for a funding distribution for international activities.

Enclosure 3

10/27/99

INTERNATIONAL FORESTRY FUNDING

FISCAL YEARS 1996 - 1999

Program Area	EBLI	FY96	FY97	FY98	FY99
Forest & Range RESEARCH	FRRE	172,000	416,667	266,000	305,777
INTERNATIONAL FORESTRY	IFXX	1,205,000	0	0	0
STATE & PRIVATE					
FH - Fed.Lands	SPFH	66,500	7,000	51,000	48,144
FH - Coop.Lands	SPCH		3,520	23,000	22,439
FH - Coop.Lands-Fire	SPCF	26,600	112,561	30,000	31,447
Subtotal, Forest Health		93,100	123,081	104,000	102,030
CF-For.Stewardship	SPST	11,400	38,000	33,000	44,866
CF-Stewardship Incent.Prog.	SPIT	0	0	9,000	204
CF-Forest Legacy Program	SPLG	3,800	0	6,000	8,000
CF-Urban & Comm.Forestry	SPUF	14,300	141,157	37,000	44,688
CF-Economic Action Programs	SPEP	9,500	8,000	16,000	17,092
Pacific NW Assistance Program	SPNW	1,900	1,760	20,000	7,507
Subtotal, Coop Forestry		40,900	187,907	121,000	122,153
Total - State & Private Forestry		134,000	310,988	225,000	224,183
Hazardous Fuel	WFHF	0	0	0	90,006
Fire Preparedness	WFPR	267,000	436,200	448,000	419,606
Fire Operations	WFSU	0	0	376,000	232,598
Total - Wildland Fire Management		267,000	436,200	824,000	742,209
Other Funds					
--Land Acquisition	LALW	0	0	66,000	66,791
--Facilities Construction	CNFA/RF/RE	43,700	0	62,000	67,229
--Road Construction	CNGF/RN/TM/RD	69,300	0	120,000	135,976
--Trail Construction	CNTR	20,000	0	39,000	18,895
Total - Other Appropriations		153,000	0	287,000	288,891
NATIONAL FOREST SYSTEM					
Land Mgmt.Planning	NFLP	0	0	53,000	58,047
Inventory & monitoring	NFIM	0	0	132,000	106,933
Ecosystem Management	NFEM	51,541	379,000	0	0
Subtotal Ecosystem Mgmt.		51,541	379,000	185,000	164,980
Recreation Mgmt.	NFRM	64,841	456,274	243,000	240,418
Wilderness Mgmt.	NFWM	13,301	67,023	48,000	50,087
Heritage Resources	NFHR	5,819	1,750	20,000	17,653
Subtotal, Recreation Mgmt.		83,961	595,047	311,000	308,278
Wildlife Habitat Mgmt.	NFWL	11,638	80,092	44,000	48,367
Inland Fish Hab Mgmt.	NFIF	5,819	12,793	26,000	31,088
Anadromous Fish Hab.Mgmt.	NFAF	8,532	13,503	31,000	32,131
TE&S Species Hab.Mgmt.	NFTE	9,144	74,944	37,000	35,732
Subtotal Wildl.& Fish Mgmt.		35,133	180,332	138,000	147,248
Grazing Mmt.	NFRG	6,650	12,875	30,000	36,240
Rangeland Veg.Mgmt.	NFRV	4,157	12,465	25,000	48,884
Subtotal Rangeland Mgmt.		10,807	25,340	84,000	87,084
Timber Sales Mgmt.	NFTM	76,089	384,837	293,000	222,103
Forestland Veg.Mgmt.	NFFV	20,780	62,250	90,000	82,567
Subtotal Forest.Veg.Mgmt.		96,869	447,087	383,000	304,670
Soil,Water,&Air Oper.	NFSO	9,144	65,594	36,000	34,719
Watershed Improvements	NFSI	8,313	32,790	36,000	51,108
Subtotal S,W, & A Mgmt.		17,457	98,384	72,000	85,827
Minerals & Geology Mgmt.	NFMG	14,132	17,155	51,000	53,327
Real Estate Mgmt.	NFLA	17,457	0	66,000	61,531
Land Line Location	NFLL	5,820	0	21,000	17,878
Subtotal Lnd.ownship Mgmt.		23,277	0	87,000	79,409
Road Maintenance	NFRD/CNRM	33,252	0	119,000	143,120
Maintenance of Facilities	NFFA/RN	9,144	0	34,000	60,350
Subtotal Infrastructure Mgmt.		42,396	0	153,000	103,470
Law Enforcement & Investigations	NFLE	24,108	0	90,000	86,550
General Administration	NFGA	105,819	0	399,000	396,361
TOTAL NAT'L FOREST SYSTEM		509,930	1,636,328	1,900,000	1,907,212
TOTAL APPROPRIATED FUNDS		2,450,930	2,660,006	3,930,000	3,469,232

Question. What are the indirect and direct costs for each line item within the State and Private Forestry program? Please provide a complete breakout. Within these two categories please also provide a narrative identifying what the bulk of the costs are attributable to, i.e., salary, rent, travel, personnel, etc.

Answer. Current estimates for fiscal year 2000 are—

	President's budget	Direct	Indirect
Forest Health, Federal	40,325	38,105	2,220
Forest Health, Cooperative	21,400	21,294	106
State Fire Assistance	31,509	31,411	98
Volunteer Fire Assistance	2,001	2,000	1
Forest Stewardship	28,830	26,122	2,708
Stewardship Incentives	15,000	14,993	7
Forest Legacy	50,012	49,982	30
Urban & Community Forestry	39,540	39,360	180
Economic Action Programs	16,305	16,023	282
Pacific NW Assistance	7,000	6,706	294
Total	251,922	245,996	5,936

About 2 percent of the State & Private Forestry appropriation will be spent on indirect costs.

About 59 percent of the indirect portion will be spent on salary and benefits; 5 percent, travel; 10 percent on rents, communications, and utilities; 3 percent, supplies and materials; 3 percent, equipment; and 21 percent on other services. About 20 percent of the direct portion will be spent on salaries; 3 percent, travel; 60 percent, grants and agreements; and 17 percent on other services.

RESEARCH

Question. The fiscal year 2000 budget proposes a $37,000,000 increase for research. What are the top priorities for the research program for fiscal year 2000?

Answer. Forest Service Research and Development needs to retain an array of scientific disciplines to address a range of important natural resource research issues. Our program is described in the fiscal year 2000 Budget Justification for the Committee on Appropriations under four program areas: Vegetation Management and Protection research; Wildlife Fish, Water, and Air Research; Resource Valuation and Use Research; and Forest Resources Inventory and Monitoring Research. The Budget Justification outline program emphasis in these areas.

Major areas of interest in the President's fiscal year 2000 Budget include: Threatened, Endangered, and Sensitive Species ($10 million); Application of Mathematical Programming and Computer Simulation to National Forest System (NFS) Planning ($5 million); Non-native Invasive Species ($5 million); Climate Change Technology Initiative ($6 million); Global Change Research Program ($6 million); Ecosystem Productivity ($5 million); Inventory and Monitoring ($4 million); and Demonstration of Ecosystem Management Options (DEMO) ($1.2 million).

Question. How have the priorities for the research budget changed from that proposed last fiscal year?

Answer. The Forest Service remains committed to maintaining a strong research base capable of addressing the Nation's many competing priorities. Some of the increases requested, such as an additional $4 million for forest inventory and monitoring, were also agency priorities last year with which Congress concurred. Some increases are new this year, such as the additional $10 million for wildlife and fish research, and represent new support within the Administration, to keep pace with the growing need for more research in these areas. Other proposed increases, such as the proposals for global change research and climate change technologies, represent continued Administration support for ongoing inter-agency science initiatives. The fiscal year 2000 President's Budget represents a balanced set of priorities that collectively serve important Congressional, interest group, agency, and Administration priorities.

Question. How much of the Research budget is devoted to funding of work by other entities like private and public universities?

Answer. Over the past 5 years, approximately 8 to 10 percent of our total budget has been used to fund cooperative research with experts at private and public colleges and universities. Of the $37.2 million increase proposed in the fiscal year 2000

President's Budget, we estimate that $10.2 million (27.4 percent) would be used to fund cooperative research with universities through existing research grants and agreements authorities. The collaborative research envisioned extends across all research areas.

Question. Is there other work being done by the Forest Service that could effectively be done by Universities. Please identify the particular work and the amount of money being proposed in this year's budget for this activity.

Answer. America's forest research capacity is of significant concern to us. Since 1982, Forest Service Research & Development research capacity has decreased by 50 percent. Anecdotal evidence from our university collaborators indicates that their capacity has also declined this decade. Industry and interest group research capacity ranges from limited to non-existent. Our concern over this shrinking capacity led us to commission a study by the National Research Council to formally document the scope of the situation and recommend areas where research capacity needs to be buttressed and rebuilt—at universities and in the Forest Service—to meet America's forest research needs in the 21st Century. We expect this study to be completed prior to Congress considering the fiscal year 2001 President's Budget. Results from that study will provide a clearer and more specific answer to this question than can be given today.

At present, when in-house scientific capacity does not exist or the existing work load does not permit for the research to be done, we seek expertise from university scientists through cooperative grants and agreements. Over the past 5 years, approximately 8 to 10 percent of our total budget has been allocated to colleges and universities for Grants and Agreements. Of the $37.2 million increase proposed, we estimate that $10.2 million (27.4 percent) will be used for cooperative research with universities.

Question. Given the possibility of leveraging funds, shouldn't the agency attempt to maximize the amount of work it funds at these institutions? If not, why?

Answer. In addressing natural resource issues, we carefully determine the most appropriate level of collaboration with university partners. Leveraging occurs in a number of ways. We share some research equipment with universities, which enables them and us to accomplish work that we would not be able to afford to do separately. We provide field research sites on our experimental forests for university researchers. For example, there are over 125 university collaborators working with us at Hubbard Brook Experimental Forest, New Hampshire. Because many of our research units are co-located on university campuses, we leverage each other's expertise in a number of ways, such as having our scientists serve as graduate student advisors and hosting university scientists on sabbaticals. A major strength of in-house Forest Service research is our ability to pursue long-term studies. Field experiments installed on the Bartlett Experimental Forest, New Hampshire, in the 1930s are still being actively followed by a third-generation of agency researchers. University institutional capacity to do research over extended periods is significantly lower than Forest Service capacity. Graduate students only work on a single project for 3 to 5 years. Further, new university professors who are struggling to gain tenure in 3 to 7 years need to show immediate results and immediate impact and thus have little initial interest in picking up long-term studies of their predecessors unless results are close at hand. These factors predispose universities to conduct relatively short-term, often low-risk, research in contrast to the longer-term, higher-risk research often undertaken by the Forest Service. Given these differences, we do try to utilize university professors and graduate students in situations where there are mutual benefits to both of us so that the federal investments are leveraged to the extent possible. By doing so, we strengthen and nurture strong partnerships with universities.

Question. The Forest Inventory program currently operates on a 10–12 year cycle. What would be the cost to the program of conducting the inventory on 5-year cycle?

Answer. Agriculture Research, Extension and Education Reform Act of 1998l passed last June mandated that a Strategic Plan be prepared describing how the Forest Service could put its national FIA/FHM inventory program on an annualized 5-year cycle. This Plan submitted to Congress on April 7, 1999 indicates that this inventory cycle implemented uniformly for the entire country would cost $82 million annually. Conference language accompanying this Bill does allow departure from this cycle when deemed appropriate by State Foresters, and based on State Forester preferences, a program costing $56 million is preferred. This program would provide a base Federal program with a 7-year cycle east of the Great Plains and 10-year cycle west of the Great Plains (except for interior Alaska where a longer cycle is acceptable). Some States in the East plan to augment Federal appropriations by contributing their own funds and people to the program, which will lower the cycle to 5 years in participating States.

Question. Are there particular factors peculiar to individual parts of the country that favor a longer or shorter cycle? Please identify these factors and discuss their application to the various regions of the country.

Answer. Yes. Several factors provide opportunities to consider varying plot remeasurement periods and in turn cost of operations. Areas with low rates of growth or vegetative change and areas with extremely poor access offer possibilities for longer intervals between measurements while rapid growth rates and easy access would suggest shorter periods. Examples of such areas might include the juniper lands of the interior west and interior Alaska for longer remeasurement periods or lower sampling intensity and the South with its faster growth rates would be a candidate for shorter remeasurement periods.

Question. Which states currently share the costs of the inventory program?

Answer. States currently cost sharing for FIA/FHM inventory work in fiscal year 1999 are Maine, Virginia, South Carolina, Georgia, Alabama, Kentucky, Tennessee, Florida, Arkansas, Missouri, Minnesota, Indiana, and Wisconsin. Total financial support from these States in fiscal year 1999 is about $3.8 million.

Question. In what Regions is inventory work being on National Forest lands being paid for from the National Forest System appropriation? What is the total amount being paid in these Regions?

Answer. Although the level of commitment and amounts of funding differ among Regions, all Regions made some commitment to national FIA/FHM grid inventory in fiscal year 1999. Each Region determines the priority for this inventory work separately. Regions 8, 9, and 10 have had long-standing agreements to fund data collection on national forests by Station inventory crews. The annual cost of these agreements is $1,127,000 in fiscal year 1999. A new agreement with Regions 1, 2, 3, and 4 is in the final stages of negotiation and has already been approved by three Regional Foresters. This master agreement will replace a number of separate agreements with individual national forests and Regions and strengthen the consistency of data collection procedures and comparability of results across Regions. The annual cost of this master agreement is $1,854,000. Regions 5 and 6 currently collect their own data, causing some difficulties with consistency and comparability of data. The estimated cost of having Station crews collect the data in Regions 5 and 6 would be $1,290,000. These figures just represent the cost of collecting FIA program data. It would cost an additional $2 million to collect forest health monitoring (FHM) program information on all national forests.

Question. Why isn't there a standard national policy governing payment for inventory work done on national Forest System lands? Is a standard policy being considered by the agency?

Answer. NFS does not consider this work to be a national priority and allows funding and priority to be determined at the Regional level. Each year the FIA/FHM grid inventory work on NFS lands must compete against all other NFS priorities for funding. While the work is considered important in those Regions who have signed annual agreements with Stations, at this time there is no standard agency policy for funding this work on NFS land. Stakeholder concerns about the lack of consistency and comparability of data from national forests led the Second Blue Ribbon Panel Report on Forest Inventory to recommend that a standard policy be created. Forest Service Research & Development endorses that recommendation because it takes considerable Station effort to negotiate individual agreements and to repair inconsistencies in the data that could be otherwise devoted to reducing the inventory cycle.

Question. If all inventory work being done on National Forest system lands were paid for by the National Forest system appropriation, what would the total expense to the NFS appropriation be?

Answer. Total cost for covering NFS lands at standard sampling intensity would be $6,271,000 annually. This would include both the FIA and FHM detection monitoring grid plot data collection.

Question. What percentage of the Research Budget is devoted to activities that directly enhance the productivity of forest lands and utilization of wood fiber? Please identify specific work and associated costs. How has this percentage changed over the last 10 years?

Answer. We have readily available detailed records for the last 5 years under the new Research Budget Attainment Information System (RBAIS) that does a better job of tracking research funding. Information for previous years is available but was not categorized in a way to easily obtain the information that was requested.

For the fiscal year 1995–2000 President's budget, 34 to 38 percent of the total research budget was devoted to productivity of forest lands and utilization of wood fiber. While this represents a fairly constant percent, the amount of actual funding increased by 20 percent, ($66.5 to $80 million.)

Refer to enclosure 4, on the following page, for a detailed list of the research work and funding history.

ENCLOSURE 4.—RESEARCH FUNDING FOR ENHANCEMENT OF PRODUCTIVITY OF FOREST LANDS AND UTILIZATION OF WOOD FIBER, FISCAL YEAR 1995–2000

[Dollars in thousands]

	Fiscal year 1995	Percent	Fiscal year 1996	Percent	Fiscal year 1997	Percent	Fiscal year 1998	Percent	Fiscal year 1999	Percent	Fiscal year 2000 President's budget	Percent
Vegetation Mgmt. & Protection Res.:												
1.2 Silvicultural Applications	$15,701	8	$13,884	8	$14,850	8	$16,238	9	$14,958	8	$17,317	7
1.4 Forest & Rangeland Mgmt.	8,976	5	9,333	5	13,924	8	13,868	7	13,479	7	16,428	7
1.6 Forest Operations Engineering	4,404	2	4,009	2	3,833	2	3,457	2	3,415	2	3,762	2
1.7 Insects/Diseases/Exotic Weeds	19,403	10	18,024	10	19,253	11	19,121	10	19,584	10	24,972	11
Resource Valuation & Use Res.: 3.5 Forest Prod. Util. & Processing	18,054	9	16,702	9	16,310	9	15,477	8	15,517	8	17,700	8
Subtotal Prod. & Util. Wood Fibers	66,538	34	61,952	34	68,170	34	68,161	36	66,953	35	79,879	35
Other Research	126,971	66	116,048	65	111,616	62	119,635	64	130,491	66	154,765	66
Total research	193,509	.....	178,000	.....	179,786	.....	187,796	.....	197,444	.....	234,644	.....

Question. The fiscal year 1999 Interior Appropriations bill included language that required 5 full-time employees be stationed in Sitka to establish a wood utilization Laboratory. Is there funding in the fiscal year 2000 budget for this operation? If not, is the Forest Service still committed to having this facility fully operational with 5 FTE's in fiscal year 2000. What is the agency's schedule for establishing the lab?

Answer. There is no funding in the fiscal year 2000 budget for the Sitka Laboratory. Because of the delay in the fiscal year 1999 appropriation, the fiscal year 2000 Department Allowance had already been established, and the Forest Service could not add the need to its Agency Request. Funds committed to date total $748,000 from the Washington Office Research & Development budget. Under the direction of the Pacific Northwest Research Station (PNW), a highly qualified senior researcher has been detailed to Sitka for one year as acting team leader; a technical and administrative support person is on board; an Economist for marketing and economics expertise will report June 1, 1999; and a personnel recruitment outreach effort is currently in progress for the remaining positions, including a permanent team leader.

LEGISLATIVE PROPOSALS

Question. The Forest Service budget includes $111 million in savings from several legislative proposals. However, only sketchy details of these proposals are contained in the budget justification. When will these proposals be sent to the Congress? Will all of them be sent at once? Why is it taking so long for the Administration to send these proposals to the Congress?

Answer. We expect that the Administration's legislative proposals described in the fiscal year 2000 budget will be submitted to Congress in the very near future. These proposals will most likely be submitted in a single package. Because this package will include the budget-related proposals from all the executive departments, additional time has been required to complete the materials for submission.

Question. Are there other legislative proposals that the Forest Service is working on that are not included within the scope of this year's budget that would have the effect of increasing revenue to the Forest Service? If so, what are these proposals? What are the agency's projections with respect to the amount of revenue that could be generated? When will these proposals be finalized?

Answer. The Forest Service does not have other proposals that we intend to submit related to the fiscal year 2000 budget. There may be preliminary proposals at various stages of internal review that we might submit in future budgets, but it would be premature to describe those at this point.

Question. Another legislative proposal concerning the Forest Service involves stabilizing payments to counties which have National Forest lands. Last year, the Administration proposed to fix these payments by formula and decouple them from timber sales. This proposal went nowhere. Will the agency send up the same proposal as last year?

Answer. We are proposing a broader special payment formula base, 76 percent of the average three highest years between 1986 and 1995. Under the proposal, no state would receive a lower payment than the fiscal year 1998 payment, and no state would be able to receive greater than a 25 percent increase above the fiscal year 1998 payment. Most recently Secretary Glickman indicated that he would recommend Administration support for an amendment to be offered by Congressman Peter DeFazio of Oregon which would provide 100 percent of the average of the three highest payments received between 1985 and 1999 adjusted annually for inflation assuming acceptable offsets can be identified.

Question. When will this proposal be sent to Congress?

Answer. The proposal was submitted to Congress on June 7, 1999.

Question. How will this proposal be funded?

Answer. Through offsetting revenues elsewhere in the General Fund of the Treasury.

Question. How much did each county receive in revenue from their 25 percent share of timber receipts for the years 1986 through 1996? Please provide an itemized breakdown for each county.

Answer. Please refer to enclosure 5, on the following pages.

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Alabama	BIBB	$198,364	$134,595	$123,551	$118,904	$135,722	$119,723	$133,691	$106,642	$105,094	$136,391	$93,059
Alabama	CALHOUN	$65,845	$50,590	$46,117	$45,896	$52,470	$46,429	$51,978	$41,503	$40,918	$53,104	$36,232
Alabama	CHEROKEE	$0	$0	$0	$0	$0	$3,057	$3,413	$3,851	$3,864	$5,105	$3,483
Alabama	CHILTON	$75,218	$51,037	$46,442	$44,640	$51,039	$45,021	$50,273	$40,212	$39,646	$51,452	$35,106
Alabama	CLAY	$217,187	$144,384	$130,724	$124,187	$141,987	$125,249	$140,559	$112,234	$110,652	$143,604	$98,103
Alabama	CLEBURNE	$284,261	$193,476	$176,424	$174,895	$200,310	$184,997	$206,708	$165,929	$165,548	$214,848	$146,899
Alabama	COVINGTON	$322,159	$186,822	$201,060	$258,574	$172,004	$210,649	$188,091	$175,070	$183,208	$184,030	$708,238
Alabama	DALLAS	$7,294	$4,949	$4,504	$4,329	$4,950	$4,366	$4,876	$3,893	$3,838	$4,981	$3,247
Alabama	ESCAMBIA	$173,349	$100,541	$108,203	$139,542	$92,930	$113,811	$101,624	$93,867	$98,102	$98,542	$379,251
Alabama	FRANKLIN	$3,073	$3,284	$1,938	$2,283	$2,688	$2,413	$4,765	$2,697	$1,772	$1,739	$2,264
Alabama	HALE	$93,566	$63,487	$57,771	$55,530	$63,489	$56,005	$62,539	$49,934	$49,231	$63,892	$43,593
Alabama	LAWRENCE	$173,783	$185,662	$141,685	$166,922	$196,590	$177,105	$349,685	$198,540	$130,448	$128,059	$166,643
Alabama	MACON	$13,760	$5,420	$37,065	$133,054	$49,923	$660	$46,145	$46,574	$57,751	$58,390	$34,224
Alabama	PERRY	$105,783	$71,774	$65,312	$62,778	$71,777	$63,803	$71,768	$57,376	$56,621	$73,483	$50,137
Alabama	TALLADEGA	$150,581	$103,060	$93,560	$86,856	$99,306	$87,600	$98,124	$78,455	$77,350	$100,384	$68,553
Alabama	TUSCALOOSA	$28,328	$19,221	$21,295	$20,423	$23,351	$20,598	$23,002	$18,718	$18,454	$23,950	$16,341
Alabama	WINSTON	$174,743	$186,908	$140,085	$165,004	$194,739	$174,835	$344,742	$195,212	$128,557	$126,201	$164,536
Alaska	ANCHORAGE	$2,450	$274,290	$4,889	$2,907	$2,634	$2,836	$3,582	$9,519	$2,857	$2,077	$3,344
Alaska	GR SITKA	$53,220	$1,815,925	$33,387	$546,628	$975,556	$1,002,372	$355,222	$403,243	$948,804	$820,033	$634,274
Alaska	HAINES	$26,905	$918,072	$16,879	$276,508	$493,478	$507,050	$179,689	$203,982	$479,955	$416,716	$321,716
Alaska	JUNEAU	$48,534	$1,656,042	$30,447	$498,750	$889,383	$913,842	$323,836	$367,612	$899,413	$778,442	$601,953
Alaska	KENAI PENIN	$9,924	$1,160,838	$20,687	$12,081	$10,946	$11,785	$15,092	$39,130	$11,532	$8,288	$13,328
Alaska	KETCH GWAY	$21,941	$748,662	$13,765	$225,387	$402,243	$412,334	$146,123	$165,878	$389,463	$337,366	$260,940
Alaska	KODIAK ISL	$2,609	$215,217	$3,836	$2,277	$2,063	$240	$309	$680	$203	$147	$237
Alaska	MAT-SUS	$396	$44,411	$792	$471	$417	$449	$576	$1,501	$452	$328	$528
Alaska	UNORGANIZED	$379,549	$15,916,982	$285,477	$3,541,016	$6,280,401	$6,447,985	$2,081,369	$2,437,748	$5,407,868	$4,680,205	$3,638,421
Alaska	YAKUTAT	$0	$0	$0	$0	$0	$0	$240,153	$272,620	$641,456	$556,939	$430,778
Arizona	Apache	$284,085	$397,203	$523,195	$569,501	$387,061	$174,213	$406,775	$355,060	$285,497	$137,115	$62,045
Arizona	Cochise	$46,124	$50,383	$51,694	$67,373	$62,869	$66,925	$66,826	$69,719	$66,488	$57,855	$50,312
Arizona	Coconino	$3,418,805	$3,991,310	$4,208,326	$3,671,282	$3,218,172	$2,839,176	$3,256,765	$2,817,291	$1,566,219	$1,534,197	$584,409
Arizona	Gila	$172,847	$158,286	$234,116	$216,805	$270,525	$245,576	$211,399	$231,851	$391,333	$314,515	$188,456
Arizona	Graham	$37,342	$40,790	$41,821	$54,505	$50,871	$54,138	$54,058	$56,398	$53,769	$46,749	$40,649
Arizona	Greenlee	$415,600	$580,989	$743,831	$858,062	$580,201	$227,918	$597,498	$453,534	$432,187	$189,038	$67,067
Arizona	Maricopa	$65,550	$59,360	$88,791	$81,958	$103,199	$93,321	$80,080	$88,726	$150,502	$121,202	$72,763
Arizona	Mohave	$5,850	$5,366	$5,794	$4,103	$4,675	$2,630	$3,845	$4,322	$1,033	$2,736	$810
Arizona	Navajo	$426,339	$594,211	$919,192	$693,114	$487,883	$427,986	$578,233	$937,102	$305,520	$265,059	$238,408
Arizona	Pima	$36,009	$39,333	$40,328	$46,974	$49,193	$52,353	$53,274	$55,580	$52,989	$46,059	$40,049
Arizona	Pinal	$21,791	$20,144	$29,020	$28,115	$34,361	$31,528	$27,510	$30,274	$48,888	$39,575	$24,500
Arizona	Santa Cruz	$39,520	$43,169	$44,264	$57,689	$53,867	$57,326	$57,234	$59,717	$56,783	$49,370	$42,928
Arizona	Yavapi	$610,866	$806,861	$787,499	$837,540	$664,507	$729,215	$732,198	$498,805	$538,676	$378,653	$219,352
Arkansas	ASHLEY	$5,072	$5,007	$3,468	$8,063	$7,669	$3,277	$1,649	$2,995	$3,920	$4,227	$5,770
Arkansas	BAXTER	$82,230	$69,419	$59,652	$95,890	$89,663	$92,723	$43,053	$48,312	$68,226	$75,575	$99,774

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Arkansas	BENTON	$10,928	$9,226	$7,863	$12,582	$11,625	$12,037	$5,617	$6,317	$8,878	$9,835	$12,984
Arkansas	CONWAY	$9,291	$7,844	$6,685	$10,697	$9,884	$10,234	$4,635	$5,115	$7,532	$8,343	$11,015
Arkansas	CRAWFORD	$113,546	$95,766	$81,769	$130,774	$120,998	$125,212	$59,182	$67,361	$93,433	$103,403	$136,512
Arkansas	FRANKLIN	$137,599	$116,230	$99,066	$159,268	$147,331	$152,611	$71,073	$79,987	$112,604	$124,733	$164,672
Arkansas	GARLAND	$323,925	$319,814	$212,093	$519,781	$489,461	$211,403	$111,639	$208,707	$266,829	$289,280	$394,931
Arkansas	HOT SPRINGS	$969	$957	$662	$1,540	$1,465	$626	$315	$572	$749	$808	$1,102
Arkansas	HOWARD	$3,773	$3,725	$2,579	$5,998	$5,705	$2,438	$1,227	$2,228	$2,916	$3,144	$4,292
Arkansas	JOHNSON	$234,960	$198,354	$169,063	$271,233	$250,615	$260,510	$120,479	$136,515	$195,680	$216,739	$286,383
Arkansas	LEE	$27,958	$23,316	$18,217	$53,775	$63,160	$27,213	$4,887	$39,980	$24,205	$29,042	$21,503
Arkansas	LOGAN	$146,136	$131,398	$103,134	$192,863	$180,621	$135,390	$64,557	$85,465	$116,803	$128,100	$171,222
Arkansas	MADISON	$64,435	$54,397	$46,364	$73,328	$67,811	$70,214	$33,035	$37,328	$52,040	$57,645	$76,032
Arkansas	MARION	$4,348	$3,760	$3,205	$5,096	$4,709	$4,934	$2,302	$2,589	$3,639	$4,031	$5,332
Arkansas	MONTGOMERY	$930,487	$919,039	$643,573	$1,509,630	$1,447,775	$631,506	$328,790	$608,934	$781,595	$842,903	$1,151,050
Arkansas	NEWTON	$262,049	$221,225	$188,550	$301,856	$279,696	$289,607	$135,174	$152,295	$213,943	$236,987	$312,868
Arkansas	PERRY	$282,604	$279,237	$193,621	$450,244	$428,216	$182,979	$94,104	$175,205	$226,449	$247,760	$338,214
Arkansas	PHILIPS	$23,093	$19,259	$15,047	$44,418	$52,170	$22,297	$4,004	$32,758	$19,833	$23,796	$17,619
Arkansas	PIKE	$6,949	$6,861	$4,751	$11,048	$12,531	$5,355	$2,736	$5,012	$6,502	$7,010	$9,570
Arkansas	POLK	$599,250	$591,527	$410,302	$958,231	$912,828	$390,208	$196,893	$361,930	$473,708	$510,747	$697,891
Arkansas	POPE	$244,024	$206,013	$175,591	$281,033	$259,671	$269,223	$126,633	$144,783	$207,636	$230,001	$303,743
Arkansas	SALINE	$161,554	$159,740	$110,676	$257,366	$244,774	$269,223	$52,863	$96,262	$125,695	$135,522	$185,000
Arkansas	SCOTT	$1,081,746	$1,068,140	$742,381	$1,728,080	$1,645,182	$104,593	$354,001	$648,741	$851,795	$918,387	$1,253,673
Arkansas	SEARCY	$41,494	$35,029	$29,856	$47,771	$44,140	$45,821	$21,438	$24,179	$33,887	$37,537	$49,619
Arkansas	SEBASTIAN	$45,078	$44,506	$30,820	$71,669	$68,163	$29,126	$14,655	$26,617	$34,846	$37,571	$51,287
Arkansas	STONE	$82,003	$69,228	$59,005	$94,409	$87,232	$90,324	$42,026	$47,072	$66,455	$73,613	$97,120
Arkansas	VAN BUREN	$41,995	$35,452	$30,217	$48,348	$44,673	$46,256	$21,835	$24,982	$34,937	$38,701	$51,092
Arkansas	WASHINGTON	$30,888	$26,106	$22,251	$35,602	$32,896	$34,062	$14,912	$15,643	$23,613	$26,301	$34,722
Arkansas	YELL	$609,523	$595,583	$417,979	$950,201	$902,360	$413,780	$207,581	$362,968	$477,637	$516,430	$703,399
California	Alpine	$561,821	$835,351	$1,005,984	$1,008,650	$827,431	$704,813	$1,001,031	$1,060,497	$1,002,913	$482,944	$313,083
California	Amador	$446,723	$489,584	$508,606	$637,298	$624,421	$597,848	$599,327	$689,147	$856,010	$119,442	$159,299
California	Butte	$982,137	$791,184	$945,418	$940,126	$851,155	$892,422	$984,173	$429,143	$554,757	$696,266	$404,995
California	Calaveras	$166,774	$37,408	$441,304	$382,109	$264,715	$183,242	$376,401	$377,307	$251,630	$255,965	$123,542
California	Colusa	$183,156	$135,116	$334,947	$217,276	$185,829	$221,008	$189,758	$104,531	$179,216	$172,890	$166,565
California	Del Norte	$1,973,058	$1,619,031	$2,533,927	$3,702,093	$2,243,684	$2,541,008	$2,170,225	$1,982,283	$2,049,551	$1,977,241	$1,904,798
California	El Dorado	$2,815,364	$3,087,226	$3,213,900	$4,028,947	$3,952,359	$3,805,749	$3,815,367	$4,387,525	$5,449,899	$760,468	$1,014,217
California	Fresno	$1,924,879	$1,788,268	$2,113,967	$3,162,267	$3,839,794	$2,100,123	$2,239,368	$2,542,704	$2,117,706	$1,070,953	$1,765,525
California	Glenn	$528,556	$389,921	$966,599	$627,019	$536,268	$623,066	$534,965	$294,693	$505,245	$487,413	$469,581
California	Humboldt	$1,412,095	$1,102,060	$1,798,091	$2,655,730	$1,578,809	$1,807,622	$1,537,925	$1,452,485	$1,452,485	$1,401,205	$1,349,860
California	Inyo	$354,704	$252,877	$311,664	$388,300	$278,098	$213,003	$438,488	$363,586	$346,566	$618,630	$354,452
California	Kern	$411,475	$282,536	$289,119	$322,230	$244,243	$246,609	$503,272	$607,867	$366,621	$261,097	$274,957
California	Lake	$717,737	$529,481	$1,312,564	$851,442	$728,209	$871,382	$748,170	$412,140	$706,605	$681,666	$656,727
California	Lassen	$4,534,895	$4,280,756	$3,374,163	$4,176,338	$3,418,838	$3,318,808	$3,282,758	$1,842,887	$2,849,916	$3,032,308	$1,421,637
California	Los Angeles	$252,132	$204,928	$202,254	$260,325	$318,271	$273,825	$342,441	$330,954	$361,675	$264,395	$346,738

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
California	Madera	$754,929	$714,764	$854,043	$1,292,202	$1,583,477	$860,043	$888,651	$993,243	$854,968	$449,244	$722,365
California	Mariposa	$352,945	$519,083	$662,115	$711,409	$667,199	$407,254	$615,811	$644,329	$476,367	$374,426	$312,774
California	Mendocino	$496,344	$366,157	$907,690	$588,806	$503,586	$610,898	$524,517	$288,938	$495,378	$477,894	$460,410
California	Modoc	$1,631,111	$2,941,553	$2,635,546	$2,695,500	$3,734,925	$2,719,580	$2,455,757	$2,316,932	$2,316,932	$2,235,153	$2,153,379
California	Mono	$394,481	$286,750	$360,276	$441,610	$322,610	$257,627	$503,078	$415,922	$422,030	$677,414	$400,663
California	Monterey	$20,008	$25,310	$28,251	$27,412	$25,081	$27,360	$30,583	$30,753	$27,131	$30,419	$18,491
California	Nevada	$526,491	$834,868	$1,023,033	$874,730	$871,258	$560,415	$618,283	$454,752	$574,581	$247,300	$240,298
California	Orange	$17,029	$16,720	$16,538	$21,097	$21,839	$25,441	$26,809	$27,419	$25,647	$28,739	$23,857
California	Placer	$1,134,109	$1,661,952	$1,979,782	$1,821,139	$1,808,728	$1,285,734	$1,382,686	$1,174,587	$1,462,683	$468,032	$478,470
California	Plumas	$7,470,356	$5,530,085	$8,414,725	$7,470,898	$7,330,662	$7,697,680	$8,856,484	$3,559,171	$3,966,397	$5,492,673	$3,730,639
California	Riverside	$43,501	$51,550	$64,536	$11,100	$50,690	$74,762	$105,362	$76,408	$56,836	$73,387	$60,693
California	S.Barbara	$41,280	$52,220	$58,288	$56,557	$51,713	$56,423	$63,069	$63,130	$55,695	$62,436	$37,918
California	S.Bernardino	$166,639	$156,900	$210,952	$177,515	$260,719	$265,921	$333,755	$272,325	$257,778	$282,517	$217,885
California	S.Lu.Obispo	$12,409	$15,698	$17,522	$17,002	$15,534	$16,946	$18,942	$19,074	$16,828	$18,864	$11,457
California	San Diego	$42,339	$54,860	$60,932	$115,725	$69,223	$99,972	$118,551	$116,046	$106,658	$123,310	$108,300
California	Shasta	$4,048,938	$3,512,133	$3,473,658	$3,341,023	$4,158,972	$3,288,550	$3,391,773	$2,291,928	$2,881,282	$2,918,601	$1,949,696
California	Sierra	$1,342,244	$1,911,085	$2,434,926	$2,075,765	$2,074,850	$1,435,309	$1,603,038	$1,068,736	$1,306,064	$687,260	$620,350
California	Siskiyou	$7,547,226	$7,181,134	$6,694,084	$8,546,833	$8,340,829	$7,093,982	$7,166,314	$5,454,987	$6,521,319	$6,290,643	$6,060,691
California	Tehama	$2,449,240	$2,249,296	$2,327,718	$2,423,157	$2,023,475	$2,053,026	$1,923,430	$1,164,587	$1,761,795	$1,805,201	$1,080,702
California	Trinity	$4,700,152	$488,984	$7,366,041	$6,944,820	$7,460,644	$6,539,927	$5,779,384	$5,251,861	$5,340,076	$5,151,347	$4,962,908
California	Tulare	$1,051,166	$718,135	$746,610	$844,173	$628,594	$591,182	$1,220,146	$1,436,145	$893,233	$721,786	$694,210
California	Tuolumne	$3,266,582	$2,877,245	$2,870,334	$2,828,415	$2,496,162	$1,397,355	$1,951,351	$2,877,245	$1,397,355	$1,951,351	$995,563
California	Ventura	$37,171	$46,761	$52,134	$50,732	$46,543	$50,594	$56,637	$56,673	$50,157	$55,905	$34,381
California	Yuba	$208,685	$201,443	$302,384	$254,590	$258,143	$228,648	$263,859	$127,214	$141,837	$139,065	$108,688
Colorado	Alamosa	$2,591	$3,299	$3,606	$5,894	$4,308	$5,873	$6,798	$10,138	$10,201	$13,514	$5,332
Colorado	Archuleta	$40,046	$49,992	$49,663	$71,538	$76,457	$85,792	$119,656	$132,543	$129,796	$94,082	$100,578
Colorado	Boulder	$14,749	$17,171	$13,855	$21,399	$19,073	$14,666	$16,550	$35,122	$30,409	$19,292	$13,193
Colorado	Chaffee	$42,846	$45,598	$48,479	$60,643	$52,004	$60,719	$70,385	$63,328	$71,620	$54,921	$57,972
Colorado	Clear Creek	$88,414	$103,385	$108,258	$116,418	$128,099	$128,987	$150,301	$151,165	$178,039	$186,976	$219,248
Colorado	Conejos	$27,604	$35,141	$38,357	$62,597	$50,270	$68,335	$79,325	$111,677	$111,808	$147,311	$58,758
Colorado	Costilla	$0	$0	$60	$75	$65	$75	$87	$79	$89	$68	$72
Colorado	Custer	$15,526	$16,523	$17,514	$21,913	$18,750	$21,882	$25,012	$22,509	$25,454	$19,523	$20,612
Colorado	Delta	$19,502	$18,285	$21,312	$28,082	$30,470	$42,871	$45,907	$49,797	$72,471	$60,833	$54,251
Colorado	Dolores	$31,508	$39,297	$38,817	$55,429	$60,370	$66,640	$93,487	$102,020	$99,595	$67,984	$78,960
Colorado	Douglas	$13,240	$11,570	$8,913	$16,305	$15,599	$17,156	$15,054	$20,956	$20,724	$11,633	$12,078
Colorado	Eagle	$203,701	$213,386	$238,208	$262,083	$292,723	$364,046	$373,902	$486,902	$488,584	$417,558	$573,800
Colorado	El Paso	$9,410	$8,223	$6,334	$11,588	$11,073	$12,178	$10,677	$14,861	$14,697	$8,250	$8,565
Colorado	Fremont	$9,458	$10,065	$10,664	$13,341	$11,441	$13,358	$15,420	$13,874	$15,690	$12,030	$12,694
Colorado	Garfield	$169,441	$175,922	$198,886	$220,512	$247,012	$305,962	$312,783	$407,547	$419,440	$357,073	$489,874
Colorado	Gilpin	$10,254	$12,009	$11,810	$13,869	$14,434	$13,652	$15,861	$19,404	$20,440	$19,133	$20,650
Colorado	Grand	$312,131	$363,679	$382,467	$410,490	$453,838	$457,990	$530,261	$536,036	$625,327	$655,157	$774,918
Colorado	Gunnison	$99,194	$105,317	$109,997	$172,882	$235,383	$199,892	$199,948	$289,623	$402,127	$277,491	$294,766

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Colorado	Hinsdale	$46,525	$57,044	$59,981	$95,850	$93,848	$105,279	$131,363	$166,340	$182,704	$172,112	$113,653
Colorado	Huerfano	$13,249	$14,114	$14,908	$18,651	$16,022	$18,716	$21,656	$19,484	$22,036	$16,895	$17,814
Colorado	Jackson	$64,292	$53,526	$72,625	$94,781	$115,192	$129,608	$114,698	$151,734	$247,657	$199,089	$269,405
Colorado	Jefferson	$10,651	$9,667	$7,795	$13,290	$12,926	$14,046	$12,899	$17,184	$17,313	$10,868	$11,607
Colorado	Lake	$15,214	$16,286	$17,284	$21,652	$18,568	$21,574	$24,963	$22,460	$25,401	$19,476	$20,551
Colorado	La Plata	$37,900	$47,252	$46,652	$66,633	$72,573	$80,110	$112,538	$122,999	$120,270	$82,103	$95,358
Colorado	Larimer	$67,419	$78,465	$63,358	$97,856	$87,244	$66,929	$75,472	$160,162	$142,825	$90,610	$61,963
Colorado	Las Animas	$2,094	$2,228	$2,329	$2,914	$2,499	$2,917	$3,375	$3,037	$3,435	$2,633	$2,781
Colorado	Mesa	$75,134	$74,581	$88,927	$113,501	$102,699	$156,463	$183,264	$193,002	$253,197	$215,261	$205,837
Colorado	Mineral	$48,694	$61,664	$65,681	$104,036	$89,877	$115,950	$141,014	$186,714	$185,917	$219,715	$108,328
Colorado	Moffat	$8,373	$7,134	$9,484	$12,166	$14,672	$16,774	$15,079	$20,072	$31,108	$25,007	$34,009
Colorado	Montezuma	$24,043	$31,304	$29,803	$42,566	$46,360	$51,175	$71,792	$78,345	$76,483	$52,207	$60,636
Colorado	Montrose	$18,303	$21,950	$26,112	$49,398	$40,826	$39,581	$61,572	$65,739	$99,319	$65,306	$48,635
Colorado	Ouray	$7,134	$8,685	$10,321	$20,124	$16,191	$15,831	$25,225	$26,742	$40,687	$26,405	$18,645
Colorado	Park	$63,877	$57,208	$45,760	$79,189	$76,129	$83,331	$75,233	$101,021	$101,224	$60,835	$64,192
Colorado	Pitkin	$166,037	$173,965	$195,152	$214,799	$239,801	$298,323	$306,400	$399,132	$400,481	$343,837	$472,700
Colorado	Pueblo	$3,094	$3,293	$3,490	$4,367	$3,745	$4,372	$5,059	$4,552	$5,148	$3,947	$4,165
Colorado	Rio blanco	$104,971	$105,175	$122,323	$139,681	$159,089	$193,471	$192,438	$251,925	$284,796	$238,773	$327,093
Colorado	Rio Grande	$25,677	$32,685	$35,744	$58,303	$46,926	$63,729	$74,026	$104,101	$104,196	$137,035	$54,861
Colorado	Routt	$112,201	$93,336	$126,686	$165,279	$200,832	$226,586	$201,084	$266,672	$433,022	$347,595	$471,034
Colorado	Saguache	$80,497	$97,564	$104,853	$171,541	$161,686	$188,765	$210,329	$300,734	$330,275	$375,798	$188,553
Colorado	San Juan	$16,209	$20,270	$20,342	$29,767	$30,893	$35,100	$47,912	$54,289	$53,463	$42,169	$39,772
Colorado	San Miguel	$9,646	$11,738	$13,949	$27,198	$21,883	$21,404	$34,100	$36,152	$55,001	$35,674	$25,190
Colorado	Summit	$178,239	$209,216	$219,301	$234,421	$258,419	$259,821	$302,738	$303,286	$348,156	$367,822	$431,868
Colorado	Teller	$11,715	$10,237	$7,876	$14,391	$13,751	$15,123	$13,271	$18,472	$18,267	$10,254	$10,646
Florida	Baker	$271,550	$341,381	$288,776	$215,512	$233,409	$186,879	$199,914	$153,635	$72,153	$71,655	$116,449
Florida	Columbia	$268,137	$337,090	$285,146	$166,604	$180,297	$143,626	$166,460	$127,242	$59,802	$62,913	$102,248
Florida	Franklin	$30,569	$41,332	$17,960	$39,313	$27,106	$12,667	$11,581	$11,867	$7,205	$4,591	$11,273
Florida	Lake	$152,383	$213,301	$144,087	$205,629	$162,194	$131,263	$183,518	$215,231	$164,219	$240,229	$126,918
Florida	Leon	$146,294	$197,802	$85,956	$188,146	$129,803	$60,660	$55,459	$56,838	$34,507	$18,726	$48,690
Florida	Liberty	$372,214	$503,266	$218,689	$478,680	$330,276	$154,380	$141,144	$145,124	$88,107	$50,053	$128,046
Florida	Marion	$498,760	$698,162	$471,381	$672,753	$531,236	$429,992	$601,258	$705,369	$537,934	$786,868	$415,719
Florida	Okaloosa	$674	$594	$620	$623	$1,066	$1,056	$706	$630	$588	$546	$572
Florida	Putnam	$42,870	$60,005	$40,484	$57,775	$45,559	$36,866	$51,536	$60,454	$46,104	$67,439	$35,629
Florida	Santa Rosa	$0	$0	$0	$0	$0	$0	$134	$130	$121	$113	$118
Florida	Wakulla	$233,915	$316,310	$137,457	$301,365	$213,168	$99,655	$91,214	$93,486	$56,756	$30,800	$80,083
Florida	Walton	$136	$120	$125	$126	$328	$325	$645	$628	$586	$544	$570
Georgia	Banks	$456	$465	$371	$346	$306	$342	$592	$613	$503	$618	$567
Georgia	Catoosa	$4	$4	$3	$3	$3	$3	$5	$6	$5	$6	$5
Georgia	Chattooga	$13,464	$13,831	$11,030	$10,283	$9,119	$10,167	$17,674	$18,272	$14,997	$18,432	$16,917
Georgia	Dawson	$4,789	$4,950	$3,947	$3,680	$3,263	$3,554	$6,162	$6,370	$5,229	$6,426	$5,898
Georgia	Fannin	$74,579	$75,980	$60,592	$56,488	$50,092	$55,849	$96,836	$100,115	$82,170	$100,840	$92,550

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Georgia	Floyd	$4,607	$473,178	$37,736	$3,518	$3,120	$3,478	$6,035	$6,239	$5,121	$6,294	$5,777
Georgia	Gilmer	$37,913	$39,170	$31,286	$29,166	$25,864	$28,837	$50,000	$51,694	$42,431	$52,149	$47,862
Georgia	Gordon	$5,633	$5,776	$4,606	$4,294	$3,808	$4,246	$7,361	$7,611	$6,246	$7,677	$7,046
Georgia	Greene	$153,389	$79,578	$90,618	$114,338	$135,646	$167,195	$131,985	$129,218	$75,683	$11,169	$60,897
Georgia	Habersham	$27,885	$28,799	$22,916	$21,363	$18,952	$20,957	$36,337	$37,566	$30,830	$37,892	$34,777
Georgia	Jasper	$157,772	$80,743	$91,131	$114,985	$136,425	$173,451	$136,394	$136,369	$80,052	$11,933	$65,263
Georgia	Jones	$95,673	$48,870	$55,650	$70,216	$83,302	$102,657	$79,645	$75,116	$43,996	$6,573	$35,838
Georgia	Lumpkin	$40,207	$40,597	$32,375	$30,200	$26,782	$29,881	$51,810	$53,675	$44,042	$54,129	$46,680
Georgia	Monroe	$0	$0	$0	$0	$0	$0	$0	$0	$0	$101	$550
Georgia	Morgan	$2,477	$1,272	$1,449	$1,828	$2,169	$2,673	$2,097	$2,001	$1,172	$173	$943
Georgia	Murray	$35,465	$36,423	$29,046	$27,079	$24,013	$26,773	$46,421	$47,992	$39,389	$48,410	$44,497
Georgia	Oconee	$647	$466	$530	$669	$794	$978	$767	$732	$429	$63	$345
Georgia	Oglethorpe	$21,721	$11,158	$12,707	$16,033	$19,020	$23,440	$18,390	$17,549	$10,278	$1,517	$8,270
Georgia	Putnam	$199,373	$102,592	$118,574	$149,612	$177,494	$218,717	$173,618	$173,156	$101,606	$14,994	$81,755
Georgia	Rabun	$103,382	$106,260	$84,739	$78,745	$69,879	$77,917	$135,499	$140,148	$114,995	$141,357	$129,776
Georgia	Stephens	$15,582	$15,920	$12,730	$12,398	$10,994	$12,251	$21,242	$21,961	$18,024	$22,153	$20,332
Georgia	Towns	$39,671	$40,806	$32,541	$30,339	$26,903	$30,152	$52,415	$54,189	$44,476	$54,696	$50,199
Georgia	Union	$66,738	$69,706	$55,727	$51,973	$46,133	$51,437	$89,186	$92,213	$75,689	$93,027	$85,380
Georgia	Walker	$12,912	$13,261	$10,708	$9,983	$8,852	$9,870	$17,113	$17,692	$14,521	$17,847	$16,441
Georgia	White	$29,623	$30,031	$23,586	$22,004	$19,355	$21,686	$37,601	$38,873	$31,906	$39,213	$35,990
Georgia	Whitfield	$8,164	$8,381	$6,684	$6,231	$5,526	$6,161	$10,682	$11,043	$9,064	$11,140	$10,224
Idaho	Ada	$613	$1,452	$2,127	$2,266	$2,689	$2,488	$3,887	$11,602	$9,146	$2,945	$6,484
Idaho	Adams	$137,018	$162,810	$210,849	$385,340	$408,830	$442,021	$823,691	$512,537	$627,221	$510,628	$752,133
Idaho	Bannock	$12,363	$19,997	$26,075	$14,797	$11,789	$11,384	$22,215	$18,985	$23,175	$16,893	$24,048
Idaho	Bear Lake	$31,137	$53,587	$41,916	$66,264	$69,046	$33,712	$48,356	$67,501	$64,491	$55,790	$57,023
Idaho	Benewah	$68,216	$79,797	$53,132	$67,326	$106,452	$88,638	$96,682	$106,357	$83,949	$82,467	$76,801
Idaho	Blaine	$46,879	$47,598	$53,026	$41,800	$57,656	$56,336	$58,433	$61,892	$125,801	$75,356	$85,523
Idaho	Boise	$126,772	$300,813	$440,562	$469,431	$557,204	$514,140	$803,248	$2,801,315	$2,211,992	$712,234	$1,510,257
Idaho	Bonner	$517,781	$658,303	$889,966	$751,907	$1,004,002	$930,699	$1,351,636	$969,230	$1,063,815	$1,068,357	$971,001
Idaho	Bonnerville	$60,092	$79,475	$130,590	$108,321	$108,654	$99,713	$114,109	$94,009	$95,958	$77,001	$84,974
Idaho	Boundary	$497,656	$660,612	$913,176	$743,481	$999,630	$923,290	$1,363,061	$926,311	$1,040,626	$1,087,663	$978,616
Idaho	Butte	$12,639	$14,423	$23,903	$27,102	$27,868	$28,966	$23,455	$36,099	$26,422	$20,954	$19,618
Idaho	Camas	$30,929	$31,536	$35,141	$27,682	$38,244	$37,344	$38,631	$40,806	$83,173	$49,808	$56,525
Idaho	Caribou	$40,303	$65,719	$80,740	$52,844	$44,792	$37,758	$70,794	$64,832	$76,177	$56,981	$77,627
Idaho	Cassia	$37,768	$38,064	$42,415	$33,152	$45,801	$44,722	$46,265	$48,869	$99,607	$59,649	$67,620
Idaho	Clark	$57,005	$56,233	$128,653	$142,486	$158,893	$142,989	$115,672	$91,948	$73,912	$68,195	$46,583
Idaho	Clearwater	$608,263	$624,693	$511,089	$550,243	$1,008,648	$1,025,521	$951,362	$903,125	$1,652,302	$1,031,708	$314,748
Idaho	Custer	$65,115	$81,408	$81,212	$86,637	$82,457	$109,220	$95,350	$230,695	$202,419	$137,121	$155,733
Idaho	Elmore	$106,760	$234,070	$337,810	$355,520	$424,422	$392,612	$604,505	$2,066,133	$1,651,972	$542,288	$1,149,148
Idaho	Franklin	$18,196	$31,922	$20,117	$44,309	$47,886	$20,724	$26,945	$43,296	$38,985	$35,217	$32,753
Idaho	Fremont	$84,198	$83,014	$190,102	$210,529	$234,815	$211,237	$170,578	$135,255	$108,774	$100,427	$68,497
Idaho	Gem	$8,795	$21,056	$30,836	$32,854	$39,056	$36,054	$56,157	$195,895	$154,419	$49,721	$106,157

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Idaho	Idaho	$2,138,976	$1,920,515	$2,023,891	$2,597,424	$3,093,565	$3,191,640	$4,422,643	$4,038,036	$6,709,703	$3,209,962	$3,097,570
Idaho	Jefferson	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Idaho	Kootenai	$518,749	$538,667	$551,579	$742,944	$613,531	$645,371	$905,926	$689,921	$826,323	$619,058	$800,937
Idaho	Latah	$188,878	$224,950	$150,252	$195,790	$313,861	$261,878	$285,644	$314,240	$271,720	$258,358	$240,986
Idaho	Lemhi	$210,428	$138,059	$345,750	$512,372	$334,403	$377,733	$731,027	$710,896	$535,634	$329,992	$228,106
Idaho	Lewis	$7	$7	$6	$6	$12	$13	$11	$11	$21	$13	$3
Idaho	Madison	$6,631	$6,538	$14,972	$16,581	$18,502	$16,644	$13,440	$10,657	$8,571	$7,913	$5,397
Idaho	Nezperce	$1,623	$1,300	$1,881	$2,948	$3,142	$1,351	$968	$1,959	$425	$284	$334
Idaho	Oneida	$9,488	$14,472	$18,373	$10,787	$9,348	$9,037	$16,039	$14,070	$18,729	$13,148	$18,097
Idaho	Power	$3,500	$3,934	$4,573	$3,307	$4,123	$4,019	$4,694	$4,728	$8,839	$5,448	$6,438
Idaho	Shoshone	$2,163,712	$2,391,470	$1,975,996	$2,632,061	$3,082,088	$2,843,728	$3,478,015	$3,231,194	$3,312,705	$2,818,855	$3,026,113
Idaho	Teton	$14,128	$13,886	$31,798	$35,215	$39,277	$35,333	$28,532	$22,623	$18,194	$16,798	$11,457
Idaho	Twini Falls	$8,910	$9,031	$10,064	$7,927	$10,952	$10,694	$11,063	$11,686	$23,819	$14,264	$16,187
Idaho	Valley	$404,421	$656,923	$920,876	$1,265,040	$1,405,814	$1,412,417	$2,444,697	$4,365,972	$3,826,810	$1,772,259	$3,182,061
Idaho	Washington	$35,531	$40,530	$51,031	$93,232	$98,921	$106,945	$199,350	$124,287	$151,989	$123,638	$182,157
Illinois	Alexander	$10,243	$22,205	$8,258	$3,584	$6,501	$5,406	$3,895	$4,461	$3,562	$3,091	$2,805
Illinois	Gallatin	$4,644	$10,066	$3,745	$1,625	$2,893	$2,405	$1,709	$1,949	$1,555	$1,345	$1,132
Illinois	Hardin	$10,352	$22,440	$8,350	$3,618	$6,553	$5,553	$3,963	$4,680	$3,743	$3,268	$2,756
Illinois	Jackson	$18,468	$40,034	$14,888	$6,478	$11,586	$9,636	$6,922	$7,914	$6,324	$5,631	$4,839
Illinois	Johnson	$7,630	$16,540	$6,151	$2,669	$4,760	$3,984	$2,830	$3,274	$2,644	$2,165	$1,822
Illinois	Massac	$1,117	$2,420	$900	$391	$695	$578	$411	$467	$373	$322	$271
Illinois	Pope	$36,160	$78,386	$29,152	$12,651	$22,602	$18,927	$13,583	$15,510	$12,531	$10,868	$9,158
Illinois	Saline	$5,544	$12,017	$4,468	$1,951	$3,495	$2,920	$2,093	$2,423	$1,934	$1,673	$1,409
Illinois	Union	$14,497	$31,426	$11,685	$5,071	$9,025	$7,505	$5,331	$6,072	$4,877	$4,129	$3,502
Illinois	Will	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Illinois	Williamson	$134	$291	$108	$47	$84	$70	$49	$56	$45	$39	$33
Indiana	Brown	$13,118	$7,229	$6,323	$7,238	$1,986	$2,280	$1,074	$1,100	$1,636	$1,235	$664
Indiana	Crawford	$16,528	$9,059	$7,924	$9,070	$2,489	$2,866	$1,361	$1,410	$2,110	$1,607	$870
Indiana	Dubois	$232	$128	$112	$128	$35	$40	$19	$19	$29	$29	$16
Indiana	Jackson	$16,968	$9,351	$8,179	$9,363	$2,569	$2,950	$1,388	$1,427	$2,123	$1,596	$858
Indiana	Lawrence	$11,544	$6,362	$5,563	$6,368	$1,747	$2,006	$944	$960	$1,488	$1,120	$603
Indiana	Martin	$6,771	$3,732	$3,264	$3,736	$1,025	$1,177	$554	$562	$849	$637	$343
Indiana	Monroe	$14,098	$7,773	$6,799	$7,783	$2,184	$2,507	$1,180	$1,198	$1,794	$1,346	$724
Indiana	Orange	$21,428	$11,808	$10,328	$11,816	$3,242	$3,723	$1,800	$1,841	$2,744	$2,080	$1,123
Indiana	Perry	$42,981	$23,821	$20,835	$23,850	$6,545	$7,514	$3,539	$3,661	$5,456	$4,106	$2,210
Kentucky	Bath	$12,591	$13,387	$12,475	$10,997	$12,659	$17,513	$17,752	$18,494	$12,059	$8,347	$13,786
Kentucky	Clay	$52,140	$55,434	$51,643	$44,811	$51,710	$71,540	$72,515	$76,686	$50,155	$34,758	$55,009
Kentucky	Estill	$3,039	$3,232	$3,011	$2,655	$3,056	$4,227	$4,285	$4,464	$2,942	$2,530	$3,999
Kentucky	Harlan	$547	$582	$542	$478	$550	$761	$772	$804	$524	$363	$574
Kentucky	Jackson	$38,437	$40,767	$37,963	$33,465	$38,584	$53,656	$54,879	$57,289	$37,611	$26,322	$41,698
Kentucky	Knox	$50	$54	$50	$44	$51	$70	$71	$74	$48	$33	$53
Kentucky	Laurel	$38,917	$41,682	$38,842	$35,091	$40,801	$56,863	$57,729	$60,583	$39,644	$27,763	$44,303

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Kentucky	Lee	$4,849	$5,155	$4,804	$4,235	$5,353	$7,406	$7,800	$8,126	$5,455	$3,882	$6,134
Kentucky	Leslie	$35,747	$38,092	$35,496	$31,291	$36,020	$49,832	$50,511	$52,186	$34,027	$23,583	$37,268
Kentucky	Letcher	$337	$212	$231	$204	$284	$368	$257	$356	$329	$485	$390
Kentucky	McCreary	$105,999	$100,223	$93,394	$82,745	$95,393	$131,908	$133,704	$141,053	$91,972	$63,681	$100,629
Kentucky	Menifee	$29,794	$31,808	$29,641	$26,123	$30,191	$41,791	$43,274	$45,683	$29,876	$20,711	$32,936
Kentucky	Morgan	$8,828	$9,386	$8,746	$7,710	$8,875	$12,279	$12,446	$12,966	$8,455	$5,852	$9,249
Kentucky	Owsley	$10,928	$11,656	$10,898	$9,607	$11,059	$15,316	$15,526	$16,176	$10,547	$7,301	$11,538
Kentucky	Perry	$1,494	$1,588	$1,480	$1,305	$1,502	$2,078	$2,106	$2,194	$1,431	$990	$1,565
Kentucky	Pike	$46	$29	$32	$28	$39	$51	$35	$49	$45	$67	$54
Kentucky	Powell	$9,608	$10,215	$9,519	$8,391	$9,660	$13,404	$13,587	$14,256	$9,296	$6,438	$10,517
Kentucky	Pulaski	$19,272	$20,489	$19,093	$18,057	$21,231	$29,801	$30,930	$35,875	$23,411	$16,401	$26,279
Kentucky	Rockcastle	$8,411	$8,942	$8,333	$7,346	$8,502	$11,763	$11,923	$13,972	$9,110	$6,312	$10,177
Kentucky	Rowan	$42,130	$44,793	$41,741	$36,795	$42,357	$58,598	$59,614	$62,108	$40,497	$28,156	$44,651
Kentucky	Wayne	$438	$465	$434	$382	$440	$609	$617	$643	$419	$290	$459
Kentucky	Whitley	$29,469	$32,154	$29,963	$25,625	$29,386	$40,310	$40,960	$43,130	$28,258	$19,714	$31,217
Kentucky	Wolfe	$10,806	$11,490	$10,707	$9,465	$10,896	$15,074	$15,279	$15,918	$10,557	$7,308	$11,549
Louisiana	Claiborne	$105,641	$113,798	$93,120	$88,007	$115,502	$93,383	$128,733	$79,925	$85,042	$71,707	$90,192
Louisiana	Grant	$749,123	$807,654	$661,713	$625,384	$820,761	$663,579	$926,880	$574,978	$612,001	$516,027	$649,062
Louisiana	Natchitoches	$682,947	$765,683	$602,704	$569,792	$747,802	$604,592	$830,297	$516,408	$555,133	$468,277	$588,999
Louisiana	Rapides	$538,307	$579,874	$474,576	$448,562	$588,698	$475,958	$657,607	$410,791	$435,206	$367,107	$461,851
Louisiana	Vernon	$450,027	$484,783	$396,662	$374,884	$492,842	$398,459	$550,425	$641,771	$364,014	$307,914	$387,294
Louisiana	Webster	$63,910	$68,845	$56,464	$53,364	$70,035	$53,623	$79,190	$49,167	$53,212	$44,867	$56,434
Louisiana	Winn	$587,281	$632,676	$518,459	$489,978	$643,052	$519,903	$715,556	$444,308	$472,616	$398,862	$501,716
Maine	Oxford	$26,098	$33,892	$25,778	$36,556	$34,584	$35,338	$30,983	$40,248	$32,800	$33,069	$34,774
Michigan	Alcona	$53,288	$55,205	$33,761	$201,367	$132,140	$100,093	$134,393	$82,548	$68,386	$64,826	$88,428
Michigan	Alger	$40,395	$44,032	$31,873	$53,181	$48,293	$62,268	$68,079	$87,891	$88,166	$131,328	$111,860
Michigan	Baraga	$18,992	$19,964	$6,896	$18,615	$21,606	$21,899	$24,452	$28,919	$31,436	$38,347	$36,304
Michigan	Barry	$6	$8	$6	$10	$10	$9	$8	$7	$8	$10	$10
Michigan	Cheboygan	$11	$12	$9	$15	$12	$16	$17	$22	$22	$33	$28
Michigan	Chippewa	$85,256	$93,016	$67,331	$113,194	$92,383	$119,125	$130,328	$168,252	$168,519	$250,481	$212,356
Michigan	Crawford	$20,646	$18,444	$11,297	$67,028	$43,985	$33,236	$44,620	$27,407	$22,705	$21,523	$29,359
Michigan	Delta	$84,450	$92,151	$66,710	$112,149	$91,479	$117,970	$128,985	$166,518	$166,783	$247,900	$210,168
Michigan	Genesee	$5	$5	$4	$7	$7	$6	$6	$5	$6	$7	$7
Michigan	Gogebic	$123,685	$138,623	$47,899	$129,312	$149,956	$151,988	$169,285	$200,183	$217,607	$265,477	$251,336
Michigan	G. Traverse	$1	$1	$1	$2	$2	$2	$1	$1	$1	$2	$2
Michigan	Houghton	$66,171	$69,890	$24,215	$65,366	$75,809	$76,836	$85,261	$100,854	$109,613	$133,536	$126,423
Michigan	Iosco	$50,922	$55,776	$34,113	$202,664	$132,991	$100,106	$134,391	$82,548	$68,386	$64,825	$88,458
Michigan	Iron	$73,011	$77,542	$26,735	$72,168	$83,689	$84,958	$96,515	$115,143	$125,165	$152,748	$144,612
Michigan	Lake	$64,045	$77,064	$57,211	$100,448	$99,108	$87,125	$79,642	$69,345	$82,631	$104,074	$98,172
Michigan	Mackinac	$52,854	$57,809	$41,846	$70,349	$57,403	$74,031	$80,947	$104,569	$104,735	$155,675	$132,177
Michigan	Manistee	$45,909	$58,672	$43,547	$77,587	$76,694	$67,347	$61,481	$53,675	$64,260	$80,963	$76,461
Michigan	Marquette	$7,250	$7,703	$3,513	$7,823	$8,114	$8,837	$9,759	$11,905	$12,596	$16,444	$14,972

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Michigan	Mason	$33,873	$40,687	$30,222	$53,503	$52,728	$46,333	$42,401	$37,096	$44,307	$55,988	$52,842
Michigan	Mecosta	$1,477	$1,762	$1,307	$2,279	$2,207	$1,939	$1,772	$1,541	$1,836	$2,309	$2,178
Michigan	Montcalm	$987	$1,177	$874	$1,583	$1,558	$1,369	$1,250	$1,087	$1,296	$1,630	$1,537
Michigan	Muskegon	$7,109	$8,638	$6,410	$11,349	$11,063	$9,679	$8,842	$7,699	$9,165	$11,524	$10,888
Michigan	Newaygo	$62,128	$75,039	$55,672	$97,595	$96,137	$84,587	$77,277	$67,205	$79,999	$100,631	$94,918
Michigan	Oceana	$30,256	$36,121	$26,808	$47,385	$46,659	$40,930	$37,403	$32,527	$38,796	$48,779	$46,448
Michigan	Ogemaw	$9,497	$9,800	$5,993	$35,616	$23,372	$17,661	$23,757	$14,592	$12,089	$11,459	$15,631
Michigan	Ontonagon	$108,531	$115,297	$39,838	$107,536	$124,856	$126,551	$154,954	$183,439	$199,517	$243,690	$230,709
Michigan	Oscoda	$69,951	$73,037	$44,853	$266,546	$174,911	$132,514	$177,902	$109,273	$90,658	$85,938	$117,232
Michigan	Ostego	$2	$3	$2	$4	$4	$3	$3	$2	$3	$4	$4
Michigan	Roscommon	$19	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Michigan	Schoolcraft	$42,801	$46,695	$33,801	$56,832	$46,360	$59,775	$65,372	$84,395	$84,529	$125,682	$106,552
Michigan	Wexford	$54,335	$64,747	$48,042	$85,265	$83,823	$73,832	$67,586	$58,947	$70,834	$89,074	$84,124
Minnesota	Beltrami	$25,297	$38,989	$19,663	$33,934	$45,701	$43,448	$70,990	$79,767	$92,067	$91,437	$98,619
Minnesota	Cass	$129,402	$177,643	$89,404	$154,329	$207,902	$196,721	$320,655	$360,244	$415,314	$411,775	$442,630
Minnesota	Cook	$307,979	$350,333	$309,819	$526,822	$533,164	$523,868	$556,879	$591,376	$598,804	$648,956	$686,364
Minnesota	Itasca	$137,844	$189,172	$95,509	$164,863	$222,048	$210,419	$343,452	$386,012	$444,542	$440,863	$473,928
Minnesota	Koochiching	$52	$79	$53	$68	$72	$66	$85	$106	$108	$138	$161
Minnesota	Lake	$384,920	$431,350	$386,980	$649,150	$656,111	$646,969	$680,352	$718,863	$725,740	$776,875	$816,618
Minnesota	St. Louis	$304,127	$363,513	$306,780	$445,420	$454,270	$440,547	$482,750	$531,367	$542,294	$607,287	$661,142
Mississippi	Adams	$127,996	$103,933	$104,181	$119,462	$167,244	$145,308	$142,410	$107,640	$102,509	$180,333	$216,583
Mississippi	Amite	$318,643	$260,510	$261,440	$299,785	$419,693	$364,647	$357,375	$270,120	$255,321	$449,156	$539,474
Mississippi	Benton	$107,899	$77,091	$60,913	$58,998	$170,908	$232,444	$129,833	$258,399	$123,220	$155,879	$432,097
Mississippi	Chickasaw	$120,126	$68,758	$62,510	$56,761	$102,267	$144,598	$118,155	$179,598	$168,183	$100,012	$112,540
Mississippi	Choctaw	$53,707	$30,741	$27,948	$25,377	$45,722	$64,648	$52,826	$80,296	$75,193	$44,515	$49,819
Mississippi	Copiah	$65,832	$53,456	$53,583	$61,442	$86,018	$74,736	$73,246	$55,362	$52,329	$92,057	$110,562
Mississippi	Forrest	$232,977	$192,144	$176,580	$194,777	$212,566	$176,126	$213,859	$181,712	$272,947	$215,248	$284,438
Mississippi	Franklin	$856,293	$694,691	$696,350	$798,483	$1,117,859	$971,243	$945,225	$714,430	$674,921	$1,187,312	$1,435,046
Mississippi	George	$42,780	$35,282	$32,006	$34,368	$37,507	$31,077	$37,355	$31,741	$47,372	$37,358	$49,366
Mississippi	Greene	$161,702	$133,361	$120,980	$129,907	$141,772	$117,468	$141,199	$119,976	$180,005	$141,953	$187,582
Mississippi	Harrison	$299,079	$246,660	$223,760	$240,585	$262,558	$221,253	$265,951	$226,123	$337,831	$266,416	$352,053
Mississippi	Jackson	$91,469	$75,438	$68,434	$72,858	$79,341	$66,518	$79,956	$67,939	$101,822	$80,298	$106,109
Mississippi	Jasper	$151,455	$110,309	$135,200	$53,485	$114,021	$121,044	$123,108	$136,013	$91,482	$187,184	$95,781
Mississippi	Jefferson	$69,770	$56,654	$56,789	$65,118	$91,164	$79,207	$78,399	$59,258	$57,329	$100,853	$121,126
Mississippi	Jones	$160,533	$132,397	$120,105	$128,968	$140,747	$116,619	$140,178	$119,112	$177,771	$140,191	$185,255
Mississippi	Lafayette	$76,004	$54,303	$42,907	$41,634	$120,607	$163,577	$94,133	$186,112	$88,660	$112,450	$311,713
Mississippi	Lincoln	$70,536	$57,276	$57,412	$65,833	$92,165	$80,077	$79,573	$60,145	$56,849	$100,009	$120,112
Mississippi	Marshall	$41,951	$29,973	$23,683	$22,971	$66,542	$90,352	$50,320	$99,522	$47,410	$59,830	$165,848
Mississippi	Newton	$29,087	$21,185	$25,965	$10,272	$21,898	$23,711	$23,974	$26,488	$17,816	$36,453	$18,653
Mississippi	Oktibbeha	$539	$308	$280	$255	$459	$648	$530	$805	$754	$448	$505
Mississippi	Pearl River	$19,707	$16,253	$13,869	$14,893	$16,253	$13,466	$16,187	$13,768	$21,860	$17,239	$22,780
Mississippi	Perry	$789,500	$651,449	$590,905	$633,466	$691,321	$572,949	$688,866	$586,330	$875,989	$690,811	$912,866

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Mississippi	Pontotoc	$2,440	$1,397	$1,270	$1,153	$2,077	$2,937	$2,400	$3,648	$3,416	$2,032	$2,286
Mississippi	Scott	$763,312	$554,369	$679,453	$268,791	$572,995	$605,545	$610,546	$675,143	$453,381	$928,459	$475,087
Mississippi	Sharkey	$12,892	$75,803	$95,914	$38,486	$78,475	$85,829	$152,615	$73,220	$112,818	$37,181	$52,870
Mississippi	Smith	$641,775	$467,679	$573,209	$226,761	$484,112	$516,061	$522,090	$576,185	$388,443	$794,879	$406,735
Mississippi	Stone	$202,874	$167,317	$152,148	$163,735	$178,860	$148,198	$178,286	$151,779	$226,524	$178,639	$236,061
Mississippi	Tippah	$18,480	$13,203	$10,432	$10,104	$29,268	$39,696	$21,993	$43,482	$21,072	$26,592	$73,715
Mississippi	Union	$16,606	$11,864	$9,374	$9,022	$26,136	$35,448	$18,654	$36,881	$17,569	$22,414	$62,131
Mississippi	Wayne	$437,683	$362,206	$328,578	$352,825	$385,049	$319,040	$383,492	$325,853	$486,324	$383,518	$506,798
Mississippi	Wilkinson	$194,125	$157,630	$158,007	$181,182	$253,651	$220,382	$227,849	$172,219	$163,349	$287,361	$345,125
Mississippi	Winston	$129,712	$74,245	$67,498	$61,291	$110,427	$156,137	$127,584	$193,930	$181,603	$108,587	$123,302
Mississippi	Yalobusha	$41,248	$29,471	$23,286	$22,552	$65,328	$88,604	$49,089	$97,055	$46,235	$58,347	$161,738
Missouri	Barry	$48,029	$58,159	$78,881	$97,598	$95,888	$74,288	$50,655	$31,187	$45,076	$42,689	$45,162
Missouri	Bollinger	$1,395	$1,684	$2,284	$2,821	$2,770	$2,142	$1,461	$917	$1,299	$1,228	$1,292
Missouri	Boone	$474	$572	$776	$959	$950	$735	$501	$1,946	$2,755	$2,606	$3,103
Missouri	Butler	$42,936	$51,489	$69,819	$86,222	$85,249	$65,921	$44,912	$28,210	$40,167	$38,014	$39,846
Missouri	Callaway	$1,266	$1,528	$2,072	$2,560	$2,664	$2,119	$1,519	$7,000	$9,910	$9,371	$10,036
Missouri	Carter	$80,151	$96,728	$131,558	$162,733	$160,715	$124,453	$84,873	$53,287	$75,486	$71,384	$75,076
Missouri	Christian	$45,698	$55,172	$74,830	$92,449	$90,770	$70,190	$48,073	$30,287	$42,876	$40,546	$42,638
Missouri	Crawford	$44,032	$53,161	$72,043	$89,006	$87,390	$67,786	$46,231	$29,186	$41,317	$39,072	$41,097
Missouri	Dent	$60,565	$73,122	$99,327	$122,682	$120,525	$94,292	$65,815	$41,902	$59,949	$56,700	$59,629
Missouri	Douglas	$36,680	$44,284	$60,063	$74,205	$72,435	$56,012	$38,192	$23,989	$33,960	$32,115	$33,774
Missouri	Howell	$43,505	$52,731	$71,520	$88,363	$86,620	$66,981	$45,672	$28,688	$40,612	$38,405	$40,645
Missouri	Iron	$86,207	$104,080	$141,256	$174,515	$169,975	$130,397	$88,420	$55,539	$78,657	$74,383	$78,152
Missouri	Laclede	$25,556	$30,847	$41,838	$51,689	$50,827	$39,299	$26,834	$16,855	$23,861	$22,564	$23,730
Missouri	Madison	$44,018	$53,144	$72,955	$90,132	$88,496	$68,529	$46,728	$29,351	$41,684	$39,502	$41,612
Missouri	Oregon	$87,228	$105,528	$143,128	$176,828	$173,704	$134,320	$91,734	$61,659	$87,412	$82,662	$87,066
Missouri	Ozark	$34,561	$41,726	$56,594	$69,919	$68,649	$53,084	$36,215	$22,748	$32,203	$30,453	$31,767
Missouri	Phelps	$56,109	$67,847	$92,065	$114,606	$112,908	$87,620	$59,988	$37,680	$53,663	$50,810	$53,436
Missouri	Pulaski	$40,449	$50,329	$68,320	$84,406	$82,716	$64,669	$44,586	$28,004	$39,644	$37,510	$39,448
Missouri	Reynolds	$79,024	$95,682	$129,683	$160,216	$157,355	$121,838	$83,078	$52,183	$74,171	$70,407	$74,045
Missouri	Ripley	$84,671	$102,283	$138,727	$171,219	$168,091	$129,913	$88,825	$55,939	$79,461	$75,728	$79,641
Missouri	Shannon	$74,971	$90,130	$121,886	$150,584	$147,428	$114,063	$77,776	$48,853	$69,158	$65,401	$68,780
Missouri	St. Francois	$795	$960	$1,302	$1,609	$1,580	$1,112	$758	$476	$674	$638	$671
Missouri	St. Genevieve	$9,132	$11,025	$14,954	$18,475	$18,139	$14,026	$9,564	$6,008	$8,505	$8,042	$8,458
Missouri	Stone	$14,660	$17,486	$23,717	$29,258	$28,240	$21,837	$14,886	$9,350	$13,237	$12,518	$12,864
Missouri	Taney	$56,713	$68,471	$92,868	$114,734	$113,040	$87,410	$59,640	$37,367	$52,899	$50,405	$53,010
Missouri	Texas	$42,782	$51,652	$70,059	$86,842	$85,188	$66,399	$45,524	$28,595	$40,480	$38,281	$40,259
Missouri	Washington	$73,704	$88,985	$120,723	$148,480	$145,784	$111,609	$76,252	$48,013	$67,969	$64,276	$67,889
Missouri	Wayne	$76,980	$93,029	$126,272	$155,927	$153,923	$119,077	$81,325	$51,159	$72,838	$68,948	$72,637
Missouri	Wright	$6,233	$7,526	$10,207	$12,610	$12,664	$9,793	$6,677	$4,194	$5,938	$5,615	$5,905
Montana	Beaverhead	$147,615	$146,524	$140,483	$66,756	$149,440	$129,837	$123,247	$86,876	$200,345	$135,135	$237,331
Montana	Broadwater	$30,229	$54,400	$25,262	$28,659	$77,072	$43,046	$70,243	$21,719	$52,029	$85,913	$60,601

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Montana	Carbon	$25,788	$27,831	$28,359	$34,868	$30,835	$30,979	$39,159	$35,939	$44,915	$51,869	$37,356
Montana	Carter	$7,046	$7,191	$7,266	$9,226	$8,257	$8,187	$11,012	$9,505	$11,336	$14,783	$9,866
Montana	Cascade	$10,125	$21,107	$14,762	$16,425	$14,883	$21,898	$37,878	$34,618	$53,881	$52,027	$49,670
Montana	Chouteau	$174,012	$3,627	$2,537	$2,823	$2,558	$3,763	$6,512	$5,951	$9,263	$8,945	$8,540
Montana	Deer Lodge	$20,898	$20,874	$30,016	$29,260	$37,645	$19,086	$27,700	$19,409	$43,844	$41,747	$38,365
Montana	Fergus	$5,383	$11,221	$7,848	$8,732	$7,913	$11,642	$20,136	$18,402	$28,642	$27,660	$26,407
Montana	Flathead	$1,124,929	$1,049,606	$1,906,990	$1,148,577	$1,038,129	$966,826	$1,352,246	$1,624,266	$839,561	$983,221	$795,425
Montana	Gallatin	$50,676	$74,878	$79,274	$83,206	$68,801	$74,424	$61,723	$85,981	$136,148	$74,087	$92,909
Montana	Glacier	$1,625	$3,388	$2,370	$2,637	$2,389	$3,515	$6,082	$5,559	$8,652	$8,355	$7,977
Montana	Golden Val.	$1,342	$2,798	$1,957	$2,178	$1,973	$2,903	$5,023	$4,591	$7,146	$6,901	$6,588
Montana	Granite	$134,396	$133,725	$191,022	$238,962	$389,982	$168,822	$293,272	$370,945	$608,683	$345,693	$269,382
Montana	Jefferson	$63,411	$77,054	$109,453	$136,674	$173,493	$69,392	$129,370	$75,597	$170,751	$203,546	$133,733
Montana	Judith Basin	$16,852	$35,131	$24,569	$27,336	$24,770	$36,445	$63,061	$57,632	$89,701	$86,626	$82,700
Montana	Lake	$93,824	$89,073	$166,301	$96,108	$79,415	$75,043	$107,236	$127,671	$56,936	$76,434	$60,728
Montana	Lewis&Clark	$149,693	$233,723	$165,566	$165,385	$326,440	$215,973	$351,223	$265,979	$416,637	$405,723	$330,374
Montana	Lincoln	$2,806,656	$3,138,816	$2,636,325	$2,926,511	$4,932,594	$4,518,216	$5,413,419	$6,721,448	$6,128,032	$4,521,356	$4,009,949
Montana	Madison	$85,691	$89,780	$98,170	$71,249	$107,876	$81,797	$86,291	$68,546	$144,930	$107,515	$144,621
Montana	Meagher	$34,039	$67,184	$41,864	$46,667	$60,956	$63,280	$106,422	$86,500	$140,707	$146,623	$133,091
Montana	Mineral	$227,284	$223,681	$218,743	$269,109	$679,210	$334,000	$537,037	$868,299	$1,287,091	$452,472	$430,343
Montana	Missoula	$287,526	$279,057	$358,415	$322,250	$630,831	$349,827	$545,299	$831,506	$1,084,426	$445,077	$411,457
Montana	Park	$66,532	$97,050	$102,478	$108,184	$90,077	$97,805	$82,859	$114,481	$181,226	$101,185	$122,861
Montana	Pondera	$6,041	$12,594	$8,808	$9,800	$8,880	$13,066	$22,608	$20,661	$32,158	$31,056	$29,649
Montana	Powder River	$26,788	$27,337	$27,615	$35,063	$31,380	$31,113	$41,848	$36,122	$43,080	$56,179	$37,610
Montana	Powell	$239,675	$251,803	$362,275	$268,899	$377,795	$243,921	$375,501	$436,472	$460,615	$335,054	$270,324
Montana	Ravalli	$468,915	$458,696	$386,028	$429,447	$276,847	$223,093	$158,472	$212,950	$86,344	$218,492	$166,579
Montana	Rosebud	$7,554	$7,709	$7,790	$9,891	$8,852	$8,777	$11,805	$10,190	$12,152	$15,847	$10,577
Montana	Sanders	$601,939	$749,676	$969,087	$851,802	$1,378,868	$1,053,960	$1,593,975	$1,452,079	$1,867,766	$1,290,130	$1,175,463
Montana	Silver Bow	$23,991	$24,072	$44,005	$52,328	$58,949	$22,762	$41,625	$29,093	$65,179	$69,418	$48,872
Montana	Stillwater	$14,688	$14,989	$15,147	$19,232	$17,212	$17,066	$22,953	$19,813	$23,630	$30,814	$20,566
Montana	Sweet Grass	$23,447	$31,791	$33,160	$36,278	$30,588	$32,489	$31,075	$37,994	$56,028	$38,481	$39,933
Montana	Teton	$13,314	$27,754	$19,410	$21,597	$19,570	$28,794	$49,823	$45,533	$70,870	$68,440	$65,339
Montana	Wheatland	$2,908	$6,063	$5,191	$5,776	$5,234	$7,701	$13,357	$12,579	$19,579	$18,908	$18,051
Nebraska	Blaine	$10,547	$1,732	$1,481	$1,738	$1,651	$1,909	$2,177	$1,751	$3,830	$1,742	$1,442
Nebraska	Cherry	$115,817	$11,979	$14,118	$17,547	$17,519	$15,736	$15,356	$15,825	$16,570	$13,502	$11,217
Nebraska	Dawes	$5,452	$6,779	$5,798	$6,803	$6,461	$7,472	$8,521	$6,855	$14,991	$6,820	$5,642
Nebraska	Sioux	$1,295	$1,610	$1,377	$1,615	$1,534	$1,774	$2,023	$1,628	$3,560	$1,619	$1,340
Nebraska	Thomas	$10,555	$13,125	$11,224	$13,170	$12,508	$14,467	$16,497	$13,270	$29,022	$13,203	$10,923
Nevada	Carson City	$639	$513	$785	$830	$723	$791	$996	$799	$1,363	$685	$678
Nevada	Clark	$4,351	$3,539	$5,405	$6,992	$4,930	$5,404	$27,497	$22,064	$37,062	$18,930	$18,513
Nevada	Douglas	$4,840	$4,048	$6,025	$6,521	$5,629	$6,151	$8,062	$6,610	$10,899	$5,267	$5,266
Nevada	Elko	$32,159	$30,375	$36,782	$43,291	$42,731	$43,753	$41,733	$39,298	$41,002	$31,863	$31,430
Nevada	Esmeralda	$19,916	$14,175	$17,469	$21,764	$15,606	$11,939	$19,782	$16,403	$15,635	$27,907	$15,986

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Nevada	Eureka	$10,601	$8,624	$13,170	$13,783	$12,013	$13,154	$13,171	$10,569	$17,752	$8,923	$8,825
Nevada	Humboldt	$8,248	$7,676	$9,294	$10,939	$10,741	$10,998	$10,601	$9,990	$10,454	$8,124	$8,055
Nevada	Lander	$21,783	$17,721	$27,063	$28,323	$24,685	$27,029	$2,765	$21,717	$36,479	$18,336	$18,135
Nevada	Lincoln	$942	$877	$1,062	$1,250	$1,227	$1,256	$1,198	$1,128	$1,177	$915	$903
Nevada	Lyon	$13,166	$10,710	$16,356	$17,635	$14,919	$16,336	$24,964	$20,032	$33,648	$16,913	$16,790
Nevada	Mineral	$26,609	$20,862	$30,244	$32,090	$26,239	$26,716	$45,102	$36,574	$52,935	$41,104	$32,254
Nevada	Nye	$118,066	$96,938	$145,797	$154,764	$135,079	$147,205	$164,554	$133,392	$218,249	$112,321	$111,070
Nevada	Washoe	$4,811	$3,914	$6,052	$6,331	$5,469	$6,009	$6,980	$5,935	$10,722	$5,390	$5,347
Nevada	White Pine	$28,685	$24,568	$29,748	$35,012	$34,378	$35,203	$33,578	$31,619	$32,990	$25,637	$25,289
New Hampshire	Carroll	$84,643	$105,714	$80,405	$114,021	$107,909	$110,263	$96,672	$125,136	$101,993	$102,944	$108,351
New Hampshire	Coos	$116,195	$151,173	$115,108	$166,579	$157,594	$161,031	$141,479	$183,819	$150,033	$151,420	$159,229
New Hampshire	Grafton	$188,726	$235,752	$179,318	$254,443	$240,800	$246,221	$216,454	$280,547	$228,751	$230,752	$242,654
New Mexico	Bernalillo	$12,188	$8,081	$13,943	$4,986	$5,401	$10,515	$10,228	$8,575	$7,468	$7,275	$8,559
New Mexico	Catron	$460,769	$615,467	$862,479	$945,394	$616,860	$323,672	$735,999	$535,399	$499,297	$266,559	$140,508
New Mexico	Chaves	$4,152	$5,660	$5,475	$5,331	$6,550	$5,339	$4,820	$5,375	$5,659	$3,522	$4,732
New Mexico	Cibola	$51,789	$34,350	$59,268	$20,866	$22,603	$43,997	$42,695	$35,793	$31,171	$30,367	$35,639
New Mexico	Colfax	$20,264	$16,050	$15,393	$17,016	$19,281	$11,852	$13,911	$12,485	$15,534	$13,281	$7,919
New Mexico	Eddy	$13,899	$18,948	$18,327	$17,847	$21,927	$17,875	$16,135	$17,993	$18,945	$11,790	$15,841
New Mexico	Grant	$57,161	$74,077	$135,897	$140,756	$79,417	$70,175	$137,626	$89,266	$79,307	$58,927	$34,894
New Mexico	Hidalgo	$6,993	$7,739	$8,454	$10,703	$9,539	$10,028	$10,598	$10,586	$10,043	$8,645	$7,680
New Mexico	Lincoln	$43,037	$54,804	$55,785	$50,432	$61,631	$53,014	$48,196	$52,464	$54,535	$35,126	$42,777
New Mexico	Los Alamos	$6,592	$10,435	$8,962	$11,580	$8,881	$6,281	$8,422	$7,480	$3,947	$4,287	$3,692
New Mexico	McKinley	$30,586	$20,279	$34,990	$12,491	$13,534	$26,344	$25,564	$21,431	$18,664	$18,182	$21,339
New Mexico	Mora	$23,381	$32,997	$28,745	$36,418	$29,504	$20,417	$26,874	$23,902	$14,899	$15,249	$12,241
New Mexico	Otero	$58,029	$79,110	$76,517	$74,514	$91,553	$74,635	$67,370	$75,126	$79,101	$49,228	$66,138
New Mexico	Rio Arriba	$371,354	$386,447	$352,115	$418,860	$399,617	$260,189	$324,011	$289,421	$265,465	$242,970	$164,962
New Mexico	Sandoval	$81,591	$122,616	$109,491	$133,710	$103,484	$77,177	$101,185	$89,569	$49,117	$52,741	$46,768
New Mexico	San Miguel	$74,636	$118,303	$101,598	$131,289	$100,683	$71,214	$95,483	$84,807	$44,851	$48,608	$41,858
New Mexico	Santa Fe	$53,716	$85,149	$73,126	$94,496	$72,469	$51,251	$68,717	$61,180	$32,362	$35,073	$30,278
New Mexico	Sierra	$26,649	$32,605	$59,596	$59,360	$34,139	$31,603	$59,373	$38,994	$34,856	$26,330	$14,516
New Mexico	Socorro	$99,664	$66,080	$114,014	$40,778	$44,173	$86,072	$83,525	$70,021	$60,980	$59,406	$69,722
New Mexico	Taos	$151,013	$119,576	$114,683	$126,780	$143,655	$88,304	$103,652	$93,032	$115,749	$98,960	$59,009
New Mexico	Torrance	$24,756	$16,413	$28,318	$10,128	$10,971	$21,378	$20,746	$17,447	$15,194	$14,802	$17,294
New Mexico	Valencia	$2,552	$1,692	$2,920	$1,044	$1,131	$2,201	$2,136	$1,791	$1,559	$1,519	$1,783
New York	Schuyler	$3,604	$12,379	$4,374	$14,119	$7,476	$6,418	$1,277	$1,670	$5,591	$4,068	$4,380
New York	Seneca	$1,362	$4,678	$1,653	$5,336	$2,825	$2,425	$478	$607	$2,016	$1,709	$1,995
North Carolina	Ashe	$255	$241	$194	$228	$252	$208	$267	$263	$199	$228	$165
North Carolina	Avery	$14,720	$17,909	$12,694	$18,470	$17,916	$14,010	$15,224	$13,407	$14,611	$19,879	$14,078
North Carolina	Buncome	$17,511	$21,304	$14,970	$21,781	$21,127	$16,480	$17,301	$15,031	$16,381	$22,102	$15,654
North Carolina	Burke	$26,685	$32,465	$22,811	$33,190	$32,194	$25,113	$26,364	$22,905	$24,962	$33,680	$23,854
North Carolina	Caldwell	$27,446	$33,391	$23,463	$34,138	$33,114	$25,830	$27,117	$23,559	$25,675	$34,641	$24,573
North Carolina	Cartert	$48,207	$65,669	$36,695	$50,262	$34,796	$21,903	$41,035	$35,254	$14,059	$25,186	$19,418

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
North Carolina	Cherokee	$79,730	$74,749	$42,010	$55,284	$49,672	$45,996	$41,617	$64,316	$59,056	$79,697	$65,950
North Carolina	Clay	$56,188	$52,681	$29,610	$38,947	$35,117	$32,518	$29,422	$45,419	$41,704	$56,217	$46,514
North Carolina	Craven	$51,924	$70,931	$39,717	$54,571	$37,662	$23,690	$44,390	$38,955	$15,636	$28,012	$21,596
North Carolina	Davidson	$1,714	$328	$811	$816	$870	$633	$1,938	$1,613	$813	$1,242	$237
North Carolina	Graham	$96,664	$90,629	$51,054	$67,153	$60,336	$55,866	$50,547	$78,088	$71,730	$96,872	$80,152
North Carolina	Haywood	$37,943	$46,227	$32,482	$47,261	$45,843	$35,760	$37,546	$32,620	$35,550	$47,964	$33,971
North Carolina	Henderson	$9,626	$11,710	$8,228	$11,972	$11,613	$9,059	$9,510	$8,262	$9,004	$12,149	$8,605
North Carolina	Jackson	$58,376	$54,735	$30,809	$40,524	$39,760	$37,227	$33,782	$52,471	$48,368	$65,624	$54,393
North Carolina	Jones	$33,716	$46,170	$25,803	$35,321	$24,475	$15,395	$28,888	$24,897	$9,929	$17,787	$13,714
North Carolina	Macon	$130,911	$122,733	$68,985	$90,731	$81,521	$75,489	$68,262	$104,955	$96,610	$130,444	$107,929
North Carolina	Madison	$28,247	$34,704	$24,385	$35,480	$34,591	$27,399	$28,894	$25,987	$28,371	$38,364	$27,174
North Carolina	McDowell	$37,328	$45,413	$31,910	$46,429	$45,729	$35,671	$37,448	$32,535	$35,456	$47,838	$33,882
North Carolina	Mitchell	$9,958	$12,167	$8,578	$12,480	$12,144	$9,610	$10,121	$8,833	$9,627	$13,068	$9,261
North Carolina	Montgomery	$66,602	$12,754	$31,403	$31,590	$33,673	$24,919	$77,003	$66,556	$33,700	$51,713	$9,854
North Carolina	Randolph	$15,814	$3,059	$7,570	$7,615	$8,117	$5,902	$18,084	$15,457	$7,788	$11,899	$2,307
North Carolina	Swain	$18,342	$17,210	$9,673	$12,770	$11,447	$10,600	$9,590	$14,805	$13,594	$18,347	$15,730
North Carolina	Transylvania	$49,905	$59,640	$41,118	$59,541	$57,573	$45,262	$47,202	$42,377	$45,646	$61,587	$44,082
North Carolina	Watauga	$219	$266	$187	$272	$264	$206	$216	$188	$205	$276	$196
North Carolina	Yancey	$20,314	$24,723	$17,963	$26,136	$25,352	$19,776	$20,953	$18,223	$19,880	$26,840	$19,021
North Dakota	McHenry	$63	$60	$60	$77	$69	$68	$92	$79	$94	$123	$82
Ohio	Athens	$6,028	$11,090	$6,850	$12,423	$9,351	$10,879	$10,868	$3,019	$2,296	$1,247	$892
Ohio	Gallia	$6,103	$11,576	$5,841	$10,717	$9,083	$10,212	$9,258	$2,870	$2,325	$1,189	$851
Ohio	Hocking	$11,060	$20,350	$10,268	$18,623	$14,018	$15,400	$13,230	$3,766	$3,016	$1,554	$1,119
Ohio	Jackson	$840	$1,546	$780	$1,415	$1,100	$1,261	$1,067	$294	$234	$119	$85
Ohio	Lawrence	$29,562	$54,558	$27,794	$51,864	$40,152	$45,043	$39,443	$11,036	$8,828	$4,505	$3,459
Ohio	Monroe	$8,216	$15,167	$8,923	$17,070	$14,119	$15,921	$13,906	$4,004	$3,255	$1,688	$1,210
Ohio	Morgan	$1,731	$3,185	$1,607	$2,915	$2,194	$2,400	$2,091	$576	$458	$233	$167
Ohio	Noble	$0	$0	$54	$98	$263	$288	$244	$67	$53	$27	$19
Ohio	Perry	$9,807	$18,045	$9,105	$16,513	$12,611	$13,808	$12,081	$3,414	$2,714	$1,384	$998
Ohio	Scioto	$5,237	$9,636	$4,862	$8,818	$6,735	$7,367	$6,263	$1,822	$1,478	$779	$567
Ohio	Vinton	$926	$1,703	$859	$1,558	$1,173	$1,283	$1,086	$299	$238	$131	$94
Ohio	Washington	$15,938	$29,412	$859	$29,522	$23,496	$26,777	$23,451	$6,525	$5,214	$2,697	$1,937
Oklahoma	Le Flore	$623,827	$616,390	$427,184	$993,292	$944,836	$402,873	$205,790	$380,624	$494,445	$534,709	$734,907
Oklahoma	Mc Curtain	$130,713	$129,054	$89,370	$207,503	$197,333	$486,871	$42,110	$76,712	$100,598	$108,858	$148,509
Oregon	Baker	$1,215,705	$1,180,489	$1,166,952	$1,323,354	$1,566,687	$1,176,072	$1,025,774	$906,746	$1,303,693	$786,535	$517,052
Oregon	Benton	$389,971	$351,992	$480,787	$528,446	$339,360	$405,192	$377,387	$355,360	$354,805	$342,147	$329,652
Oregon	Clackamas	$5,439,415	$5,375,220	$6,699,342	$6,271,190	$6,121,435	$5,941,365	$5,360,475	$5,056,540	$5,360,475	$5,056,541	$5,068,416
Oregon	Coos	$553,818	$581,318	$731,617	$891,339	$618,195	$672,800	$608,954	$479,062	$573,897	$553,551	$553,311
Oregon	Crook	$3,985,146	$3,499,607	$3,683,105	$3,473,671	$3,640,527	$5,168,846	$4,757,108	$3,837,450	$2,593,802	$1,769,277	$602,039
Oregon	Curry	$3,497,344	$4,127,380	$4,896,448	$6,417,557	$4,667,605	$4,795,925	$4,251,367	$2,883,060	$4,015,804	$3,874,070	$3,732,291
Oregon	Deschutes	$4,841,864	$4,439,342	$3,550,340	$3,195,354	$4,175,756	$3,277,578	$3,637,926	$3,433,359	$3,433,359	$3,312,178	$3,191,875
Oregon	Douglas	$11,737,184	$18,991,966	$16,091,516	$22,815,389	$24,278,440	$18,888,630	$16,837,469	$15,930,790	$15,940,948	$15,377,814	$14,816,603

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Oregon	Grant	$9,104,248	$8,178,290	$9,302,182	$10,360,455	$10,810,104	$10,754,046	$12,371,205	$8,054,058	$10,090,328	$9,255,349	$3,050,017
Oregon	Harney	$4,136,316	$3,613,515	$3,976,644	$4,093,306	$4,318,697	$5,089,341	$5,236,187	$3,790,448	$3,732,753	$3,226,908	$985,435
Oregon	Hood River	$2,269,064	$2,242,782	$2,791,429	$2,604,598	$2,542,447	$2,471,323	$2,230,371	$2,088,701	$2,067,601	$1,990,229	$1,915,370
Oregon	Jackson	$4,661,100	$5,540,703	$5,538,023	$6,489,076	$4,532,283	$4,968,203	$4,817,481	$4,524,087	$4,549,843	$4,389,261	$4,228,807
Oregon	Jefferson	$848,217	$783,754	$652,209	$592,653	$748,815	$599,891	$652,235	$618,503	$618,598	$596,675	$576,923
Oregon	Josephine	$1,942,307	$2,290,227	$2,678,836	$3,478,402	$2,518,474	$2,602,308	$2,322,381	$1,624,179	$2,192,990	$2,115,591	$2,038,252
Oregon	Klamath	$11,746,531	$13,041,089	$15,612,207	$16,830,911	$13,300,540	$13,313,713	$13,226,109	$19,996,165	$11,682,311	$10,605,079	$9,846,949
Oregon	Lake	$4,233,155	$7,039,096	$6,274,381	$5,200,395	$6,191,279	$4,279,170	$6,528,645	$6,505,196	$4,144,999	$2,344,511	$1,341,880
Oregon	Lane	$22,291,776	$25,344,184	$29,549,625	$34,562,828	$29,502,433	$28,185,683	$25,537,785	$24,105,979	$24,106,633	$23,258,949	$22,407,274
Oregon	Lincoln	$4,095,275	$3,698,894	$5,063,423	$5,564,218	$3,570,204	$4,264,378	$3,971,725	$3,740,100	$3,734,259	$3,601,035	$3,469,529
Oregon	Linn	$7,298,970	$8,522,511	$9,867,966	$11,490,687	$10,125,217	$9,412,453	$8,479,361	$8,009,645	$8,009,601	$7,726,909	$7,436,613
Oregon	Malheur	$8,962	$5,444	$8,697	$9,747	$11,199	$9,109	$8,752	$6,955	$9,759	$6,937	$3,539
Oregon	Marion	$2,848,799	$3,198,423	$3,768,061	$4,181,498	$3,764,604	$3,531,351	$3,182,579	$3,004,705	$3,006,135	$2,898,586	$2,804,971
Oregon	Morrow	$216,029	$302,344	$340,202	$492,755	$432,619	$376,524	$529,874	$289,102	$256,093	$89,336	$163,272
Oregon	Multnomah	$771,568	$772,184	$965,436	$908,321	$887,772	$885,460	$801,609	$773,558	$776,786	$747,717	$711,518
Oregon	Polk	$7,610	$6,869	$9,382	$10,312	$6,162	$7,900	$7,358	$6,929	$6,918	$6,671	$6,427
Oregon	Tillamook	$2,201,798	$1,987,362	$2,718,556	$2,987,816	$1,917,080	$2,291,459	$2,110,752	$1,991,038	$1,987,928	$1,917,007	$1,848,617
Oregon	Umatilla	$608,983	$837,307	$934,375	$1,329,074	$1,181,512	$1,108,318	$1,414,634	$784,845	$711,536	$252,655	$445,750
Oregon	Union	$907,936	$972,552	$954,893	$1,172,459	$1,317,546	$944,078	$885,080	$744,401	$968,375	$424,910	$464,411
Oregon	Wallowa	$1,275,445	$1,146,823	$1,543,972	$2,297,601	$2,328,159	$1,117,680	$1,001,998	$1,437,897	$349,565	$162,923	$352,592
Oregon	Wasco	$2,221,539	$2,195,966	$2,739,173	$2,584,745	$2,523,439	$2,454,315	$2,216,872	$2,102,057	$2,106,516	$2,050,515	$1,979,189
Oregon	Wheeler	$1,243,518	$1,123,562	$1,188,790	$1,169,639	$1,202,227	$1,640,000	$1,561,114	$1,220,365	$842,095	$550,376	$224,816
Oregon	Yamhill	$607,356	$548,205	$752,335	$826,913	$530,574	$633,501	$590,028	$555,590	$554,722	$534,932	$513,840
Pennsylvania	Elk	$512,241	$582,364	$485,900	$805,952	$790,590	$908,081	$1,073,131	$1,005,536	$1,155,405	$1,168,558	$1,352,657
Pennsylvania	Forest	$544,441	$618,972	$514,949	$854,135	$837,855	$965,729	$1,141,257	$1,069,370	$1,229,363	$1,243,358	$1,439,690
Pennsylvania	McKean	$621,467	$706,542	$588,249	$975,716	$957,119	$1,099,085	$1,298,852	$1,217,038	$1,398,430	$1,414,350	$1,637,187
Pennsylvania	Warren	$666,197	$757,396	$634,617	$1,052,626	$1,032,562	$1,192,958	$1,409,787	$1,321,588	$1,518,563	$1,535,850	$1,777,830
Puerto Rico	Canovanas	$1,196	$1,185	$1,126	$1,132	$1,686	$397	$1,272	$948	$1,876	$1,068	$1,529
Puerto Rico	Ceiba	$1,251	$1,239	$1,177	$1,183	$1,763	$415	$1,330	$991	$1,962	$1,117	$1,599
Puerto Rico	Fajardo	$356	$353	$335	$337	$502	$118	$379	$282	$559	$318	$455
Puerto Rico	Juncos	$12	$12	$12	$12	$17	$4	$13	$10	$19	$11	$16
Puerto Rico	Las Piedras	$743	$736	$699	$703	$1,047	$246	$790	$588	$1,165	$663	$949
Puerto Rico	Luquillo	$2,008	$1,990	$1,890	$1,900	$2,831	$666	$2,135	$1,591	$3,150	$1,793	$2,567
Puerto Rico	Naguabo	$3,140	$3,112	$2,954	$2,971	$4,427	$1,041	$3,339	$2,487	$4,925	$2,803	$4,013
Puerto Rico	Rio Grande	$7,605	$7,537	$7,157	$7,188	$10,710	$2,519	$8,079	$6,018	$11,916	$6,783	$9,710
South Carolina	Abberville	$89,309	$116,989	$88,870	$101,463	$86,195	$73,734	$110,102	$89,852	$91,763	$81,192	$54,453
South Carolina	Aiken	$23,564	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
South Carolina	Berkeley	$936,869	$951,608	$519,802	$569,722	$1,558,868	$43,046	$0	$86,857	$129,418	$80,255	$90,646
South Carolina	Charleston	$288,835	$293,379	$161,177	$176,652	$514,602	$13,350	$9,147	$36,474	$41,335	$25,830	$29,174
South Carolina	Cheser	$47,128	$61,734	$46,896	$53,542	$44,984	$38,027	$59,637	$48,669	$49,704	$43,978	$29,494
South Carolina	Edgefield	$119,009	$157,068	$119,274	$136,175	$116,346	$98,343	$146,850	$118,972	$122,052	$107,992	$72,426
South Carolina	Fairfield	$43,065	$56,413	$42,854	$48,927	$41,391	$34,990	$52,248	$42,638	$43,545	$38,529	$25,840

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
South Carolina	Greenwood	$40,733	$53,245	$40,447	$46,179	$39,508	$33,398	$49,871	$42,142	$43,038	$38,080	$25,539
South Carolina	Laurens	$81,634	$106,935	$81,233	$92,744	$78,041	$65,988	$98,686	$80,536	$82,249	$72,774	$48,807
South Carolina	McCormick	$191,407	$250,438	$190,245	$217,946	$182,010	$153,888	$229,791	$189,268	$193,293	$171,025	$114,700
South Carolina	Newberry	$220,509	$288,852	$219,403	$250,493	$210,886	$178,251	$266,025	$217,791	$222,423	$196,799	$131,986
South Carolina	Oconee	$309,837	$405,866	$308,316	$352,005	$298,733	$252,178	$376,561	$307,304	$313,935	$278,711	$186,921
South Carolina	Saluda	$15,889	$20,814	$15,811	$19,292	$16,736	$14,147	$21,125	$17,240	$17,607	$15,578	$10,448
South Carolina	Union	$231,408	$307,302	$233,477	$266,562	$222,777	$188,325	$281,214	$229,874	$235,671	$208,521	$139,848
South Dakota	Custer	$298,646	$261,307	$356,024	$498,131	$539,691	$646,342	$864,639	$983,081	$761,963	$821,773	$680,727
South Dakota	Fall River	$44,787	$39,186	$53,396	$74,693	$81,262	$97,271	$130,133	$147,941	$114,681	$123,689	$102,438
South Dakota	Harding	$5,797	$5,916	$5,978	$7,590	$6,793	$6,735	$9,059	$7,820	$9,326	$12,162	$8,117
South Dakota	Lawrence	$257,003	$224,769	$306,281	$428,468	$466,104	$557,927	$756,909	$860,640	$668,549	$721,054	$596,728
South Dakota	Meade	$35,482	$31,044	$42,301	$59,186	$64,391	$77,077	$125,542	$142,715	$110,630	$119,319	$98,793
South Dakota	Pennington	$377,291	$330,055	$449,738	$629,306	$684,803	$819,908	$1,096,717	$1,246,730	$966,168	$1,041,738	$862,796
Tenessee	Carter	$65,472	$62,142	$49,885	$58,856	$65,078	$53,766	$68,845	$67,956	$51,572	$59,129	$42,737
Tenessee	Cocke	$34,925	$33,096	$26,559	$31,399	$34,700	$29,169	$37,339	$37,121	$29,200	$34,105	$24,976
Tenessee	Greene	$29,579	$28,030	$22,493	$26,513	$29,300	$24,207	$30,987	$30,591	$23,402	$26,822	$19,367
Tenessee	Johnson	$39,585	$37,598	$30,171	$35,564	$39,474	$32,564	$41,683	$41,333	$31,355	$35,934	$25,943
Tenessee	McMinn	$1,707	$1,617	$1,298	$1,530	$1,691	$1,396	$1,787	$1,762	$1,335	$1,531	$1,105
Tenessee	Monroe	$113,349	$107,330	$86,122	$101,514	$112,185	$92,615	$118,548	$116,913	$88,614	$101,554	$73,319
Tenessee	Polk	$117,963	$111,786	$89,704	$105,737	$116,852	$96,467	$123,479	$121,776	$92,299	$105,779	$76,369
Tenessee	Sullivan	$29,102	$27,578	$22,130	$26,085	$28,827	$23,805	$30,470	$30,079	$22,798	$26,128	$18,863
Tenessee	Unicoi	$42,381	$40,157	$32,429	$38,232	$42,248	$34,921	$44,699	$44,130	$34,419	$39,449	$28,487
Tenessee	Washington	$13,411	$12,708	$10,198	$12,021	$13,284	$10,967	$14,038	$13,844	$10,053	$11,521	$8,318
Texas	Angelina	$274,249	$378,029	$168,972	$80,894	$100,884	$100,925	$186,781	$212,853	$195,596	$171,588	$179,753
Texas	Houston	$995,636	$989,176	$786,724	$514,594	$582,144	$404,766	$504,111	$713,220	$856,168	$696,739	$1,430,673
Texas	Jasper	$96,623	$133,061	$60,734	$29,179	$36,395	$36,482	$67,771	$76,765	$70,539	$61,836	$64,700
Texas	Montgomery	$145,825	$101,115	$58,126	$89,256	$89,524	$139,152	$157,572	$288,887	$228,359	$183,353	$279,389
Texas	Nacogdoches	$45,562	$62,804	$27,691	$12,785	$15,944	$15,951	$29,520	$33,595	$30,873	$27,083	$28,372
Texas	Netwon	$7,397	$7,986	$8,472	$6,927	$8,799	$10,782	$17,942	$10,392	$9,415	$7,003	$4,989
Texas	Sabine	$434,024	$419,211	$445,110	$363,905	$462,402	$566,586	$964,397	$557,040	$504,648	$375,355	$267,559
Texas	San August.	$338,046	$447,582	$205,399	$105,788	$132,321	$137,181	$249,430	$259,411	$238,060	$205,793	$209,894
Texas	San Jacinto	$182,928	$126,842	$72,954	$112,022	$112,359	$174,310	$197,533	$362,527	$287,963	$231,090	$354,956
Texas	Shelby	$274,842	$264,457	$280,558	$229,498	$291,550	$357,240	$596,741	$344,681	$312,262	$232,259	$165,475
Texas	Trinity	$722,519	$708,076	$564,366	$369,150	$417,533	$290,312	$361,942	$507,367	$608,975	$495,576	$1,033,381
Texas	Walker	$165,807	$114,970	$66,091	$101,484	$101,789	$158,045	$179,300	$328,595	$256,350	$205,720	$318,167
Utah	Beaver	$7,638	$9,211	$11,089	$13,982	$17,005	$13,795	$16,382	$18,947	$14,491	$12,344	$14,965
Utah	Box Elder	$10,925	$14,397	$12,697	$16,197	$19,251	$13,196	$14,679	$19,147	$27,617	$19,024	$20,328
Utah	Cache	$39,213	$73,063	$42,416	$105,076	$114,665	$49,783	$57,816	$103,743	$91,359	$80,616	$75,226
Utah	Carbon	$1,482	$1,537	$2,017	$2,193	$2,001	$2,031	$2,583	$2,419	$2,922	$2,946	$4,487
Utah	Daggett	$16,602	$24,363	$28,091	$42,353	$35,986	$47,699	$50,972	$48,681	$70,964	$57,523	$65,192
Utah	Davis	$7,053	$9,177	$8,118	$6,008	$10,870	$10,739	$19,673	$13,872	$14,578	$13,981	$17,616
Utah	Duchesne	$50,171	$72,685	$81,836	$118,335	$105,110	$136,417	$152,267	$141,531	$201,828	$165,312	$188,752

Payments to States

STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Utah	Emery	$10,445	$10,837	$14,216	$15,459	$14,105	$14,315	$18,208	$17,050	$20,596	$20,768	$31,632
Utah	Garfield	$139,388	$146,666	$166,776	$224,357	$274,098	$265,733	$173,369	$234,919	$532,337	$169,858	$272,266
Utah	Grand	$2,822	$2,928	$3,841	$4,177	$3,811	$3,868	$4,920	$4,607	$5,565	$5,612	$8,548
Utah	Iron	$32,338	$34,039	$38,709	$52,064	$63,606	$61,635	$40,293	$54,567	$123,339	$39,440	$63,155
Utah	Juab	$11,523	$10,840	$19,266	$22,581	$22,673	$27,394	$22,936	$35,854	$35,839	$31,113	$18,992
Utah	Kane	$16,600	$17,463	$19,854	$26,711	$32,633	$31,645	$20,625	$27,959	$63,438	$20,219	$32,421
Utah	Millard	$17,046	$20,376	$24,531	$30,941	$37,630	$30,536	$36,263	$41,940	$32,077	$27,324	$33,126
Utah	Morgan	$2,732	$3,478	$2,902	$2,725	$4,343	$3,794	$6,691	$5,209	$5,329	$5,057	$6,165
Utah	Piute	$10,784	$12,823	$15,419	$19,470	$23,681	$19,298	$22,633	$26,291	$20,812	$17,162	$20,939
Utah	Rich	$7,548	$13,427	$7,760	$19,344	$21,120	$9,154	$10,610	$19,089	$16,794	$14,828	$13,791
Utah	Salt Lake	$18,097	$23,572	$20,861	$15,266	$27,663	$27,329	$50,086	$35,319	$37,058	$35,543	$44,804
Utah	San Juan	$22,105	$22,934	$30,097	$32,728	$29,861	$30,306	$38,548	$36,097	$43,604	$43,969	$66,968
Utah	Sanpete	$20,333	$20,817	$28,433	$31,238	$28,868	$30,329	$35,993	$36,792	$42,971	$42,275	$58,272
Utah	Sevier	$39,540	$46,863	$56,600	$71,021	$85,722	$69,926	$83,208	$97,019	$75,261	$64,561	$79,188
Utah	Summit	$96,311	$125,390	$111,241	$82,409	$147,130	$145,941	$265,600	$187,912	$198,127	$189,514	$238,427
Utah	Tooele	$28,564	$37,168	$32,879	$24,044	$43,519	$42,993	$78,764	$55,542	$58,277	$55,894	$70,424
Utah	Uintah	$17,151	$25,168	$29,020	$43,754	$37,176	$49,277	$52,658	$50,291	$73,311	$59,426	$67,349
Utah	Utah	$46,504	$42,951	$77,275	$89,593	$87,391	$108,720	$90,804	$141,039	$145,799	$127,891	$82,405
Utah	Wasatch	$39,315	$38,866	$64,383	$74,562	$86,756	$108,180	$95,670	$138,832	$145,475	$126,470	$84,378
Utah	Washington	$52,690	$55,431	$63,020	$84,787	$103,602	$100,462	$65,476	$88,760	$201,394	$64,190	$102,925
Utah	Wayne	$14,900	$16,554	$19,180	$25,258	$30,814	$28,309	$22,762	$28,954	$49,072	$20,147	$29,488
Utah	Weber	$9,886	$18,414	$10,650	$26,514	$28,970	$12,573	$14,594	$26,200	$23,057	$20,360	$19,014
Vermont	Addison	$0	$0	$0	$47,210	$45,190	$39,700	$42,302	$46,376	$41,350	$44,054	$64,430
Vermont	Bennington	$0	$0	$0	$67,259	$68,125	$60,031	$64,308	$72,562	$65,280	$69,502	$100,557
Vermont	Essex	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Vermont	Rutland	$0	$0	$0	$30,879	$29,685	$27,945	$31,445	$34,839	$31,426	$33,531	$48,102
Vermont	Washington	$0	$0	$0	$3,451	$3,304	$2,899	$3,081	$3,374	$2,988	$3,175	$4,540
Vermont	Windham	$0	$0	$0	$17,120	$16,388	$14,710	$15,635	$17,119	$15,163	$16,115	$23,231
Vermont	Windsor	$0	$0	$0	$11,912	$11,424	$10,051	$10,870	$11,902	$10,561	$11,259	$16,100
Virginia	Allegheny	$42,130	$38,765	$33,466	$38,507	$34,111	$33,567	$47,645	$55,832	$81,649	$88,514	$74,077
Virginia	Amherst	$16,559	$15,235	$13,216	$15,174	$13,827	$13,635	$19,353	$22,678	$33,167	$35,971	$30,110
Virginia	Augusta	$57,067	$52,504	$45,328	$52,145	$46,985	$46,235	$65,612	$76,883	$112,440	$121,891	$102,003
Virginia	Bath	$52,465	$48,270	$41,672	$47,940	$41,663	$41,019	$58,221	$68,241	$99,802	$108,191	$90,538
Virginia	Bedford	$7,373	$4,711	$5,119	$4,534	$6,301	$8,175	$5,719	$7,929	$7,321	$10,795	$8,692
Virginia	Bland	$28,340	$17,868	$19,555	$17,410	$24,186	$31,410	$21,976	$30,475	$28,149	$41,531	$33,497
Virginia	Botetourt	$29,881	$20,070	$20,984	$19,429	$25,095	$31,585	$24,263	$32,702	$32,956	$46,994	$38,062
Virginia	Carroll	$2,235	$1,407	$1,560	$1,382	$1,920	$2,493	$2,191	$3,038	$2,834	$4,179	$3,367
Virginia	Craig	$45,817	$28,859	$31,254	$27,683	$38,521	$49,964	$34,919	$48,606	$44,891	$66,416	$53,514
Virginia	Dickenson	$3,286	$2,069	$2,248	$1,991	$2,766	$3,588	$2,504	$3,471	$3,205	$4,726	$3,805
Virginia	Frederick	$1,445	$1,330	$1,148	$1,321	$1,184	$1,165	$1,653	$1,937	$2,838	$3,077	$2,575
Virginia	Giles	$24,962	$15,717	$17,067	$15,116	$21,015	$27,440	$19,185	$26,615	$24,658	$36,359	$29,282
Virginia	Grayson	$13,037	$8,209	$8,930	$7,925	$11,021	$14,312	$9,986	$13,856	$12,863	$18,985	$15,286

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Virginia	Highland	$17,058	$15,694	$13,549	$15,587	$13,985	$13,762	$19,533	$22,890	$33,476	$36,290	$30,369
Virginia	Lee	$4,510	$2,840	$3,086	$2,733	$3,797	$4,925	$3,437	$4,765	$4,400	$6,505	$5,238
Virginia	Montgomery	$7,677	$4,834	$5,252	$4,652	$6,463	$8,310	$5,798	$8,039	$7,417	$11,166	$8,990
Virginia	Nelson	$4,552	$4,188	$3,688	$4,716	$3,985	$4,585	$6,507	$7,626	$11,152	$12,199	$10,208
Virginia	Page	$8,101	$7,454	$6,435	$7,403	$6,501	$6,398	$9,081	$10,641	$15,559	$16,867	$14,115
Virginia	Pulaski	$7,697	$4,846	$5,266	$4,664	$6,480	$8,405	$5,864	$8,130	$7,507	$11,070	$8,913
Virginia	Roanoake	$1,220	$769	$835	$745	$1,034	$1,342	$936	$1,298	$1,198	$1,767	$1,423
Virginia	Rockbridge	$22,106	$17,883	$16,627	$17,607	$18,045	$19,985	$21,703	$26,821	$34,413	$40,562	$33,557
Virginia	Rockingham	$41,514	$38,196	$32,975	$37,934	$33,570	$33,039	$46,894	$54,953	$80,368	$87,123	$72,908
Virginia	Scott	$13,616	$8,573	$9,315	$8,251	$11,463	$14,868	$10,374	$14,383	$13,306	$19,803	$15,979
Virginia	Shenandoah	$23,032	$21,196	$18,327	$21,084	$18,149	$17,878	$25,394	$29,758	$43,520	$47,179	$39,507
Virginia	Smyth	$28,802	$18,135	$19,708	$17,467	$24,354	$31,698	$22,212	$31,110	$28,855	$42,627	$34,342
Virginia	Tazewell	$3,540	$2,229	$2,422	$2,234	$3,104	$4,108	$2,868	$4,133	$3,816	$5,627	$4,530
Virginia	Waren	$1,832	$1,686	$1,457	$1,676	$1,504	$1,481	$2,102	$2,463	$3,602	$3,905	$3,268
Virginia	Washington	$8,743	$5,529	$6,012	$5,333	$7,418	$9,622	$6,713	$9,368	$8,650	$12,755	$10,270
Virginia	Wise	$14,237	$8,964	$9,740	$8,627	$11,986	$15,598	$10,905	$15,119	$13,993	$20,761	$16,723
Virginia	Wythe	$22,658	$14,277	$15,513	$13,758	$19,155	$24,846	$17,336	$24,042	$22,199	$32,734	$26,940
Washington	Asotin	$81,096	$113,498	$127,641	$184,977	$162,406	$141,348	$198,916	$108,529	$96,138	$33,537	$25,633
Washington	Chelan	$2,365,617	$1,899,535	$2,292,928	$2,612,111	$2,276,705	$2,155,756	$2,061,905	$1,948,326	$1,948,376	$1,884,349	$1,679,915
Washington	Clallam	$1,531,990	$1,585,147	$2,347,928	$2,568,178	$1,831,250	$2,031,520	$1,784,211	$1,649,978	$1,684,051	$1,624,624	$1,454,359
Washington	Clark	$8,145	$10,856	$15,767	$14,799	$12,079	$13,798	$11,200	$10,556	$10,534	$10,160	$9,017
Washington	Coumbia	$240,461	$336,537	$378,475	$548,483	$481,510	$419,076	$589,756	$321,773	$285,034	$99,432	$75,997
Washington	Cowlitz	$200,979	$304,816	$444,003	$416,752	$333,821	$381,323	$309,515	$306,158	$305,537	$294,681	$261,545
Washington	Douglas	$3	$3	$3	$4	$3	$3	$3	$3	$3	$3	$2
Washington	Ferry	$323,941	$604,800	$667,403	$1,149,613	$811,832	$943,446	$863,582	$848,310	$689,902	$461,660	$589,187
Washington	Garfield	$143,914	$201,414	$226,513	$328,262	$288,203	$250,833	$352,992	$192,593	$170,604	$59,514	$45,487
Washington	Grays Harbor	$472,572	$488,969	$724,263	$792,203	$527,056	$584,696	$513,518	$474,884	$484,690	$467,586	$419,344
Washington	Jefferson	$2,068,178	$2,137,470	$3,166,031	$3,467,026	$2,468,059	$2,737,972	$2,404,663	$2,224,518	$2,272,286	$2,192,102	$1,960,315
Washington	King	$1,245,880	$1,643,427	$1,762,914	$2,394,581	$2,000,548	$2,173,756	$1,736,567	$1,553,329	$1,553,322	$1,496,195	$1,342,134
Washington	Kittitas	$791,677	$740,508	$857,883	$1,038,181	$887,693	$885,707	$790,852	$731,548	$731,499	$707,796	$626,562
Washington	Klickitat	$63,853	$86,234	$168,751	$170,931	$140,110	$161,966	$131,589	$126,417	$130,339	$126,199	$111,282
Washington	Lewis	$2,886,928	$3,872,815	$5,456,817	$5,272,384	$4,239,074	$4,818,937	$3,903,924	$3,666,027	$3,659,588	$3,529,162	$3,124,279
Washington	Mason	$485,972	$502,834	$744,800	$814,667	$580,902	$644,431	$565,980	$523,399	$534,473	$515,613	$461,588
Washington	Okanogan	$1,086,001	$1,438,920	$2,260,944	$2,916,794	$1,335,748	$1,954,046	$1,626,913	$1,536,529	$1,536,529	$1,482,299	$1,319,607
Washington	Pend Oreille	$435,880	$682,200	$852,229	$1,035,625	$977,372	$1,011,506	$1,198,916	$951,722	$925,155	$828,927	$773,314
Washington	Pierce	$448,335	$590,863	$633,820	$860,788	$715,407	$777,345	$619,056	$552,887	$552,891	$532,557	$496,578
Washington	Skagit	$768,290	$1,042,655	$1,352,249	$1,271,552	$1,054,026	$1,147,299	$988,060	$577,592	$933,956	$903,179	$805,352
Washington	Skamania	$5,926,724	$7,913,125	$11,423,678	$10,732,099	$8,613,236	$9,846,454	$8,039,183	$7,578,440	$7,582,282	$7,315,151	$6,597,987
Washington	Snohomish	$1,307,590	$1,749,770	$2,085,419	$2,328,524	$1,933,139	$2,076,763	$1,720,247	$1,263,751	$1,581,677	$1,524,796	$1,362,235
Washington	Stevens	$158,372	$285,900	$320,857	$523,022	$380,646	$436,612	$412,332	$394,623	$327,901	$228,132	$278,102
Washington	Thurston	$2,231	$2,934	$3,160	$4,279	$3,551	$3,859	$3,075	$2,748	$2,749	$2,647	$2,338
Washington	Walla Walla	$3,668	$5,133	$5,773	$8,366	$7,345	$6,393	$8,996	$4,908	$4,348	$1,517	$1,159

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STATE	COUNTY	CY_1986	CY_1987	CY_1988	CY_1989	CY_1990	CY_1991	CY_1992	CY_1993	CY_1994	CY_1995	CY_1996
Washington	Whatcom	$1,240,238	$1,681,677	$2,181,015	$2,050,861	$1,700,974	$1,853,408	$1,593,212	$930,117	$1,503,909	$1,449,531	$1,289,647
Washington	Yakima	$1,945,426	$2,567,948	$2,885,675	$3,704,524	$3,064,408	$3,351,124	$2,674,761	$2,406,459	$2,405,791	$2,317,723	$2,020,292
West Virginia	BARBOUR	$6	$11	$7	$9	$10	$13	$12	$15	$8	$16	$22
West Virginia	GRANT	$9,831	$19,504	$12,483	$17,021	$18,771	$22,664	$22,588	$26,574	$15,238	$29,159	$39,557
West Virginia	GREENBRIER	$50,820	$98,893	$63,294	$86,128	$94,986	$114,688	$114,281	$134,921	$77,367	$148,002	$200,288
West Virginia	HAMPSHIRE	$667	$614	$530	$609	$844	$831	$1,179	$1,382	$2,021	$2,191	$1,834
West Virginia	HARDY	$14,617	$13,448	$11,610	$13,356	$12,435	$12,238	$17,370	$20,355	$29,769	$32,271	$27,006
West Virginia	MONROE	$7,458	$4,732	$5,116	$4,562	$6,284	$8,119	$5,767	$7,977	$7,457	$10,899	$8,784
West Virginia	NICHOLAS	$11,851	$23,061	$14,760	$20,085	$22,150	$26,740	$26,650	$31,352	$17,978	$34,402	$46,556
West Virginia	PENDLETON	$55,317	$92,854	$62,422	$82,766	$88,396	$104,126	$108,677	$128,000	$90,550	$149,971	$187,158
West Virginia	POCAHANTAS	$146,465	$298,996	$193,547	$263,373	$290,460	$350,645	$349,461	$411,125	$235,750	$451,304	$611,182
West Virginia	PRESTON	$1,962	$3,818	$2,443	$3,325	$3,667	$4,427	$4,412	$5,190	$2,976	$5,695	$7,707
West Virginia	RANDOLPH	$89,961	$184,753	$126,922	$172,712	$190,474	$229,942	$229,163	$269,600	$154,596	$295,826	$400,337
West Virginia	TUCKER	$47,590	$93,023	$59,537	$81,016	$89,361	$107,878	$107,701	$135,016	$77,422	$148,151	$200,490
West Virginia	WEBSTER	$33,071	$64,354	$41,220	$56,091	$61,859	$74,677	$74,425	$87,558	$50,208	$96,075	$130,017
Wisconsin	Ashland	$42,863	$64,214	$33,047	$55,514	$48,797	$63,707	$71,565	$78,820	$113,690	$129,800	$188,333
Wisconsin	Bayfield	$63,771	$95,359	$49,060	$82,485	$72,807	$95,031	$106,697	$117,831	$170,013	$194,211	$281,665
Wisconsin	Florence	$53,556	$59,751	$33,231	$64,841	$59,623	$61,464	$78,508	$78,608	$85,611	$91,362	$93,297
Wisconsin	Forest	$219,146	$244,586	$134,924	$263,336	$242,256	$249,709	$319,026	$317,893	$346,103	$369,436	$377,477
Wisconsin	Langlade	$20,537	$22,760	$12,552	$24,500	$22,528	$23,224	$29,885	$29,818	$32,467	$34,648	$35,382
Wisconsin	Oconto	$88,513	$98,687	$54,438	$106,255	$99,300	$102,449	$130,527	$130,402	$141,991	$151,545	$155,095
Wisconsin	Oneida	$7,191	$7,953	$4,386	$8,558	$7,869	$8,112	$10,362	$10,338	$11,256	$12,013	$12,267
Wisconsin	Price	$35,278	$52,733	$27,429	$46,233	$40,673	$53,090	$59,729	$65,806	$94,900	$108,323	$157,101
Wisconsin	Sawyer	$29,820	$44,601	$22,935	$38,988	$34,271	$44,746	$50,231	$55,341	$79,808	$91,075	$132,087
Wisconsin	Taylor	$29,462	$44,040	$22,655	$38,022	$33,422	$43,645	$49,099	$54,077	$78,035	$89,054	$129,197
Wisconsin	Vilas	$32,012	$36,283	$19,924	$38,615	$35,426	$37,000	$47,058	$47,227	$52,464	$56,291	$59,484
Wyoming	Albany	$55,466	$64,644	$91,455	$140,427	$102,017	$160,747	$196,889	$173,090	$244,862	$103,523	$84,622
Wyoming	Big Horn	$36,462	$49,308	$54,642	$69,647	$60,813	$72,251	$89,764	$107,783	$76,299	$80,975	$92,017
Wyoming	Carbon	$92,550	$107,865	$152,604	$234,317	$170,227	$268,224	$328,531	$288,820	$408,451	$172,685	$141,158
Wyoming	Converse	$10,957	$12,770	$18,067	$27,742	$20,154	$31,756	$38,896	$34,195	$48,357	$20,423	$17,028
Wyoming	Crook	$161,344	$141,165	$192,353	$269,133	$292,804	$350,487	$468,895	$533,024	$413,191	$445,644	$369,078
Wyoming	Fremont	$50,909	$67,230	$118,298	$56,653	$102,567	$93,063	$109,306	$107,128	$94,227	$95,568	$114,652
Wyoming	Hot Springs	$2,554	$3,229	$6,761	$3,045	$5,612	$5,059	$6,033	$4,916	$4,720	$4,783	$5,792
Wyoming	Johnson	$33,941	$45,900	$50,864	$64,831	$56,608	$67,256	$83,557	$100,331	$71,023	$75,377	$85,655
Wyoming	Lincoln	$98,402	$121,033	$140,718	$122,172	$123,083	$112,583	$104,987	$109,111	$122,566	$154,447	$135,910
Wyoming	Natrona	$821	$957	$1,354	$2,079	$1,511	$2,380	$2,915	$2,563	$3,625	$1,528	$1,249
Wyoming	Park	$84,441	$111,944	$203,259	$94,075	$176,656	$160,193	$189,666	$185,200	$160,876	$160,675	$196,208
Wyoming	Platte	$167	$195	$276	$423	$308	$485	$593	$522	$737	$311	$255
Wyoming	Sheridan	$40,871	$55,271	$61,250	$78,069	$68,167	$80,989	$100,619	$120,818	$85,526	$90,768	$103,145
Wyoming	Sublette	$117,049	$152,355	$153,301	$123,497	$133,532	$123,282	$121,574	$159,343	$158,128	$194,839	$184,845
Wyoming	Swetwater	$6,138	$9,007	$10,386	$15,659	$13,305	$17,636	$18,846	$17,999	$26,237	$21,268	$24,103
Wyoming	Teton	$125,194	$178,355	$187,668	$165,062	$244,724	$226,246	$219,229	$365,139	$234,687	$218,403	$246,993

Question. Critics argue that decoupling removes any accountability from the Forest Service to use active management tools like timber harvesting. How does the agency answer this charge?

Answer. The Forest Service will continue to be held accountable for resource management decisions to the Congress, under existing statutes and regulations and to the public after enactment of a stabilization proposal just as the Forest Service would have been prior to enactment of a stabilization proposal. The decoupling affects not only timber harvest, but other commodity programs such as minerals, nonrecreation special uses, and grazing. The Forest Service is accountable to Congress and the public for managing all of these activities, regardless of what happens to the Agency's decoupling proposal.

Question. A number of groups have circulated a proposal which contains an "either/or" provision that would set the payments to counties at the larger of either the amount they would receive based on the actual harvest or the statutory formula level. Would the agency support such a proposal? If not, why not?

Answer. The Administration does not support such a provision. The Administration does not believe that resource management decisions should be a factor in local school district decisions about whether schools remain open or should be closed. The unpredictable nature of such issues as to whether, and which, timber sales are awarded and harvested, does not provide a stable foundation for local budgeting purposes.

TIMBER PROGRAM

Question. By far, the largest decrease in the Forest Service fiscal year 2000 budget is in the Timber Sales program. The agency proposes to reduce the Timber Sales program by $30 million which will reduce the timber harvest level by another 400 million board feet in fiscal year 2000. Isn't this level far below the allowable sales quantity contained in the agency's existing forest plans?

Answer. The fiscal year 2000 President's Budget proposes a $29.3 million reduction from the final fiscal year 1999 appropriation. However, the fiscal year 1999 final appropriation includes $19.229 million in Congressional earmarks that put the fiscal year 1999 final appropriation above the requested level. Much of this additional funding did not result in additional capability to offer timber sale volume in fiscal year 1999. The timber volume expected to be produced in fiscal year 2000 is 2.25 billion board feet with the regular timber sale program, a reduction of 261 million board feet from the expected fiscal year 1999 level. These levels are significantly under the approximate 7.3 billion board feet of ASQ identified in the forest plans. Congress has not funded full implementation of the forest plans for any program and the Administration has not requested this because many plans are outdated.

Question. If the forest plans do not establish the appropriate timber harvest level, how does the agency determine what level of harvest it will fund?

Answer. The forest plans establish the allowable sales quantity (ASQ) as the average annual chargeable volume that could be planned for sale during the first decade of the forest plan. These volume levels could be offered if no other constraints are placed on timber sales following plan finalization, and if adequate funding is provided. Since many of these plans need revision, there are several forests that now have additional constraints that further limit their timber sale capability below the established ASQ levels. In addition, Congress has not funded the Forest Service to accomplish full forest plan implementation for any program. Thus, our agency timber sale offer levels are calculated based upon considerations of these constraints and the actual funding levels provided.

Question. If the funds were provided, how much additional volume could the Forest Service prepare?

Answer. We have identified the ability to produce an additional 290 million board feet under the regular program if the funds were provided.

Question. To achieve this level, how much additional funding would be required?

Answer. To achieve an additional 290 million board feet under the regular program would require about $19.4 million in timber sales management funds, plus $4.7 million for engineering support. The average unit costs of $65.99 per MBF for timber sale preparation plus $16 per MBF for engineering support are reasonable unit costs to use for any additional increase over the volume capability provided in the fiscal year 2000 President's Budget.

Question. Aren't timber sales the most cost effective way of addressing the fire hazard and forest health problems caused by overly dense tree stands, an especially significant problem in the interior West? Can the agency afford to thin these millions of acres relying solely on other methods?

Answer. Timber sales are oftentimes more expensive to plan and administer than other types of vegetative treatments—e.g., prescribed burning, use of chemical herbicides, and mechanical treatments such as cut-and-leave. However, commercial timber sales generate revenues that can help to offset, in whole or part, any sales preparation and administration costs that the government incurs. As a result, timber sales are oftentimes the "least net cost" method of achieving different vegetative management goals. This fact was clearly shown in an August, 1994 agency report entitled "Evaluating the Use of Timber Harvest on 19 National Forests: An Exploratory Study of Below-Cost Timber Sale Issues and Changing Management Conditions". This study found that if plan goals such as improving forest health, reducing forest fuels, and creating desired wildlife habitat conditions were kept constant, eliminating the agency's ability to use commercial timber sales as a management tool would, in most instances, increase rather than decrease net operating costs.

Many of the stands in need of treatment to address fuel loading and forest health concerns will have to be mechanically thinned before they can be prescribed burned. The agency recognizes this fact and is responding in several ways. One response is the new "Forest Ecosystem Restoration & Improvement" line item that has been included in the President's proposed budget for fiscal year 2000 at a level of $15 million. These funds would be used, in part, to thin timber stands that presently have little or no commercial value. Another response is the agency's initiative on "Watershed Restoration and Fire Protection Through Small Diameter Utilization". This is a joint National Forest System, State and Private Forestry and Research undertaking that is designed to take a comprehensive look at what can be done to improve the utilization of small diameter and currently under-utilized material. Under the structure of this initiative, and consistent with the authorities provided by Congress in Section 347 of the Omnibus Consolidated Appropriations Act for fiscal year 1999, the agency is also presently testing an array of new processes and procedures that could enhance its ability to effectively and efficiently manage small diameter, low value material. This testing is occurring through a series of 28 stewardship contracting demonstration pilots being implemented around the country.

ICBEMP

Question. Last year, many frustrations were expressed over the Interior Columbia Basin Ecosystem Management Project (ICBEMP) project. Many of the people in the affected region felt that their concerns were not listened to by the agencies involved in the project. The Administration is now conducting a supplemental EIS on the project. How is this process proceeding? What feedback has the agency received from local communities within the projects boundaries?

Answer. The preparation of the supplemental draft EIS is going quite well. Project staff and Regional Executives have been meeting with State, Resource advisory councils, County, and Tribal officials to discuss the progress made in the preparation of the supplement. We do not expect significant feedback from local communities until we release the supplement for public review and comment in September.

Question. What is the agency's schedule for completing the supplemental EIS and issuing a Final Record of Decision on this project?

Answer. A supplemental draft EIS is scheduled for release in January 2000 and the Record of Decision issued in fall of 2000.

Question. What was the total cost of this project? How much will be spent in fiscal year 2000?

Answer. Actual agency costs through fiscal year 1998 and projected costs for fiscal year 1999 total $46.4 million of which Forest Service cost totals $35.4 million. The fiscal year 2000 President's Budget includes $5.2 million to develop the Supplemental and Final EIS and Record of Decision. The Forest Service portion of the fiscal year 2000 cost would be $3.5 million.

Question. How much will it cost to fully implement the Final Record of Decision?

Answer. We will not know the estimated cost for implementing the final decision until we know what that decision is. At the time the Supplemental Draft EIS is issued we will have the estimated costs for each alternative.

LAND MANAGEMENT PLANNING

Question. The Committee of Scientists recently issued its recommendations for improvements to the National Forest System Land and Resource Management Planning Process. How will these recommendations affect the completion and substance of the new forest planning regulations?

Answer. The Forests Service is considering the full text of the Committee's Report in the development of the proposed planning regulation.

Question. When will the agency finalize its new forest planning regulations? What, if any, impact will the new regulations have on the Forest Service budget?

Answer. Our goal is to have a final regulation by early CY 2000, depending on when the proposed rule is out for public comment. We do not expect the final regulation to impact the Forest Service budget.

Question. Will the new regulations make the forest planning process more or less expensive?

Answer. The new regulation would create efficiencies and lead to better decisions. Our expectation is that future planning would be less expensive. We are continuing to evaluate this, however.

Question. Does the Forest Service intend to more closely link its future forest plans to its budget and to performance measures?

Answer. The agency is working to ensure that future forest plans will be developed using consistent assumptions and procedures for incorporating budget information into the development and evaluation of alternatives. This will make forest plan information more useful in the development of national budgets.

With regard to performance measures, annual planned levels of performance are based on field knowledge of resource needs and capabilities. This information comes from regional and local assessments and forest or other local plans and will form the basis for the annual set of outcomes, products and services addressed in the agency's GPRA Strategic Plan goals and objectives.

LAW ENFORCEMENT

Question. What portion of the law enforcement budget is devoted to cooperative agreements with local governments for the provision of law enforcement services?

Answer. There are two types of cooperative law enforcement agreements that the Forest Service utilizes with local governments. The first type is the Cooperative Law Enforcement Patrol Agreements. The amount anticipated to be expended on these agreements in fiscal year 1999 is $5,339,000. The second type is Cooperative Law Enforcement Drug Enforcement Agreements and the Forest Service expects the cost for these agreements to be $832,000 in fiscal year 1999. The expenditures for the regular patrol and drug enforcement agreements equates to approximately 9.5 percent of the NFLE budget line item.

Question. Could the Forest Service rely more on local governments to furnish law enforcement services and reduce its costs?

Answer. The Forest Service is currently preparing a response to language contained in Senate Report 105–227 dated June 26, 1998. When that response is submitted, it should answer this question.

Question. What, if any, complications or concerns are there with relying on local entities to provide such services? To what extent may state and local law enforcement personnel enforce federal law?

Answer. The Forest Service is currently preparing a response to language contained in Senate Report 105–227 dated June 26, 1998. When that response is submitted, it should answer this question.

Section 2915(f) of legislation which established the Midewin National Tallgrass Prairie (Title XXIX of Public law 104–106) provides that receipts collected may be used for administrative activities. These activities include law enforcement. The Subcommittee expects the Midewin unit to eventually become self-sufficient with receipts earned. Part of this self sufficiency is to provide public safety services through internal Forest Service law enforcement staffing.

Question. Are any internal law enforcement activities funded through Midewin receipts? If so, at what level? If not, why not?

Answer. No internal law enforcement activities are currently funded through rental or user receipts. Rental receipts are primarily used for prairie improvements and are declining. Sufficient user receipts have not been collected to date. However, in future years as user receipts increase, law enforcement activities can be funded.

Question. The Subcommittee understands that law enforcement costs have increased substantially as a result of additional entitlements including special law enforcement pay and retirement costs. In order to maintain a base level of services without reducing cooperative law enforcement programs, what level of additional funding is required to offset these increased costs?

Answer. The additional entitlements that the Subcommittee makes reference to are Law Enforcement Availability Pay for the criminal investigators and Administratively Uncontrollable Overtime for the law enforcement officers. To maintain a base level of services without reducing cooperative law enforcement programs, additional funding in the amount of $5,390,000 would be required. This level is based

on fiscal year 1999 costs and does not include expected cost of living increases for fiscal year 2000.

Question. Certain law enforcement activities, including unplanned events and emergencies, apparently can not be planned for or anticipated, yet cause budgetary impacts to the program. What are these unplanned or emergency events? What has been the budgetary impact of these events in the past three years? What would be the Administration's position on language which authorizes use of any funds available to the Forest Service for law enforcement activities in the event of unplanned events or emergencies?

Answer. Unplanned events and emergencies include the search for Eric Rudolph, the recent search and rescue efforts associated with the death of one of our own officers, assistance provided during the FBI search for the three women abducted near Yosemite National Park, natural disaster occurrences where Forest Service law enforcement personnel have assisted the United States Marshal Service, timber sale protests, the bison issue in Western Montana, the Sturgis motorcycle rally, large group gatherings, arson task forces, 2002 Olympic preparation, and directed projects such as protection of public lands from the impacts of immigration along the Southwest Border.

The documented costs for these events and emergencies for fiscal year 1997, fiscal year 1998, and through March of fiscal year 1999 have total $4,756,000. It is estimated that another $1,000,000 has been spent, but not specifically designated in the accounting system.

GENERAL

The Subcommittee has been informed that the Malheur National Forest had a positive net growth rate of approximately 300 million board feet per year in 1993 and that now in 1998 the forest reports they are experiencing negative net growth as a result of fires, insect and disease events which have occurred during the Administration's tenure as the stewards of the Malheur National Forest. And that a large salvage sale designed to salvage timber from a large burn on that forest was canceled because part of that salvage sale is in RARE 11 Roadless area which has twice been released for management in the Malheur National Forest land management plans.

Question. Is this correct? If so, doesn't this suggest modification of the agency's current roadless policy is necessary?

Answer. The Malheur National Forest is unaware of any report or inventory done in 1993 that states a positive net growth of approximately 300 million board feet for that year, nor has the Forest published a report on net growth for 1998.

The information for growth rate for the current Malheur National Forest Land and Resource Management Plan is based on a 1980 inventory. This inventory showed an annual growth rate of 130,124 MBF for trees over 9" dbh to a 6.0" top diameter and an estimated 5 year mortality of 215,055 MBF. A current vegetation survey completed in 1994 showed an annual growth rate of 163,330 MBF and an estimated 5 year mortality of 717,275 MBF for trees over 9" dbh to a 6.0" top diameter. Further inventory data was collected in 1998, however this information has not yet been analyzed.

The area burned by the Summit Fire in 1996 includes two former RARE II areas that are allocated by the 1990 Malheur National Forest Land and Resource Management Plan to uses that allow non-scheduled timber harvest under certain conditions (Wildlife Emphasis and Scenic Area). While these lands are not normally available for timber management, the Record of Decision for the Final Supplemental to the Environmental Impact Statement for the Summit Fire Recovery Project calls for harvest of 50 MMBF from the total fire area. This harvest includes 23 MMBF from former RARE II areas (6 MMBF from Jumpoff Joe and 17 MMBF from Greenhorn Mountain) and has not been cancelled.

Question. The Forest Service fiscal year 2000 budget justification references a possible proposal to put the timber trust funds on budget. What percent of your agency's spending authority is provided by the following trust funds: Brush Disposal, the timber salvage sale trust fund, and the Knutson-Vandenberg Fund?

Answer. The fiscal year 2000 budget justification does indicate that we would work with Congress in fiscal year 1999 to determine whether or not making these three trust funds a part of the annual appropriation process would improve disclosure, accountability, and incentives for natural resource management. The Brush Disposal fund is 0.6 percent, Salvage Sale Fund is 3.7 percent, and Knutson-Vandenberg is 4.1 percent of the total Forest Service budget. Although these percentages seem quite small when compared to the total dollar figure for the agency, when the salvage sale fund is compared to the operating budget for timber sales it rep-

resents 40 percent and when it is compared to total National Forest System budget it is 10 percent. Similarly, for the K-V fund it represents 61 percent of the reforestation and timber stand improvement operating budget and 10 percent of the National Forest System budget.

Question. What are the advantages of putting these funds on budget? Given the current fiscal constraints, wouldn't putting these funds on budget raise the likelihood that less money would be provided for the work currently funded out of these trust funds?

Answer. Placing these funds under the normal appropriations process accomplishes improving disclosure for the use of the funds and greater accountability as well as eliminating any perception that they are an incentive for a higher harvest level.

If these three trust funds were placed "on budget" and we did not receive in-kind replacement funds through the appropriations process, there would be less work accomplished. Some items that may not be accomplished include reforestation and the treatment of insect and disease problems.

Question. If less money were provided to perform work currently funded by the trust funds, what would the impact be to the timber program, reforestation, and other environmental restoration activities?

Answer. For the salvage sale fund, unless sufficient funds are appropriated to replace our current salvage fund account, the sale of salvage material in emergency situations in some cases could be affected because funding might not be available to expedite timber sale preparation and harvest administration. In addition, we manage this fund with some flexibility to reallocate funding to a particular geographic area in response to an unplanned, catastrophic event without impacting other Regions. However, once appropriated funds are allocated to the Regions and ultimately to the forests, it becomes much more difficult to reallocate funds to meet emergency situations without severe impacts to those units relinquishing the funding.

The regular timber sale program may also be reduced if the K-V fund is not replaced by appropriations for needed reforestation following regeneration harvests. NFMA requires the Agency to make a determination prior to a regeneration harvest that the lands can be adequately restocked within 5 years of final harvest. Thus, if an area will not regenerate naturally following harvest, it must be seeded or planted, and K-V funds are customarily collected to accomplish this work. Without appropriations to replace the K-V collections already made, and needed in the future, all necessary regeneration work could not get done. Once this occurs, the agency would begin modifying its silvicultural prescriptions in favor of lower volume intermediate thinnings rather than higher volume regenerations harvests that would be unsound if regeneration could not be assured. Currently about one-half of all K-V funding goes for reforestation projects.

Not replacing the K-V funds with appropriations would also impact our ability to carry out other renewable resource management activities such as timber stand improvement (TSI), wildlife habitat improvement, soil and watershed improvement, and recreation and range improvements. Currently about 25 percent of all K-V funding is used for timber stand improvement activities and another 25 percent is used for wildlife, fish, soil, watershed, recreation and range improvements.

Not replacing funds for brush disposal work following timber harvest would place this requirement on timber sale purchasers to treat the activity fuels associated with their timber sales. For purchasers to do this themselves would result in less revenue being received for the timber sold because the purchasers would have to reflect this additional requirement in their bids.

Question. The Chief recently told the audience at the North American Wildlife and Natural Resource Conference in San Francisco that he planned to re-initiate the national-wilderness field advisory group. Where in the Forest Service budget is this group authorized and what funds will be used to pay for the operating expenses of this group?

Answer. The wilderness field advisory group will consist of Forest Service employees involved in wilderness management. The purpose of this group will be to advise upper level management regarding wilderness issues. The funding for this is included in the agency's wilderness management program budget as this function is directly related to enhancement of the Forest Service wilderness management program.

Question. Recently, the Forest Service announced that it had unilaterally extended the deadline for completion of the EIS on the Sierra Nevada Ecosystem Plan (SNEP). Last year's Interior Appropriations bill required that this be completed by July 31, 1999. Why is this deadline being extended? Why weren't the relevant Congressional committees consulted?

Answer. Our intent has been the same as the Committee's since the initial agreement: to complete the Sierra Nevada Framework Environmental Impact Statement (EIS) as quickly as possible. It became increasingly evident that due to the complexity of the analysis, evaluation of public comments and consultation with the Fish and Wildlife Service that we would be unable to make the July 31 date. It was our intent to consult with members of Congress prior to the public notification of a new target date to complete the EIS. To that end we consulted with the local representative for Congressman Doolittle, who has served as the key contact for California, about the need for the additional time to complete the EIS in a thorough and professional manner. We believed this would provide the needed notification. We regret the misunderstanding and have taken steps to insure this will not happen in the future. This includes sharing weekly briefing papers and increasing the number of briefings with Congress.

Question. What, if any, impacts will the decision to extend the time frame for preparation of the SNEP have on the Quincy Library pilot program? Will the Quincy Library pilot program be affected in any other ways by the SNEP?

Answer. The timeframe extension for completion of the EIS portion of the Sierra Nevada Framework Project did not delay preparation of the DEIS for the Herger-Feinstein Quincy Library Group (HFQLG) pilot program. The Record of Decision and the FEIS were signed on August 20. Project specific planning and implementation are ongoing since release of the Record of Decision. Concerning the SNEP Framework D EIS effort and the HFQLG project, the current intent is to treat the HFQLG area separately for the duration of the HFQLG pilot project. However, it is possible that some of the issues addressed in the Sierra Nevada Framework DEIS, including wildlife habitat management and riparian guidelines, may require some changes to the HFQLG pilot project.

The committee has received information that facilities on the North Kaibab Ranger District in Fredonia, Arizona are inadequate.

Question. Does the agency currently have plans to replace those facilities?

Answer. The Kaibab National Forest Facilities Master Plan, approved in 1993, identifies the need for new office, shop, and storage facilities to replace the obsolete existing facilities. They range in age from 20 to 35 years old. Replacement of these facilities will likely be the next major project submitted by the forest for capital investment funding but that opportunity is several years off.

Question. How many full time employees are located at the station? How many temporary employees are located there during the summer?

Answer. At present there are 37 full time employees and 6 temporary employees at the station. There are 40–50 temporary employees located at other field stations on the District.

Question. What is the total space requirement? What is the total vehicle parking and warehouse storage space requirements? What is the total area space requirements for grounds, parking, storage, and facilities?

Answer. Our space needs are as follows:

Office—10,700 square feet

Shop and Storage—10,200 square feet

Vehicle Parking—45 visitor and employee spaces, 50 government vehicles including heavy equipment

Area Space Required 10—acres

Question. What is the estimated cost if new facilities were constructed by the agency?

Answer. $2,750,000 assuming utilities are available at the lot line, $3,000,000 if they are within ¼ mile. Both estimates include design and contract administration costs but not overhead.

Question. If the city of Fredonia were to construct adequate facilities, would the Ranger District be prepared to lease those offices and support facilities?

Answer. No. Due to budget constraints it is not feasible for the Ranger District to vacate government-owned facilities and move into leased facilities. At current fair market leasing rates we estimate the annual lease payments would be approximately ⅓ of the Ranger District's annual budget for all of the facilities described earlier.

Question. How could the agency participate with Fredonia in determining design criteria?

Answer. We would commit the services of Forest Service architects and engineers to work with the city to determine the design criteria.

Question. Could the agency contract directly with the city or would the agency have to advertise for competitive bids?

Answer. The agency would have to advertise for competitive bids. Federal regulations prohibit the agency from entering into a sole source, non-competitive procure-

ment with the city unless it can be justified this is in the best interest of the government.

Question. Salmon recovery is a major issue in the Pacific Northwest. What cooperative efforts and through what specific programs is the agency assisting other federal, state, and local agencies in this recovery program?

Answer. The USDA Forest Service has been and is involved in a number of ongoing cooperative and collaborative efforts in the Pacific Northwest for the restoration of Pacific salmon habitat and populations. We are partnership the states, tribes, and other Federal agencies involved with the Northwest Power Planning Council to develop the multi-species framework plan for the Columbia River Basin. We are part of the Federal Caucus where all Federal agencies are pooling their resources to address anadromous fish issues. We are participating in the development of the 4H's paper to address Hydropower, Hatcheries, Habitat, and Harvest lead by the National Marine Fisheries Service. We are part of the Interagency Implementation Team (IIT) made up of representatives of the USFWS, FS, BLM and NMFS to implement the Biological Opinions on the Northwest Plan. At a local level individual Forests are providing expertise to local watershed restoration groups.

Question. How much funding has been spent relative to salmon recovery in the last three years? What are the projected expenditures for this program over the next three years?

Answer. In Oregon, California and Washington, $30.1 million has been allocated to anadromous fisheries over the past three years. In Alaska $15.1 million has been expended over the same time period. It is anticipate that $33 million will be expended over the next three year in Oregon, California and Washington and $17 million in Alaska. Additional funds such as watershed and soils also benefit anadromous fish.

QUESTION SUBMITTED BY SENATOR TED STEVENS

In fiscal year 1999, Congress appropriated $170 million for the State and Private Forestry Program.

But after reviewing both your actual expenditures in fiscal year 1998 and your projected costs in fiscal year 1999, it appears that a lot of the money is being eaten up in federal salaries to administer the grants and federal overhead expenses.

According to the USDA National Finance Center accounting records for 1998:

—You had 642 employees running the program.

—Their salary and benefit costs exceeded $35 million.

—Agency staff spent another $5 million flying around to different states to look at state and private projects.

—Another $7 million was spent for federal rent and other indirect costs.

—A total of $42 million was spent in overhead at the federal level—or about a quarter of the available funds. And once grants were made to states and others, they also have overhead expenses.

Only $104 million of the $170 million budget was provided to states and private foresters through grants and the Stewardship Incentives Program.

Question. Wouldn't it make more sense to block grant this program to the states and let them decide how to use the money? It would save well over $40 million in federal overhead expenses. It would get the resources to the states faster because they wouldn't have to waste time filling out paperwork to apply for funds. It would let them, as opposed to Washington bureaucrats, set their own priorities. And, most importantly, it would maximize the resources that are allocated on the ground to improve forestry practices.

Answer. At the present time, State and Private Forestry authorities do not enable issuance of block grants to States. Block grants would provide the States with unlimited discretion as to how they expend and account for funds, regardless of the purpose for which the funds are appropriated by Congress and granted to the States. While recognizing the need to address different priorities in different regions and States, one dimension of the Federal role is to assure that program priorities of national importance, which address a range of needs and customers and are advanced in a coordinated effort.

Administration budget proposals and Congressional appropriations underscore this role, and the determining the appropriate mix of different programs and expanded budget line items. The shift toward performance based budgeting reinforces the need to associate budget allocations with planned program outcomes. Financial management responsibility requires agency accountability for appropriate expenditure of federal funds.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

SURPLUS LAND DISPOSAL/INHOLDER RELIEF

A very large portion of the President's proposed budget includes funding for a "Lands Legacy Initiative," which predominantly considers land acquisition throughout the Natural Resources agencies. I worked diligently with the Administration last year for legislation on federal acquisition and management of a unique piece of property in New Mexico, and I appreciate the value of public ownership of special property. Over 30 percent of New Mexico is in federal ownership. However, I have always advocated federal maintenance of the property the government already owns, and providing relief to those who have waited years for federal purchase of their property.

Question. What percentage of the funding for land acquisition in your proposed budget would go towards the purchase of existing inholding from willing sellers?

Answer. The Forest Service will use approximately 90 percent of the funds for the purchase of inholdings within the National Forest System boundaries. The approximate 10 percent for lands that would not go towards inholdings would go towards lands outside of but adjacent to an existing National Forest boundary as directed under Section 7 of the Land and Water Conservation Fund Act of 1965. All purchases will be negotiated and consummated only with willing sellers.

Question. Do you have an inventory of inholdings available and awaiting purchase by the Department?

Answer. There is no inventory of all inholdings. There is information available on projects proposed in the President's budget for the Land and Water Conservation Fund. For example, in fiscal year 2000 for Pacific Northwest Streams the President proposed $6.0 million. Information was provided to both the Senate and House Appropriation Committees on acres acquired to date, what acres are proposed for acquisition if fiscal year 2000 funding is available, and what are future needs. This type of information was provided on all projects proposed in the President's budget.

I also worked very hard with the Administration last year on legislation which would facilitate disposal of surplus federal property and provide relief for inholders. My legislation would allow the proceeds from sales of disposal property by DOI and the Forest Service to be used for purchase of inholder properties from willing sellers who have been waiting to sell to the federal government. You would be able to purchase these properties without coming to Congress each time.

Question. Do you support this proposed legislation?

Answer. S. 1184, "National Forest System Community Purposes Act."

The Forest Service strongly opposes S. 1184 for the following reasons: (1) adequate statutory authority exists to make lands available for recreation and other public purposes; (2) taxpayers will not receive fair market value for their assets; and (3) the purposes for land conveyance are too broad in scope.

There are several existing authorities by which National Forest lands can be made available for community purposes. Under the Townsite Act, the Secretary of Agriculture may convey, for fair market value, up to 640 acres of land to established communities located adjacent to National Forests in Alaska and in the eleven contiguous western states. Within certain limits, the Sisk Act of 1967 authorizes the Secretary of Agriculture to exchange lands with states, counties, or municipal governments or public school districts for lands or lands and money. Moreover, the Secretary of Agriculture can exchange National Forest lands with state and local governments under authority of the General Exchange Act of 1922. The Secretary of Agriculture also has existing authority to accommodate public uses on National Forests through permits and leases.

These authorities have some common themes in the management and disposition of Federal lands:

—Balancing of Interests.—The conveyances of federal land are based on considerations made by our managers to assure that the benefits of conveyances outweigh the public objectives and values of keeping lands in Federal ownership.

—Assuring compatible uses.—Terms and conditions may be imposed by the federal land manager to assure that lands will be used for their intended purposes and will not result in undue environmental damage.

—Consideration.—Lands are conveyed for fair market value, assuring the public full reimbursement for its assets.

S. 1184 changes these existing authorities by allowing the disposal of National Forest lands for less than fair market value. Congress established the public policy generally mandating the receipt of fair market value for the conveyance or use of the Federal lands, most clearly stated in the Independent Offices Appropriations Act and the Federal Land Policy and Management Act. It is sound fiscal management

to get value received in return for value granted. Further, the general public should benefit from the use and disposition of the public's land. The Administration objects to legislation that would reverse that policy by opening the door to less than fair market value consideration for the disposition of National Forest lands.

In addition, we are concerned about the breadth of purposes for which S. 1184 authorizes conveyance of National Forest lands. The scope of application will allow wholesale disposal of highly valuable National Forest lands for nominal fees.

RURAL COMMUNITY ASSISTANCE

A very large portion of the President's proposed budget includes funding for a 11 Lands Legacy Initiative," which predominantly considers land acquisition throughout the Natural Resource agencies. Out of President's $1 Billion Lands Legacy Initiative for fiscal year 2000, $268 million represents USDA's portion.

Over 30 percent of New Mexico is in federal ownership. We have many small communities completely surrounded by forest lands, who are dependant on their resources for survival. In recent years, communities such as Taos have been assisted by small grants from the Forest Service's rural community assistance programs. Unfortunately, communities like this are now being told there is no longer funding for these kind of programs. I do find it interesting that the Forest Service's proposed budget focuses its State and Private Forestry Program towards presidential priorities such as land acquisition, while programs state foresters and local communities benefit from on the ground are shrinking.

Question. Please provide for me a breakdown of what portion of the fiscal year 2000 budget will be going to support community programs, compared to what is requested for land acquisition.

Answer. The fiscal year 2000 Forest Service budget includes $40.04 million for Urban and Community Forestry programs, $16.305 million for Economic Action Programs, and $7.0 million for Pacific Northwest Rural Community Assistance programs, for a total of $63.345 million that supports community capacity building, growth, and development.

The fiscal year 2000 budget also includes $50.012 million for the Forest Legacy program, to protect private forest land from conversion to non-forest uses. The land remains privately owned when conservation easements—the program's primary tool—are used. The Forest Service delegates the administration of federally owned easements to the States, and when the easement is acquired in the name of the State, it becomes their responsibility.

The fiscal year 2000 budget also includes $118 million in the Land Acquisition budget.

Question. Of the amount requested for land acquisition in the Forest Service Budget, what portion is expected to go to purchase existing inholdings?

Answer. Approximately 90 percent of the funds requested for land acquisition will go toward the purchase of existing inholdings within National Forest System boundaries. All of the dollar amount requested is within the authorizations of the Forest Service as all lands to be purchased are either in or adjacent to Forest Service management boundaries.

FOUR CORNERS SUSTAINABLE FORESTRY INITIATIVE

I supported a grassroots effort last year to establish sustainable community-based forest enterprises. The Four Corners Sustainable Forestry Initiative, consisting of State foresters, community and tribal leaders, and non-profit organizations, received $500,000 in fiscal year 1999 to begin a five year effort to encourage forest restoration and risk reduction in cooperation with the Forest Service. This is exactly the type of community program that benefits forest dependant rural communities that I mentioned earlier.

Question. Please provide me an update on this initiative?

Answer. The Four Corners Sustainable Forestry Initiative has established a steering committee with representatives from each of the four states as well as tribal representatives. The committee also includes representatives of federal, state and local governments, non-profit associations, and private businesses. The steering committee has initiated three primary activities to achieve its goal of encouraging forest restoration, maintenance, and risk reduction through sustainable, community-based forest enterprises, as follows:

Assessment.—A contractor team has been selected to undertake an assessment of the current status of Four Corners region forest resources, wood products industry, current and potential markets for small diameter timber, and socioeconomic conditions and demographics relating to the development of a forest restoration infrastructure. The assessment will gather and synthesize currently available informa-

tion on the above topics in a manner which will help Initiative partners communicate forest restoration needs to the public. This information will also be used in the development of a long term strategy to achieve forest restoration and economic development goals. A report is to be completed by August 1999, for presentation at the Taos Roundtable.

Demonstration projects.—A request for proposals has been released for projects that demonstrate innovative techniques and approaches to community-based forest restoration. Demonstration projects can be undertaken by individuals, government entities, non-profit organizations, and businesses. Projects will be selected based on their ability to meet the goals of the Initiative in a measurable way. More than 20 proposals are expected to be received, with requests for funding greatly surpassing the $275,000 in funding available for this year's funding cycle.

Sustainable Forestry Roundtable.—The steering committee has begun planning a Roundtable conference for August 25–27 in Taos, New Mexico. The goal of the conference is to bring together a wide variety of stakeholders to review the results of the assessment, develop a long-term strategy for forest restoration and rural economic development in the region, create partnerships for the development of new forest restoration enterprises, and educate people about the latest in sustainable forestry technologies.

The Initiative is also building a broader network of resource providers to assist in the development of a forest restoration infrastructure in the Four Corners region.

Question. Since these kind of projects have such potential benefit for so many communities at so little cost, why has funding requests in Forest Service Economic Action programs dropped?

Answer. The Economic Action Program funding level in fiscal year 2000 is proposed at $16.305 million. This is $1 million less than the fiscal year 1999 enacted level of $17.305 million. However, the fiscal year 1999 enacted level included $6.745 million of Congressional earmarks which were outside the Economic Action Program components. Thus, the effective level of funding for Economic Action Program delivery in fiscal year 1999 was $10.56 million. The proposed fiscal year 2000 budget proposal for Economic Action Programs represents a 54 percent increase over that amount.

CARSON NATIONAL FOREST DRAINAGE PROBLEM

The Town of Taos contacted me last year regarding flooding problems resulting from storm drainage in the Paseo Del Canon drainage channel. The majority of the drainage area which contributes to the flow in this channel comes from land owned by the Forest Service in the Carson National Forest. Taos applied to the Forest Service for a grant under the Rural Community Assistance Program. The Forest Service responded that while the Town's proposed solution to the problem was an excellent proposal, the Forest Service did not have adequate funding to address the problem. $1 million was provided in fiscal year 1999 to allowing for lining of this channel, covering the costs of the Forest Service's share of liability.

Question. Please provide a status report on this project.

Answer. The Town of Taos is in the process of developing NEPA requirements, Army Corp of Engineers permits, if needed, and other necessary preparatory work. As soon as this work is completed, the grant for the one million dollars will be issued.

SOUTHWEST CONSERVATION STRATEGY

In December 1997, Secretary of Interior Bruce Babbitt, Secretary of Agriculture Dan Glickman, and Environmental Security Undersecretary of Defense Sherri Goodman unveiled a "strategy" for natural resource management and endangered species issues in Arizona and New Mexico.

The Regional Director of the U.S. Fish and Wildlife Service in Albuquerque, New Mexico is apparently "co-chairing" this multi-agency effort with the Regional Forester of the Forest Service, Eleanor Townes.

In the President's proposed fiscal year 2000 budget, once again, multiple agencies are funding this Southwest strategy. I have had many constituent inquiries as to the status and accomplishments of this strategy. I asked you to provide details of funding for this strategy in the February 25, Energy and Natural Resources Committee Hearing. (Note: We do have these answers, since NFS provided the answers to questions 213 through 216 as part of Senate Energy hearing questions.)

Question. Specifically how much of the Forest Service's Budget request is planned to go towards this strategy in fiscal year 2000?

Answer. No special funds are designated for the Southwest Strategy. Costs associated with this effort are coming from existing allocations.

Question. Have any recovery issues have been identified for immediate attention?

Answer. The focus for immediate actions regarding implementation of the Endangered Species Act (ESA) has been to improve interagency coordination. One of the best products of the Southwest Strategy to date is Section 7 (ESA) consultation streamlining. As a result of improved communication and increased coordination through the Southwest Strategy, the U.S. Fish and Wildlife Service and the Forest Service completed the biological assessment needed for programmatic consultations regarding on-going management of hundreds of grazing allotments in record time. As a result, permittees were provided with information more quickly regarding the need for changes, if any, in on-going livestock grazing management on the allotments.

Due in large part to the Southwest Strategy, the States of New Mexico and Texas, the U.S. Fish and Wildlife Service, and the Bureau of Land Management developed an agreement to conserve the Pecos pupfish. The fish was proposed for federal listing under the Endangered Species Act. New Mexico Lieutenant Governor Bradley recently credited his interaction with the Southwest Strategy as a rationale for signing the agreement.

Another example of a collaborative response to species recovery is the involvement of participating agencies in a programmatic approach to ESA Section 7 consultation for fire-related management activities. These activities are helping to restore ecosystems in Arizona and New Mexico, and contributing to the recovery of the Mexican spotted owl and certain other species listed under the ESA.

The Southwest Strategy is working with the U.S. Fish and Wildlife Service, Luke Air Force Base and other Department of Defense training activities on the Barry M. Goldwater Range and Cabeza Prieta National Wildlife Refuge to accomplish recovery activities for endangered species. The Barry M. Goldwater Executive Committee and the Southwest Strategy Regional Executive Committee are working in cooperation on this and other issues.

Question. Has the strategy "team" made any decisions regarding actions to be taken, and, if so, have they collaborated with state and local agencies?

Answer. The Regional Executive Committee of the Southwest Strategy has agreed to support existing collaborative efforts in Arizona and New Mexico and to facilitate the development of new efforts. Increased collaboration with tribes, states, and local agencies has occurred and is continuing. The groups have been asked how they want to increase collaboration with federal agencies and what issues they would like to discuss. For example, New Mexico Lieutenant Governor Bradley and the Regional Executive Committee agreed to meet on a regular basis. The Committee's desire is to identify and regularly meet with cabinet level state officials who have a shared interest in natural resource issues. Through these types of efforts, the Southwest Strategy seeks to do a better job of ensuring that state, tribal, and local interests are incorporated in planning for work that the involved federal agencies already are mandated to conduct and for which they have appropriations, and that opportunities to share information, expertise, and assistance can be expanded.

Question. Have stake holders been alerted or involved in development of this strategy?

Answer. Yes. Numerous formal and informal contacts and presentations have been made with local level existing collaborative efforts, as well as state and local government agencies and tribal governments. Some of the organizations include the Eastern Arizona Association of Counties, New Mexico Association of Counties, Arizona Board of County Supervisors, and the Arizona Round Table. Meetings with tribal executives have occurred in each state. Southwest Strategy Regional Executives attended a Catron County Citizens Council field tour. The Southwest Strategy also sponsored training in the collaborative process in Safford, Arizona. Additional training sessions are planned for Cloudcroft, and Espanola, New Mexico. The South Central Mountain Resource Conservation and Development Council, covering Lincoln and Otero Counties, is co-hosting the Cloudcroft workshop with the Lincoln National Forest.

U.S. FOREST SERVICE—LITIGATION COSTS

There has been a question on my mind for quite some time as I look at the work of the public lands agencies of the Department of Interior and the U.S. Forest Service that have a significant presence in the West. That question is:

Question. How much money has been spent in New Mexico and Arizona—Region 3—and since Senator Bennett is also present, I would add in Utah—on environmental lawsuits?

Answer. Responding to lawsuits requires the effort of many employees in addition to those who specialize in litigation. For example, line officers, project managers, re-

source specialists, scientists, and clerical support are often involved at various times depending on the demands of a particular case. The Forest Service does not keep records of costs for each lawsuit so we are answering this question by estimating the salary for staff time required to respond to cases. Estimates were made for all cases involving challenges under environmental laws (e.g., NFMA, NEPA, ESA). Using fiscal year 1998 as the base, Forest Service costs in New Mexico and Arizona (Region 3) are estimated at $1,900,000. fiscal year 1998 costs in the State of Utah are estimated at $230,000.

Question. In these lawsuits, how much has been awarded to the plaintiffs?

Answer. Fees were only paid on one lawsuit during fiscal year 1998. This was a case in Region 3 where $16,905 was paid under the Equal Access to Justice Act.

I raise this issue because it's beginning to seem as if the federal government is paying more on legal fees, court costs, and settlements of lawsuits than on managing the actual natural resources over which they have custodianship for the American people. The American people are also the taxpayers paying these legal bills.

A second issue I'll mention comes to mind because of the possible listing of the silvery minnow as an endangered species. In this case, the litigation has been brought by environmental groups against the federal government, but the people who are likely to be most adversely affected in this litigation, which could include the City of Albuquerque, for example, are never given any consideration in the lawsuit. I don't think that makes much sense, and this issue should be given some attention by Congress.

I note, Mr. Chairman, that Interior Secretary Babbitt will be before the Subcommittee next week. I think these are appropriate questions to be asked of the Department of Interior agencies as well.

U.S. FOREST SERVICE—SOUTHWESTERN DROUGHT

The Forest Service is behind in its forest management activities nationwide, such as prescribed burns, that could help mitigate fire danger in our natural forests. In the Southwest, we are looking down the barrel of what could be one of the worst drought years ever. I know that you, Chief Dombeck, have been trying to reach me by phone, and we've missed each other, but I need to be advised on what you are doing regarding drought and fire danger in the Southwest.

Question. Please tell me what specific measures are being taken to mitigate fire danger in New Mexico this fire season.

Answer. To date, using our Severity authorization, the Forest Service has sent $4 million to our southwest Region. This money is used to offset extreme fire danger conditions that occur from time to time across the country. The southwest Region is using the severity authorization to hire their fire prevention and initial attack firefighting resources earlier than normal. The Forest Service, States of Arizona and New Mexico, Bureau of Land Management, and the National Park Service are coordinating their fire prevention activities, public service announcements, and deployment of firefighting resources. Fire lookouts are in place and initial attack resources are deployed throughout the Region.

Question. Please explain what assistance you will need from Congress, especially in appropriations, to address fire danger and other drought-related disasters this year.

Answer. The President's Budget and the available contingency funds should be adequate to cover the increased fire disaster needs.

Question. Please promptly provide a review of what you are doing for fire assessment in conjunction with other agencies—particularly the NRCS and FEMA.

Answer. The Forest Service is working with the States of Arizona and New Mexico, as well as with other Federal agencies, to coordinate fire prevention efforts, public service announcements, firefighting resource deployment, and fire detection programs. The States of Arizona and New Mexico are working with FEMA to obtain grants to preposition firefighting resources. Interagency Coordination Centers are monitoring fire danger conditions and planning deployment of resources based on these conditions. The Forest Service has provided Seasonal Severity financing so that fire prevention personnel, fire detection lookouts, firefighters, and equipment can be hired earlier than normal. This has been done in cooperation and coordination with the States of Arizona and New Mexico, the Bureau of Land Management, and the National Park Service.

I raise this issue because we need to know now what can be done in advance of any drought-related disasters this summer.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

GENERAL

I am getting the impression that the Forest Service is closing off a lot of public lands in Montana through various administrative actions such as the: road closure moratorium; hard rock mining moratorium on the North Slope; and proposed Off-Highway Vehicle (OHVs) ban on certain public lands.

Question. Since the Forest Service was established to manage these public lands for multi-use, what specific actions are you taking to foster multi-use of these public lands?

Answer. The President's budget provides a balance of initiatives supporting broad nationwide goals as well as emphasis on protecting and restoring the health of National Forest forests and rangelands. We believe the funding emphasis contained in the President's budget is important for America and, as the table of selected performance indicators below shows, will continue to provide balance.

USDA FOREST SERVICE—SELECTED PERFORMANCE INDICATORS

	Fiscal years—		
	1998 estimated	1999 estimated	2000 estimated
Estimated Estimated Estimated Recreation Special Use Permits (number)	26,459	22,633	22,600
Recreation Visitor Days (million)	344	347	347
Timber Volume Sold (million cubic feet)	569.6	701.0	614.4
Grazing allotments (number)	4,113	4,389	4,000
Watershed Improvements (acres)	38,497	20,000	30,165

I understand that the Forest Service is again proposing to de-couple timber receipts from payments to counties. This concerns me since this proposed action appears to violate the principle of helping local communities.

Question. What policies has the U.S. Department of Agriculture considered to stabilize annual Federal payments to the counties with public lands? What specific policies and/or programs have you considered to maintain the economic viability of these counties?

Answer. The Administration has proposed legislation which would establish a permanent fixed formula payment which would provide local governments more money and greater predictability than current reliance on revenue from unpredictable timber sales.

In addition, Secretary Glickman has recently indicated he would strongly recommend the President support an amendment by Rep. DeFazio to pending de-coupling legislation sponsored by Rep's. Deal and Boyd which would provide a payment equal to the average of the three highest payments received by the states between 1985 and the present. This would include an annual adjustment to reflect changes in the consumer price index. This payment would result in a nationwide payment of $443 million in fiscal year 2000, $201 million more than the states would receive under current law.

While the Forest Service and other Federal agencies such as the Rural Development Administration in USDA and the Economic Development Administration in the Department of Commerce have programs that provide loan or grant assistance to economically disadvantaged communities, these are not intended to take the place of private sector development spurred by a healthy economy.

NEW BURN POLICY

Question. Given that Secretary Babbitt has announced an aggressive new policy to increase the number of acres burned throughout the West, what is the Forest Service's response to this DOI policy?

Answer. USDA, Forest Service and DOI are all signatories of the 1995 Federal Wildland Fire Management Policy. Our policies are essentially the same. The Forest Service has increased the number of acres treated to reduce hazardous fuels. Since 1994 we have increased our hazardous fuels treatment from approximately 380,000 acres annually to 1.48 million treated in 1998. Our treatments include a balance of prescribed fire and mechanical treatments.

Question. What is your assessment of the fire condition of the National Forests this year going into the summer burn season?

Answer. Generally, a normal season throughout the country, except for the southern part of the country that is affected by La Nina. Potential exists for an above normal fire season in the southwest, Texas, and Florida.

Question. What does this mean for Montana in the number of acres burned and communities affected?

Answer. Based on early indicators Montana could have a near normal fire season.

Question. Are you saying that if communities can't get enough timber to harvest, maybe they can get enough timber to burn? Somehow this seems backward to how best to manage the lands. Why not increase the number of selective timber cuts to reduce the underbrush?

Answer. The Forest Service does not plan to award communities contracts to burn forestland. Burning is intended to reduce fuels that pose the risk of catastrophic wildfire. In many cases, prescribed burning would not be feasible unless it is preceeded by mechanical removal of both commercial and non-commercial trees. This work would not necessarily reduce the amount of brush, which could not be sold anyway. Thus, prescribed burning to remove brush may still be necessary to complete the task of fuels reduction.

FOREST STEWARDSHIP CONTRACTS

Question. I understand that certain activities that would have normally be conducted, are being folded under the new Forest Stewardship contracts authorized in last year's appropriations act. In doing this, you avoid sharing 25 percent of any receipts received by these activities with the counties. I am very concerned about this situation since it further reduces the traditional support by the Forest Service.

Answer. There has been no deliberate attempt to shift work to the stewardship pilots in order to avoid the need to make 25 percent payments to states and counties. Congress enacted Section 347 of the Omnibus Consolidated Appropriations Act for fiscal year 1999, which authorized the Forest Service to enter into no more than 28 stewardship end-results contracts. The purpose of these "pilot-test" contracts is to evaluate an array of new processes and procedures intended to give national forest managers greater administrative flexibility to implemented needed ecosystem restoration and maintenance treatments while simultaneously meeting the needs of local and rural communities. Under the legislative language, any receipts received from these contracts are to be ignored for purposes of determining the 25 percent payments due states and counties. This provision was included in the legislation to provide a better basis for evaluating the potential usefulness of the "goods for services" concept. For the most part, the stewardship pilots are being carried out in situations where, because of the limited commercial value of the timber to be harvested, a standard timber sale cannot be used. Given these situations, if 25 percent of receipts were returned to states and counties, little or no residual would be available for performing desired ecosystem restoration and maintenance work. The agency feels that in most instances the economic benefits that will flow from the projects that are conducted—e.g., the employment and income that is generated—will probably be more important to states and counties than the 25 percent payments. This issue highlights the need to address 25 percent payments from these kinds of projects before deciding whether or not to make "goods for services" a permanent practice.

ROAD AND MINERAL CLOSURES

Question. I am concerned that more roads in the National Forests are being closed to the public. Also many existing roads are deteriorating and causing problems with erosion into streams. What are your policies to repair existing roads on the National Forests as opposed to closing them? What are your plans to repair existing roads in Montana and how many miles of existing roads will be closed by your fiscal year 2000 Budget request?

Answer. If a road is needed for management of the National Forest, the road is retained on the road system. The fiscal year 2000 road maintenance budget of $123 million covers only about 22 percent of the identified annual repair and maintenance needs of $568 million. The maintenance funding we do receive is directed toward high priority safety and environmental protection work.

Some existing roads, if needed for long term National Forest management, are put into a storage category by closing to protect the road from use and reduce maintenance costs. Other existing roads that are not needed for National Forest management are programmed for decommissioning as funds become available.

In fiscal year 2000, Montana will reconstruct approximately 410 miles of its existing transportation system. This is 1.4 percent of the road miles. In addition to the reconstruction activities that are ongoing, forests within Montana are also analyzing

the transportation system and identifying those components that should be decommissioned or closed. In fiscal year 2000, we are projecting that 218 miles of classified roads and an additional 65 miles of unclassified roads within Montana will be decommissioned or closed.

Question. The mineral withdrawal of 430,000 acres of National Forest land in Montana has raised a lot of attention. Why wasn't this action pursued through the normal forest planning process? Will this mineral withdrawal affect exiting mining operations on these lands and if so, how?

Answer. The Forest Plan was completed in 1986, before any claims had been staked in this area. However, this proposal must be consistent with the Forest Plan or the Plan must be amended. The lands have not actually been withdrawn. They have been segregated, or temporarily closed to establishing new mining claims for a two-year period. During that time a study will be done to determine whether to withdraw the lands. The proposal will be subject to public review and, if the decision is made to withdraw the lands, Congress will be notified and will have 90 days to review the decision.

The current two-year segregation, and the possible withdrawal of these lands, are both subject to valid existing rights. As such, the only affect on existing or proposed operations will be a relatively short delay to determine whether the operator has valid existing rights, the most important element of which is that there must be evidence as of the date the segregation order was published in the Federal Register that a valuable mineral deposit had been discovered.

SMOKE JUMPERS CEREMONY IN MONTANA

I am very interested in this summers upcoming memorial of the anniversary of the 16 smoke jumpers killed in Mann Gulch Fire in the Helena National Forest. I have been contacted by many citizens in Montana asking about what is the Forest Service's plans participation in this memorial event.

Question. Since Montana is the home of the Forest Service smoker jumpers, I'm sure you are going to be involved, right? What are the Forest Service plans to participate in this summers memorial event?

Answer. The Forest Service is planning the ceremony. The Helena National Forest has the lead.

Question. I think it would be great if you made a good presence at this event. I understand the Forest Service is reluctant to do a ceremonial jump? Is that true and is there any help that I could give you to support this event?

Answer. We are planning to do a ceremonial jump. But we cannot commit more than 1 or 2 jumpers because that is the height of the fire season.

FOREST SERVICE REORGANIZATION

I have received a number of letters this year about a proposed reorganization of your human resources office. Now I support less government, however, I am concerned about the impact your plans may have on not only local citizens employed by the Forest Service but also the services the Forest Service provides to local Federal employees. Whether you realize it or not, your office in some communities are the only real Federal office that provides information and support services to these retired people. I am concerned about this reorganization and will provide you a letter soon outlining my concerns.

Question. However, what are the current status of this reorganization? I expect you to advise me of your final plans before your release them formally. Is that acceptable?

Answer. The agency is developing a model to deliver Human Resource (HR) services which keeps HR specialists at field locations providing personalized service to local management, employees, and the public. Local line officers will determine the number and location of these "local HR advisors." Specifically the proposal:

1. keeps local HR advisors at local sites to provide support to local managers, employees and the public,
2. simplifies and lessens the workload of these local HR advisors by providing experts in service centers to deal with complex or rarely performed activities,
3. provides employees with expert advice offsite in selected areas such as retirement counseling and self service options like changing tax exemptions, and
4. performs processing work which does not need to be performed locally at operation centers.

We believe this model has the best of all worlds. It improves the quality of our services, keeps HR advisors at local sites, minimizes need to move employees to other jobs, and is efficient.

An advisory group is recommending to Forest Service management that we "test" this model in our Denver and Atlanta regions. After a one- to three-year test, the Forest Service will make a final determination regarding expanding this model Service-wide. Prior to implementing this model on a Service-wide basis, we will consult with you.

NEW LEGISLATION FOR MORE REVENUES

I am very interested in your proposed legislative changes to provide more revenue for the Forest Service. However, we haven't received any language yet.

Question. Are you going to provide us with any proposed language? If so when could we expect it?

Answer. The Administration's legislative proposals described in the fiscal year 2000 budget were submitted to Congress on May 19, 1999 and July 9, 1999.

Question. Also since these legislative proposals are designed to provide $111 million in offsetting receipts, what are your plans to cut your own budget if these legislation proposals doesn't get enacted this year?

Answer. The Forest Service submitted it program proposals to the Department in accordance with normal schedules. The timing of agency involvement in the legislative proposals which contribute to the estimated savings of $111 million varied with the specific proposals. As the Subcommittee is aware proposals concerning special forest products and concession reform have been in the development stage for more than a year. Other proposals contributing to the $111 estimated savings have been in development for a shorter period of time. The Forest Service provided specialized expertise to the development of these proposals and the development of estimates of revenue or other savings. This dialog has been ongoing as part of the routine budget development process.

Question. I understand your legislative proposal would decouple the sharing of Forest Service natural resource (e.g. timber, mining, grazing) receipts with the states. If this is so, wouldn't this create more disincentives for people to utilize the vast wealth of natural resources found on Forest Service lands?

Answer. The Administration's stabilization proposal would not create any disincentives to make decisions relating to resource utilization. There are many other factors that affect resource utilization decisions that are unrelated to payments to states.

Question. Is this another attempt to lock up the public lands in the west from any further development such as that being proposed with the mining moratorium on the Rocky Mountain Front?

Answer. The decision to initiate a payments to states stabilization proposal was not influenced by, or connected to, decisions relating to the mining moratorium. The Agency has long considered delinking revenues from forest resources.

Question. Also why do you propose to share less Forest Service receipts with the states when, on the other hand, you propose in your budget to increase Forest Service receipts?

Answer. Overall projected Forest Service receipts are expected to decline by approximately $57 million in fiscal year 2000. Under the Administration payments to states stabilization proposal, and per the President's Budget Justification, states would receive approximately $27 more in fiscal year 2000 than they would receive under current law. The formula allows states to select the high three years over a ten-year span. Therefore, the states could select the years that generated the highest revenues as their basis for annual receipts.

Question. How would you pay for the annual payment to states if you do not tie them to Forest Service natural resource receipts?

Answer. The payment would be made from offsetting receipts out of the General Fund of the Treasury.

Question. If you use annually appropriated funds, won't that limit future funding for the U.S. Forest Service to stay within budget caps while making annual payments to the states?

Answer. The proposal would not rely on annually appropriated funds but would be a permanent payment set by statute.

How can I be assured that you will not decrease the annual payments to the states if annual budget caps are reduced?

Neither the Forest Service nor OMB would have discretion over the amount of the payment once it is enacted into law by Congress. The payment would continue at the set amount without further action by the Administration or the House and Senate Committees on Appropriations. The only way that the payment could be reduced or changed in any way would be if, in the future, Congress chose to amend or repeal the statute.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

WOOD EDUCATION RESOURCE CENTER

Public Law 105–277, Making Omnibus Consolidated and Emergency Supplemental Appropriations for fiscal year 1999, provided for the transfer to the Forest Service of the Hardwood Technology Center in Mercer County, West Virginia. This transfer was effected on November 20, 1998 and the name of the center has been changed to the Wood Education Resource Center. Since the official transfer, the Forest Service has begun a process of restructuring and reorganizing the center to promote the sustainable use of eastern hardwood resources through the development of an institute of hardwood technology transfer. I am pleased that the Forest Service is moving ahead quickly to carry out the directions of the Congress for this facility and would like more information as to its progress in achieving the goals of the transfer.

Please describe the structure and organization of the new center:

Foreword.—The following questions and answers speak specifically to the Institute of Hardwood Technology Transfer and Applied Research and the Wood Education and Resource Center. The following definitions are important to the understanding of both the questions and associated answers:

—The Wood Education and Resource Center. This is the new name of the former Hardwood Technology Center located in Gardner, West Virginia (across the street from the Forestry Sciences Laboratory). It is referred to in the question and answers as the Center. The Center is the property of the USDA Forest Service, United States Government.

—State and Private Forestry Liaison. The existing position of the Northeastern Area, located at Princeton, West Virginia, designed to integrate the cooperative programs, especially the Economic Action Programs, into applied research, technology transfer, and education.

—The Forestry Sciences Laboratory. The existing organizational unit at Princeton, West Virginia consisting of three major Research Work Units with a regional and national focus on hardwood utilization and economic information.

—The Institute Concept. The original concept whereby the USDA Forest Service (both State and Private Forestry and Research and Development) and the original Hardwood Technology Center would coordinate planning, work activities and collaborate on shared outcomes. This concept was discussed in a paper prepared by the Director of the Northeastern Area and presented to Congress in May 1996.

—The Institute. This is the name of the newly formed Institute of Hardwood Technology Transfer and Applied Research. The Institute consists of the Wood Education and Resource Center, appropriate State and Private Forestry (S&PF) functions, including the current S&PF liaison position, and the Forestry Sciences Laboratory of the Northeastern Research Station. The Institute will work much the way that was described in the original concept. A new organization will not be configured, as we traditionally do. The Directors of the Northeastern Area and Northeastern Research Station will provide overall guidance and leadership. The overall point of contact for the Institute to the headquarters of the Forest Service is the Director, Northeastern Area.

Question. What are the major functions of the center and how do these functions fit into the overall goals of the Forest Service?

Answer. The focus of the Center, under an overall vision of improved hardwood stewardship, will be to advance technologies and ideas; promote effective applications; build partnerships; promote community sustainability; and disseminate timely, accurate, relevant information. The operating principles of the Center will include leading edge technical assistance and high quality customer service; collaboration; and community development. The short-term strategy for the Center will focus on training seminars; conferences; and developing grants for applied research. Examples of this applied research will include light on the land harvesting technology that reduce environmental impacts; improved primary processing; improved secondary processing; and, improved market-oriented information. The long-term strategy calls for the Center to be operated by a private group under the close guidance and counsel of the Directors, within the framework of the Institute.

Initially the Center was designed to assist small, independent operators to get established in the secondary hardwoods processing industry through training in leading-edge technology in hardwood manufacturing as well as product demonstration produced with world-class technology and equipment. Some of these original objectives will be retained, but now within a much broader and expanded framework.

A major goal of the USDA Forest Service is sustainability through adequate forest stewardship, including the wise use of wood fiber to extend the resource. The vision of the Center and the Institute focus on the wise, expanded use of America's hardwood forest. The Institute and Center are unique and clearly augment the agency's mission of caring for the land and serving people.

Question. What are the major assets of the center?

Answer. The existing Center consists of a 23,000 square foot facility for training, equipment time-sharing, and office space and a 38,000 square foot dimension mill for additional equipment time-sharing and selected manufacturing (component parts; finger jointing; and veneer splicing). The Center contains a variety of leading-edge wood processing equipment and a core staff of five employees. The Center was transferred to the USDA Forest Service, Northeastern Area, on November 20, 1998 and is now the property of the United States Government.

Question. Who is providing the leadership for the new center? Who is the point of contact for the new center to the headquarters of the Forest Service?

Answer. Currently, the leadership of the Center is under the State and Private Forestry liaison, Mr. Al Steele, located at Princeton, West Virginia. Mr. Steele is an employee of the Northeastern Area, State and Private Forestry, USDA Forest Service. Mr. Steele's telephone number is (304) 487–1501. The point of contact for the Center to the headquarters of the Forest Service is Mr. Michael T. Rains, Director, Northeastern Area, State and Private Forestry. Mr. Rains can be reached at (610) 975–4103.

Eventually, a contractor under the overall guidance of the State and Private Forestry liaison position will help operate the Center. The search for a contractor is now underway.

Question. What are the appropriation sources and levels for the center in fiscal year 1999 and proposed for fiscal year 2000 in the President's budget? Are there any other sources of funds? If so, what are they?

Answer. The appropriation source for the Center is the Interior and Related Agencies Appropriation Subcommittee. Funds are provided to the USDA Forest Service, State and Private Forestry, through the Economic Action Programs budget line item. fiscal year 1999 funding for the Center was $2,500,000.

The fiscal year 2000 President's proposed budget will continue funding for the Center at $2,500,000, within the Economic Action Programs of State and Private Forestry, USDA Forest Service.

In the future, some funding could come from earnings generated by the Center. The fiscal year 1999 Appropriations Bill provided adequate authority to retain any funds earned to help augment the operations of the Center and/or offset future Federal appropriations. Since fiscal year 1999 is the initial year of the restructured Center, it is estimated that there will be little or no outside earnings to report.

Question. What are the major assets of the new institute?

Answer. In addition to the Center, the Institute includes program components and associated resources of the Forestry Sciences Laboratory at Princeton, West Virginia as well as the appropriate State and Private Forestry functions. Accordingly, any resources and existing partnerships associated with these two mission areas, including the laboratory facilities at Princeton, are assets available to the Institute.

Question. Who is providing the leadership for the new institute? Who is the point of contact for the new institute to the headquarters of the Forest Service?

Answer. A new Institute organization will not be configured, as we traditionally know. The Directors of the Northeastern Area and Northeastern Research Station will provide overall guidance and leadership while maintaining the separate Research and Development and State and Private Forestry mission areas. Day-to-day on-site work will be under the guidance of the State and Private Forestry liaison position (Mr. Al Steele) and the Project Leader at the Forestry Sciences Laboratory, Dr. John Baumgras, both located at Princeton, West Virginia.

As with the Center, the point of contact for the Institute to the headquarters of the Forest Service is Mr. Michael T. Rains, Director, Northeastern Area, State and Private Forestry.

The Mission of the Institute is to promote sustainable use of the eastern hardwood resource.

The Scope of work is development and transfer of information and technology to benefit forest-based communities and industry.

The Vision is efficient and environmentally responsible use of eastern hardwood forests.

The Goal of the Institute is to create a focal point for training and collaborative problem solving to advance:

—Sustainable economic development using eastern hardwood resources.

—Mitigation of environmental impacts from hardwood harvesting, processing, and disposal.

—Improved competitiveness of hardwood products industry.

Formal focus groups will help refine and further shape these objectives.

Question. What are the appropriation sources and funding levels for the institute in fiscal year 1999 and the proposed for fiscal year 2000 in the President's budget? Are there any expectations for other funding for fiscal year 2000? If so, what are they?

Answer. The appropriation source for the Institute is the Interior and Related Agencies Appropriation Subcommittee and any outside earnings that may be generated through the Center. Appropriated funds are provided to the USDA Forest Service for both the Research and Development and State and Private Forestry mission areas. Within State and Private Forestry, the Economic Action Programs budget line item is the traditional funding program source. In fiscal year 1999 the funding level for the Institute was $3,600,000. This included the Conference Report Earmark of $2,500,000 within State and Private Forestry Economic Action Programs line item, an additional $200,000 from the same line item for the S&PF liaison position, and $900,000 for the Forestry Sciences Laboratory's related work.

The fiscal year 2000 President's proposed budget for the Institute is $3,600,000. This includes $1,525,000 for the operation of the Center, $200,000 for the State and Private Forestry liaison position and $975,000 for technology transfer from the Economic Action Programs (the forest products conservation and recycling program component), and a continued component of $900,000 for the Forestry Sciences Laboratory from the Research and Development appropriation. Net earnings from the Center are estimated to total about $200,000 in fiscal year 2000 and could be used to offset appropriations required in subsequent years.

Question. What non-Forest Service partners are included in or being sought for inclusion in the institute? Are any West Virginia State agencies participating? Are any academic institutions, such as near-by Concord College, connected to the institute? What industry groups are interested in becoming more closely involved in the institute?

Answer. Partnerships with other wood-based training and technical assistance organizations are currently being developed. These include the West Virginia Wood Technology Center at Elkins, West Virginia, West Virginia University, West Virginia Development Office in Charleston, and the West Virginia Division of Forestry.

State and Private Forestry has met with the West Virginia's Governor's Office to help ensure full and effective collaboration with all potential interests. The West Virginia Forestry Association is participating with the Institute in a needs survey of West Virginia wood using industries.

Other actions have been taken to make more effective use of the facilities. Recent commitments have been made with the West Virginia Army National Guard to use the Center for Distance Learning and to further assist Concord College in the same venture. Distance Learning is the use of the latest Internet and videoconference technology to more efficiently link long distance customers.

Current work with focus groups will continue to identify additional opportunities to extend the contributions of the Institute. We expect to develop potential partnerships with other local colleges and Universities in the surrounding region.

The goal is to make the Institute national in scope. All actions of the Institute and the Center will continue to target national associations and groups as working partners to advance a cohesive hardwood stewardship mission.

Question. What are the processes by which industry and academia can help make the dream of the institute a reality?

Answer. The formal focus groups will be an important mechanism. In addition, industry, academia, other state, Federal, and local government entities, and private groups will be encouraged to work directly with the USDA Forest Service, Northeastern Area and Northeastern Research Station, to ensure adequate input into the vision of the Institute. Mr. Steele and Dr. Baumgras will ensure the process is adequate, and well communicated.

Question. What progress has been made to developing and hosting focus groups as part of the road mapping and strategic planning exercise?

Answer. Specific contractors have been identified and contracts for services have been signed. The next step will be the design of the focus groups by the contractors. Focus groups are expected to convene in June through mid-July of this year.

Question. When do you believe that sufficient input and analyses from the focus groups will complete such that you can share the results?

Answer. We will begin to document and share results of the focus groups almost immediately after their completion. However, while focus groups will ultimately play a key role in defining many high priority actions and costs, indications are

there will be significant participation and input from outside the focus groups as we shape the final vision and mission of the Institute. It is expected that most of the input and analyses will be completed by October through December 1999.

Question. What do you project the budget needs of the center and the institute will be in the future years beyond fiscal year 2000?

The estimated fiscal year 2000 budget for a operational Institute is as follows:

Mission area	Proposed budget	Additional needs	Total
S&PF Liaison	$200,000	.....	$200,000
WERC	1,525,000	$975,000	2,500,000
Forestry Sciences Laboratory	900,000	.....	900,000
Total, Institute	2,625,000	975,000	3,600,000

Estimated fiscal year 2000 revenue from the Center will be about $200,000. Revenues could be used to offset future years' appropriations. This is an update of the table dated November 23, 1998.

If the net revenue projections are correct, the funds could be applied to help augment the Center, typically capital reinvestment, or to help offset Federal funding needs.

It is estimated that the fiscal year 2001 net revenues will range from about $400,000 to a maximum of $500,000. If these projections are accurate and offsets to Federal funding are applied, a total of $3,100,000 would be required in fiscal year 2001 and the immediate future to fully operate the Institute—$900,000 for the Forestry Sciences Laboratory; $200,000 for the State and Private Forestry liaison; and $2,000,000 for a fully operational Center. The fiscal year 2001 budget requirement may need refinement as the goals and objectives of the Institute are better defined as a result of analysis of inputs from the focus groups.

SENECA ROCKS VISITOR CENTER

The Seneca Rocks area of the Monongahela National Forest hosts more than 250,000 people annually and is one of the busiest Forest Service visitor center sites in the eastern region. It is located within a 4-hour drive of one-third of the nation's population. I understand that great progress has been made on the new visitor center at Seneca Rocks, which is scheduled to officially open this summer complete with exhibits. I am concerned, however, that the Forest Service will not provide sufficient recreation management resources for operating this wonderful new center.

Question. Please provide a 6-year (fiscal year 1995—fiscal year 1999 enacted and fiscal year 2000 proposed) budget table showing the funds made available in the recreation management budget line item for the national forest system, the eastern region (region 9), the Monongahela National Forest, and the Seneca Rocks Visitor Center.

Answer.

RECREATION MANAGEMENT

[In thousands of dollars]

	Fiscal years—					
	1995	1996	1997	1998	1999	2000
FS	159,426	164,256	164,314	170,318	144,953	144,953
Region 9	17,412	18,044	15,594	16,402	14,212	14,125
Monongahela	1,695	1,558	1,349	1,108	1,058	974
Seneca Rocks	85	85	87	90	132	227

The fiscal year 2000 figures for the FS and R9 are based on the numbers that appear in the fiscal year 2000 Budget Justifications for the Committee on Appropriations. The Monongahela's number represents their average percent of the Region's recreation funds.

The operation costs for the Visitor Center for fiscal year 1995–1998 are for a small temporary center. This center has been staffed by a Center director and 3 to 5 Senior Conservation Service Enrollees (SCSEP). The Forest is presently transitioning to the new center which is a much larger facility. In addition to higher utility costs the fiscal year 2000 proposed budget includes funds for two additional permanent staff which are needed to provide high quality visitor services.

Question. Is the new visitor center still on track to open (complete with exhibits) this summer?

Answer. Yes, it is still on track. The latest estimate from USDA Design Services is for exhibits to be delivered to the site in June with installation in late June through early July. The grand opening of the facility is tentatively scheduled for mid to late July.

Question. What private sector partners are involved in the exhibits and operations of the new visitor center?

Answer. At this time the Forest has secured the following partners:

—Pendleton County Historical Society has placed a display in the exhibition hall.
—Seneca Trails Art Guild is exhibiting tradition art and craft materials.
—A local mountain music group is providing music once a month throughout the year.
—Friends of Seneca, Seneca Rocks Climbing School, and Seneca Rocks Mountain Guides are assisting with the funding and installation of the climbing wall, will provide some instruction, and are involved in the partners' exhibits.
—Augusta Heritage Center, Davis and Elkins College has provided an exhibit and assistance in marketing programs and classes at the Center.
—West Virginia Trout Unlimited is scheduled to teach classes this year.
—West Virginia Office of Tourism is providing funds to pay for two visitor service staff .
—Potomac Highlands (an organization supporting tourism based businesses) will provide and maintain a brochure rack.
—Snowshoe Mountain Resort is working with the National Forest Foundation and Forest to furnish one area in the Center.
—West Virginia University is assisting in providing seasonal student interns at the Center.

Question. What has been the level of local involvement in plans for operating the new visitor center?

Answer. The Forest has provided tours for the center (both during the building construction phase and before it opened to the public) and has kept the local public informed of the plans for the center. The local public has provided numerous suggestions which are being evaluated at this time. Many local artisans are scheduled to demonstrate their craft this summer. Also local artisans are exhibiting examples of Appalachian art and craft products in the Center.

Question. What is the status of plans to create an institute at the Seneca Rocks Visitor Center?

Answer. The project to create an institute at the Visitor Center is moving forward. The Forest partners have scheduled six classes for the 1999 season. As the program continues to develop the Forest partners hope to add more classes in 2000. Lack of enabling legislation limits greater Forest Service participation in the institute.

Question. What is the status of the partnership established at the Seneca Rocks Visitor Center between the Forest Service and the National Forest Foundation?

Answer. The formal partnership between the Forest and the National Forest Foundation (NFF) has ended (as of April 30, 1999). However, local personnel, who formerly worked for the National Forest Foundation, continue to work with the Forest, as volunteers, in the development of the interpretive plan and restoration of the Sites Homestead through recruitment and use of other interested volunteers.

Question. NFS What will be the hours of operation for the new Seneca Rocks Visitor Center for fiscal year 2000? What will be the hours operation for the Cranberry Glades Nature Center for fiscal year 2000?

Answer. The hours of operation for the Seneca Rocks Visitor Center are 9:00 AM to 4:30 PM seven days a week. In the summer the Center will be open until 6:00 PM. If budgets allow, it will remain open on a daily basis year-round. If not, it will be open on weekends only (10 AM to 4 PM) after Thanksgiving and remain open only on the weekends until April 2000.

Cranberry Mountain Nature Center hours of operation are as follows:

January–April—Saturday and Sunday 10:00 AM to 4:00 PM
May/Sept—Friday, Saturday, Sunday 9:00 AM to 5:00 PM
Memorial Day–Labor Day—9:00 AM to 5:00 PM seven days a week
October 1–21st—9:00 AM to 5:00 PM seven days a week
October 22–31st—Friday, Saturday, Sunday 9:00 AM to 5:00 PM
November—Saturday and Sunday 10:00 AM to 4:00 PM
December—Closed

MONONGAHELA NATIONAL FOREST RADIO SYSTEM

The Monongahela National Forest has a totally inadequate radio system that places employees and the public at risk in fire and other emergency situations. The current low-band system is obsolete, unreliable, and requires high maintenance. This is of particular concern because decreases in staffing levels have made it necessary to send out more and more individual employees without partners. In addition, many parts of the Monongahela National Forest are in "dead spots" where no current radio capabilities exist due to previous requirements for low-band instrumentation dictated by the presence of the Green Bank Observatory operated by the U.S. Navy.

Question. Have advancements in the ability of Navy at the Green Bank Observatory to filter out undesirable radio waves made it possible for the Monongahela National Forest to switch over to a high-band radio system?

Answer. Yes, the National Radio Astronomy Observatory (NRAO) personnel informed Forest Service personnel in 1997 of upgrades to electronic equipment which will filter out radio waves in the high band frequencies which are assigned for use on the Mononghala National Forest.

Question. Would such a high-band radio system improve the coverage on the Monongahela National Forest and provide for better employee and visitor safety?

Answer. Yes, the target for the new system would be 90 to 95 percent coverage. The existing system is in the range of 65–75 percent when all base and repeater stations are working properly. In addition, the new system will provide radio communications for all air operations which is extremely important for fire detection and suppression, natural disaster response, and search and rescue.

Question. What would it cost to design and implement a new high-band radio system on the Monongahela National Forest?

Answer. The cost to design and implement a new high-band radio system is estimated to be $500,000. The fiscal year 2000 President's Budget does not include funding for this activity.

ALLOCATION OF FUNDS AMONG THE REGIONS

Over the past four years, the funding for the National Forest System (NFS) has increased by about four percent. This translates into about a one percent increase on average each year, which does not provide sufficient funds to cover fixed cost increases such as salaries, utilities, and rents. During the same time frame, NFS funding for the eastern region (Region 9) has decreased by almost three percent, and NFS funding for the Monongahela National Forest has decreased by about thirteen percent.

Question. Please verify that these numbers are correct.

Answer. The following information is provided for the past four year period 1996–1999. In 1996, funding for the National Forest System was 1.256 billion dollars. In 1999, funding for the National Forest System was 1.298 billion dollars. This represents an increase of approximately 3 percent over a four year period.

In 1996, National Forest System funding to Region 9, was 106.5 million dollars. In 1999, initial funding from National Forest Systems to Region 9, was 102 million dollars. Road Maintenance funds totaling 7.3 million dollars were transfered from NFS to the Construction Appropriation. An additional allocation of 1-million dollars was added from Washington Office carryover funds to offset costs associated with management of the Midewin Tall Grass Prairie Unit. The final 1999, total of 103 million dollars (NFS only) represents a reduction to the Eastern Region in NFS funding of approximately −3 percent.

In 1996, NFS funding to the Monongahela was 7.256 million dollars.

In 1999, NFS funding to the Monongahela was 7.654 million dollars.

This represents an increase of approximately 5 percent for the four-year period.

Question. Why has the NFS funding for the eastern region decreased more than the rest of the National Forest System?

Answer. Funding to Regions will vary from year-to-year based on changes in the Regions' programs. National Forest funds are allocated based on allocation criteria that every Region was involved in developing. These are reviewed on an annual basis for most programs, and adjustments are made where needed. In 1999, Congress moved Road Maintenance Program dollars from the NFS Appropriation to Reconstruction/Construction, which caused the Eastern Region's NFS Appropriation to drop by 7.3 million dollars. When added back for comparison purposes, the Region's 4-year trend (1996–1999) for National Forest System funding indicates an increase of approximately 3 percent.

Question. Why has the NFS funding for the Monongahela National Forest decreased more than the NFS funding for rest of the eastern region?

Answer. The information provided by the Eastern Region indicates that from 1996–1999, National Forest System funding for the Monongahela did not decrease, but actually increased by approximately 5 percent. Construction funding for the Monongahela has decreased during that 4-year period, but that is primarily due to an earmark for construction of the Seneca Rocks Visitor Center, which has been completed.

Question. What is the general process by which the Forest Service allocates its funding to the regions? What modifications does the Forest Service anticipate to this process, to the criteria upon which the process is based, and to the data applied to the criteria?

Answer. The Forest Service uses a set of budget allocation criteria which considers multiple factors pertinent to agency resource management needs. This criteria varies by budget line item. We expect modification to the allocation criteria in the future for two reasons:

—As the agency implements financial accountability reforms, a key element of this process is the application of "primary purpose" expenditures. With primary purpose, only a single line of accounting will be charged for an activity. This differs from the present process where several line items can be charged. As a result we anticipate needing a realignment of funds between line items. Correspondingly a change will also be needed in the criteria.

—The Forest Service is pursuing a significant change in budget structure. Assuming there is such a change, the criteria will need to be modified to reflect the new structure.

Question. Please describe the degree and extent to which the Forest Service is satisfied with its NFS budget allocation process. Does the Forest Service use the concept of "base-level" budgeting in devising its NFS budget request and allocating its NFS funds? If not, why not?

Answer. The agency is satisfied with the existing budget allocation criteria. No "cookbook" approach to allocating funds can be totally responsive to agency needs and changing priorities. However, the agency's criteria does provide for adjustment in allocations consistent with the need to recognize national priorities and emerging issues. Accordingly the criteria are adequate for the existing budget structure.

Question. Please provide a single table showing the actual amounts that each region received from the Forest Service through the allocation process for the NFS and reconstruction/construction accounts for fiscal year 1998 and fiscal year 1999 as well as estimates of what each region will receive from the Forest Service based on the President's budget request for fiscal year 2000.

Answer. Please see enclosure 6, on following page.

ENCLOSURE 6.—FISCAL YEARS 1998 AND 1999 FINAL ALLOCATIONS AND FISCAL YEAR 2000 PRESIDENT'S BUDGET ALLOCATION

[In thousands of dollars]

Units	Fiscal years—					
	1998		1999		2000	
	National forest system	Reconstruction/ Construction	National forest system	Reconstruction/ Construction	National forest system	Reconstruction/ Construction
Region 1	115,203	13,892	108,169	29,682	104,080	40,270
Region 2	110,353	13,586	104,624	25,566	102,781	33,275
Region 3	103,297	12,572	97,000	27,401	97,919	33,298
Region 4	128,397	15,407	125,633	31,487	125,393	38,318
Region 5	184,233	19,984	170,171	40,527	160,627	51,513
Region 6	217,028	31,747	178,702	46,988	166,681	67,043
Region 8	139,514	21,392	129,461	33,435	124,182	37,113
Region 9	109,778	15,367	103,436	19,597	103,269	27,353
Region 10	68,791	13,859	76,859	19,488	66,428	19,494
Washington Office	153,645	7,680	178,526	9,630	154,794	8,437
Forest Products Laboratory	1,624	225	1,507	600	1,394	1,485
International Institute of Tropical Forestry	820	199	782	975	472	965
Intermountain Research Station	3,261	498	([1])	([1])	([1])	([1])
North Central Forest Experiment Station	1,468	268	1,391	1,108	1,297	257
Northeastern Area and Station	404	3,006	3,741	5,225	2,878	841
Pacific Northwest Research Station	3,702	235	2,414	994	1,121	649
Pacific Southwest Forest and Range Exper. Sta	2,117	449	1,900	1,599	1,394	1,466
Rocky Mountain Research Station	4,733	375	7,455	405	5,130	680
Southern Research Station	5,393	270	5,093	774	4,143	1,035
Total, allocations	1,353,761	171,011	1,296,864	295,481	1,223,983	363,492

[1] In fiscal year 1999 the Intermountain Research Station was consolidated with the Rocky Mountain Research Station.

Question. What suggestions do you have for helping ensure that the President's budget request and the appropriations act do not contain any unanticipated and unexpected reductions at the Forest level?

Answer. The Forest Service is committed to accomplishing a maximum amount of work on the ground and maximizing the amount of available funding for this purpose. The agency recently implemented standard definitions for indirect expenses, which will enable quality assurance reviews of areas where indirect expenses appear to be excessive. These guidelines are consistent with the Federal Accounting Standards Advisory Board definitions. With effective management of indirect expenses, unanticipated and unexpected reductions at the forest level can be minimized. In addition to management of indirect expenses, careful management of personnel stationed in the Washington Office and Regional units is necessary to assure maximum availability of funds for field expenditures. Although some additions to headquarters and regional office staffing have been necessary to rectify accountability issues, the agency remains committed to keeping these increases to a minimum.

Question. What suggestions do you have for helping ensure that all the regions and forests of the National Forest System receive a clear, sound, and understandable budget request that can be supported by the Congress?

Answer. The agency believes that a "clear, sound, and understandable budget request" is challenging to submit under the present budget structure. The recent study conducted by the National Academy for Public Administration concurs that the present structure does not reflect the work being accomplished on the ground. There is an urgent need to develop a budget structure that reflects the integrated nature of the work performed. Currently the agency proposes a budget (within the 6 principle appropriations) that includes 21 budget line items and 35 expanded budget line items. This structure does not recognize the fact that work performed at the ground level delivers multiple benefits. The Agency will be working with the Administration and Congress to develop a budget structure that reflects the integrated work performed.

WEST VIRGINIA RESEARCH CENTERS

The Forest Service operates three research labs in West Virginia: Princeton, Parsons, and Morgantown. According to information I have been given, these three research labs are supported at last year's level in the President's budget request for operations (Princeton, $2,234,000; Parsons, $1,747,000; Morgantown, $1,766,000). At the same time, I understand that an additional unallocated decrease is contained in the President's budget that might reduce the funding for these labs.

Question. What are the full staffing levels for each of these research centers?

Answer. Following are the full staffing levels for the West Virginia Research Centers for fiscal year 2000. The number of full-time equivalent employees is being held at the same level as fiscal year 1998 and fiscal year 1999:

Morgantown—14 FTEs
Parsons—21 FTEs
Princeton—19 FTEs

Question. Please provide a table showing the actual funding and staffing levels for these three research centers over the past ten years.

Answer. Please see enclosure 7.

[ENCLOSURE 7]

WEST VIRGINIA RESEARCH CENTERS

The Forest Service operates three research labs in West Virginia: Princeton, Parsons, and Morgantown. According to information I have been given, these three research labs are supported at last year's level in the President's budget request for operations (Princeton, $2,234,000; Parsons, $1,747,000; Morgantown, $1,766,000). At the same time I understand that an additional unallocated decrease is contained in the President's budget that might reduce the funding for these labs.

[Dollars in thousands]

Fiscal year appropriation	Princeton		Parsons		Morgantown	
	Funding	Staffing	Funding	Staffing	Funding	Staffing
1990	$1,960	31	$1,037	24	$2,345	17
1991	2,116	34	1,526	24	2,402	18
1992	2,238	32	1,590	26	2,524	19
1993	2,140	32	1,711	26	2,543	19

[Dollars in thousands]

Fiscal year appropriation	Princeton		Parsons		Morgantown	
	Funding	Staffing	Funding	Staffing	Funding	Staffing
1994	2,143	34	1,674	28	2,521	17
1995	2,091	27	1,791	28	2,098	16
1996	1,184	25	1,786	24	1,766	13
1997	2,234	23	1,747	24	1,766	14
1998	2,234	19	1,747	21	1,766	14
1999	2,234	19	1,747	21	1,766	14
2000 PB	2,234	19	1,747	21	1,766	14

Question. Please verify that the President's budget request, after all reductions and additions are factored in, does support these three research facilities at the staffing and funding levels contained in the budget enacted for fiscal year 1999.

Answer. The Forest Service intends to maintain the same level of funding to all three facilities in West Virginia as requested in the fiscal year 2000 President's Budget, and will maintain staffing levels to the extent possible given increases in salaries and fixed costs.

HIGHLAND SCENIC HIGHWAY LANDSLIDES

Two landslides were discovered in April 1997 on the fill slopes of the Highland Scenic Highway in the Monongahela National Forest. In early summer 1997, one of the slides encroached onto the aggregate shoulder of the road. The Monongahela National Forest, with assistance from the Federal Highways Administration, developed a preliminary estimate of $1.4 million to repair both slides after site visits in August 1997. After review, this estimate was lowered to $935,000 and this amount was made available to the Forest in fiscal year 1998 to repair the slides. The Forest entered into a memorandum of understanding with the Army Corps of Engineers (Huntington District) in June 1998 to perform the actual design of the repairs and oversee its construction. Upon an in-depth analysis, using some of the fiscal year 1998 appropriated funds, the Corps determined that the slides were far more extensive in size and scope than initially estimated.

Question. Why was the size and scope of the slides (and consequently the greater amount of work required) not determined earlier in the process?

Answer. The two slides were discovered in the second half of fiscal year 1997. At that time, funds were not available to perform a detailed analysis to determine the cause of the slides and design the repair. Forest engineering personnel, with assistance from a Geotechnical Engineer from the Federal Highway Administration, Eastern Federal Lands Highway Division, developed the initial cost estimate based on survey data and a visual analysis of the slides. The estimates did not have a very high confidence level because of the many unknowns related to subsurface conditions of the slide areas. When the Army Corps of Engineers, under agreement with the Forest, performed an in-depth analysis of each slide the proposed designs were larger in scope than originally estimated. This additional work was needed to restore stability to the fill slopes.

Question. What is physically required to repair the two landslides and stabilize the slope and surface of the Highland Scenic Highway?

Answer. The recommended repair method for both slides is the same. The only difference is in the volume of material to be removed and replaced. The requirements are as follows:

—Construct an access road from the Highland Scenic Highway to the toe of the slide. This will be utilized to remove unsuitable material and for delivery of rock backfill.
—Excavate and remove unsuitable material and construct a stable foundation for rock backfill.
—Install perforated pipe underdrains to remove excess water.
—Place rock backfill, in layers, from foundation elevation to top of slope.
—Place aggregate base course on excavated road and shoulder.
—Pave and stripe disturbed sections of the Highland Scenic Highway.

Question. What is the current estimate for the cost to repair the landslides that threaten the Highland Scenic Highway? What funds are currently on hand to be used to address these costs? How much additional funding is needed?

Answer. The estimated cost for the repair of Slide #1 is $1,400,000. The estimated cost for the repair of Slide #2 is $1,235,000. The Huntington District of the U.S. Army Corps of Engineers, under agreement with the Forest, is providing engineer-

ing services, the contractor, and administration of the construction contract for the repair of Slide #2. The project is being funded by $935,000 in fiscal year 1998 CNES funds allocated to the Forest for this project, and $300,000 in CNRD funds from the fiscal year 1999 Forest allocation.

The Forest does not have any additional fiscal year 1999 funds to allocate for the repair of Slide #1. $1,400,000 in additional funding is needed to repair Slide #1 on the Highland Scenic Highway.

Question. Is the Forest Service satisfied with the evaluation by the Corps of Engineers and with its role in accomplishing the task of repairing the road and stabilizing the slope?

Answer. The Forest is satisfied with the engineering services provided by the U.S. Army Corps of Engineers. They have a highly skilled and experienced staff of specialists. The Corps has been working closely with Forest engineering personnel through the design phase to develop a cost effective repair for each slide. The repair project on Slide #2 has started and the Forest is satisfied with the professional management of the project by Corps of Engineers personnel.

ELK RIVER LIMITED PARTNER LAND ACQUISITION AND DONATION

The Monongahela National Forest has been approached by the Elk River Limited Partnership about a potential sale and donation. As part of an agreement between the two groups, Elk River Limited Partnership is proposing to sell a 731-acre inholding to the Monongahela National Forest Service and to donate substantial mineral (coal, not oil and gas) holdings to the Forest Service as part of its liquidation proceedings. These holdings include the rights to mine deep coal on about 53,000 acres (these rights will revert to U.S. ownership in 2035), mostly underneath lands of the Monongahela National Forest. The 731 acres to be purchased by the Forest Service in connection with this donation are located in the Cheat Bridge area along the Shavers Fork River. The West Virginia Chapter of the Nature Conservancy is helping to negotiate and facilitate the sale and donation.

Question. Are the proposed 731 acres to be acquired in fee simple totally within the boundaries of the Monongahela National Forest.

Answer. Yes. It is bordered on three sides by National Forest System lands.

Question. What is the estimated cost of acquiring the 731 acres in fee simple from the Elk River Limited Partnership? What funds are on hand for helping to meet this cost? What additional funds are needed?

Answer. The estimated costs would be $650,000; $275,000 will allow completion of the acquisition. The remaining funding to be acquired is available from other sources.

Question. Will the Forest Service incur any additional liabilities by acquiring these lands and accepting the mineral holdings as a donation?

Answer. Yes, we will incur additional liabilities associated with monitoring the rehab areas. We are willing to accept the liability.

WATERSHED RESTORATION NEEDS OF THE MONONGAHELA NATIONAL FOREST

The watersheds of the Monongahela National Forest have been degraded by past logging practices and wildfires, which have resulted in heavy loads of fine sediments clogging its streams. The Monongahela National Forest has identified twenty-five watersheds that need to be assessed for restoration needs. The State of West Virginia has identified four watersheds partly within the Monongahela National Forest that need restoration. Restoration of these watersheds is important to improving trout populations and attendant recreational opportunities. Almost eighty percent of West Virginia's native trout streams lie within the Monongahela National Forest.

Question. NFS Please provide a table showing the amounts appropriated and provided to the Monongahela National Forest for watershed improvements (assessments and restorations) over the past 4 years (including for fiscal year 1999).

Answer. Please see enclosure 8, on the following page.

Trends in Eastern Region and Monongahela National Forest Soil, Water & Air Budget, adjusted to '99 $ (M$). 990503_hp

	Region	**Monon.**	%Mon	Region	**Monon.**	%Mon	Region	**Monon.**	%Mon	Region	**Monon.**	%Mon	Region	**Monon.**	%Mon
	96	**96**		97	**97**		98	**98**		99	**99**		2000P	**2000P**	
Operations (NFSO)	$1.460	**$180**		$1.533	**$179**		$1.875	**$192**		$1.751	**$128**		$2.107	**$163**	
Improvement (NFSI)	$1.125	**$55**		$1.193	**$74**		$1.250	**$116**		$1.916	**$324**		$2.028	**$179**	
Inflation Factor	0.9574			0.9755			0.9872			1.0000			1.02		
Operations (99$)	$1.525	**$188**	12.33%	$1.572	**$183**	11.68%	$1.899	**$194**	10.24%	$1.751	**$128**	7.31%	$2.066	**$160**	7.74%
Improvement (99$)	$1.175	**$57**	4.89%	$1.223	**$76**	6.20%	$1.266	**$118**	9.28%	$1.916	**$324**	16.91%	$1.988	**$175**	8.83%
Watershed Total (99$)	$2.700	**$245**	9.09%	$2.794	**$259**	9.28%	$3.166	**$312**	9.86%	$3.667	**$452**	12.33%	$4.054	**$335**	8.27%
Abandoned Mine (NFSI)							$415	**$0**		$50	**$50**				
Hazmat (HWHW)							$0	**$0**		$510	**$0**				
Abandoned Mine (99$)							$420	**$0**		$50	**$50**	100%			
HAZMAT (99$)							$0	**$0**		$510	**$0**	0.00%			
Other Total (99$)							$420	**$0**		$560	**$50**	8.93%			

FY 1999 Monongahela NFSI allocation includes $181,000 earmark.

No data for AML & Hazmat available for '96 & '98 at this time; shall validate this when staff becomes available.

Question. How much more funding is estimated to be required to complete the assessments and to restore the remaining degraded watersheds on the Monongahela National Forest?

Answer. Comprehensive watershed assessments and specific cost estimates are not available at this time, but a 1998 estimate by the Monongahela National Forest indicates that at least $17.6 million is needed to restore watersheds across the Forest. In addition to actual restoration costs, it is further estimated that about $60,000 per year over the next five years is needed to properly conduct watershed assessments to identify overall needs. In addition, specific project design costs are expected to cost $80,000 per year as assessments are completed.

Question. What level of funding is included in the President's budget request (including the proposed $10 million increase for watershed improvements) for this watershed assessment and restoration work on the Monongahela National Forest?

Answer. Watershed funding for the Monongahela National Forest in the President's Budget is projected at $342,000. This includes $163,000 for Soil, Water and Air Operations (NFSO) and $179,000 in Watershed Improvement funds (NFSI).

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. What laws or changes to regulation have allowed the USFS to use a budget development and allocation process that doesn't appear to consider Forest Plan implementation as the driving need?

Answer. There is no law or regulation that directs the Forest Service to consider or not consider forest plans as a part of the budget development and allocation processes. The agency's budget development process results in regional submissions of program funding mixes and performance information for a range of total funding levels established by the Washington Office. These total funding levels reflect a reasonable set of increases and decreases around the most recent President's Budget. This gives the Washington Office a range of production capabilities and associated program costs, all of which implement Forest Plans. This information is used to develop the specific budget proposals contained in the agency request package that is sent to the Department. Upon enactment of an appropriations bill, funds are allocated to regions using allocation criteria for each program. These criteria reflect workload and complexity factors related to each program that were identified and agreed to by field units. They are designed to provide an objective starting point for making an equitable distribution of funds to regions that will assist in implementing the direction established in forest plans. The funds allocated to the field are influenced by many factors such as congressional earmarks, presidential initiatives, and other new initiatives and uncontrollable exigencies that are not reflected in forest plans. These items are also taken into consideration when field level allocations are made. We believe that the current budget development and allocation processes consider many factors, including meeting the goals of forest plans.

Question. There has been a lot of discussion that a new budget process is being developed that is somehow linked to Strategic Planning. What assurances do we have that this new budget process will meet the essential requirement that individual Forest Plans will be a consideration during the development and allocation of the budget?

Answer. The Government Performance and Results Act (GPRA) of 1993 directs each federal agency to develop annual performance plans that link direction in its Strategic Plan to the budget through outcome-based performance measures. Goals and objectives from the agency's Strategic Plan will be incorporated into revisions of Forest Plans. Forest Plans will provide resource information that is used in developing subsequent revisions to the agency's Strategic Plan. Forest Plans will also continue to be used as the tool to determine the management direction for a particular administrative unit and be the basis for Forest-level budget submissions.

Question. Most people agree that there are many problems with allocation by budget criteria. Why is the Forest Service still utilizing an allocation system that doesn't appear to meet the needs of the Forests and their customers?

Answer. The Forest Service has used a criteria based approach for allocating funds in the Agency's budget process for several years. This criteria-based approach was developed in response to field concerns about equity in developing constraints for formulating outyear budgets and allocating current-year funds. The criteria establish a visible and rational basis for allocating resources by identifying differences among regions in their resource conditions, programs of work and other elements. Budget criteria also improve internal and external communications because they help focus attention on program goals and objectives by using key resource conditions and planned or actual accomplishments to allocate funds. While we feel that

the current approach is vastly superior to how allocations were made prior to use of criteria, we recognize that the criteria have not pleased everyone. It is a formulaic approach and appears too rigid. However, it is important to remember that, at the national level, the formula-driven results are only the starting point for a completed allocation process. Adjustments to the results can and should be made to reflect changing conditions, unexpected situations, and agency-wide priorities. The criteria were never intended to eliminate or reduce management discretion or prerogative to review and adjust the results. The only requirement is that adjustments be documented in the Program Budget Advice, our allocation document. A similar approach is now being used in most regions. With our criteria-based allocation approach, the internal and external debates about equity are now focused on specific criteria or types of criteria. While we recognize the need to continue refining the basis for our allocations, we also feel that no approach or set of criteria used to distribute scarce resources will always make everyone happy.

Question. Is the Forest Service considering development of a new budget allocation process?

Answer. The Forest Service is working on a number of efforts that will eventually affect how resources are allocated. In fiscal year 2000 the agency is implementing a new financial management system (FFIS) and will be using a different concept for planning work and charging expenditures called Primary Purpose. The primary purpose concept will shift some responsibilities among programs and could affect the criteria used to allocate funds in some programs. Our new financial system will allow us to better align expenditures with work which should eventually allow us to use unit costs in conjunction with performance information to allocate funds. The agency is also working with the Congress and the Administration to simplify our budget structure. The consolidation of funding sources, coupled with a greater reliance on performance measures to assess agency performance, will necessitate a change in the basis for allocating funds. Whether this basis will still be referred to as criteria or something else will be determined later.

Question. Last year, the Stewardship Incentives Program was not funded. What effect has this had on the ability of the U.S. Forest Service or state forestry departments to work with private landowners to develop sustainable forestry practices?

Answer. SIP encourages landowners to adopt a wide variety of sustainable forestry practices including fish and wildlife habitat improvement, recreational improvements, timber stand improvements, agroforestry and others. Many of these practices provide benefits that extend beyond the boundaries of the ownerships on which they are implemented. SIP fills a somewhat unique niche in the Forest Service and State array of services to non-industrial private forests in that it allows the provision of cost-shares to landowners who otherwise might be unlikely to initiate such practices. Since its inception in 1991, the SIP program has enabled the States to assist over 36,000 landowners (an average of 5,000 landowners each year). Without SIP, the ability to encourage landowners to adopt sustainable forestry practices will be severely reduced.

Question. On those lands that receive technical or financial assistance from U.S. Forest Service Cooperative Programs, how much board feet is produced annually? How does the cost of production on those lands compare to production on public forest lands?

Answer. The Stewardship Incentive and Forest Stewardship Programs support the sound stewardship of non-industrial private forest (NIPF) lands. The Forest Service 1993 RPA Timber Assessment Update estimated that in 1991 approximately 4,238 million cubic feet of softwood and 5,252 million cubic feet of hardwood (i.e. a total of 9,490 million cubic feet) was harvested from NIPF lands. A rough conversion to board feet would be: 21,190 million (softwood); 26,260 million (hardwood); and 47,450 million (total).

There are no national figures available comparing the cost of timber production from NIPF lands with that of production on public lands. Timber production costs vary significantly from region to region depending upon nature of terrain, tree species, and other ecological factors, as well as cost of labor and level of management. It has generally been asserted that the cost of timber production on federal lands is higher than that on State government or private lands.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. Chief Dombeck, last week a bipartisan group of seven members of Congress wrote you expressing concerns with implementation of the Quincy Library Group legislation. What is the Forest Service doing to address those concerns?

Answer. The Agency recently met with staff from offices of concerned Members and Committees to answer their questions. That discussion proved productive and helpful. The Agency is also responding directly to the concerns in a letter that the Members should receive shortly.

Question. The Forest Service has told the Quincy Library Group and my staff that it interprets the Quincy Library Group legislation to preclude any planning for fuel breaks prior to completion of the Environmental Impact Statement. Under this interpretation, it is possible that no fuel breaks will be constructed until 2001. Such a slow implementation of the law certainly was not Congress' intent, and I am pleased to see that in a memo dated April 8, the Forest Service now says they will begin planning for Quincy Library Group projects this year. When do you intend to begin such planning? Will fuel breaks be constructed in fiscal year 2000?

Answer. It is true that planning for specific projects will happen after a decision is reached through the EIS/NEPA process. However, the Agency's intent is to both plan for and begin implementing Quincy Library Group projects in fiscal year 2000. In addition, the Forests are doing more generalized planning in fiscal year 1999 not specifically related to the decision that will come from the EIS, but helps set the stage for implementation of QLG projects.

Question. The Forest Service says it will only plan Quincy Library Group projects this year as staff resources and funding allow. Since the Forest Service received $8 million to implement the Quincy Library Group project in fiscal year 1999, and since the Forest Service informs my staff that the Environmental Impact Statement will cost only $2 million, doesn't it seem that funding is sufficient for extensive planning to occur this year?

Answer. The priority in fiscal year 1999 is the completion of the Environmental Impact Statement by 8/17/99. Funds not expended in fiscal year 1999 for the EIS effort will be carried over to fiscal year 2000 and be used for the planning and implementation of individual projects.

Question. Is the Forest Service on schedule to complete the Environmental Impact Statement by August 17, 1999—the date mandated by the legislation?

Answer. The Record of Decision for the HFQLG was signed on August 20.

Question. How will the Sierra Nevada Framework Environmental Impact Statement impact the Quincy Library Group pilot project? It is of paramount importance that the pilot project be implemented as fully as possible.

Answer. The timeframe extension for completion of the EIS portion of the Sierra Nevada Framework Project did not delay preparation of the DEIS for the Herger-Feinstein Quincy Library Group (HFQLG) pilot program. The Record of Decision and the FEIS were signed on August 20. Project specific planning and implementation are ongoing since release of the Record of Decision. Concerning the SNEP Framework D EIS effort and the HFQLG project, the current intent is to treat the HFQLG area separately for the duration of the HFQLG pilot project. However, it is possible that some of the issues addressed in the Sierra Nevada Framework DEIS, including wildlife habitat management and riparian guidelines, may require some changes to the HFQLG pilot project.

Question. Given the Administration's support for the Quincy Library Group legislation, why doesn't the President's budget include any funds specifically to implement the Quincy Library Group project?

Answer. The President's fiscal year 2000 budget includes $5.4 million that would be used specifically to implement the Quincy Library Group Project in fiscal year 2000. This represents the base level funding for the Forests involved. In addition, $6 million from the $8 million Congressional earmark funding in fiscal year 1999 will carry over to fiscal year 2000 and be available to fund QLG projects.

Question. In 1997 President Clinton committed $25 million in new money over two years to restore the environment at Lake Tahoe. But that two year period has expired, and in fiscal year 2000 the President is requesting only about $5 million for environmental projects at Lake Tahoe, including $4.2 million for the Forest Service. What steps are you taking to ensure that Tahoe remains a priority area for water quality improvements and fire risk reduction?

Answer. Success in meeting the environmental challenges posed at Lake Tahoe will rely heavily on building and maintaining collaborative relationships among individuals and organizations linked to the Lake. These cooperative efforts will allow the Agency and others to make the most effective use of the dollars allocated. The Forest Service continues to support a range of collaborative efforts with those goals in mind, including the Federal Advisory Committee, the Federal Interagency Partnership, interagency watershed assessments, the Forest Health Consensus Group, and collaborative efforts with the Washoe Tribe.

Question. I am currently writing a bill that would authorize $30 million annually over 10 years to improve water quality and reduce the risk of catastrophic wildfire

at Lake Tahoe. Will the Administration support this bill as a way to protect and restore one of America's most special places?

Answer. The Administration remains committed to restoring and maintaining the health of Lake Tahoe's ecosystems while providing high quality recreational experiences. We would carefully consider any legislation that achieves the Administration's environmental protection goals for Lake Tahoe.

Question. How did the Forest Service decide on the five areas of emphasis for the Sierra Nevada Conservation Framework Environmental Impact Statement?

Answer. Initially, a number of concerns were identified in the Sierra Nevada Science Review by a team of scientists building on previous works, such as the Sierra Nevada Ecosystem Project report of 1996. In the Science Review, a set of conservation priorities were determined from these concerns using a set of screening criteria (new information, broad-scale concerns, urgency for attention, ability to affect through national forest management, and problems that were not well addressed elsewhere). This set was refined and adjusted, taking into consideration public comment and other factors, resulting in the five emphasis areas.

Question. What was the impetus for launching the Conservation Framework project?

Answer. The Framework was a response to concerns on two levels. On a broader Sierra- wide level, a variety of recent efforts (most notably the 1996 Sierra Nevada Ecosystem Project report), reinforced the conclusion that because the Sierra Nevada's problems were complex, interrelated, and multi-jurisdictional, they demanded an exceptionally high level of cooperation and collaboration among a broad spectrum of interests if they were to be addressed effectively. A primary goal of the Framework is to work toward that higher level of collaboration. At the same time it was also recognized that the Land Management Plans for the national forests across the Sierra needed to be updated in light of new information and to improve consistency of management. The current EIS portion of the Framework effort is aimed at meeting this need.

SUBCOMMITTEE RECESS

Senator GORTON. I thank you very much. The subcommittee will stand in recess until 9:30 a.m., Thursday, April 22, when we will receive testimony from the Honorable Bruce Babbitt, Secretary of the Interior.

[Whereupon, at 11:57 a.m., Thursday, April 15, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, April 22.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

THURSDAY, APRIL 22, 1999

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:33 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Stevens, Cochran, Domenici, Burns, Campbell, and Byrd.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF HON. BRUCE BABBITT, SECRETARY OF THE INTERIOR

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Mr. Secretary, welcome to your fifth appearance before this subcommittee and in support of the Department of Interior's budget request. It is a very real pleasure to see you here again.

The fiscal year 2000 budget request for the Department of the Interior can only be classified as generous. The request is more than $7.75 billion for departmental agencies under this subcommittee's jurisdiction, an increase of 11 percent. The increase would put funding for Interior programs fully $1 billion over the fiscal year 1998 enacted level.

Mr. Secretary, there are a large number of programs under the Department's jurisdiction that I would be happy to see receive increases, but the sheer magnitude of the Department's request, the number of new programs it contains, and the nature of the broader budget in which the request is contained make it difficult to take it seriously.

Lest anyone in this room need reminding, we are still functioning under the statutory spending caps passed by the Congress and signed into law by President Clinton in 1997. The President's fiscal year 2000 budget employs a variety of new taxes, fees, and accounting gimmicks to reach a total discretionary spending level at least $25 billion above the statutory discretionary cap for the year 2000.

Few of the proposals that generate this $25 billion in additional spending will be enacted in this Congress, and virtually none of

that amount is likely to be available to the Appropriations Committee when it begins marking up fiscal year 2000 spending bills.

Indeed, this subcommittee is still waiting for the Forest Service to submit legislative proposals for which the President's budget claims some $111 million worth of savings. I do not think we will ever see the proposals. In any case, the subcommittee will be fortunate to so much as maintain fiscal year 1999 funding levels, much less receive a $760 million increase.

Many have speculated that spending caps will be raised this summer. This may or may not happen. But to the extent that the caps are raised, there are any number of program areas that will compete for these additional funds. Just 2 or 3 weeks ago we would have talked about education, defense, health care, and the like.

Now the list is about to be overwhelmed by the war in Kosovo, which in the view of the chairman is going to have a seriously adverse impact on discretionary spending for other programs. I cannot imagine that this Congress is going to follow President Johnson's example of attempting to finance both guns and butter at the same time.

I make this point, Mr. Secretary, in the hope that you will share with us today some of your priorities that will help us make the difficult decisions that lie ahead at least a little bit less difficult. Is continuing to fund the basic operation needs of your agencies the number one priority or are you willing to take reductions in existing functions to fund some of the new programs that are proposed?

I hope you will take this remark as a compliment and not a criticism, but it is not clear that you had to make any of these difficult choices in developing your budget request. It looks as though you got just about everything that you asked for.

That said, Mr. Secretary, we look forward to hearing from you today. A full text of your statement will be included in the record so that you can summarize your opening remarks and leave that much more time for questions.

And with that, for opening statements I will of course turn to my friend and ranking Democratic member, Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, the fiscal year 2000 budget request for the Department funded by this subcommittee is $759 million more than was appropriated for the current fiscal year. This represents an 11 percent increase in funding, as has been pointed out by our distinguished chairman, from $7.01 billion appropriated for fiscal year 1999 to $7.77 billion requested for fiscal year 2000.

We look forward to your testimony today in support of your budget. The Committee on Appropriations' overall funding level is $536 billion in budget authority, which according to the CBO is $10 billion below a freeze.

While it is unlikely that the budget allocation for this subcommittee will allow for an increase in your budget, much less one of the magnitude proposed in the President's request. I assure you that Chairman Gorton and I, insofar as I am able to do so as the minority member, will do the best that we can to secure an alloca-

tion for this subcommittee sufficient to fund the highest program priorities in your Department.

I applaud your persuasiveness in achieving an 11 percent increase for your programs in the President's budget. However, such eloquence in support of program increases will come to naught in Congress without a higher allocation than is expected.

The Interior Appropriations Subcommittee expects to have to craft a spending bill for fiscal year 2000 that has a tightly constrained bottom line and your help, Mr. Secretary, in identifying spending priorities at lower funding levels than included in the President's request will be appreciated.

Thank you.

Senator GORTON. Senator Campbell.

Senator CAMPBELL. Mr. Chairman, I think since I have a conflict I will just go when I have the time to ask the Secretary some questions.

Senator GORTON. OK. Senator Burns.

PREPARED STATEMENT

Senator BURNS. I have a written statement too, Mr. Chairman. Thank you.

To alert the Secretary, we will be dwelling on George W. Beaver and a little coal in southeastern Montana.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Mr. Chairman, thank you for the opportunity to address the committee this morning. I appreciate having the opportunity to spend another morning with Secretary Babbitt.

As you well know, we continue to have a number of disagreements with how the agencies under Secretary Babbitt's control are being managed. It is no coincidence that Montana's per capita income has plummeted in relation to the rest of the country while the Clinton Administration has waged war on Montana's industries. In the western portion of the state our logging industry has been virtually shut down by the actions of the agencies under the control of the man sitting before us.

I receive reams of letters asking why Congress has not done anything to rein in the Department of the Interior and the U.S. Forest Service, but every time we try to do anything President Clinton forces a government shut-down. The administration continues to more forward with an arrogance rarely witnessed in public service. After expressing our concern in past exchanges with Secretary Babbitt, the situation only seems to worsen. Recent decisions by his employees have ominous implications for the future of the West.

One recent decision, the Leshy decision on the Crown Jewel mine application, will make mining a thing of the past in the United States. No one knows what the impact will be on a global basis, but those of us from mining states know that it means the death of many of our communities. Add to this a roadless moratorium that is killing the timber industry, wolf reintroductions that are crippling the livestock industry, Endangered Species Listings that make farming almost impossible, and you begin to see a picture that is extremely bleak for those of us trying to make an honest living off the land.

Everyone sitting here that has heard me in prior committee hearings with Bruce has already heard the tune I am singing. Let me add some new comments. Let's talk about our Tidal Basin Beaver. You all know the beaver that I am talking about. The beaver that chopped down the cherry tree. We'll call him George W. Beaver. The National Park Service says the Tidal Basin is prime beaver habitat. Well, then why did we move George and his family out? Because it was inconvenient. If we tried to do that in the West, Bruce Babbitt and his disciples would have run us up a flag pole first, and sued us second. They would have asked for an Environmental Impact Statement. They would have asked us why we had the audacity to move an animal out of its habitat. But here, in mighty Washington, D.C. we don't have to

abide by those rules. Those are just for the little people out in Montana who don't know any better.

Another example is the proposed rebuilding of the Wilson Bridge. Seems we are a little behind in the environmental assessments necessary to make the project fly. The answer some people are coming up with is that we need to pass legislation to exempt them from complying with all the laws so the project will stay on schedule. Forget it. Learn to live by the rules you have subjected to rest of us to. We miss deadlines everyday because of your laws, now join us in mutual frustration. Maybe you will begin to see just how ludicrous the system has become. I hope we find an endangered species right where you plan to put your on-ramp. Maybe we will finally see some action on Endangered Species Act reform if the commute to Washington is disrupted over a subspecies of beetles.

Mr. Chairman, I hope you sense my frustration. Secretary Babbitt and his agencies are real good at telling us what to do and then turning a deaf ear when problems arise. We have asked him to listen since he first sat in front of us. He continues to refuse to act on our problems, and when the same laws affect urban areas a loophole is always discovered. It's too bad small, independent logging companies aren't offered the same loopholes. It is time to send a message to Secretary Babbitt. If you keep ignoring us, we are going to hit you where it hurts. In the budget. I don't care if you want to grandstand, but something has got to change. The lives of too many Montanans are being ruined by the actions of our land management agencies.

SUMMARY STATEMENT OF HON. BRUCE BABBITT

Senator GORTON. All right. We get to you pretty rapidly, Mr. Secretary. There seems to be a great deal of anticipation.

Secretary BABBITT. Mr. Chairman, with those overwhelmingly positive and generous remarks from all members of the committee, let me see if I may briefly respond.

The President's budget includes a nearly 11 percent increase. Now, the question you posed is what is it and what kinds of offsets and reductions would we propose in an alternative scenario. I would remind the committee respectfully that of the budget of this Department 80 percent is in fixed personnel costs and overhead. Eighty percent.

The numbers of employees in the Department, from the peak when I first came before this committee in 1993, have been reduced by 12,000. That is about 15 percent. There is nothing left in that. We have cleared out the Washington office. We have flattened our organizational structures and taken really extreme steps.

This year's budget does have a personnel increase in it, which accounts for a modest piece of that $759 million. The increase in personnel that is proposed would bring our personnel levels back to the level of 1986, 14 years ago.

I respectfully suggest that our responsibilities in terms of the national parks, visitors, public lands, the administration of the Endangered Species Act, mineral leasing are self-explanatory in terms of our needs. We cannot scale back personnel. We simply cannot. It would be short-sided, counterproductive, and I think indefensible for me to advocate that.

So that takes us, it seems to me, to what are the increases in the President's budget. I would like to mention two. The first one you are all familiar with. It is the Lands Legacy Program. Now, I confess paternity as to this program.

It is our feeling, and has been and was last summer, that this Congress and this Government should attempt to go back and capture the intent of the original land and water conservation legislation that was passed these many years ago. The idea being, as I

understand it, that $900 million of Federal receipts from the expansion of off-shore oil production would be made available on an annual basis for, in the broadest sense, mitigation, a sense of protection and acquisition of important natural resources.

As we all know, that promise has—implied promise at the very least—has never really been fulfilled. That is very simply what is behind the President's proposal for a Lands Legacy Program of $1 billion a year to be set up on a permanent funding basis, with approximately 50 percent of that revenue to be subverted or granted directly to the States for important preservation projects such as the northern forests in New England and a whole variety of other really very urgent State conservation issues.

Within that $1 billion Lands Legacy Program, in terms of increases in our budget, I think there are approximately $350 to $400 million. So in terms of the requested increase in our budget, half of it is the Interior share of the Lands Legacy Program.

There is one other item in the budget that I must inevitably single out which accounts for a substantial amount, and that is a $50 million increase in the Indian Trust Funds administration.

I do not propose to go into the full history of Indian Trust Fund administration, which originated—the roots go a long way back. The issues originated on March 3, 1849. We are dealing, I think, with the help of Congress, up front and forthrightly with a massive attempt to try to sort this thing out.

Not withstanding the occasional admonitions from various quarters around this town and the press reports, we are making strong, significant progress. I would be happy to elaborate on that, but I——

Senator GORTON. That was the subject of a previous hearing.

Secretary BABBITT. OK. The important thing is that in order to meet the court deadlines, the court mandates, and to keep this on track, we really must find some way to have that additional $50 million.

Perhaps I should stop right there. I would simply say that generally I think things are moving along well. Our Y2K compliance is 100 percent. We have all of our systems up. They have been tested by outside advisers in a redundant manner. They are up and ready to go.

This past year we have had clean audits Department-wide for the second consecutive year. We are making excellent progress in the Everglades. It is a large item in this budget this year. There is a GAO report out. I believe, again, that would be the subject of a separate hearing.

PREPARED STATEMENT

I just want to say that I think the GAO report is helpful and that the suggestions contained in it are issues that need attention, particularly in terms of the long-range direction and governance of this project after the Congress gets the Corps of Engineers restudy this summer.

Mr. Chairman, perhaps I should stop right there and submit myself to your tender mercies.

[The statement follows:]

PREPARED STATEMENT OF BRUCE BABBITT

I am pleased to appear before the Subcommittee on Interior and Related Agencies to present the fiscal year 2000 budget for the Department of the Interior.

The 2000 budget is a landmark budget because it will be the first budget of the new century, and because it is a bold and forward looking statement by the President of the importance of resource and Indian trust stewardship. Focused around the theme, "Guardians of the Past; Stewards for the Future," the 2000 budget will allow us to make important investments in land and resources, and to meet our responsibilities to Tribes.

As we approach the 150th anniversary of the creation of the Department of the Interior, this budget gives us cause for optimism and sets a new direction for the next 150 years. Since I became Secretary in 1993, this Department has aggressively streamlined operational programs and processes to improve efficiency and the delivery of services to the public. As a result, we are more unified, more clear in our purpose and mission, and are well-positioned to undertake the challenges of the next century.

The Department's activities are a part of the day-to-day lives of all Americans and touch on all aspects of the economic and cultural life of this Nation. Every year 379 million people, more than the population of the United States, visit our National Parks, National Wildlife Refuges and public lands. The 445 million acres of lands that this Department manages are a source of meaningful outdoor and educational experiences for these visitors. In addition, we supply water to approximately 31 million people throughout the west and provide services and support for self-determination to 1.2 million American Indians and Alaska Natives.

This broad mandate for the Department of the Interior had its genesis with the creation of the Home Department, which was established in March 1849 to house agencies concerned with the management of domestic issues. Since that time, the mission of the Department has been shaped by the changing needs of the American people, evolving from the Home Department of the 19th century, through the bygone eras of great westward expansion, the conservation age at the beginning of the 20th century, the Great Depression and Civilian Conservation Corps years, and the post World War II baby boom. Today the principal mission of the Department is the conservation and management of natural and cultural resources, the protection and encouragement of Indian self-determination, and the fulfillment of Federal trust responsibilities to American Indians.

Driven by the strong, continuous growth of the economy and the public's appetite for outdoor recreation and outdoor experiences, the Department has evolved new approaches that consider the twin goals of growing the economy and protecting and restoring the Nation's natural and cultural resources. We have made great strides in recent years by embarking on the restoration of precious ecosystems in a way that enriches neighboring communities, resulting in the following success stories:

—in South Florida we are working in partnership with the State and others to restore the Everglades, recreating the 17,000 square mile sea of grass;

—we continue our work with States, Tribes, communities, and private landowners to implement new, innovative approaches to the Endangered Species Act. For the first time in 60 years we have healthy, reproductive populations of gray wolves in Yellowstone National Park;

—we are embarking on the fifth year of Forest Plan implementation, demonstrating how cooperative partnerships between Federal agencies and local interests can effectively promote wise land stewardship; and

—in partnership with the State of California, we completed the purchase of the 7,400-acre Headwaters ancient redwood forest, the largest stand of privately-owned ancient redwoods in the country.

In addition, the Department has developed five-year plans for maintenance and construction to improve management and accountability for the Department's infrastructure and to focus funding on the highest priority health and safety and resource protection needs. We are proud of these accomplishments and appreciate the Subcommittee's support of these efforts.

BUDGET OVERVIEW

The 2000 budget requests $8.7 billion in funds subject to annual appropriation. This request is fully funded within the President's balanced budget and includes an increase of $832 million, or 11 percent, over 1999 funding levels. An estimated $2.2 billion will be provided in permanent appropriations.

For Department programs under the jurisdiction of theSubcommittee, the request for annual appropriations is $7.8 billion for 2000. This is an increase of $717 million

in current budget authority from total appropriations provided in the 1999 Interior and Related Agencies Appropriations Act.

Within this increase, $139 million or 18 percent of the increase is requested for uncontrollable cost increases in order to continue Departmental programs at current operational levels in 2000. The budget:

—proposes funding for the President's Lands Legacy Initiative, to protect America's land resources and establish a new partnership with States, Tribes and local governments;

—provides resources for broad-based restoration efforts including public lands restoration and science tools to support these efforts, continuation of our successful ecosystem restoration efforts, restoration of species and cultural resources, and facilities repair and rehabilitation; and

—requests funding to continue to improve life in Indian Country through enhanced education programs, school construction, law enforcement, Tribal buffalo programs, and aggressive efforts to resolve trust management problems.

The level of staffing proposed for 2000 is comparable with employment levels in the Department in 1987. The 2000 budget proposes to increase staffing by only two percent, as compared to the increased funding request of 11 percent. The Department will continue to operate efficiently, having taken an aggressive approach to streamlining, reducing headquarters staffs and management layers, reengineering processes, and improving the efficiency and effectiveness of our program delivery at the field level. Between the period 1993–1997, staffing was reduced by 15 percent. The new staff we are requesting for 2000 will focus on direct service to the public and on-the-ground restoration.

LANDS LEGACY

At the start of the century, President Theodore Roosevelt called on Americans to save the best of our natural endowment for all time. His legacy is seen across the country in parks, forests, and wildlife refuges. President Clinton's Lands Legacy Initiative renews America's commitment to its natural environment. This 2000 budget proposal provides significant new resources to protect local green spaces and increases protection for our oceans and coasts. It recognizes that carrying out this commitment must include not only resources for Federal land acquisition, but also resources directed to States, local communities, and Tribes to address their local needs in their own ways. The interagency Lands Legacy Initiative provides roughly equal amounts of funding for Federal land acquisition and funds to States, local communities, and Tribes for acquisition and other conservation purposes. The initiative includes $900 million from the Land and Water Conservation Fund (LWCF), marking the first time any Administration has requested the full $900 million authorized to be deposited in LWCF in its annual budget. The initiative includes $579 million for Department of the Interior programs, which is an increase of $84.5 million from the 1999 level.

The Lands Legacy Initiative includes $295 million for Federal land acquisition by Interior, an increase of $84.5 million over current year levels. With this infusion of funding, we have an opportunity to preserve aspects of our natural and cultural legacy for all time. Our efforts will focus particularly on five major areas, including the California Desert, Civil War Battlefields, the Lewis and Clark Trail, refuges in the Northern Forest, and the Everglades. Funding for these five areas totals $163.7 million. An additional $130.3 million is requested for land acquisition in other areas to protect priority natural and cultural resources, like the addition of 31 acres at Florida's Pelican Island National Wildlife Refuge, established as the first refuge by President Theodore Roosevelt in 1903.

A total of $80 million, an increase of $66 million, will allow States and localities to continue to grow while conserving and recovering imperiled species. Funding will be provided to States and local communities for habitat conservation planning and land acquisition, candidate conservation agreements, Safe Harbor Agreements, and other collaborative strategies to help communities deal with the pressures of economic growth in a context of declining habitat. This proposal is a win-win approach to species protection, as it will provide incentives for landowners to protect plants and wildlife on their property and will accelerate the States' ability to restore declining species in time to keep them off the endangered species list.

The Lands Legacy Initiative includes $150 million for a LWCF competitive grants program that will assist States, local communities, and Tribes to preserve green space. This is an opportunity for us to establish new partnerships with States, Tribes, and local governments to enrich our cities, towns, and suburbs. In America today there is a resurgent sense of the need to preserve open space and the quality of life in our communities, and this program can provide dramatic results by

leveraging Federal funds with non-Federal sources. This proposal will allow us to work with the Congress on framing a viable program that will result in increased open spaces, greenways, and other areas for outdoor recreation, urban parks, wildlife habitat, and coastal wetlands.

Open space protection is gaining momentum at State, regional, and local levels as a means to protect farmland, maintain natural surroundings, and combat sprawl. Across the country in ballot measures, the American people are supporting the need for local p lanning and protection that guides development and the establishment and protection of open space. The 2000 budget includes $50 million for matching grants to States and Indian Tribes to support open space planning. An additional $4 million is proposed for matching grants and technical assistance for the restoration of parks in economically distressed urban communities.

LIVABILITY

The Lands Legacy Program is complemented by a second Administration initiative, the Livability Agenda, which encompasses a broad array of issues that relate to quality of life, including transportation, safe streets and economic competitiveness. The Li vability Agenda proposes that the federal government work in partnership with local communities to protect green space for wildlife and recreation, ease traffic congestion, and pursue regional "smart growth" strategies.

The President's fiscal year 2000 budget request to support major livability programs, includes $39.5 million for an interagency Community/Federal Information Partnership that will accomplish two primary objectives. First, approximately 60 percent of the funding will be available as competitive, matching grants to local, regional, and national non-Federal agencies and organizations to build local capacity to use GIS technology. Second, the remainder of the funding will be used to improve public access to geographic information residing in federal agencies. Six pilot projects have been launched and are designed to show how geospatial data and maps from various government agencies can help communities make sound decisions about local issues such as watershed and water quality management, disaster preparedness and recovery, and land use planning. The Department has a lead role in this partnership and under this program, USGS would receive $10 million, and BLM, $2 million.

RESTORATION

At the turn of the century the concept of preservation was firmly adopted by the American public. Deeply rooted in the ideals of President Theodore Roosevelt, John Muir, and Aldo Leopold, preservation was the clarion call that created a national imperative to preserve wilderness, wild and scenic rivers, national parks, and wildlife refuges. These national treasures are an admirable and important legacy and we are the guardians of that legacy. Moving beyond our responsibilities for stewardship of these national treasures we have come to understand the importance of the entire landscape that extends outside the boundaries of our public lands.

Migratory birds follow historic flyways in their routes from summer to wintering habitat that know no park, refuge, or other boundary. Salmon and trout move in rivers and streams in a natural rhythm that links to a world that existed before boundaries were established. To protect these wild stocks and heal the land, we have to understand that all the components of an ecosystem are interconnected. Cut too many trees in the headwaters of a stream, and you send a pulse of sediment into the current impacting aquatic life. Our role as guardians of the past and stewards for the future compels us to approach issues and identify solutions on a landscape scale. This budget proposes significant resources to restore public lands and work outside these boundaries in the restoration of fish, wildlife, and natural communities.

RESTORING ECOSYSTEMS

The President's Northwest Forest Summit in April, 1993 brought us a new vision for approaches that serve nature and the Nation's economic future. This vision recognizes that understanding landscapes as complex, living, and integrated systems can result in better ways of living on and prospering from the land, while protecting species and preserving nature's special places. Over the last six years the Administration has implemented three large scale restoration efforts that embrace this vision using new methods, partnerships, and renewed public participation. The 2000 budget includes $68.1 million for the Department to press ahead with implementation of the Northwest Forest Plan. The Department will also continue to lead the Administration's efforts to restore two priority watersheds, the Florida Everglades and California's Bay-Delta.

Since 1993, when the South Florida Ecosystem Restoration Task Force was established, over $955 million in Federal funds and $1.5 billion in State funds have been directed to this project, which is the largest watershed restoration effort ever undertaken. We recently completed negotiations to acquire the 50,000 acre Talisman properties and have issued a draft multi-species recovery plan addressing the habitat and individual needs of 68 listed species. In 2000, the Department's request for Everglades restoration totals $151.5 million, an increase of $7.4 million over 1999, which will support park and refuge operations, hydrologic modeling, multi-species recovery, research, land acquisition, and construction of the Modified Water Delivery Project for Everglades National Park.

The 2000 request for the Energy and Water Development bill also contains $75 million to continue implementation of the California Bay-Delta ecosystem restoration program and $20 million to initiate high priority activities to address water use efficiency, water quality, and watershed management issues.

RESTORING PARKS, REFUGES AND PUBLIC LANDS

In NPS, FWS, BLM, and OSM increased funding is requested for operational programs in order to conduct restoration activities.

—NPS is requesting an increase of $25 million for management of natural resources which will accelerate efforts to acquire data on natural resources, completing all natural resource inventories in seven years. NPS will control 11,000 additional acres of exotic species annually (a 43 percent increase) and restore an additional 150 acres disturbed by mines, roads, and other facilities that are no longer in use.

—For FWS, an increase of $18.1 million will fund habitat restoration projects on 200 refuges and eradication of invasive, nuisance species on 48 refuges. Planned projects will restore historic wetland habitat, endangered species habitat, and unique ecosystems.

—BLM will dedicate an increase of $10.9 million to rangeland improvements and an aggressive weed control effort to sustain productive landscapes.

—OSM is requesting $25.3 million to increase by 15 percent the reclamation of land damaged by past mining practices to productive use and to restore water resources contaminated by acid mine drainage.

The wildland fire program will promote ecosystem health, while lowering the risk of severe fires and long-term suppression costs. In 2000, the request of $350.9 million will allow us to treat more than one million acres of land and reduce hazardous fuel loads, a tripling of effort since this program began.

SCIENCE

In 1996, we consolidated the science and technology functions of Interior. As a result, the USGS is able to provide a full spectrum of scientific expertise to the Department, other agencies, and the public. This multi-disciplinary expertise is critical to the effectiveness of our land management and restoration programs supporting the development of advanced tools including modeling, decision support systems, and monitoring protocols. The 2000 budget includes $18.5 million in new funding to aggressively respond to the science needs of land management bureaus and provide the tools that are needed for wise stewardship of the landscape.

RESTORING SPECIES

The near extinction of the buffalo and the extinction of the passenger pigeon at the end of the 19th century brought an end to the American myth of endless abundance. As President of the United States, Theodore Roosevelt created five national parks, four big game refuges, and 51 national bird reservations in order to preserve natural resources which were, in his view, an essential part of the American landscape and culture. As we approach the end of the 20th century, the importance of protecting and restoring ecosystems and individual species components of ecosystems is widely accepted. The Congress enacted landmark legislation including the Bald Eagle Protection Act, the Endangered Species Act, the Marine Mammal Protection Act, and the African Elephant Conservation Act in recognition of the importance of protecting and recovering individual species as components of healthy, viable ecosystems.

Through partnerships with States, local communities, and non-profit groups, and expanded involvement with private landowners, the Department has been able to more effectively protect threatened and endangered species, while allowing economic development to proceed. The efforts of the FWS, Forest Service, and State of Nevada in the Spring Mountains exemplify our new approach to endangered species conservation. In these snow capped mountain ranges, these three agencies have come

together to craft a conservation agreement that will safeguard 57 rare and sensitive species while accommodating the growing numbers of recreational visitors.

The 2000 budget includes $115 million for FWS endangered species operations, an increase of $24.1 million to expand the use of innovative tools that protect species and permit sound economic development. In partnership with States, local communities, non-profit groups and private landowners, FWS will utilize candidate conservation agreements to keep species off the list of threatened and endangered species, expand habitat conservation planning to allow economic development to proceed while protecting species on private lands, continue the no-surprises policy to assure private landowners that agreements jointly negotiated will be honored, conduct streamlined consultations, and increase Safe Harbor Agreements to ensure that community and species goals can be met. This operational funding level is supported by the request of $80 million for the Cooperative Endangered Species Conservation Fund that I described earlier.

More than 160 parks provide important, protected habitat to restore endangered species. At least 168 Federally-listed species occur on NPS lands and are the subject of over 2,000 recovery tasks assigned to the National Park Service. Recovery tasks include wolf re-introduction in Yellowstone National Park, control of exotic species in Hawaiian parks, and public education and law enforcement patrols for endangered species collectors. The 2000 budget includes $4 million for native and exotic species management which will, in part, address recovery of species including the Kemp's ridley turtle and the black-footed ferret which depend on the National Park System for their survival.

In 1986 Congress enacted revisions to the Federal Power Act of 1920 that changed the relicensing process for the nation's 2,600 privately-owned hydroelectric dams. These changes required the consideration of fish and wildlife, energy conservation, and rec reational opportunities, and have led to modifications in dam operations to increase stream flows, installation of fish passage facilities, and protection of local riparian lands. We successfully demonstrated the success of modifying dam operations to restore habitat and recreational uses without negatively impacting power and water use with the flooding of Glen Canyon Dam in 1996. The 2000 budget requests $7.6 million to restore native fisheries including acceleration of hydropower relicensing review activities. Through a collaborative process with dam operators and other stakeholders, FWS will use a balanced approach to address fisheries needs while meeting needs for power, agriculture, and recreation. A companion request of $3.9 million will fund on-the-ground restoration projects to be matched by organizations such as Trout Unlimited and $1 million for the National Fish and Wildlife Foundation's efforts in fisheries restoration.

FOCUS ON EMERGING BIOLOGICAL PROBLEMS

In 1915, the Sierra Nevada in California was filled with the sound of croaking frogs and toads. Biologists who surveyed the amphibians recorded one species, the western toad, as "exceedingly abundant." When researchers revisited the study sites in 1995, they recorded only one adult western toad and a small group of tadpoles. Amphibians are the "canary in the coal mine" for ecosystems, letting us know with their disappearance that something is wrong. The 2000 Interior budget proposes to increase fundi ng by $8.1 million in order to investigate the causes for amphibian population declines.

Called the "rain forests of the sea," coral reefs are one of the most biologically complex and diverse ecosystems on earth, providing habitat for one-third of all marine fish species. In addition, coral reefs provide a protective barrier for shorelines and are crucial to the tourism industries of many States and territories. President Clinton recently signed an Executive Order establishing the U.S. Coral Reef Task Force to coordinate interagency efforts to protect and restore our coral reefs. The 2000 budget for Interior includes $7.2 million for coral reef protection, management, and restoration.

The geographic and ecological areas that encompass Alaska and Hawaii are unique and rich in natural resources. These areas share other common qualities in that they are remote and are home to species and habitats that are found nowhere else. In a focused program to address the unique problems and restoration challenges in Alaska and Hawaii, the Department is requesting $4.4 million to conduct natural resource protection and restoration activities, and expand public use and educational opportunities.

SAFE VISITS TO PUBLIC LANDS

The Department manages an extensive infrastructure to meet the needs of 379 million visitors to national parks, national wildlife refuges, and other public lands.

Well-maintained facilities are critical to the safe enjoyment of these visitors and to the safety of 45,000 employees and 53,000 students attending BIA schools. In 1999 the Department proposed an aggressive Safe Visits to Public Lands Initiative to improve management and accountability for the Department's infrastructure and focus funding on highest priority health and safety and resource protection needs.

The Department has developed a five-year plan that provides a framework for improved planning and management of maintenance and construction programs. The plan provides an improved understanding of the scope of deferred maintenance and a baseline to monitor progress toward correcting health and safety and resource deficiencies at Departmental facilities. In order to implement the plan, the Department's 2000 budget includes $910.1 million, including $555.8 million in maintenance and $354.3 million in construction, an increase of $51.2 million, or six percent, over 1999.

One final component of the restoration theme is the Save America's Treasures program. The Subcommittee worked with us last year to initiate a program that provides matching grants to public-private partnerships to preserve America's cultural treasures and increase opportunities for learning. The 2000 budget includes $30 million to continue this program. In addition, the 2000 budget includes $15 million for badly needed repairs to preserve structures of great historic significance at historically black colleges and universities and $5 million to develop a national digital library of records of American achievements in history and arts and sciences.

SEVEN GENERATIONS INTO THE FUTURE AND PAST

When deliberating an issue, American Indians take into consideration lessons learned by past generations and the potential impact on future generations. This simple, yet sage approach provides an important framework for current policy decisions. The 2000 budget request for the Bureau of Indian Affairs is $1.9 billion, an increase of $155.6 million above the 1999 enacted level, providing increases for educational programs, school facility construction, law enforcement, natural resources management, and other priority funding needs.

Throughout Indian Country, children are learning in schools that present serious health and safety threats. Many schools have leaky roofs, peeling paint, overcrowded classrooms, and inadequate heating and cooling systems that impede students' ability to learn. In spite of improved efficiencies, BIA's education repair needs are growing and now exceed $740 million. In 2000, the Administration is proposing a School Bonding Initiative that will provide $400 million in bonding issuance authority over two years. Tribal governments will be able to use this authority to issue bonds to investors who will receive tax credits for the life of the bond in lieu of interest. To help Tribes participate in this Initiative, $30 million is included in the BIA's 2000 budget request. The 2000 request also includes $75.9 million to replace Seba Dalkai School in Arizona and Fond Du Lac Ojibway School in Minnesota and to complete repair work at existing facilities.

An Executive Order on American Indian and Alaska Native Education sets forth six goals to improve academic performance and reduce the dropout rate for Indian students, including improved reading and mathematics, increased school completion, improved science education, and expanded use of education technology. The 2000 budget for School Operations includes an investment of $503.6 million in support of these goals, to cover increased costs for teachers, transportation of children to schools, and expanded operations to respond to a growing student population. The budget also provides a $7.1 million increase for operating grants to 28 tribally controlled community colleges. These colleges are a critical component of efforts to help Native Americans secure professional employment and promote entrepreneurship on reservations.

American Indians are victims of violent crimes at more than twice the rate of all U.S. residents, while tribal law enforcement receives only one-fourth the resources of comparable rural law enforcement agencies. In order to combat rising crime rates in Indian Country, a multi-year program was initiated in 1999, implementing a plan developed by Interior and the Department of Justice, in collaboration with tribal governments. The 1999 appropriation provided $20 million for BIA and $89 million in Justice grant funding to begin to improve tribal law enforcement programs. The 2000 budget includes $20 million increase for the second year of this initiative, which will allow BIA to increase the number of criminal investigators and uniformed police, upgrade radio systems, and strengthen detention center services. The Department of Justice is requesting $124.2 million in 2000 to strengthen law enforcement programs and direct funding to drug testing and treatment, juvenile justice, assistance to tribal courts, and detention center construction.

A close spiritual and cultural connection exists among the buffalo, American Indians, and the ecosystem of the plains. For thousands of years the buffalo took care of Indian people, providing warmth, food, and a way of life. Tribes are reestablishing herds of buffalo, and over the last ten years have created hundreds of jobs by raising buffalo. To strengthen tribal efforts to bring back the buffalo, a $1 million increase is requested in the 2000 budget to be used to support tribal buffalo programs, rangeland management, and related economic and development efforts.

TRIBAL TRUST MANAGEMENT IMPROVEMENT

One of the highest priorities of the Administration is to successfully resolve the Indian trust fund management problems that have accumulated over the last 70 years. I have committed to clean up this problem on my watch. Significant progress has already been achieved as the Office of the Special Trustee has initiated action to replace key systems for lease management, accounts receivable, land records, and trust resources management, and is installing an accounting system.

The 2000 budget requests $100 million to continue the implementation of trust management improvements, which will provide an increase of $50.5 million for trust reform activities. The budget includes $10 million for continued implementation of the Indian Land Consolidation Project, which will commence on three reservations in 1999. The 2000 budget increase of $5 million will allow the pilot program to be expanded to one more reservation in 2000. Beginning in 2000 we will make a significant change in the budgetary classification of tribal trust funds, approximately $2.1 billion of tribal trust funds will be reclassified as non-budgetary, similar to the classification of individual Indian money accounts.

CONCLUSION

I believe that the 2000 budget for the Department of the Interior sets a bold, new direction for the new millennium and the next 150 years of operation of this Department. I look forward to working with you on this budget and resolving the challenges that come our way throughout the year.

This concludes my statement. I will be happy to answer any questions you may have.

Senator GORTON. There is a vote on the floor of the Senate at 11:30, which is in effect the terminus of this hearing. As usual, with the large number of questions I have, I am going to defer my own until last. So for any other member who is still here, I am going to take the last part, so there should be some limitation.

I am going to recognize Senator Byrd first for questions. I know my three Republican colleagues who are here now, each of them has one kind of priority or another. You were here in the order of Campbell, Burns, Domenici, but if you want to settle among you any different order of being recognized, you can do that in the next couple of minutes.

With that, Senator Byrd.

Senator BYRD. Thank you, Mr. Chairman. I will operate on the 5 minute——

Senator GORTON. That is awfully restrictive. I just ask you to—ask the members to be reasonable.

Senator BYRD. Yes. OK. You are about the most sensible chairman I have seen around here in a long time. I find it kind of hard to confine myself to 5 minutes. [Laughter.]

That is no reflection on the other chairmen. They are fine, too.

CORRIDOR H

Mr. Secretary, you are one of my favorites, too.

Let us talk about Corridor H. Mr. Secretary, would you report on the status of the Keeper's response to West Virginia on determination of eligibility for Corridor H?

Secretary BABBITT. Senator, as the subcommittee may know, having been summoned to your office and horsewhipped in, I might say, appropriate fashion some months ago, I responded by making a trip to Charleston to meet with the Governor of West Virginia, summoned in the Keeper, and have paid close attention to this issue.

I think we are making progress. On April 16 the Park Service completed its evaluation of the two requests that were submitted back in March by the Federal Highway Administration. The Park Service completed its evaluation and at this time there are no requests for determinations of eligibility pending before the Keeper. We have that part of this problem, I believe, taken care of.

Senator BYRD. Let me compliment you on the attention that you have given to this matter and on the suggestions that you have made. I think you have been very helpful.

For this Corridor H package, did the Keeper withhold any final action pending receipt of additional information or overturn any of the eligibility determinations made by the State?

Secretary BABBITT. Senator, I believe of the 33 properties that were submitted, there were three where there was insufficient information. The Keeper, I think, on those has asked the Federal Highway Administration to provide the material. I think that no eligibility determinations were overturned, because one small boundary change and this remaining information, I believe, is the one additional thing that we need to dispense with. Actually, there are a couple of those.

KEEPER RESPONSIBILITIES

Senator BYRD. What additional responsibilities does the Office of the Keeper have with regard to completing Corridor H?

Secretary BABBITT. Well, first, the Keeper needs to complete the final action on those three properties once we get the information from the Federal Highway Administration. I believe the Highway Administration will also be submitting a request for determination of eligibility for the Coketon area, which the FHA, I think, has said they will submit in the next 2 weeks.

Once these evaluations are completed, the Keeper's role in Corridor H will terminate.

Senator BYRD. Once the State has submitted the additional material as requested by the Keeper for the three items included in the March 8 package, how long will it take the Keeper to rule on those three items?

Secretary BABBITT. Senator, the Keeper, under the regulations, is required to respond within 45 days from the date of receipt of that material by the Keeper.

In this case, I think the review period is going to be shorter, basically because the Keeper is essentially familiar with the properties in question. They have not yet seen the documentation for Coketon, and that will require perhaps a little more detailed review. But as a result of our little session some months ago, I believe that the Keeper understands that the deadlines will be met with no exceptions.

Senator BYRD. I remain unconvinced that the Keeper should have the power to overturn decisions of the State in determinations

of eligibility. If the State has an approved historic preservation program and the State historic preservation officer rules in agreement with the appropriate Federal agency that a particular property is or is not eligible for inclusion in the National Register, then the Keeper's review and ruling appear to be superfluous and wasteful.

It seems to me that this is another case where the Federal Government is abrogating State rights and responsibilities and bogging down the process in additional red tape and costing the taxpayers additional dollars.

Our discussions on this matter, Mr. Secretary, over the past several years have focused on the need for speeding up the process of making determinations of eligibility. I realize that the process is to a certain extent dictated by regulation and that to change regulations is a time consuming process itself.

In your reply of February 9 of this year to my letter of October 22 of last year you indicated an additional position would be delegated to making determinations of eligibility, for which I thank you, but that other ways of expediting the process were either not possible or practical.

Would you please provide for the record a table showing the number of determinations of eligibility that were made by the Keeper for each of the past 5 years, the number of determinations of eligibility that were eligible for an expedited review under current regulations, and the number of expedited reviews conducted by the Keeper?

Secretary BABBITT. Senator, I would be happy to do that.

[The information follows:]

DETERMINATIONS OF ELIGIBILITY BY THE NATIONAL REGISTER OF HISTORIC PLACES

DETERMINATIONS OF ELIGIBILITY

The National Register of Historic Places made determinations of eligibility on 1,013 properties during fiscal years 1994 through 1998 in response to requests from Federal agencies. This total is displayed by fiscal year as follows:

Fiscal year	*Determinations of eligibility*
1994	104
1995	89
1996	43
1997	164
1998	613

EXPEDITED REVIEW

National Park Service regulations (36 CFR 63.3) provide that when agencies and State Historic Preservation Officers "agree that the property is eligible for inclusion in the National Register," the Keeper of the National Register shall make determinations of eligibility within 10 working days of receipt of the request. All other properties are evaluated within 45 days of receiving adequate documentation.

The NPS cannot provide the total number of determinations of eligibility that were eligible for an expedited review, or the number of expedited reviews conducted during the last five years. The National Register Information System (NRIS) database cannot currently identify 10-working-day determinations of eligibility or properties that SHPOs and Federal agencies agree are eligible. In conjunction with work to update the NRIS and make it Y2K-compliant, however, the NPS will be able to report on these determinations in the future.

DETERMINATIONS OF ELIGIBILITY

Senator BYRD. Making accurate and efficient determinations of eligibility is absolutely critical to moving forward on many State and Federal projects, not just in West Virginia but all across our land, and yet it is clear from the budget justification for the National Park Service that making determinations of eligibility is not a priority of the National Register Program.

The listed priorities are, and I quote, "improving public access to the National Register, expanding and improving the data in the National Register database, and improving the archiving of records."

Given the ramifications and costs to the taxpayer associated with delays in eligibility determinations, why are these determinations not being given the highest priority of the National Register Program?

Secretary BABBITT. Senator, the National Register was set up in a rather complex and information intensive process. As these properties come up they are identified through the eligibility process. The most important part of this is the mandatory review period that applies to nominations and determination of eligibility.

I cannot change that. But I do believe that your question about resources is warranted and that we have learned from this process. I think it is important that we try to make certain that we are devoting the resources necessary to get this done. I cannot justify the delays that have occurred in the past.

Senator BYRD. Very well. Mr. Chairman, I have one more question, if I may proceed with that one.

Senator GORTON. Go ahead.

ROLE OF ADVISORY COUNCIL FOR HISTORIC PRESERVATION

Senator BYRD. Mr. Secretary, I understand that you also serve on the Advisory Council for Historic Preservation. The State of West Virginia has indicated recently its growing concerns with this council's impact rulings on Corridor H. What is your opinion as to the role of this council in completing Corridor H?

Secretary BABBITT. Senator, I think the bottom line is that the council does not have statutory authority to impact or delay projects. I acknowledge that litigants frequently use the council's opinions in litigation. That is a statutory reality.

I think the original purpose of this council was to try to facilitate, kind of move in and give technical assistance and facilitate. I am not sure that has always worked out that way. I would certainly be ready and willing to, on behalf of the Department, review any concerns that could be addressed either through regulation or statutory changes.

Senator BYRD. Very well. Thank you very much, Mr. Secretary. Thank you, Mr. Chairman.

Senator GORTON. Senator Campbell.

Senator CAMPBELL. Mr. Chairman, Senator Domenici has to—he has another very tight commitment.

Did you want to ask a question before I go on?

Senator DOMENICI. I would really ask if I could ask two questions. I have to preside at a committee hearing at 10:00 o'clock, and I will be a little late to that.

Senator GORTON. Fine, fine. Go ahead.

Senator DOMENICI. Thank you.

NEW MEXICO DROUGHT

Mr. Secretary, I am going to submit some questions to you with reference to the drought in the State of New Mexico, which will essentially be asking you if you can make sure there is a coordination of all of the Federal agencies, some under you, as to what might be done.

We are—we are clearly—I do not know if you know this, but we are destined this year to have the worst drought we have ever had. Our rivers are going to run dry, and a lot of things are going to happen that are very, very bad. I will ask you about that in detail.

But now I want to raise an issue that is related to the drought and share it with you with reference to the Endangered Species Law, and I think you are aware of this.

Mr. Secretary, New Mexico, like Arizona, is a very arid State. Folks here in the Beltway are primarily unaware of the critical needs for water out there in the West. We are very grateful that you come from out there and you know about these needs.

With the lack of snow pack and precipitation in New Mexico, we are going to have a drought. In fact, parts of the Rio Grande River which you are familiar with, which historically has gone dry at various times, may dry up as early as this week, believe it or not.

ENDANGERED SPECIES WATER NEEDS

The traditional stresses of water users are only made more difficult by litigation regarding the needs for the silver minnow endangered species. A recent notice of intent to sue by the Forest Guardians and others—that is an entity in New Mexico—threatened to force the release of stored water in any of Heron, El Vado, Abiquiu, and Cochiti Reservoirs to maintain—quote, "to maintain the riparian habitat necessarily for the survival," of the silver minnow and the willow flycatcher.

I am concerned about water necessary for the survival of New Mexico, our cities which use that water, our irrigators which have—as you know, under our water system, they have primacy as per the time they applied it to the ground, and they own much of that water.

In the lawsuit which sought to force immediate critical habitat designation, you, as the Secretary of Interior, in the lawsuit which I will make available to you, you argued that the Department did not have the data necessary to determine water amounts needed for the fish.

Fish and Wildlife Service Director Rappaport-Clark stated in an affidavit that: The Service must comply with NEPA requirements and perform an economical analysis of the impacts. The EIS would likely be needed which would require more time for the habitat designation. The Environmental—the ESA requires that the Service, when designating critical habitat, take into consideration the economic impacts of specifying any particular area as critical.

I wonder if you would share with the committee, as soon as you can, answers to the following questions, and if you could answer them right now, it would be very helpful.

Secretary BABBITT. I would be happy to. I would be happy to.

Senator DOMENICI. Without scientific data available for the minnow, water needs, nor reliable economic analysis, will not the Department need additional time to follow through and find out what the needs are? You have stated that in the lawsuit, but would you tell the committee if that is the case?

Secretary BABBITT. Well, Senator, if I may——

Senator DOMENICI. Please.

Secretary BABBITT [continuing]. I would like to step back and frame this issue and then specifically answer your question.

Senator DOMENICI. Sure.

Secretary BABBITT. Senator, I do not think it is any secret that we have not had much luck in our relationship in finding common ground in New Mexico.

Senator DOMENICI. No.

Secretary BABBITT. But this is another tough problem being served up, and let me just say that notwithstanding our failures in the past, I intend to do everything I can to see if we can work our way through this.

Now, let me say this also: I believe that our failure to work out a reasonable relationship is in some ways due to the underlying fact that in New Mexico, more than any other western State, including Alaska, Colorado, Montana and Washington, these issues are characterized by intransigence on both sides.

I have never worked in an environment in which the natural resource users have been so rigid and inflexible; and I would say exactly the same thing of the environmental groups. Now, it is in that context that we must deal with this problem.

MANDATED USE OF CRITICAL HABITAT DESIGNATION

I have voiced my concerns about the way that we are mandated to use the designation of critical habitat under the Endangered Species Act. It does not work. It does not produce good results. It should be modified, because the courts are driving us to front-end determinations which, more properly, should be incorporated in recovery plans at the back end when we, in fact, have the information.

Now, the courts have laid out a set of case decisions here that have put us in a straitjacket. They are not going to give us the kind of time we need because the act does not allow it. So that is just the bottom line.

Do we need more time? Yes. But the Endangered Species Act does not give it to us. The courts do not give it to us. We are going to proceed with declaring critical habitat. I would prefer not to. It is not productive. It is incendiary, and it will be in this case.

Now, finally, let me say, and then I will back off, that I believe that there are solutions available here. It is going to take some movement by those middle ground irrigation districts. They do not have a reputation for water use efficiency. There are many ways, I believe, that we could work something out. They have not shown

the flexibility that we have found in other places, like in Eastern Washington, in Colorado, and elsewhere.

The environmentalists may, in fact, be making—not "may, in fact," but are, in fact, making some unreasonable demands about their version of what the hydrology of the Rio Grande Valley ought to be like.

I would like to continue attempting the work. I have talked with the Bureau of Reclamation. I believe we have some water resources that are going to allow us to stagger through this season, with a little bit of flexibility.

Senator DOMENICI. Thank you very much.

I know I used a lot of the committee's time.

But I compliment you on your statement, and I—while I do not necessarily agree with your characterization of my fellow New Mexicans as being intransigent and the worst in America, as you have just phrased it, but—but I do believe that something is terribly bad in the way the courts are handling this situation because you have to close down a river to users without knowing what the habitat—what the water is needed for the—what water is needed for the endangered species.

It is an impossibility. Maybe we could fix that here. It probably would bring the world down on our necks, even if we tried to do what he suggested. But we ought to think about that.

WATER RIGHTS

Let me make sure that everybody understands the seriousness of this problem. I grew up within eight blocks of this river. For many years of my younger days, I used to walk to this river, and many times it was dry.

So for those who are used to rivers in your State or in Alaska that run all year long and were having arguments about salmon fish habitat, we do not have that. We have a river that, for much of the time, does not have any water in it.

On the other hand, we built storage places that make it better now. We do have more water, and we have a different water system than most of you. Our water system is based upon: The first one to use it and apply it to a beneficial use owns it, and they own it as of the date they did it. They are valuable; you can sell those rights.

Now, the problem we have is that the endangered species comes along with litigants who know how to use the courts, and they say, regardless of those water rights, you have to save the fish, the minnow.

Now, the minnows have survived, I believe, during eras that I have told you about. When there is no water running in the river, they have survived in some other place in the river where there is water.

Now what we have is a drought and rivers that do not always run wet, and we have at the worst possible time a lawsuit against him and his Department saying, "Create an endangered species, Mr. Judge," and now ordering them to try to get water out of the reclamation projects, even if they have to dump our lakes that are there for irrigation purposes and other things, to save the minnow.

Now, that is a very frustrating position for a State to be in, and for a Senator, when the Endangered Species Act is a national law. I do not know whether we want them to go to court and see if they really have water rights under the Endangered Species Law.

That is a nice question. Everybody has been kind of dancing around it, except for a couple of courts—you could guess where—from California, California Circuit. They have kind of ruled that they have water rights even though they are not part of New Mexico's water ambiance at all.

The Secretary is indicating that perhaps people have been intransigent regarding their water rights. I can tell you they may have been. But if you were under the gun all of the time about whether you are going to have enough water even though you own it, you would be kind of nervous about sharing it with anybody.

I think that is kind of what happened, and then put on the 800,000-population city which gets its water from an underground aquifer that is fed by this river, and they own a lot of water in order for their future, and you have a real tough situation. So I may need the Senators' assistance.

But I will tell you for now, Mr. Secretary, I hope you are not alluding, in terms of intransigence, to your and my difficulties earlier in your Secretarial term. They are there, and they are acknowledged, and they will kind of be wounds for a long time on both of us.

But this is a new ball game with a new problem, and I clearly intend to work with you if you will work with me to see if we can find a way to get through this on a temporary basis until we can fix it up in some permanent manner.

Thank you very much.

Senator STEVENS. Senator, would you yield just for 1 minute?

Senator DOMENICI. I am finished. Thank you.

Senator STEVENS. My friend, I think that is the most enlightened statement about the Endangered Species Act that I have heard from any administration official since that act was passed, and I was here when it passed. I am going to get a copy of that, and I do believe that we can work on that basis.

The one thing that I was going to say to the Senator from New Mexico, though, is if the collision is worse in his State than it is in mine, do you wear armor when you go into New Mexico? [Laughter.]

Senator DOMENICI. Well, that is why I think he is exaggerating. Your State is the bad State. [Laughter.]

Senator STEVENS. Would the Senator yield to me just—I have a committee to chair, too.

Mr. Secretary, just two short things. I do not want to take much time, because I have to go. And I know we are holding up the people who have been here before me.

NORTH STAR PROJECT

But the Fish and Wildlife Service has gone against the recommendations of the EPA, the Coast Guard, the Corps of Engineers, and the State and local governments on the North Star project, which was the one possibility of substantial employment in my State this summer.

I am sure we all know, because of the low oil price, our economy is screeching to a halt. I would urge you to see if there is any way that we can avoid the litigation that is obviously going to come if we cannot resolve this issue.

It has gone back to the Corps of Engineers now, as I understand it, to consider the objections of the Fish and Wildlife Service. To my knowledge, they are the only agency, State, Federal, or local, that objected to this project. It was substantially worked out with EPA and the Corps, but now the Fish and Wildlife Service has intervened.

I am not asking you for a commitment now. I am just asking you to review it and see if there is any way that it can be resolved.

NATIONAL PETROLEUM RESERVE OF ALASKA

My question is on the National Petroleum Reserve of Alaska. There are bids scheduled for May 5. We have an enormous merger coming now between BP and ARCO. It will be a subject for continual review by the Federal Trade Commission, and others, including our State. Other States are involved in it too.

I have looked into it now. The proponents of that merger are each bidding under conditions that have been approved by the FTC. They are not merged yet. But I hear that there may be, because of the merger, some inclination on the part of your Department to delay those bids. Now, this is another area of substantial interest to independent oil people in Alaska. The bid areas are close enough to the pipeline that transportation is available.

Is there any truth to the rumor that you might postpone the May 5 bid?

Secretary BABBITT. Senator, this is the first I have heard of it. And unless there are some facts that I do not know, the answer is it is going to happen on May 5.

Senator STEVENS. Good. Thank you very much.

Thank you, gentlemen.

Senator GORTON. Well, Senator Campbell, you have been very generous. But we are going to——

Senator CAMPBELL. Does that give me an extra 5 minutes?

Actually, I came in today for this hearing with the intention of being quiet, refined, and civil. And Senator Domenici started the momentum going. So the heck with it, I guess I will just have to pile on too. [Laughter.]

He brought up something dear to my heart, and that is what I think flies in the face of common sense. That is how we administer the Endangered Species Act. I listened to you very carefully, and I have to take at least some exception about the water people, and particularly ranchers, are somewhat intransigent.

I have to tell you that in my part of the county the San Juan National Forest is right next to where we live. There is a natural migration, as an example, back in that area of mountain lions. Ranchers worry about that a little bit. There have been some attacks on people jogging, as you know, in Colorado. Yet I do not know one single rancher that is really upset about the increase in mountain lions in our area. They just accept it.

Even though some of them lose sheep, they lose animals some times, they sort of accept that. But that is a natural migration. They are coming back in.

CANADIAN LYNX

Now, let me compare that to the relocation of the Canadian lynx that are being put in the San Juan National Forest. I do not know if you have been following the press, but I think there have been about 8 or 10 put in there now. Of that number, 5 have died. They have starved to death.

The Fish and Wildlife were told by ranchers that since these lynx live primarily on snowshoe hares—there are not very many of them down there. There are not very many of those kinds of rabbits. They have done autopsies on these cats, because they have collars on them, and they have found that they all starved. Only one of them caught a rabbit.

A couple of them had caught squirrels. And, in fact, one of them had gotten into it with a coyote and had part of the remains of a coyote inside of him.

To me, when you relocate animals by force it is a real mixed bag. I do not know what it is costing. I remember hearing that to relocate the wolves up in Senator Burns' country it was about $100,000 a wolf. So I would imagine the cats are costing about the same amount.

What kind of common sense is it to gather up these cats in Canada, put them in an area they are unfamiliar with and then watch them starve to death? In fact, even some of the environmental groups and the animal rights groups are calling it sentences of death to these cats.

I do not know where we are going with that. But when we did one hearing with the Forest Service, in committee, I asked them is it going to endanger any of our logging sales. And they told me 14 sales had been canceled since the introduction of these cats.

What we are obviously worried about is the cats are being put in there by force, relocating them. They are dying. Is there a chance of them then being put on the threatened or endangered list which would further endanger our sales of timber which results in less payments for the counties that need that money?

Could you reflect on these cats a little bit? Then we will talk about mice.

Secretary BABBITT. Senator, the lynx project is a project undertaken, to the best of my knowledge, in the exclusive control of the sovereign State of Colorado.

Senator CAMPBELL. Say that again.

Secretary BABBITT. It is a Colorado project.

Senator CAMPBELL. Yes. It is a Colorado project. But is it not being administered by the Fish and Wildlife?

Secretary BABBITT. They may be cooperating, but it is not our project and it is not mandated by Federal law.

PREBLE'S MEADOW JUMPING MOUSE

Senator CAMPBELL. I am getting some mail from the Town of Castle Rock, that it planned to build a new center for a police department, a commissioner's office, and so on. They tell us that they

cannot do it because since the Preble's meadow jumping mouse have been put on the threatened list on the front range, that it is just holding up literally any building.

Yet, to my knowledge, that was not put on with any scientific proof about how few there are. It was put on simply because they do not see them around much. Would you comment on that?

Secretary BABBITT. Sure. It was put on the list as a result of an adequate and thorough scientific effort. It was listed properly. I went out there and stood up with the Governor and said the Endangered Species Act is working. What the listing of this mouse is about is the destruction of riparian areas on the front range.

There is no need to develop on the front range by destroying wetlands. I believe that most people in Colorado and in the Denver area understand that.

This is not a moratorium on development or expansion. It is an application of the Endangered Species Act that I think is, first, scientifically valid; second, in the best interests of Colorado, its citizens, and its developers; and, third, that is and will continue to be acknowledged by most planners and developers on the front range.

Now, with respect to the Castle Rock issue, I believe that has been resolved. But it is a cautionary incident about the need to be careful about locating in wetlands. There are not that many wetlands on the high plains and the Colorado front. This listing affects, I would guess, a few percent of the land in the Denver area—in the front range at the very most.

Senator CAMPBELL. OK. I will not belabor that.

INDIAN TRUST FUND

In your presentation you mentioned the Indian Trust Fund appropriation of $50 million. The primary use of that money, is that going to be for staffing to try to straighten out those records?

Secretary BABBITT. It is going to be for compliance with court ordered discovery and production.

Senator CAMPBELL. I imagine compliance is going to mean that you are going to have to hire a bunch of people to be able to do the compliance. After you comply with it, what then happens? Do they remain as permanent employees or what?

Secretary BABBITT. Senator, the answer is I cannot tell you. But it does not necessarily follow.

Senator CAMPBELL. OK. Thank you.

ANIMAS-LA PLATA

Maybe the last comment too is on the Animas-LaPlata. We have talked about that over the years.

Could you tell the committee what the current status of negotiations are between the tribes and the Department on fulfilling what they call Animas-LaPlata, light, ultra light, extra light and all of those?

Secretary BABBITT. Senator, once again I take responsibility and paternity for ultra light. That was a proposal that I personally went out and made in response to the requests of the Colorado delegation that we try to work something out. We have laid a proposal on the table. I believe that for——

Senator CAMPBELL. Are you getting any closer to an agreement with the tribes and the water users?

Secretary BABBITT. The tribes, I believe, are quite affirmative. We have some remaining issues with the water users, and I believe that we are making some progress.

In the spirit of candor which is pervading this hearing, let me say this. I believe that those negotiations are flagging from time to time because of the perception by some parties that they can end run the process and go back to the old time proposal directly in the U.S. Congress.

Senator, if you were to go out there and say to them I want you to close on a mutually acceptable deal, it would get done as long as they think they still have a chance, the various groups. Mr. Chairman, you can see that I have been here 7 years and am a lame duck. I guess lame duckery tends to sort of inspire reckless candor. [Laughter.]

Senator CAMPBELL. Well, get that water project built and we will have a place for your retirement as a duck.

Secretary BABBITT. Senator, it will be built.

Senator CAMPBELL. Well, I do not want to take any more time, but I do want to tell you that I have told folks out there, including the water users, I am not going to have any more to do with it until they reach some kind of an agreement and they have it signed in iron clad terms with the Department and the administration.

Secretary BABBITT. Senator, if you do that I am confident that we can get a project.

Senator CAMPBELL. I have told them that.

Secretary BABBITT. OK.

Senator CAMPBELL. Thank you, Mr. Chairman.

Senator GORTON. Senator Burns.

Senator BURNS. Mr. Secretary, thanks for coming down this morning.

OTTER CREEK

I want to ask a question with regard to Otter Creek. Have you made a counter proposal to the State of Montana for the $10 million worth of coal?

Secretary BABBITT. I have spoken directly with the Governor and shown him a map and said I would be ready and willing to discuss alternative mineral right deals.

Senator BURNS. He has those proposals in his hand.

Secretary BABBITT. He has written me a letter saying that he does not want to negotiate.

Senator BURNS. Where do we go from here then?

Secretary BABBITT. Well, the law, as I read it, says that in 2001 if we have not reached a deal the default provision will be conveyance of the Otter Creek property.

We are opposed to that. I believe that the Otter Creek property is not a good site for mineral development. I stated that up front. It should be kept from coal production and put into other uses. We are opposed to giving that property. If we do not have an agreement by 2001, and Congress does not respond to our request to amend the law, there is a default provision.

Senator BURNS. What do you think it should be used for?

Secretary BABBITT. I believe that the Otter Creek area should—that the BLM property there should be administered, in consultation with the community, for multiple uses. The problem with coal mining is it is an exclusive use. The other multiple uses are gone once you start scraping up coal.

Senator BURNS. Do you look in the reclamation areas that are not too far from those leases? Are they back into multiple use now?

Secretary BABBITT. I have seen some very nice reclamation in Montana. There is no question about it. Up in the Powder River Basin and in those areas it is quite appropriate.

We have, in fact, offered Montana a variety of choices up in those areas, because coal mining is very appropriate.

Senator BURNS. This is compliant coal and sought after by the power companies throughout the United States so they can get in compliance with the Clean Air Act. With the ability to reclaim, and to even make the land more productive than before the mining took place, I fail to see the reasoning why you would just seal it off. Is there something else that we do not know about?

Secretary BABBITT. Senator, there are a variety of mineral leasing studies and land use plans. In all of those, the ones that have been done over the last 20 or 30 years, is one assumption.

That is that we should mine these coal resources in an orderly way across the landscape rather than hopping, skipping, and jumping across a lot of areas that have many other values. There is plenty of room on BLM land.

Senator BURNS. When was your last coal sale off of BLM?

Secretary BABBITT. I would have to look that up and get back to you.

Senator BURNS. I think it has been about 25 or 30 years.

Secretary BABBITT. I would be happy to get back to you. There is no lack of coal mining on BLM land. I will tell you that.

Senator BURNS. Well, we are looking at a way to fix this, because a little deal was struck with Congress and with this administration on that coal mine up there. Now we are finding that the administration wants to backpedal on the deal. I find that very hard to accept, even with your statement supporting multiple use, that the transfer has not been made.

Secretary BABBITT. Senator, we oppose the transfer. We will comply with the law and seek to change it.

OFF-STREAM STORAGE SITES

Senator BURNS. In light of the problems that they are having in New Mexico with the Endangered Species Act, and looking at the face of a drought, should we be about our way in developing new off-stream storage sites?

Secretary BABBITT. Senator, it entirely depends. I mean, that is what Animas-LaPlata is, and we are developing. But I would say that, west wide, what we should be doing is making more efficient use of the water as the first alternative.

Senator BURNS. You do not think we should be supplying any more diversions for storage?

Secretary BABBITT. That is not what I said. I said that we are working on the Animas-LaPlata Project. We have looked at a vari-

ety of projects in Montana in connection with the Rocky Boys water settlement and are prepared to do so. We have not ruled it out.

I do think, as Senator Gorton is aware, that there are some places in the west where dams should come down.

Senator BURNS. I am not talking about damming. I am talking about diversion for storage. Not damming any stream, not any live stream. In other words, if this water storage increases and enhances our in-stream flow and creates habitat and other wetlands, why are we not doing that?

Secretary BABBITT. Well, we are.

Senator BURNS. Where?

Secretary BABBITT. Animas-LaPlata.

Senator BURNS. One in the whole west?

Secretary BABBITT. Well, I would be happy to get you a list of all of the issues that we are looking at that relate to off-stream storage.

[The information follows:]

OFF-STREAM STORAGE

The Bureau of Reclamation has occasionally developed off-stream storage as a feature of its projects. Currently, Animas-La Plata is the only project for which Reclamation is actively planning an off-stream storage facility. In addition, the CALFED Bay-Delta Program, in which Reclamation is participating, is evaluating a number of potential off-stream storage sites.

GEORGE W. BEAVER

Senator BURNS. What did we do with George W. Beaver?

Secretary BABBITT. Well, I am afraid that I have never heard of George W. Beaver.

Senator BURNS. Well, the little beaver that chewed down your cherry trees.

Secretary BABBITT. The beaver who chewed down the cherry trees. Well, let me say Mrs. Chenoweth has filed a petition to list that beaver as a geographical sub-area. As you know, I give equal respect to all requests from all 535 members of the U.S. Congress.

So the answer is that a petition has been filed under the Endangered Species Act, and it will be accorded full and careful consideration.

Senator BURNS. Going on to some way to control the population, would you consider some wolves down there? [Laughter.]

Secretary BABBITT. The wolves, I must say, are doing terrific.

Senator BURNS. They really are. They are eating very well.

Secretary BABBITT. They are indeed. It is great.

Senator BURNS. Our cattle.

Secretary BABBITT. Elk.

Senator BURNS. That too. They are doing very well.

GRIZZLY BEAR REINTRODUCTION

Tell me about your plans for the reintroduction of the grizzly back into the Bitterroot-Selway.

Secretary BABBITT. Senator, the same answer as last year. I do not mean to be disrespectful, but we have discussed this before. There is a reintroduction plan, and the Fish and Wildlife Service proposes to go forward subject to the will of the U.S. Congress.

Senator BURNS. Without any——

Senator CAMPBELL. Will the Senator yield just for a moment?

Senator BURNS. Yes.

Senator CAMPBELL. Mr. Secretary, if you—maybe you do not have the answer to this, but if you reintroduce grizzlies into an area and somebody gets injured or killed by that grizzly is the Federal Government liable?

Secretary BABBITT. Well, it depends.

Senator BURNS. On what?

Secretary BABBITT. The laws of negligence and the laws which imply a duty of reasonable care in administering——

Senator CAMPBELL. If a person is just out there walking around and a grizzly attacked him and hurt him, then the Government could be liable. But if the person was aggravating the bear, then maybe you couldn't. Is that kind of——

Secretary BABBITT. Well, that is kind of the question that I pose to my son over the dinner table as he heads off to law school. That is what the legal profession prospers on—posing those kinds of questions to judges.

Senator BURNS. Who recommended that profession to that young man? [Laughter.]

Senator CAMPBELL. Thank you, Mr. Secretary.

Secretary BABBITT. I know I have failed in my responsibility as a father.

Senator BURNS. Well, I think there could be some negligent abuse here.

Secretary BABBITT. Senator, I do not——

Senator BURNS. But the reintroduction of the bear though finds very little local support up there. I know we have gone through some of these hearings. If I thought it was good for the bear then that would be fine. But I am not really sure it is good for either the bear or the people that live there.

I want to go back—we have more mountain lions than we have ever had. We have more predators now, Mr. Secretary. When you can take pictures in an ordinary little homegrown video camera of wolves packing off your calves and your sheep, and they lay out there on that little flat across the creek from a guy's cabin and lambing barn just waiting for another calf to drop, I do not know how we deal with this.

I do not know how we deal with this, but it has a profound effect on how we make a living in that particular area of my State. I find nobody that is very sensitive to that. I guess I am just making an appeal that we cannot end up—like, when I first went to Montana and went through Yellowstone Park. There were a lot of bears that stood alongside the road, and a gathering of cars, they would take pictures. They would toss the bear a hamburger.

Today there aren't as many bear jams. But I do not want to end up being that bear, waiting for some person to drive along and throw me a hamburger every now and again.

We have got to have some way to make a living. I do not find understanding of that fact prevalent in the Department right now. This delay on the coal is a cumulative thing, let us put it that way, that makes us very nervous. For your salute out there we may provide it. Who knows. But I want somebody in the Department, in your Department, to become sensitive to the people who live there.

ROCK CREEK PARKWAY TELECOMMUNICATIONS TOWER

Now, you have denied a placement of a tower for telephone, cell phones, on Rock Creek Parkway. Is that true?

Secretary BABBITT. It is my understanding that the National Capital Planning Commission denied that license.

Senator BURNS. Well, but you had a—you played a role in that.

Secretary BABBITT. Senator, I must, in all seriousness——

Senator BURNS. Well, not you personally but your Department.

Secretary BABBITT. Let me finish, because this town is a pretty contentious, suspicious place these days.

I have, after much deliberation and consultation with my solicitor, recused myself from any consideration of cell phone towers on public lands of any kind. I respectfully decline to discuss that in any way.

Senator BURNS. Well, I just want to——

Secretary BABBITT. I will refer you to somebody in the Department who can.

Senator BURNS. OK. We are going to pass an enhanced 911 bill this year which allows those folks making emergency calls, 911 calls from cell phones, to be automatically located. I am wondering if the people understand what they have done when you deny a tower site when it comes to public safety and under those kinds of conditions.

So it is just not in the west. It is also here in Washington, D.C. I want to make that very clear that we think that public safety and emergency tools for the American people, if it is available, is very, very important. That tower would be a part of that grid that locates 911 calls, emergency calls.

So we will keep taking care of those wolves as we best know how, but I would like to see a little more sensitivity out of the Department of Interior to people, and because I do not have very many wolves that vote.

Thank you, Mr. Chairman.

Senator GORTON. Senator Cochran.

COMMENDATION TO PARK SERVICE EMPLOYEES

Senator COCHRAN. Mr. Chairman. Mr. Secretary, one of the things that I enjoy doing very much when I am out driving around my State or in other States is stopping at National Park Service facilities and looking at the exhibits and listening to the Park Service officers talking about the historical significance of the place, whatever it is, whether it is a Civil War battle site or George Washington's home place in Virginia. I must say that I think that we owe words of commendation to those who make those facilities a pleasure to visit through their patience and their thoughtful treatment of visitors.

My experience—and they did not know I was a U.S. Senator—I try not to let them know that while I listen and ask questions along with the others who are there. I have really been impressed, and maybe in recent years more so than in the past, with the quality of the people and their dedication and their hard work who I encounter in these stops at these sites.

I pass that on. I know you do this sort of thing all of the time, but they know who you are and they are very nice to you. They don't have any idea who I am. Occasionally I will sign the book, but I try to do it as I am leaving so I am gone by the time they say my gosh, that was a U.S. Senator.

In my home State, for example, you have got some really outstanding leadership at the Vicksburg National Military Park. Terry Winchel is the historian, and he does a wonderful job on tours and just in making sure people appreciate the history that surrounds the Vicksburg National Military Park. The park superintendent, Bill Nichols, also comes to mind.

Recently, I had an opportunity to be in Vicksburg for the rededication of monuments to two of the founding commissioners of that national military park, one of whom was a former Confederate general, Steven D. Lee, from Columbus, MS; the other Gen. William Rigby, a Union general who shared the responsibility for administering that park for its first 30 years of its existence.

But the whole point is, both of these Park Service officials gave talks at the ceremonies and they were very impressive. Everyone who attended enjoyed this event very, very much. I did not make a speech, but I listened. So I pass on those words of commendation to those individuals. There are many others I could single out.

NATCHEZ TRACE PARKWAY MAINTENANCE

We also have resources under the jurisdiction of the National Park Service in our State that need more attention in terms of maintenance and upkeep, I know this is true all over the country. But I worry about the deteriorating condition of the Natchez Trace Parkway, for example.

I am told that it takes resurfacing about every 20 years of a parkway such as the Natchez Trace Parkway to maintain it in a safe and sound condition, and that during the last 20 years only 41 miles of the parkway in our State have been resurfaced.

This parkway is almost 500 miles along. Of course, it goes through Alabama and Tennessee as well as Mississippi. I wonder if you could inquire of the Park Service people or your budget officer whether or not you have requested in this budget any funds for resurfacing and maintenance of the Natchez Trace Parkway and whether or not that will be enough to maintain that parkway in a safe condition for those who are traveling it.

Secretary BABBITT. Senator, I think you are going to see some considerable progress there. The reason is that in the Schuster Transportation bill last year we got a—with the help of Senator Thomas and others of you, we got a significant bump up for road maintenance for the National Park System. That is really where we have to look. It is not in this budget but in the Transportation budget. I think we got an extra $60 million.

I cannot promise all of it for the Natchez Trace, but I hear you and I think we will have some coming.

Senator COCHRAN. I am aware that in the TEA–21 bill there is an increase in funding for what is called Federal Lands Highway Programs and you do have access to those new funds. I hope you will undertake to allocate whatever is needed to the Natchez Trace Parkway.

I am sure others will compete for those funds too. You are going to have to set up priorities. I just hope you will take a careful look at the past neglect of resurfacing at the Natchez Trace Parkway and take that into account as you assign priorities.

LOWER MISSISSIPPI RIVER 10-YEAR PLAN

There is one other concern that I want to raise, and that is something called the U.S. Fish and Wildlife Service's 10-year plan for the lower Mississippi River. One thing that I want to ask is whether or not there is such a plan and what does it entail?

It would be good if we could include in the record—and I know you do not have all of this in front of you right now—some explanation of this 10-year plan for the lower Mississippi River. There are some, particularly those who live alongside the river, who are worried about what new Federal regulations may be imposed on them and the lands that they own all of a sudden without much notice or opportunity to discuss or hear about these plans.

One other question that I would like to have answered for the record is whether any additional legal authorization is planned to be requested of the Congress, or does authorization exist already for the Fish and Wildlife Service to develop a plan that would restrict the use of lands along the Mississippi River?

If so, to what extent can we expect a plan to provide new regulations? What funding will be needed to carry out this plan? These are questions that I hope can be answered for the record.

Secretary BABBITT. Senator, I would be happy to provide detail. Just a very brief rejoinder. But to the extent that there is a 10-year plan, it would have to be carried out within the existing organic laws of the Fish and Wildlife Service.

So I do not anticipate as a general matter that there would be any land use restrictions unless they were specific applications of the Endangered Species Act or something else.

With regard to the lower Mississippi River, let me just phase out of this by saying I believe the day is coming for an urgent look by the U.S. Congress at the lower Mississippi River. The delta and the wetlands in Louisiana are simply disappearing. The legislation that has been passed and the funding that is available has really been just kind of Band-Aids.

Obviously those issues relate to the management and operation of the river all of the way up through Mississippi as well.

[The information follows:]

LOWER MISSISSIPPI RIVER 10-YEAR PLAN

A 10-Year Plan for the Lower Mississippi River was developed by the U.S. Fish and Wildlife's Lower Mississippi River ecosystem team to identify a course of action for the U.S. Fish and Wildlife Service's efforts for conserving and managing what is considered the Nation's largest wetland ecosystem. The Plan will allow the Service to integrate diverse program activities on an ecosystem basis and thus more effectively identify actions needed to address the decline of critical fish and wildlife resources, including the restoration of federal trust species, in the Lower Mississippi River basin. The planned actions will: (1) protect and manage National Wildlife Refuge units and National Fish Hatchery units; (2) maintain viable populations of native fish and wildlife species; (3) provide for migratory bird habitat; (4) accelerate coastal habitat conservation and restoration; (5) restore and manage floodplain fisheries; and (6) increase public awareness and outreach.

The Plan does not call for additional federal regulations to be placed upon the users of the River or those who live within its basin. No new legal authorization

is required to fully implement the Plan. Current legislative authorities for the Service identifies responsibilities for the protection and conservation of fish and wildlife resources.

The Service has already achieved significant accomplishments in the restoration of fish and wildlife resources in the Lower Mississippi River Valley. In fiscal year 1999, restoration and enhancement efforts included the rehabilitation of: 4,550 acres of moist soil habitat, 3,960 acres of wading/shorebird habitat, 36,700 acres of fall/winter water on agricultural lands, 5,000 acres of forested habitat, 4,150 acres of marsh, and 125 acres of native grassland. Over 50 agreements with Government and nongovernment partners were initiated. Working with the Agriculture Department's Natural Resource Conservation Service over 12,000 acres of bottomland hardwoods were planted and Service personnel assisted with conservation planning for over 30,000 acres in the Wetlands Reserve Program. Over 40,000 paddlefish were tagged and released in the Lower Mississippi River. Efforts were initiated to restore riparian/wildlife corridors and nonpoint source pollution reduction projects on major Lower Mississippi River tributaries. The Lower Mississippi Valley Joint Venture of the North American Waterfowl Management Plan and the Lower Mississippi River Conservation Committee continue to work with the U.S. Army Corps of Engineers to cooperatively utilize Geographic Information System technology to cost effectively develop and implement natural resource planning efforts.

Senator COCHRAN. Let me say that in the case of Louisiana, most of that is marshland. That has been a big problem for a long time and continues to be probably the most significant wetlands loss problem in the country.

I am going over after I leave here to make some remarks at something called Earth Day celebration on the Mall and talk about what is being done in agriculture to try to ensure that agriculture practices are compatible with our environmental concerns.

I plan to point out that my State of Mississippi has made the most significant strides in restoring wildlife habitat and wetlands by using the Wetlands Reserve Program and other programs such as the Wildlife Habitat Incentives Program. We are very anxious to do more to help ensure that we protect wetlands in our State.

We are doing that voluntarily, so I do not know what this Mississippi River plan is going to do to try to improve upon the progress that is already being made. I hope we do not have somebody come in and try to reinvent our efforts and change it in a way that will make it worse rather than better. We are making a lot of good progress.

Secretary BABBITT. Senator, I will respond to you. Let me just say that I acknowledge your efforts and there are a lot of people who are very grateful for your efforts on these river and wetland issues, your leadership in the North American issues and the council, and the use of the agricultural programs.

I think it is really working and that we are really improving enormously the habitat availability in the lower Mississippi River Valley. It is very impressive.

Senator COCHRAN. Thank you, Mr. Secretary.

Senator GORTON. You created a great deal of interest in members of the committee in your response to Senator Domenici in what you would like to do and the way in which you thought the Endangered Species Act ought to be administered and what you felt the courts would require you to do. As a matter of fact, I have never seen quite that degree of attention to one of your comments on the part of Senator Stevens.

KEMPTHORNE BILL

Were the changes that you spoke to as being desirable included in last year's Kempthorne bill?

Secretary BABBITT. Senator, they were not.

Senator GORTON. Are they simply ideas of your own or are they incorporated in or are they likely to be incorporated in any formal recommendation you or the administration makes to the Congress?

Secretary BABBITT. Senator, I have no intention of making any recommendations to Congress. We labored long and hard. I personally put in, I would say, a couple of hundred hours in leading and working in drafting sessions on the Kempthorne bill.

There was an enormous disappointment because the leadership of the Senate said no way is this bill coming to the floor. In the absence of a leadership commitment, there is no way that we can ever make any progress on this. I say that regretfully because we made an enormous effort and it is just not going to happen.

Senator GORTON. Let me just follow up on that. Now, you said the specific proposal you made was not a part of the Kempthorne bill.

Secretary BABBITT. That is correct.

Senator GORTON. Was the Kempthorne bill something of which you approved?

Secretary BABBITT. Yes.

Senator GORTON. Well, I think you have given me excellent answers on that question. I do not know whether we could get such a commitment this time around. It is my own view that his frustration over all of the more hours than you put into it is the primary reason that Senator Kempthorne is our Governor. But many of us would like to make progress in that connection.

BUDGET PRIORITIES

You spoke to three subjects in your opening statement, Mr. Secretary. First, the personnel and the general administration of the Park Service. You did that before Senator Cochran was here. But I think that his tribute to many of the people who work for you, under the circumstances you described, is particularly noteworthy. It is a matter greatly to your credit that that kind of reaction is as broad and general as it is given those circumstances.

The second subject to which you spoke, of course, was a Land's Legacy, the wide range of bills. The third was the necessity to do something with respect to the trusteeship relation with the Indians and the various trust properties.

In that connection, the Land's Legacy and the earmarking of certain funds outside of the control of this subcommittee is a matter for a different committee than this one.

I did attend the committee hearing on those matters, and I must say, as much as I favor many of the ideas contained in them, I was rather frustrated by Members of Congress, and for that matter the administration, who say by golly, we are not going to break the caps.

We are going to save Social Security first and we are going to spend a billion a year on these various matters that can only come out of the Social Security trust fund, unless we pass new taxes or

other policy changes, the possibility of which seems to me to be somewhere between remote and none.

So I come back to the very point that Senator Byrd made. When we start through this whole process we are not going to have anything like the amount of dollars that he and I would like for many of your very legitimate policy recommendations. We are going to have to try to set up priorities.

I agree with you with respect to the Indian Trust. I hope there is a way for us to find money to get that job accomplished, because it is one that has a beginning, a middle, and an end, and is not a permanent increase, one hopes, when we solve the problem.

But I guess the dilemma that I am going to face with Senator Byrd and with everyone else is, if we do not have enough money, is the most important aspect of our job to keep going what you have, to try to see to it that we are managing the properties, especially in the National Park Service but also in your other areas of responsibility, in a way that brings the kind of credit and compliments that Senator Cochran set out even at the expense of many of the acquisitions and many of the new programs that not only you but most of us would like to engage in or to finance?

Secretary BABBITT. Senator, three thoughts. I do not propose or advocate that we can fund the Lands Legacy program by offsets from the Interior budget for the reasons I have explained.

Senator GORTON. Right.

PROBLEM WITH OFFSETS

Secretary BABBITT. We have had a strong working relationship over all of these years and we have affected a lot of important savings in our budget. But we have got this personnel wall and I am not prepared to support offsets that result in personnel cuts.

As I look at the programs in that other remaining piece, I cannot do that either. We cannot cut science programs. We cannot start scaling back on construction and maintenance, which is another small portion of it. So the answer is there is no solution there.

The Indian Trust Fund issue has to be done. I cannot offer any offsets for that. I simply cannot. Now, in previous years I think we have kind of dissolved this hearing by mutual pledges to keep looking. Of course, I offer that. I must say that the cupboard is, in year 7 of my tenure, really bare in terms of offsets.

Senator GORTON. Well, I believe it is myself. That was the reason for my question. I guess I find the chairmanship of this subcommittee to have been a great pleasure when I was able to grant a large number of specific program requests from almost every colleague I have, all 99 of them.

But it looks to me this year that I may have to be the Grinch if we are going to keep you operating in the way you are. I do not think you are going to find us trying to find a lot of this money out of further elements and your administration of the lands for which you are already responsible.

But, inevitably that means, and especially if we try to find the $50 million for the Indians in this fashion, we are going to have an extremely tight budget on everything else. I take your answer to be that first things first, and first things are what we are doing now.

Secretary BABBITT. Senator, I understand. I do not want to step above my pay grade, but the Lands Legacy Program is in the context of an administration budget which I believe makes sense. Now I recognize the Kosovo issue. But let me just say now that we have reached a balance in the larger sense, in budget accounts, I feel quite strongly that there ought to be room for this Lands Legacy Program. There is, in fact, an enormous amount of member interest which is reflected in a whole variety of bills which have been filed. I recognize your dilemma as subcommittee members, but I do think that the debate must and should go beyond the confines of the traditional process.

Senator GORTON. Yes. So I guess it is your view, as it is mine, that if we are going to engage in these ambitious new programs there must be another source of money for them, not the traditional discretionary appropriations from this committee out of which you have run your general operations.

Secretary BABBITT. Well, that, in my opinion, should not entirely discount the process of such a distinguished subcommittee chairman and ranking minority member carving out a larger 603–B allocation.

Senator GORTON. No. It certainly will not. We will do the best we possibly can.

RECREATION FEE DEMONSTRATION PROGRAM

A few questions on the Recreation Fee Demonstration Program. The Park Service especially, within the Department, has had some criticism for not making Fee Demonstration funds available for actual projects in a timely manner. Is this a legitimate criticism? If so, why and what is being done?

Secretary BABBITT. Senator, I have heard some of that. Knowing the way we operate, I suspect that there is probably some truth to that.

I guess what I should say is I will be happy to look into it. I do not have a better answer at this point.

[The information follows:]

RECREATION FEE DEMONSTRATION PROGRAM

TIMELINESS OF APPROVING PROJECTS FUNDED WITH RECREATION DEMONSTRATION FEE RECEIPTS

Department of the Interior position: In actuality, approval of the projects funded through Recreation Demonstration Fees has been as timely as possible given the fact that the program is new. Agencies have needed time to develop expenditure-approval procedures and set up accounting systems to manage the funds. In the two full fiscal years the program has been in operation (1997 and 1998), the three participating Interior agencies have collected over $189 million in Recreation Fee receipts. It takes time to plan and implement expenditure projects. Some of the smaller units are saving their fees until they have enough for sizable projects. Nevertheless, the Agencies are improving the rate of project accomplishment.

The Department is working with the Interior agencies to ensure accountability by instituting procedures for management of the fee demonstration receipts, including procedures governing the approval, expenditure, and reporting on the projects. The Department and the agencies are working to streamline the approval process.

PROGRAM COORDINATION AMONG THE FOUR AGENCIES

Department of the Interior position: It is true that the GAO's evaluation of the fee demo program concluded that there is a need for greater coordination among the four agencies involved. The Department plans to review Recreation Fee Demonstra-

tion sites for ensuring coordination wherever feasible and appropriate. Agency fee managers are meeting on a regular basis to discuss plans, problems, and solutions related to greater coordination of the program. On January 6, 1999, the Assistant Secretary for Policy, Management and Budget proposed an internal review of all fee demonstration sites throughout the Department to determine where coordinating and consolidating fees is feasible and appropriate.

GAO REPORT

Senator GORTON. A related question, of course, is that there are—the GAO report said that there is a lack of coordination among the four agencies that are involved, which leads to a certain degree of inefficiency. Have you examined that element of the GAO's concern?

Secretary BABBITT. I have, and I think there are some unresolved issues there. The place where we are seeing that most is with the Golden Eagle Pass.

The National Park Foundation has come in, just as an example on this coordination, with a study which suggests that if the Park Service were to sell a park system pass we could get tens of millions of dollars every year in purchases which were not made for economic reasons, but were made for saying I am a supporter of the National Park Service. There would be enormous sort of pizazz for that kind of card.

It runs into conflict with the arrangements for the Golden Eagle Pass, which is a system-wide one which will never have the same cache, if you will. It just is not, because it is a public lands pass that does not carry that. I would like to get that sorted out.

The other issue I think that comes up is, to the extent that we start wrapping too much into a pass and making it too broad, I think we provoke some resistance, understandable out west particularly, from people who say with this project we were not indicating our support for fees to go on public lands.

I think we ought to be real careful to stay away from that, because I understand that and I agree that we should not get into this fee for access syndrome.

Those are kind of the cross-currents that I do not have an answer to. I would like to get the Park Service one worked out. I think there is a lot of money there.

Senator GORTON. Is there legislation for the program for——

Secretary BABBITT. Yes. There is legislation. I think it is at OMB right now, which means it will appear sometime in the coming century. But, seriously, I believe that there will be legislation out in the light of day during this calendar year.

Senator, let me say that John has just told me the Park Service, anticipating your earlier question, has approved $199 million in projects which covers fees collected through the first couple of months of this year. They have apparently heard your question.

Senator GORTON. I believe there is also something in the GAO report about whether or not we should earmark as high a percentage of those fees for the park in which they are collected. On the other hand, it has always seemed to me that that was one of the reasons that it has the degree of public acceptability that it did. Do you have any comment?

Secretary BABBITT. Senator, I would back away from that figure very reluctantly for the public acceptability reason and the bureaucratic acceptance of the program.

We have learned in the past that if there is not a direct incentive in a park for people to collect fees, all of a sudden they do not get collected. People are shortening the hours, and you have more and more of those times when a sign says go through. So I would be cautious about changing it.

AUTOMATED LAND AND MINERAL RECORD SYSTEM

Senator GORTON. A completely different subject. Recently, GAO testified that the Bureau of Land Management had spent some $411 million on an automated land and mineral record system over the course of the last 15 years, but that the software component of it, $67 million, has serious problems or is a complete failure. Can anything be salvaged? What are we going to do?

Secretary BABBITT. Senator, the $67 million is gone. It has been discarded. It has no value.

I made a mistake when I came here. The ALMRS Program was either 2 or 3 years underway, and I briefly considered scrapping it. It was a big mistake not to have done it.

Now, what is the lesson? The lesson is that we have gone through a period in which modernizing systems was being done by reference to 1960s information processing and software companies who were still peddling the old 1960s giant centralized CPU-driven systems. I regret that I did not step up to that and scrap it.

Now, the remaining $400 million, $350 million or whatever it is, is usable and useful. It is not going to meet the original thing, but it consists of records which in fact are being converted and which are in fact in data processing systems which can be used.

There is an important lesson here, and I think OMB deserves recognition. They have caught onto this and they have started to get onto the agencies. The answer is no big central, expensive systems. They are obsolete, and people are still peddling them.

Now, if I may anticipate your next question, are we coming up on another one of these with the Indian Trust records? The answer is an adamant no. After a lot of pushing and shoving we have firmly established that the so-called TAAMS system is an off-the-shelf deal. It is totally decentralized, and I am absolutely confident it is going to work.

Now, why is that? Because we went out to the oil industry and bought an oil industry package that these guys use for essentially all of the same kinds of stuff. It can be put up in modules. It can be operated independently. It can be hooked up. But there is no grand design, and I think that is the lesson.

Senator GORTON. I hope that lesson is institutionalized in the Department in a way that it will survive your lame duckery. If you are able to accomplish that goal, you will have made a major contribution.

INDIAN GAMING

There has been an on-going war, obviously, over Indian gaming operations and compacts. You very promptly used the fact that Congress did not totally pass a supplemental appropriations bill by

March 31 to issue final regulations on the subject. On the assumption that that supplemental appropriations bill passes and is signed by the President some time in the next month with that provision included in it, what will your response be?

Secretary BABBITT. You are referring to the moratorium provision.

Senator GORTON. Yes.

Secretary BABBITT. Senator, I do not think it is a good idea. I think it is a mistake by all of the various stakeholders to be advocating these kinds of moratoriums. It does not serve anybody's interest. Now, let me explain why.

The reason we put those regulations out and did it so quickly and affirmatively is we have got to get this issue into the courts in the most orderly, concise way we can, because we do not have a majority in favor of anything in the Congress. The next best thing is to get it into the courts and see if they will give us some direction rather than just telling us that it is inappropriate.

Now, in the course of structuring that litigation, it will be up to the Justice Department to decide whether or not to stay pending applications' consent to a kind of injunctive relief. Let me just say that we have no intention of rushing into the application of these regulations.

I much prefer to say to this committee and to the Congress let us just try to stay together, expedite the litigation, use ADR to the extent we can, keep talking, and we will keep you apprised. A moratorium drags us back into this adversary relationship. It may or may not be necessary. It puts me back into the advocates box. You put up a moratorium and I am, I think, properly and inevitably driven into an adversary position. I do not want to be there.

Senator GORTON. You have answered my second and most important question. It is not your view then that you want to create an irrevocable situation on the ground before our court has made a decision.

Secretary BABBITT. That is correct.

BIOLOGICAL RESOURCES DIVISION IN USGS

Senator GORTON. At this point in time do you consider the creation of the Biological Resources Division in USGS a success?

Secretary BABBITT. Senator, I absolutely do, and I am most grateful for your assistance in getting it.

Senator GORTON. What role do you play in coordinating its activities with those of the land management agencies?

Secretary BABBITT. Well, I try to stay out of it. We formed, a couple of years ago, a science council inside the Department where the land management agencies and the GS meet about four times a year to try to get some togetherness going and to try to figure out ways to draw the line between basic wide-ranging science and site specific applied science. For example, if the North Rim Trail in the Grand Canyon has been washed out and is a pile of rubble, and we have some indication that was due to the fact that it was not located in the right place, it was on a fault line or whatever, before we reconstruct the trail we would like to get a geologist out there.

They ought to have a geologist to do that in a big park. A BRD should not be doing that, that kind of micro although very important science.

What we try to do is sort those things out and set up a kind of system to start moving priorities out at a BRD that have a lot of input from land management agencies.

Senator GORTON. Last week we had the Forest Service and the Department of Agriculture in front of us, Mr. Secretary. I went after them on something that I think is really more your responsibility.

CROWN JEWEL MINE APPLICATION REJECTION

It is my view that your solicitor's opinion which resulted in a rejection of the Crown Jewel application, whatever the court may ultimately say as to its legality, is clearly not the way in which a Government ought to treat its citizens.

When a company or a group of companies has spent at least half a dozen years, maybe 8, and $80 million, has gone through a record of decision, has had the record of decision upheld by the courts, has dozens—I cannot remember the number right now—of permits granted, and literally is told to come in and pick up its permit and then the next morning is told it is not there because we have changed the rules, I think personally that we reach an ethical or a moral position that just is not the way that any person or any government ought to treat its citizens after that kind of investment. I would like your comments on that.

You know, you reverse your manuals, you reverse the rules, you reverse what has gone on, Lord knows, I suppose for this entire century more or less, after the fact.

Is there not quite a distinction between saying well, in the future as people start down this road here are going to bend the rules—but to apply it in that fashion and in a fashion which I understand has caused the stock value of a wide range of other companies engaged in mining on public lands to have collapsed considerably. It seems to me it would be a terrible way to use the powers of Government.

Secretary BABBITT. Senator, I appreciate your concerns. This is an issue which is in the courts all of the time. Does a ruling have retroactive or prospective application? What about the transition cases?

No. 1, the existence of this issue has been no secret. It has been widely known in the industry. Permits have been granted in the past, not because there was a policy, but because nobody was paying any attention. I mean, it was kind of a failure to enforce the law, not a reinterpretation of the law.

I guess I would counsel the company to look at the functioning of its lawyers and consider to what extent they had notice and should have notice, because the law, I think, is quite clear.

The opinion has been out there for 18 months. But I understand it was perceived as a change. I would suggest it was not a change, but it did say, for the land management agencies, you have got to quit ignoring this law.

Now, last, there are other tracks that this company can take. They can apply for a site lease under FLPMA. In the past, a num-

ber of companies have used land exchanges. That is a little more cumbersome. You don't get a title that way. But they can apply for a FLPMA land lease.

Senator GORTON. A few minutes ago, Mr. Secretary, I leaned over to Senator Byrd and said one of the refreshing elements of having you in front of us against what we just had a week ago is that when you are asked a question we get an answer, whether we like it or not. Senator Byrd walked out of the hearing last week because he was not getting answers.

I must say, you are pushing me pretty close to the edge on that one. I think that is a highly bureaucratic answer and that it does not change my view that this was an extraordinary unfairness. I have no way of predicting how the litigation will come out on this.

I do not believe the alternative you set up to me is a practical alternative in the real world. I would just have to say it will, I suppose, ultimately be decided in the courts. But that really is not the way people ought to be treated by their Government.

DAMS

Where are we with respect to dams? We had an opportunity, you and I, last year when, reflecting back on it, a lot more money was going to be available than there is in this appropriations bill to make dramatic moves with respect to the Elwha in exchange for some significant protections for dams on the Columbia and Snake Rivers that ultimately floundered not over what I understood your view to be with respect to Federal dams but with respect to nonfederal dams that are far more important to the economy of the Pacific Northwest than even the four dams on the Snake are.

Are we going to be able to reach any agreement that will allow us to go forward on the Elwha, even at a somewhat slower speed than we would have had when we started last year, and provide a degree of protection and public consent with respect to major decisions on the Columbia and Snake Rivers, or are we going to continue with an administration position that will allow no conditions other than those which actually state present law?

Secretary BABBITT. Senator, I have given this a lot of thought since we had those conversations last year, and I am not prepared to support or advocate a linkage. I have gone to school on this issue a little bit.

Just as one example, the FERC licensing of dams is derivative from a huge debate in earlier years in this U.S. Congress in which Theodore Roosevelt himself laid out the case for the Federal licensing and periodic relicensing of dams. It has worked well. I just think it is inappropriate to freeze a system that is working over apprehensions that I think are entirely unjustified.

Now, another event that I think has crystallized my thinking in the last year is the emerging agreement over the Condit Dam on the White Salmon River in your part of the country. We are about ready to sign off on an agreement that is acceptable to all of the parties. In the context of this history, I just do not see the need for this and I would oppose it.

Senator GORTON. That Condit Dam remark, of course, is exactly what we want in connection with anything else that we do, something that is reasonably acceptable to all parties. Of course, it is

exactly what many of our public utility districts and other public entities fear is not going to be available to them. The simple oral assurance that nothing is going to happen is insufficient for them or for me.

Secretary BABBITT. I understand, and I think we have a flat out difference of opinion. It can be argued both ways, but I believe that history and reality argue for using the existing system and that it has never led to an inappropriate result, and I do not think it is going to.

SALMON RECOVERY

Senator GORTON. Finally, none of the $100 million allocated for coastal salmon recovery in the Northwest is recommended by the administration for the Interior budget, though last year the $20 million that was appropriated for that purpose did come from the Interior budget, and there may very well be some more this year. Do you have any suggestions as we go through this process for ensuring that this money gets to the ground to local conservation groups and is used efficiently?

Secretary BABBITT. Senator, two or three thoughts. The $20 million in our budget last year was a tough hit for the Fish and Wildlife Service, because I think it can be viewed as having offset implications.

There is going to be a lot of resistance, which I think is entirely justified, for loading this money into our budget in light of the conversation that we have just had here. So I recognize your prerogative. I urge you to go easy because that is the nature of the beast.

As I listen to the debate about the Pacific Northwest, I am confused. We have not yet converged on a salmon recovery vision for the Northwest. But, with all respect, we are not going to get it by handing this back to the states. We are going to get it by some kind of convergence. So I express some skepticism, but without really being able to offer you an alternative vision. We are not there yet.

One thing I would leave with you, and that is that I think that the science piece of this is one area where we ought to put together a coordinated effort. That ought to be relatively easy to do.

Rather than handing off science money to Washington and Oregon Federal agencies, I think we could quite easily reach a kind of coordinated virtual view of how we do that. Researchers are good at it. Scientists know how to do it. It is a very small step.

Senator GORTON. Senator Byrd, do you have anything else you would like to add?

Senator BYRD. Mr. Chairman, I have a few questions which I would like to submit for the record. If the Secretary would provide answers I would appreciate it very much.

Other than that, let me thank you for your typical courtesy. I have served on your subcommittee here for quite some time. I find always that you are very courteous to the other members. You allow them to proceed with their questions while you take on the heavy duty work of staying around and doing the rest of it by yourself, closing up the door and locking it, turning the lights out. I appreciate that. I just wanted to call attention to that in the record.

Also, I want to say to the Secretary that I have been around this Hill now for 47 years. This is my 47th. Abraham was 175 years old and Jacob was 180—no. Wait a minute.

Abraham was 175, Isaac was 180, Jacob was 147, and Joseph was 110. Strom Thurmond is 96, I believe, or 95. But I have been around a long time. I think this is the finest Secretary of the Department of the Interior that I have had experience with. He does not always please us with his answers, but he is pretty forthright, even more so than most secretaries of most departments, may I say. You will never find one that is as forthright as the blade of an ax, but this secretary comes pretty close. I want to thank him for the good work he has done. [Laughter.]

Thank you, Mr. Chairman.

Senator GORTON. You are welcome.

Mr. Secretary, you are never going to get a better compliment than that.

The only amendment that I might have to make to your remarks, Senator Byrd, is that I am afraid that it may be this administration that is turning out the lights, not me.

ADDITIONAL COMMITTEE QUESTIONS

Thany you very much. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

DEPARTMENTAL MANAGEMENT

GOVERNMENT PERFORMANCE AND RESULTS ACT—DEPARTMENT

Both GAO and the Department's Inspector General have repeatedly reported on the lack of consistent, accurate, and reliable data from the Park Service and other Interior agencies on the scope and extent of deferred maintenance on the resources they are responsible for protecting. The performance plans for the Park Service, Bureau of Land Management, and other Interior agencies have performance goals that attempt to measure progress towards addressing their deferred maintenance needs.

Question. What is the Department doing to ensure that the quality of data developed by the respective agencies will overcome the deficiencies it has had in the past so that useful, valid measurements of performance can be determined?

Answer. The Department of the Interior and its bureaus have embarked on a number of initiatives to improve the quality of facilities management information.

In fiscal year 1998, the Department developed standardized definitions to help resolve some of the inconsistencies among the ways annual maintenance, deferred maintenance, and capital improvement (construction) are reported. In addition, a set of standardized information was defined for describing deferred maintenance and capital improvement projects in the budget formulation process. These standards were used in the development of the fiscal year 2000 Five-Year Maintenance and Capital Improvement Plan which has been submitted to the Congress. The Department also intends to begin a facilities condition assessment process starting in fiscal year 2000. Through this process we hope to validate our facilities inventory, obtain a more definitive measure of the magnitude of deferred maintenance throughout the Department, and develop facilities condition metrics. It is expected that the condition assessment process will take approximately five years to complete one full cycle on all facilities.

In fiscal year 1999, a maintenance management system selection team composed of bureau representatives has been chartered to assess the availability and feasibility of using commercial off-the-shelf (COTS) software for facilities maintenance management within the Department. The team is currently evaluating the requirements of current system users and potential users. The software functionality need-

ed at large, complex locations as well as at the many smaller, less complex locations is being defined. An assessment will then be made of how well the requirements can be satisfied by commercial software and which requirements will require customized software solutions. Standardized facilities management data elements for the Department are also being defined as part of this effort.

Collectively, these efforts will provide the facilities management information needed to assure valid performance management.

Question. What specific steps have you taken as the head of the Department to achieve performance-based management within your agency, as required by the Government Performance and Results Act?

Answer. The Department has taken a number of steps over the past several years to move toward performance-based management and an orientation toward results. We have organized cross-departmental management groups to ensure that the Department is focused on performance, and we are using performance information to help guide management practices. For instance, the Department has instituted a quarterly data reporting system to track progress toward achieving our annual GPRA performance goals. Each bureau reports to the Department on a quarterly basis on each of its annual performance goals. This system is a source of continuous information about performance, and allows Departmental and bureau managers to identify areas needing additional management attention. The Interior Management Council, which consists of the Deputy Directors of Interior's bureaus and offices and Departmental management offices, also reviews GPRA implementation issues on a regular basis.

Although the current fiscal year is the first year in which we are operating under a GPRA annual performance plan, we are already finding utility in the performance information generated through the GPRA process. In many cases, we have used performance information and projections as a meaningful factor in managing our programs. For example, the National Park Service has developed park-specific strategic plans and annual performance plans for each of its units as a means to set a consistent and measurable set of goals for the organization. In addition, we have established performance goals for a number of cross-cutting areas of national concern, including the South Florida Ecosystem Restoration Program, the Northwest Forest Plan, and the Wildland Fire Program. We are currently participating in a pilot program through the Natural Resources Performance Management Forum, a consortium of natural resource agency planners, to develop a more coordinated federal planning approach to clean water management. In addition, the Department is searching for ways to improve our planning processes and streamline our GPRA plans. The fiscal year 2000 annual plan contained significantly fewer goals and measures than the fiscal year 1999 plan. Interior plans to revise its strategic plan by March 2000. In this revision, we plan to streamline our plans and goals even further.

Question. How are your senior executives and other key managers being held accountable for achieving results?

Answer. Building accountability for results is one of the key elements in successfully implementing GPRA, and Interior is taking steps to link individual accountability with results. For example, Interior's SES performance appraisal system has been closely tied to the goals and objectives in the Department's GPRA strategic plan. The Department's October 16, 1998 guidance on developing SES performance agreements for 1998–1999 stated, in part: "the performance elements and standards included in the individual 1998–1999 SES performance agreements must reflect the initiatives, commitments, and goals included in the Department's "Government Performance and Results Act Fiscal Year 1999 Annual Performance Plan." The guidance addresses the need to directly link mission outcomes with the individual performance of the Department's senior managers. In addition, the Department is taking action throughout the year to build accountability. The Department is currently conducting GPRA review meetings with each of Interior's bureaus. The meetings are attended by senior managers from the bureaus and from the Departmental management offices. During these meetings, the group reviews bureau quarterly performance information and discusses a wide range of performance management issues.

Many of our bureaus are also building accountability processes tailored to their own management systems and cultures. For example, the National Park Service has included GPRA performance elements in all performance appraisals for all park superintendents and supervisors. This has focused the attention of field-level managers on the goals and objectives that have been established for their areas of responsibility through the strategic planning process.

RECREATION FEE DEMONSTRATION PROGRAM

The Department has now been administering the recreation fee demonstration program for several years.

Question. Can you describe for the Subcommittee how much revenue is being generated in this program for the three participating Interior agencies?

Answer. In the two full fiscal years the program has been in operation, 1997 and 1998, the three participating Interior agencies have collected $189,580 thousand in rec fee demonstration receipts.

Some criticism has been leveled at the Department, particularly the Park Service, for failing to make fee demonstration funds available for actual projects in a timely manner.

Question. Why has this been the case?

Answer. In actuality, approval of the projects funded through fees has been as timely as possible given the fact that the program is new. Agencies have needed time to develop expenditure-approval procedures and set up accounting systems. It also takes time to plan and implement expenditure projects. Some of the smaller units are saving their fees until they have enough for sizable projects. Nevertheless, the Agencies are improving the rate of project accomplishment.

Question. What is the Department doing to ensure fee demo funds are available in a reasonable time frame, while maintaining adequate oversight of the program as a whole?

Answer. The Department is working with the agencies to ensure accountability by instituting procedures for management of the fee demonstration receipts, including procedures governing the approval, expenditure, and reporting on the projects. The Department and the agencies are working to streamline the approval process.

The GAO's evaluation of the fee demo program concluded that there is still insufficient coordination among the four agencies involved, and that this lack of coordination has in some cases resulted in duplicate or overlapping fee structures in areas where there are multiple public land units.

Question. Do you think this is a valid criticism?

Answer. The Department concurs that more coordination is needed. The Department plans to review Recreation Fee Demonstration sites for ensuring coordination wherever feasible and appropriate.

Question. What is being done within the Administration to respond to this criticism?

Answer. Agency fee managers are meeting on a regular basis to discuss plans, problems, and solutions related to greater coordination of the program. On January 6, 1999, the Assistant Secretary for Policy, Management and Budget proposed an internal review of all fee demonstration sites throughout the Department to determine where coordinating and consolidating fees is feasible and appropriate.

The GAO also suggested that Congress may wish to consider reducing the amount of fee revenues that remain in the collecting unit, thereby increasing the amount available for other units.

Question. What is your response to this suggestion?

Answer. The Department appreciates the significant benefits brought about as a result of the Recreation Fee Demonstration Program, and recognizes that the program was established as a pilot only three years ago. The Department believes there may be room for improvements to the program, such as perhaps reducing the share of the collecting units in order to provide a greater share to the other units. The Department would like to work with the Appropriations Committees to determine the best approaches for improving the program.

Question. Do you have any other observations about the fee program that you would like to share?

Answer. The fiscal year 2000 budget includes an increase of $2.5 million in the NPS budget for management of the Recreation Fee Program. This increase is critical to providing sufficient staff to ensure the program maintains accountability as well as timely expenditure of funds.

Question. Does the Administration intend to propose specific legislation to permanently authorize a fee program based on the fee demo program?

Answer. This is under consideration, given that the original program was intended to be temporary. The Department would like to work with the Appropriations Committees to determine the best approaches for permanent authorization.

FIVE YEAR PLANS

The Department has submitted to the Committee a series of 5 year plans to address the deferred maintenance and construction backlogs of the three Interior land management agencies, the Geological Survey, and the BIA. As part of this process,

the Department and the individual bureaus have spent considerable time in identifying the maintenance backlogs of those agencies based on a consistent set of definitions.

Question. Are the 5 year plans delivered to the Subcommittee based upon a common set of definitions for maintenance backlog that enables this subcommittee to fairly judge the relative needs of these agencies?

Answer. The 5-year plans are based on a common set of definitions developed by the bureaus and DOI for maintenance needs. However, the Department did not seek to compare the merits of individual projects across bureau lines because of the varied Congressionally mandated bureau missions that requires emphasis on different goals.

Question. How is the Department balancing the need to establish uniform criteria and standards for bureau maintenance plans against the need to avoid adding another layer of bureaucracy or duplication to agency planning efforts?

Answer. During the initial year of the first 5-year plan, both the bureaus and the Department were heavily involved in detailed feedback and reviews because of the first-time ever use of common definitions across the bureaus. Because this required some of the bureaus to redefine terms, Departmental oversight was essential in assuring consistent use of terms and scoring of projects among the bureaus. By working cooperatively with the bureaus in developing criteria and standards and in preparing 5-year plans, the Department is able to avoid duplication of effort. The bureaus nominated projects for inclusion in the 5-year plans.

Question. Describe the Department's role (as opposed to individual bureaus) with respect to developing the 5 year plans.

Answer. Bureaus nominated and scored projects in the 5-year plans. Then the Department reviewed projects for consistency with definitions and scores attributed to each. If an individual project did not appear to be consistent with definitions/weighting factors, the Department sent it back for reassessment/better descriptions to the bureaus and then re-reviewed it.

Question. What will be the Department's role in ensuring that bureaus are true to their plans?

Answer. The commitment of Assistant Secretary—Policy, Management, and Budget John Berry in fiscal year 1999 continues. On a project-by-project basis, the Department and bureaus annually will report completions by project after the end of the fiscal year as well as any changes to the project list based on (1) work already completed, (2) unfunded emergency work that required immediate attention, (3) changes resulting from unforeseen site conditions, and (4) work that no longer needs to be accomplished. In addition, the fiscal year 2000 request includes funding put in place maintenance management systems that will facilitate this tracking and reporting.

The 5 year plans identify roughly $2.4 billion worth of projects, including, for example, $1.13 billion for the Park Service.

Question. Based on the 5 year plan, is it now safe to say that the maintenance backlog for the Park Service is $1.13 billion?

Answer. No. The five year plan represents reviewed and approved repair/rehabilitation and line item construction projects that have been identified as priorities. While the majority of these projects are deferred maintenance projects, they do not represent the entire National Park Service backlog of deferred maintenance.

The NPS currently estimates an identified deferred maintenance backlog of about $3.54 billion as reported in the 1998 Chief Financial Officers report, including facilities, costs for housing, paved roads and bridges and dams. However, this total is only a conceptual cost estimate based on costs for similar work accomplished by the construction industry and past National Park Service estimates. This estimate was prepared without a fully defined scope of work, and without a complete inventory and condition assessment of the facilities managed by the National Park Service. Since the actual cost of correcting deferred maintenance cannot be known until a comprehensive inventory and condition assessment has been completed, and a fully defined scope of work has been developed, this amount is by necessity a very general, or Class C, estimate. In addition, this backlog includes only the deferred facility maintenance projects reviewed and approved by NPS and listed in the Project Management Information System, and does not include projects identified as backlog by parks but not yet reviewed by NPS.

Also, this estimate is for maintenance repairs to existing structures as a snap shot of their current condition. It does not include the funding level needed in order to maintain those facilities at an acceptable level once their condition has been restored. Because this estimate is so uncertain, it is difficult to use as a measure of performance in addressing deferred maintenance needs. Instead, we intend to use

our 5-year plans to monitor progress in completing priority construction and facility maintenance projects.

Keeping with the Park Service, the 5-year plan includes a numeric rating for most of the projects included in the plan. There are a few exceptions, however, where projects are given a "special" or "NA" rating. Examples of these would be the utilities repair at Glen Echo, rehabilitation of the Carderock Stables in the C&O Canal National Historic park, and construction of an Environmental and Education Center at Virgin Islands National Park.

Question. Why is a numeric rating for these projects not included in the plan? How did such projects come to be included in the plan? Don't you think the scattering of such unrated projects throughout the plan diminishes the integrity of the plan itself?

Answer. Not all projects in the 5-year program list competed for priority in the Choosing by Advantage (CBA) system. However, this situation is not unique to the current 5-year construction program. In most NPS budget requests, there are projects that are sufficiently compelling to NPS/DOI officials that they are selected over projects that competed for and received an NPS priority. The projects in the program marked as "special" or "NA" did not compete in the CBA process, but were included due to special circumstances or needs.

An explanation for each of the projects designated as "special" or "NA" follows:

(1) Everglades National Park, Modify Water Delivery System. This project is an ongoing Administration initiative, is critical to the Everglades Restoration Project, and is of such size and complexity that it could not compete reasonably with other NPS projects in the CBA process.

(2) Olympic National Park, Restore Elwha River Ecosystem. The same explanation as provided for the Everglades project applies to this project.

(3) Cape Hatteras National Seashore, Complete Lighthouse Relocation. This project was initiated before the CBA process was in use. A policy decision was made that ongoing projects did not have to compete in the new CBA system. This allows projects that received priority consideration under the former system to be completed.

(4) Independence National Historical Park, Complete Rehabilitation of Merchants Exchange Building. Like the Cape Hatteras project, this project was initiated in a prior year and ranked under the old system.

(5) George Washington Memorial Parkway, Glen Echo Utilities. This project did not compete in the CBA process but was included because it presents an excellent opportunity to partner with the State and local government to solve major utility system problems at the park. The Federal share of this project will be only ⅓ of the total project cost. In this case, the benefit of the sizeable match of nonfederal funds was determined to outweigh other criteria used in the CBA process.

(6) San Francisco Maritime National Historical Park, Rehabilitate Schooner, C.A. Thayer. This project was evaluated and ranked using the CBA process. It received very high ranking as a resource protection project. However, because of the heavy emphasis placed on health and safety, this project was not scheduled until fiscal year 2002. In the course of finalizing the fiscal year 2000 budget, NPS and Departmental officials determined that this resource could not wait until 2002 to receive attention. Also, there is a public campaign now underway by the park's cooperating association to raise funds to contribute to saving the ship. The fund-raising effort will be enhanced by demonstrating the Federal commitment to attain its share of the funds as soon as possible.

(7) Chesapeake and Ohio Canal National Historical Park, Carderock Stables. This project consists of construction of a new stable area for the United States Park Police (USPP) horse-mounted unit at the Carderock Picnic Area in Maryland. This horse mounted USPP unit patrols the towpath of the C&O Canal National Historical Park, and is the primary law enforcement presence in the park along 22 miles of towpath between the beginning of the canal in Georgetown and Riley's Lock in Seneca, Maryland. The unit was formerly staged at Glen Echo Park in Maryland, but needs relocation during reconstruction of the utilities at the park. Temporary quarters for this unit has been established at Edgewater Stables in Rock Creek Park for the past three years. This facility serves as a training center for the USPP horse mounted units and is currently overcrowded with the addition of the unit from Glen Echo. This project did not compete for priority through the CBA process in the NPS review session that took place during the summer of 1998. The project was later reviewed by NPS and DOI officials, however, and found to be critical to the protection of the visitors along the canal and inserted it into the 5-year program.

(8) Virgin Islands National Park, Environmental and Resource Preservation Center. This project is for the construction of an environmental heritage center that will provide interpretive exhibits and interactive displays, an environmental classroom

for the visiting public and local students, a venue for craft demonstrations, and program office space, equipment storage and a meeting room for use by park partners. Visitation at the park has risen dramatically in recent years and will double within two years with the advent of the Eagle Class cruise ships. Additionally, there is a growing need for park education programs for area youth in environmental awareness and responsibility. Interpretive programs for local schools have increased over 200 percent both in the field and in the classroom through an acclaimed environmental heritage program. Many groups have been turned away highlighting the need for increased programming and facilities. Facilities to house and support these programs do not exist. The project was not in the CBA priority review process. The criteria applied in the CBA and DOI priority setting process weighs heavily in favor of health, safety, and resource protection projects. This project would not have scored high in that review. Nonetheless, NPS and DOI officials determined that the lack of visitor facilities at this park coupled with the significant and increasing visitor use justified overriding the strict application of the NPS/DOI priority setting system.

LAND AND WATER CONSERVATION FUND

A series of legislative proposals have been introduced that would permanently appropriate a portion of the Outer Continental Shelf oil and gas revenues for a wide variety of programs; land acquisition, Stateside grants, the UPARR program, historic preservation, endangered species programs, etc. Not surprisingly, these are some of the programs that generate the most interest in the Interior bill.

Question. Are you concerned at all, Mr. Secretary, that enactment of such legislation could have a detrimental effect on other Departmental programs?

Answer. No. The Lands Legacy Initiative would appropriate the full authorized amount of annual receipts credited to the Land and Water Conservation Fund from offshore oil drilling to conservation efforts. The other programs within Interior do not rely on the Land and Water Conservation Fund to secure their funding. Those programs should continue to receive the appropriate level of funding this year and into the coming years.

Question. Assuming that funds currently appropriated for these programs would be "backed out" of this Subcommittee's allocation should such legislation be enacted, do you think future Members of Congress, future OMB Directors, and future Presidents will remain interested in protecting what remains of the Department's discretionary programs, whether it be BIA operations, Departmental Management, or the Office of Surface Mining?

Answer. Yes. The Administration believes that it is likely the Congress, future OMB Directors, and future Presidents will continue to be as interested as they are now in appropriating funding to national parks, refuges, BIA operations, and the Department's other discretionary programs. These programs continue to support activities authorized by the Congress and are important to Administration goals including: protection and conservation of the Nation's natural and cultural resources; stewardship of Indian trust responsibilities; management of public lands; providing recreational and educational opportunities; and many others.

FINES

Question. For each of the land management agencies under your jurisdiction, are civil and/or criminal fines assessed and collected by those agencies deposited in the Treasury, or are such fines retained by the collecting agency? To the extent fines are collected under various authorities, please describe those authorities, to which agencies they apply, and the treatment of collected fines pursuant to those authorities.

Answer. The authorities, types of activity for which fines and penalties may be imposed and their disposition, and fiscal year 1998 collections are shown in the following table.

Bureau	Statutory authority [1]	Activity fined [2]	Treatment and use [3]	Fiscal year 1998 [4]
Bureau of Land Management.	Mineral Leasing Act, as amended and supplemented (30 U.S.C. 181 et seq.), the Act of May 21, 1980 (30 U.S.C. 301–306), the Mineral Leasing Act for Acquired Lands, as amended (30 U.S.C. 351–359), the Act of March 3, 1909, as amended (25 U.S.C. 396), the Act of May 11, 1938, as amended (25 U.S.C. 396a–396q), the Act of February 28, 1891, as amended (25 U.S.C. 397), the Act of May 29, 1924 (25 U.S.C. 398), the Act of March 3, 1927 (25 U.S.C. 398a–398e), the Act of June 30, 1919, as amended (25 U.S.C. 399), R.S. 19441 (43 U.S.C. 1457), the Attorney General's Opinion of April 2, 1941 (40 Op Atty. Gen. 41), the Federal Property and Administrative Services Act of 1949, as amended (40 US.C. 471 et seq.), the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 et seq.), the Act of December 12, 1980 (94 Stat. 2964), the Combined Hydrocarbon Leasing Act of 1981 (95 Stat. 1070), the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701), the Indian Mineral Development Act of 1982 (25 U.S.C. 2102), and Order Number 3087, dated December 3, 1982, as amended on February 7, 1983 (48 FR 8983) under which the Secretary consolidated and transferred the onshore minerals management functions of the Department, except mineral revenue functions and the responsibility for leasing of restricted Indian lands to the Bureau of Land Management.	Failure of operator to comply with regulations, terms of any lease or permit, and requirements of any notice or order; failure of operator to install blowout preventer or other equivalent well control equipment, drilling without approval or causing disturbance on Federal or Indian surface preliminary to drilling without approval, and failure to obtain approval of a plan for well abandonment prior to commencement of such operations; failure of transporter to permit inspection for proper documentation by any authorized representative; failure or refusal to permit lawful entry or inspection; willful or knowing failure to notify the authorized officer . . . after any well begins production on which royalty is due or resumes production . . . ; willful or knowing submission of false, inaccurate or misleading reports, notices, affidavits, records, data or other written information; and willful or knowing removal, transportation, use, or diversion of any oil or gas from any Federal or Indian lease site without valid legal authority to do so.	Deposited to Treasury General Fund, 14–1099, Fines, penalties, and forfeitures Not Otherwise Classified.	$69 thousand.

Bureau of Land Management.	Title I of the Interior part of the Omnibus Consolidated Appropriations Act, 1999 (Public Law 105–277) Provided, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94B579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action.	43 U.S.C. 1735(a). Any moneys received by the United States as a result of the forfeiture of a bond or other security by a resource developer or purchaser of permitee who does not fulfill the requirements of his contract or permit or does not comply with the regulations of the Secretary; or as a result of a compromise or settlement of any claim whether sounding in tort or in contract involving present or potential damage to the public lands shall be credited to a separate account in the Treasury and are hereby authorized to be appropriated and made available.	Deposited to 14X5017 as an available receipt. (Besides fines, penalties, and forfeitures, deposits to this account include: charges for administrative expenses and other costs related to processing applications for use and disposal of public lands and resources, for monitoring, construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged.).	Information not available.
Fish and Wildlife Service.	Lacey Act P. L. 97–79 16 U.S.C. 3371–3378	Importation, exportation, transportation, sale or purchase in interstate or foreign commerce, of fish and wildlife taken or possessed in violation of state, federal, Indian tribal or foreign laws.	Deposited and credited to a general fund account 14X1611, Resource Management. Obligated for rewards and temporary storage of evidence.	Civil—$710.3 thousand. Criminal—$31.4 thousand.
Fish and Wildlife Service.	Endangered Species Act 16 U.S.C. 1531–1544	Importation, exportation, taking or commercialization in interstate or foreign commerce of fish, wildlife, or plants that are listed as threatened or endangered species.	Deposited and credited to an appropriated general fund account 14X1611, Resource Management. Obligated for rewards and temporary storage of evidence.	Civil—$86.7 thousand Criminal—$141 thousand.
Fish and Wildlife Service.	Migratory Bird Treaty Act16 U.S.C. 703–712	Pursuit, hunting, killing, capturing, possessing, buying, selling, purchase, or barter of any migratory bird, including the feathers or other parts, nests, eggs, or migratory bird products.	Collected into an unavailable receipt account, 14–5241, then warranted and spent as an available receipt in 14X5241, North American Wetlands Conservation Fund. Obligated for the purposes of the North American Wetlands Conservation Act, 16 U.S.C. 4406.	$3,716.8 thousand.
Fish and Wildlife Service.	Not specifically identified	Fines assessed by the courts in suits brought for trespass, and accidental or malicious environmental damage; and suits under the Debt Collection Improvement Act.	Deposited to Treasury General Fund14–1099.	$31 thousand.

Bureau	Statutory authority [1]	Activity fined [2]	Treatment and use [3]	Fiscal year 1998 [4]
National Park Service.	NPS authority is derived from 16 U.S.C. 1, which gives the Secretary authority to issue any regulations necessary for the safe management of the National Park System. In park areas under the legislative jurisdiction of the United States, NPS enforces 16 U.S.C, 18 U.S.C, 21 U.S.C, 25 U.S.C. and 42 U.S.C. as well as 33 CFR, 36 CFR, 40 CFR, 43 CFR and 50 CFR.	Violation of regulations necessary for safe management of the National Park System.	The Ranger Activities Division of the National Park Service does not collect criminal fines; the fines go to the Central Violations Bureau, U.S. Department of Justice. The courts assess civil fines, and if any money is received by the NPS, it is usually as reimbursement of expenses. Civil fines are credited to NPS appropriations as a reimbursement of expenses.	Traffic related citations, $3,294 thousand. Non-traffic related citations, $2,616 thousand.
National Park Service.	22 Stat. 243, chapter 389, August 5, 1882; 41 Stat. 364, chapter 1, section 3, December 5, 1919; 45 Stat. 721, May 23, 1928; 46 Stat. 482, May 29, 1930; 62 Stat. 81, March 17, 1948, and Public Law 94–458, 90 Stat. 1939, October 7, 1976.	The same powers and duties as the Metropolitan Police in Washington, D.C. Also, on and within the roads, parkways, and other Federal reservations in the environs of the District of Columbia over which the United States has, or shall hereafter acquire, exclusive or concurrent criminal jurisdiction, the United States Park Police shall have the power and authority to make arrests for violation of any Federal law or regulations issued pursuant to law. In 1976, the Secretary of the Interior was authorized to designate certain officers of employees of the Department of the Interior who shall maintain law and order and protect persons and property within areas of the National Park System.	United States Park Police does not collect criminal fines; the fines go to the Central Violations Bureau, U.S. Department of Justice. Tickets written or fines imposed for parking (or similar violations) in the District of Columbia metropolitan area go the D.C. Bureau of Traffic Adjudication or other local governments. Civil fines are assessed by the courts, and if any money is received by the NPS, its is usually as reimbursement of expenses.	$6,670.5 thousand.

[1] Authority under which fines are collected (provide P.L and Stat., or U.S. Code citations).
[2] Description of activity for which fines are imposed.
[3] Deposited to General Fund—deposited to special fund, but subject to appropriation; or retained and spent either as an available receipt or as an offsetting collection credited to an appropriation. If use is authorized, describe how the revenue may be used.) Specify account symbol and title.
[4] Collections—Actual amount of fines collected in fiscal year 1998.

INDEPENDENCE FOR FUNCTIONS OF CONTRACT RATE SETTING AND AUDIT IN THE DEPARTMENT

Within the Department of the Interior, the Office of the Inspector General both establishes the contracting rates and audits them. In contrast, the Department of Health and Human Services' Division of Cost Allocation sets contracting rates for thousands of contractors. Audits of rates are conducted by a different office. The GAO has raised the issue of independence of the two functions.

Question. Shouldn't the rate setting function and the auditing function be independent of one another? The Office of Policy and Budget is the obvious place for rate-setting, and the issue has come up in the past. Why hasn't the Department established independence for these functions?

Answer. The Office of Inspector General (OIG) negotiates cost rates with approximately 350 Indian organizations, 50 state agencies, 20 insular government organizations, and five non-profit organizations. In general, however, the OIG does not conduct audits of the tribes or other grantees. Under the provisions of the Single Audit Act, certified public accountants from the private sector audit the expenditure of Federal funds by grantees and Indian tribes. When there are specific requests to the OIG to conduct audits related to overhead rates, such as close-out of a construction contract, the OIG usually arranges for these audits to be conducted by the Defense Contract Audit Agency.

In 1989 the Department proposed to transfer the function of negotiating indirect cost rates from the Office of Inspector General to the Office of the Assistant Secretary—Policy, Management and Budget. The Inspector General and the Assistant Secretary for Policy, Management and Budget supported the transfer on the basis that the negotiation of indirect cost rates is a program function. However, Indian Tribes did not support the transfer, as expressed in a May 5, 1989, letter from then-Senator Quentin Burdick to Senator Robert Byrd which stated:

> "Tribes oppose the transfer on a number of grounds. They have found negotiations with the Inspector General's Office to be a fair and objective process. They are concerned that if the function is transferred, it will be used as a vehicle for cutting the budget justification. . . . I request that in the Interior appropriations bill for fiscal year (fiscal year) 1990, the Committee prohibit the transfer of the indirect cost function to the Office of the Secretary. I enclose bill and report language that would accomplish this result."

No funds were provided for the transfer in fiscal year 1990.

The Department has not thoroughly revisited this question since that time. We do believe it is acceptable to have both functions in one organization. The segregation of duties does not require that the functions be performed by independent organizations—just by separate individuals—or subject to supervisory review when there may be inadequate segregation of duties. All OIG audits are subject to several levels of supervisory review, and there are further checks and balances, since the OIG does not have the authority to compel action by bureaus.

In any case the Department believes that it can not change the process for negotiating the rates until the *Ramah Navajo Chapter* v. *Babbitt* lawsuit is resolved. On May 8, 1997, the Tenth Circuit Court of Appeals ruled in *Ramah* that the method used to negotiate indirect costs by the Inspector General violated Public Law 93–638 (the Indian Self-Determination and Education Assistance Act, as amended). [The Bureau of Indian Affairs equates indirect costs to contract support. Contract support represents the amount of funds which the Bureau annually estimates Indian organizations will need to administer Public Law 93–638 contracts]. As a result of the decision in Ramah, the Department must either change the method for negotiating indirect costs or develop a different system for estimating the amount of contract support. In that regard, the Assistant Secretary for Indian Affairs and the National Congress on American Indians are currently preparing their recommendations for changes to the system for determining contract support. Until a decision on a new system is made, the District Court has authorized only the "continued negotiation of indirect cost rates under the system in place prior to the Tenth Circuit decision." (Civil No. 90–0957, Order of District Court for the District of New Mexico, November 4, 1997.)

Before a transfer could be implemented, the Department would have to consult with tribal governments, in accordance with the President's Memorandum for the Heads of Executive Departments and Agencies, dated April 29, 1994. The Memorandum requires each executive department and agency to "consult, to the greatest extent practicable and to the extent permitted by law, with tribal governments prior to taking actions that affect federally recognized tribal governments."

BUREAU OF LAND MANAGEMENT

ALMRS

Recently GAO testified that BLM has spent over $411 million on this project over the last 15 years but the $67 million software component of this system has serious problems.

Question. Can any part of this software be salvaged so that it meets users' needs, or is it a total loss?

Answer. The BLM is conducting an analysis, with the assistance of an outside expert third party contractor, of the developed system to determine what parts might be used and at what cost. Initial assessments indicate that some parts of the ALMRS software performed well, met user requirements, and probably could be salvaged for future use. The results of this analysis are expected to be available by mid-summer.

The ALMRS project relied on a combination of custom software and commercial off-the-shelf software. The new technologies we acquired (Internet access, reporting database, user-friendly query tools, etc.) have been incorporated into the Y2K-compliant Legacy Rehost 2000 Project and will be used for future land and resource information systems. Furthermore, commercial off-the-shelf software we purchased is currently being used in BLM's overall data management and development of the Spatial Display and Query Module.

While we are not deploying ALMRS as originally conceived, we collected a significant amount of user requirements, documented critical business processes, and defined information requirements that will be useful in any future development efforts. The BLM also benefited from establishing data standards, and from collecting, analyzing, and cleaning up the legacy data. The Geographic Coordinate Data Base (GCDB) we built will be critical to be able to spatially display land information in the future. This data is currently being used throughout BLM and by the public and will be used in future systems.

Question. What are BLM's recommendations on how to proceed with the automation of its record systems?

Answer. Our recommendation is to build on the lessons learned from the ALMRS project and proceed in a deliberate and thorough manner to:

—re-validate our users' business needs;
—re-engineer our business processes before automating them;
—carefully analyze our options, including risks, costs, and benefits, before selecting a course of action;
—obtain outside expertise in areas of critical technical skills;
—adopt a management methodology that clearly identifies risks and prevents proceeding to subsequent steps until the risks and problems of previous steps are addressed and resolved and also establishes reliable, achievable plans and schedules;
—involve users continuously throughout the development, testing, implementation, and operations and maintenance phases of any new efforts;
—build new systems in a more incremental, modular fashion; and
—identify opportunities for partnering, such as with the U.S. Forest Service on common lands data, where we have similar needs.

The overall emphasis of the recommendations above is to give the BLM sufficient time and resources to enable BLM to organize and manage for improved results in the next generation of projects.

Question. What are the costs associated with these recommendations?

Answer. Since the analysis of a number of different options on how to proceed and the identification of the re-usable parts of the previous investments is still underway, it is not possible to provide an accurate estimate of future costs at this time. We expect to be able to answer this question in the near future.

Question. Based on its experience with ALMRS, does BLM plan to improve the process by which it makes acquisition decisions for information technology? If so, how will this process be improved?

Answer. Yes, the BLM does plan to improve its information technology acquisition decision process. The BLM will incorporate a system life cycle methodology to maximize the value of system acquisition, integration and mitigate the risks. The Bureau will be directed to adopt a rigorous, structured process to select, control and evaluate its information technology investment compliant to the Clinger-Cohen Act. The BLM has already established the Information Technology Investment Board, consistent with the recommendations of the Federal Chief Information Officers (CIO) Council, for this purpose. An Investment Analysis will be conducted before a system is developed to ensure sound capital investment decision making. The BLM has

been advised to use the Software Engineering Institute's Capability Maturity Model approach to assess information technology capabilities in system acquisition, increase long term management training, and augment information technology skills from consulting firms.

The Department has provided guidance in project management, information technology infrastructure, and software development methodologies. The BLM is re-validating its business needs with its users and customers, guided by the requirements of the Clinger-Cohen Act. The Bureau is carefully reviewing its business processes to identify opportunities to re-engineer those processes to streamline them, reduce the time they take, reduce costs, and improve customer service. Recognizing the need to obtain and retain technical talent to oversee software development, BLM is building its project management and technical skills for information technology projects. The BLM has retained several outside expert contractors to assist in its planning efforts and assessment of needs, and to recommend the means to meet those needs in the future. The Y2K compliant approach to BLM's legacy land and mineral systems will meet immediate requirements. The BLM is reexamining its long-term land and mineral program needs and evaluating the potential gap between these needs and the Y2K systems. The BLM will then acquire and/or develop systems and technology to support any unmet high priority needs.

The BLM is conducting an analysis, with the assistance of an outside third party contractor, of the developed system to determine what parts might be used and at what cost. This type of analysis is also taking place on BLM's Legacy Rehost 2000 Project. The BLM has asked its users to validate the Bureau's objectives and prioritize key business processes. These efforts will form the basis to recast BLM's concept of operations. However, more analysis needs to take place to clearly identify the systems and modules that need to be developed, including the National Integrated Land System. This analysis will include a detailed business analysis and a return on investment analysis.

Users will be continuously involved from the project's inception and will identify the business requirements. The users will also review the information technology response to the requirements, the test script preparation, the testing, the training material preparation as well as the presentation. Finally they will become responsible for user support for the system.

The BLM is adopting the Managed Evolutionary Development (MED) methodology to develop systems. MED is conducted by producing successive iterations of specified documents at each stage of a project. These documents identify uncertainties which translate into risk. MED requires that analysis be conducted to reduce the risk before a project may proceed. The BLM is contracting with Mitretek to assist in implementing MED. Mitretek will also provide quality assurance to ensure that all tasks and risks are identified and that appropriate mitigation is applied.

Future development will follow these principles:

—design, testing, and fielding will be done in modules;

—"off-the-shelf" software will be used as much as possible;

—software will be designed with performance requirements and maintainability built in from the beginning; and

—project management will use risk management techniques to ensure investments in new modules does not begin until risk and uncertainty has been reduced to a reasonable level.

This modular type of approach will not be as prone to excessive delays or cost overruns because each module will be small enough to manage well, and the duration short enough so that reliable estimates can be made at the beginning of the module development.

COALBED METHANE PERMITS

BLM's oil and gas program continues to experience significant growth due to industry's interest in coalbed methane in the Rocky Mountain states, particularly Wyoming. Documents from BLM indicate that the agency expects that in Wyoming alone 1100–1200 additional applications for permits to drill (APDs) will be received each year over the next five years. According to BLM's budget only enough funding is requested to process 200 more APDs across the entire nation.

Question. How does the agency plan to address the increased number of APDs for coalbed methane in Wyoming and other Rocky Mountain states?

Answer. BLM's oil and gas program is experiencing significant growth due to industry's interest in coalbed methane. BLM's projections indicate over 8,700 APDs may be filed in a four state area in the next four years.

In Wyoming, the BLM is reallocating personnel and resources from some of their current assignments to handle part of the anticipated coalbed methane workload.

However, that will not allow the BLM to fully process all of the coalbed methane applications. The BLM will have to forego other work throughout the State to meet these needs.

In Utah, the BLM has no additional staff that it can allocate to this growing workload, and therefore the BLM is unable to process all the APDs in a timely fashion. In Wyoming and Utah, we have informed industry of expected delays in processing requests for approval. In Montana, Colorado, and New Mexico, the BLM is utilizing existing personnel to complete environmental documents for coalbed methane areas in anticipation of a large increase in coalbed methane APDs and associated workload.

As part of the fiscal year 1999 Emergency Supplemental Appropriation, an additional $1.0 million was redirected from other BLM funds to assist in the development of coalbed methane. The Bureau does not explicitly budget for development of coalbed methane. At present, permit review and associated work is funded from the "Oil and Gas Management" subactivity, for which BLM requested a modest increase—to $55,326,000—in the fiscal year 2000 budget request. The magnitude of increased industry demand for coalbed methane was not anticipated at the time the President's budget was prepared. However, some additional work on processing CBM requests can and will be accommodated within the amount included in the 2000 request for Oil and Gas Management.

Question. How many additional applications for permits to drill (APDs) for coalbed methane does the agency expect in fiscal year 2000 versus fiscal year 1999?

Answer. Based on the BLM's and industry's projections, the BLM anticipates approximately 8,700 APDs for coalbed methane to be filed between fiscal year 1999 and fiscal year 2003. In 1999 and 2000, the BLM anticipates receiving about one third of this work, primarily in Wyoming, Utah, and Montana.

Question. How much additional money is needed to process all expected APDs?

Answer. The BLM currently estimates that the costs to address priority coalbed methane activity could range as high as $4 to $5 million in fiscal year 2000. It is estimated that Wyoming could use as much as $2–$2.5 million for its activities, primarily leasing and processing of APDs. The remaining costs will be split between Utah, Montana, Colorado, and New Mexico to complete any necessary NEPA requirements and permitting work for APDs.

Question. Shouldn't a high priority be placed on processing APDs, since the earlier wells go into production the sooner the royalty revenue can be collected?

Answer. The BLM recognizes the need to process APDs and all other approvals in a timely manner as these decisions impact revenue and other public interests. However, this unanticipated high level of industry activity will not allow the BLM to meet its usual standards for timely processing of all post lease applications. The BLM will continue to make every effort to process APDs in the shortest time possible.

Question. What is the impact of increased activity in the permit processing for coalbed methane on other aspects of the agency's energy and minerals program? How does BLM plan to address these impacts over the long-term?

Answer. As funds and personnel are shifted to APD processing, other post-APD and other work may become backlogged. The BLM will seek budget increases if shifts alone are not able to meet the demand. Budget increases would allow BLM to hire additional personnel to process the anticipated APD workload.

GRAZING PERMITS

Due to the "Comb Wash Decision" issued by the Interior Board of Land Appeals in 1997, the BLM must now conduct NEPA compliance and Land Use Plan conformance reviews before re-authorizing livestock grazing permits or leases. According to the agency's budget justification 1,000 permits which are due to expire in 1999 will have to be addressed in 2000. This is in addition to the 1,900 permits that will expire in 2000. The BLM has requested $2.5 million more to handle this workload.

Question. Is $2.5 million sufficient to complete the environmental review of all the grazing permits that will expire in fiscal year 2000?

Answer. The proposed $2.5 million requested in the fiscal year 2000 President's Budget, when combined with existing BLM resources, will provide sufficient funding to compile and analyze the data necessary to review and complete the permits expiring in fiscal year 2000.

Question. If all permits set to expire in 2000 will not be processed, why is the Administration proposing to delete language from last year's Interior Appropriations bill which provided that grazing permits that would otherwise expire are renewed on the same terms and conditions until BLM completes the processing of the permit?

Answer. The BLM expects to have the backlog completed by the end of fiscal year 2000 and be able to keep pace with expiring permits in fiscal year 2001 and beyond.

Question. Does the Administration have another proposal to address expiring permits in fiscal year 2000?

Answer. The BLM is making every effort to achieve the timely completion of environmental review/permit renewal prior to their expiration. The BLM plans to address the renewal reviews during a 5 to 6 month period between the end of the grazing season in 1999 (for most operations this is November 1999) and the beginning of the 2000 grazing period (April 2000 for most operators), or a similar lead time before a permit expires. This strategy will enable the BLM to use lead time for completing renewal actions, provided there are no fiscal year 1999 permit renewals carried over from 1999 having resulted from commitment of work forces to an active fire fighting season, emergency fire rehabilitation demands or increases in litigation/appeal workload.

Question. Does this mean that if the BLM doesn't complete the environmental review of grazing permits that the holders of these permits will be thrown off the public lands?

Answer. The BLM is exploring all options within applicable laws and regulations to avoid disrupting permittees' or lessees' grazing operations in cases where it appears that permit renewal will not be completed in a timely manner.

FIRE

The Department of Interior is funding its Fire Preparedness operation at 83 percent of the Most Efficient Level (MEL), while the Forest Service is funding its preparedness operations at 67 percent of MEL.

Question. Does this discrepancy between the Forest Service funding and DOI funding create any problems in fire fighting? If so, what problems?

Answer. The magnitude of any impact depends on the severity of the fire season. The number and type of fire suppression resources and support are planned for the average annual workload. When the firefighting resources available, regardless of the agency source, are less than those planned for the average annual workload, at the most efficient level (MEL), more fires will escape initial attack. These fires may become large, and consequently both suppression costs and damages could increase dramatically. The MEL is the least total cost of preparedness, suppression, rehabilitation, and resource losses. Although no agency is being provided full MEL funding, as the percentage of MEL funding decreases, the amount of fire suppression resources that agencies have will decrease accordingly. More fires will escape initial attack leading to a greater total workload for the interagency fire community. For years, the five federal agencies with wildland fire management programs (BLM, BIA, FWS, NPS and USFS) and the States have coordinated and cooperated on all wildland fire activities. The fire community shares their resources, both in the initial attack phase and for large fires, and all of the agencies endorse the "closest forces" and "total mobility" firefighting concepts. When events such as dry lighting storms occur, there are often an overwhelming number of multiple ignitions resulting in wildland fires. Adequate response to these situations is especially dependent upon interagency assistance. When one agency's funding is significantly less than MEL, especially if they are a large agency such as the Forest Service, there could be a direct and immediate impact on the total fire community.

Question. As the costs of fire increase in terms of property damage and suppression costs, how is the MEL affected? In other words, will it cost more to maintain the same level of the MEL in the future? What are the agency's projections over the next five years to maintain the current level of MEL?

Answer. The MEL-based fire management organization is designed to manage the average annual wildland fire workload most effectively and efficiently, at the least total cost, in accordance with land management objectives. Total cost is defined as the sum of the costs of preparedness, suppression, rehabilitation, and damages. As populations shift and grow, and there are more values at risk in wildlands, more preparedness resources will be required to maintain a given level of protection. Technology changes, to maintain efficiency and ensure safety, will require enhancements in engines, aircraft, global positioning systems, radios, and remote sensing capabilities. These improvements could increase the costs of preparedness. Inflation of the costs of goods and services used in the emergency sector have increased at a greater rate than the overall national average. Due to factors such as these, the MEL has increased over the last ten years, for the four Interior agencies, at an average annual rate of slightly less than seven percent. We anticipate a five to six percent annual increase over the next five years. Somewhat slowing the growth in preparedness costs is an expected counteracting effect from the Interior and Agri-

culture Departments' fuels treatment programs. As fuel loads are reduced when more and more Federal acreage is managed by use of prescribed burns and mechanical means, the Departments expect that the rate of increase in preparedness costs will slow. Whether that drop in costs will take place within the next five years is a question still being researched.

Question. What is the BLM's strategy for addressing the wildland fire issues in the urban interface?

Answer. The BLM has cooperatively initiated a fire awareness/education campaign in many parts of the country where the wildland/urban fire interface issues are significant. This effort is tied to State Forestry programs, and local, city, and county Fire Departments. The BLM is also initiating a program to formally increase cooperative training and sharing of wildland suppression resources with key Rural Fire Departments (RFDs) that have intermixed suppression responsibilities with BLM. While grass and brush is the most common vegetation on BLM lands, it does not present the classic fuels build-up situation found on forested land. Where BLM forest and woodlands exist, the emphasis is on conducting prescribed burns and mechanical treatments that will result in hazardous fuels reductions in the urban interface. The intermix of public and private lands poses significant management challenges to the BLM. Much of this intermix does not fit the "classic" interface situation characterized by long, continuous boundaries between public and private lands. Rather, the BLM intermix can be characterized as a complex mixture ranging from small parcels, with extensive public—private land boundaries located right up to the edges of developed subdivisions and towns, blending into larger parcels and higher percentages of public land the farther you go from developed centers. Because of this situation it is imperative that BLM, the RFDs, and the land owners work together to reduce hazards and improve suppression effectiveness. The BLM has worked to develop Fire Safety Councils and Fire Prevention Cooperatives to solve local problems. The BLM has also completed workshops with our Field Offices to perform a hazard risk analysis and identify where losses may be the greatest, focusing on intervention in these areas. At the national level, the BLM was instrumental in providing a technical advisor for the creation of the recent IMAX film on wildfires. Actions such as these, along with the development of an Internet web page (www.firewise.org), provide local communities, homeowners, and fire departments with important technical information on how to assess their risks and take actions to protect their properties. In summary, this is a long term challenge, for all of the Interior fire management bureaus, that is being addressed cooperatively. Success will be measured through awareness, partnerships, and on the ground mitigation measures that are periodically repeated.

CROWN JEWEL PROJECT

Based on a recent Department of Interior Solicitor's opinion, the Plan of Operations at the Crown Jewel mine in Washington state was denied. This was after the EIS and Record of Decision for the project were finalized and upheld in court against a legal challenge. The company involved has invested over $80 million in the project to date.

Question. Did the Department of Interior take into account the advanced state of the project and fairness to the companies involved when it sent the letter revoking the Record of Decision?

Answer. The Solicitor's Opinion regarding the mill site acreage limitation in the Mining Law of 1872 was issued on November 7, 1997—more than sixteen months before the Departments of the Interior and Agriculture notified Battle Mountain Gold Company (BMG) by letter dated March 25, 1999 that the proposed Crown Jewel plan of operations could not be approved. The issuance of the Opinion, including the fact that it would be applied to pending proposed plans of operations, was reported in the mining industry trade press shortly after it was issued. When the Solicitor met with representatives of Battle Mountain Gold Company on March 3, 1999 to discuss the history of the proposed project, the company's representatives acknowledged that they were aware of the November 1997 Solicitor's Opinion shortly after it was issued.

The Opinion does not propose a novel interpretation of the law. As the March 25, 1999, letter to BMG states:

> "After careful and thorough consideration of your arguments, we believe that it is appropriate to apply the mill site limitation to this project for two reasons. First, we have no authority to enlarge the rights granted under the Mining Law; that power is reserved to Congress. Second, the mill site limitation is not, as BMG's March 9 letter argues, comparable to the proposed part 3809 regulations, which contain substantive changes in the require-

> ments for mining operations that would justify a transition period. As the Solicitor's Opinion notes, the limitations on mill sites in the Mining Law have been widely appreciated by mining industry lawyers for decades. Adherence to the Mining Law's limitation on allowable mill site acreage by all mining claimants thus should not thwart any legitimately-held expectations."

Question. Does the Revocation Letter embody or create a rule that the Department of Interior will apply to every pending plan of operations? If so, what is the rule?

Answer. The March 25, 1999 letter to BMG did not create any new rule or policy. It reflects limitations on mill sites that have been mandated by the Mining Law since 1872, as explained in the November 1997 Solicitor's Opinion. The Solicitor's Opinion advised BLM not to "approve plans of operations which rely on a greater number of millsites than the number of associated claims being developed unless the use of additional lands is obtained through other means." As to other proposed plans of operations, this advice will continue to apply.

Question. Before the Revocation Letter was sent, had the rule ever been applied to a pending plan of operations?

Answer. As mentioned in the 1997 Solicitor's Opinion, limitations on mill sites in the Mining Law have been widely appreciated by mining industry lawyers for decades. See Attached Solicitor's Opinion, at 12–14; see also 4 American Law of Mining § 110.03[1] (2d. ed. 1987) ("Because of the relatively uncertain tenure of mill site claims, few miners choose mill sites as a location for permanent mining support facilities.") The decision with respect to the Crown Jewel mine is the first occasion since the Solicitor's Opinion was issued that the mill site limitation in the Mining Law has been applied to disapprove a proposed plan of operations.

Question. Did the Department of Interior study the effect of the rule on the mining industry?

Answer. Because the mill site limitation is imposed by statute, the Department has no discretion to refrain from applying the law based on its effect on the mining industry. The effect of the limitation on the industry has been considered in numerous publications cited in the Solicitor's Opinion. See, e.g., Office of Technology Assessment, "Management of Fuel and Nonfuel Minerals in Federal Land, at 127 (April 1979) (cited in S olicitor's Opinion at 13).

Question. Does the rule conflict with the BLM manual?

Answer. The following discussion on this point appears in the 1997 Solicitor's Opinion:

The first regulations issued by the General Land Office in 1872 stated unequivocally: "The law expressly limits mill-site locations made from and after its passage to *five acres*, but whether so *much* as that can be located depends upon the local customs, rules, or regulations." Mining Regulations § 91, June 10, 1872, Copp, U.S. Mining Decisions 1270, 292 (1874) (emphasis in original).

The current BLM regulation on millsite patenting continues to refer to the five acre limit, and is fairly interpreted to prohibit locating more than one five-acre millsite in connection with each mining claim:

> [P]arties holding the possessory right to a vein or lode claim, and to a piece of nonmineral land not contiguous thereto for mining or milling purposes, *not exceeding the quantity allowed for such purpose by R.S. 2337* . . . may file in the proper office their application for a patent, which application . . . may include, embrace, and describe . . . such noncontiguous millsite. 43 C.F.R. § 3864.1–1(b) (emphasis added).

The regulation speaks of millsites exclusively in the singular: a party holding the right to "a" mining claim and "a piece of nonmineral land" may apply for a patent, and shall describe "such . . . millsite" in the application. There is no suggestion in the regulation that more than one millsite may be patented in connection with a mining claim.

BLM's Handbook for Mineral Examiners, on the other hand, currently provides that "[a]ny number of millsites may be located but each must be used in connection with the mining or milling operation." BLM Handbook for Mineral Examiners, H–3890–1, Ch. III § 8 (Rel. 3/17/89). The handbook cites no authority for this interpretation.

This provision may come from a handbook that is often used by BLM mineral examiners: Terry Maley's Handbook of Mineral Law (5th ed. 1993). In this handbook Maley, himself a BLM mineral examiner, states:

> There is no specific direction in the Federal law or regulations concerning how a millsite may be located or how many mill sites may be located. . . .

> [T]here is no limitation to the number of mill sites that may be located as long as each mill site is properly "used or occupied" for "mining or milling purposes." Id. at 191.

No authority is cited for these statements. There is no legal analysis or discussion of the legislative history, regulations and caselaw related to this provision. These assertions may, however, explain why some BLM field offices apparently have, in recent years, ignored the limitations of the Mining Law and BLM's regulations.

BLM's Instruction Memorandum dated August 17, 1998, sets up a procedure to apply the Solicitor's Opinion to pending plans of operations.

Question. In what circumstance is the Instruction Memorandum being used?

Answer. The Instruction Memorandum provides policy guidance for BLM staff reviewing proposed plans of operation that do not comply with the mill site limitations in the Mining Law. It does not apply to lands administered by the Forest Service.

Question. Was the Instruction Memorandum procedure followed in issuing the Revocation Letter to Battle Mountain?

Answer. Most of the lands encompassed by the proposed Crown Jewel project are National Forest lands; consequently, BLM's Instruction Memorandum had little application to this project.

WILD HORSE AND BURRO

Last year's Appropriations bill required the Wild Horse and Burro Advisory Board to file a report with the Subcommittee by March 1, 1999 regarding the cost, efficacy, and social acceptability of various methods of controlling horse and burro populations.

Question. When will this report be issued? What are the key findings of this report on these issues?

Answer. The Advisory Board report to the Appropriations Committee was forwarded to the Appropriations Committees on May 21, 1999.

The Board has met a total of five times since its inception in January 1998, focusing heavily on off-the-range issues such as adoption, marketing strategy, animal training, gelding and program management. This level of scrutiny by the Board was necessary to address the problems associated with the large number of older and difficult to adopt animals in holding facilities. Despite the off-the-range focus, the Board did discuss and offer some recommendations for on-the-range issues such as immuno-contraception and euthanasia. The report incorporates these recommendations and their status.

A key policy recommendation made by the Board addressed when and how euthanasia should be used on unhealthy animals. BLM issued and implemented policy on the humane destruction of unhealthy animals, including those animals residing on the Prairie National Wild Horse Refuge in Oklahoma.

The Board will concentrate on issues affecting on-the-range management of wild horses and burros for the remainder of its term, addressing this issue in depth in the final report.

Question. What, if any, changes to the program might result from the findings contained in the report?

Answer. The Board did not specifically recommend changes to the program regarding population control. However, BLM continues to pursue immuno-contraceptive research. The BLM began research in 1992 on immuno-contraception as a technique for managing fertility in wild horse populations. The researchers are focused on developing an immuno-contraceptive vaccine requiring only one injection that is effective for three or more breeding seasons and can be applied to meet specific herd management criteria. Currently a single injection, one year vaccine, with an efficacy rate of greater than 90 percent is being used and analyzed as a management tool.

BLM initiated field management studies of the one-year vaccine in Nevada beginning in November 1998, in the Antelope, Antelope Valley, Monte Cristo Sand Springs East and Sand Springs West Herd Management Areas. These field trials have two objectives: (1) evaluate the reformulation of the vaccine designed to improve its efficacy; and (2) evaluate application of the vaccine on a population-wide basis to slow reproduction by at least 50 percent. BLM treated a total of 761 mares with the vaccine.

In November 1999, BLM will implement field trials of the two year vaccine requiring one injection. Final results of these trials will not be available until fiscal year 2001. It is estimated that between 1,500 and 2,000 mares can be treated each year depending on gathering needs, weather conditions, availability of the vaccine, and budget. Of these constraints, the most limiting is vaccine availability. The current research team, under contract with BLM, is the only source of the vaccine. Their ability to produce the vaccine in quantities needed by BLM for widespread applica-

tion will require hiring additional personnel and is dependent on BLM funding. The vaccine drug costs approximately $80.00 per application.

As recommended by the Board, BLM is providing vaccine application training through the contractor to BLM Wild Horse and Burro Specialists. The first formal training is scheduled to take place in Billings, MT, during August of 1999.

Knowledge gained from current research efforts on herd health and dynamics will dictate the scope at which BLM implements widespread application of the vaccine. In compliance with the National Environmental Policy Act (NEPA), planned gathers along with site-specific fertility control applications (HMA level) will be subject to complete analysis of the potential affects on herds, and on other associated resource values.

Question. What is the current status of the adoption part of the program? Has the backlog of corralled animals been reduced? How many animals per year for the next three years does the agency expect to provide for adoption?

Answer. As directed by Public Law 105–83, the Department of the Interior and Related Agencies Appropriations Act, 1998, the BLM utilizes the competitive bid process for adoption events where appropriate. Over 60 percent of the adoption events held thus far in fiscal year 1999 were conducted using competitive bid. This percentage will continue to increase with time. Unrelated to adoption method (i.e., competitive vs. non-competitive), the number of animals adopted over the last several years has decreased due to a general decline in public demand for wild horses. To compensate for the decline in demand, BLM has increased both marketing efforts and the number of adoption events, improving visibility of the animals and the program. An additional challenge facing the program is that approximately 500 unadopted animals have been in the adoption system over six months even though BLM is using all means available to improve the animal's chances of being adopted. Efforts included gelding, training, gentling and individual advertising on the Internet. BLM is currently considering other innovative options.

BLM has implemented a selective removal policy that requires the removal of only those animals that are five years old and younger from the range in order to provide animals that are more desirable to adopters. The average number of animals maintained in holding facilities has decreased because BLM is controlling the number of animals removed from the range. These removal policies are contingent on the flow of animals through the facilities to willing, eligible adopters. A reasonable projection for animals to be removed over the next few years with a static adoption market averages approximately 7,300 to 8,500 animals per year. The projected number of mares BLM will treat with the immuno-contraceptive vaccine is 1,500 to 2,000 per year.

Adoption and fertility control currently remain the only available tools for population control on the range. In spite of efforts to improve the adoption program and the use of the fertility control measure, populations will likely increase at a rate higher than our capability to remove and adopt excess animals. As a result range resources and herd health will be at risk.

NATIONAL PETROLEUM RESERVE—ALASKA

Question. What is the current status of the proposed lease sale in the NPR-A? Will the sale occur as scheduled? If not, why not?

Answer. The NPR-A lease sale was held on May 5, 1999, offering 431 tracts on approximately 3.9 million acres. We received high bids totaling $104,635,728 for 133 tracts covering 867,450.39 acres. The overwhelming number of bids was focused in the northeast corner of the lease sale area on tracts rated by the BLM as having high potential for oil and gas.

Question. What is the expected level of interest in this project from industry? What impact will the additional work load created by the NPR-A have on other aspects of the BLM's oil and gas program in Alaska? Has the agency requested sufficient funds for the Alaska office so that its other programs will not be impacted?

Answer. The BLM expected some interest in tracts with high oil and gas potential, and less interest on a few of the low potential tracts. The number of bids received and the tracts receiving bids exceeded our expectations. If this new leasing results in increased discoveries, we anticipate an additional workload in development and compliance activities but currently the program is working within its budget constraints and is effectively balancing its priorities.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance-based management within the agency, as required by the Government Performance and Results Act?

Answer. The Director has produced a 5-Year Strategic Plan which lays out long-term direction for BLM, as well as Annual Performance Plans which define performance measures and establish target levels of accomplishment for each measure. These plans have been incorporated into the fiscal year 2000 President's Budget request to the Congress. The BLM's budget documents anticipated performance levels for major program areas.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. Top-level managers have program and strategic goals incorporated into their performance reviews and evaluations. Senior Executives are also held accountable for accomplishing the work identified in the annual budget. Since 1997, BLM has published Annual Reports documenting performance related to mission goals, stewardship assets, and finances. BLM is beginning to provide incentives for improving employee and organizational performance, exemplified in part by holding offices responsible for meeting performance goals via budgetary incentives.

Question. How is the agency using performance information to manage the agency?

Answer. BLM developed a Management Information System to track and report performance and customer satisfaction information. This information will be available to all managers, and can be used to compare performance within organizational units. These data can be accessed throughout the year, enabling the BLM to inquire about areas, offices, or organizations that are achieving below expectations. Performance-based information has raised the BLM's goals from measuring completion of project work to evaluating whether the project work is effective in helping the BLM reach its program or mission goals. Performance measures and data collection improvements will be completed over the next few years to provide better management information which can affect decision-making.

Question. How did program performance factor into decisions about funding the agency requested in fiscal year 2000? Please provide examples.

Answer. Budget increases for initiatives and programs were tied to performance goals in the fiscal year 2000 Annual Performance Plan. Funding requests were illustrated with expected changes in performance and workload accomplishments. Where funding increases were requested, programs showed corresponding improvements in performance. Where funding was level and technologies, automation, or process efficiencies themselves could not improve BLM's ability to improve performance, performance was shown to be level or declining.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. BLM has made an effort to tie funding to performance goals and the work needed to achieve these goals. This has had an effect of focusing program work to those areas that have the greatest impacts on improving performance. The implementation of a Management Information System has enhanced the agency's ability to track work, financial data, and accomplishments, resulting in a better understanding of the linkages and how to direct funding to get the best results. In some areas, process improvements and organizational changes have been implemented to improve performance. In other cases, organizations have had to shift work priorities to achieve performance targets.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. BLM's budget structure often does not directly relate to performance goals or performance measures/results. It is more directly related to programs, work processes, or outputs. The BLM has initiated an Activity Based Costing (ABC) process to help break down the costs of achieving individual activities and tasks. From this information BLM believes it can roll up these costs to better reflect the achievement of specific performance goals and/or measures.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. As BLM gains experience in the use of ABC they may develop recommendations to modify its budget structure to improve the linkages between budget development and budget execution. At this time BLM is not recommending changes.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. At this time, only one or two measures have not yet established a baseline. BLM is working on these few measures with hopes of obtaining the required information by the end of 1999.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. Data collection is currently underway for all measures. BLM is increasing the reliability of all measures by improving the data specifications which define the required accuracy and boundaries for data collection. This is a continual improvement process. In some cases, new goals and measures are being considered for which data is more reliable and the measures can better drive management decisions.

Question. How will the agency's future funding request take into consideration actual performance compared to expected or target performance?

Answer. Program funding is directly related to BLM's ability to accomplish work. The effectiveness of this work is evaluated using actual performance information. Actual performance data will aid in identifying opportunities for BLM programs or offices to improve efficiencies or where additional funding is required to achieve desired outcomes. BLM will continue to be challenged in directing its limited funding to strategic mission accomplishments based on their ability to get the most performance for the least amount of funding. Actual performance data along with financial records and management leadership will be used to re-direct future funding requests.

CENTRAL HAZMAT

Question. On how many sites is the department conducting activities funded by the Central Hazardous Materials program? How many of these sites are on the National Priority List?

Answer. The Department is funding work at eighteen sites. Six of these sites are on the NPL with one site likely to be added in the next year. Of the six NPL sites, the Department is listed as the lead agency at three sites.

Question. What are the agency's estimates of the costs to clean up all the sites it is responsible for on the NPL? Where are they located?

Answer. Current estimates for the completion of cleanup of NPL sites where the Department is the lead agency range from $83.9 million to $88 million. These sites are located at the Great Swamp NWR (Operable Unit 3) in New Jersey, the Crab Orchard NWR in Illinois, and the closed Lee Acres Landfill in New Mexico. Cost recovery has been completed at Great Swamp Operable Unit 3. Cost recovery and cost sharing work is on-going at the remaining two sites.

Question. What efforts is the department making in terms of collecting funds from other Principal Responsible Parties?

Answer. The Department has substantially expanded its efforts to the recovery of response costs from potentially responsible parties (PRPs) having liability for some or all of the response costs incurred in cleaning up releases on Departmental lands. The Office of the Solicitor has created a separate branch, the Branch of Federal Facilities Compliance (BFFC), to spearhead the legal efforts associated with recovering costs or persuading PRPs to perform cleanup at the direction of the Department. This effort includes close work both with the Department of Justice(DOJ) and with the U.S. Environmental Protection Agency (EPA) to identify and to pursue PRPs. Our efforts are currently focused on the Cuyahoga NRA, OH and the Crab Orchard NWR, IL.

Case development or negotiations with PRPs is underway at more than a dozen sites under the jurisdiction of the Department. In addition, preliminary investigations to identify PRPs have been or are being initiated by the bureaus at dozens of other sites around the country including abandoned mines, landfills, and other hazardous substance release sites. To facilitate these investigations, BFFC staff have been providing training and consultation to bureau field staffs.

Many of these efforts show great promise for success but the time frame for realizing such success is long, often measured in years. It is premature to evaluate these efforts in terms of only monetary results accomplished. Groundwork laid by the PRP pursuit efforts involving consistent legal support and policy guidance, better record keeping and enhanced cost estimation are all necessary steps needed to ensure future success and concomitantly are the stepping stones for overall program success.

Question. How successful have these efforts been?

Answer. To date, settlements with PRPs have resulted in savings to the Department of over $40 million. In addition, negotiations with PRPs are ongoing at several sites where the Department's objective is to reach settlements that combined will result in further savings of millions of dollars.

Question. What are the Department's estimates for the amount of money that can be collected from PRPs in future years?

Answer. The Department does not have an estimate of the amount of money that can be collected from PRPs. The variables that affect this figure include: (1) what costs we will incur; (2) what sites have viable PRPs; and (3) what percentage of costs at each of those sites we will recover from PRPs.

Question. Could the bulk of the necessary cleanup work ever be paid for through monies received from PRPs? If so, when?

Answer. No, the Department does not believe that funds from PRPs will ever eliminate the need for cleanup funds through direct appropriations. It is the policy of the Department that the polluter pays for site contamination. This policy includes Departmental oversight costs as well as the actual cleanup cost. All settlements must be approved by DOJ. Aggressive PRP pursuit and settlement negotiations have resulted in savings of over $35 million. Appropriations since the CHF was established are $57 million, so the work completed to date totals approximately $92 million.

In addition to the recovery of funds, the Department also pursues cost contribution actions against PRPs. Cost contribution claims must be proved by demonstrating the specific percentage of liability is properly allocated to each PRP, based on a variety of factors related to each PRPs involvement at a site. Given the fact that at many Department sites, PRP activity occurred decades ago and the availability of records or other proof is often limited or nonexistent, this is a more demanding, time consuming and costly approach to site liability allocation than is required of EPA. The DOJ has advised the Department that this approach will be required at most CHF projects due to our landowner status.

The goal of the Department is to increase the percentage of savings relative to appropriation. However, we are not able to say that the bulk of the cleanup funds will be received from PRPs at this point in the program due to the significant variables mentioned previously.

GENERAL

The Subcommittee has received information that current facilities for the agency's Arizona Strip District are inadequate.

Question. Are there current plans to improve or replace those facilities? What would be the estimated cost?

Answer. The administrative facilities for the Arizona Strip District are in St. George, Utah. These facilities are new and are meeting all administrative needs. There are currently no plans to improve or replace these facilities.

Question. If the City of Fredonia constructed office space for the Forest Service to be leased by the North Kaibab Ranger District, would a similar arrangement for the BLM as part of a government complex be considered favorably? What, if any, problems would there be with such as arrangement?

Answer. As stated above, the headquarters for the Arizona Strip District are new and are located in St. George, Utah. In addition, BLM has another administrative site in the City of Kanab, which administers public lands in southern Utah; additionally, the U.S. Forest Service has an existing facility in Fredonia. Typically, administrative support for the BLM's Arizona Strip District is provided by either one of these facilities, therefore the BLM does not see a need for a separate facility in Fredonia at this time.

MINERALS MANAGEMENT SERVICE

OFFSETTING RECEIPTS

Over one-half of the Mineral Management Service's budget for fiscal year 2000 is derived from offsetting receipts which come from rents collected by the agency on federal leases. The Department has proposed increasing the existing cap on these receipts in fiscal year 2000 from $100 million to $124 million.

Question. How have lower oil prices affected the agency's projections for how much it will collect in offsetting receipts for fiscal year 2000? Will the agency collect more than $124 million?

Answer. At the time of the initial estimate, $124 million seemed a reasonable target. Recently oil prices have been very uncertain. This was evident at the recent Gulf of Mexico sale which resulted in $3.57 million in additional offsetting collections as compared to $17.14 million from the same sale last year and $18.9 million from the sale the year before. After adjusting for the decline in oil prices and incorporating data from the most recent Gulf of Mexico sale, MMS now projects offsetting collections in fiscal year 2000 to be approximately $115 million. The actual amount of the shortfall could be affected by future sales.

Question. How would the agency make-up the shortfall in its budget if the cap on offsetting receipts is raised to $124 million? What agency activities would be affected the most?

Answer. If the projected shortfall of approximately $9 million materializes, we would delay implementation of the Royalty Reengineering Initiative and reduce environmental studies.

VALUATION

Question. What is the current status of discussions between industry and the agency regarding proposed valuation regulations? What is the likelihood that a resolution can be reached concerning valuation and the duty to market which satisfies all stakeholders?

Answer. In response to many requests from Members of Congress and parties interested in moving the process forward to publish a final rule, on March 4, 1999, the Secretary announced plans to reopen the comment period for the Federal oil valuation rule.

On March 12, MMS reopened the comment period for 30 days until April 12. MMS also announced three public workshops to discuss resolution of outstanding issues on the rule. The workshops were held in Houston, Texas on March 24, in Albuquerque, New Mexico on March 25, and in Washington, D.C. on April 6 and 7. Representatives from industry, States, and public interest groups all presented various proposals at these workshops. On April 12, MMS extended the comment period an additional 15 days to April 27.

Now that the comment period has ended, we will evaluate and give consideration to all of the proposals and comments received at the workshops and in the written comments. However, until we finish our review of all of the comments submitted, we cannot comment on the likelihood that a resolution can be reached that satisfies all stakeholders. We remain committed to assuring that the American taxpayer receives full market value for its mineral resources.

The fiscal year 1999 Emergency Supplemental Appropriations extended the moratorium on the valuation of crude oil until October 1, 1999.

Question. What impact has the agency's decision to extend the comment period had on the time frames for issuing the new valuation regulations?

Answer. The result of MMS's decision to extend the comment period resulted in review of additional comments received. Furthermore, the fiscal year 1999 Emergency Supplemental Appropriations extended the moratorium, which will delay publishing another proposed rule until fiscal year 2000.

Question. What are the agency's current projections on how much additional money will be paid in the form of royalties by industry under the new regulations? How has the lower price of oil affected these estimates, if at all?

Answer. In its February 1998 proposal, MMS's analysis of 1996 data showed the proposed Federal oil valuation rule would have had an economic impact of approximately $66 million in increased royalty collections annually. These estimates were based on a comparison of Federal oil royalties received in 1996 for both onshore and offshore production to those we would have expected under the provisions of the February 1998 proposal. The Indian oil valuation rule would have an annual impact of approximately $4 million as estimated by a similar comparison.

The lower price of oil has not impacted this estimate because the difference between market prices and the posted prices used by industry to pay their royalties has remained relatively fixed as prices have dropped. Regardless, we are pleased for the domestic petroleum industry to see that oil prices have rebounded in recent weeks.

Question. What specific measures is the agency taking to help producers most affected by low oil prices? Are any other measures under consideration?

Answer. MMS issued a proposed rule on January 12, 1999, that will provide six relief options for marginal properties. This rule will save industry over $1.2 million per year in reporting costs alone. On February 4, 1999, the Department announced that it would grant relief to small oil operators producing on public lands by allowing them to suspend operations for up to two years without losing their leases.

The MMS has updated two Notices to Lessees (NTL) to help the domestic industry adjust to and survive low prices. By issuing the two NTL's, MMS has taken two important steps to ease the number of early abandonments and to lower the threshold needed to qualify for royalty relief.

For the second time in five months, MMS lowered price forecasts used by existing leaseholders that apply for deepwater royalty relief. Fields in water deeper than 200 meters in the Central and Western Gulf of Mexico (GOM), that demonstrate economic need at these prices, qualify for suspension of royalty payments. MMS has

reduced its 1999 estimate price to better reflect prices companies are currently experiencing.

MMS has revised its guidelines for those applying for deepwater and end-of-life royalty relief. In addition, MMS has identified the need for relief outside these formal programs. Under the formal process, for instance, a lessee who has invested significant resources to lower production costs would be required to wait at least a year before applying for end-of-life royalty relief. Under the new approach, a lessee who has made a commitment of capital and meets additional criteria would be able to apply immediately during this period of low oil prices. End-of-life royalty relief and exceptional circumstance relief are aimed at situations where resources would be prematurely abandoned without the relief being granted.

MMS is now paying interest to lessees when they overpay royalties. MMS issued a proposed rule on the appeals process on January 12, 1999. MMS is also revamping its appeals process to streamline it, resolve disputes within 33 months, and allow lessees to self-bond.

MMS will continue its dialogue with oil and gas operators about how best to deal with low oil price environment and is analyzing other actions for possible adoption.

DESTIN DOME

Question. What is the current status of the Destin Dome project located off the Alabama and Florida coastlines? When will the coastal zone management determination be finalized?

Answer. The MMS will complete the draft EIS on the Destin Dome project in July 1999. The draft EIS will be filed with EPA in July/August 1999 and released to the public. The public hearings on the EIS will be held in August/September 1999.

The State of Florida's coastal zone review was received by MMS on February 18, 1998. The State objected to Chevron's consistency findings. Chevron appealed the State's objection to NOAA on April 3, 1998. The State filed a request with NOAA on May 6, 1998, to hold a public hearing on the objection. The proposed hearing is tentatively scheduled for the fall of 1999 in Pensacola, FL. NOAA published a new Federal Register Notice advising that the public comment period will be extended until 30 days following the appeal hearing. NOAA will accept comments within 30 days of the appeal public hearing. A date for a final decision on the State's Coastal Zone Management objection is unknown.

Question. What is the State of Florida's position on this project? How has the agency worked with the State of Florida on this issue?

Answer. The State has objected to the project and has found it inconsistent with the Florida Coastal Management Program. The State's finding of inconsistency was based on (1) the lack of sufficient information and analyses, (2) insufficient time to review responses to the State's earlier requests for additional information, (3) failure to supply requested information, and (4) inconsistencies with provisions of Florida Statutes. Florida laws enacted in 1989/1990 prevent oil and gas activities in State territorial waters. In 1991, Florida adopted a policy to prevent oil and gas activities within 100 miles of its coasts due to the potential for impacts to marine, coastal, land and economic resources.

The MMS consulted with the State and Chevron in December 1997 in an attempt to get all parties to agree to a revised CZM consistency time frame. However, agreement could not be reached. Subsequently, the MMS has consulted with the State throughout the preparation of the draft EIS on technical issues of concern and responded to numerous questions raised on every aspect of the project.

Question. What, if any, estimates does the agency have for the total gas reserves located on this lease? If fully developed, what would be the expected royalty income to the United States from this project?

Answer. Destin Dome unit consists of 11 blocks, of which 2 have been drilled. Preliminary mapping indicates resource and reserve potential of between 425 billion cubic feet and 3 trillion cubic feet of natural gas. Our estimate for royalty income, over the life of the project (at ⅙ royalty and between $1.75 and $2.00/million cubic feet), is between $12 5 million and $1.0 billion.

INTERNATIONAL ACTIVITIES

Question. The agency's fiscal year 2000 budget proposes an increase of $250,000 to participate in international fora. What specific conferences and what international organizations does the agency plan to participate in during fiscal year 2000? What activities will this additional money pay for?

Answer. Fiscal year 2000 funds will be used to participate in meetings of the International Organization for Standards (ISO).

In August 1998, MMS became an active participant in the U.S. Technical Advisory Group (TAG) to ISO Technical Committee 67 (Materials, Equipment and Offshore Structures for Petroleum and Natural Gas Industries).

In fiscal year 2000 we plan to participate in the ISO Subcommittees dealing with Pipeline Transportation (SC2), Drilling and Completion Fluids and Cements (SC3), Drilling and Production Equipment (SC4), and Offshore Structures (SC7), as well as Line Pipe (SC1), Casing, Tubing, and Drill Pipe (SC5), and Processing, Equipment and Systems (SC6).

In addition, the budget request will support our participation in conferences and workshops for other standards-developing organizations and International Fora including the International Maritime Organization (IMO) and the London Convention. Issues having a direct impact on U.S. offshore oil and gas operations, such as standards for drilling mud discharges, platform removal requirements, and Floating Production Storage and Offloading facilities are currently being discussed in these fora.

Question. To what extent does the agency currently participate in such international organizations? How much is spent? What are the particular benefits to the U.S. government and to industry of MMS participation?

Answer. MMS' participation in the ISO has been limited in the past due to budget constraints. As a result, MMS has not always been able to ensure that a U.S. perspective is considered as international standards have been developed. MMS incorporates standards into our regulations to address changes in offshore oil and gas technology as appropriate. Hence, MMS must participate in the meetings of the ISO in order to ensure that these standards address U.S. operating requirements. Several other agencies within the U.S. Government, such as the Coast Guard and the Department of Energy, have specific monies appropriated for these types of international activities.

The MMS believes it is critical to participate in international fora such as the International Maritime Organization and the London Dumping Convention. As we addressed in our previous response, the issues being discussed in these fora have a direct impact on U.S. offshore oil and gas operations.

Question. The agency's fiscal year 2000 budget states that it will use $250,000 from data conversion funds to pay for international activities. What will be the impact on the data conversion efforts? How long will these conversion activities be extended because of the decrease in funds?

Answer. Progress is being made on the data conversion efforts. The most complex effort focuses on correcting historical well data. Since the initial estimates were made, MMS has found the project to be much more complicated and controversial than first expected. Consequently, a contract was issued for a pilot effort to further scope out the problems, examine MMS processes, and develop a statement of work for the full contract. Since that time, MMS has integrated the results of that pilot effort into a proposal for a full contract. We anticipate issuing a procurement solicitation to determine qualified bidders in May/June 1999. Thus, MMS is satisfied that redirecting $250,000 in fiscal year 2000 is viable. At this time, it is premature to predict how long, or if, the conversion activities would be extended because of redirecting $250,000 in fiscal year 2000. Any extension in the project may end up being more a result of the complexities of the project rather than a result of redirecting $250,000 for international activities in fiscal year 2000.

MARINE MINERALS RESEARCH CENTER

The agency proposes eliminating funding for the marine mineral research center at the University of Mississippi.

Question. Why is funding for this program being eliminated when much of the focus of the research at the university involves deep water issues which appear to be increasingly important? Isn't work being done at the university helpful in learning about important issues relating to deepwater development in the Gulf of Mexico?

Answer. The Marine Minerals Research Centers (MMRCs) were reauthorized under the Marine Minerals Resources Research Act of 1996, and placed under oversight and management of the Department of the Interior. The MMRC at the University of Mississippi was funded in the amount of $600,000 in fiscal year 1999. The mission of the MMRC is to conduct research on the exploration and extraction of minerals from the seabeds of the continental shelves, deep ocean, and arctic regions, including deepwater research.

The MMS recognizes the importance of the investigations and technological development that this center pursues, particularly the longer term research. However, due to higher research priorities for oil and gas exploration and extraction MMS is proposing to eliminate MMRC funding in fiscal year 2000.

REENGINEERING

The agency's budget proposes a large increase to support its reengineering efforts.

Question. How is this effort proceeding? Are all the scheduled deadlines being met? Are any unanticipated issues arising?

Answer. The Reengineering Initiative is proceeding consistent with the project implementation action plan and schedule. The acquisition strategy and approach being used has been well received by the vendor community. Contract award is scheduled for September 1999 for the financial system and relational database management system. Completion of the installation is scheduled for September 2001. Procurement action to acquire the compliance component will begin in fall 1999.

To date, MMS has not experienced any unanticipated issues.

Question. What are the agency's current estimates of how soon this effort will pay for itself through more efficient, accurate collection of royalties? Will the reengineering effort reduce the costs of collection to MMS? If so, how? And how much?

Answer. MMS estimates that upon completion, the investment in RMP systems modernization can be recovered in two years. Expected benefits of approximately $19 million annually will be realized through increased revenues and operational cost savings. The operational cost savings components of the benefit estimates are expected in the areas of simplified reporting and improved systems efficiencies. Simplified reporting is expected to reduce MMS costs by approximately $1.5 million annually. With the implementation of simplified reporting changes, MMS estimates significant improvements in overall reporting efficiency, and a reduction in reporting burden to royalty payors of 40 percent. Upon full implementation, improved systems efficiencies are expected to reduce MMS costs by approximately $2 million annually and increase revenue collection by approximately $15 million. An integrated accounting system that would eliminate many stand alone, personal computer based, applications and a fully deployed relational database management system are the major contributors to the projected costs savings.

ROYALTY-IN-KIND

Question. How are the agency's royalty-in-kind projects proceeding? What, if any, conclusions can be drawn from the pilots to date?

Answer. MMS's royalty-in-kind projects are going well and are proceeding on schedule. To date we have sold crude oil in Wyoming in two successive auctions and moved gas from section 8(g) leases to offshore Texas. While it is too early to draw conclusions, one important message that is being demonstrated by the pilots is that royalties from leases with small and marginal production, and oil production not connected to pipeline systems, are clearly unattractive for the Federal government to take in kind. Further, in the limited cases where the logistics are attractive, the Federal government can realize some benefit by delivering natural gas to Federal facilities for direct consumption.

Question. Under what circumstances does RIK make good economic sense for the government? When, if ever, does it not?

Answer. This is the question that the RIK pilot programs have been designed to help answer. Conceptually, since under RIK the government must bear costs now borne by the lessee, unless we can sell the production more effectively than the lessee, the Government will lose revenue. The ability to aggregate some of our production as well as the ability to sell our production further downstream may help to offset these higher costs. Until the pilots have run their course, however, we will not know whether these offsetting benefits exist, or if they do, whether they will be sufficient to prevent us from losing revenue. RIK can only make sense on a case by case, lease by lease, basis. If we have learned anything to date, it is that every circumstance is different and no generalized rules for RIK seem to apply. Flexibility, discretion, and choice are essential for a successful RIK program. Without them, RIK can not make good economic sense.

Question. Wouldn't moving to an RIK system nationally resolve the current disputes concerning valuation for royalty purposes? What potential problems, if any, would there be if such a system were implemented nationally?

Answer. The potential is that it would just replace one set of royalty disputes with others. Transportation cost issues would remain, and royalty revenue audits would be replaced by royalty production volume audits, as well as by audits of marketing contractors and others providing services to the Government necessary for RIK. The main potential problem, if an RIK system were implemented nationally, would be loss of revenue to the Nation. Based on what we have learned from our RIK pilot programs, a mandatory system across the Nation may not be economically viable.

SAND AND GRAVEL

The fiscal year 2000 budget states that charging a fee to Virginia Beach was the first time the Secretary used his discretionary authority to assess a fee.

Question. Will this fee be charged to all future participants in the sand and gravel program?

Answer. A fee of $198,000 was charged for the use of 1.1 million cubic yards of OCS sand to nourish Sandbridge Beach. Public Law 103–426 authorizes MMS to negotiate agreements for the use of OCS sand and gravel, e.g., to support beach nourishment project construction, and to assess a fee for its use. Assessing a fee is discretionary, and the decision will be made on a case-specific basis, except that no fee is assessed against a Federal agency. MMS policy is to assess a fee consistent with the criteria established in the law, and exceptions are expected to occur only for limited circumstances. The precise case(s) for exceptions to a fee cannot be defined in advance because a judgment is required, for each situation, that either the public interest benefits from the use of OCS sand warrant no fee, or that a fee would be so burdensome as to prevent construction of an otherwis e acceptable project.

Currently, in both the Senate and House versions of the Water Resources Development Act of 1999 (S. 507 and H.R. 1480) there is a provision that would prohibit MMS from assessing fees. S. 507 also provides for reimbursement for any fees paid to MMS (i.e., the fee paid by Virginia Beach).

Question. What is the criteria for deciding to charge a fee and for determining the amount of the fee? How do these fees compare to what other owners of sand and gravel charge?

Answer. Consistent with congressional intent, future requests for use of OCS sand will include fee assessments as part of the negotiated terms. As described above, any decision not to assess a fee would be based on specific circumstances, and would be limited.

Public Law 103–426 provides direction that the assessment of a fee balance resource value with public interest served—the fee is to be "based on an assessment of the value of the resources and the public interest served by promoting development of the resources."

In October 1997, MMS prepared, and distributed widely, guidelines on how we will determine fees. The guidelines were prepared as internal guidance for MMS employees, when negotiating agreements, but were also shared with the public to assist governmental sponsors with planning for project costs and funding. The guidelines were reviewed and found acceptable by the Secretary's OCS Policy Committee. Under the approach developed in the guidelines, assessment of fees first requires a determination of the resource value. A current estimate of market value is determined based on an assessment of what other owners of sand and gravel charge. But the law provides that the public interest served by the project also be considered in the determination. Therefore, MMS provides for adjustments to the estimated resource value to reflect public benefit from project construction, like hurricane and storm damage reduction, wetlands restoration, habitat restoration, etc. To reflect public benefits in the fee determination, the guidelines provide a discount for State and local government based on the same percentage (typically 65 percent) used to represent the congressionally mandated Federal share of the costs of shore protection project.

ALASKA PROJECTS

Question. What is the current status of the Liberty and North Star projects in Alaska? Have all necessary permits been issued?

Answer. The Northstar Project is still awaiting permits. The Northstar Production Island is located in State of Alaska waters, but the reservoir underlies both State and federal waters. The State of Alaska and the North Slope Borough have approved the project. The controlling permit to start construction is the Corps of Engineers (COE) 404 permit (dredge and fail). The U.S. Fish and Wildlife Service objected to the COE draft decision with regard to the pipeline route and elevated the decision to COE headquarters. The final COE decision was alternative two, which was the preferred British Petroleum Pipeline, a nd a 404 permit was issued.

The MMS has begun to complete its process for the Development Production Plan and accompanying oil discharge contingency plan.

EPA issued the National Pollutant Discharge Elimination System (NPDES) on May 21, 1999, and the effective date is June 21, 1999.

The Liberty Project and reservoir are entirely within OCS waters but with the pipeline routing going through State of Alaska waters and lands. BP submitted a Development Production Plan to the MMS in early 1998. Because of the delays to Northstar, last fall BP asked that MMS delay issuance of the draft EIS until after

decisions on Northstar. This month BPAmoco has delayed its estimated production startup for Liberty until 2003. MMS, the Corps of Engineers, and BPAmoco have decided to hold facilitated meetings with the permitting agencies to discuss development options for Liberty, especially regarding the pipeline designs, to try to ensure all issues are identified up front. Under this approach, the Draft EIS will be completed in late spring 2000.

Question. What other agencies are involved in the review of these projects? What, if any, obstacles remain for these projects to enter the production phase? What is expected royalty income for the United States from these projects?

Answer. Federal agencies involved in the review of both projects include the Corps of Engineers (COE), EPA, U.S. Fish and Wildlife Service, the Minerals Management Service, and the National Marine Fisheries Service. State of Alaska agencies and the North Slope Borough are also involved in reviewing both projects. The COE was the lead federal agency for the Northstar EIS. MMS is the lead agency for the Liberty EIS.

The Northstar Project must obtain permits from the COE to construct the gravel island and pipeline. All agencies concurred that the project and pipeline were safe; however, some disagreement existed on the routing of the pipeline. If the COE finally approves the BPAmoco plan and pipeline route, gravel island construction should proceed in the winter of 2000. If the COE chooses another pipeline route, the applicant will have to amend its plans, and the State and North Slope Borough will have to reopen their reviews of the new route.

Liberty is still at the beginning of its permitting process. BPAmoco will need all State, Borough, and federal permits for the project. Some agencies have asked for a review of alternative pipeline designs for Liberty, and the facilitated process will be used to define options to review.

Royalties from federal production at Northstar are estimated at $75 million for the life of the field. Because these leases are within the 8(g) zone, an estimated $20 million will be shared with the State of Alaska. Royalties from federal production at Liberty are $178 million. Because these leases are within the 8(g) zone, an estimated $48 million will be shared with the State of Alaska.

Question. What are the agency's future expectations with respect to leasing in Alaska?

Answer. MMS surveyed the industry in late 1998 regarding their views on Alaska leasing. The Beaufort Sea remains the area of most interest, especially the central Beaufort in the area closest to infrastructure. Because of the amount of development activity, State sales, and the NPRA sale, industry expressed interest in a one-year delay for the next OCS Beaufort Sale, and MMS will delay the sale to fiscal year 2002. The State of Alaska will continue to offer its Beaufort State waters for lease, and future federal sales can complement the areas offered by the State. Industry holds a good inventory of leases in State and Federal waters with a number of good prospects for development. MMS has and will continue to assist the BLM on lease management for the NPRA, and expects interest to continue.

Companies expressed a longer term interest in Cook Inlet, the Chukchi Sea, and the Gulf of Alaska. They asked that these areas remain available in the next 5 Year Plan, but did not see a need for sales in these areas in the next few years. Thus MMS will postpone sales in these areas until the next 5 Year Plan.

DEEPWATER ISSUES

Question. Given the complex issues related to deepwater drilling and production, what is the anticipated budgetary impact on the agency's Leasing and Environmental Assessment, and Environmental Studies program in the future? How do the costs of preparing a sale and providing all necessary review through the production stage in deepwater compare to costs for other sales?

Answer. No impact is expected on the portion of our operating budget devoted to conducting lease sales. Lease sales are traditionally "area-wide" in scope, and this has not changed due to deepwater leasing. However, increased lease administration workload due to the great increase in leased tracts, and the more complex issues associated with industry business practices for these expensive ventures, may strain our budgetary resources.

Environmental assessment

The complexity and increased level of activity of oil and gas activities in deep water have had considerable impact on the environmental assessment-related workload in the Gulf of Mexico OHS Region. Numerous National Environmental Policy Act (NEPA) documents are currently under preparation regarding deepwater activities. An Environmental Assessment (EA) is nearly completed that addresses activities unique to operations in deepwater, and a contract for preparation of an Envi-

ronmental Impact Statement (EIS) has just been awarded to evaluate the potential impacts of the possible use of floating, production, and offloading systems (FPSO's) in the Gulf. Additional evaluations are needed for several major topics, including riserless drilling, fate and effects of potential oil spills from deepwater blowouts, chemical product usage, and the storage and offloading of hydrocarbons during initial well testing. These evaluations are expected to be prepared in-house, but are currently on hold due to workload constraints. The Office of Leasing and Environment in the Gulf of Mexico Region has recently reorganized to support efforts to re-engineer work processes for greater efficiency. As the re-engineered work processes mature, we hope to be able to resume work on these important environmental protection projects in addition to coordination and assessment of site-specific deepwater plans.

Environmental studies program

With the deepwater supplemental budget of $4,000,000 for fiscal year 1998, 14 new studies were started which focused on GOM deepwater issues. In fiscal year 1999, 8 new deepwater studies have been initiated for another $4,000,000. Elements are now in place for a strong deepwater program which provides information for our many NEPA responsibilities. But, following this initial effort, the cost of maintaining a maturing deepwater program will increase. A major deepwater physical oceanographic study of the processes of the slope and rise is in planning with estimated costs for funding exceeding $10 million. An extensive deepwater benthic study will cost about $5 million. Meeting our environmental responsibilities in deepwater areas will be a challenge given the expense of performing studies in that environment.

Costs of preparing a sale

As noted above, the costs for preparing a sale that includes deepwater tracts is virtually the same as the costs for preparing previous sales, since all sales since 1983 have been "area-wide."

Operating costs for administering deepwater leases are the same as for other sales. But, the many leases and related activities (especially, bonds and assignments) due to the record-breaking, deepwater-focused sales of the last few years have increased our workload.

There has been a significant increase in the data costs for deepwater lease sale tract evaluations compared to the costs associated with evaluation efforts on the shelf. This is due to the fact that deep water is a frontier area. In many cases no historical data is available with which to evaluate the area. The real problems come with the need for reprocessed seismic data (converting 2D data to 3D data) in subsalt areas of the deep water and the effort to identify which companies have reprocessed data. Additional time is needed for the evaluation of this reprocessed data.

Costs of environmental reviews

Assessing plans in deep water is more complex and more demanding in time and financial resources than for similar plans in shallow water where the agency has years of experience evaluating industry activity. Most of the additional cost of assessing plans in deep water is related to the increased cost of obtaining deepwater environmental data and information, and the additional time and effort required for staff to evaluate and understand the potential impacts associated with industry's use of new technology to operate in the harsher conditions of the deepwater Gulf of Mexico.

Costs of operational reviews

As a result of the significant differences and technological complexities of each facility and the fast tracking of each project in deep water, compared to similar activity on the Continental shelf, the agency now requires the submittal of Deepwater Operations Plans (DWOPs) for all projects in water depths greater than 1,000 feet and for all subsea completions. This three-part plan covers the life of the project from the conceptual phase of the project to final abandonment.

In addition, the enormous cost of deepwater projects has led operators into a position which sometimes favors quick recovery of investment at the expense of long-term conservation considerations. To address this issue the agency now requires the submittal of Conservation Information Supplements with all DWOPs. Reviews of these documents require a broader and deeper knowledge and understanding of petroleum geology, geophysics, and engineering, as related to every facet of reservoir management, in order to ensure the conservation of petroleum resources.

Due to the increased technology and costs associated with deepwater exploration and development, applications and formation of units have significantly increased.

The passage of the Deepwater Royalty Relief Act (DWRRA) signed into law on November 28, 1995, has generated applications for deepwater royalty relief that require extensive reviews and evaluations. Co-development of deepwater leases and units has greatly complicated suspension of production reviews and approvals. In deepwater, significantly greater changes in pressure and temperature conditions occur during production; and hydrocarbons behave very differently, sometimes forming solids that cause uneven production. Therefore, production measurement and, consequently, the review of associated industry proposals are more complicated in deepwater leases. There are also policy issues, such as deep water royalty rate relief, to be considered in the review that make the review itself more complex.

The impact of royalty relief associated with "new" leases in deep water has caused a significant increase in manpower needs associated with new field identification and evaluation. The field determination process in deep water is much more rigorous since the inception of the DWRRA, as there is increased scrutiny by oil and gas industry analysts of this determination process. The increased scrutiny is due to the enormous amount of royalty-free production (17.5 to 87.5 million barrels of oil equivalent depending on water depth) associated with each field determination. As a result of the significance of these field determinations, the deepwater fields are evaluated much more thoroughly using 3-D seismic data and digital well logs.

INSPECTIONS

Question. How does the increased level of activity in deep water affect the agency's inspection program? How does the number of incidents of noncompliance (INC's) in deep water compare to other areas? With more activity in deep water which is farther offshore, will more inspectors be needed to maintain current safety levels?

Answer. In contrast to shallow water production activity on the Continental shelf, where procedures are now routine and equipment is "off the shelf", deepwater technology is continuously evolving. The hardware and procedures to drill, produce, and ultimately abandon operations in deepwater represents the most advanced and unique technology that the industry currently employs. The review, approval, and inspection of this new technology demands state- of-the-art training for all those currently involved in the operational review process. Because of the evolving nature of these deepwater projects, additional training will be necessary as the technology continues to advance. Staffing requirements will also necessarily evolve to keep pace with the deepwater trends. As the number and complexity of these deepwater facilities continues to increase, the skill base of the organization will need to be assessed to insure that, not only is there a sufficient number of properly trained employees, but also that the agency skill mix is appropriate. The use and implementation of this new technology demands new technical specialties, and MMS must insure that these specialties are captured in the workforce.

To date, the number of incidents of noncompliance for deepwater activity is much less than for similar types of operations on the shelf. The newer and more automated facilities in deep water are also staffed at higher levels as compared to facilities on the shelf.

However, as reflected in MMS's budget request for fiscal year 2000, we do need some additional resources for the inspection effort, including an additional helicopter. Deepwater facilities are farther from shore requiring longer flight times. This degrades inspector efficiency because significantly more time is consumed in transit to the remote locations. The larger, more complex, facilities often require a team of inspectors versus single inspectors, and deepwater platforms are often in less densely populated areas without an existing infrastructure. This results in additional transit time between structures. At the same time, the increase in activity and the remote location of facilities in deep water has led to new inspection strategies including sampling inspections and overnight stays of inspectors at deep water facilities to increase inspection efficiency and effectiveness. As the number of facilities increase in deep water, it may again become necessary to increase inspection personnel and to acquire additional/upgraded helicopter resources to accomplish the agency mission.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance based management within the agency, as required by the Government Performance and Results Act.

Answer. The Director of MMS has continually demonstrated the leadership and commitment necessary for effective implementation of the Government Performance and Results Act. The Director has established a standing GPRA team to coordinate and facilitate the MMS transition to performance based management. This team,

comprised of managers and staff from across MMS, is guided and directed by the MMS Quality Council (MMS Director and Associate Directors) in implementing GPRA and performance management. The Director's immediate involvement has provided the leadership that is critical to successful performance management. Our approach at MMS is driven top down as well as bottom up with involvement and accountability being created at all levels throughout the organization.

Question. How are the agency senior executives and other key managers being held accountable for achieving results?

Answer. GPRA annual performance goals have been included as a performance element in the Senior Executive Service Performance Agreements for 1999. Through these agreements, the senior executives will be held accountable for achieving GPRA results as part of their overall performance review. We are currently evaluating the development of subordinate measures to the GPRA goals that can be used to further cascade down and hold managers and employees accountable for their contributions to the performance of the organization.

Question. How is the agency using performance information to manage the agency?

Answer. The MMS is continuing to gain more experience and a broader understanding of performance based management and is making real progress in the use of performance information in managing the agency. For example, the Royalty Management Program (RMP) has developed and began using a performance matrix in fiscal year 1997. The matrix includes GPRA measures and other measures that managers find useful in managing the program. The information is updated and used monthly by the RMP Quality Steering Committee to manage resources and monitor progress toward annual goals. In addition, MMS is gathering available performance information and data, on a quarterly basis, on each of the goals contained in its fiscal year 1999 annual performance plan. This information forms the basis for discussion among senior managers in the Bureau and at the Department on progress toward achieving our annual goals. This active monitoring highlights where we are exceeding our goals and where we may be falling behind and provides the opportunity to make mid-course management corrections.

Question. How did program performance factor into decisions about funding the agency requested in fiscal year 2000? Please provide examples.

Answer. In the fiscal year 2000 budget request and annual performance plan, MMS attempted to link program performance to budget changes. Each mission goal section contains a discussion of the impact of fiscal year 2000 budget changes on the accomplishment of that particular goal. For example, in fiscal year 2000 MMS, in conjunction with its reengineering initiative, is requesting funding to upgrade RMP's information technology systems. The systems currently in use are too old and inflexible to efficiently support redesigned business processes or changing mission requirements such as expanded Royalty-in-Kind programs. The mix of aging mainframe-based systems and substantial changes needed to support reengineered business processes represents a major risk to future systems reliability and operational stability. These factors jeopardize the programs ability to meet its performance objectives for accurate and timely disbursement of receipts and for compliance with royalty regulations. Therefore, additional funding was requested to upgrade the technology and systems to support these goals.

The GAO review of the fiscal year 2000 Annual Performance Plan and budget highlighted, as an effective portrayal of resources and performance, the MMS effort to identify funding and full time equivalent staffing for each performance goal and provide a narrative that identified how the resources were being used. For example, in support of the goal for ensuring safe mineral development on the outer continental shelf, the budget justification was explicit that approximately $45.469 million and 338 full time equivalents (FTEs) with backgrounds in petroleum engineering, offshore production and operations, geology, computer and statistical analysis, management, and various support services were required to successfully fulfill the programmatic results. The GAO complimented MMS's descriptive information relating resources to goals.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. Keeping in mind that fiscal year 1999 is the first year that a strategic plan and performance goals are in place under the Government Performance and Results Act, the MMS, like other agencies, is beginning to identify opportunities and make changes in its processes and programs to better address its performance goals. The offshore program has established teams to look at issues that effect our goals. For instance, an oil price team has been working to determine the effect of low oil prices on fair market value. Also, in support of our environmental and safety goals

MMS is evaluating ways to disqualify operators who have traditionally demonstrated poor safety and environmental records. Additionally, MMS is developing a Safety and Environmental Program (SEMP) which is designed to give companies more latitude in the manner in which they meet safety targets while still meeting the outcomes needed for MMS to achieve its safety and environmental goals. The Royalty Management Program is developing operational models that will reengineer their processes to directly support their strategic goals. The Royalty Management Program has established partnerships with key stakeholders to allow their participation in the development of reengineered compliance and asset management processes.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. The MMS annual performance plan for fiscal year 2000 links the goals contained in the plan to the budget activities by using a "GPRA program activities structure" which was developed by aggregating and disaggregating the program activities included in the P&F schedules against the GPRA program activities used in the annual plan. The GPRA program activities used by MMS were the MMS mission goals. Each discussion of a mission goal in the annual performance plan includes a listing of related budget accounts and an estimate of the total aggregate funding for that goal.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. Currently there is not a one-to-one relationship between budget accounts and activities in the budget justification and the goals contained in the annual performance plan. This lack of alignment results in budget accounts supporting multiple goals and goals being accomplished with funding from several budget accounts. Realigning the budget account and activity structure with the goals contained in the strategic and annual plans is premature at this time. However, this linkage is made in the annual performance plan as explained in the previous answer.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. The MMS has focused over the past year on making sure that data for all measures contained in the fiscal year 1999 annual performance plan will be available and reliable. Baselines have been established for 100 percent of the 22 measures contained in the plan. MMS has worked extensively to put the methodology and systems in place to gather, analyze, and report its performance information in an accurate and timely manner. At this time MMS anticipates having reliable data for all its goals available in time for the March 2000 report. However, measures relative to oil and gas production and reserves as well as oil spills and accidents from offshore operations rely on external sources for information. While delays are not anticipated in getting this information from the external sources, a prolonged delay would affect our ability to report complete information for a few goals.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The data is expected to be available.

Question. How will the agency's future funding requests take into consideration actual performance compared to expected or target performance?

Answer. In its first GPRA strategic plan, published in fiscal year 1997, the MMS established long term targets for each of its goals. As we begin to get actual performance data, we will evaluate each goal and our ability to achieve the targeted performance, not only for that year, but also for future years. Future targets, as well as future resource needs, will be evaluated and adjusted based on these evaluations. Future funding requests will reflect the need to shift funding resources to ensure effective performance.

OFFICE OF SURFACE MINING

AML INCREASES

The budget justification for the Office of Surface Mining states that the singular highlight of its fiscal year 2000 budget is the Administration's proposal for a multi-year effort to fund the Abandoned Mine Lands (AML) program at a level commensurate with fee receipts by 2003. The agency proposes a $25 million increase for these activities for fiscal year 2000.

Question. What level of increases in the AML program does the agency forecast over the next three years to get to the level of receipts?

Answer. We project that fee receipts will be approximately $317 million in fiscal year 2003. This is approximately a $100 increase over the fiscal year 2000 request. While budgets for the out-years have not yet been developed, one scenario would be for approximately equal increases over the next three years to reach the level of fee receipts.

Question. Will proposed increases in the AML program over the next three years mean that the agency will propose decreases in other programs as an offset? If so, what activities will be affected and to what extent?

Answer. It is not clear at this time how proposed increases in the AML program will be funded in fiscal year 2001–2003 or if offsets will be necessary. If offsets are needed the Department will determine the necessary offsets as each fiscal year's budget request is developed based on a review of all accounts to determine where offsets can best be made.

The agency's fiscal year 2000 budget justification states that $22 million of $25 million increase for AML reclamation program will be directed to states and tribes doing projects that support the President's Clean Water Action Plan (CWAP).

Question. What criteria are used to determine whether a project is a Clean Water Action Plan project?

Answer. An AML project that would correct conditions such as acid mine drainage from abandoned gob piles, sedimentation of streams as waste piles erode, and acid mine drainage formed as water enters underground mine workings and emerges as a pollutant, as well as other of the CWAP key action items, would be a project that is consistent with the President's Clean Water Action Plan. A State/Tribe would state in its grant documents that the increased funds would be used for such projects.

Question. Would any states or tribes be ineligible for a part of this increase because they do not currently have CWAP projects. If so what states or tribes?

Answer. Every time a State or Tribe cleans up an AML site there is a positive aspect on associated waters. Moreover, based on a staff review of unreclaimed sites listed in the Abandoned Mine Land Inventory System, and discussions with States and Tribes, we believe that all have eligible problem sites that could be reclaimed in support of the President's Clean Water Action Plan. Thus, we anticipate that all State or Tribe AML programs will be eligible for a part of this requested increase.

The Subcommittee is concerned about the funding of the Small Operator Assistance Program (SOAP).

Question. What level of funding is necessary to fully support this program for fiscal year 2000? How many operators will receive funding from this program in fiscal year 2000?

Answer. We believe that we will have sufficient funds in fiscal year 2000 to support 170 operators expected to request assistance. The funds will be a combination of: (1) the requested appropriation of $1.5 million; (2) recoveries from closed out projects; and (3) unexpended funds from the fiscal year 1999 approved reprogramming of $2.08 million. Further, if necessary, adjustments will be made in some grant periods. With the recently approved reprogramming, OSM will obligate more than $4 million in SOAP operational grants to States during fiscal year 1999. These grant awards, obligated during fiscal year 1999 but with budget periods lasting through part of fiscal year 2000, are expected to result in unexpended funds which will be used in fiscal year 2000. The fiscal year 2000 request of $1.5 million plus anticipated recoveries and carryover are projected to total approximately $4 million, sufficient to fund the program until fiscal year 2001.

Question. What are the agency's projections for the next three years in terms of number of operators who will participate in the program and the amount of money needed to fully fund it?

Answer. The numbers of operators expected to be assisted are:

Fiscal year	*Operators*
2000	170
2001	172
2002	174

The best current estimate is that approximately $4.0 to $4.5 million is needed to fund SOAP operational expenses for a 12-month period. The States and OSM now are forming a team to conduct an in-depth review of the ongoing funding needs for this program. Requests for fiscal year 2001 and beyond will be based on the results of joint review and the work to develop a formula-based approach to determining actual one-year funding needs.

APPALACHIAN STREAMS INITIATIVE

The agency's fiscal year 2000 budget proposes a $3,000,000 increase for Appalachian Streams Initiative.

Question. How much additional Acid Mine Drainage (AMD) could be remediated with this additional funding? How many states currently receive funds through the ASI program? Will more states receive money if increased funds are provided?

Answer. We anticipate that remediation will start on up to 42 Appalachian Clean Streams projects (planning, design, or construction) in fiscal year 2000 with this increase in funding. Once funds are appropriated, the States will select those projects to be funded through the grant program. Currently, 12 states receive funds through the Clean Streams program. These States are Alabama, Illinois, Indiana, Iowa, Kentucky, Maryland, Missouri, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia. These are the States that historically have participated in the program.

Question. To what extent, have ASI funds been leveraged with state and private funding? Does the agency plan to utilize more leveraging in the future? What are the goals and expectations?

Answer. At this time, the ratio of appropriated funds to leveraged funds is approximately 1:1. This includes partners' funds committed for activities within the watershed of the specific project. There also are numerous instances of in-kind services being provided for which a dollar value has not yet been established. The in-kind services, for example, project design or the use of construction equipment, are significant in certain cases. Our goal is to continue expanding the number of non-government partners and to increase leveraging capability with cooperators to a 1:1.4 ratio. We anticipate that for fiscal year 2000 approximately 60 percent of the total funds involved in the projects will be from other than OSM's Appalachian Clean Streams Initiative.

CONTRACTOR OFFSETS

Question. When will the agency issue new rules concerning the offset of contractor's reclamation costs by allowing the contractor to remove and sell coal incidental to reclamation efforts?

Answer. The final rule was published in the Federal Register (Volume 64, number 2, page 7471) on February 12, 1999.

Question. What were the main issues raised by the public comment on the proposed rules?

Answer. The AML Enhancement rule has as its goal to use coal that can be recovered at abandoned mine sites to help finance the cost of the reclamation. By allowing the reclamation contractor to sell this coal and keep the proceeds, we are reducing the overall cost of the project to the government. This stretches the limited AML dollar, making money saved on these types of projects available for additional projects. The rule also can have an impact on helping to keep small operators in business, since many are involved in remining efforts. For these reasons, the great majority of commenters supported the rule. Two commenters were concerned that this rule could allow for remining to be conducted under the AML program when it should be conducted under a Title V permit.

Question. How will the agency's final rule respond to these concerns?

Answer. The final rule contains significant safeguards. In order to proceed, the regulatory authority first has to determine that the site is not likely to be remined under the Title V regulatory program. This determination is made after taking into account the economic and technical feasibility of remining the area. It is made in a consultation between the Title V and the Title IV authorities. We also reiterated the many environmental protections already in place in the AML program and pointed out the additional safeguards we added to the regulations for these specific types of AML sites.

STATE MINIMUM FUNDING

The Abandoned Mine Reclamation Act of 1990 establishes a minimum State grant funding level of $2,000,000 per State. However, since fiscal year 1995 funding for the program has been limited to $1,500,000 per State. The agency recommends increasing the minimum State share to $2,000,000.

Question. Is there sufficient high-priority work in each State that increasing each State's minimum share will not reduce efforts to complete highest priority work nationwide? What would be the impact, if at all, on the agency's other work if this increase were provided?

Answer. Based on our review of the unreclaimed sites listed in the Abandoned Mine Land Inventory System, currently all States eligible for minimum program

level, with the exception of New Mexico, have sufficient high-priority work to cover the requested $2,000,000 minimum program level. In the case of New Mexico, the State is determining if there are additional eligible coal high priority sites that should be added to the Inventory. If not, the State would receive only the amount needed to reclaim the listed unfunded high-priority eligible sites. There will be no impact on other OSM work if this increase is provided.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance-based management within the agency, as required by the Government Performance and Results Act (GPRA)?

Answer. The Director has taken several significant steps to establish a comprehensive process for achieving performance-based management within OSM including: (1) defining specific outcome-based measures that relate to mission responsibilities; (2) developing reliable cost data on critical OSM activities and initiatives; (3) aggressively pursuing feedback from customers and stakeholders on OSM's performance; (4) cascading performance measurement throughout the organization; and (5) holding manager's responsible for accomplishing specific objectives that support the agency's overall goals.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. Resources are allocated to managers in support of the goals and objectives outlined in our strategic plan and they are held accountable through their individual performance agreements.

Question. How is the agency using performance information to manage the agency?

Answer. We manage our program activities by:

—defining performance outputs by program activity;
—holding managers accountable through individual performance agreements;
—assigning unique account codes to identify costs for each output;
—applying indirect administrative overhead costs to programs; and
—providing program cost data to managers to determine if measures are meaningful and if appropriate priorities are being identified.

Question. How did program performance factor into decisions about the funding the agency re quested in fiscal year 2000? Please provide examples.

Answer. Through consultation with our stakeholders, we identified increased funding for the reclamation of abandoned mine lands as a strategically critical high priority. As a result, we have proposed a $25 million increase in the AML reclamation program to aggressively accelerate the restoration of abandoned mine sites adversely affected by past coal mining practices. Performance measures showing the on-the-ground results in terms of additional acres reclaimed and streams cleaned were used to support OSM's request for increased funding in the fiscal year 2000 budget. Specifically, we estimate that an additional 1,800 acres of AML land and hazards would be reclaimed with the additional requested funding.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. We have made the following program changes and enhancements based on increasing our program performance:

—reallocated resources to the AML program to accomplish reclamation now, rather than later—an additional 1,800 acres of hazardous lands to be restored beginning in fiscal year 2000;
—emphasized our Clean Stream Initiative to increase the use of non-agency funds to undertake reclamation;
—introduced the AML Enhancement Initiative—a revision of Federal regulations to allow coal mine operators to reclaim AML sites without significant additional cost to the AML fund or the government;
—established a high priority issues identification program of outreach to all of our employees to determine what regulatory and reclamation issues need to be addressed;
—enhanced our outreach to our stakeholders (States, industry, citizen and environmental groups) to continually improve our programs and services;
—established a succession planning initiative for workload/workforce analysis, due to aging workforce and changing roles for OSM, to recommend long-term resource allocation.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. There is a direct link between OSM's annual performance goals and the strategic plan and OSM's budget request to Congress. Our new appropriation account structure is based on "business lines" identified in the strategic and annual plans. These business lines more clearly reflect the activities that we do in carrying out our mission and in meeting our goals. At this program activity level, there is a one to one relationship with appropriation account codes and performance measures.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. There are no further changes to the appropriation structure required at this time. We are making internal changes by redefining program activities and definitions to facilitate activity based cost accounting and to be able to associate costs with performance outputs. We are accomplishing this by amending our internal organizational and accounting codes.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. We are currently collecting data for all our current performance measures which will be available for the first performance report.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. We continue to work with the States to improve the reliability of their data and are adjusting our own performance data as necessary. We collect performance data from 26 States, many having slightly different reporting systems and interpretations of the data requirements. We are working together to remedy the differences.

Question. How will the agency's future funding request take into consideration actual performance compared to expected or target performance.

Answer. We will shift our program focus and revise future budget requests, where necessary, to accomplish more effective performance output with the most efficient investment of our resources.

U. S. Geological Survey

COMPETITION WITH THE PRIVATE SECTOR

Question. Last year, this Subcommittee heard complaints that USGS was providing or seeking to provide a variety of commercial services to Federal and nonfederal entities in direct competition with the private sector. As a result, language was included in both the fiscal year 1999 Senate Report and the Statement of the Managers urging USGS to review its practices and use the services of the private sector wherever feasible and cost-effective. Please describe what, if any, action has been taken at the Department level to assure that GS is not competing unfairly with the private sector. Are there specific areas where improvements have been made to existing practices?

Answer. The USGS has used private sector services for many years, having begun to emphasize the use of contracting in the early 1980's as a valuable option for achieving program objectives. In 1992, the USGS formally endorsed this business practice with a written policy to use private sector services in all cases where appropriate. For the past few years, the USGS has been working with Congress, particularly the Appropriations Committees of both the Senate and the House, to ensure that map and digital data production activities conform with Congressional expectations for the use of private sector services by Federal agencies. Both Congress and industry advocacy groups have expressed appreciation of USGS efforts in this arena. In fiscal year 1999, the USGS will spend over $32 million to acquire geospatial data through the use of private-sector firms.

The Secretary of the Interior, under the Federal Advisory Committee Act, established the Advisory Committee on Water Information (ACWI) chaired by the Department of the Interior's Deputy Assistant Secretary for Water and Science. During an August 1998 meeting, ACWI established a task force to examine the content and the conduct of the Federal-State Cooperative Water Program (Coop Program) of the USGS. The Task Force, comprises a balanced representation of 22 members from Federal, regional, State, tribal, local, and municipal government agencies, and the private sector. The Task Force selected Mr. Larry Rowe, Western Water Company, San Bernadino, California, as its Chairperson and Mr. Fred Lisnner, Manager, Ground Water and Hydrology Department, Oregon Department of Water Resources, Salem, Oregon, as Vice-Chairperson.

Under the Terms of Reference, the Task Force is addressing four topics, including "conduct of work." Nearly all of the work in the Coop Program is performed by USGS scientists and technicians. This arrangement is designed to enhance quality control, provide national consistency in data collection and methods of analysis, and provide a stable core of experienced water scientists nationwide. The Task Force is considering whether this arrangement might be improved without sacrificing its benefits; what is the appropriate relationship with the private sector, States, universities, etc.; and what would be the implications of altering current work arrangements on the unique qualities of the Coop Program and water management nationwide. The American Institute of Professional Geologists (AIPG) and the American Consulting Engineers Council (ACEC) have made statements of concern about competition to the ACWI. Prior to and after the August 1998 ACWI meeting, the USGS has had meetings and correspondence with AIPG and ACEC on this issue. The Task Force convened two panels of private sector individuals, including representatives from AIPG and ACEC, to discuss the issue of competition and to define the appropriate role of the USGS. The Task Force will complete its work by the end of June 1999 with a report of findings that ACWI will use as the basis of recommendations on modifications or enhancements to the Coop Program. The ACWI will announce the availability of the draft report for public review and comment in the Federal Register before transmitting the final report to the Director of the USGS.

Question. The Federal Activities Inventory Reform Act passed by Congress last year mandates that each department and agency provide an annual inventory of its commercial activities to the Office of Management and Budget. The deadline for submission of this inventory is June 30, 1999. Are preliminary lists of these activities for DOI bureaus, including GS, available at this time? What has this data demonstrated to you in terms of the Department's contracting procedures and outsourcing practices?

Answer. The Department's scheduled due date for submissions from the Bureaus is June 15. Information is not yet available on which to draw conclusions.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance-based management within the agency, as required by the Government Performance and Results Act?

Answer. The Director has refocused the strategic and annual plans which has:

—established common goals that are being implemented across the organization;
—encouraged integration, synergy, and shared measures among scientific disciplines; and
—ensured that every measure is part of a chain of cause and effect linkages that measure m ovement of the organization in its strategic direction.

Customer-involvement is the focus of the new plan's strategic direction and permeates all aspects of the plans. Further, aggregation in the new strategic and annual plans has substantially reduced the number of Business Activities or mission goals from eight to two, strategic or long-term goals from 67 to two, and performance measures from 112 to 10. In addition, the USGS has developed and begun using a web-based Intranet system for gathering performance information, and monitors and evaluates progress internally as part of their Budget Execution Review process and with the Department Planning Office as well.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. The USGS has developed an accountability framework with specific performance targets and is in the process of implementing them throughout the organization with full intent of holding senior executives accountable. Executive Leadership Team meetings held twice a year bring all USGS senior executives, regional directors, and selected program managers together to discuss progress in advancing their strategic direction and achieving targeted performance and outcomes. Their long-term goal is to reinforce the strategic plan through the rewards system, linking the reward of individual or team contributions to the achievement of the strategic direction and goals.

Question. How is the agency using performance information to manage the agency?

Answer. Progress is reviewed with senior managers at quarterly program and budget reviews and is reported quarterly to the Department. As more performance information becomes available, management decisions will increasingly derive from it.

Question. How did program performance factor into decisions about the funding the agency requested in fiscal year 2000? Please provide examples.

Answer. The fiscal year 2000 budget request was formulated on the basis of the strategic plan and addresses both of the USGS mission goals.

The Hazards mission goal which focuses efforts on predicting and monitoring hazardous events in near real time is being advanced by the Real-Time Hazards request for an increase of $5.45 million. Funding will be used to accelerate instrument modernization and expand the use of real-time telemetry that allows rapid notification of emergency response agencies that deal with natural disasters. The baseline rate of improvement of the flood and earthquake networks is 100 streamgages telemetered per year and 20 improved earthquake sensors installed per year. The request will add telemetry to an additional 150 streamgages and install an additional 80 earthquake sensors. Increasing availability and accessibility of hazards information is also being promoted with an $8 million increase requested for a Disaster Information Network.

The Environment and Natural Resources mission goal (focusing efforts on expanding understanding of environment and natural resources issues on regional, national, and global scales and enhancing predictive/forecast modeling capabilities) is being advanced by the Integrated Science request for an increase of $17.4 million to intensify multidisciplinary scientific support for Department of the Interior issues, and Community/Federal Information Partnerships request for an increase of $10 million for coordinated interagency efforts to make new information and tools readily available to local communities.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. In addition to the specific program change examples cited in the previous answer, the USGS has refocused its strategic plan to be customer driven. This commitment follows through in the USGS budget and accompanying annual plan with increased emphasis on providing natural science data and research that meet the highest priority needs of customers in fulfilling their missions. This focus strengthens USGS' contribution to the resolution of complex issues and strengthens USGS' tie to the outcomes achieved by their customers through science-based decision-making.

Returning to the Integrated Science example, in providing science for a changing world, the Department has a planned outcome that resource managers will make decisions based on accurate, reliable, and impartial scientific information. One of the strategies to achieve this outcome is to ensure that the scientific research program focuses on understanding, assessing, and monitoring ecosystems to provide scientific understanding and technologies needed to support sound land and resource management. In fiscal year 2000, a DOI-wide process is being piloted with NPS, FWS, and BLM to assess the status of current science support, identify gaps and cross-bureau applications, formulate priorities for USGS research in support of land management needs and obtain land management bureau input for defining GPRA metrics and science outcomes. The request provides the first step in establishing a broad partnership with these Federal managers to enhance scientifically sound management of the lands and resources under their stewardship.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. The GPRA Program Activity concept is used to better relate goals to the existing budget structure, to present both budget and performance information in a more issue-focused way, and to enhance the plan's informative value. The two mission goals from the USGS refocused Strategic Plan are used as the GPRA Program Activities in the Annual Performance Plan. Each mission goal or GPRA Program Activity has one associated long-term goal which identifies target levels and the time frame of performance for the Strategic Plan. Each of the Strategic Plan's long-term goals has one associated annual goal which identifies the annual performance increment necessary to achieve the long-term goal as well as any change proposed to result from program and budget initiatives. Each annual goal has five performance measures—a total of ten for the entire Annual Plan.

The GPRA Program Activity concept captures the contribution of all program activities to a common mission requirement by applying a single set of annual goals and performance measures across all five of USGS' budget activities: National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; and Integrated Science. The two remaining activities, Science Support and Facilities, support all programmatic activities and their funding is distributed on a prorata basis to the two GPRA Program Activities. The funding contributions of each programmatic budget activity to achieving these mission goals are identified in each Activity Summary in the fiscal year 2000 budget and discussed further in the fiscal year 2000 Annual Plan. Conversely, the performance

targets are disaggregated to show the contribution of each budget activity to each GPRA Program Activity in tables in the Appendix of the fiscal year 2000 Annual Plan.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. The basic activity structure of USGS budget has been in place for most of the USGS' 120 year existence. Because much of the budget structure predates GPRA, it does not optimize linkage of resource amounts to performance goals. For the fiscal year 2000 budget submission USGS added a budget activity, Integrated Science, to the budget structure, and consolidated facilities costs as well as bureau level administrative costs. These changes improve the presentation of GPRA performance information, and are designed to begin migration of the budget structure to a more meaningful and useful format and position the organization to better link resource needs and performance. As USGS continues to gain experience in communicating, budgeting, and implementing their initial strategic plan, budget structure changes that will optimize resource and performance linkage may be developed.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. The USGS believes that reliable performance data will be available for the fiscal year 1999 performance report due March 2000.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The USGS will continue to verify and validate performance data and measures.

Question. How will the agency's future funding requests take into consideration actual performance compared to expected or target performance?

Answer. As actual performance data become integrated into the performance planning process which accompanies budget formulation, progress toward achieving strategic (long-term) goals will be monitored and funding requests adjusted to direct resources in a manner that will achieve stated goals.

FISH AND WILDLIFE SERVICE

SPORTFISH RESTORATION GRANTS TO STATES

TEA21 increased the Boat Safety transfer to the Coast Guard from $20 million in 1998 to $64 million in 1999. TEA21 also authorized a new program for outreach with a first year cost of $5 million. The total reduction of $49 million comes from the Sport Fish Restoration Grants program. TEA21 was intended to replace the Coast Guard's discretionary appropriation for Boat Safety with a permanent source of funding. It calls for $64 million to be transferred from the Sport Fish Restoration Account to the Boat Safety Account in 1999, instead of $20 million under previous authorization. Members of Congress asked OMB to allow the $64 million for fiscal year 1999 to be taken from current year receipts in the Aquatic Resources Trust Fund instead of being transferred from the Sport Fish Restoration Account. OMB determined that this was not authorized. Most states have prepared budgets for fiscal year 1999 based on a preliminary apportionment of SFR grants which did not take into account the $64 million deduction. The reduction equates to about two months' funding. The Fish and Wildlife Service advises that a legislative solution is required if the States are to receive relief this fiscal year.

Question. What is the status?

Answer. A legislative solution would be required to amend the language in TEA21 that caused a 22 percent reduction in the Sport Fish Restoration (SFR) Fund Final Apportionment to the states for fiscal year 1999. The FWS has met with representatives of the state fish and game departments and advised them of administrative alternatives available for any near-term state budget shortfalls. The following four administrative actions were recommended:

1. Use any leftover obligation authority from fiscal year 1998 to proceed until October 1999, when the fiscal year 2000 SFR apportionment becomes available.
2. De-obligate funds remaining for projects in which the original amount obligated exceeded actual project costs.
3. Defer major obligations such as equipment purchases, awarding of contracts, etc., until October 1999.
4. Defer awarding major contracts for boating access projects until October 1999. (The minimum 15 percent expenditure of SFR funds for boating access applies to the state's 5-year average expenditure for boating access, not to the annual expenditure for boating access.)

Question. When can we expect to see a legislative proposal from the Administration that fixes the problem?

Answer. The Department does not plan to develop a legislative proposal on this issue since the administrative alternatives provide workable solutions this fiscal year. The increase in the amount of the Boat Safety transfer is a one-year problem in fiscal year 1999 only.

REFUGE REVENUE SHARING

Question. What is the status of efforts to address problems in the Fish and Wildlife Service's refuge revenue sharing program?

Answer. The National Wildlife Refuge Fund has provided less than the 100 percent entitlement payments each year since fiscal year 1981. For most refuges, the entitlement payment formula is based on appraised market value of the lands that had been purchased. Over the past decades these lands have increased in market value. Because the FWS acquires additional lands each year, the total number and amount of payments have also increased over this period.

In fiscal year 2000, the Fish and Wildlife Service has requested $10 million in appropriations to supplement the estimated $6 million in net receipts that will be available for refuge revenue sharing payments. The combined $16 million will cover about 53 percent of the full, formula-based, entitlements ($30 million). Since the national refuges are managed for the protection of wildlife and their habitats, the generation of additional receipts from timber harvesting, grazing, and other economic activities are limited by compatibility statutes and regulations. Because of other policy and program priorities and fiscal constraints, the FWS fiscal year 2000 budget could not shift an additional $14 million to the refuge revenue sharing program to meet the full entitlement payments. The FWS will consider other options in its fiscal year 2001 budget plans.

It should be noted, however, that the national wildlife refuges bring other economic benefits to communities through public visitation, as well as the refuges' employment and purchases of supplies and services. These benefits are highlighted in a recent study, Banking on Nature: The Economic Benefits to Local Communities of National Wildlife Refuge Visitation. A copy of this report is provided to the Committee on Appropriations.

Question. Why hasn't the Administration requested full funding for this program?

Answer. In fiscal year 2000, the FWS estimates that $30 million would be needed to fully fund the refuge revenue sharing program. An annual appropriation of $24 million would be needed to supplement the projected $6 million in net receipts collected by the refuges. The FWS fiscal year 2000 budget requests $10 million in appropriations. Because of policy priorities, the FWS could not propose shifting $14 million from other ongoing program needs to the refuge revenue sharing program for meeting the full entitlement payments.

Question. Does the Administration intend to submit a legislative proposal to address inequities in the existing refuge revenue sharing program?

Answer. At this time, the Department does not plan to submit a legislative proposal that would change the existing pro rata formula used to distribute refuge revenue sharing payments to counties.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. What specific steps has the Director taken as head of the agency to achieve performance based on management within the agency, as required by the Government Performance and Results Act?

Answer. Recently, the FWS Director issued an annual performance goal accountability memorandum to all Regional Directors which commits the Regional Directors to meeting the performance measure targets in the fiscal year 1999 annual performance plan. These targets were established by the Washington Office program managers and revised based on input from the regional offices. So far, the Service has only reported performance data for first quarter of fiscal year 1999. The FWS is in the process of developing a performance planning and management system. The objective of this system is to manage a business system based on goals and performance measures throughout all regions of the U.S. Fish and Wildlife Service. As the FWS continues to record accomplishment data, it will be in a better position to integrate the results of performance in the management process.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. The senior executives of the FWS are held accountable for delivery of the annual performance goals through two mechanisms. First, each senior executive commits to key performance objectives for the year in a performance agreement

with the Director. One of the key performance objectives is the provision of sound leadership in strategic planning and in development of performance goals and measures to achieve desired outcomes. The second mechanism is issuance of the Director's memorandum of annual performance goal accountability. This memorandum provides the final fiscal year annual performance goals and performance targets and the regional contributions necessary to successfully meet those targets.

Question. How is the agency using performance information to manage the agency?

Answer. The FWS has reported performance data for the first quarter of fiscal year 1999. Many of the FWS performance measures can only be reported annually. For example, migratory bird populations status is collected at the end of the year through annual surveys, and all refuge operational data is collected nationally at the close of each fiscal year through the Refuge Management Information System. Through the second quarter of fiscal year 1999, the FWS has reported on eight performance measures. The FWS expects to increase the number of measures that it reports quarterly as it develops a performance planning and management system. With this system, FWS managers will be able to track, analyze, and report on the annual performance goals. Thus, the FWS will be in a better position to use performance information to manage the agency after completing its first year of reporting.

Question. How did program performance factor into decisions about the funding the agency requested in fiscal year 2000? Please provide examples.

Answer. In the FWS's fiscal year 2000 budget submission to the Congress, each major program was linked to one or more fiscal year 2000 annual performance goals and related performance measures. Also, each proposed fiscal year 2000 program increase contained a separate section entitled, Relationship to Performance Goal, which describes how the proposed increase would contribute to one or more annual performance goals.

For example, in the Habitat Conservation program, the Coastal Program is requesting a $1.5 million increase. These additional resources will contribute directly to the FWS's annual performance goal 2.3.1, which seeks to improve the fish and wildlife populations focusing on trust resources, threatened and endangered species, and species of special concern by enhancing and/or restoring, or creating wetlands, uplands and riparian habitats partnerships and other conservation strategies.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plan?

Answer. The FWS is actively engaged in continuous improvement opportunities through reengineering current processes and program delivery mechanisms. One such improvement was the refocusing and streamlining of the FWS's first Strategic Plan. In this revision, eight long-term goals and 60 performance measures were incorporated into a broader set of outcome goals that the FWS could more clearly articulate its contribution to the public. In this first year of full bureau-wide participation in the GPRA performance management process, the FWS has been pursuing quarterly monitoring and reviewing performance measurement data to assure successful delivery of our annual goal commitments. It should be noted that the FWS's ability to meet its strategic and annual goals is directly related to receiving appropriations consistent with the budget request.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. The FWS has linked its proposed fiscal year 2000 program increases to the fiscal year 2000 annual performance. For example, each proposed fiscal year 2000 increase has a separate section entitled, Relationship to Performance Goals, which describes how the proposed increase would contribute to one or more annual performance goals. The FWS's base budget is linked to the three FWS Mission Goals, not to the Annual Performance Goals.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. The long-term and annual performance goals for the FWS provide strategic (horizontal) approach to delivery of various programs and activities of the FWS. Therefore, there is no direct alignment or linkage of the budget structure with the goal structure.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. The FWS anticipates that reliable data will be available for all performance measures necessary to report the successful accomplishment of the fiscal year 1999 annual performance goals in the annual performance report due March 2000.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The FWS anticipates that reliable data will be available for all performance measures necessary to report the successful accomplishment of the fiscal year 1999 annual performance goals in the annual performance report due March 2000.

Question. How will the agency's future funding request take into consideration actual performance compared to expected or target performance?

Answer. Because the FWS recently completed a revision of the Strategic Plan, which set new goals and baselines, it was not appropriate to take into consideration performance related to the funding request for fiscal year 2000. During the development of the funding request, the existing strategic plan was streamlined to ensure more meaningful performance goals and performance measures.

NATIONAL PARK SERVICE

CONSTRUCTION PROGRAM REFORM

Under direction from this Subcommittee, the Department has undertaken significant reforms of the Park Service construction program.

Question. What is the status of the Department's efforts to implement the reforms recommended by the National Academy of Public Administration and this subcommittee?

Answer. The National Park Service has made the following progress in implementing the National Academy of Public Administration (NAPA) recommendations:

NAPA Recommendation 1. Contract out about 90 percent of the design work and all of the construction supervision and inspection.

The Denver Service Center (DSC) is working on approximately 60 percent of the construction line item program. Parks and Regions do the remaining percentage. In fiscal year 1999, the DSC split between Architectural/Engineering (A/E) contracts and in-house work is approximately 50/50. This ratio exists because DSC's workload is still representative of continuing prior year work that cannot efficiently be converted to an A/E contract. In fiscal year 2000, the DSC split is proposed to be 85 percent A/E and 15 percent in-house; the remaining, continuing work at Sequoia National Park will put DSC slightly beyond the 10 percent threshold. By fiscal year 2001, DSC will meet NAPA's prescribed 90 percent/10 percent program split.

In fiscal year 1999, the park/region split between A/E and in-house work is 53/47. In fiscal year 2000, the park/region split is proposed to be 95 percent A/E and 5 percent in-house. In fiscal year 2001 the park/region split is proposed to be 87 percent A/E and 13 percent in-house.

Construction inspection/supervision is being done by contract. Eight employees (down from 45 in August, 1998 and approximately 60 a year ago) remain in the field to complete current phases of construction inspection through December 1999. By the end of fiscal year 1999, Denver Service Center will have completed current construction contracts and returned all field staff to Denver except for two people. These two people are assigned to projects that will not be complete until fiscal year 2000.

NAPA Recommendation 2. Improve DSC's management of A/E firms performing design activities.

DSC has begun to involve A/E firms as team members during the pre-design phase of projects. This provides for a more seamless transition from pre-design to design. To form a more effective partnership with A/E firms, DSC has established the process of asking for the A/E's input prior to writing the scope of services for their work. DSC is holding more discussions in lieu of passing paperwork back and forth, thus cutting down on the time it takes to get the firm under contract. Once the A/E firm is in full production of plans and specifications, the DSC project manager and pre-design team members remain as part of the team to assure that the programming phase is understood and the design intent is carried through.

NAPA Recommendation 3. Utilize A/E firms that have experience in the general locale of the project and that have solid reputations.

Following Public Law 92–582 (the "Brooks Act") procedures, the most technically qualified firm is selected for any given project. Utilizing this selection process, DSC has increased the weight of two significant selection criteria: geographic location (and/or expertise) to the site and past performance. Any new contract awards will be based on both geographic proximity and solid reputations. In addition, utilizing some of DSC's large, nationwide, indefinite-quantity contracts, DSC is able to place design task orders with the most appropriate firm from a geographic standpoint.

Examples of compliance with this recommendation include A/E contracts presently being let in the northeast portion of the country. DSC will be selecting firms

from Boston, Philadelphia, and Washington, D.C. to accomplish design work in those areas. Denver Service Center will also be awarding contracts to very competent design firms in some of these areas utilizing the 8(a) program of the Small Business Administration.

NAPA Recommendation 4. Adopt standardized design and construction practices, and obtain professional services to prepare standard design drawings and specifications.

Specific work has not started on this recommendation. The Service has prepared a scope of services for preparing standardized designs but has not begun the project. The NPS Development Advisory Board is collecting comparative cost data on facilities that will be useful on this project.

NAPA Recommendation 5. Make planning and management of contracts a critical and major function of the DSC.

DSC has made major changes in contract methodology. DSC is using competitive negotiation procedures in lieu of low bid awards. This allows the selection of construction contractors based on their expertise in the locale, past performance and experience, as well as price. DSC has streamlined this process to the point that it can be accomplished in the same timeframe as sealed bidding. DSC is involving construction management firms not only in on-site inspection services but also in estimating, reviewing of bidding documents, and value analysis. As each project begins, DSC is looking at "design/build" as well as other innovative ways to accomplish the work. Currently, DSC has two successful "design/build" projects underway. DSC has also used formal partnering on some of our larger construction projects, such as the Franklin Roosevelt Memorial.

NAPA Recommendation 6. Assign responsibility and accountability for line item construction projects to the park superintendents and give them training.

Curriculum is being developed to train superintendents in how to oversee an overall construction program in their park. Four courses are scheduled for this year.

Beginning in fiscal year 1999, new processes are in place for the allocation of construction planning and construction management related funding. In the past and continuing in the future, funding for the line-item construction projects (actual construction dollars) were allocated to the Regional Offices, in accordance with the amounts in the NPS line-item budget. In fiscal year 1999, funding for construction planning and construction management activities will be allocated in a similar fashion.

Regional Offices, parks, the Denver Service Center and the Harpers Ferry Center will identify funding needs for the planning and construction management program. Project needs will be reviewed by the Washington Budget Office in order to determine if they are commensurate with the funding sources authorized. As the projects proceed, funding will be requested by the lead project office from the Regional Office for each activity related to that project. The Region will request the specific amount related to award of an A/E contract, purchase order, or some other procurement need, from the Washington Budget Office. Once that has been approved, the funding will be allocated to the Regional Office. As a result, superintendents and the Regional Director have responsibility for ensuring that the funds requested are within the NAPA percentages, are being requested for authorized activities (A/E, other contracted services), and are within the confines of the original project budget.

NAPA Recommendation 7. Establish a National Park Service project management control system to provide visibility of project status.

The tracking system that the Committee directed the National Park Service to establish is currently in place for monitoring and tracking projects in which DSC is involved. The system is being monitored for effectiveness and usability. Feedback from DSC users indicates that the system is working well and provides information in a variety of formats. After additional user evaluation, the system will be studied for expansion in fiscal year 2000 to include tracking of all National Park Service projects.

A group of four construction management professionals reporting to the NPS Associate Director for Professional Services is in place to manage the NPS project management control system and to exercise oversight of the line-item development program for the Director.

NAPA Recommendation 8. Establish an external review group to assess line-item construction projects for functional suitability and cost-effectiveness.

The Director has established and appointed an external review group to review line-item construction projects. The group of "Advisors to the Director" will consist of five primary advisors and three alternates with diverse backgrounds in policy and budget administration, cultural and natural resources, architecture, historical architecture, landscape architecture, and engineering.

The eight advisors are:

—David Morehouse—Special Assistant to the Deputy Secretary, Wisconsin Department of Natural Resources
—James Caufield—Chief Architectural Services, Pennsylvania Historical and Museum Commission
—Yvonne Ferrell—Director, Idaho Department of Parks and Recreation
—David Freeman—Chief Engineer, Georgia Department of Natural Resources
—Rodney Stokes—Chief, Parks and Recreation, Michigan Department of Natural Resources
—Gary Bush—Chief, Office of Landscape Architecture, California Department of Transportation
—James Kirkman—Project Director, Kennedy Center
—Alice Morehouse—Deputy Division Administrator, Wisconsin Department of Transportation

An orientation session for the special advisors is planned in April. The advisors began the review of projects at the May meeting of the NPS Development Advisory Board (DAB). During DAB meetings the advisors will review and fully participate in discussions of the presented projects. Findings and recommendations of the advisors will be reported to the NPS Director for follow-up and action. NAPA

Recommendation 9. Base fund the DSC civil service activities that support the general management planning and line-item pre-design and project management activities.

DSC is base funded in fiscal year 1999 for activities associated with the line-item program. The dollars provided by Congress will support 151 FTE. Non-base funding support for 109 FTE comes from the General Management Plan Program, Federal Highway Administration, and other reimbursable sources.

NAPA Recommendation 10. Use standard estimation factors in developing the line-item program.

All line-item projects for fiscal year 2000 and beyond are estimated and will be managed within the NAPA guidelines.

NAPA Recommendation 11. To control NPS housing costs, compare the estimated costs with the Tri-services Military Family Housing Cost Model prior to budget submission and prior to construction.

The NPS is using the Tri-Military Cost Model, as recommended by NAPA, beginning with the upcoming construction cycle. Where the cost estimates exceed 10 percent of the model estimate, NPS would require the park superintendent to justify additional costs and obtain approval from the Director before proceeding with the construction.

Based on the NAPA recommendations that 90 percent of the planning, construction management and construction should be contracted out, the Committee directed that the Denver Service Center staff be reduced by 50 percent. In order to help achieve that goal, the Committee provided buyout authority and encouraged transfers to parks or Regional Offices.

Implementation of these reforms will require personnel reductions at the Denver Service Center.

Question. How are these reductions being made?

Answer. Reductions have been made and will continue to be made utilizing a combination of buyout authority, transfers to other National Park Service offices and parks and to other Federal agencies, and lastly, through reductions-in-force.

Question. What have been the personnel levels at Denver for the past two fiscal years, what is the personnel level now, and what is the anticipated personnel level at the end of fiscal year 1999?

Answer. The authorized personnel ceiling for the Denver Service Center was 493 full time equivalency positions prior to the implementation of the NAPA recommendations. The current employment ceiling is 292, and the anticipated ceiling by the end of fiscal year 1999 is 260.

Question. Assuming the levels in the President's budget request, what will happen to personnel levels in fiscal year 2000?

Answer. Personnel levels for the Denver Service Center for fiscal 2000 will remain at the proposed end of fiscal year 1999 level—260 full time equivalency positions.

Question. How many Denver personnel are likely to be absorbed into other Park Service program areas?

Answer. Through February 28, 1999, 126 employees have transferred to other positions within the NPS and other Federal agencies. Outplacement services that were established to assist employees find employment elsewhere will remain in force for the foreseeable future; at this time it is unknown how many employees will eventually be absorbed into other N PS organizations before the end of fiscal 1999.

LAND AND WATER CONSERVATION FUND

Section 6 of the Land and Water Conservation Act authorizes the "Stateside" program as a formula grant program for land acquisition and other recreation purposes. The Administration's budget essentially rewrites this section of the LWCF Act by requesting $50 million for competitive land use planning grants, and $150 million for a competitive grant program in which funds could only be used for land acquisition.

Question. Why are you proposing to recreate the Stateside program as a competitive grant program?

Answer. The Administration believes that the State grant program is an excellent means of leveraging Federal dollars with State and local matching funds, that such State and local projects will reduce pressures to acquire additional units for the Federal system, and that such units will slow the growth of Federal operating funds for new units.

Question. Do you think you or your staff can make better decisions than the States about local conservation and recreation needs?

Answer. Criteria for grant selection will be developed through a public process where input will be obtained from all interested parties, including State and local governments, and the Congress. Further, proposals to implement priorities cited in State, regional, and tribal plans, addressing open space preservation, smart growth strategies/urban sprawl management, park and recreation needs, and wildlife conservation will be given priority consideration. With the limited funds available, it is thought that the best projects nation-wide should be funded. For instance, criteria could take account of the lack of Federal recreational lands in many States and allocate funds to those areas with the greatest unmet need.

NATURAL RESOURCES INITIATIVE

The budget request includes a $14 million increase for the Natural Resources Initiative, which in large part is focused on creating an inventory of the natural resources existing in parks and implementing measures to protect those resources.

Question. What is the relationship between the Park Service and the Biological Resources Division of the U.S. Geological Survey in implementing this initiative, and in generally supporting the science needs of the park system?

Answer. The National Park Service identifies its research, inventory and monitoring, and resource management needs and plans and implements management activities to restore, preserve, and protect its natural resources. Examples of such activities include: using standard protocols to inventory parks for birds, mammals, reptiles, amphibians, and vascular plants; restoring disturbed areas such as abandoned mines and roads by establishing appropriate soil characteristics and planting native plants; applying pesticides or mechanical controls to invasive species; protecting the nesting sites of endangered species from disturbance; reviewing and approving plans or permits for activities that may adversely affect park resources and seeking appropriate controls and restrictions to avoid impacts; restoring a native species to an area from which it has been extirpated; and monitoring the health of the resources and the results of management actions. These are the types of activities proposed for funding in the NPS Natural Resource initiative.

The U.S. Geological Survey assists the NPS in three principal fashions: it develops protocols for inventory and monitoring for NPS and others to implement; it conducts research that is broadly applicable to NPS management needs, such as new techniques for restoring specific plant species or for controlling invasives; and it conducts research to meet the specific management needs of specific parks. The U.S. Geological Survey also provides some technical assistance to help parks concerning their resource management activities, such as consulting about which methods should be employed.

Question. Will any of the funds requested for this initiative flow to BRD? If not, why not?

Answer. No. A significant portion of the NPS fiscal year 2000 increase is for the Inventory and Monitoring Program. Research elements of the program were transferred from the NPS with funding when the National Biological Service, now BRD, was created. These were protocol development and the regional scale vegetation mapping program, which had national applications. The BRD continues to conduct these portions of the program with the funding that was transferred with the program responsibilities. The NPS retained responsibility and funding for purchasing data such as digital cartographic data and for conducting routine surveys using approved protocols. The NPS fiscal year 2000 budget would accelerate these latter activities. The funding would not go to BRD, although some of the data are purchased

from the USGS and from other Federal agencies, specifically the Natural Resource Conservation Service (for soils maps).

Another example of related, but not overlapping, responsibilities with fiscal year 2000 budget implications is funding for high priority park projects. The NPS Natural Resource Preservation Program (NRPP) was designed originally to meet the highest natural resource needs of parks and is allocated competitively each year under careful criteria, using field evaluation panels. This fund was split into Research and Resource Management, the former portion going to BRD, when it was originally formed. The NRPP remaining in the NPS implements resource management activities; biological research is specifically ineligible as this is conducted by BRD.

The USGS/BRD consults with the NPS and other bureaus to determine bureaus needs in their budget formulation process. The NPS requests BRD to seek increases for those functions that the Biological Resources Division performs on behalf of the National Park Service.

Question. Does BRD currently perform work in support of the park system purposes for which the Natural Resource Initiative funds are being requested?

Answer. No. As indicated above, the Biological Resources Division currently performs related functions, but not those for which fiscal year 2000 NPS funds are requested. The natural resource initiative addresses on-the-ground application of research in order to address in-park resource management activities.

The request indicates that $6.5 million of the $8 million increase requested for Inventory and Monitoring will fund biological inventories.

Question. Would this increase be used to create new full-time science positions within the Park Service, to reimburse BRD for work performed on the Park Service's behalf, for contracts with universities or other non-Federal entities, or some combination of the above?

Answer. Of the proposed $8 million, most would be used for site-specific biotic surveys by the NPS. These surveys use accepted protocols. One means by which the BRD is assisting the NPS and other bureaus is by compiling information on acceptable protocols.

It is anticipated that most of this NPS work would be performed through cooperative agreements with universities. Up to seven positions to manage the cooperative agreements would be established in the field. This will allow more effective partnerships at a local level with area colleges and universities. In addition, some resource management positions will eventually be established in parks to carry out monitoring programs designed by BRD, for about $2 million. Once the research and design work is completed, the BRD turns over the operation of the monitoring programs to the NPS, since operation involves routine sample collection, not normally undertaken by research scientists. There are several such programs now in the design stage using BRD funds that will shortly be ready for the NPS to take over. Finally, a small amount of the increase would be used to complete nonbiological surveys. Some of this funding will go to other Federal bureaus and agencies to purchase data sets that parks can use in daily operations.

A Park Service concept paper in support of the Natural Resources Initiative states that "Service leadership must have unimpeded access to advice from resource professionals."

Question. How is the Service leadership currently impeded from access to such professionals?

Answer. The NPS lacks sufficient trained professional resource management personnel to carry out resource management applications itself, and also lacks staff to leverage assistance from others. Examples include assessing invasive species problems and carrying out necessary control measures (such as pesticide application and mechanical removal), identifying endangered species on NPS lands, working with the Fish and Wildlife Service to assure that the Park Service is carrying out appropriate protection and recovery measures, and other management applications.

The NPS is also impeded from taking full advantage of the information generated by the scientific community, both in academia and the Federal sector. Again, this is largely due to the lack of dedicated staff for making appropriate use of available information. To assure close coordination with the BRD and with academia in meeting land management science needs, new cooperative efforts at universities are being tested. The Cooperative Ecosystems Studies Units (CESU) are one vehicle for making connections between the NPS and its needs and the research community. By placing representatives of Federal research agencies and Federal research users on campuses, increased collaboration between the researchers and the research-users will result. And, land managers will be able to consolidate their research needs, further eliminating chances of duplication. Also, NPS personnel will have access to training, libraries, and a broad range of technical assistance from academic

personnel. This requires only one NPS person stationed at a CESU, and eventually, about 16 CESUs. The NPS intends, through its natural resource initiative, to develop effective, more ways to increase access to available expertise.

Within the Natural Resource Initiative, $1.5 million is requested to implement the Resource Protection Act.

Question. How does this request relate to the funds requested for the department-wide Natural Resource Damage Assessment (NRDA)?

Answer. The National Park Service request is for implementation of the Park System Resource Protection Act (16 USC 19jj). The Park System Resource Protection Act is a separate authority, distinct from the Department of the Interior's Natural Resource Damage Assessment (NRDA) Program, authorities which arise primarily from the Clean Water Act as amended by the Oil Pollution Act (OPA), and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The Department-wide program supports all bureau activities related to damages resulting from oil spills or releases of hazardous substances.

Question. How does the NRDA statute differ from the Resource Protection Act?

Answer. The NRDA statute allows the Secretary to conduct restoration and recover damages for injuries to natural resources under the ownership, management, or control of the Department resulting from the release of oil or hazardous substances into the environment. The Park System Resource Protection Act allows the Secretary to recover damages for injuries to any park system resource, from any cause as long as the Federally-owned park resource is within the boundaries of a unit of the National Park System. The Park System Act thus allows the Secretary to collect for damages to cultural resources and park facilities, as well as to natural resources, resulting from any kind of incident that causes injury and not just resulting from an oil spill or hazardous substance. As a result, the Park System Resource Protection Act is unique in its application to National Park Service resources. It is narrower than OPA or CERCLA because the Act's application is limited to damages to Federally-owned and NPS managed resources within units of the National Park System. It is broader than OPA or CERCLA because it applies to all resources and to damages arising from any source. Recoveries under the Act must be used for restoration, replacement, or acquisition of the equivalent of the damaged resource.

VANISHING TREASURES

An increase of $994,000 is requested for the Vanishing Treasures program.

Question. With only $197,000 of this request going to "managed emergency projects" (for a total of $821,000) why is $103,000 required for "Project Management and Oversight"?

Answer. Only $2,000 of the $103,000 increase request for "Project Management" is for program oversight. The remainder of this part of the total Vanishing Treasures increase request includes the cost for an engineer/conservator position, who will be stationed at an as yet undetermined park, and will not be a program oversight position.

Question. What would be the function of the Engineer/Conservator position, and how will the role of this person be different from that of the additional park staff that have been hired with funds already appropriated for Vanishing Treasures and transferred to park base budgets?

Answer. Most of the personnel hired to date are considered "hands-on" staff charged with the specific responsibility of preserving Vanishing Treasures resources on a day-to-day basis. The primary purpose of the Engineer/Conservator position is to develop a program of engineering and structural monitoring evaluation of problems in prehistoric and historic ruins, and hazardous rock and soil masses. This is a highly specialized position that will be park-based and dedicated to providing assistance to the Vanishing Treasures parks. Some of the primary tasks performed would include assessment of the structural soundness of Vanishing Treasures resources, developing systems to detect movement and settlement of individual structures and the environment that they are built within, developing effective and efficient monitoring systems, assessment of the effects of ground and air vibrations on Vanishing Treasures resources, and developing, designing, and installing bracing systems for unsupported walls. This position will work directly with park preservation specialists and managers to inspect resources to determine needs, project planning, programming, implementation, and training.

REPAIR AND REHABILITATION

A $5 million increase is requested for the Repair and Rehabilitation program.

Question. Why is $2 million of this request to be allocated to the National Capital Region, thereby providing a single region with a more than 60 percent increase?

Answer. Due to the short deadline for the fiscal year 1999 repair and rehabilitation project call, the National Capital Region was not able to adequately document all of the Region's project needs. The fiscal year 2000 repair and rehabilitation request better represents the National Capital Region's needs as it is based on an inventory of the total health and safety needs within each Region, the ability to obligate funds and complete projects in a timely manner, and the number of assets in "poor condition" within each Region.

PARK POLICE

Section 801 of the National Parks Omnibus Management Act of 1998 requires that a task force be appointed to report on Park Service law enforcement needs, including the needs of the U.S. Park Police.

Question. What is the status of Park Service implementation of this provision? When will the report be available?

Answer. The task force has been appointed and work on the report is well underway. The report is expected to be sent to the Secretary in August, with the due date to Congress of November 13, 1999, set by Section 801 of the Act. The report will include a separate analysis for the United States Park Police, as required by the Act.

The National Park Service Director, to whom the Secretary delegated responsibility, has appointed a task force composed of field and management personnel from many professional backgrounds, and from the United States Park Police. The Director has authorized a task directive to guide the study that seeks economy by conducting the process in-house. Accuracy and objectivity are to be ensured by stipulating that all recommendations be drawn from data or base information that may be independently verified by the critical reviewer.

Question. What are the telecommunications needs of the Park Police?

Answer. A recent study performed by the National Park Service Radio Managers and Office of Information Resources Management staff identified the following short-term United States Park Police needs: improve the system's preventative maintenance; adjust telephone line interfaces and augment and better train communications staff; contract an engineering firm to analyze the radio system; and provide alternatives to correct cited problems including the conversion to narrowband operations and the availability of commercial and leasing options. The cost of the initial short-term needs has been estimated at $255,000. This amount is proposed for funding in fiscal year 2000 in the Construction and Major Maintenance appropriation.

Long-term needs include implementing the results of the engineering study to include newer "trunking" technology and an increase of technical staff to include the New York and San Francisco Field Offices. It was further recommended that a Computer Aided Dispatch system be implemented to improve Park Police response time, automatic identification of callers, and officer location information. The cost to implement the long-term needs is estimated at over $13 million and will be addressed through funding proposals over a number of years.

Question. How much has been spent on meeting those needs in fiscal year 1998 and fiscal year 1999?

Answer. To date, the United States Park Police has spent less than $50,000 for this conversion.

Question. How much will be dedicated for this purpose in fiscal year 2000, assuming the request level, and from what sources?

Answer. The cost of the initial short-term USPP needs has been estimated at $255,000 and is proposed for funding in fiscal year 2000 in the Construction and Major Maintenance appropriation account. The funds will be used to improve the system's preventative maintenance; adjust telephone line interfaces and augment and better train communications staff, contract an engineering firm to analyze the radio system, and provide alternatives to correct cited problems including the conversion to narrowband operations and the availability of commercial services and leasing options.

The increase requested for "Special Parks" includes $2,661,000 for the Park Police: $800,000 to operate and maintain the new helicopter and $1,861,000 to establish a higher base level for officer training.

Question. At the request level, is the training of new officers likely to keep pace with officer attrition in fiscal year 2000 and fiscal year 2001?

Answer. It is expected that the budget request will allow training to keep pace with the attrition rate.

Question. Will the rate of attrition likely be exceeded?

Answer. Funding is requested at a level intended to increase the number of Park Police officers, taking attrition into account. The NPS would like to build to an on-board strength of 625 officers, about 70 more than is expected to be on-board at the end of fiscal year 1999. With $500,000 provided in fiscal year 1999, the proposed increase of $1.861 million for fiscal year 2000 would establish a base amount of $2.361 million dedicated to funding two recruit classes annually. Given the current rate of attrition, and the approval of the fiscal year 2000 increase request, the fiscal year 2000 and fiscal year 2001 recruit classes would allow the Park Police to reach a level of 625 sworn officers.

Question. Assuming the requested funding is provided in fiscal year 2000 and maintained in future years, when does the Park Service anticipate that the Park Police will reach fully authorized staffing levels?

Answer. There is no "authorized" level of officers for the Park Police. The NPS has identified a need for 625 officers. The proposed increase for fiscal year 2000 would establish a base amount dedicated to funding two recruit classes annually. Given the rate of attrition and the current on-board strength, it would take three to four recruit classes beginning in fiscal year 2000 to reach 625 due to the current rate of attrition caused by retirements.

Further requirements will be evaluated, with base funding for permanent salaries and support requested as needed. The base funding for the two recruit classes would remain to run subsequent classes. The Service believes this plan will allow the USPP staffing needs to be addressed in the most efficient and expeditious manner.

Question. Assuming additional funds beyond the requested amount were available, what is the maximum amount of training that could be provided within the limitations of existing infrastructure, both in terms of numbers of recruiting classes and trainees?

Answer. The National Park Service has identified a need for 625 officers. Given the rate of attrition and the current on-board strength, it would likely take at least three to four recruit classes beginning in fiscal year 2000 to reach this number due to current high rate of attrition caused by retirements.

The National Park Service's budget request for fiscal year 2000 includes an important request to provide base funding for two recruit classes per year. This increase of $1.861 million, coupled with $500,000 provided in fiscal year 1999, would establish a base amount dedicated to funding two recruit classes annually. Plans are to conduct two recruit classes a year for the foreseeable future, should the funding request in fiscal year 2000 for base funding for recruit classes be approved. The $2.361 million would be used to cover salary costs for the 48 park police cadets (each class will contain 24 candidates) during their training, travel, lodging expenses, initial uniform, equipment issuance, applicant physicals, background investigations, and incidental costs incurred at the Federal Law Enforcement Center (FLEC). At the conclusion of training, the new officers will fill existing funded vacancies. The funding for the recruit classes would continue to remain available for two more recruit classes every year, as needed. We believe this plan will allow the USPP staffing needs to be addressed in the most efficient and expeditious manner.

Assuming additional funds were available to cover training costs, including the salary costs during training, a third training class could be undertaken. Additional funding to cover the permanent base salaries for this class at the conclusion of training might be necessary and would have to be addressed through the normal budget process. However, given current funding constraints, the NPS believes that the plan to implement two classes annually represents the best approach to raising the sworn officer strength to a minimum of 625.

Question. What funds beyond those requested would be required to sustain training at this level?

Answer. One additional Park Police training class for 24 trainees would cost an estimated $1,180,000 annually during the period of training.

PRESIDIO

The budget request for the Presidio is reduced to $5,850,000, a reduction of $4,239,000. This reduction flows from the continued transfer of responsibilities from the Park Service to the Presidio Trust.

Question. Does this Department anticipate that the request for Presidio operations will decline further in fiscal year 2001? If so, by how much?

Answer. The Department does not anticipate that the request for Presidio operations will decline further in fiscal year 2001.

Question. At what level will funding requirements for the Presidio likely stabilize?

Answer. The $5.85 million request for fiscal year 2000 is the stabilized long-term funding level. It meets the NPS continuing, long-term obligation to provide for Area

A operational and site management expenses, including law enforcement, fire protection/emergency medical services, public safety dispatch, maintenance and facility management, utilities, administrative and management support, legal support, resource management, planning and compliance. The fiscal year 2000 request also meets the NPS obligation set forth in the law establishing the Presidio Trust, to provide for visitor orientation and interpretation on all Presidio lands.

Question. What is the current FTE level at the Presidio supported by Park Service appropriations?

Answer. The fiscal year 1999 Presidio budget provides for an FTE level of 115.

Question. What is the current level supported by the Presidio Trust through reimbursements?

Answer. In fiscal year 1999 the total FTE supported by the Presidio Trust through reimbursements is 53. Thirty-seven of this 53 FTE is for United States Park Police (USPP) law enforcement, through an arrangement mandated by the Trust law. In addition to USPP services, the NPS is providing the following other services in fiscal year 1999 to the Presidio Trust on a reimbursable basis: maintenance (through December 31, 1998 only), environmental remediation management, environmental and cultural compliance, special park uses/special events management, planning and professional services, Advisory Commission support services, and miscellaneous administrative support.

Question. What is the FTE level anticipated at the end of fiscal year 1999? Fiscal year 2000?

Answer. Current projections are that the NPS will utilize 115 FTE during fiscal year 1999. In fiscal year 2000, the NPS level will decrease to 73 FTE funded by NPS appropriations. Most of the decrease is due to the shift of 75 percent of the funds for the Presidio Fire Department and public safety dispatch operation from the NPS to the Presidio Trust within the fiscal year 2000 budget. In fiscal year 2000, the total FTE funded through reimbursable agreements is expected to be 74, which includes the current 37 law enforcement FTE plus an additional 37 FTE for public safety dispatch services. The NPS does not anticipate the Presidio Trust to request any other reimbursable support over and above the 74 FTE.

Question. How have the personnel reductions been handled to date in terms of numbers of RIFs, personnel maintained with Presidio Trust funds, etc.?

Answer. The Presidio Trust law specified that no National Park Service employees would lose their jobs as a result of its implementation. The NPS, therefore, developed a Servicewide, voluntary priority placement program. This program, combined with retirements, the availability of a voluntary separation incentive, and hiring of NPS employees by the Presidio Trust, enabled the NPS to meet its downsizing targets. A major factor in the Service's success was its building of a high level of flexibility within the Golden Gate NRA /Presidio organization in anticipation of the need to downsize. Because it met its downsizing target for the Presidio, the NPS was able to suspend its priority placement program in March 1999. (The outplacement effort resulted in 22 career employees accepting voluntary separation incentives, 12 career employees being placed in other NPS units, and 45 career employees accepting positions with the Trust). Aside from the already discussed reimbursable agreements with the Trust, no other NPS personnel are "maintained" with Trust funds.

Question. Is the Department confident that the request for the Presidio represents the lowest funding level possible while still providing for appropriate Park Service management of Area A?

Answer. The Department is confident that the fiscal year 2000 request represents the lowest funding level that will provide for Area A management expenses, and provide for visitor orientation and interpretation expenses on all Presidio lands as mandated in the Trust law. It should be noted that NPS responsibilities for Area A today are far different from its responsibilities for the lands permitted to the Golden Gate National Recreation Area pre-base closure. Area A today is 325 acres, more than double the pre-closure acreage permitted to GGNRA (even without including 423 acres offshore). Area A concentrates exceptional natural, recreational, and scenic resources, intense visitor use, and a host of complex and active planning and transportation issues. And unlike during the Army's tenure at the Presidio, the NPS is responsible for all operational, management, and supporting expenses. Virtually all recreational visits to the Presidio (an estimated 3 million annually) involve visits to the bluffs, trails, and beaches of Area A. Area A also includes the $25 million Crissy Field park development (including restored wetlands) which is being funded through a major community fundraising effort. As the very visible "front yard" of the Presidio, a safe and well maintained Area A is essential to Trust leasing efforts.

Question. What would be the impact of an additional reduction of $500,000 in the Presidio's fiscal year 2000 budget?

Answer. A large component of the fiscal year 2000 request is essentially "fixed" expenses, representing the Area A share for Presidio-wide law enforcement, fire protection and emergency medical services, and public safety dispatch. Other fixed costs are for NPS utility and facility management expenses. The impact of a $500,000 reduction would, therefore, need to be absorbed by the remaining programs, including maintenance, interpretation/visitor services, resource management, and administrative support. An estimated eight to ten positions would need to be cut. This would reduce Area A services below existing levels for many functions. When the NPS negotiated the split of functions and dollars with the Presidio Trust beginning in fiscal year 1999, with the exception of three additional maintenance workers added for Crissy Field, no programs were increased. Existing funding levels were divided between the NPS and Trust depending on who had the responsibility to provide each function. To absorb a $500,000 reduction, the following cuts would need to be taken:

—Reduce Area A maintenance by 20 percent. This eliminates two positions. Affected would be beaches, trails, and other highly visited areas, including the new Crissy Field park area during the critical new plant establishment phase.

—Reduce interpretive and education programs conducted cooperatively with school districts, and reduce operations of the William Penn Mott Visitor Center. This would result in a decrease of 25 percent, or two positions.

—Reduced oversight of the Natural Resources Stewardship program which mobilizes community volunteers to provide 100,000 volunteer hours annually to restore and protect wetlands, riparian habitat, creeks, rare and endangered species habitats, resulting in a decrease of 20 percent, or one position.

—Curtail public and prospective tenant access to the museum archives, and reduce access, preservation, and accountability for the extensive museum collection transferred to the NPS from the Army. This would be a decrease of 15 percent, or one position.

—Eliminate NPS oversight of approximately $25 million in environmental remediation activities in Area A, under a Memorandum of Understanding between the Army, Presidio Trust, and the NPS. Curtail ability to exercise NEPA and NHPA obligations with respect to Area A projects and planning, as well as cooperating agency role with respect to Area B. There would be a decrease in budget and contracting office support. (Eliminates up to four management and administrative support positions.)

Additionally, to outplace the additional employees would necessitate the reactivation of the suspended Servicewide employee outplacement program and require reidentification of positions to be potentially eliminated.

Impacts of this cut could still be greater, given current uncertainties in negotiations with the Presidio Trust on setting utility rates and other charges impacting the NPS.

ENERGY CONSERVATION

The justification indicates that a super energy savings performance contract is under development at Yosemite National Park.

Question. What is the status of this effort?

Answer. The park was in contract negotiations with the Department of Energy and The Bentley Company for eighteen months discussing and making modifications to the detailed energy study for the energy conservation project. The Delivery Order was signed by Yosemite National Park on April 15, 1999, by the Department of Energy in late April, and signed by The Bentley Company on April 29, 1999. Anticipated construction completion date is January, 2000.

Question. What types of projects does the Park expect to undertake pursuant to this contract?

Answer. Projects include lighting retrofits or replacement of lights in offices, campgrounds, and workshop stations throughout Yosemite National Park. In the campgrounds, the addition of a "down" lighting system will protect the night skies of Yosemite.

All PCB's (polychlorinated biphenyl's), contaminated capacitors and heavy metals such as mercury (from lamps) will be removed from the site and incinerated or recycled in accordance with applicable Environmental Protection Agency and State of California requirements.

A voltage upgrade for the El Portal Maintenance Complex and the El Portal Wastewater Treatment Plant will be completed whereby Yosemite National Park will install their own distribution asset to replace equipment provided by the local utility. The new distribution assets will change the point at which the utility meters

the park's electrical service. The utility will then charge a reduced rate reflecting the absence of a utility-owned distribution asset serving that location.

The park will install variable frequency drives on aerator systems at the El Portal Wastewater Treatment Plan. This will modulate the speed of the motors based on the monitored response provided by the oxygen sensors.

A variable air volume conversion will be completed and a new set of dampers installed to vary the amount of supply air being delivered.

The park will install a temperature based, air-side economizer on the air handling unit in the El Portal Wastewater Treatment Plant building.

A boiler will be replaced at the Valley District Building. The existing boiler, #2 fuel oil-fired boiler, provides steam and hydronic hot water for heating as well as domestic hot water at less than 75 percent efficiency. The new, higher efficiency boiler (90 percent efficiency) will reduce operating costs through an increase in efficiency over the existing boiler. The new boiler will be connected to the propane tank that will replace the old diesel tank oil burner. This new boiler can be modified for future conversion to natural gas that could be a future consideration.

Finally, time of day controllers will control airflow for the existing HVAC system.

FACILITY CONDITION ASSESSMENTS

The request includes a $2.5 million increase for the Park Service to initiate a detailed condition assessment of Park Service assets.

Question. How will this $2.5 million project improve upon the current system, whereby asset protection, repair and rehabilitation needs are presumably assessed by park staff on a continual or annual basis and addressed through the budget formulation and new five-year planning process?

Answer. Currently, inventory and condition assessment of National Park Service facilities and infrastructure is performed inconsistently and without uniformity. Because of this, the data generated are not considered to be uniformly reliable.

The intention of the National Park Service is to institute a Servicewide program to collect detailed information on the most critical assets. This facilities inventory condition assessment information will provide a baseline against which remediation progress can be measured, which in turn will provide performance indicators upon which to base future management decisions and planning. The Service proposes to start an inventory condition monitoring process in fiscal year 2000 and include a more comprehensive needs assessment to assist the Service in determining which facilities are mission-critical and which could be excessed from our inventory. This process will acknowledge that, given limited fiscal resources, not every asset in the Park Service will receive the same level of attention, but will allow us to identify the most critical. Further, the Service will monitor the percentages of facilities improved from poor or failed condition, to good condition, as our principal performance measures and indicators in determining the efficacy of NPS regional maintenance programs.

Question. Would these funds be better spent on actual repair and rehabilitation of park assets known to be in need of such work?

Answer. The NPS first needs to establish an institutionalized Servicewide asset management program that includes a comprehensive needs assessment system to document an accurate inventory and condition assessment of National Park Service facilities needs that will fully identify deferred maintenance requirements in all national park areas. This will provide management with the necessary information upon which to base future management decisions and planning, as well as with sound data to measure progress.

Y2K

The fiscal year 1999 Omnibus Appropriations Act included funds to address the Y2K computer problem.

Question. How much has the Park Service received from this fund to date?

Answer. The National Park Service has received $19,464,000 in Y2K Emergency Appropriations funding.

Question. Has the availability of these funds obviated the need to use other funds appropriated in fiscal year 1999 for information systems or other related purposes? If so, how much?

Answer. The NPS had estimated a total need of $45,000,000 to replace computers and computer related systems with Y2K related problems. The availability of Y2K Emergency Appropriations will not obviate the need to use other funds appropriated in fiscal year 1999 for information systems or other related purposes.

Question. Have these funds been reprogrammed for other purposes?

Answer. No.

Question. Has the availability of these funds obviated the need for any of the funds requested for fiscal year 2000 for information systems and related purposes?

Answer. The availability of Y2K Emergency Appropriations will not obviate the need for any of the funds requested in fiscal year 2000, which include funds for the support of new web-based information systems (the Project Management Information System and the Operations Formulation System), continuation of the program to modernize equipment (especially in parks), and participation in the Department's financial systems integration. In addition, other information management requirements remain, such as the need to purchase software site licenses and enhanced system security.

EXTERNAL ADMINISTRATIVE COSTS

The justification lists a number of unbudgeted GSA space rental adjustments, for which an increase of $1.471 million is requested?

Question. What is the cause of the $444,000 increase at Santa Monica NRA?

Answer. In April 1998, the headquarters and visitor center for the Santa Monica Mountains National Recreation Area were relocated from Agoura, California to Thousand Oaks, California under a GSA lease program. The new facility provides 5,576 square feet of additional space to accommodate a larger visitor center, office space for 25 additional employees over the next five years, and an expanded visitor parking area. GSA space rental charges will total $444,000 per year for the Thousand Oaks location. The budget inadvertently included the total need without factoring in the current cost ($301,655) to lease the Agoura facilities. The budget overstated the additional need for Santa Monica for the Thousand Oaks location by this amount. The increase amount requested should be $142,345 rather than the $444,000 requested in the budget. But this apparent savings will likely be offset by other changes not always within the control of the NPS. For example, since the fiscal year 2000 budget was submitted, the NPS has determined that the Accounting Operations Center must be relocated from its current location in Reston, Virginia to another facility nearby, due to longstanding and unresolved problems with the current building and landlord. This move will result in an increased annual rent of $400,000.

Question. How does the request for increased rental space at Brown v. Board of Education National Historic Site relate to the Monroe School rehabilitation project?

Answer. The space provides for ranger offices, a library/resource room for researchers and visitors, and a video/exhibit room that accommodates groups of 50 to the site. Visitation to Brown vs. Broad has increased 160 percent since fiscal year 1997 and the rental space allows the park to accommodate this increase until the Monroe School rehabilitation project is completed.

Question. Will the rental space be required once the Monroe School project is completed?

Answer. No. The planning for the rehabilitation of the Monroe School had identified space on the 2nd floor to be allocated for administrative and ranger offices, along with a visitor exhibit area to be located on the 1st floor. This project is scheduled to be completed in 2002.

The justification indicates that the $25,000 requested for leased space at the C&O Canal NHP is being sought in lieu of funds for construction of a new facility.

Question. How does this request relate to the Construction funds appropriated in fiscal year 1999 for the C&O Canal?

Answer. The fiscal year 1999 funding approved for the new visitor center at Cumberland, Maryland in the amount of $1.2 million in fiscal year 2000 is to design and fabricate exhibits for expanding the visitor center at Cumberland, Maryland. None of these funds are for building construction or building renovation. The $25,000 is requested to pay for the lease of the physical space from the Canal Place Preservation and Development Authority.

Question. Why is the Park Service both using funds to build or rehabilitate the visitor space as well as paying increased rent?

Answer. The Service is not using funds to both build or renovate a visitor center and pay for increased rent. The fiscal year 1999 appropriation was for the design and fabrication of exhibits that will be installed in leased space owned by the Canal Place Preservation and Development Authority (CPDA), a Maryland State Heritage area designee. The Canal Place Preservation and Development Authority is responsible for the renovation of the Western Maryland Railroad Station, 13 Canal Street, Cumberland, Maryland. The lower floor of the building will be devoted to depicting the history of the area with emphasis on the Chesapeake and Ohio Canal and its importance in the Cumberland area. CPDA is responsible for renovating and refurbishing the building proper. This space will be rented by the NPS under an ap-

proved plan for the Western Maryland Railroad Station via a cooperative agreement. CPDA is renting the space to the NPS at a greatly reduced rate to foster the presentation of history in western Maryland.

The budget request includes an increase of $25 million for "special park" operations.

Question. By what process was this list of park operational increases developed? Who was involved, and over what time period was the list developed?

Answer. The specific park operational increases included in the fiscal year 2000 budget represent the highest priority needs of the Service as identified by its park managers. The priority setting process begins in the February/March time frame at the park level, almost a year prior to the submission of the NPS budget request to Congress.

The park superintendent and other park professionals are in the best position to evaluate the relative merit and urgency of the need at their park. After the park identifies all unfunded needs over the coming five-year period and enters the requests into the Servicewide database for unfunded operational requirements—the Operations Formulation System—"park priorities" are then set by park management. All increases at the park level are considered in the context of the park's Annual Performance Plan and the NPS Strategic Plan, as mandated by the Government Performance and Results Act.

In the April/May time frame, the requests are reviewed at the appropriate Regional Office, where increases are ranked and prioritized by senior managers and executive committees of park superintendents, based on the urgency of the requirement, as well as on initiatives contained in the Departmental budget guidance and the budget priorities set forth by the NPS Director and the National Leadership Council. The funding requests are then forwarded to NPS headquarters where they are reviewed and evaluated for appropriateness in schedule, adequacy and accuracy of information, and consistency with policy. A Servicewide list of park increases is developed by the budget staff during late May and early June. Regional "allocations" for this Servicewide list are based on many factors, including the proportion of the operational funding level of a region to other regions, the soundness of the requests, the number of parks in a specific region, the types of park in a region, consistency in meeting certain initiative and policy requirements, and the total identified requirements of the parks within a particular region. In general a region such as the Pacific West containing a greater number of parks, including many of the most complex and larger parks in the System, would receive a greater proportional share of the increase than the smaller Midwest Region, for example.

Once a preliminary list is developed, the increases are reviewed and approved by top NPS management, the Department and OMB. Though some specific new increases may come to light, or surface to match an initiative, the list submitted to Congress accurately represents NPS priorities within the context of overarching Administration initiatives and current fiscal constraints.

Question. Please provide for the record lists of special park increases that would be provided if only a $10 million or $15 million increase were to be provided.

Answer. All of the $25 million in park increases requested in the Budget Justifications represent high priorities of the Service. Should budget allowances preclude funding of the entire list of increases, the NPS has identified the following list of increases, totaling approximately $12 million, to be most urgent.

[Dollars in thousands]

Park	Funding request	Amount
American Memorial Park	Improve Park Operations and Protect Resources	$95
Big Cypress NP	Manage 146,000 Acres of New Lands	353
Biscayne NP	Restore and Protect Coral Reefs	320
Boston African American NHP	Maintain and Operate Restored Historic Structures	250
Buck Island Reef NM	Improve Law Enforcement to Protect Coral Resources	110
Cumberland Island NS	Protect and Interpret Plum Orchard Mansion	300
Denali NP and Preserve	Expand Visitor Services and Increased Visitation	300
Devils Postpile NM	Enhance Visitor Services and Protect Resources	75
Dinosaur NM	Provide Partnership Support	144
Dinosaur NM	Enhance Visitor Experiences	114
Dry Tortugas NP	Establish Resources Monitoring for Coral Reefs	240
Eugene O'Neill NHS	Maintain Resource and Provide Interpretation	50
Everglades NP	Establish Oversight Team for South Florida Projects	250
Fort Clatsop NM	Provide for National Bicentennial Event	240
Fort Union Trading Post NHS	Provide for National Bicentennial Event	84
Grand Portage NM	Maintenance Program Support	32

[Dollars in thousands]

Park	Funding request	Amount
Hawaii Volcanoes NP	Restore Science Program to Protect Resources	165
Home of FDR NHS	Complete Funding for Operations of Top Cottage	80
Homestead NM of America	Provide for National Bicentennial Event	28
Independence NHP	Maintain Historic Structures and Grounds	499
Jefferson National Expansion Memorial	Provide for National Bicentennial Event	80
Kaloko-Honokonau NHP	Improve Park Operations and Protect Resources	250
Kaloko-Honokonau NHP	Protect and Monitor Marine and Water Habitats	100
Kalaupapa NHP	Establish Coral Reef	.....
Klondike Gold Rush NHP	Operation and Maintain 15 Restored Historic Buildings	287
Klondike Gold Rush-Seattle NHP	Improve Visitor Safety and Park Operations	50
Knife River Indian Villages NHS	Provide for National Bicentennial Event	97
Lewis and Clark NHT	Provide for National Bicentennial Event	300
Marsh-Billings NHP	Establish Conservation Study Institute in New Park	270
Missouri NRR	Provide for National Bicentennial Event	128
Natchez Trace Parkway	Provide for National Bicentennial Event	60
Nez Perce NHP	Provide for National Bicentennial Event	160
Niobrara NSR	New Park Operations on Niobrara Scenic River	449
National Park of American Samoa	Initiate Coral Reef Monitoring Programs	125
Palo Alto Battlefield NHS	Provide Site Interpretation and Visitor Services	61
Petroglyph NM	Develop Visitor Services for Additional Management Areas	111
Petroglyph NM	Protect and Maintain Ceded Management Areas	165
Richmond NBP	Operate Visitor Center	250
Saguaro NP	Provide for Protection and Study of New Lands	423
San Juan Island NHP	Provide Resource Protection	78
Springfield Armory NHS	Implement Resource Protection Program	185
Theodore Roosevelt NP	Provide for National Bicentennial Event	135
Trail of Tears NHT	Improve Cultural Resources Interpretation	57
United States Park Police	Establish Base Funding for Officer Recruit Classes	1,861
United States Park Police	Maintain Aviation Operational Upkeep	800
Virgin Islands NP	Provide Swimming Safety/Sanitary Beach Facilities	300
Virgin Islands NP	Protect Primary Resources, Including Coral Reefs	385
War in the Pacific NHP	Develop Coral Reef Management Program	85
White Sands NM	Implement Resource Protection Program	161
Wrangell-St. Elias NP and Preserve	Provide Services for Increased Visitation	495
Yellowstone NP	Provide Ecosystem Coordination	300
Total		12,007

At the $16 million level, the following increases would rank next highest in priority, and would be additive to the previous listing:

[Dollars in thousands]

Park	Funding request	Amount
Badlands NP	Actively Manage and Monitor Black-Footed Ferrets	$238
Bent's Old Fort NHS	Maintain Natural and Cultural Resources	108
Canyon de Chelly NM	Implement Archeological Preservation Program	100
Casa Grande Ruins NM	Implement Permanent Resource Management Program	50
Cane River Creole NHP	Implement Resource Management and Protection	150
Cane River Creole NHP	Statutory Aid for Cane River Heritage Commission	100
Charles Pinckney NHS	Expand and Improve Educational Services	75
Christiansted NHS	Improve Visitor Services at 6 Historic Buildings	165
Denali NP and Preserve	Establish Essential Telecommunications Operations	500
Fort Laramie NHS	Halt Deterioration of Historic Park Structures	145
Gates of the Arctic NP and Preserve	Educate and Involve Public in Wilderness Planning	291
Hubbell Trading Post NHS	Enhance Maintenance and Curatorial Activities	67
Lowell NHP	Preserve Significant Historic Resources	500
Mammoth Cave NP	Provide Increased Sewage Costs for New Facility	220
Minute Man NHP	Protect Threatened Archeological Sites	333
Mississippi NRR	Operate Partnership Facilities in Science Museum	93
Point Reyes NS	Protect Critical Natural Resources	106
Redwood NP	Manage and Protect Endangered Species	490
Timucuan Ecological and Historic Reserve	Operate and Maintain New Boat Docks	354

[Dollars in thousands]

Park	Funding request	Amount
Total		4,085

$1.3 million is included within the special parks initiative for activities related to the Lewis and Clark bicentennial.

Question. Is it the Park Service's intention to pull these increases out of those parks' base budgets following the bicentennial for allocation elsewhere?

Answer. The Lewis and Clark bicentennial covers the years until 2006. Activities commemorating the historic event will continue to build throughout the next seven years. The increases, which focus on education programs related to the significance of the expedition and its impact on the growth of the United States, will be incorporated into the daily operating programs of each of the parks. The NPS will evaluate the situation at each park as the end of the bicentennial comes closer to determine if the funds should remain in each park's base budget.

Question. Is the increase requested for the Gateway Visitor Center at Independence NHP still necessary based on the estimated completion date of the visitor center itself?

Answer. The Gateway Visitor Center is now scheduled to open in fiscal year 2001. At this time it does not appear likely that the $425,000 increase will be necessary during fiscal year 2000. When opened, the full annual NPS operational share of the Gateway Visitor Center remains unchanged at $1.7 million.

Question. What was the genesis of the Conservation Study Institute proposed to be established at Marsh-Billings-Rockefeller NHP?

Answer. Mary F. and Laurance S. Rockefeller gave the park to the United States "so that the story of the conservation history of this country may be told and spread throughout the land." Public Law 102–350 (1992), "The Marsh-Billings National Park Establishing Act", directed the National Park Service "to interpret the history and evolution of conservation stewardship in America." In 1993, the NPS and the Woodstock Foundation, convened a group of 50 conservation professionals from within and outside the National Park Service who recommended the new park develop a center as a key part of its interpretive and educational program for "ongoing research, conferences, and training in conservation stewardship, and using new technologies to provide access to primary resources related to the history and evolution of conservation in America." The 1999 Marsh-Billings-Rockefeller National Historical Park General Management Plan and Final Environmental Impact Statement recommended that the Institute work with the University of Vermont to "create opportunities for dialogue, inquiry, and lifelong learning in conservation history."

Question. Given the often cited operating shortfalls for routine maintenance and visitor service activities throughout the park system, why is this a priority?

Answer. The Institute is a fundamental component of Marsh-Billings-Rockefeller National Historical Park's interpretive, visitor service, and educational program on stewardship and environmental leadership, reaching a broad audience of park visitors, students, educators, and professionals. This is a priority for accomplishing the park's core mission as defined in its enabling legislation and general management plan.

Question. What would the University of Vermont be contributing to this effort?

Answer. The University of Vermont's School of Natural Resources is contributing expertise in conservation history, and the related disciplines of conservation biology, management of natural resources and forestry, tourism, recreation management, social science, historic preservation, and geographic information systems. In addition, the University is assisting the park's educational efforts with state-of-the-art facilities for distance learning and computer technology. The University is contributing matching funds to involve faculty and graduate students in collaborative research with the park.

Question. Why is $93,000 requested to operate partnership facilities at the Science Museum of Minnesota when the Park Service did not receive the funding requested in fiscal year 1999 to participate in this facility?

Answer. At the time the budget was submitted, the NPS was optimistic of obtaining funding for the areas within the Science Museum—the Mississippi River National Center and the Mississippi River Exhibition Gallery. The Service is still investigating other avenues for funding. Nevertheless, the role and responsibilities of the NPS in interpreting the Mississippi River watershed would remain intact regardless of whether the NPS had a presence in the new Science Museum of Minnesota. The only question would be the means and location of the interpretation.

Question. How is the Greater Yellowstone Coordinating Committee currently financed?

Answer. The Greater Yellowstone Coordinating Committee is not currently financed. The participating members contribute to high priority projects from their operating funds.

Question. What agencies other than the Forest Service and Park Service would be brought into the ecosystem planning and coordinating process?

Answer. The Greater Yellowstone Coordinating Committee plans to include the following agencies as members: The Jackson Elk Refuge, the Bureau of Land Management, and the U.S. Fish and Wildlife Service.

Question. Is this the highest priority operating need identified by Yellowstone National Park?

Answer. No, this is not the highest priority operating need for Yellowstone National Park. However, Yellowstone managers recognize the importance of establishing a proactive, ecosystem-based approach to the management of natural resources in the greater Yellowstone area. As a result, Yellowstone managers agree that the establishment of a Greater Yellowstone Coordinating Committee Coordinator represents a high priority for both the National Park Service and the Forest Service.

NATIONAL RECREATION AND PRESERVATION

The justification indicates that all ongoing river studies will be complete in fiscal year 2000.

Question. How many additional studies are likely to be initiated in fiscal year 1999 and fiscal year 2000?

Answer. No new river studies were initiated in fiscal year 1999 and none are certain of beginning in fiscal year 2000.

Question. Does the Park Service expect a reduction in workload within this program beyond fiscal year 2000 as a result of the current river studies being completed?

Answer. No. Studies for potential additions to the National Wild and Scenic Rivers System and the National Trails System are funded from the same account. The Old Spanish Trail study will continue in fiscal year 2000 and the Service anticipates one new trail study to be authorized this year, the "Star Spangled Banner Trail," sometimes referred to as the "War of 1812 Trail." This account also provides for other program needs and activities including management direction for river and trail studies and management planning and coordination with other agencies with responsibilities for river and trail studies.

The justification indicates that publication of final rules regarding the National Natural Landmark program will be followed by distribution of the rules to affected landowners, and that the legal mandate for Section 8 report expires after 1999.

Question. Has issuance and distribution of the final rules occurred? If not, when will this likely occur?

Answer. No. Issuance in the Federal Register is expected to occur in May, 1999. Distribution will start within 10 days after that publication.

Question. What are the significant changes in administration of the landmark program embodied in the new regulations?

Answer. Significant changes in the administration of the National Natural Landmark (NNL) program include the following:

—Owners of sites under consideration for possible national natural landmark designation are fully notified in advance of such consideration and have the opportunity to comment on the proposals. (This was always the general operating protocol but it is now more explicit in the regulations).

—There is no entry onto private lands for purposes of new national natural landmark evaluation without written permission. (This was always the general operating protocol but it is now more explicit and requires "written" rather than verbal permission).

—No property receives the national natural landmark designation if the owner requests within a specified period of time that their land not be designated. (This was ambiguous in the old regulations).

—Owners of existing national natural landmarks can have the designation removed if they do so as specified in the regulations and within a specified time period.

—The National Park System Advisory Board will review all future designations. (This was the procedure used in the 1970s and is being reinstituted).

The effects of national natural landmark designation are described.

Question. Does the Department intend to prepare a Section 8 report for 2000?

Answer. No decision has yet been made as to whether the Department will prepare a Section 8 report for 2000.

Question. With the release of the revised regulations and the uncertain status of the Section 8 reporting requirement, why are program needs not reduced?

Answer. Since there has been a moratorium on listing activity since 1989, the NPS expects a significant workload in evaluating new national natural landmark proposals once the final rules are published and distributed. Many designation proposals were in the final review process in 1989 and others were in earlier stages of consideration. These site evaluation reports will require updating per specifications in the new regulations. In addition, a few sites will be given priority to receive new onsite evaluations. Over the longer term, other sites that have never received onsite evaluations will need them. In the short-term, the Service also expects a significant workload responding to national natural landmark owner questions and requests.

Finally, the fact that Section 8 reports are no longer required to be submitted to Congress does not mean that the NPS no longer has any interest in NNL conditions. National Park Service staff periodically visited these locations as a routine program procedure before the Section 8 requirement became law in 1976. With or without a formal Section 8 report, the NPS expects that its most significant workload will continue to be in maintaining contact with national natural landmark landowners, maintaining a general awareness of the condition of NNLs, and answering questions about existing national natural landmarks.

NATIONAL CENTER FOR PRESERVATION TECHNOLOGY AND TRAINING

Nearly $2 million was allocated in fiscal year 1999 for the National Center for Preservation Technology and Training in Natchitoches, Louisiana.

Question. How is the work conducted at the Center distinct from work performed at other Park Service training facilities?

Answer. The National Center for Preservation Technology and Training (NCPTT) in Natchitoches, Louisiana, serves as a research and development office within the National Park Service, and undertakes work through three components: research, training, and information management. The center researches and develops new preservation technologies, trains in new preservation technologies and advanced skills, and develops and dis tributes technical information.

The work of the Center's training component is distinct from the work of other NPS training facilities in three chief ways: mission, audience, and partners.

Mission: The training work of the National Center for Preservation Technology and Training focuses on (1) interdisciplinary approaches to preservation, including historic architecture, historic landscapes, archeology, objects and materials conservation and history, (2) turning advanced preservation research into preservation training opportunities, and (3) researching new training technologies and technology transfers applicable to training.

Audience: In addition to NPS employees, NCPTT's training audience includes practitioners in State and local government agencies, and private practitioners.

Partners: The National Center for Preservation Technology and Training training projects are completed in partnership with universities, non-profit and professional organizations, Federal State and local government agencies, and private practitioners.

Question. Could efficiencies be gained from collocating the Center with other NPS facilities or programs?

Answer. National Park Service programs that are devoted to archeology or historic architecture or training are distributed throughout the United States, and NCPTT shares expertise and projects with these programs. Although some efficiencies might be gained from co-locating the National Center for Preservation Technology and Training with another NPS facility or program, even greater efficiencies are gained from continuing and enhancing NCPTT's collaborations with the broad range of related Park Service programs and col leagues across the United States.

Within the Statutory or Contractual Aid activity, the Park Service proposes to continue support for some entities while terminating support for others.

Question. What criteria does the Park Service and/or the Department use in determining which of these programs will be included in the budget request?

Answer. The primary consideration for continuing support for items within the Statutory or Contractual Aid activity is whether a particular entity has proper authorization. In recent years, the NPS has also begun to place a lower priority on statutory aid funding for organizations that could potentially be capable of self-sufficiency. This policy is expected to be continued in coming years, as funding is shifted to the support of legislatively established heritage areas.

SAVE AMERICA'S TREASURES

A number of changes have been proposed in the statutory language relating to the Save America's Treasures program.

Question. Does the Park Service plan to review or change the grant criteria that were used to allocate funds provided in fiscal year 1999?

Answer. The criteria used to allocate fiscal year 1999 funds were primarily set by Congress in the language of the appropriations bill. The justification for the fiscal year 2000 language states that part of the reason for the requested changes in statutory language is to "open up the eligibility criteria to also include non-Federal entities."

The justification states part of the reason for the requested changes in statutory language is to "open up the eligibility criteria to also include non-Federal entities."

Question. Aren't non-Federal entities proposed to receive a significant portion of the funds appropriated in fiscal year 1999?

Answer. Yes. The nonfederal entities that are proposed to receive funds in fiscal year 1999 were all submitted through the following three Federal agencies: Institute of Museum and Library Services (IMLS), National Endowment for the Arts (NEA), and National Endowment for the Humanities (NEH).

By law, the National Archives and Records Administration and the 24 Federal agencies, departments, and organizations funded through the fiscal year 1998 Interior and Related Agencies Appropriations Act were eligible to compete for Save America's Treasures funding. Although eligible to compete, IMLS, NEA and NEH are granting organizations that do not own intellectual and cultural artifacts or historic structures and sites, for which funding was provided. The House and Senate Appropriations Committees agreed that, for fiscal year 1999, these three agencies could accept applications from nonfederal entities, review the applications for completeness and eligibility for funding under the Save America's Treasures guidelines and project selection criteria previously approved by the House and Senate Appropriations Committees, rank the applications according to the Project Selection Criteria, and forward selected applications to the NPS as their agencies' submissions to compete for the national program awards.

The following examples illustrate that each agency's mission, authorities, programs, and guidelines enable it to administer grants to nonfederal entities for the full spectrum of intellectual and cultural artifacts and historic structures and sites eligible for Save America's Treasures funding. These examples are meant to be indicative, not comprehensive.

Institute of Museum and Library Services

Under its Conservation Project Support program, the IMLS awards matching grants for a broad range of conservation activities. Applications for grants in the categories of Treatment and Environmental Improvement are particularly analogous to the types of applications received through the Save America's Treasures program. In addition, the guidelines for treatment grants state that an applicant may request funds "to conserve, preserve, or stabilize collections and historic structures."

National Endowment for the Arts

In the authorizing legislation for the NEA (20 CFR 26), the Congress declares that "the Federal Government must transmit the achievement and values of civilization from the past via the present to the future," a philosophy echoed in the President and First Lady's multi-faceted Save America's Treasures initiative, of which the Federal grants are one component. The legislation further defines "the arts" to include music, dance, creative writing, architecture, film and video, traditions practiced by the diverse peoples of this country, and numerous other disciplines (Section 952(b)). Finally, the legislation grants the NEA the authority "to develop and enhance the widest public knowledge and understanding of the arts" (Section 952(d)) and to renovate facilities (Section 952(d)(2)).

National Endowment for the Humanities

The NEA funds the full spectrum of cultural and historic resources for which it received Save America's Treasures applications, in particular through its Division of Preservation and Access and Office of Challenge Grants. Preservation and Access grants include support of the preservation of intellectual content and the stabilization of material culture collections, including through the proper housing and storing of objects and the improvement of environmental, security and safety systems that preserve collections. The Office of Challenge Grants provides funds for direct capital expenditures in cases of compelling need that clearly relate to improvement in the humanities.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU'S)

The justification indicates that roughly half of the $7 million appropriated in fiscal year 1999 for restoration of historically black colleges and universities has been awarded to specific institutions.

Question. Have additional funds been awarded since submission of the budget request? If so, how much and to which institutions? If not, when will these awards be made?

Answer. The second round of fiscal year 1999 HBCU grants (totaling $3.304 million) will be apportioned in June 1999, based upon the onsite condition assessments currently being completed by a multi-disciplinary team of historic preservation experts employed under a Cooperative Agreement with the Georgia Institute of Technology.

Question. Does the Park Service anticipate that all of the funds requested for fiscal year 2000 will be awarded to specific institutions during fiscal year 2000?

Answer. Yes, all funds will be awarded during fiscal year 2000 to the HBCUs listed in section 507 of the Omnibus Parks and Public Lands Management Act (Public Law 104–333).

Question. Is work at these sites likely to commence during fiscal year 2000?

Answer. Yes.

Question. Are matching funds available for all of the funds appropriated for fiscal year 1999?

Answer. Yes, we believe that the required nonfederal matching funds are available.

Question. Are matching funds likely to be available in fiscal year 2000 for the funds requested in the fiscal year 2000 budget request?

Answer. Yes, to our knowledge, the required nonfederal matching funds will be available.

Question. Have any funds been awarded to institutions that have not secured a non-Federal match? If so, why?

Answer. No funds have been awarded to institutions that have not secured a nonfederal match.

Question. Why have some institutions been awarded grants in excess of the levels authorized in Public Law 104–333?

Answer. There is authority to fund above specific school authorization amounts within the total program authorization amount, if a condition assessment identifies such a need. Of the 12 HBCUs listed in section 507 of Public Law 104–333, two Alabama HBCUs (Concordia College and Stillman College) received amounts in excess of the levels stipulated. At Concordia, $200,000 was authorized, but $276,842 was awarded to repair Bakke Hall. At Stillman, $250,000 was authorized and $295,649 was awarded to repair Snedecor Hall. In both cases, the decision was deemed necessary to ensure that critical preservation needs were addressed, that additional funding would not be required, and to guarantee that these buildings would be made safe and usable at the completion of the project. These funding decisions were made based upon the recommendations of the professional and experienced condition assessment teams assisting in this initiative. The total amount awarded in excess of the specified levels ($122,491) was drawn from the $6.1 million that was not earmarked for specific HBCUs in the overall $29 million authorization.

NATIONAL CONSTITUTION CENTER

The Statement of Managers accompanying the fiscal year 1999 conference report included language urging the City of Philadelphia and the National Constitution Center to enter into a binding legal agreement under which the City would take responsibility for operation of the Center should the Center itself fail to be self-sustaining as planned.

Question. Is the Department aware of any such agreement being drafted or under discussion?

Answer. The Department of the Interior has been advised by the National Constitution Center (NCC) that a "binding legal agreement" is not possible due to the City of Philadelphia's Home Rule Charter. The City cannot obligate funds beyond a given legislative year. The City has, however, appropriated $5 million dollars for fiscal year 2000 as further evidence of its good faith intention to stand behind the project.

The NCC has commissioned an accounting firm to evaluate its projected income and operating expenses. The draft study has confirmed the NCC's projections and anticipates an operating surplus for the facility. This study, however, has not yet been evaluated by the NPS.

EVERGLADES MODIFIED WATER DELIVERY SYSTEM

The Justification indicates that $52 million has been appropriated for the Modified Water Delivery System at Everglades National Park.

Question. How much of this amount has been obligated to date?

Answer. The total amount obligated for the project to date is $33,614,906.

Question. How much is expected to be obligated by the end of fiscal year 2000?

Answer. An estimated $70 million, inclusive of obligations by the Corps of Engineers for infrastructure project obligations and of Everglades National Park for project management related costs, is expected to be obligated by the end of fiscal year 2000, if the President's budget request is enacted.

Question. Are all of the completed projects within this program currently operational? If not, why not?

Answer. The only project features that have been completed associated with the Modified Water Deliveries Project are the S–355 A&B structures and the raising of the Tigertail Indian camp. Both of these features are operational. The S–355A&B can release water into the L–29 canal as intended but current operations and water level conditions in the region dictate that these structures not discharge any water. When regional conditions change to allow use of these structures, they will be operated to release water from Water Conservation Area 3B into L–29 and Northeast Shark Slough.

Question. What specifically will be done with the funds requested in fiscal year 2000?

Answer. The fiscal year 2000 funds will be used to:

—Perform engineering analyses and design for seepage control features along the L–30/L–31N alignment (S–356 pump station feature);

—Perform hydrologic modeling and feature designs for conveying water from Water Conservation Area 3A to Water Conservation Area 3B (L–67 A&C project features);

—Perform engineering analyses and design associated with the raising of Tamiami Trail between L–30 and L–67 extension;

—Complete NEPA compliance of the flood mitigation component for 8.5 Square Mile Area; and

—Remove derelict roads in the East Everglades.

CONSTRUCTION PROJECTS

The justification states that a portion of the funds requested for Fort Sumter will be used to clean up contaminates that have leaked onto NPS lands.

Question. Why is the Park Service paying for this cleanup?

Answer. As the Federal land manager of property on which releases of hazardous substances have occurred, the NPS has both the obligation and authority to respond to the releases in order to protect human health and the environment. Further, the NPS has the obligation to respond, assess, and restore injuries to park system resources resulting from the releases. Consequently, the NPS has proceeded with response actions at the tour boat facility. In addition, these response actions have been required for obtaining approval from State and Federal regulatory agencies to proceed with construction of the facility. A full investigation and remediation of the adjacent Calhoun Park Area site is being addressed by the South Carolina Electric and Gas Company (SCE&G).

Question. Will the Park Service be reimbursed for these costs?

Answer. The NPS is working with the DOI Solicitor and the Department of Justice to pursue recovery of all response costs and other damages. Approval of the NPS request for costs and damages, and authority to proceed to negotiations and/or litigation is being processed within the Justice Department. Although the time frame is not certain, approval is expected to occur in the near future. We will then seek reimbursement from responsible parties, including SCE&G. The South Carolina Electric and Gas Company has indicated an interest in resolving this matter without litigation. We expect to recover most, if not all, costs.

GLEN ECHO PARK

The justification indicates that $12 million in non-Federal funding will be available for the rehabilitation of facilities at Glen Echo Park.

Question. What is the proposed source of the non-Federal funds?

Answer. There are three proposed sources of non-Federal funding that will be available for the rehabilitation of facilities at Glen Echo Park. The sources are the Montgomery County and State of Maryland governments, and the Glen Echo Park Foundation.

Question. How much of this amount is currently in-hand?

Answer. To date, the Glen Echo Park Foundation has collected $270,000.

Question. How much is expected to be available by fiscal year 2000?

Answer. There should be $5,600,000 available in fiscal year 2000 if funding from all parties, State, County and Federal governments, is approved. The State of Maryland legislature has approved $1,300,000 for fiscal year 2000, contingent on receipt of matching federal dollars. The State has also given commitment for the full $6,000,000 over the next three years. Montgomery County is also committed to funding the project.

Question. Have any non-Federal funds been spent on this project to date? If so, how much?

Answer. No non-Federal funds have been spent on this project to date.

FDR MEMORIAL

Funds are requested to "fulfill the Federal Government's commitment to construct an addition to the Franklin Delano Roosevelt Memorial that would provide recognition of President Roosevelt's disability."

Question. Given that the use of Federal funds for this project directly contradicts the statute which authorized the addition to the Memorial, what has changed since passage of that Act that justifies Federal dollars being used for construction?

Answer. The Franklin Delano Roosevelt (FDR) Memorial, which was constructed using a combination of appropriated and privately raised funds, was dedicated on May 2, 1997 by President Clinton. On July 24, 1997, President Clinton signed into law an act that directed the Secretary of the Interior to plan for the design and construction of a permanent addition to the FDR Memorial. The National Park System Advisory Board established the Franklin D. Roosevelt Memorial Committee to advise the Secretary on appropriate recognition. Working with the designer of the FDR Memorial, Lawrence Halprin, the committee unanimously recommended a plan for the addition, which achieves that recognition while remaining consistent with the design criteria established for the entire memorial by the Franklin Delano Roosevelt Memorial Commission and the Commission of Fine Arts. The plan was accepted by Secretary Babbitt and announced by Vice President Al Gore on July 2, 1998. The forecourt will be created by Lawrence Halprin, Robert Graham, sculptor of the memorial's First Inaugural and Social Programs, and master stone carver John Benson, who designed the letters and carved the inscriptions in the memorial.

The main entrance to the memorial will be reconfigured to create a forecourt that will be integrated into the whole with the same granite paving and walls, bronze sculpture, inscriptions, seating areas, lighting fixtures and landscape plantings used throughout the memorial. Located in the new forecourt will be a human scale statue of President Roosevelt in the small wheelchair he invented. The statue will be free-standing and located at grade to depict FDR as a person who was paralyzed, used a wheelchair, and was President of the United States. The granite wall behind the statue will contain associated bas-relief sculpture and carved quotations reflecting FDR's life before he became President. The artwork is bronze, placed in relationship to an extension of the large granite wall that acts as the spine of the memorial. The location of the forecourt is chronologically consistent with the order of the four outdoor rooms of the memorial, which represent the four terms of his presidency.

The preliminary estimate for the project is $5 million, which includes both construction of the forecourt and acquisition of the artwork. The artwork—bronze sculpture and stone carving—will be funded through private donations of $1.5 million. The preliminary estimate for the design, engineering, and construction of the forecourt is $3.5 million. Construction costs include demolition and site preparation, substructure, pilings, a 74-foot long, 12-foot high granite wall to contain the artwork, a pair of granite seating walls totaling 142 feet, 2,600 square feet of granite paving, site furniture, utilities, lighting, landscape plantings, and irrigation.

Existing law requires that the addition be constructed with private funds. The National Organization on Disability (N.O.D.) has agreed to raise $1.6 million for acquisition of the artwork and inscriptions, maintenance fund, and to cover the cost of fundraising. The Secretary is seeking authorization and an appropriation in the fiscal year 2000 budget for the remaining $3.5 million necessary to construct the forecourt into which the artwork will be placed.

DAMS REMOVAL

$12 million is requested for projects related to the removal of the Elwha Dam.

Question. Have funds appropriated for purchase of the dam been obligated? If not, why not?

Answer. To date $29,915,000 has been appropriated for acquisition of the Elwha and Glines Dams, as authorized by Public Law 102–495. A small portion ($75,000) of these funds have been obligated at this time to begin the hazardous materials survey work required prior to acquisition of lands. Additionally, it is anticipated that a request for proposal for title services will be advertised in June, 1999, and funds will be obligated for title services. The source of these funds is $415,000 appropriated in Title V of the fiscal year 1998 Interior and Related Agencies Appropriations Act and identified as "transaction costs" over and above the amount of $29.5 million identified in Public Law 102–495 as the purchase price of the Projects (Section 3(b)).

Per Public Law 102–495, Section 3(a), "Effective sixty days after submission to the Congress of the report referred to in section 3(c), the Secretary [of the Interior] is authorized to acquire the Elwha and Glines Canyon Projects, and all rights of the owner and local industrial consumer therein, subject to the appropriation of funds therefor: *Provided,* That the Secretary shall not acquire the projects unless he has determined pursuant to subsection (c) that removal of the Project dams is necessary for the full restoration of the Elwha River ecosystem and native anadromous fish and that funds for that purpose will be available for such removal within two years after acquisition." in accordance with this clause, the actual purchase of the Projects may not occur until the Secretary has determined that funds are available for removal of the dams and restoration of the ecosystem.

The National Park Service is diligently working to complete all steps of the acquisition process which may be done beforehand. This will allow obligation of the moneys to purchase the Projects as soon as funds for removal have been appropriated.

Question. Why should Congress appropriate $12 million towards the removal of a facility it does not own?

Answer. Congress should appropriate $12 million so that the Secretary may determine that the removal of the dams and restoration of the ecosystem can be accomplished pursuant to the requirement of Public Law 102–495.

EVERGLADES LAND ACQUISITION

The justification indicates that the "Land Acquisition Limitation Amount Remaining" for Everglades NP and Grant to the State of Florida is "not applicable".

Question. Is there any limitation in existing law on either land acquisition in Everglades National Park or for grants to the State of Florida?

Answer. There is no limitation in existing law for either Everglades National Park or for grants to the State of Florida.

EQUIPMENT REPLACEMENT

The request includes an increase of $4,463,000 for the Equipment Replacement program, but does not explain how this increase will be used.

Question. For which of the three components of the Equipment Replacement program, as identified in the justification, will these funds be used.

Answer. $3,000,000 of the increase request will be used to continue the Service's modernization of its information resources management equipment and programs, and to cover the costs associated with annual maintenance fees in maintaining equipment and software. This program was not funded by Congress in fiscal 1999. The remaining increase of $1,463,000 will be used to further the Service's efforts to comply with provisions contained in the Omnibus Reconciliation Act of 1993 which directed Federal agencies to convert all civilian Federal radio systems to the new technology known as "narrowband."; if accepted by Congress, total funds available for this program in fiscal year 2000 would then be $2.5 million as $1.037 million was appropriated in fiscal year 1999 and is the "base" upon which this increase is being requested.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. How is your Department using performance information to manage the agency?

Answer. On a park-by-park basis, performance information is used to identify strengths/weaknesses and monitor public perception. Servicewide, the information is utilized to analyze programmatic and resource needs.

Question. How did program performance factor into your decisions about the funding you are requesting in fiscal year 2000? Please provide examples.

Answer. Because the Service will not be able to use actual fiscal year 1999 performance until the end of this fiscal year (the first year required), it was not incorporated in the fiscal year 2000 request.

Question. What specific program changes have you made to improve performance and achieve the goals established in your strategic and annual plans?

Answer. There has been park-by-park improvements in park goal setting. The NPS has set Servicewide goals, developed standard performance indicators, and established a process for reporting performance.

Question. How does your budget structure link resource amounts to performance goals?

Answer. The budget structure is based on function and does not directly link resource amounts to performance goals. However, NPS Strategic Plan data bases include information to link resource amounts to performance goals.

Question. What, if any, changes to the account and activity structure in your budget justification are needed to improve this linkage?

Answer. To establish a direct linkage, the NPS budget structure would need to reflect the mission rather than how the mission is accomplished. There may be options to explore to improve the linkage without changing the budget structure.

Question. Does your fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for your first performance report in March 2000?

Answer. The Service expects reliable data for all goals except for the one regarding water quality. That goal is now being reworked for inclusion in a revised NPS Strategic Plan that will be finalized by the end of the year.

Question. If so, what steps are you planning to improve the reliability of these measures?

Answer. All goals need to have objective, measurable performance indicators. The water quality goal is being rewritten to accomplish that, and other goals are being analyzed to improve the measurability and significance of their performance indicators, as needed.

Question. How will your future funding requests take into consideration actual performance compared to expected or target performance?

Answer. We believe and expect that future funding requests will use, and be affected by, GPRA performance data, but cannot say how until we have those data at the end of fiscal year 1999. There are currently processes in the NPS GPRA system that allow for the changing of targets in annual performance plans based on changing conditions, including those caused by differences in expected versus actual appropriations.

Question. To what extent do the dollars associated with specific agency performance goals reflect the full costs of all associated activities performed in support of that goal?

Answer. There currently exist processes to reflect the full costs of resources being used by goal, both at the park and servicewide levels. The Service, however, is working to improve the linkage by which central office and other indirect spending is associated with specific agency performance goals.

Question. For example, are overhead costs fully allocated to goals?

Answer. Yes, they are, but improvements to this process are still being refined.

PARK SERVICE ACQUISITION

Question. The Park Service requests $5.7 million for Gettysburg National Military Park. Is this funding for the tower?

Answer. As of March, 1999, appropriated funds in the amount of $5.1 million are available for land acquisition at Gettysburg National Military Park. It is expected that some of these funds combined with some of the funds included in the fiscal year 2000 request for land acquisition at the park will be used to acquire the Gettysburg National Tower. However, an appraisal of the tower property has not yet been completed and approved by the service.

Question. Do we have a willing seller and an agreed-upon price for the tower? If not, what do you recommend be done?

Answer. Though the owner has indicated an interest in selling the tower property, the Service has not yet obtained and approved an appraisal of the property. Negotiations to acquire the property cannot begin until an appraisal is approved by the Service. The Service hopes that negotiations, once commenced, will be successful in permitting acquisition of the tower property for the amount of the approved appraised value. If not, the Service is permitted to file a complaint in condemnation and have the Court determine the just compensation required for acquisition of the property.

PARK SERVICE HOUSING

A March, 1999 report by the General Accounting Office assessed Park Service progress in the implementation of its employee housing policy. The GAO found "some evidence to suggest that park managers have not accepted the new housing policy or the need to minimize the agency's housing inventory." The GAO also noted that there is a disincentive to implementing alternatives to in-park housing, as the funding for many alternatives would come from park operating budgets.

Question. What is the Park Service doing to implement its revised housing policy?

Answer. The National Park Service has begun to implement its revised housing policy. In response to Congressional direction the Service also undertook a park by park review of its housing needs based on the revised policy. Through this first phase (needs assessment) of the process, once the policy had a chance to be field-tested, there were instances where parks were able to apply the policy as written. Fifty-one parks have identified an excess in housing and have begun to reduce their inventories. In addition, 12 parks have located alternative housing which has resulted in those parks no longer needing employee housing on-site, which will result in inventory reductions.

But there were other situations where park managers expressed serious concerns regarding their ability to fulfill their mission-related duties that must be further explored in order to fully implement the revised housing policy.

Over the next few weeks, in conjunction with the continuation of the three-phase housing evaluation, which includes the physical inspection of units, Deputy Director Galvin will work with a group of senior level managers and regional representatives. This group will look at the stated housing policy and issues that include: housing assignments for cooperators; volunteers, and unpaid staff; housing assignments to protect historic structures; clarification of policy relating to response time and deterrence; and consistency of required occupancy assignments. The group will address whether or not refinements are necessary to interpret broader policy guidance.

Additional inventory reduction decisions are anticipated in conjunction with the completion of the Condition Assessments. Final decisions on housing reductions will reflect a cost/benefit analysis for each park, which will allow managers to explore housing alternatives, where feasible, depending on mission need and facility condition findings.

Question. What is being done or what can be done to remove disincentives that may lead park managers to rely too much on in-park housing?

Answer. The NPS has completed the first phase in the evaluation of housing need. This needs assessment phase identified some alternatives to in-park housing. The next phases will be to identify the condition of housing inventory and conduct a cost/benefit analysis to aid in determining the best use of existing housing units. After these steps have been accomplished the NPS fully intends to explore further alternative approaches with the private sector. The NPS has not finished the process.

Several parks have explored the feasibility of such alternatives as leasing in the private sector in lieu of on-site construction. We will continue to pursue alternatives

Question. Does the Park Service agree that these disincentives exist?

Answer. There may not be sufficient incentives for park managers to seek non-park housing.

The NPS will continue to examine the costs and benefits of housing alternatives taking into account the unusual demands in isolated parks and the practice of relying on private markets for employee housing.

Question. What can this Committee do to help remove these disincentives?

Answer. The NPS hopes to work with the Congress to address the needs of the Housing Program, realizing that employee housing is intertwined in many other NPS programs. Changes to the housing program may ultimately affect other programs such as the historic leasing program, the employee relocation program, and the volunteer-in-parks program; and NPS goals such as diversity, retention, and recruitment.

Principal reasons for not implementing some of the alternatives are budget structure issues, use of existing structures to meet historic preservation, resource protection, and/or visitor protection objectives. There may be a disincentive for a park since funding to lease housing and administrative space from the private sector, for example, would come from park operating funds and would compete for funding against all other park operating needs, while funding for housing is currently derived from the centralized construction account. Often, identified alternatives are not implemented largely due to cost/benefit analysis from either the viewpoint of the Service or potential partners or both. Many alternatives have significant budgetary implications.

We hope that Congress will work with the NPS to develop incentives for park managers to explore and possibly implement alternatives. Implementing alternatives is sometimes not simple or within currently available resources or legal authorities of the agency.

The NPS may propose new housing programs on a pilot basis or a demonstration program at a park site where the cost of housing in the private sector has proven to be prohibitive for essential seasonal employees. The NPS will examine the costs and benefits of housing alternatives, taking into account the unusual demands of isolated parks and the practice of relying on private markets for employee housing.

Question. Does the Park Service agree with the suggestion by some park managers that the housing needs assessment is attempting "to address a problem that does not exist"?

Answer. GAO Reports and Inspector General audits have indicated that there is a problem. The NPS agreed that it would be beneficial to the agency to have an outside determination of need, and to have extensive information on the private housing markets near park areas.

The Service hopes Congress will consider and appreciate the significant portion of work already accomplished and the commitment shown by many top managers. NPS hopes that Congress will support the NPS as we continue the process.

The Contractor retained to conduct the housing needs assessment arrived at a far different needs assessment about total housing needs than did park managers.

Question. Has the Park Service developed an official agency position regarding the total housing need that narrows or eliminates this gap?

Answer. The NPS's main goal is the same as Congress' goal that we have a carefully thought out, prudent, and justifiable basis for building and maintaining employee housing where appropriate. As stated earlier, the NPS is currently, in conjunction with the other phases of the housing evaluation, looking at the stated housing policy and the need for refinement or amplification of that policy.

It must be stressed that the Service will not be removing structures that are in good condition, where the economic analysis favors continued use. In those instances where the contractor and park managers are in agreement with the numbers of units needed the park can immediately take necessary steps to reduce inventory. In instances where there is a difference between the contractor findings and the park, no action will be undertaken until all three phases of the process are complete. Further decisions as to the future of any units may need to wait until the other phases of the evaluation have been accomplished. However, it must be stressed that as the NPS works to reach manageable decisions regarding housing management the NPS will not be able to develop an official agency position on an appropriate number of total housing units needed Servicewide that will be fixed. The additions of new park areas, park expansions, changes in park need, based on mission-related activities, and changes in local market availability will prohibit the NPS from identifying an appropriate number of housing units needed that will not change. Park managers will continue to re-evaluate their housing needs and will be expected to use feasible cost/beneficial alternatives and reduce inventory where possible. The NPS housing need will be evaluated on a regular basis, and it is not unreasonable to expect that the need will change during these evaluations, either in the form of a reduction or increase in inventory.

Question. If not, will this be done?

Answer. As stated above, the NPS is working steadfastly at reaching a justifiable number of housing units, however, this number will not be static. NPS housing needs that will provide adequate necessary services for the protection of Government property while taking into account the availability of private-sector housing and the mission of the park will require a continual re-evaluation. Not only will NPS needs likely change but also the availability of private sector housing will probably change. Measures have been put into place already that will require park managers to re-evaluate their needs based on private market availability every two years, and when funding is requested that need will be re-evaluated on a annual basis.

BUREAU OF INDIAN AFFAIRS

CONTRACT SUPPORT ON TRIBAL CONTRACTS

The federal government, particularly the Indian Health Service and the Bureau of Indian Affairs, is facing severe financial penalties from litigation related to contract support costs for contracts with tribes. The Bureau, which has been contracting with tribes longer and which has, up to this point, refused to negotiate or pay direct costs such as workers compensation and unemployment, is in slightly bet-

ter position than the Indian Health Service, which does pay direct costs. However, as part of the recent discussions between tribes and the federal government to address the problems, the Bureau is re-evaluating its position on direct costs. A decision to begin paying direct costs could further obligate the federal government between $10 and $30 million a year, according to the General Accounting Office.

Question. Please address any re-evaluations the Bureau and the Service might be making. Why did the Administration fail to request full funding for contact support?

Answer. The Bureau is working in collaboration with the Indian Health Service and Tribes and expects to release a report on contract support in June, 1999. As part of this process, the Bureau has been re-evaluating the payment of direct contract support costs at the request of Tribes who are requesting payment of these costs, including potential increases in the amount required to cover such costs. The Bureau is in the process of finalizing its report on this issue. As the report is not yet finalized, results are not yet available.

The Bureau's fiscal year 2000 budget request includes an increase of $6,109,000 for Contract Support, which will meet approximately 84 percent of Tribes' contract support need in fiscal year 2000. Competing priorities in the Bureau's budget did not allow all categories of needs to be requested for funding at the 100 percent level. Contract Support is just one of many under funded programs and priorities identified within the Bureau's budget. To fully fund one program would mean less funding for other priority programs. There are just not sufficient resources within the target funding levels to meet all the needs in Indian Country.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance based management within the agency, as required by the Government Performance and Results Act?

Answer. The Bureau developed a Strategic Plan in 1997 and is currently amending the Strategic plan in accordance with the requirements of the Government Performance and Results Act (GPRA) and guidance developed by the Departmental Performance Management Office. The Plan sets forth mission goals for each budget sub-activity level and outli nes performance management areas for each.

Recognizing the importance of achieving the intent of GPRA, the Bureau established an office to serve as the primary strategic planning contact for the Bureau to coordinate and provide oversight on GPRA efforts. To ensure participation on a nationwide basis throughout the Bureau, each of the Bureau's 12 Areas and all Central Office directorates have established GPRA coordinators. The staff serve key functions and are responsible for the collection and submission of quarterly performance data as well as serve as the first line of analysis in determination of goal achievement. This was part of the first phase of implementation of GPRA on a Bureau-wide basis.

Meetings have been held with the GPRA coordinators nationwide to ensure full compliance with the Strategic Plan and Annual Performance Plan. In addition, senior Bureau managers have taken an active role in working to achieve the success of these efforts. With quarterly reports underway, the Bureau has been able to target areas needing refinement to achieve improved measurement of performance activities needed to achieve the Bureau's mission.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. The Bureau has efforts underway to incorporate the achievement of the GPRA performance goals within individual performance plans for staff at all Bureau levels. Senior managers are held accountable for the submission of quarterly performance data within the prescribed time lines as well as other GPRA requirements with a reflection of compliance affecting their individual performance reviews.

Question. How is the agency using performance information to manage the agency?

Answer. The Bureau is providing quarterly reports to the Department which outlines its progress towards goal achievement. The Bureau reviews these reports to determine its current state of affairs with regard to goal achievement. The report allows program managers to determine what areas of their program may be falling short of goal attainment and subsequently allows focus on these areas to accomplish the goal.

Question. How did program performance factor into decisions about the funding the agency requested in fiscal year 2000? Please provide examples.

Answer. The Mission goals in the Performance Plan were developed at the budget subactivity level and all areas of the Bureau's fiscal year 2000 budget request relate to achievement of the mission and the accompanying goals. Requested increases

were directly related to attainment of the performance goals outlined in the fiscal year 2000 Annual Performance Plan. Denoted below are examples of the direct correlation between the Annual Performance Plan and the fiscal year 2000 budget request:

—$2,565,000 was requested for Tribal Courts to allow for the implementation of Stage 2 of the 5- year plan to meet the requirements of the Indian Tribal JusticeAct. Goal 01.01.02.01.00.

—$1,292,000 was requested to support increasing the number of Endangered Species benefiting from the Endangered Species program. Goal 03.07.01.05.00.

—$2,000,000 was requested to support rehabilitation of Adult Care Facilities to allow them to qualify for State Medicare Provider status, which would allow their current funding to be available to offset other human services needs. Goal 02.02.01.03.00.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. With the Strategic Plan and the Annual Performance Plan established for the Bureau, program managers are refocusing their efforts on how to accomplish the goals and overall mission of the Bureau. Key in this effort has been changes in the instruction provided to field staff on the front line of providing Bureau programs to Tribes on what is to be achieved and focused on as well as reporting requirements for compliance.

The Bureau continues to maintain an open forum with the Bureau's GPRA coordinators, providing not only dialogue on the current state of affairs, but also in providing training to improve their development in attaining the goals set forth in the Plan. This has allowed valuable input from field staff ("the front line") in refining the goals to reflect the performance to be achieved and improve accountability for field participation in performance achievement.

The Bureau utilizes the quarterly reports to assess attainment of the established goals. Using this information, the Bureau will continue to focus on areas in need of refinement to achieve its mission as well as ensure accountability of its program managers throughout the Bureau.

Question. How does the agency's budget structure link resource amounts to performancegoals?

Answer. The organization of the Bureau's fiscal year 2000 Annual Plan and its fiscal year 2000 budget request reflects the Department's approach to improve and streamline the Plan to improve its link with the budget. The Plan presents the Bureau's goals and measures, consistent with the core of the Strategic Plan and budget proposal. The Bureau's Plan includes a section in each goal category which lists the related budget accounts and activitie s which tie back to the Bureau's budget structure.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. To have a total mirror comparison between the Bureau's budget structure and the Annual Performance Plan, a major overhaul of the current budget structure would be required. The Plan is structured on its foundation of the Mission Goals and accompanying annual goals which crosses many of the current budget categories in the existing budget structure. The budget structure is based on recommendations adopted by the Joint Task Force on Reorganization of the Bureau of Indian Affairs based on its intent to illustrate how funds were distributed and expended.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. Several of the goals established in the Bureau performance plan only collect data for actual statistical figures on an annual or mid-year basis.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The Bureau's reporting efforts for fiscal year 1999 have included providing quarterly narrative status for the goals. These narratives outline the Bureau's efforts and progression toward attainment of the goal targets and allows for review of program performance for potential areas of default.

Question. How will the agency's future funding requests take into consideration actual perf ormance compared to expected or target performance.

Answer. The Bureau will take into consideration the degree of attainment of the goals in the Annual Plan to determine what action is necessary to improve performance.

OFFICE OF INSULAR AFFAIRS

VIRGIN ISLANDS

Question. According to the agency's budget justification, the Virgin Islands has been running deficits in excess of $100 million since fiscal year 1996. Recently, the Island's fiscal problems have gotten even worse. Indeed, just this month, Department of the Interior officials informed staff that the Virgin Islands' government would likely not meet its full payroll obligations. What, if anything, is the Department of the Interior doing to assist the Virgin Islands' government with this fiscal crisis?

Answer. Long before the Virgin Islands' current fiscal crisis, the Department of the Interior identified weaknesses in the Virgin Island government's financial management apparatus and provided resources to address the problem. The Department of the Interior sought and received a fiscal year 1996 Supplemental Appropriation of $9,450,000 to address the destruction of then DOI-owned Water Island from Hurricane Hugo ($3,790,000) and the financial management deficiencies in the local government. We informed the Government of the Virgin Islands that the supplemental request had been approved and asked them to prepare proposals indicating how funds could be utilized to improve financial management. In July 1996, a team of OIA officials met with Government of the Virgin Islands officials and proposals were later submitted by representatives from Finance, Internal Revenue, Public Works, Office of Management and Budget, the Roy Schneider Hospital, and the University of the Virgin Islands. The supplemental funds for financial management improvements were broken down in the following manner: $3,000,000 for VI Department of Finance, $1,092,000 for VI Bureau of Internal Revenue, $1,200,000 for USDA Graduate School, and $20,000 for the VI Office of Management and Budget.

These amounts went toward comprehensive financial management systems improvements including the purchase of software and hardware for computer systems upgrades and training. Although the immediate purpose of the emergency supplemental funding was to strengthen the Virgin Islands government's ability to effectively and accurately manage and account for the infusion of FEMA disaster assistance, these investments made permanent improvements in the Virgin Island government's financial management capabilities. More recently, in June 1997 at the request of former Governor Schneider, OIA provided the Virgin Islands government assistance to develop an immediate-term action plan for fiscal recovery. On June 5, 1997, OIA awarded the Virgin Island's $275,000 for that effort and stipulated that if OIA was satisfied with the immediate-term plan, additional funds would be provided in fiscal year 1998 for the completion of a five-year fiscal recovery plan. The Virgin Island's selected Consultants for Resource Evaluation (CORE), a Washington, D.C. based management consulting firm, to develop the immediate-term action plan. OIA was pleased with the immediate-term fiscal recovery plan submitted by CORE. They have instituted aggressive procedures for the collection of back taxes from both individuals and businesses, the hospital instituted procedures to collect monies owed by individuals and insurance companies, and the Virgin Islands renegotiated the insurance premium cost for insuring government property. In addition, the island government analyzed the possibility of privatizing or leasing certain government functions such as the VITRAN public transportation.

On April 10, 1998 DOI provided the Virgin Islands $650,000 for Phase II of the VI Fiscal Recovery Plan. Phase II calls for the implementation of a comprehensive five-year action plan which will lead to fiscal recovery. The five-year plan will include an economic development strategy and an offshore private sector investment development strategy. The efforts of CORE were applauded by Governor Turnbull's new administration. OIA's most recent efforts with respect to the Virgin Islands' latest fiscal crisis are discussed in the next response.

Question. Does the Department have any other proposals besides permitting the Virgin Islands to keep all of the U.S. excise tax on rum, that would help the government with its financial problems?

Answer. Secretary of the Interior Bruce Babbitt and Governor Charles Turnbull met in January 1999 to discuss the plight of the Virgin Islands. Their discussions resulted in the establishment of a Joint Virgin Islands/Federal Fiscal Recovery Task Force. The Federal group is comprised of representatives from the White House, the Department of the Interior, and FEMA. The objective of the task force is to develop additional ideas and options for addressing the Virgin Islands' fiscal crisis. Such options include, but are not limited to enhancing natural resources in the Virgin Islands to spur tourism and to consider the possibility of providing debt relief to the Virgin Islands' government for FEMA Community Disaster loans from Hurricanes Hugo and Marilyn.

In addition, in response to a request from Governor Turnbull, the Department has agreed to help fund the preparation of the 1998 financial statement and a Single Audit of 1995. The urgency of this request was underscored by an OIG report last September on deficiencies with the Interfund Loan and Federal Grant Balances. OIA has committed $400,000 of Technical Assistance funds to assist the GVI with their audit. OIA has asked the Virgin Islands to provide us with a detailed scope of work. To date, we have not received the aforementioned documentation.

Question. If the Congress, agreed to the Administration's proposal to allow the Virgin Islands to retain all of the excise tax on rum, should there be a requirement that this revenue be de dicated to reducing the Islands' budget deficits?

Answer. DOI believes that the additional revenue from the retention of rum excise taxes should be linked to the reduction of their budget deficit, while providing some flexibility to address immediate concerns.

AMERICAN SAMOA

Question. What, if anything, has the American Samoa government done to address the issue of unpaid medical bills to Hawaiian hospitals?

Answer. According to a recent letter from Governor Sunia to the Office of Insular Affairs, the American Samoa Government (ASG) has paid out over $5,000,000 for unpaid bills in the last year to medical hospitals in Hawaii. The ASG Treasurer and his staff have been writing letters to the creditors in an effort to reconcile billing statements with original invoices. ASG has instituted a payment schedule with those creditors who have completed a reconciliation. The OIA has not received from ASG a list of which creditors they have reconciled with and to what extent the payment schedules it has instituted will satisfy those creditors.

Question. What role has OIA played in trying to resolve this problem? What recommendations does the agency have to expedite resolution of this issue?

Answer. OIA has worked closely with the ASG to resolve the problem of unpaid medical bills to Hawaii hospitals. In efforts to assist ASG resolve this issue, OIA has recommended that hospital officials investigate alternative financing, including funding efforts to explore the use of private and government sponsored medical insurance. In addition, OIA has repeatedly recommended that the Medical Center Authority increase hospital fees. The current fee for an out-patient is $2.00 and the in-patient fee is $7.50 a day; yet, the estimated daily medical cost to the hospital per patient is approximately $400.00 per day. OIA has also suggested to hospital officials that it allocate a portion of its operations subsidy to revolving accounts with certain medical providers or suppliers to enable the Medical Center to purchase pharmaceutical and medical supplies without interruption. Unfortunately, the hospitals are a few of the many vendors who are owed substantial amounts of money from ASG. The OIA has had several discussions with medical providers in and out of Hawaii to get an accurate accounting of ASG's debts related to medical services.

CORAL REEF INITIATIVE

Question. The agency proposed to spend $1,000,000 on the Coral Reef Initiative in fiscal year 2000. How will these funds be allocated to various projects? What specific projects will be funded?

Answer. OIA will use the $1,000,000 to fund the highest priority needs for coral reef protection identified by the insular areas in the U.S. Islands Action Plan (Plan). The Plan, developed in 1997, identifies approximately $3,000,000 of high priority actions and needs for protecting and managing coral reefs in the insular areas. These activities range from research and development of restoration techniques to education and outreach on management and protection of coral reefs in local communities. Several of the priority projects identified in 1997 have been initiated with current OIA funding. For example, in fiscal year 1999, OIA funded research to develop techniques for the mass culture of coral larvae, a "coral reef road show" to educate villages about the value of coral reefs, and development of a CD–ROM for use in Guam's public and private schools. OIA is sponsoring a workshop to revise and update the Plan in conjunction with the 1999 Coastal Zone Management meeting in July. The updated Plan will likely contain similar themes, with specific requests incorporating the lessons learned from recent projects and addressing recent events that have affected the health of coral reefs in the insular areas. OIA funding for fiscal year 2000 will be allocated to those projects that are given the highest priority ranking in the revised Plan and are deemed both feasible and potentially successful in achieving the goals put forth in the Coral Reef Initiative.

Question. What other agencies is OIA working with on this initiative? How does OIA's role fit with these other agencies?

Answer. OIA works closely with the Geological Survey, Fish and Wildlife Service, and National Park Service within the Department, as well as the other Federal agencies that are members of the Coral Reef Task Force (e.g., NOAA, EPA, Department of State, USAID), to develop and implement coral reef protection programs. OIA plays a key role in the coordinated Federal effort to conserve coral reefs, with staff serving on the Coral Reef Task Force and chairing the Task Force's working group on Ecosystem Science and Conservation. These interagency groups are the principal mechanisms for coordinating the Federal effort to address the dramatic decline of coral reefs worldwide: representatives from the various agencies work together to identify priority actions and coordinate funding decisions. OIA is one of the leaders in this Federal effort and works with its partners to avoid overlap and ensure that different agencies' projects are complementary.

OIA also plays a unique role in the Federal effort to conserve coral reefs in that it is the only agency specifically authorized by Congress to provide the territories with technical assistance to manage and protect their natural resources. This authority is significant, considering that ninety-five percent of the Nation's estimated 1,786,500 acres of coral reefs and associated habitats are located in the insular areas. Over the past few years, OIA has worked with NOAA and the island governments to develop strategies and plans, laid out in the U.S. Islands Action Plan (Plan), to address coral reef protection and management for each island as part of the U.S. Coral Reef Initiative. At its recent meeting, the Coral Reef Task Force adopted a resolution that the projects identified in the updated version of the Plan would be given priority consideration for receiving any new Federal funds appropriated for the coordinated coral reef effort. OIA will play a critical role in this process, sponsoring a workshop to update the Plan and providing direct funding to implement the priorities that are identified. In addition to its direct assistance, OIA also plays an important role in facilitating the interaction of insular area representatives and Federal agencies, highlighted by the Task Force's decision to invite the governors of the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Puerto Rico, and the U.S. Virgin Islands to become full members of the Coral Reef Task Force.

BROWN TREE SNAKE

Question. How much has been spent to date by OIA on the Brown Tree snake program? What are expected expenditures over the next three years?

Answer. As of May 1999, $5.6 million has been obligated on the Brown Tree snake program. Our fiscal year 2000 budget request for the Brown Tree snake program totals $2.6 million. We have not yet developed estimates for this program for fiscal years 2001 and 2002.

Question. What progress is being made in research on biocontrols and other methods to control or eradicate the snake? When will this research result in on-the-ground application?

Answer. Improved traps and barriers are two examples of research into controls that have already resulted in "on-the-ground" application. We expect significant improvements in barrier design to be placed in operation this year and have set aside $300,000 for barrier construction. Some of the other critical research still needs more testing before we can begin application. This includes the use of fumigants and toxicant, that require both testing and regulatory approvals. The use of heat and electronic sensors are still in early research stages, as is development of artificial attractants. Artificial attractants, as a substitute for live bait in traps (usually mice), is extremely important for ultimately detecting small snake populations and delivery of toxicant or biocontrols. In the area of biocontrols, most of our research to date has been on viruses, and we are now looking at ways to upset the reproductive process. We are many years away from field testing in this area. Biocontrols may represent the ultimate "silver bullet" that will allow eradication of snakes over large areas, but it is a long-term process that must be subjected to serious epidemiology studies and environmental safeguards.

Question. What other agencies is OIA working with on the Brown Tree Snake?

Answer. In addition to the Department of the Interior, the Brown Tree Snake program relies on efforts from the Departments of Defense, Agriculture, Commerce, and Transportation. We also work with State agencies in Hawaii, Guam, and the Northern Mariana Islands. Within the Department of the Interior, program efforts involve the Biological Resources Division within USGS and the Fish and Wildlife Service, as well as OIA and the Assistant Secretary for Policy, Management and Budget.

Question. What is the nature of OIA's role in connection with these other agencies?

Answer. OIA's major role is to fund research and operational efforts and make sure the work is performed as agreed; to coordinate interagency efforts by developing a Memorandum of Agreement and arranging meetings and briefings with signatories; and to brief and advise the Assistant Secretary for Policy, Management and Budget on priorities and needs for current and future years. The Assistant Secretary for Policy, Management and Budget is the principal manager for this interagency effort. We enter into reimbursable support agreements with the USGS for research, with the Fish and Wildlife Service for planning and support, and with the USDA for research and control efforts on Guam. We issue and manage annual brown tree snake control grants to Guam, the Northern Mariana Islands, and the State of Hawaii. For the last three years, we also have administered grants to the Smithsonian Institution (National Zoo) for research they are performing on snake viruses.

IMPACT ASSISTANCE

The agency proposes taking $5,400,000 in capital improvement grants to CNMI for the next three years and giving it to Guam as impact assistance.

Question. How was the amount of funds for capital improvement projects to CNMI initially established? Was it done by mutual agreement between CNMI and the United States?

Answer. The special representatives of the President and the Governor of the CNMI initially established the amounts of funds when negotiating the third Agreement of the Special Representatives of Future Federal Financial Assistance for the Northern Mariana Islands. The agreement was signed on December 17, 1992.

The Agreement called for Federal and Commonwealth contributions of $120,000,000 each during a seven-year period (1994–2000) and contained a schedule for matching ratios. The Federal matching ratio was to be 71 percent in 1994, and would fall to 29 percent in 2000. The Commonwealth's contributions complemented the Federal share.

The Third Agreement was never carried out in this format. Because Congress did not act on the new Agreement until 1996, the CNMI continued to receive $27,720,000 in annual Covenant grants in fiscal year 1993, fiscal year 1994 and fiscal year 1995. The grants were administered as if the Third Agreement was in effect, with CNMI providing matching funds of 20 percent, 26.6 percent, and 40 percent.

The enactment of Public Law 104–134, the fiscal year 1996 Omnibus Appropriations Act, changed the original amounts and the matching ratio. To approximate the $240 million program stated in the Agreement, Congress mandated Federal and Commonwealth shares of $77 million each, and added the amount of the Federal grants and matching funds already in effect.

Question. Is it fair to change these amounts unilaterally? How was the amount of the reduction determined?

Answer. The amounts were already changed unilaterally in the 1996 legislation. The decision to shift funding from the CNMI to Guam was made possible by the large balance of undisbursed CNMI Federal grant funds. The CNMI has to date expended none of the grants made available to it in fiscal year 1996, fiscal year 1997, fiscal year 1998 or fiscal year 1999. It has disbursed approximately $24 million of the $71.5 million in Federal funds granted to it in fiscal year 1993–1995. The Administration believes grant funds can be used more effectively in Guam. CNMI can utilize unspent balances to maintain its large construction program.

Question. Doesn't CNMI also face significant impacts as a result of the Compact?

Answer. The Compact immigration impacts faced by the CNMI are significant, but not on the same scale as Guam.

One of the rationales the agency gives for taking capital improvement money from CNMI is the difficulty CNMI has in meeting the matching requirements for use of these funds.

Question. Has the recent appropriation by the CNMI of $23 million for capital improvement projects changed the agency's position? Will the recent completion of the Capital Improvement Plan by CNMI help the CNMI government with meeting matching requirements and getting projects done?

Answer. The lack of matching funds is an issue of recent vintage. The CNMI has matching funds in the bank for the Federal grants made to it in fiscal year 1993–95. It has nevertheless only expended $24 million of the $71.5 million of the Federal funds.

The barrier to using fiscal year 1996–1999 Covenant grants was the CNMI's failure to develop the Capital Improvement Plan. The plan is required by the Third Agreement and Public Law 104–134. Governor Pedro Tenorio's administration was

the first to seriously address the planning requirement. With some technical assistance provided by the Department, the CNMI created a task force and completed a very good plan in December 1998. This allows the CNMI, after appropriation of the local matching funds, to begin work on projects.

The completion of the plan has no effect upon the Department's view of local matching funds. The Department administers the matching requirement using grant management procedures. When funds are needed to pay for a project's accrued expenses, the Department pays half the total amount expended, as reported by the CNMI. This is a self-policing process. If the locally appropriated funds are not available in the bank, the CNMI cannot pay its contractor and the project stops. We have confidence in the financial managers of the CNMI that they would not initiate a project for which they could not pay. The real issue concerning local appropriations is the viability of the local revenues that support them. The CNMI's economic situation is difficult, and it remains to be seen if all of the projected revenues will be collected.

PRIOR SERVICE TRUST FUND

The Subcommittee is concerned about the financial condition of the Prior Service Trust Fund. The Subcommittee has been told that within the next few years the fund will not have adequate resources to pay all beneficiaries.

Question. What is the agency's position concerning this issue?

Answer. The prior service benefits program was not included in the negotiated Compact agreements implemented in 1986. Congress decided to continue this program and added $8 million to the 1986 appropriation for that purpose. Although the $8 million was less than had been requested, the legislative history spoke of a cutoff date for new registrants and the actuary for the program stated that $8 million would be sufficient based on assumptions at the time. Management and total control of the program was turned over to an independent body working on behalf of the four involved insular governments. Management chose to continue signing up beneficiaries, incurring high programmatic and administrative costs in so doing. When the Department of the Interior was informed of the cost overruns, the additional cost had risen to $15 million against a program initially funded at $8 million. The Department has considered funding for the program in the last three budgets, but the program has not been of sufficient priority to be included in the final request to Congress.

Question. How much money would it take to fix this problem?

Answer. If appropriated for fiscal year 2000 in a single lump sum, it would require approximately $20 million. If appropriated in annual amounts only, the funding required for fiscal year 2000 is $1.2 million. That amount would have to be appropriated at a gradually decreasing rate over the next 45–50 years.

Question. Does the agency plan to request funds in the future to address this issue?

Answer. There are no specific plans to request funds, but the issue could be reconsidered in future budget deliberations.

HAWAIIAN IMPACTS

The agency's fiscal year 2000 budget indicates that the Compacts have had large impacts on Hawaii. No funding for Hawaii is provided in the agency's budget.

Question. Does OIA have the authority to provide funds to states like Hawaii for impact assistance? If not, what statutory or other changes would need to be made?

Answer. The Compact of Free Association Act of 1985 clearly contains authority for appropriations to the State of Hawaii for impact assistance.

Question. What is the estimated impact on Hawaii of the Compacts? What is it expected to be over next five years? How does the Department plan to deal with the impacts of Compacts in future Compact negotiations?

Answer. As reported in OIA's impact report of March 1999, Governor Cayetano stated that the primary impact in Hawaii was in education, health, and welfare. Estimated costs for programs of the State of Hawaii in these areas to serve Micronesian migrants was about $10 million in the last year (1997–98 school year). With the Micronesian migrant population rising, that cost is expected to increase over the next five years. A new census of Micronesians in Hawaii to be conducted by the Office of Insular Affairs and the Census Bureau in 1999 will better determine the rate of growth.

The Department plans to deal with impact through increased emphasis on education, training, and health care in the freely associated states in future Compact negotiations. This will help to reduce the rate of migration and increase the contribution that future migrants can make to the receiving areas.

GPRA

Question. What specific steps has the Director taken as head of the agency to achieve performance-based management within the agency, as required by the Government Performance and Results Act?

Answer. Adjustments were made in OIA's organizational structure so that it aligns with our strategic goals. This makes it easier to tie organizational performance goals to individual performanc e standards.

Question. How are the agency's senior executives and other key managers being held accountable for achieving results?

Answer. The strategic goals and performance goals are directly linked to organizational structure and managerial responsibilities so that accountability for achieving organizational performance goals is now linked to individual performance standards and appraisals.

Question. How is the agency using performance information to manage the agency?

Answer. We do not yet have adequate performance information to relate performance data to man agement decisions, other than anecdotally.

Question. How did program performance factor into decisions about the funding the agency requested in fiscal year 2000? Please provide examples.

Answer. There are very few activities in OIA that receive discretionary funding, therefore program performance measures were not a significant factor in budget decisions.

Question. What specific program changes has the agency made to improve performance and achieve the goals established in the agency's strategic and annual plans?

Answer. The operations and maintenance improvement program (Maintenance Assistance funding) has been redesigned to emphasize past performance in the awarding of future grants. The timeliness by which insular governments develop work plans and begin and complete project implementation has become a criteria in awarding additional grant money. Similar methods are being considered for other technical assistance activities. We are currently examining the American Samoa operations grant to develop specific performance standards that will meet conditions of the grant.

Question. How does the agency's budget structure link resource amounts to performance goals?

Answer. The budget line items fit cleanly into our performance goals. Only our administrative funds are prorated among multiple goals. This makes for a very clear linkage between the budget and the annual performance plan.

Question. What, if any, changes to the account and activity structure in the budget justification are needed to improve this linkage?

Answer. No changes are needed.

Question. Does the agency's fiscal year 2000 Results Act performance plan include performance measures for which reliable data are not likely to be available in time for the agency's first performance report in March 2000?

Answer. Yes. Much of the data OIA relies upon comes from the insular governments and neither the data needs nor a method for data collection have been fully defined. It is a significant challenge to develop meaningful performance measures that can be collected and interpreted uniformly among seven insular governments with significantly differing data collection and reporting capabilities.

Question. If so, what steps is the agency planning to improve the reliability of these measures?

Answer. The agency is focusing some of its technical assistance resources on improving insular data collection, analysis, and reporting. OIA hopes to make a concerted effort in fiscal year 2000 to reach agreement with the insular governments on necessary performance measures so that uniform baseline and performance data can be collected.

Question. How will the agency's future funding requests take into consideration actual performance compared to expected or target performance?

Answer. In our technical assistance activities, it is unlikely that future funding requests will be tied directly to performance measures. This is because our technical assistance is provided on a discretionary basis to seven different insular governments. Therefore, performance is more likely to be a consideration in the allocation of discretionary funding among the governments rather that the total needs reflected in the budget. We are striving to develop some direct linkages between the American Samoa operations budget and their performance in achieving mutually agreed performance standards.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

FISH AND WILDLIFE SERVICE—WOLF QUESTIONNAIRE

Secretary Babbitt, last December I sent you a letter regarding a Fish and Wildlife Service questionnaire that was sent to hunters who received valid Elk permits from the New Mexico Department of Game and Fish. I asked that you personally review the survey because I was sure you would agree that it was accusatory, threatening, and totally inappropriate for a United States agency to send to its citizens.

The questionnaire was supposedly trying to elicit information regarding recent shootings of reintroduced wolves in New Mexico. Among the dreadful tone of the questionnaire, I found it disturbing that the FWS chose to target hunters who were not otherwise under suspicion except for the fact that they were legally hunting in an area where reintroduced wolves have been found shot. I recognize that the Fish and Wildlife Service has an obligation to investigate the recent shooting of reintroduced wolves. I have no sympathy for those, if any, who are taking out their frustration with wolf introduction by killing these animals. Such individuals should be dealt with to the full extent of the law. However, I feel this document produced by your Department is outrageous and deplorable in its own right.

I will submit this questionnaire for the record. However, I will briefly give a few examples of how the document arguably violates numerous fundamental Constitutional rights. The cover letter, from a Fish and Wildlife Special Agent, implicitly threatens that failure to return said survey would invite a Special Agent's personal meeting with the recipient. A sample of the questions, after the recipient is told to write in pen and make no corrections, includes inquiries into "Did you shoot the wolf" to asking why the FWS should believe the recipients' answers, to a direct entrapment question asking how much would you pay for a wolf—a taking of an endangered species.

I did hear from Assistant Secretary Barry and Fish and Wildlife Director Clark that the questionnaire, while shocking, was not unusual in certain circumstances to elicit information from suspects in a criminal investigation, but it "might not be proper" for mass distribution. The FWS issued a statement that, despite appearances, answers were voluntary and the FWS would appreciate any information hunters in the area had that would aid the investigation. I would point out that perhaps is the tack the FWS should have taken to begin with, especially considering the volatility of the issue of wolf reintroduction.

Question. I asked that you investigate the decision-making chain of command responsible for this questionnaire. and consider removing the responsible parties from their current positions. What investigative actions have you taken regarding this situation, and what actions subsequent to the investigation have you taken?

Answer. The Assistant Secretary—Policy, Management and Budget requested that the Office of Managing Risk and Public Safety, Law Enforcement and Security Team (LEST) conduct research to determine the legitimacy of the SCAN/VIEW technique and whether other agencies were using this investigative tool. The LEST determined that "Statement Content Analysis" is taught and used by numerous Federal and State agencies. These include the Federal Bureau of Investigation, the United States Secret Service, and the other 71 agencies which receive staff training at the Federal Law Enforcement Training Center.

The questionnaire mailed to New Mexico hunters was used according to the guidelines presented to Federal law enforcement officers during their training on the SCAN/VIEW technique. The Special Agent received approval from his immediate supervisor and concurrence from the Deputy Assistant Regional Director for Law Enforcement prior to mailing the questionnaire.

Both the Fish and Wildlife Service and the Department are concerned about the questions that have been raised by the use of this technique. Therefore, the use of mailed questionnaires has been suspended within the Department pending further review.

Question. Has the Department of Interior defined its policies so as to ensure such an inflammatory document will no longer be "mass mailed" to general "suspects" in Department in vestigations?

Answer. The use of the SCAN/VIEW technique by mail has been suspended until such time as the Law Enforcement and Security Team is able to conduct further research and make recommendations. The LEST has not undertaken further review of the use of mailed questionnaires as of the date of this response.

FISH AND WILDLIFE FWS—SILVERY MINNOW

Secretary Babbitt, New Mexico, like Arizona, is an arid state. I note that folks within the Beltway are primarily unaware of the critical need for water in the West.

With lack of snowpack and precipitation, New Mexico is facing a severe drought this summer. In fact, parts of the Rio Grande river, which historically has gone dry at times, may dry up as early as this week. The traditional stresses of water users are only compacted by litigation regarding the needs of the endangered silvery minnow.

I am deeply concerned about the impacts of laws such as the Endangered Species Act, no matter how well-intentioned, on a desert state like New Mexico. A recent Tenth Circuit Court of Appeals ordering of immediate critical habitat designation for the Rio Grande silvery minnow only dramatizes the growing conflict between the federal Endangered Species Act and water for Rio Grande users. I can only hope that the potential needs of this silvery minnow will not deplete reservoir holdings on which Albuquerque and Santa Fe depend for drinking water.

A recent Notice of Intent to sue by the Forest Guardians and others threatens to force the release of stored water in any of the Heron, El Vado, Abiquiu, or Cochiti reservoirs to "maintain the riparian habitat necessary for the survival" of the silvery minnow and the willow flycatcher. I am concerned about water necessary for the survival of New Mexicans, their well-being and way of life.

In the lawsuit forcing immediate critical habitat designation, you argued that the Department did not have the data necessary to determine water amounts needed for the fish. Fish and Wildlife Service Director Jamie Rappaport Clark stated in an affidavit to the Court that the FWS must comply with NEPA requirements and perform an economic analysis of the impacts of designation. An EIS would likely be needed, which would require more time for habitat designation. The ESA requires that the FWS, when designating critical habitat, take into consideration the economic impacts of specifying any particular area as critical habitat.

Question. Without scientific data available for the silvery minnow's water needs nor a reliable economic analysis available, won't the Department need additional time to follow the NEPA process?

Answer. The FWS believes that the needed scientific data is available to allow an estimation of the Rio Grande silvery minnow's water needs. The Recovery Plan for this species has been drafted and is under internal review. Included in the plan are descriptions of the conditions needed in the Rio Grande River watershed throughout the year for the survival and recovery of the species. This plan will soon be available in draft form to the public for review and comment. At this time, the FWS believes that the primary constituent elements of habitat required to sustain the Rio Grande silvery minnow include:

—stream morphology that supplies sufficient flowing water to provide food and cover needed to sustain all life stages of the species;

—water of sufficient quality to prevent water stagnation (elevated temperatures, decreased oxygen, carbon dioxide build-up, etc.); and

—water of sufficient quantity to prevent formation of isolated pools that restrict fish movement, foster increased predation by birds and aquatic predators, and congregate disease causing pathogens.

In February 1999, the U. S. District Court of New Mexico ordered the FWS to designate critical habitat for the Rio Grande silvery minnow within 30 days. The FWS responded to the Court with a request for reconsideration of the specified time frame. In that request, we explained to the court that critical habitat designation was not possible within 30 days, and that completing the required analyses and complying with the National Environmental Policy Act (NEPA), including opportunity for meaningful public involvement, would require a minimum of 8 months, and that if an Environmental Impact Statement (EIS) were required, an additional 12–18 months would be necessary. Critical habitat designation, while providing little or no additional benefit to most listed species, is a time and resource intensive process, particularly within the Tenth Circuit, where the court has ruled that critical habitat designations require compliance with NEPA.

The Court responded to our request for reconsideration with an order that extended the deadline for completing the designation to 120 days (June 23, 1999). The FWS is working to meet the court-ordered deadline and will complete the designation to the best of our ability within the time allotted by the court. The FWS believes that for highly imperiled species, which are restricted to very specific, localized habitats, such as the Rio Grande silvery minnow, no additional protection is gained by designating critical habitat. Protection is already afforded to the species by virtue of being listed as an endangered species under the Endangered Species Act of 1973, as amended.

Question. Isn't a full EIS a likely outcome for designation along the Rio Grande?

Answer. For most species, no additional protection is gained by designating critical habitat; the needed protection is already afforded to the species by being listed under the Endangered Species Act. Therefore, the FWS believes that it is unlikely that we will determine that designation of critical habitat will have a significant en-

vironmental impact (a determination which would necessitate an EIS). However, the draft environmental assessment (EA) and economic analysis were released on April 7, 1999, and are currently being reviewed by the public. The comment period closed on May 7, 1999. If comments and information received during that period cause us to determine that an EIS is necessary, the FWS will work with the Department of Justice to determine how that factor affects the current Court order.

Question. Are the Interior Department' s agencies working together in this process, since Bureau of Reclamation's operations are implicated in the litigation?

Answer. Yes, the FWS has been working closely with the Bureau of Reclamation, to ensure that the Bureau is in compliance with the Endangered Species Act, and that the Rio Grande silvery minnow and its habitat are protected. The FWS and the Bureau have been working cooperatively for the last few years to conserve the silvery minnow and take necessary actions to restore important habitats for listed species along the Rio Grande. Both agencies have been engaged in the section 7 consultation process under the Act. Through that process, we have been able to develop reasonable approaches to implement proposed projects while minimizing project impacts to listed species.

Question. Isn't it true that the little scientific data available indicates that the minnow needs more water than the River can provide, even without consideration of the needs of human users?

Answer. No, the FWS does not have any data to indicate that the minnow requires more water than the Rio Grande can provide. The major threat to the Rio Grande silvery minnow is the loss of habitat. This loss of suitable habitat has been caused by changes in hydrology throughout its historical range.

This species was historically one of the most abundant and widespread fishes in the Rio Grande basin, occurring from Espanola, New Mexico, to the Gulf of Mexico. It was also found in the Pecos River, a major tributary of the Rio Grande, from Santa Rosa, New Mexico, downstream to its confluence with the Rio Grande. It is now completely extirpated from the Pecos River and from the Rio Grande downstream of Elephant Butte Reservoir. Throughout much of its historical range, decline of the silvery minnow may be attributed to modification of stream discharge patterns and channel dewatering by impoundments, water diversion for agriculture, and streamchannelization.

Decline of the species in the Middle Rio Grande probably began in the early part of this century with the construction of Elephant Butte Dam; eventually there were five major main stream dams constructed within the minnow's habitat. These dams allowed manipulation and diversion of the flow of the river. Often this manipulation resulted in the drying of river reaches and elimination of fish.

Prior to extensive habitat alteration and the resulting flow modification, it is likely that portions of the river naturally dried periodically during drought conditions. However, the overall flow throughout the range of the species was sufficient to provide for the needs of the species at that time. Present day water management can be altered to provide sufficient water and thus sufficient habitat for this species.

Question. How can critical habitat be designated without consideration of all water user needs along the river?

Answer. The designation of critical habitat requires public participation and an examination of the economic impacts attributable to the designation. The public comment period for the proposed designation of critical habitat, the draft EA, and the draft economic analysis closed on May 7, and the FWS is reviewing the comments.

One of the purposes of the comment period is to ensure that the FWS has not overlooked any considerations involving water user needs along the river. If the FWS finds that a particular need has been overlooked, this omission will be corrected when the FWS makes a final determination regarding the court-ordered designation of critical habitat for the Rio Grande silvery minnow.

It is also important to recognize that the FWS believes that designation of critical habitat will have little or no impact above and beyond the effects that accrued from listing the species as endangered. This is because the prohibitions associated with critical habitat are duplicative with those associated with the listing. Section 7(a)(2) of the Act requires Federal agencies to ensure that activities they authorize, fund, or carry out are not likely to jeopardize the continued existence of a listed species or to destroy or adversely modify its critical habitat.

Implementing regulations (50 CFR Part 402) define "jeopardize the continued existence of" a species and "destruction or adverse modification of" critical habitat in virtually identical terms. Thus, for most species, actions satisfying the standard for adverse modification are nearly always found to jeopardize the species concerned, and in most cases the existence of a critical habitat designation does not materially affect the outcome of consultation.

This is often in contrast to the public perception that the adverse modification standard sets a lower threshold for violation of section 7 than the jeopardy standard. In fact, biological opinions that conclude that a Federal agency action is likely to adversely modify critical habitat but not to jeopardize the species for which it is designated are extremely rare historically and have not been issued in recent years. The Rio Grande silvery minnow is a highly imperiled species and the FWS believes that the measures needed to ensure the survival and recovery of this species will be the same, with or without the designation of critical habitat.

Because of the duplicative nature of the adverse modification and jeopardy standards, critical habitat designation provides little or no value to the species in question, and comes at the expense of higher priority conservation efforts. However, the FWS is being inundated with citizen lawsuits for our failure to complete the process, and we have been challenged on numerous "not prudent" critical habitat determinations (meaning that the designation of critical habitat was determined to be not prudent for that species).

The consequence of the critical habitat litigation activity is that we are utilizing much of our very limited listing program resources in litigation support defending active lawsuits and Notices of Intent (NOIs) to sue relative to critical habitat, and complying with the growing number of adverse court orders. In the meantime, our efforts to respond to listing petitions, to propose listing of critically imperiled species, and to make final listing determinations on existing proposals are being significantly delayed. There are species not yet listed in Regions or geographic locations where litigation support has and will continue to consume much of our funding resources.

For example, in Hawaii a single court order remanded 245 "not prudent" critical habitat determinations. There are other species in Hawaii that are not yet listed and are literally facing extinction while precious resources are being depleted on critical habitat litigation support and the reexaminations of critical habitat prudency determinations for species already listed. Litigation over critical habitat issues for species already listed and receiving the Act's full protection has precluded or delayed many listing actions nationwide.

SURPLUS LAND DISPOSAL/INHOLDER RELIEF

Mr. Secretary, a very large portion of the President's proposed budget includes funding for a "Lands Legacy Initiative," which predominantly considers land acquisition throughout the Natural Resources agencies. I worked diligently with the Administration last year for legislation on federal acquisition and management of a unique piece of property in New Mexico, and I appreciate the value of public ownership of special property. Over 30 percent of New Mexico is in federal ownership. However, I have always advocated federal maintenance of the property the government already owns, and providing relief to those who have waited years for federal purchase of their property.

Question. What percentage of the funding for land acquisition in your proposed budget would go towards the purchase of existing inholdings from willing sellers?

Answer. It is hoped that $249.4 million of BLM, FWS, and NPS proposed federal LWCF acquisitions, after negotiations with landowners, will go toward the purchase of existing inholdings at the appraised value from willing sellers, including the management funding needed to effect those acquisitions. None of the funds included in the fiscal year 2000 budget request are presently designated for the acquisition of land from non-willing sellers. Excluded from the DOI total request of $295.0 million is the $45.6 million grant to the State of Florida for the Everglades.

However, it is important to note that the term inholdings for NPS technically refers only to pre-FY 1960 tracts within unit boundaries. Requested funds for these NPS inholdings/exchanges total $4.0 million in fiscal year 2000. The balance of the NPS funds is $122.9 million that will be used for acquisition of tracts within recently authorized (post-FY 1960) boundaries within NPS units.

One hundred percent of the acquisitions proposed in the 2000 BLM budget request are within BLM managed or Congressionally designated special areas.

Question. Do you have an inventory of inholdings available and awaiting purchase by the Department?

Answer. The inventory of inholdings available and awaiting purchase for BLM, FWS, and NPS follow:

The most recent November 1998 land acquisition list compiled for the Bureau of Land Management indicates that 825,720 acres within 71 project areas, located in ten States are identified for acquisition. The estimated cost in 1998 dollars to acquire these properties is $664,365,000. Identified land and interest in land may be acquired by purchase, exchange, and/or donation.

The Fish and Wildlife Service has 2,662,000 acres remaining to be acquired with Land and Water Conservation Fund monies at 148 refuges. The total cost is estimated to be $3.157 billion.

The post-fiscal year 1999 acquisition requirements of the National Park Service as of March 9, 1999 are composed of $256,829,000 for 2,281 tracts with 29,013 acres for inholdings and another 7,903 tracts with 1,039,945 acres for $1,097,280,350 for recently authorized areas (after fiscal year 1960) within NPS unit boundaries. These total 10,184 tracts, 1,068,958 acres, and $1,354,109,350.

These NPS numbers reflect a change to the February 17, 1999 list submitted to the Committee because of re-evaluation of acquisition needs at two projects that resulted in a net increase of $1,239,000. The Lake Mead updating of estimates resulted in an increase in costs of $1,439,000. Great Basin was removed from the list due to mining claims that were invalidated and no longer in need of being acquired and resulted in a reduction of $200,000.

I also worked very hard with the Administration last year on legislation which would facilitate disposal of surplus federal property and provide relief for inholders. My legislation would allow the proceeds from sales of disposal property by DOI and the Forest Service to be used for purchase of inholder properties from willing sellers who have been waiting to sell to the Federal government. You would be able to purchase these properties without coming to Congress each time.

Question. Do you support this proposed legislation?

Answer. The Administration supports the concept of the proposed legislation. The Department will continue to work with your staff to develop a mutually beneficial piece of legislation that will make the sale and acquisition of Federal lands easier. The Administration, as part of the Budget, is developing similar legislation that would allow receipts from land sales to be used to acquire lands adjacent to or surrounded by land now managed by the Department of the Interior.

SOUTHWESTERN DROUGHT

Secretary Babbitt, when the Forest Service appeared before the Subcommittee last week, I had a discussion with Chief Dombeck about the Forest Service being behind in its forest management activities nationwide, such as prescribed burns that could help mitigate fire danger in our natural forests. In the Southwest, we are looking down the barrel of what could be one of the worst drought years ever. I know the Department of Interior agencies have to be concerned about the drought potential as well.

Chief Dombeck indicated that the Forest Service has been working with a drought commission set up by the State of New Mexico. He also committed to working with this commission and with other federal agencies on a comprehensive strategy to address the upcoming drought. This line of questioning goes to the activities Department of the Interior agencies can undertake regarding drought and fire danger in the Southwest.

Question. Please tell me what specific measures are being taken, or can be taken, to mitigate fire danger in New Mexico this fire season?

Answer. The Interior fire management bureaus, in cooperation with their interagency partners, have provided severity funding to augment initial attack capability. These resources include pre-positioning of additional fire crews, staffing engine modules seven days a week, and early activation of firefighting resources. To date, the Interior bureaus have approved $943,000 for severity activities in New Mexico. Plans have been made to activate fire prevention teams to increase public awareness of the severe conditions and provide public education on measures to reduce unwanted fires. Past examples of such actions include having UPS distribute flyers when making deliveries in remote areas, public announcements, and internet postings.

In New Mexico, the Department of the Interior has focused much of the hazardous fuel reduction projects on local community protection. For example, intensive projects have been conducted on Horse Mountain in Catron County, and outside the communities of Pinos Altos and Timberon as well as in Organ Mountains to protectadjacent subdivisions.

Question. Explain what assistance you will need from Congress, especially in appropriations, to address fire danger and other drought-related disasters this year.

Answer. In the 1997 appropriation, Congress provided $100 million in emergency funding to cover unusually high suppression and emergency preparedness costs in severe wildfire years. In 1999, about $94 million of this funding remains available; $50 million of it contingent on a future declaration of emergency by the President. Drought conditions throughout many areas in the U.S make it increasingly likely that at least some of this contingency funding will need to be used during this year's

fire season. At the present time, it appears that this funding, combined with regular 1999 Wildland Fire Operations appropriation, will be adequate to cover these additional emergency needs. We will monitor this situation on a regular basis throughout the year and request additional funding as necessary.

Question. Is the Department involved in fire assessment work in conjunction with other agencies—particularly USDA's Natural Resources Conservation Service and FEMA?

Answer. The Department is working closely with the U.S. Forest Service and the States to assess the current fire situation. The land management agencies are working together in the Southwest Fire Management Board (Geographic Area Coordination Center), and the Southwest Strategy Drought Task Force. The agencies coordinate with the National Resources Conservation Service via the Southwest Strategy Group and with FEMA through New Mexico State Forestry, a member of the Southwest Fire Management Board.

Question. What can the Department specifically contribute to the comprehensive strategy the Forest Service is putting together to prepare for the drought?

Answer. We are a full cooperating participant with the Forest Service in drought strategy planning. Severity planning and actions outlined above are routinely implemented on an interagency basis.

LITIGATION COSTS

Question. There has been a question on my mind for quite some time as I look at the work of the public lands agencies of the Department of Interior and the U.S. Forest Service that have a significant presence in the West. That question is: How much money has been spent in New Mexico and Arizona on environmental lawsuits?

Answer. We estimate that the Department of the Interior has spent about $3.6 million over the last few years in defending environmental lawsuits arising in New Mexico and Arizona under the Endangered Species Act and the National Environmental Policy Act. It should be noted that a number of these cases were brought, not by environmental organizations, but by state and local governments, irrigation districts, and interest groups such as the cattle growers associations in the two states. Based on the information provided by each bureau and office, a breakdown of these costs from fiscal year 1997, 1998, and the first half of 1999 is as follows:

Bureau/office	Fiscal years—		
	1997	1998	1999
Office of the Solicitor	$291,8000	$256,800	$107,300
Bureau of Reclamation	72,000	20,000	12,000
Bureau of Land Management	65,000	120,000	87,000
Fish and Wildlife Service	1,040,000	1,040,000	520,000
Totals	1,468,800	1,436,800	726,300

An additional $226,700 has been spent defending lawsuits under the Takings Clause of the Fifth Amendment. These lawsuits involve matters growing out of the regulation of oil and gas development in relation to other resources, such as other mineral resources and cave resources. A breakdown of these costs from fiscal years 1997, 1998, and the first half of 1999 is as follows:

Bureau/office	Fiscal years—		
	1997	1998	1999
Office of the Solicitor	$3,500	$4,200	$6,900
Bureau of Land Management	35,900	113,500	62,700
Totals	39,400	117,700	69,600

Question. In these lawsuits, how much has been awarded to the plaintiffs?

Answer. Except in the lawsuits under the Takings Clause of the Fifth Amendment, these cases involve requests for declaratory and injunctive relief. The amounts awarded are therefore limited to court costs and attorney fees. A total of $590,300 was awarded during this period (FY 1997–99). No takings cases pending during this period have yet gone to judgment, so no determinations as to liability or damages have been made.

BUREAU OF INDIAN AFFAIRS

Secretary Babbitt, I have been impressed with the cooperation from your office in addressing the problem of deteriorating BIA elementary and secondary schools. Last year this Subcommittee asked for a report on the extent of the problem and a five year plan to address the problem. When Assistant Secretary Gover testified before this Committee, he told us that this report would be reviewed soon by the BIA Central Office and OMB.

Question. What is the status of this review of the planning effort? Do you have an estimate of when this Subcommittee will have this information?

Answer. In Senate Report 105–277, the Bureau was directed to develop an alternative administrative plan to complete the repair, renovation, and reconstruction (including new construction) of all education facilities in five years on an annual basis. The effort to estimate the cost of replacing or repairing/renovating the schools in the Bureau school system has been completed. The Department plans on submitting the five-year alternative administrative plan to the Committees before the end of May, 1999.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

LANDS LEGACY INITIATIVE

One big area of concern for me is the Administration's $1 billion land grab, more commonly called the Administration's Lands Legacy Initiative.

Question. Why are you proposing to acquire more public lands when you are not spending enough to maintain existing public lands?

Answer. The Department believes that among its responsibilities, it needs both to continue to address the deferred maintenance needs and to acquire important lands that are increasingly subject to both development and cost inflation. Through the 5-year plans, DOI is addressing the highest priority critical health and safety projects and critical resource protection projects. Through the Lands Legacy Initiative and its proposed full funding of the Land and Water Conservation Fund, the public will be able to enjoy lands for recreation, historical and cultural education purposes through use of the receipts from the sale of oil and gas on Federal lands.

Question. How much of this $1 billion initiative is related to in-holdings versus new purchases of land?

Answer. Responses for each of the three DOI land-managing bureaus follow:

The Bureau of Land Management's proposed acquisitions under the President's Lands Legacy Initiative include the acquisition of 357,000 acres of Catellus Corporation "checkerboard" inholdings within the California Desert at a cost of $28.9 million (these acquisitions include critical desert tortoise habitat and inholdings within Congressionally-designated Wilderness Areas). Inholding acquisition within the Congressionally-designated Upper Missouri National Wild and Scenic River corridor, an area of national significance (including the nearly pristine route of the Lewis and Clark National Historic Trail), at a cost of $5 million, is also proposed. All ten of BLM proposed acquisitions, totaling a request of $43.9 million, are within BLM approved or Congressionally designated special areas and face imminent conversion from agricultural use to rural residential subdivision.

The Fish and Wildlife Service defines an inholding as any lands not in Federal ownership within an approved project. All of the $73.6 million in lands proposed for acquisition are considered to be inholdings.

Except for $45.6 million to be granted to the State of Florida for acquisition related to the restoration of the Everglades, the portion of the Land Legacy Initiative designed for Federal land acquisition within the National Park System will be used to acquire only those high-priority, non-Federal lands which are located within the authorized boundaries of units of the System. It is important to note that the term inholdings for NPS technically refers only to pre-fiscal year 1960 tracts within unit boundaries. Requested funds for these NPS inholdings/exchanges total $4.0 million in fiscal year 2000. The balance of the NPS funds is $122.9 million that will be used for acquisition of tracts within recently authorized (post-fiscal year 1960) boundaries within NPS units.

Question. Since you stated that you can accomplish this Initiative under current laws, what specific statutory provisions authorize it?

Answer. The President's Budget recognizes that several existing authorized programs in the Departments of the Interior, Agriculture, and Commerce serve conservation purposes similar in nature to those authorized to be funded out of the Land and Water Conservation Fund. What is proposed for fiscal year 2000 is that this be done through the appropriations process. For fiscal year 2001 and thereafter,

the President has indicated a desire to work with Congress on legislative authority that would provide a permanent source of funding to meet the Lands Legacy Initiative goals.

Additionally, there will be regular coordination and information sharing among the Federal interagency team to ensure that the programs and funding are efficiently deployed.

PILT FUNDING

Along the same lines about the Administration's lack of adequate funding for land in their trust, I understand the Administration once again is proposing to provide insufficient PILT funding to the states.

Question. Why does the administration continue to avoid fulfilling this responsibility to our counties?

Answer. The Department understands the phrase "avoid fulfilling this responsibility to our counties" to refer to the disparity between appropriated funding levels and those authorized by Congress in the 1994 amendments to the PILT Act. In fact, the Administration has consistently submitted what it considers to be good faith budget requests for the PILT program within the constraints imposed by discretionary funding caps. That support is reflected in a funding increase of nearly 25 percent from implementation of the amended PILT Act in 1995 to the present budget request. That level of increase is greater than many of the programs for which the Department is responsible, among them remediation of hazardous waste sites, management of cultural and historic resources on the public lands, and various on-the-ground management improvements.

The proposed fiscal year 2000 budget for PILT is $125 million, the same as the amount agreed to by the House and Senate in passing the Department's 1999 appropriation. In addition to PILT, other program revenues are paid directly to States and counties for their use. Moreover, the Administration is proposing a program to stabilize at a predictable and high level payments to counties and States in which harvest of timber on Federal land takes place. This proposal will complement other cooperative arrangements involving State and local government that are included in the Lands Legacy initiative.

Question. Why is the Department proposing to expand holdings of public lands while not providing sufficient payments to reimburse states and counties for the reduced amount of taxable lands upon which they depend for their economic base?

Answer. The Lands Legacy initiative will allow the Department to help fulfill some of its underlying stewardship responsibilities in a manner that improves the quality of life for all people. This will be accomplished by protecting the Nation's open spaces for recreation and wildlife, and by preserving historic and cultural resources for future generations. As discussed above, the Department is limited in proposing large funding increases for PILT by limitations on discretionary spending that constrain the Department's entire request. However, in fiscal year 2000 the public lands will generate an estimated $1.4 billion in receipts from various sources including the sale of land and materials, grazing fees, timber sales, recreation use fees, and mineral leasing operations. In part, these receipts supplement PILT payments as nearly one half of these receipts is shared with the states and counties. Additionally, the BLM's contributions to state and local economies goes well beyond PILT payments and revenue sharing, particularly when one considers the impacts of tourism on economic development and the benefits that communities derive from conservation efforts.

Question. I presume you believe in making full payment to local communities for land withdrawn from their tax base by the Federal government. If so, what are you doing to ensure this is done?

Answer. The Department of the Interior fully understands that PILT payments are an important source of income for many counties, as are other revenue sharing programs. However, an increase for PILT was not included in the President's fiscal year 2000 budget request, and the Department would not support additional funding for PILT at the expense of BLM operating funds or other Administration priorities. Increased funding for BLM operations supports programs that provide significant services, resources, and tangible benefits to the public. Federal payments to counties and States supplement those benefits in supporting the health of local economies.

MAINTENANCE AND CAPITAL IMPROVEMENT PLAN

I am glad to see that the Department of the Interior has developed a 5-year Maintenance and Capital Improvement Plan among its bureaus. This is an important step to restore deteriorating assets of our national lands.

Question. What is the Department's value of its total long-term maintenance backlog?

Answer. According to data collected in response to the fiscal year 1998 Federal Accounting Standards Advisory Board's Standard Number Six, DOI's estimated unmet deferred maintenance needs range from $7 billion to $16 billion. Better estimates will become available as the Department and bureaus begin the multi-year cycle of condition assessments proposed in the fiscal year 2000 budget.

Question. How much of this backlog will be addressed by your fiscal year 2000 request?

Answer. The fiscal year 2000 President's Budget for BLM includes a request for $12.7 million in the Management of Lands and Resources and $2.6 million in the Oregon and California Grant Lands accounts for deferred maintenance work. All of these funds are targeted to project work that will reduce deferred maintenance. In addition, approximately $2.2 million of the construction request and $4.2 million of BLM's portion of the fire facilities request would be directed to reducing the deferred maintenance needs. Bureau-wide $21.7 million in reduced deferred maintenance needs will be addressed.

The USGS expects that the $1.5 million request for each year of fiscal year 2000 to fiscal year 2004 will address $5.628 million or approximately eight percent of the USGS health and safety deferred maintenance needs.

The U.S. Fish and Wildlife Service currently proposes to target $605 million of the most critical health, safety, and natural resource protection needs.

The fiscal year 1999 FWS appropriations and special Title V funding will reduce the targeted critical maintenance needs by 15 percent. The President's fiscal year 2000 Budget includes $64.5 million in maintenance, equipment replacement, and construction projects which will reduce the most critical needs by another 10.7 percent. The FWS Five-Year Maintenance and Capital Improvement Plan includes another $236.5 million to address critical current deferred maintenance and equipment replacement needs over the 2001–2004 fiscal years. Also, annual maintenance funding will help reduce the long-term problem by correcting smaller maintenance projects to keep them from growing larger.

The NPS anticipates addressing approximately $112 million in deferred maintenance as a result of its fiscal year 2000 proposal, as contained in the 5-year Plan. During the life of the 5-year plan as currently proposed, a total estimated at $704 million would be devoted to deferred maintenance.

With the requested BIA funding level for fiscal year 2000, the deferred maintenance will be reduced by $25.3 million for Facilities Construction and Repair and by $23.3 million for Resources Management construction.

Question. What is your planned schedule to fully address this existing long-term maintenance backlog of existing public lands and facilities?

Answer. Rather than developing a schedule to address the full existing long-term maintenance backlog, the Department and bureaus in fiscal year 2000 have determined that the best use of available funding is to first address the highest priority critical health and safety and critical resource protection projects in a 5-year plan that will be updated annually. These lists submitted to the Congress set out the priority work; and accomplishments will be reported on a project-by-project basis after the conclusion of the fiscal year.

GRIZZLY BEAR REINTRODUCTION

I am really concerned about the eagerness of your Department to consider listing species as "threatened or "endangered" under the Endangered Species Act. For example, you proposed listing of the Mountain Plover and the Black-tailed Prairie Dog without sufficient scientific data on the populations of these species. Also you continue to list the grizzly bear even though there is convincing evidence that they can survive and prosper. Finally, I understand you have numerous additional species to consider for designation as "threatened" or endangered".

Question. What scientific basis do you have for continuing to introduce the grizzly bear in the Bitterroot-Selway area in light of data that shows the bear has a less than one in one million chance of going extinct without this introduction effort?

Answer. The recently released report on the probability of extinction of Rocky Mountain grizzly bears actually identifies a wide range of extinction probabilities, based on different assumptions (Boyce 1999) Without establishment of a Bitterroot population, the estimates for probability of extinction ranged as high as 3 in 1,000. Establishment of a Bitterroot population reduces the probability of extinction by 88–99 percent in different cases. The report concludes that "adding additional areas . . . greatly improves the probability of existence and therefore the effectiveness of conservation for the grizzly bear." The projection of one in one million was based

not on today's circumstances, rather it was based on future projections once all five grizzly bear ecosystems in the Rocky Mountains are recovered.

Question. What does it take to demonstrate that grizzly bears are not endangered and should be delisted?

Answer. Population numbers in all of the ecosystems, with the exception of the Yellowstone ecosystem, need to improve considerably before the goals established in the Grizzly Bear Recovery Plan can be attained. Once recovery goals are reached in each ecosystem, a status review of each population and a re-analysis of the five listing factors will be necessary steps leading to delisting. At this time, only the Yellowstone Ecosystem grizzly population is under study for potential delisting.

Question. How do you involve the states in your review of proposed designations?

Answer. It is our policy to coordinate all Endangered Species Act activities closely with state fish and wildlife agencies, because they possess important expertise and broad trustee and jurisdictional powers on fish, wildlife, and plant species. We published a Notice of Interagency Cooperative Policy Regarding the Role of State Agencies in Endangered Species Act Activities in the Federal Register (Vol. 59, No. 126, page 34274), that explains our procedures.

Question. How many other candidate species is the Department working on now for consideration as "threatened" or "endangered?"

Answer. As of April 30, 1999, the FWS has a total of 154 species (72 animals and 82 plants) that are candidates for listing. A candidate is defined as a species for which we have on file substantial information on biological vulnerability and threats to support a proposal to list as threatened or endangered.

DOMESTIC ENERGY INDUSTRIES

I am concerned about your Department's view of limiting economic development of our domestic energy industries (such as oil, natural gas, and coal) given record low oil prices, record layoffs in these industries, and record shut-down of wells.

Question. What is the Department doing, beyond granting lease extensions, to enhance production of our domestic energy industries?

Answer. The Department has not granted any lease extensions for onshore wells, or any other wells for that matter. The Department, as well as many in the oil and gas industry, does not support granting lease extensions. The Department believes that a lease term of 10 years is ample time for a company to decide whether to drill or not.

The Department has, however, recently given operators of stripper oil properties the option of suspending operations on those stripper properties for up to two years, as long as the price of West Texas Intermediate crude oil is below $15 bbl. If this option is exercised, then the operator pays no minimum royalty or rentals and the lease stays in force during that time period, thus preserving a very valuable domestic resource until better economic conditions exist.

Question. What is your policy on access to public lands for energy exploration and/or development?

Answer. As you know, the Department operates federal lands under a multiple-use mandate. This means that the Department policy must balance multiple and sometimes competing uses for federal land. Given this fact, the Department and the Administration have actively supported and advocated many measures that have contributed favorably to the economic competitiveness of the domestic oil and gas industry over the past six and one half years. These measures include support for the Royalty Fairness and Simplification Act, Deepwater Royalty Relief, repeal of the Alaska North Slope export ban, and heavy and stripper oil royalty rate reductions on Federal lands. Also, the Department of the Interior is working jointly with the Department of Energy (DOE) to replenish the Strategic Petroleum Reserve with 28 million barrels of Federal royalty-in-kind oil from the Gulf of Mexico, which will enhance our nation's energy security.

Question. Has the Department of the Interior given any thought to expanding the royalty relief program to all uneconomic oil wells which are beyond 15 barrels per day?

Answer. The Department has been approached by industry concerning expanding its royalty rate relief threshold above 15 barrels per day. Today, on an individual basis, producers may request relief from the BLM if they can demonstrate that producing under current conditions is uneconomic. To grant royalty relief across-the-board for all uneconomic wells would require a comprehensive analysis of the costs and benefits of such an expansion of the program.

CROWN BUTTE AGREEMENT

I am concerned that the Administration is once again trying to avoid its commitment in the Crown Butte agreement to transfer $10 million of Federal mineral rights to the State of Montana following the Crown Butte Settlement. This settlement recognizes the need to compensate the revenue lost by the State of Montana following the Administration's interference with a proposed mine location. Despite previous promises, the Administration does not want to honor their agreement with the State of Montana.

Question. What actions is the Department of the Interior taking to honor this commitment?

Answer. The Department of the Interior is complying with Section 503(a) of the fiscal year 1998 Omnibus Appropriations Act, which requires the Secretary of the Interior to negotiate with the Governor of Montana on the conveyance of "$10,000,000 in federal mineral rights." Only if such negotiations are not successful does the statute contemplate the possible conveyance of the Otter Creek tracts. The Secretary has met with Governor Racicot of Montana to discuss implementation of this section. Governor Racicot has expressed interest in the Otter Creek tracts but has not responded to the Secretary's efforts to discuss other options. The Secretary will continue to pursue negotiations with Governor Racicot until the statutory time frame for negotiations expires on January 1, 2001.

Question. What action do you propose I take to satisfy my state's needs, short of specific mandates in your appropriations?

Answer. Any assistance that the Montana delegation could offer in bringing the State of Montana to the table to negotiate the transfer of $10 million in federal mineral rights is appreciated.

Question. What is objectionable about the Otter Creek site?

Answer. The Administration objects to the transfer of publicly owned mineral assets in Montana to the State. Section 503 sets an unacceptable precedent by requiring compensation to a State for a transaction between the Federal Government and a willing seller. This is why the President included in his fiscal year 2000 budget request a proposal to repeal Section 503. Transferring the Otter Creek tracts could be particularly troublesome in opening an undisturbed area to mineral development with consequential environmental disruption and local controversy. Transferring other assets (including mineral resources in more developed areas) would result in fewer ecological impacts, while still providing the State with the "federal mineral rights" called for in the 1998 appropriation.

Question. What is your preferred alternative site that you have proposed to the Governor and why is it preferred?

Answer. The Secretary of the Interior is willing to consider conveying an income stream from producing federal oil and gas leases to the State of Montana. We have identified a number of properties that could produce an income stream to satisfy the terms of the statute.

Question. What actions do you believe the state and the Department need to take now to finalize this deal?

Answer. The deal cannot be finalized until the State indicates a willingness to reopen negotiations.

Question. What happens if the state and the Department come to an impasse?

Answer: Under terms of Section 503, the Secretary and the State of Montana must reach agreement on the mineral rights to be transferred by January 1, 2001. If no agreement has been reached by that date, and if Section 503 has not been repealed, the Department will fulfill the requirements of the law.

MONTANA MINERAL WITHDRAWAL

Recent mineral withdrawal of 430,000 acres of public lands in Montana has raised a lot of attention and you have told Montana's governor that coal extraction is no longer needed in eastern Montana.

Question. Why is the Administration continuing to lock out prospective and economically viable activities on public lands?

Answer. The area in question (430,000 acres) is entirely on lands administered by the U.S. Forest Service in Montana. BLM is responsible through the Federal Land Management and Policy Act for accepting and processing Forest Service withdrawal proposals and forwarding those proposals to the Secretary for approval of a Public Land Order. Generally, BLM defers to the managing agency (U.S. Forest Service) to respond to questions about its management activities.

Question. What is the Administration's ultimate objective on hardrock mining and how do you propose to implement it?

Answer. The Administration seeks to encourage the environmentally responsible development of mineral resources. The Administration also seeks to ensure the public receives a fair return for public land resources. The Administration recognizes the importance of mineral development to local communities, particularly in the West, as well as to the nation's economy. The Administration balances the need to make lands available for mineral development with its responsibility to ensure such development is conducted in an environmentally sound manner.

Question. Finally, why was this action not pursued through the traditional forest planning process.

Answer. The U.S. Forest Service is responsible for developing and implementing Forest Plans. As such, the Secretary of Agriculture and U. S. Forest Service would be the appropriate land management agency to discuss forest planning matters.

ONSHORE OIL AND GAS REGULATIONS

Question. I understand that proposed revisions to BLM's Onshore Oil and Gas regulations and a proposed new rule on royalty appeals would institute new fees on the industry that the Department does not currently collect. Why do you believe now is an appropriate time to levy new fees on an ailing domestic industry? What impact do you believe will occur on the industry with these new fees?

Answer. While most of the proposed onshore oil and gas regulations do not represent a change from current policy or procedures, the changes that are proposed generally lessen the administrative burden on industry. Two changes proposed by the BLM will add new fees. The new geophysical fair market value fee is designed to provide the public a fair return for the use of its resources. The optional idle well fee is designed to provide a low-cost alternative to a bond increase in order to prevent future liabilities from operators who do not comply with requirements. Economic analysis on the idle well fee does not indicate a significant cost burden on industry. The Department believes this fee balances the economic realities faced by operators with the Federal Government's obligation to protect public resources.

The Minerals Management Service, which has responsibility for royalty appeals, has proposed a regulation that would charge fees for processing such appeals. The Department does not view the charging of a modest fee to process appeals as burdensome on industry. Charging a fee to process appeals supports the Department's general cost recovery policy, though the proposed $150 fee in no way covers all appeals' costs. In addition, the fee may help discourage frivolous appeals of a sound onshore royalty policy.

QUESTIONS SUBMITTED BY SENATOR LARRY CRAIG

In July of 1995, the Department issued a proposed draft rule to remove the Peregrine Falcon from the Endangered Species list. In August of 1998, the Department issued a proposed final rule to remove the Peregrine Falcon from the Endangered Species list. With nearly 1,200 species being added to the Endangered Species list, the Peregrine is one of only a few that have been recovered.

Question. What is the status of the de-listing of the Peregrine Falcon?

Answer. The comment period on the draft rule has closed and the field office is addressing comments and preparing the Final Rule package.

Question. When will the de-listing be accomplished?

Answer. The Final Rule is expected to be approved and published in the Federal Register in August 1999.

Question. What is the status of the other species included in your May 1998 announcement which addresses a more aggressive de-listing strategy?

Answer. The American peregrine falcon, Dismal Swamp southeastern shrew, and Lloyd's hedgehog cactus are all close to being delisted. The FWS anticipates completion of the final rule to delist these three species by the end of fiscal year 1999. The FWS also has several species that are in various stages of being proposed for delisting or reclassified to threatened. These include such species as the Douglas County population -Columbian white-tailed deer (delisting), Aleutian Canada goose (delisting), brown pelican (delisting), bald eagle (delisting), and gray wolf (delisting and reclassification).

The following table includes the expected delisting actions for the next two years.

POSSIBLE FWS DELISTING AND RECLASSIFICATION ACTIONS FOR FISCAL YEARS 1999–2000 [1]

[May 5, 1999]

Species	Action being considered [2]	Lead region	Reason for action
American peregrine falcon	FD	1	Recovery.
Columbian white-tailed deer (Douglas Co. pop.)	PD	1	Recovery.
Hoover's wooly star	PD	1	Recovery & New Information.
Tinian monarch (a bird) [3]	PD	1	Recovery.
Tidewater goby	PD	1	Recovery & New Information.
Chamaesyce skottsbergii var. kalaeloana	PR>T	1	Taxonomic Revision.
Eureka Valley dune plants [2]	PR>T	1	Recovery.
Santa Cruz cypress	PD	1	Recovery.
Truckee barberry	PD	1	Taxonomic Revision.
Guam broadbill & Mariana mallard	PD	1	Presumed Extinct.
Brown pelican (Gulf Coast pop.)	PD/FD	2	Recovery.
San Marcos gambusia (a fish)	PD	2	Presumed Extinct.
Johnston's frankenia	PD	2	New Information.
Yuma clapper rail	PD	2	Recovery.
Gray wolf	PR>T/PD	3	Recovery.
Bald eagle	PD	3	Recovery.
Missouri bladder-pod	PR>T	3	Recovery & New Information.
Running buffalo clover	PR>T	3	Recovery & New Information.
Dwarf-flowered heartleaf	PD	4	Recovery & New Information.
Large-flowered skullcap	PR>T	4	Recovery & New Information.
Dismal Swamp southeastern shrew	FD	5	New Information.
Robbin's cinquefoil	PR>T	5	Recovery.
Heliotrope milk-vetch	PD	6	Recovery.
Aleutian Canada goose	PD	7	Recovery.
Spectacled eider (Arctic Russia pop.)	PD	7	New Information.
Grizzly bear (Yellowstone ecosystem)	PD	6	Recovery.
Lloyd's hedgehog cactus	FD	2	New Information.
Arizona hedgehog cactus	PD	2	Taxonomic Revision.

PD=Proposed Delisting Action
FD=Final Delisting Action
PR>T=Proposed Reclassification (Endangered to Threatened)

[1] This list is not intended to be comprehensive. Delisting or downlisting actions may be processed for species other than those appearing on this list.

[2] The action actually proposed or finalized may differ from that currently being considered.

[3] Although the FWS has received a petition requesting delisting of this species, the possible delisting or downlisting action is a FWS initiative rather than a result of the petition.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

HARPERS FERRY NATIONAL HISTORICAL PARK

The Harpers Ferry National Historical Park suffered severe damage in 1996 and 1997 from flooding and ice storms.

Question. What damage remains to be repaired from these events?

Answer. Harpers Ferry Historical Park has four remaining repair projects as a result of the flood and storm damage occurring from two major weather events in 1995–1996. In fiscal year 1999, Congress appropriated $400,000 to complete the repairs to three of the four remaining projects. These three projects are the roof and doors of the Stephenson, Anderson, and Wager buildings, the John Brown Fort, and the cotton mill on Virginius Island. The fourth, and last, storm project, is the repair and replacement of roofs on four buildings on Marmion Row.

Question. How much will it cost to complete the repairs?

Answer. The estimated cost to complete the repairs caused by the most recent storm is an additional $600,000. This will repair and replace the roofs on four buildings on Marmion Row. These four buildings are the Harper House (Bldg 1A), the Wager House (Bldg 1B), and two Mormion Tennant Houses (Bldgs 1C and 1D).

The West Virginia Division of Highways has begun the replacement of the U.S. 340 bridge over Shenandoah River at Harpers Ferry.

Question. What is the impact of this construction on the Park?

Answer. A wider and longer bridge will replace the existing bridge, which is scheduled to be removed when the replacement bridge is completed. This bridge replacement project has been the subject of extensive environmental review, and all necessary measures to mitigate the effects of the bridge on the park have been

taken. The National Park Service, West Virginia State Historic Preservation Officer, and the Advisory Commission on Historic Preservation continue to monitor progress of the bridge construction to assure that the terms of mitigating the impact of the bridge upon the National Historical Park are fully implemented.

Question. When will the bridge work be completed?

Answer. The West Virginia Department of Highways is projecting a completion date of December, 2000.

Question. Is the Park incurring any extra costs because of this construction?

Answer. The park has been able to absorb all costs related to the new bridge within existing operating funds. The bridge contract is comprehensive and all funding necessary to establish new rights of way, to repair park roads, and to reforest park lands from construction activities is included in the bridge contract undertaken by the State of West Virginia. One issue that has surfaced, however, between the Town of Harpers Ferry, the West Virginia Department of Highways, and the NPS that was not included in the specifications of the bridge replacement contract, is the relocation of the Town's waterline and extension of the waterline to service the park. Discussion is underway, but a cost estimate has not been prepared. It cannot be determined at this time what, if any, cost to relocate the waterline might have to be funded by the NPS.

In fiscal year 1999, $8 million was appropriated to the NPS for land acquisition matching grants to help preserve Civil War battlefield sites, of which $1 million was for Harper's Ferry.

Question. What is the status of the effort?

Answer. Currently, the Civil War Trust is taking the lead in trying to preserve the School House Ridge Battlefield at Harpers Ferry. The Civil War Trust has recently discussed purchase of 233 acres of the battlefield from the estate of Dixie Kilham. The estate holds one of the most significant Civil War properties on School House Ridge. An appraisal of this property has been ordered by the Trust and a negotiation with the Executrix of the estate continues. The Trust expects to make an offer when the appraisal is complete. This property is adjacent to the 56-acre parcel purchased by the Civil War Trust in 1993 and donated to become part of Harpers Ferry National Historical Park in 1998. The Civil War Trust has been in contact with members of the West Virginia State Legislature, regarding West Virginia Civil War sites and creating a Civil War Discovery Trail linking sites within the State.

Question. What group is providing the matching funds?

Answer. In order to acquire the property, the Civil War Trust is seeking partners to raise the matching funds. As yet no specific nonprofit organization has been identified, but negotiations continue with various funds sources such as the Conservation Trust.

Question. Does this effort have the support of the county and residents of Harpers Ferry?

Answer. The Mayor of Harpers Ferry has gone on record stating town residents favor preservation of the battlefield and want to maintain the quality of life the community derives from the town's historic setting. Many Jefferson County Commissioners have stated publicly they favor protection of the battlefield. However, commissioners find themselves caught in a dilemma wanting national resources protected, yet fielding requests from local developers to build on the battlefield.

Question. What group will be the most likely owner of these lands in the short-term and the long-term?

Answer. The battlefield is currently a mixture of Federal Government and privately owned lands. If additional private lands are acquired, they will most likely be held by private nonprofit organizations or by private land developers.

Question. What are the greatest threats to preserving and maintaining the rich history of the Harpers Ferry area?

Answer. The greatest threat to preserving and maintaining the rich history of the Harpers Ferry area is the impact of development on nationally significant battlefield lands. School House Ridge is the State of West Virginia's most significant Civil War battlefield and an integral part of Harpers Ferry's history. Harpers Ferry is threatened by three factors. First, a lack of coordinated strategy to protect the battlefield. Secondly, a lack of greater nonprofit organization involvement in West Virginia's number-one battlefield issue. And the third factor is the proposed placement of yet another housing development on the battlefield.

Without the protection of the School House Ridge battlefield from housing development and similar intrusions, the attractiveness of the park to the visiting pubic will be greatly diminished.

HARPERS FERRY CENTER FOR INTERPRETATION AND DESIGN

Question. What services are provided to the National Park Service by the Harpers Ferry Center for interpretation and design?

Answer. The Harpers Ferry Center (HFC) plans, designs, and produces interpretive media to the 378 units of the National Park System, consisting of the following:

Publications.—park brochures, handbooks, maps, and posters that provide visitors with important park information, such as significance and health and safety information.

Museum and Visitor Center Exhibits.—graphics, text and significant objects, usually encased and placed within visitor centers or museums to help interpret significant park themes.

Audiovisual Programs.—films, videotape and videodisk productions, sound tracks, interactive video products, and computer-driven graphic programs. In addition, HFC provides installation, repair and replacement services for audiovisual equipment throughout the National Park System.

Wayside Exhibits.—outdoor text and graphic panels. Historic Furnishings: historic structures such as rooms or entire buildings that are furnished with original or replicated objects appropriate for the time period being interpreted.

Conservation.—treatment and preservation of historic, ethnographic, or natural objects included in exhibits.

Interpretive Planning.—the development of plans that establish the modes of interpretation most appropriate for each park, including program priorities, staffing, and the recommended types of interpretive media.

HFC staff handle most planning and design work, although there is increasing reliance on the use of contractors. Virtually all production (exhibits, exhibit cases, wayside exhibits and many audiovisual products and historic furnishing replicas) is carried out by contractors.

Question. How would you characterize the importance and usefulness of these services?

Answer. Harpers Ferry Center makes a major contribution to the mission of the National Park Service by enhancing, expanding, and establishing professional standards to support the parks' interpretive and educational missions thus creating a better informed and more appreciative park visitor. The payback for this is greater support for the preservation and protection of the invaluable natural and cultural resources for which the agency is responsible.

A distinguishing characteristic of the National Park Service is that not only does it preserve and protect natural and cultural areas but it also undertakes the task of educating the public about these places. The National Park Service believes it is important that the public understands the significance of these places in the natural world or in the history of the Nation, how they function, and why they are important to all Americans. This responsibility is carried out with the full realization that park visitors are generally in a hurry and park interpretive staff may only have their attention for a small fraction of any travel day for personal-service interpretation, such as guided talks and theater presentations.

It is important to be able to condense a large amount of information and encapsulate it in a compelling and accurate manner. This is done through the employment of "interpretive media," in the form of park brochures, handbooks, and posters, museum exhibits trail or wayside exhibit panels, and audiovisual programs. The Harpers Ferry Center is responsible for providing these media to the parks and thus helping to ensure the success of each park's educational/interpretive mission.

Question. How has the role of the Center for the National Park Service evolved over the past ten years?

Answer. During the 1960s, the National Park System underwent an explosive growth in the number of new areas and visitation. It became apparent by 1964 that the National Park Service was unable to keep pace in either volume or quality of its interpretive and educational programs and media, such as films, exhibits, and publications. The National Park Service was hampered by the fact that its interpretive design professionals were stationed in various offices scattered around the nation. In 1964, the NPS Director created a new office, the Division of Interpretation and directed its first chief to fix the problem. The solution was to bring together all NPS planning and design specialists in museum and visitor center exhibits, artifact conservation, historic furnishings, audiovisual products and services, and publications under one roof and thus consolidate their efforts. This idea led to the creation of the Harpers Ferry Center, which opened its doors in March 1970.

The National Park Service leadership chose Harpers Ferry, West Virginia as the location for the new interpretive center in order to co-locate with the new Mather Training Center. The Mather Training Center's primary purpose was the training

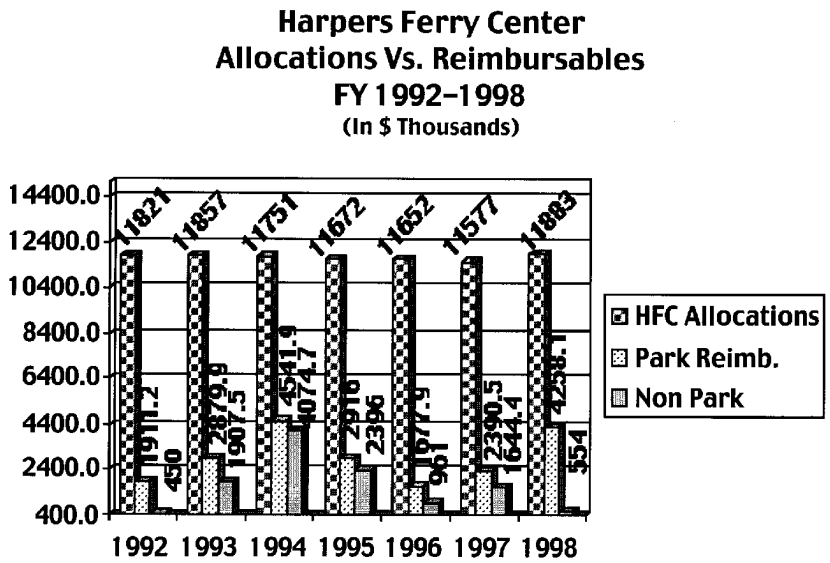
of park interpreters, and NPS saw significant value in having frequent interaction between those National Park Service employees charged with the delivery of interpretive programs and those employees who developed media programs to support them.

In 1970, the National Park Service was more centrally organized than it is now. Then HFC had near-total control over certain funding in such a manner that parks were required to fulfill their interpretive media needs, such as slide programs, motion pictures, audio programs, outdoor exhibit panels, museum exhibits and publications, at HFC. In addition, HFC was a full service facility, responsible for the planning, design, and fabrication of all interpretive media products.

By 1976, the Harpers Ferry Center had 136 employees. Its total budget was $12,388,000. By 1986 these numbers had increased in parallel with the growth of the National Park System to 229 employees with an annual budget from all funding sources of $14,500,700. This increase occurred in spite of the decision to eliminate the exhibit fabrication shop and accomplish this work through contracts with private sector firms. The HFC workforce reached its maximum level of 264 in 1993.

Question. Please provide a table showing the total funding received by the Center from each of the various types of sources (direct appropriations, reimbursements from other parks, reimbursements from non-NPS sources).

Answer. The information is shown below:



Question. What is the total of full-time staffing level anticipated in fiscal year 2000 for the Harpers Ferry Center?

Answer. It is anticipated that HFC will utilize 187 FTE.

Question. What part of this staff is supported by direct appropriation versus reimbursements from individual parks for specific work performed by the Center on behalf of the park?

Answer. Of the 187 FTE, an estimated 57 percent (107.5 FTE) is funded from direct appropriations; and 43 percent (79.5 FTE) is funded from project or park funding.

Question. Please provide a table showing the staffing level of the Harpers Ferry Center for each of the past ten years divided between those supported by direct appropriation, those supported by reimbursements from other park units, and those supported by other sources.

Answer. The information follows:

FISCAL YEAR FTE

Fund source	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Direct Appropriation	126	136	133	133	131	126	120	98.5	98.5	106.5	107.5

FISCAL YEAR FTE—Continued

Fund source	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Park Reimbursable	107	96	103	131	119	84	79	60.5	61.5	68.5	73
Non-Park Reimbursable	11	8.5	9	6	14	11	7	5	5	5	6.5

Question. What other preservation, interpretive, and design activities are undertaken by the National Park Service outside those at the Center?

Answer. Some parks, especially the larger ones such as Yellowstone or Grand Canyon NPs are able to undertake certain levels of preservation, interpretive and design activities on their own, or with assistance from the HFC.

In several instances the parks' cooperating associations are able to produce interpretive products, such as publications, maps, and videotapes for sale in the parks. When parks undertake to produce their own interpretive media, they are to incorporate the standards in terms of appearance and accuracy set by HFC and they can rely on assistance from the HFC.

Smaller parks are generally unable to produce their interpretive media and thus have greater reliance on HFC. The Harpers Ferry Center is not staffed to meet all needs however, and these parks must either get on the HFC priority work list or obtain contract assistance and advice from the center to meet their needs.

The NPS Historic Preservation Training Center handles a good deal of preservation work, but it is carried out on structures. The Denver Service Center also arranges for preservation work on park structures, but not on individual exhibits or objects. The NPS Archeological Centers at Tallahassee, Santa Fe, Lincoln, Nebraska, and Tucson handle preservation work on archeologically recovered artifact material.

Some interpretive planning work is carried out by the various Service's Regional Offices, but it is generally in the form of assisting parks to carry out interpretive planning.

NEW RIVER GORGE NATIONAL RIVER

New River Parkway

Question. What is the status of the New River Parkway?

Answer. According to the West Virginia Division of Highways (WVDOH), a final Environmental Impact Statement (EIS) is being completed based on comments that have been received from the public meetings that were held on the draft EIS in April and May of 1998. The office is also addressing comments from State and Federal agencies.

Question. When will the final EIS be completed?

Answer. The EIS is scheduled to be completed in June 1999.

Question. What preferred alternative will most likely be included in the final EIS?

Answer. The WVDOH believes that Alternative 2A/2D will be included in the final EIS. This alternative provides for a bridge crossing from West Virginia Highway 20 just upstream of Sandstone to the west side of the river, following the existing location of West Virginia Highway 26 to the Hinton New River Bridge.

Question. Does the National Park Service agree with this preferred alternative?

Answer. Provided the terms of the Memorandum of Understanding are followed, the National Park Service does agree with this alternative.

Question. What funds have been appropriated to date for the New River Parkway?

Answer. According to the West Virginia Division of Highways, $17.6 million was included in the Surface Transportation and Uniform Relocation Assistance Act of 1987 as a demonstration project.

Question. What funds remain on hand for the New River Parkway?

Answer. The WVDOH states that approximately $9 million is available.

Question. What is the total construction cost associated with the expected preferred alternative?

Answer. The total construction cost, according to the WVDOH, is approximately $40 million.

Question. What concerns does the National Park Service have regarding the development and construction of the preferred alternative?

Answer. The National Park Service listed several concerns in the June 30, 1998, Department of the Interior comment letter on the Draft EIS for this project. The most critical issues were excerpted and are now contained in the Memorandum of Agreement which is to be signed by the National Park Service, West Virginia Department of Highways, Federal Highway Administration, and the New River Parkway Authority. This will ensure, for example, that there are no impacts to wetlands,

that all land between the road and the river is acquired by the Highway Department in fee or less-than-fee (easements), and that the proposed recreation facilities are developed.

The draft EIS notes that a significant increase in traffic is expected due to the parkway's eventual link with I–64, and that development pressures could quickly degrade the very resource values for which the national river was established. If these pressures are not controlled, the outstanding visual qualities of this 9-mile corridor could be forever lost, rendering the parkway "just another road," rather than a scenic parkway.

Thurmond

I understand that the retaining wall of the parking lot next to the Thurmond depot is failing.

Question. What would be the likely result of the failure?

Answer. If this failure occurs, the entire parking lot could possibly be jeopardized, and could possibly affect the foundation of the Thurmond Depot, now used as a National Park Service visitor center since its restoration in 1995. The distance from the retaining wall on the riverbank to the depot is about 50 yards.

Question. What will it cost to repair the retaining wall?

Answer. The current estimate is $800,000.

Question. Are the properties along Commercial Row now stabilized? If not, what remains to be done?

Answer. No, these properties are not stabilized. The final report on Commercial Row stabilization was recently completed by the Denver Service Center but has not yet been seen by the park staff. All of the stabilization work remains to be done on this structure.

Grandview

Question. Has the final development concept plan for Grandview been completed and released? If not, when do you anticipate that this will occur?

Answer. The final development concept plan was released from the Denver Service Center in late April, 1999.

Question. What are the most pressing needs at Grandview?

Answer. The most pressing needs at Grandview are: (1) Implementation of the Turkey Spur project, which involves the conversion of roads to trail and the construction of a parking lot at the trailhead; and (2) infrastructure improvements, including replacement of existing lines at Grandview as the sewage treatment system inherited from the State park system does not meet code. The park awaits the anticipated future extension of a municipal sewer line from Shady Springs, and although water service is available from Shady Springs, the 40 to 50 year-old water lines within the park fail frequently and must be replaced.

Fayette Station Bridge

I understand that the Fayette Station Bridge has been open to traffic for several months.

Question. What kind of use is the bridge receiving from vehicles?

Answer. According to the WVDOH, the bridge was opened to traffic in October, 1998, and as a result has not yet operated through a primary travel season. The Highway Department will be evaluating bridge usage during this upcoming travel season.

Question. Can you characterize usage on a percentage basis from individual visitors, commercial river operators, other tourist groups, and park staff?

Answer. No. Bridge usage will be evaluated during this upcoming travel season.

Congress appropriated $200,000 to the Park Service in fiscal year 1998 for planning interpretive exhibits along the road, including turnouts for vehicles.

Question. What is the status of this work?

Answer. The park is working with WVDOH to develop a design plan to upgrade scenic pullouts and install interpretive signage in this corridor.

Question. What, if any, additional funds are needed to complete this work?

Answer. Until the design plan is completed, this is unknown.

Additional road improvements are needed to the road leading to and from the bridge in order for buses to make use of the bridge.

Question. Are funds available for this road improvement work?

Answer. The WVDOH states that the Transportation Act (TEA–21) designates $1 million for improvements associated with the operation of Fayette Station Road. To date, approximately $650,000 is still available for use on this roadway, including improvements to accommodate buses.

Question. What is the status of this work?

Answer. On May 6, 1999, the WVDOH will be meeting with local elected officials, the National Park Service, representatives from the whitewater industry and other affected parties to discuss any additional improvements on all the roadways directly affected by and or leading to the new bridge.

Kaymoor

Question. What remains to be done at the Kaymoor tipple site to safeguard visitation and the rail system?

Answer. Since the laying down of the tipple in March 1999, there is no longer any danger of the structure falling onto the CSX railroad tracks. The NPS contractor has also fenced the site to protect visitors from the remaining hazards. All that remains is the installation of interpretive waysides, which will tell the Kaymoor story to visitors who arrive on site as passengers on commercial raft trips, as private boaters, or as trail hikers/mountain bikers.

Question. Are there other dangerous sites in New River Gorge National River that require fencing, the posting of signs, partial or full demolition, or other actions to safeguard visitors and park staff?

Answer. Possibly. In 1998, the National Park Service acquired the Nuttalburg Tipple and conveyor as part of a 1021-acre tract purchased from the Nuttall Estate. Although an official inspection has not yet been done, initial assessment by park staff indicates that the condition of Nuttalburg structures are even worse than those at Kaymoor. It is quite likely that at least partial demolition, fencing and signs will be necessary.

NATIONAL CONSERVATION TRAINING CENTER

Training

Question. What types of courses are offered at the training center?

Answer. The NCTC offers a variety of courses designed for conservation professionals, both technical and non-technical. Program areas include Wildlife, Aquatic Resources, Environmental Conservation, Computers, Management and Supervision and Employee Excellence. Course topics range from ecosystem conservation to fish health, geographic information system applications to conservation leadership. A copy of NCTC's annual catalog of course offerings is provided for the Committee's reference.

Question. How many different courses did the training center offer in 1998?

Answer. The NCTC offered approximately 250 different course sessions in fiscal year 1998.

Question. How many different courses does the training center anticipate offering in fiscal year 1999?

Answer. The NCTC expects to offer approximately 250 different course sessions by the end of fiscal year 1999.

Question. What are the most popular courses?

Answer. Among the most popular courses that required multiple sessions in the past year were:

—The IMPACT course that brings in FWS managers and project leaders from across the country for a week of leadership training.

—The academy courses for new refuge, ecological FWS and fisheries employees.

In addition, courses related to Endangered Species Act topics have long waiting lists of FWS and non-FWS students. The NCTC "An Approach to Ecosystem Conservation" course and our geographic information system and new technology courses have also been very popular.

Question. Please provide a table showing the number of students that attended NCTC class during 1998 (and anticipated for 1999), breaking out Fish and Wildlife FWS students, other DOI students, and non-DOI students as well as students for non-NCTC courses given at the training center.

Answer. The following table shows student statistics for the NCTC for fiscal year 1998 and estimated statistics for 1999. The increase in attendance reflects increased awareness of NCTC and the increase in the number of on-site dormitories (third lodge opened in March, 1999) to house students.

Students	Fiscal years—	
	1998	1999 estimated
NCTC Training—FWS participants	4,300	4,500
NCTC Training—other DOI participants	100	150
NCTC Training—non DOI participants	1,110	1,200

Students	Fiscal years—	
	1998	1999 estimated
Other events—FWS Participants	750	800
Other events-non FWS Participants	4,000	4,900
Totals	10,260	11,550

Question. What percentage of classroom use is for non-Fish and Wildlife sponsored classes?

Answer. In fiscal year 1998, approximately 49 percent of NCTC usage was for non-FWS sponsored training and activities. During fiscal year 1999, the non-FWS usage is about 46 percent.

Question. Do you anticipate that percentage changing in the next several years? If so, how and why?

Answer. The increase in on-site accommodations, (the March, 1999 opening of the third lodge), offers more opportunity for non-FWS entities to conduct training at NCTC. Thus we expect the percentage of these non-FWS users to in crease somewhat in the future.

Dormitories

Question. Even though the third dormitory at the National Conservation Training Center has been opened only a few weeks, is there already a need for a fourth dormitory at the center?

Answer. All beds in the new lodge are booked into calendar year 2000. If a fourth lodge was built, current demand indicates it would be fully utilized. The NCTC was designed to accommodate 250 daily users, thus another lodge would bring us closer to design capacity. However, a fourth lodge is not included in the fiscal year 2000 budget request.

Question. Would a fourth dormitory unduly compete with private sector facilities in the Shepherdstown area, or is the need for rooms beyond the capacity or interest of the local establishments in Shepherdstown?

Answer. No. Presently 20–30 NCTC participants stay offsite each week in nearby hotels. In addition, the NCTC turns away approximately 80 people per week due to lack of onsite lodging, since some parties are unwilling to hold events at the NCTC without onsite lodging. A fourth lodge would address a portion of that demand and still leave a number of people using offsite lodging. However, the Department's Five Year Construction Plan does not include a fourth dormitory at this time. Our primary focus is on resolving health and safety issues at current facilities.

CANAAN VALLEY NATIONAL WILDLIFE REFUGE

Question. What types of public outreach activities are the Fish and Wildlife Service conducting to ensure that the input of local residents is taken into consideration as the FWS continues to develop the refuge? Who is participating in these activities?

Answer. In 1994, the Preliminary Station Management Plan for Canaan Valley NWR was completed with input from local residents. The station's hunt plan was developed with public input and approved in November 1997. Current outreach activities consist of exchanging information, working with the refuge friends group (Friends of the 500th), developing personal contacts, providing public presentations, and providing news releases to the local media.

Additionally, the Refuge Manager is a member of the following local groups: the Tucker County Chamber of Commerce and Rotary Club, and the Gateway Project Environment/Recreation Committee. The Refuge is scheduled to initiate a Comprehensive Conservation Plan in 2001 to address how the refuge will be managed in accordance with the Refuge Improvement Act of 1997. Local residents will be encouraged to participate in theplanning process.

Question. Is more public outreach needed?

Answer. Yes. The Canaan Valley NWR plans to hire an Outdoor Recreation Planner before the end of fiscal year 1999 for conducting an expanded public outreach and environmental education.

Question. Please describe the status of land acquisition for the Canaan Valley National Wildlife Refuge.

Answer. Within the past 14 months, the FWS has acquired approximately 1,550 acres with a total cost of about $5 million at Canaan Valley NWR. There are currently seven properties under option at a cost of $1,783,100; all properties are expected to close by the end of fiscal year 1999. Appraisals for three other ownerships

totaling approximately 600 acres are expected in early June with an estimated value of $2.6 million. In addition, 13 other willing sellers have been identified and appraisals are being initiated on these 13 tracts, which have an estimated value of $2.5 million.

OHIO RIVER ISLANDS NATIONAL WILDLIFE REFUGE

Question. When will the comprehensive conservation plan for Ohio River islands be completed and available?

Answer. The draft Environmental Assessment and Comprehensive Conservation Plan will be available for public review and comment during August, 1999. The FWS expects to release the final document in December, 1999.

Question. What kinds of invasive species threaten the natural species and ecosystems of the Ohio River Islands National Wildlife Refuge?

Answer. The underwater habitats are being invaded by zebra mussels which have an adverse impact on native freshwater mussels. In addition, over 40 percent of the refuge's upland habitats contain invasive plant species including Japanese knotweed, Russian knotweed, mile-a-minute, purple loosestrife, multiflora rose, and garlic mustard. These invasive species are altering native plant communities, halting natural succession to flood plain forests, and reducing the habitat value for a variety of migratory bird species.

Question. What other kinds of threats are there to the refuge—its species and ecosystems?

Answer. Additional threats to the refuge include: unnatural erosion due to locks/dams on river, sand and gravel dredging, sedimentation, non-point source pollution, oil spills, and lack of public understanding of the Ohio River resources.

Question. What is the most pressing or dangerous threat to the refuge?

Answer. The most pressing threats to the refuge are erosion and sand and gravel dredging.

Question. What is the current staffing level of the Ohio River Islands National Wildlife Refuge?

Answer. There are currently five permanent employees at the Ohio River NWR.

Question. Is this different from the full authorized staffing level? If so, what funds would be required to bring the staffing level at Ohio River Islands up to its full authorized level?

Answer. The station's most recent authorized staffing chart, approved in 1993, contains five full time employees. Since that time, the refuge has grown in size and the issues that the refuge faces are more complex. The FWS recognized this, and as a result, the Ohio River Islands NWR Comprehensive Conservation Plan was initiated, one of the earliest in Region 5. When the CCP is completed, a new staffing chart that reflects the station's needs, as identified in the CCP, will be completed. The Refuge Operations Needs System will be updated at that time to reflect the needs identified by the CCP, and any additional potential positions will be prioritized through the RONS system.

Question. Does the President's budget request for fiscal year 2000 request sufficient funds to bring staffing at Ohio River Is lands up to the full staffing level?

Answer. Yes. The President's budget request for the Ohio River Islands NWR is $455,000, with an additional $38,000 for invasive species control. A portion of these funds may be used to hire a Maintenance Worker to conduct the invasive species control work.

Question. What kinds of recreational opportunities are present at the Ohio River Islands National Wildlife Refuge?

Answer. The refuge provides a variety of wildlife dependent activities to include fishing, hunting (archery deer, small game, waterfowl), photography, environmental education, interpretation, and wildlife observation. Non-consumption use visitation is by far the highest.

Question. How do you measure visitation at a refuge that consists of a series of dispersed islands that extend for miles in a major river?

Answer. Visitation occurs throughout the year with highest period of use from May through September. Staff, volunteers and seasonal help record levels on public use data sheets incidental to their fieldwork. Outreach efforts are also conducted on weekends. Accurate estimates of use, considering the unique features of the refuge and current staff levels, are very difficult to ascertain.

Question. What is the status of land acquisition activities at Ohio River Islands?

Answer. The current balance of funds previously appropriated for land acquisition at Ohio River Islands NWR is approximately $2.2 million. Land acquisition activities with this funding are currently centered on seven islands and associated mainland tracts comprising approximately 340 acres valued at approximately $655,000.

These acquisition projects are all in different stages of the acquisition process which encompasses appraisal, negotiations, and pre-acquisition site assessment. Acquisition efforts to expend the remaining funds will focus on mainland embayments once planning is completed.

Question. How many islands (or portions of islands) remain to be acquired? How many acres do these islands constitute? How many high-priority sites have been identified for mainland acquisition? How many acres do these sites constitute?

Answer. Nine islands remain to be acquired, totaling approximately 1,000 acres (including underwater acreage). Approved in 1995, the Embayment/Wetland Expansion Package (5,400 acres) included 100 high-priority mainland sites located in the states of Ohio, West Virginia, Kentucky, and Pennsylvania. Pending completion of the Comprehensive Conservation Plan in 1999, there are 18 sites, totaling 1,825 acres, with an estimated cost of $3 million, identified for the first phase of acquisition for the Embayment/Wetland Expansion Package. However, funding for the Ohio Rivers NWR for land acquisition is not included in the fiscal year 2000 President's Budget, due to higher priorities elsewhere. These parcels will be evaluated and considered in future budget requests.

NATIONAL FISH HATCHERIES PROGRAM

Question. Has the fisheries program received the same level of fixed cost support as the rest of the Fish and Wildlife Service during the past ten years in the President's budget request? If not, why not?

Answer. The term "fixed costs" usually refers to those expenses that the FWS has no management control over, such as annual federal pay and retirement adjustments and payments to other federal agencies for rent, unemployment compensation, and workmen's' compensation. These are presented in the budget as "uncontrollable costs."

Over the past ten years, all FWS programs have received the federal pay and retirement adjustments that have been proposed by the Administration and approved by the Congress. The personnel compensation and benefits portion of the Fisheries and other program budgets have been adjusted by the percentage increase proposed and enacted for salaries of federal employees. The FWS budgets for other uncontrollable costs, such as GSA space rent, in a centralized FWS wide administrative support account.

The FWS's personnel compensation and benefit expenses are the largest "fixed costs" components and comprise about 55 percent of its operating budget. The annual federal pay and retirement adjustments assure that other program operating resources do not have to be used to absorb these uncontrollable cost increases.

Question. I understand that the Fish and Wildlife Service is emphasizing restoration and recovery of native aquatic species in the current and future plans for the hatchery program. What will be the impact of this emphasis on existing and traditional hatchery operations, such as support to Indian Tribes in stocking fish?

Answer. In order to be as effective as possible with available funding, the Fish and Wildlife Service is focusing its National Fish Hatchery System on the restoration and recovery of native aquatic species and management activities that maintain aquatic resources in a healthy condition. The FWS will work in partnership with Tribes to redirect support in stocking fish to restoration and recovery of native species or to identify alternative mechanisms to continue support for fish stocking activities.

Question. What percentage of your hatchery operations are currently being spent on native species? What percentage of your hatchery operations are currently being spent on threatened and endangered native species? What changes do you anticipate in these percentages over the next five years?

Answer. Approximately 91 percent of hatchery operations funding currently is spent on native species, including the approximately 11 percent spent on threatened and endangered species. The Fish and Wildlife Service expects these percentages to increase over the next five years.

Question. What, if anything, needs to be done to expand, increase, or refocus the hatchery system to restore and recover more species and their habitats?

Answer. The Fish and Wildlife Service will continue the development of its National Fish Hatcheries, Fish Technology Centers, and Fish Health Centers as integrated aquatic resource centers that facilitate and contribute to watershed restoration partnerships. This will include the development of a "Standard of Excellence" for the operation of the National Fish Hatchery System that addresses considerations such as maintaining genetic diversity, fish health, best science and technology, wild stock interactions, and evaluation and monitoring. Needs associated

with this effort will be documented in the FWS's Fisheries Operational Needs System (FONS).

Question. Which if any, of the hatcheries are currently under-utilized? Which, if any, of the hatcheries are ill-suited to participate in future hatchery operations of the Fish and Wildlife Service? Why are these hatcheries ill-suited?

Answer. Only the Harrison Lake National Fish Hatchery in Virginia and the Berkshire National Fish Hatchery in Massachusetts are currently under-utilized, the result of reduced production related to shifts in priorities. However, both of these facilities have the potential to contribute more in the restoration of coastal and riverine species. The FWS has not yet determined which, if any, hatcheries would be ill-suited to participate in future hatchery operations.

Question. Do you have any plans to close (or transfer) any hatcheries? Are you looking into the possibility, of having to close (or transfer) additional hatcheries?

Answer. As the Fish and Wildlife Service focuses its National Fish Hatchery System on the restoration and recovery of native species, the Service will work in partnership with its partners and stakeholders to identify, over time, alternative mechanisms to continue support for other hatchery activities, such as cost reimbursement, transfer, or redirection. Closing a hatchery would be a last resort.

Question. If hatcheries are refocused on recovery and restoration of native species, then shouldn't they receive funding from the Ecological Services budget? Or shouldn't that portion of the hatchery budget devoted to restoration and recovery efforts be included in the Ecological Service's budget activity?

Answer. No, the endangered species recovery program funding is used for a very specific purpose: the development, implementation and monitoring of recovery plans. All other FWS programs—and all other Interior Department programs—implement these recovery plans. The most effective way for the Fish and Wildlife Service to use its appropriated funds to restore and conserve aquatic resources is through integrated program partnerships, such as are now occurring. All program areas are responsible for contributing wherever they can to the restoration and recovery of native species, be it through the management actions taken on a Refuge, the Partners habitat restoration program in Ecological Services, or the use of the National Fish Hatchery System as a recovery and restoration tool. The best solution is for all FWS programs to be adequately funded to carry out their part of the partnership; the concern is not where the money is in the FWS's budget, but the aggregate level of funding and the effectiveness of the Program in working in an integrated manner to meet the FWS's responsibil ities in aquatic resource conservation.

LEETOWN SCIENCE CENTER

Question. The fiscal year 1999 appropriations for Interior and related agencies included $250,000 to plan and design a replacement of the heating and air conditioning system at the National Fish Health Research Laboratory (NFHRL) of the Leetown Science Center. What is the status of that work?

Answer. As part of the HVAC system design work, engineers from the Division of Engineering of the Fish and Wildlife Service inspected the laboratory on March 25, 1999. The inspection confirmed that the HVAC system is inefficient and beyond its useful life. The inspection also revealed serious problems with the building's roof and ceiling structures. The engineers advised that repairs to the roof may be a higher priority than repairs to the HVAC. Engineering design for the HVAC system, roof and ceiling will be complete by the end of fiscal year 1999.

Question. How much additional funding will be required to complete the new heating and air conditioning system for the National Fish Health Laboratory?

Answer. Based on the inspection report, repairing the HVAC system and installation will cost $700,000; the roof repairs will cost $350,000; and ceiling repairs will cost $150,000.

Question. Are these funds included in the President's fiscal year 2000 budget request?

Answer. The President's fiscal year 2000 request does not include funds for these repairs. However, USGS has begun to address these kinds of maintenance issues in the $1.5 million increase requested for Maintenance and Capital Improvement within the restructured Facilities activity. For fiscal year 2000, the bureau's highest priority deferred maintenance projects (health and safety issues) were targeted before the extent of this problem was discovered.

Question. The fiscal year 1999 appropriations for Interior and related agencies included a $775,000 increase for Leetown Science Center programs aimed at fish health studies in the Chesapeake Bay, fish passage research, and acid mine drainage. Please describe the importance and goals of these research efforts.

Answer. The President's fiscal year 1999 Budget included an increase of $775,000 for the Leetown Science Center: $500,000 was provided to address problems related to fish passage, $200,000 to investigate fish health problems in Chesapeake Bay and $75,000 to develop and test new technology to address problems related to acid mine drainage. The projects are described below.

Fish passage—$500,000

This work provides data used by the Fish and Wildlife Service, Bureau of Land Management, National Park Service and the Forest Service to provide for effective fish passage in the rivers managed by them. It will provide data for the FERC relicensing of dams on more than 300 sites in the Mid-West and in the Northeast and to aid resource managers in restoring threatened fish, such as Atlantic salmon, and endangered fish, such as shortnose sturgeon. The research will design and test structures to improve passage of anadromous and other migratory fish. It will determine the specifics of passage requirements for migratory fish in terms of their biological, habitat and design needs to get them past man-made structures in rivers. The research will determine population genetic structure as it relates to fish biodiversity as affected by dams and mitigation of diversity problems. It will determine the nature of fish restoration problems as evidenced by lack of passage in rivers.

Chesapeake bay fish health—$200,000

The Chesapeake Bay is one of the most valuable estuaries on the east coast, in terms of recreational and commercial use of natural resources. In recent years, outbreaks of Pfiesteria have produced fish kills and may be linked to health concerns for watermen. Joint USGS/BRD and State of Maryland analyses from fish kill and disease events suggest fungi and bacteria may have been the primary infectious agents that caused lesions in striped bass, white perch, bullheads and other estuarine fish species in Chesapeake Bay in 1998.

The research seeks to determine the relationship between fish health, fungal infections, and Pfiesteria. Preliminary results indicate a fungal infection may be the primary cause for fish lesions in the Chesapeake Bay making the fish more susceptible to Pfiesteria and harmful algal blooms. The research will investigate the relationship between fish health and microbial loading in terms of immunosuppression, fungal response, and the development of lesions, and the role of nonpoint source runoff from agriculture and other sources on microbial loading in the Chesapeake Bay. It will compare the prevalence of lesions and their occurrence in tributaries to nutrient and sediment loading and contrast it with riparian zone condition.

Acid mine drainage—$75,000

This study supports OSM (Clean Streams Initiative), NPS (2,500 abandoned mine land (AML) sites), BLM (several hundred thousand AML sites), USFS (20,000–50,000 AML sites), USGS (statement of mutual intent), EPA (Mine Drainage Initiative), States (Departments of Environmental Protection) and the mining industry (hardrock and coal).

Study objectives include laboratory scale tests to identify metal hydrolysis reaction rates, sludge volume, density and settling characteristics, and identification and development of the least cost method for metal sludge separation and thickening. The research will explore new methods of polymer addition to accelerate sludge settling using a porous bed reactor. It will compare metal precipitate characteristics and handling costs identified in the field using the LSC and standard mine drainage treatment methods. Finally it will create decision support models(software) to be used by managers to predict best treatment practices to form, separate, and concentrate metal precipitates from acidic mine drainage. The software will incorporate LSC process simulation models currently under development with models to be developed that follow precipitate formation both with and withoutpolymer addition.

Question. What is the status of these research efforts?

Answer. Study plans have been completed for work on fish passage. Field and laboratory studies are currently underway since fish have begun their annual migration. Initial studies are focused on Atlantic salmon in the Connecticut River and shad in the Susquehanna River.

Work on acid mine drainage technology has begun. The Appalachian Fruit Research Station (USDA) in Kearneysville, West Virginia is collaborating with the Leetown Science Center to investigate the potential for using sludge produced by the AMD treatment process to benefit agriculture. Studies are also underway regarding minimizing the environmental effects of the acidic water and sludge associated with the treatment process

Field work on fish health problems in Chesapeake Bay will begin the first week of June. Cooperative agreements with Universities in Virginia and Maryland to assist in the data collection are in place.

Question. Were these funds requested as part of the President's fiscal year 1999 budget request? Were these funds requested as base increases, reflecting long-term (multi-year) research needs?

Answer. Yes. These funds were requested as part of the President's fiscal year 1999 Budget. The initial study plans were based on multi-year proposals ranging from three to five years with "level" funding for each year.

Question. Does it make sense to halt these research efforts after a single year? Why does the President's fiscal year 2000 budget request propose to stop these research efforts after a single year of funding?

Answer. These efforts could continue under the Integrated Science line item—some may be specifically identified as DOI Science priorities and others such as Chesapeake Bay efforts may be included in the Place-based Studies component—rather than under the Biological Research and Monitoring line item. To the extent any project/study decreases do occur, they would reflect the fact that DOI bureaus have identified higher priority research needs for fiscal year 2000.

KANAWHA-NEW RIVER WATER-QUALITY ASSESSMENT

Question. What is the status of the Kanawha-New River National Water-Quality Assessment study?

Answer. The Kanawha-New River National Water-Quality Assessment (NAWQA) study is on schedule, and USGS has published four technical reports and made six presentations at scientific meetings as of April 30, 1999. A team of nine technical staff is based in Charleston, West Virginia. All planned environmental-quality samples were collected during fiscal years 1996–1998, and the team is now reviewing and archiving the resulting data and preparing interpretive reports.

Eleven reports, in addition to the four mentioned, will be published during fiscal year 1999 and fiscal year 2000. The USGS is working on the first five reports for publication this year, and the remaining six reports will be started within six months.

Question. What are the main components of the study?

Answer. The study focuses on surface-water quality as it is affected by coal mining, disposal of human and animal waste, and industrial activities; and on ground-water quality as it is affected by agricultural activities, coal mining, and disposal of human and animal waste. All work was completed within the context of the nationally-consistent NAWQA sampling design.

The team investigated ground-water quality down hill from surface coal mines that have been fully reclaimed to present reclamation standards. This component included the Kanawha and Monongahela River basins in West Virginia and parts of western Pennsylvania.

In conjunction with other sampling within the NAWQA program, the Kanawha-New River NAWQA team measured changes in water quality over the past 20 years in streams at about 180 sites in West Virginia and Pennsylvania. USGS samples collected during 1979–1981 were compared to the latest samples in order to evaluate the regional effects of water-quality laws, upgrades to wastewater treatment and mining practices.

USGS' standard sampling in the Kanawha-New River study area included eight surface-water sites in West Virginia, and three more surface-water sites in Virginia. Ground water was sampled from one aquifer of the Appalachian Plateau in West Virginia, and another aquifer in the Blue Ridge in North Carolina and Virginia. Biological sampling was done for fish and benthic insects at all the surface-water sites; and one-time sampling for fish and insects was also done at an additional ten sites in West Virginia.

Beyond the sampling activities that have been concluded, NAWQA will continue to sample some surface-water sites in West Virginia. The USGS will maintain sampling at two locations through 1999 and subsequent years of low intensity phase sampling. The two sites for continued monitoring are: the Kanawha River near Windfield and the Clear Fork near Whitesville, both in West Virginia.

Question. When will the study be completed?

Answer. A summary report for the first data-collection cycle will be completed by September 30, 2000.

Question. What results or findings have come out of the study to date?

Answer. Fecal bacteria are rare in ground water from domestic wells in West Virginia, if the wells are constructed according to current design standards. Earlier studies had shown frequent fecal contamination of domestic wells but did not distinguish between properly and poorly constructed wells.

Several non-native fish species have been found in areas of the New River basin where they were not previously known. These fish have been found upstream from

both Kanawha Falls, a natural barrier to fish migration since the last Ice Age, and upstream from dams. The New River has had a fish community that is distinct from the communities in both Atlantic Slope and Ohio River basins. The evidence indicates that people continue to transport non-native fish past these barriers.

Values of pH are generally lower and concentrations of sulfate, iron, and manganese are generally higher in ground water from wells in the southern coal province of West Virginia than in the northern coal province. These facts are surprising because acid mine drainage is much more common in the northern coal province than in the southern province.

Streams in central West Virginia and western Pennsylvania are becoming less acidic. The median pH at summer base flow in streams increased about 0.5 unit from 1980 to 1998. Alkalinity of the streams also increased and was reflected in decreased concentrations of iron and manganese. These effects would be expected as active mines comply with discharge permit limits and as the worst cases of acid drainage from abandoned mines are controlled. Median concentrations of sulfate increased, however, reflecting the cumulative effects of continued mining.

Typical radon concentrations in ground water near reclaimed surface coal mines in West Virginia and western Pennsylvania are about half the concentrations measured in similar wells not close to mines. Median radon concentrations in domestic wells in the Blue Ridge in North Carolina and Virginia are six times the formerly proposed Maximum Contaminant Level (300 picocuries per liter) permitted in public drinking-water supplies. At the present time, there is no Maximum Contaminant Level for radon, so whether the levels found are a health concern cannot be determined now.

Question. What statements, if any, can these results be used to make regarding the impact of mine reclamation a ctivities on water quality?

Answer. Reclamation activities at active and abandoned mines are successful in eliminating the most severe impacts on water quality and have produced regionwide improvements. Even under current regulations, however, the total load of dissolved solids in streams, particularly of sulfate, appears to be increasing in proportion to the amount of land disturbed by mining. Mine reclamation and controls on active mining have been fairly effective in controlling acid mine drainage and metal pollution. However, the continuing increase in the amount of area disturbed by mining appears to be leading to increased levels of sediment and dissolved solids in streams.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

For several years, I have secured funding for two partnership programs, one around Lake Champlain and one along the Connecticut River, that fund just this type of project—ones that bubble up from the community. Although I understand you were under considerable budget restraints, I was dismayed that funding for these two programs was cut by more than half last year. Vermonters found it even odder since the Connecticut had just been named an "American Heritage River" and Lake Champlain was still basking in the glory of being promoted to "Great Lake" status.

Question. If there is not adequate funding in the National Park Service Rivers, Trails, and Conservation Assistance Program, what other Department of the Interior programs would be able to make up the short fall?

Answer. The issue of funding availability is not the only issue in this instance. In general, the NPS does not intend that the Rivers, Trails, and Conservation Assistance (RTCA) Program fund projects on a long term basis. Rather, the intent is to work with partners on a short term basis, assisting in the creation of a vision and stimulating non-federal involvement. After the project is on a firm foundation, it is intended that the resources of the RTCA be redirected to assist in initiating other partnership projects.

Other NPS operational programs—such as national trails and wild and scenic rivers—provide limited funding through cooperative agreements to partners, but are usually designated for specific collaborative projects and initiatives over a short period. Given the fact that a heritage corridor study is underway for the Lake Champlain corridor, authorizing funding for it as a national heritage corridor could open the door to specific appropriations for that corridor, similar to funds which now assist the nine heritage areas established in 1996 under Public Law 104–333.

There have been no funds specifically authorized to support the designated American Heritage Rivers (AHR), but the partnership council overseeing AHR activities along the Connecticut River is examining many potential sources of funding, Federal and otherwise. The National Park Service is willing to continue to assist in the

identification of good projects for the Partnership Program and to provide some assistance in its administration, but it is more appropriate to look to other agencies and private organizations and foundations to continue its funding.

Question. What is the status for the feasibility study for a Lake Champlain Heritage Corridor, and does the Department have funding set aside for new corridors that are recommended by the Department?

Answer. The study is nearing completion and will be available for public comment in September, 1999. The Department of the Interior funds Heritage areas authorized by Congress. Therefore, no funds are set aside at this point.

Question. In Vermont, I have secured funding to start two pilot projects to integrate social, economic and natural resource data using Geographic Information System technology and build a Web-based interactive tool that can help planners assess the impact of development on the local watershed, fish and wildlife habitat and open space. These pilots will also help state, federal agencies and local agencies prioritize land conservation and wildlife habitat protection projects. This tool will finally allow citizens and planners to visualize the potential land use and environmental changes in their community. The U.S. Geological Survey fiscal year 2000 request includes $10 million to expand the National Spatial Data Infrastructure through a Community Federal Information Partnership to enhance local government's ability to use spatial data for land use planning. How will the Department select communities to participate in the grant program and how many do you expect to be selected?

Answer. The Community/Federal Information Partnership (C/FIP) is an interagency initiative to advance the National Spatial Data Infrastructure through partnerships with communities. C/FIP is designed to support community-based activities similar to those that you describe. Currently, the planned method for selecting participating communities will be through a consolidated multi-agency Request for Proposals (RFP) announcement to be developed by the Federal Geographic Data Committee (FGDC) member agencies. To date, six Federal agencies have proposed to be a part of the C/FIP program. The RFP will be issued through the FGDC and will describe the overall objectives and parameters of the initiative. In addition, each member agency will describe its mission specific program components and criteria as part of the announcement. The FGDC anticipates that a number of both large and small projects will be funded under this announcement and that these funds will be leveraged with matching grants. The USGS goal is to direct approximately two-thirds of appropriated funds to competitive grants and one-third to agency programs to make data more accessible to communities. However, they cannot project at this time how many grants will be issued or how many communities will be involved.

The proposed C/FIP initiative is contingent on Congress providing fiscal year 2000 appropriations. However, planned C/FIP proposal timelines are as follows: October to December 1999—RFP announced; January to March 2000—Application period; and April to June 2000—Review of proposals and announcement of awards.

Question. Has the Department worked with the State of Vermont on a Gap Analysis project or is one under consideration?

Answer. The Department has a very productive partnership with the State of Vermont in conducting a Gap Analysis project that is scheduled for completion this September. The project is being implemented jointly with the State of New Hampshire through the Vermont Cooperative Fish and Wildlife Research Unit at the University of Vermont. Already, preliminary products from the Vermont project are being used in ecological reserve selections. This work is based on GAP land cover maps and a sophisticated analysis of landscape features linked to biological diversity. Cooperators that have shared in the costs of the project include the Vermont Fish and Wildlife Department, the Silvio O. Conte Refuge, The Nature Conservancy, and the Green Mountain National Forest.

Question. A great deal of concern has been generated in Vermont by your fiscal year 2000 USGS budget proposal to eliminate support for gaging activities in the Lake Champlain basin. Instead, your budget request proposes the gaging be supported by "alternative funding arrangements" with Federal, State and local agencies. Has the Department identified other funding for this program and have you formed agreements with any other Federal agency to cover the cost of the gaging activities? How did the Department select Lake Champlain for this reduction? Where are the gaging stations that are identified for an increase in the fiscal year 2000 budget?

Answer. The USGS has been involved in discussions with representatives of the Lake Champlain Basin Program, the State of Vermont, and the U.S. Environmental Protection Agency regarding possible alternative funding arrangements that would allow gaging activities in the Lake to continue into fiscal year 2000 and beyond. However, to date none of the involved organizations have been able to offer funds

that might allow these activities to continue. USGS undertook these gaging activities as part of a water quality study which was funded under the auspices of the Lake Champlain Special Designation Act. The study began in 1990 and was planned to last for five years. USGS has continued to operate the gaging stations for four years beyond that time frame, but within the proposed budget constraints it is impossible to continue this work in fiscal year 2000 in the absence of funding support from other agencies.

The gaging stations that will be identified for an increase in the fiscal year 2000 budget are part of the Real-Time Hazards Initiative. This initiative is aimed at improving USGS's ability to deliver real-time streamflow information, to ensure that the National Weather Service has current data for flood forecasting and warning, and to help emergency response agencies concentrate their efforts where they are most needed. USGS is involved in discussions with the National Weather Service and other Federal agencies, to determine where real-time information, provided through improved telecommunications equipment, is most urgently needed to protect at-risk communities from the threat of floods.

When we passed the Lake Champlain Special Designation Act in 1992, one of the most important issues was restoration of native fish and wildlife habitat in the watershed. The Fish and Wildlife Service made a long term commitment to this goal by becoming one of the lead federal partners in the Lake Champlain Basin Program. Unfortunately, due to budget cuts to the Lake Champlain Office operations budget over the past few years, I do not believe the Fish and Wildlife Service has been able to meet its commitment. Considerable pressure is growing in Vermont to speed up the time line for restoration of Lake Champlain.

Question. At what budget level could the Fish and Wildlife Service fully meet the commitments made in the Lake Champlain Action Plan? If that Plan was accelerated by 10 years what level of the funding would be needed for the Lake Champlain Office?

Answer. Increased annual operational funding for the Lake Champlain Fish and Wildlife Resources Complex (including the Lake Champlain Office and Pittsford National Fish Hatchery) to $1,500,000 and 23 FTE's (an increase of $500,000 and 7 FTE's above current budget amounts) would allow the FWS to carry out the following program expectations on Lake Champlain:

Provide Federal leadership implementing the Nonindigenous Aquatic Nuisance Prevention and Control Act in the Lake Champlain watershed. ($200,000/3 FTE)

Carry out a private lands program with increased emphasis on restoring habitats impacted by invasive species and that is fully integrated with all aspects of U.S. Department of Agriculture Farm Bill activities in the Lake Champlain watershed. ($75,000)

Make a substantial contribution to damage assessment and restoration activities associated with contaminated habitats. ($50,000/1 FTE)

Carry out an aggressive, focused program of habitat assessment and, where feasible, restoration associated with current fish stocking and assessment. ($100,000/1 FTE)

Become a fully engaged partner in Lake Champlain imperiled species inventory and restoration efforts, particularly as they relate to the threat from invasive species. ($50,000/1 FTE)

Implement a Geographic Information System program that includes data layer creation and biological modeling, and that is fully integrated with all aspects of the present mission. ($25,000/1 FTE)

If the Plan was accelerated by 10 years our best estimate is that an additional $250,000 and 4 FTE's would be required for a total of $1,750,000/27 FTE's. It is difficult to project a difference in restoration accomplishments that could be realized under enhanced funding and staffing between 10 years and a longer time frame. For example, to fulfill the FWS's role in developing and implementing a nonindigenous species management plan, the FWS will help implement a public decision-making process on the long-term management of sea lamprey, provide technical support to zebra mussel monitoring, and identify and implement control of purple loosestrife. In these cases, our actions and the costs associated with them will depend on information that is not currently available.

Lake Champlain is an interstate and international water body, and conservation of the Lake's fish and wildlife is an important FWS function. In fiscal year 2000 the Lake Champlain Fish and Wildlife Resources Complex will have a combined budget just under $1,000,000/16 FTE's, most of which will be used in the Lake Champlain watershed. Approximately $800,000 of this funding is found in the FWS's Fish and Wildlife Management Assistance and Hatchery Operations budgets and $200,000 is in the FWS's Partners for Fish and Wildlife Program budget. The Missisquoi National Wildlife Refuge, New England Ecological Services Field Office,

New York Ecological Services Field Office and the U.S. Fish and Wildlife FWS Law Enforcement Agent stationed in Essex Junction, Vermont, are also part of the FWS's capability on Lake Champlain. Along with representatives from our Regional Office in Hadley, Massachusetts, these programs are involved in implementation of the Lake Champlain Special Designation Act through the FWS's Lake Champlain Ecosystem Team.

However, this level of funding is not included in the President's Budget request and is not a priority of the Department.

Question. The U.S. Fish and Wildlife has been working on a new regulation for falconry that would affect educational falcon institutes like the one in Manchester, Vermont. When does the FWS expect to release the draft regulation? Is the FWS still considering the creation of a new class of permits specifically for educational facilities that would allow students to handle falcons but not require individual permits for each student?

Answer. The FWS plans to issue a scoping notice to seek public comment on the continued permitting of falconry schools in the U.S. The FWS anticipates that this notice will be published in the Federal Register later this year. The falconry school in Vermont is one of only two in the U.S., and both are permitted under a general education permit. Although current FWS regulations specify that students at these schools may practice falconry, and that each student must have a falconry permit, the FWS will consider all comments received on amending the falconry regulation to create a new class of falconry permits for schools.

Question. In addition to the Champion lands, what other parcels are available for acquisition within the Silvio O. Conte National Wildlife Refuge and what is the total acquisition cost of those parcels?

Answer. In addition to the Champion lands, which totals 26,000 acres, the following acquisition opportunities have been identified for fiscal year 2000. These tracts total 3,298 acres, with an estimated cost of $3,200,000. (Note. Two of these projects—Mt. Tom and Dead Man's Swamp—which total some $1.4 million are within the Silvio O. Conte NWR boundaries but are too far south to be considered within the planning areas of the Administration's "Northern Forest" focus area).

Nulhegan Basin, Vermont (Est. $545,500).—Opportunities exist to protect approximately 421 acres of inholdings within the special focus area (LAPS rank 45). The FWS also estimates that willing sellers of eight of the cabins located in the 26,000 acre acquisition proposed will be identified.

Connecticut River mainstream, Vermont (Est. $375,000).—Within this special focus area, there are opportunities to protect approximately 400 acres of Spruce-fir-tamarack swamp, 100 acres of Cedar swamp, and 300 acres of flood plain forest with sites with good possibilities for restoration (LAPS rank 43).

White River, Vermont (Est. $300,000).—Opportunities exist to protect approximately 400 acres of known and restorable sites in flood plain communities within this special focus area, including flood plain forest, calcareous riverside seeps, river shore sand and gravel, and riverside grasslands (LAPS rank 39).

Connecticut River Macrosite, Vermont (Est. $20,000).—This special focus area includes an estimated 40 acres of riverside outcrops and grasslands which support populations of the federally endangered Jesup's milk vetch (LAPS rank 38).

Williams River, Vermont (Est.$15,000).—Approximately 50 acres of marsh have been identified for protection in this special focus area (LAPS rank 37).

West River, Vermont (Est. $537,500).—There are several acquisition opportunities within this special focus area. Approximately 100 acres of wetlands and associated upland buffer have been identified that support the federally endangered northeastern bulrush. Another 50 acres of flood plain and cobble shores are suitable for restoration. An additional 900 acres of dry oak forests, red pine forests, and pitch pine-oak-heath rocky summit communities could also be protected (LAPS rank 35).

Mt. Tom, Massachusetts (Est. $352,000).—The special focus area hosts 32 species rare in the watershed, including 18 rare plants, seven rare amphibians and reptiles, three rare invertebrates and four rare bird species. Development pressures are real and increasing. A coalition of local groups is working on a permanent protection initiative. The Refuge contribution to this would be purchase of a conservation easement on a 252 acre parcel (LAPS rank 24).

Dead Mans Swamp, Connecticut (Est. $1,055,000).—This special focus area in Cromwell, Connecticut, consists of freshwater marsh, flood plain forest and an accreting sand spit along the river. Many species of wading birds and waterfowl use the marsh while the flood plain forest provides migratory bird stopover and nesting habitat. Several rare bird species including the sora rail, black rail, least bittern, American bittern, piedbilled grebe, and yellow-breasted chat have been found at this site. The accreting spit hosts over ⅓ of the adults of the Connecticut meta-population of Puritan tiger beetles, a federally threatened species. The three priority par-

cels contain approximately 285 acres. The FWS is already assisting one nearby landowner with a habitat enhancement project (LAPS rank 10a).

Question. On April 9, 1999, the Fish and Wildlife Service released the draft Indiana Bat Revised Recovery Plan for comment. After the comment period is closed, how long does the FWS expect before a final Revised Recovery Plan is released?

Answer. The time to complete the recovery plan is largely dependent on the number and significance of comments received, if a public hearing is requested, and the extent of changes that the recovery team will need to make to the plan. Since the comment period is still open, the FWS can not accurately predict how long this process will take. However, a reasonable estimate would be 12 to 24 months after the close of the comment period on June 8, 1999.

Question. The Department requested a $2 million increase for the Partners for Wildlife Program in fiscal year 2000. How will the Fish and Wildlife Service distribute this increase if it is included? Will the Fish and Wildlife Service give any preference for those areas that do not have a large refuge land presence and instead rely on the conservation of private lands for habitat restoration? What is the current allocation of Partners for Wildlife funding?

Answer. For fiscal year 2000, the FWS has requested an additional $2,047,000 for the Partners for Fish and Wildlife Program to increase the number and quality of habitat restoration projects for migratory birds, anadromous and inter-jurisdictional fish, threatened and endangered species, and other federal trust species. A portion of these funds is targeted to three geographically-based, cross-program initiatives: Mississippi River Basin Partnership ($370,000); the High Plains Partnership ($400,000); and the Restoring Habitat and Passage for Native Fish ($525,000). These funds will be distributed as follows:

—Mississippi River Basin Partnership: Allocations will be distributed based on (1) information received from the Regions on project opportunities in high priority ecosystems within the Basin, and (2) the Regions' capabilities (i.e., past accomplishments, waiting list, and partnerships) to implement projects in a timely manner.

—High Plains Partnership: The FWS assumes that projects will be implemented in all 10 High Plains States (MT, ND, SD, WY, NE, KS, CO, NM, OK, and TX). The amounts allocated will be based on (1) information received from the Regions regarding resource (species and habitat) priorities within the High Plains and project opportunities available to address those priorities, and (2) the Regions' capabilities (i.e., past accomplishments, waiting list, and partnerships) to implement projects in a timely manner.

—Restoring Habitat and Passage for Native Fish: In planning this fiscal year 2000 budget initiative, the FWS ranked proposed projects on the following selection criteria: ability to result in measurable on-the-ground results, cost-effectiveness, cross-program coordination, prompt implementation and completion, partnerships (i.e., financial and technical), and the interdisciplinary approach to habitat restoration and watershed health. The projects that were selected are: Blitzen River (OR), Arkansas-Red Rivers Watershed (OK, KS, TX), Western Lake Erie Wetlands (OH), Tar-Neuse-Roanoke Ecosystem (NC, SC, GA), Lamprey river (NH), Upper Columbia River Basin (MT, WY), and Chester Creek (AK). The Partners for Fish and Wildlife Program will support the following projects: Blitzen River ($168,000); Arkansas-Red Rivers Watershed ($84,000); Western Lake Erie ($113,000); and Upper Columbia River Basin ($160,000).

The FWS also requests an additional $1,008,000 to accommodate the backlog of landowners waiting to participate in the Partners for Fish and Wildlife Program. Of this general increase, $1 million will be allocated to Regions based on their capabilities (i.e., past accomplishments), commitment (i.e., waiting list and partnerships), and need (i.e., high priority habitats with restoration potential). The remaining $8,000 will be used in Region 1 for the removal of barriers to fish passage in support of the President's Pacific Northwest Forest Plan.

No specific preference is given to areas with or without a high refuge land presence. Rather funding is allocated based on several factors, including federal trust species needs and priorities; the ability to provide ecologically-sound, cost-effective, and demonstrable benefits on the ground; and partnership involvement.

A following table shows the fiscal year 1999 allocations made by the Partners for Fish and Wildlife Program.

	Region						
	1	2	3	4	5	6	7
Technical Assistance	$441,000	$264,000	$965,000	$811,000	$411,000	$812,000	$10,000
Habitat Restoration	1,513,000	1,193,000	2,860,732	2,180,000	1,351,000	2,571,500	159,000
Private Landowner Assist.	21,800	17,200	41,000	31,300	19,400	37,100	2,200
Fishery Habitat Restoration	57,600	45,500	108,800	82,800	51,300	98,100	5,900
Clean Water/Watershed	388,000	388,000	388,000	388,000	388,000	388,000	312,000
WA State Ecosystem	1,483,000	.....	.....	.....	.....	.....	.....
Klamath River	1,225,000	.....	.....	.....	.....	.....	.....
WA Salmon Enhancement	1,050,000	.....	.....	.....	.....	.....	.....
Nevada Biodiversity	1,000,000	.....	.....	.....	.....	.....	.....
Hawaii ESA Conservation	250,000	.....	.....	.....	.....	.....	.....
Vermont Partners	.....	.....	.....	.....	150,000	.....	.....
Alligator Snapping Turtle	.....	.....	.....	100,000	.....	.....	.....
Missouri Chutes/Sandhills	.....	.....	.....	.....	.....	64,000	.....
Totals	7,429,400	1,907,700	4,363,532	3,593,100	2,370,700	3,970,700	489,100

Question. The Fish and Wildlife Service requested a $135,000 increase for the operations budget of the Silvio O. Conte National Wildlife Refuge to implement wildlife and habitat surveys. Given the public interest and sheer size of the land acquisition, there will be a high expectation for a Fish and Wildlife Service presence and management of the land. In addition, with the large number of inholdings and roads throughout the area, safety will be a concern. Will $135,000 be adequate to manage the 26,000 acres of land when the Fish and Wildlife Service takes ownership this year?

Answer. Yes. In addition to the requested $135,000 operational increase, the station has committed $50,000 of its base funds for operation of the Nulhegan Basin Division of the Silvio O. Conte NFWR. Additional funds will be available from the FWS's TEA 21 highway program and refuge maintenance program. These funds would allow initiation of inventory and planning programs and provide for administration of the funds allocated for road and bridge maintenance.

With the official opening of the Marsh-Billings-Rockefeller National Historical Park, visitor traffic through the Park facilities will significantly increase, exposing the buildings, exhibits, and over 500 pieces of artwork to increase risk from fire. When the Park Service assumed responsibility for these facilities an evaluation of the fire and security systems recommended an immediate upgrade of the fire detection and suppression system. Currently, the only sprinkler system on the property is in the basement of the Billings Mansion. Although the Committee urged the Park Service to address this problem in the fiscal year 1999 Interior appropriations bill, Marsh-Billings did not receive funding for this project out of the fiscal year 1999 repair and rehabilitation budget.

Question. Why was Marsh-Billings not selected for funding and will they receive funding to make these repairs in the fiscal year 2000 budget?

Answer. The fiscal year 1999 and fiscal year 2000 Repair and Rehabilitation program addresses the highest priority health and safety projects identified and ranked as part of the Department's Five Year Plan. While this project has merit, only the highest priority projects were selected for fiscal year 1999 and fiscal year 2000 funding.

QUESTIONS SUBMITTED BY SENATOR HARRY REID

Question. Many of Nevada's rural counties are limited in their ability to fund essential services due to an overwhelming dominance of Federal land ownership and resulting inadequate tax base. Yet, funding for Payment In Lieu of Taxes (PILT) is projected at the same level as 1999. Why was no increase in PILT planned?

Answer. The Administration has consistently submitted what it considers to be good faith budget requests for the PILT program within the constraints imposed by discretionary funding caps. That support is reflected in a funding increase of nearly 25 percent from implementation of the amended PILT Act in 1995 to the present budget request. That level of increase is greater than many of the programs for which the Department is responsible, among them remediation of hazardous waste sites, management of cultural and historic resources on the public lands, and various on-the-ground management improvements.

The proposed fiscal year 2000 budget for PILT is $125 million, the same as the amount agreed to by the House and Senate in passing the Department's 1999 appropriation. In addition to PILT, other program revenues are paid directly to States and counties for their use. Moreover, the Administration is proposing a program to stabilize at a predictable and high level payments to counties and States in which harvest of timber on Federal land takes place. This proposal will complement other cooperative arrangements involving State and local government that are included in the Lands Legacy initiative.

Question. Will PILT be considered as part of the Land Legacy Initiative to offset the impacts of land acquisition by the Federal Government?

Answer. Under the fiscal year 2000 President's budget proposal submitted to the Congress, there was no permanent funding authority included as part of the Land Legacy Initiative for PILT. However, any "entitlement land" acquisitions made by the Federal government pursuant to the Land Legacy Initiative may qualify the affected local units for possible payments or additional payments under PILT.

Question. Last year, the Bureau of Land Management faced a significant workload in order to review existing grazing permits for environmental adequacy. This year, I have heard similar concerns from constituents. Is the agency making progress in reducing the backlog? Will the $2.5 million included in the fiscal year 2000 budget request for the BLM result in elimination of the backlog?

Answer. The backlog in renewing grazing permits or leases is 4,120. By the end of March 1999, the BLM has completed required reviews on 1,244 permits and leases. The rate of completion is accelerating as the Field Office staffs are now fully engaged in this priority work; we expect the rate of completion to continue to increase throughout fiscal year 1999. The workload in permit renewal reviews for fiscal year 2000 is 2,241.

The proposed increase of $2.5 million in the fiscal year 2000 President's Budget, when combined with existing BLM resources, will provide sufficient resources to compile the data necessary to complete the environmental reviews of the balance of permits expiring in fiscal year 1999 and those expiring in fiscal year 2000. The BLM expects to have the backlog completed by the end of the fiscal year 2000 and be able to keep pace with expiring permits in 2001 and beyond.

Great Basin National Park continues to suffer from inadequate employee housing, and the temporary solution of renting room from a local truck-stop/casino has been unsatisfactory for all involved. I understand some funding targeted for the construction of replacement housing at the park has been held up pending completion of a Servicewide housing needs assessment.

Question. When will this assessment be completed and funds made available to Great Basin National Park?

Answer. The Needs Assessment contract identified a need for housing 16 seasonal employees, supporting at least the need to replace existing NPS trailers with housing for up to 8 seasonal employees. If the Park were also no longer to lease additional units from the private sector (an alternative not yet decided upon), then the need for housing would be increased to accommodate all 16 seasonal employees as identified by the contracted study.

However, the NPS is still completing additional Congressional requirements prior to resuming the trailer replacement construction program. As indicated to the House Appropriations Subcommittee, the NPS will complete its Servicewide Housing Needs Assessment and report back to both the House and Senate Committees before resuming any housing construction. The report is anticipated by July of this year.

Great Basin NP is scheduled to begin planning to replace the NPS trailers with previously appropriated housing funds, after approval from the Appropriations Committees is obtained. Once this design is completed, and final prioritization of all Service-wide trailer replacement projects is determined, construction funds would then be made available. Prior to any on-site construction, the NPS will explore all feasible alternatives, and will select the appropriate mix of housing for the seasonal employee needs of the park.

Question. Can I anticipate funding adequate to meet the needs of the Park?

Answer. The current proposed project at Great Basin National Park is for the replacement of 4 NPS trailers for 8 seasonal employees, consistent with the findings of the contracted Housing Needs Assessment. Dependent upon Servicewide priority and funding availability, this project may be scheduled for funding in fiscal year 2000.

The proposed funding for trailer replacement from the housing initiative may not meet the total housing needs of the park as it does not take into consideration the units which the park is currently leasing from the private sector. If the NPS were to discontinue its current leasing practice, the potential need increases to 16 seasonalemployee bedrooms.

Question. Over 50 percent of the proposed increase for funding in the Wild Horse and Burro program ($600,000 out of a total proposed increase of just under $1.1 million) is targeted for burro management in the California desert. Assuming that the increased funding request must also cover increases in fixed costs, what sort of progress can I expect toward meeting program goals in Nevada, which supports the greatest population of wild horses?

Answer. BLM continues to focus on the Wild Horse and Burro (WH&B) program in Nevada. Over 46 percent of the total animals to be removed in fiscal year 1999 will come from Nevada. Over 32 percent (approximately $5,000,000) of the available funds are being spent directly and indirectly to support Nevada's WH&B program. BLM will continue to place emphasis on the Nevada WH&B program now and in the future.

Nevada BLM continues to make progress evaluating Herd Management Areas (HMA) and issuing decisions establishing Appropriate Management Levels (AML). Nevada BLM plans to establish AML through monitoring and evaluation on all HMAs by fiscal year 2001, thereby enabling BLM to remove excess animals from all HMAs. Another area of emphasis that BLM initiated in fiscal year 1999 and will continue into fiscal year 2000 is the broad based field studies of the immuno-contraceptive vaccine. BLM vaccinated 761 mares this past winter with the one shot vac-

cine that prevents the mares from foaling for one year. In fiscal year 2000, BLM will concentrate broad based field studies of the immuno-contraceptive vaccine in Nevada by vaccinating 1,500 to 2,000 mares. BLM anticipates that the one shot, two year vaccine will be available for these field studies. Wide-spread application will be dependent on available fiscal year 2000 funding.

Despite the emphasis BLM is placing in Nevada on establishing AML, use of immuno-contraceptive vaccine, and population control through removals the effort is inadequate at reducing the populations. In fact, at the current recruitment rate, removal rate, and adoption rate, the number of HMAs that are at AML will decrease as populations increase on the range. Though faced with significant challenges in Nevada, BLM is optimistic about the potential of immuno-contraception as a mechanism for helping to control wild horse populations and reach Appropriate Management Level in the long term.

Question. Appropriations language for fiscal year 1999 for the Bureau of Land Management directed $50,000 for the protection of the Sloan Petroglyphs in BLM's Las Vegas District. What progress has been made by the BLM in protecting these resources?

Answer. Under contract with the Harry Reid Center at the University of Nevada-Las Vegas, the BLM has recorded all rock art images at the Sloan Petroglyphs site. This two-phase inventory effort resulted in the meticulous recordation and mapping of over 1,700 rock art images, which now constitutes the largest and most detailed petroglyph site record in Nevada. BLM has also entered into a site stewardship agreement with the Harry Reid Center for the monitoring by volunteers of the Sloan Canyon area. In addition, the BLM has initiated regular weekend patrols of the canyon by BLM Law Enforcement Rangers. The BLM's Las Vegas Field Office is now preparing a contract for the development of a Cultural Resource Management Plan to guide development of on-site and off-site management prescriptions for Sloan Canyon. These plans will be compatible with the Wilderness Study Area Interim Management Plan guidelines that currently exist for this area. The contract will be awarded later this summer, and work is scheduled to be completed in fiscal year 2000.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

MANDAN ON-A-SLANT AND LEWIS AND CLARK

This leads to the question of how the Park Service and others are planning to tell the story of a critical part of the success of the Lewis and Clark voyage—the role of Native Americans.

Question. What steps are you taking to ensure participation of Native Americans in Lewis and Clark activities, including interpretation of the voyage from the native viewpoint?

Answer. The National Park Service has an on going dialogue with Native American Indian Tribes regarding the Lewis and Clark National Historic Trail and the telling of the interpretive story relating to the trail. Specifically, the NPS is leading a Department of the Interior initiative to conduct government to government "listening sessions" with all Native American Indian Tribes associated with the Lewis and Clark National Historic Trail. These meetings are intended to provide the NPS with specific input from Native American Indian Tribes regarding the telling of the Lewis and Clark story.

The Three Affiliated Tribes of Ft. Berthold (Mandan, Hidatsa and Arikara) have a museum on their reservation.

Question. What kinds of assistance would be available to ensure that this facility is ready for Lewis and Clark activities?

Answer. The NPS entered into a Cooperative Agreement with the Three Affiliated Tribes in 1998 to begin a planning process for the Lewis and Clark Bicentennial. Through the Challenge Cost Share program, the NPS provided the Three Affiliated Tribes with funding for basic planning. The NPS will continue to provide assistance to the Three Affiliated Tribes for Lewis and Clark projects through the Challenge Cost Share program as Lewis and Clark related projects are developed and proposed.

LEWIS AND CLARK NATIONAL HISTORIC TRAIL

The fiscal year 2000 budget request for the National Historic Trails program includes $1.174 million for the Lewis and Clark National Historic Trail—an increase of $300,000 over fiscal year 1999. North Dakota received a portion of these funds. These funds would augment existing agreements by which sites along with the

Lewis and Clark route are operated, to ensure that additional staff for coordination of bicentennial activities, media liaison, and technical assistance to federal, state, local, and private interests.

I can't stress strongly enough the importance of these partnership agreements—especially their continuation and enhanced funding. Again, these are relatively small dollar activities which provide great leverage in obtaining state, local, and private funds.

Question. Can you provide me with a breakout of how these additional funds would be specifically used if appropriated by Congress?

Answer. A portion of the additional $300,000 for fiscal year 2000 will be used for partnership agreements ($140,000). Funding the greatest number of requests possible will require that the available funds be distributed proportionately to ensure the best and widest use of the funds. The remainder of the additional request for fiscal year 2000 ($160,000) will be used to support two positions for planning and technical assistance. These funds will enable us to provide technical assistance to Federal, state, and other interests that are developing major visitor and interpretive facilities and programs focusing on the expedition.

Question. What activities are planned for North Dakota sites with these added funds?

Answer. In North Dakota, the three affiliated tribes were instrumental in the success of the Lewis and Clark expedition. In recent meetings with American Indians in the Pacific Northwest, Intermountain Area and Great Plains (at New Town, North Dakota), it was found that assistance is needed in developing their existing and proposed cultural heritage centers, museums, and interpretive programs. In part, the requested technical assistance positions will be used to assist American Indian endeavors in North Dakota, as elsewhere.

A request was made of the Associate Regional Director of Cultural Resource Stewardship and Partnerships in the Midwest Region earlier this year to increase the funding level of the North Dakota Lewis and Clark Bicentennial to $70,000 per year from $35,000.

Question. Can you tell us the status of that request?

Answer. NPS has been able to partially meet the request. A cooperative agreement modification with the North Dakota Lewis and Clark Bicentennial Foundation dated February, 1999, obligates $35,000 for general support (public outreach, resource monitoring, volunteer support); plus $22,000 for two challenge cost-share projects to develop a living history program at Fort Mandan and develop four interpretive displays on Lewis and Clark animals at the zoo in Bismarck.

LEWIS AND CLARK BICENTENNIAL PROJECT

Three of the ten sites in the NPS Bicentennial project are in North Dakota and are slated for budget increases in the fiscal year 2000 budget:

Fort Union Trading Post	$84,000
Knife River Indian Village	97,000
Theodore Roosevelt National Park	135,000

These additional funds respond to expected and actual increases in visitation (it's already up 45 percent at Knife River over the previous year), increased maintenance needs (many buildings at Fort Union need work), and the need for more staff and interpretation and planning. Apparently, the bulk of the increase indicated for Theodore Roosevelt National Park ($115,000 of the $135,000), however, is intended to pay for the position of a Lewis and Clark coordinator who most likely will not even be located in North Dakota.

Question. Is this accurate?

Answer. Yes. This position will primarily be a liaison to Federal, State, tribal, and local partners, and needs to be located near good air transportation access to many points along the Trail. It may also play a key role in carrying out the NPS plans to conduct the Corps of Discovery II for the Bicentennial.

The Corps of Discovery II is a traveling classroom/exhibit that will travel across the country following the Lewis and Clark journals. It will be a combination of mobile museum exhibits and live interpretations. In addition, Internet sites, distance learning technologies, and onsite research will be used to tell the story of the expedition. This will all be accomplished in partnership with other Federal and State agencies and with local communities and Native American groups.

Question. If so, do you know at this time where this individual will be located?

Answer. The Lewis and Clark bicentennial project will staff a coordinator/liaison person for the entire bicentennial project, and there will be a superintendent of the Corps of Discovery II Project. The coordinator/liaison position will most likely be lo-

cated in Omaha. At this time, the NPS is not sure where the superintendent of the Corps of Discovery will be located.

With the importance of the pending Lewis and Clark Bicentennial Commemoration, and the need to have the current staff located more centrally on the Lewis and Clark Trail, the Midwest Region has split out the Lewis and Clark Trail Office from the Ice Age Trail Office located in Madison, Wisconsin and co-located it with our central office in Omaha. The Omaha location is central along the Lewis and Clark Route stretching from Washington D.C. to the Oregon/Washington Coast. It was economically the least expensive means of providing administrative and technical support to the office; offers good airline accessibility as well as proximity to large population areas from Sioux City to Kansas City.

At present we are formulating how best to address the needs of trail management and preparing for a major interpretive effort in the proposed Corps of Discovery II, 200 Years to the Future. The location of the coordinator has not been determined. It is, however, anticipated that this individual will travel extensively addressing Trail issues from coast to coast along the entire Lewis and Clark Route.

LEAFY SPURGE AT THEODORE ROOSEVELT NATIONAL PARK

At the same time, a real and urgent need exists at Teddy Roosevelt—the need to combat the exotic, non-native and invasive plant known as leafy spurge. The Department understands the need for funds to combat this plant. I understand that you originally requested $285,000 for this purpose but that you ultimately lost this battle. In response to a question for the record from last year's hearing before this subcommittee, you indicated the unmet funding need of $275,000 for this same purpose. Leafy spurge was introduced to the North Great Plains in the early part of this century. It is discovered in the Theodore Roosevelt National Park in 1968 and, by 1970, covered 32 acres. Left unchecked, leafy spurge doubles its coverage every ten years. Today it has spread to more than 4,000 acres—over 10 percent—of the south unit of the park. Park employees have heroically combated this plant on an ad hoc basis using the few funds the director and others are able to scrape together from savings in other area. But they need a strong and effective federal response to stop the spread of this plant, which is devouring habitat for the bison, elk, wild horses, and other large animals in the park.

Question. Are there not additional resources you can find to combat this invasive and destructive plant?

Answer. The park continues to dedicate resources to this effort within available funds. Given funding constraints, a park base operating increase is not being requested for this effort, though the park is taking advantage of a partnership with the Department of Agriculture in its five year effort to fight leafy spurge within the entire Little Missouri River watershed.

Question. Will you work with me and this subcommittee to identify some added resources, which we could use to fight this battle?

Answer. Issues such as the invasive species problems at Theodore Roosevelt National Parks and other parks in the system are part of the genesis behind the Service's Natural Resource Initiative, as presented in the fiscal year 2000 President's Request. All resource issues in the NPS would not be solved immediately as a result of this initiative, but rather be addressed over time as budgetary allowances and priorities dictate. We continue to explore all possibilities. For example, in fiscal year 1997, the U.S. Congress provided a total of $4.8 million over five years to the U.S. Department of Agriculture, Agricultural Research Service in Sydney, Montana to fight leafy spurge within the entire Little Missouri River Watershed that covers a four state area. Theodore Roosevelt National Park is one of many partners in the team that is attacking leafy spurge on a coordinated, biologically-based Integrated Pest Management Program. Some of these funds are going directly to the park to help their efforts. It is important to attack exotic species on an areawide effort, as the one described above. We are extremely interested in developing more partnerships between Departments and other agencies if this could be useful in addressing the problem.

FISH AND WILDLIFE SERVICE—EASEMENTS

The U.S. Fish and Wildlife Service has for many years actively pursued the purchase of wetlands easements within the State of North Dakota. During this time, there has been a continuing frustration with the lack of flexibility that wetlands easements offered. Most recently, there have been lawsuits filed in the state by producers who had easements on their land. The result of these lawsuits established that the FWS had overextended its interpretation of its easement authority.

Question. What is the USFWS currently doing to develop a more flexible policy on wetlands easement purchases?

Answer. The FWS is complying with the court order to map all North Dakota wetland easements upon request of the landowner, as well as any wetland easement where there is a potential easement violation.

Question. Will you have adequate funding to meet these needs?

Answer. The FWS is using available funds to respond to the court order. The amount available for mapping wetland easements has resulted in an extensive backlog of landowner requests and an inability to adequately respond to their needs. The FWS is attempting to prioritize these requests to the greatest extent possible.

FISH AND WILDLIFE SERVICE—BIRDING GUIDE

The Fish and Wildlife Service continues to develop its refuge resources in ND making it one of the pre-eminent wildlife areas in the country. North Dakota is also one of the nation's top birding states. The fiscal year 1999 Interior Appropriations bill authorized the Service to create a Birding Guide to North Dakota.

Question. What is status of the creation of this guide?

Answer. The FWS's Bismarck, ND office is working with your staff to determine exactly what type of guide is most appropriate. The existing "North Dakota Wildlife Viewing Guide" is being reviewed for potential updating and reprinting. The FWS has worked with the State and others to put the guide together and make distribution throughout the state.

Question. What are the FWS's plans to use the guide to help promote ND's refuge system?

Answer. Additional copies of the existing "North Dakota Wildlife Viewing Guide" as revised will be provided to all North Dakota refuges as well as appropriate visitor centers and contact points throughout the State. This should provide birding information about North Dakota refuges to the visiting public and therefore promote the Refuge System.

PAYMENTS IN LIEU OF TAXES

For many years, there has been a growing concern about the PILT funds which various local entities receive from the Federal government. I have strongly supported increasing those payments.

Question. What is the percentage of payment in North Dakota in relationship to the actual taxes that would have been paid on that land?

Answer. The fiscal year 1998 PILT payment to counties in North Dakota totaled approximately $594,359. The BLM does not collect data or make estimates on the level of property taxes that would have been collected on these lands if they were not in Federal ownership.

Question. What is your plan for future budget requests?

Answer. The Department of the Interior fully understands that PILT payments are an important source of income for many counties, as are other revenue sharing programs. However, an increase for PILT was not included in the President's fiscal year 2000 budget request, and the Department would not support additional funding for PILT at the expense of BLM operating funds or other Administration priorities. Increased funding for BLM operations supports programs that provide significant services, resources, and tangible benefits to the public. Federal payments to counties and States supplement those benefits in supporting the health of local economies. The Administration will continue to submit budget requests that promote resources and services derived from the public lands, and will likewise continue to support the PILT program.

TRIBALLY CONTROLLED COMMUNITY COLLEGES

I want to commend you and the Administration for the increase that has been recommended for the Tribally Controlled Community Colleges. As you are well aware, the colleges depend on funding from the BIA for their core operations which is crucial to maintaining accreditation. I am convinced that education is the key to improving living conditions and providing employment opportunities on our reservations, and I have personally witnessed how the tribal colleges have literally turned around the lives of many of the students. I appreciate the support and recognition of the Administration for the Tribal Colleges and I hope the Subcommittee can meet the level you have suggested.

Mr. Secretary, you may recall that in this Subcommittee's fiscal year 1999 report, we requested that you review the current needs of all major post-secondary schools serving primarily American Indian students and recommend plans for improving their facilities. We had also asked that the review include cost estimates and a rea-

sonable federal share for meeting these costs for tribally controlled community colleges and other vocational and art education institutions. Just from my own personal experience, I know that the facilities' needs at the tribal colleges are great, and it is extremely important that your report include a substantive and comprehensive analysis that can be used as the basis for developing a strategy for funding these facilities nationwide.

Question. Can you provide the Subcommittee with a status report on the review we requested? I urge you to submit the review as soon as possible so that we can consider it as part of the fiscal year 2000 budget deliberations.

Answer. The Bureau's Facilities Management and Construction Center (FMCC) and the Office of Indian Education Programs are developing a survey instrument to obtain cost estimates for the facilities construction needs for each of the TCCCs, the Crownpoint Vocational Technical Institute, and the United Tribes Technical College. The survey is expected to be sent to the institutions by the end of June, 1999, with final responses received by August. At this time, FMCC will formalize the data and submit a report to the Committees on its findings.

BIA SCHOOL CONSTRUCTION

I am certain you would agree with me that our first priority on school replacement should be addressing the needs of the schools that need help the most, regardless of the financial wherewithal of the tribe.

Question. Are you and the Department committed to working with me and the Congress to arrive at a funding mechanism—whether it be through bonds or otherwise—to fully meet the repair and replacement needs of our most derelict schools?

Answer. The Department is committed to working with you and the Committee to reach a resolve to remedy the repair and improvement needs of the schools in Indian Country so that our Indian students do not have to attend schools or other educational facilities with conditions rivaling those found in Third World countries.

Question. If Congress and the Administration are ultimately unable to develop a workable bonding initiative for BIA-funded schools—and I am not assuming that this will be the case—is it the Administration's intention that the $30 million included in your budget for defeasing the principle on bonds should be used to otherwise repair and replace BIA schools?

Answer. In the event that the Bonding Initiative was not enacted but the $30 million was appropriated, these discretionary funds could be utilized for high priority Bureau School Replacement construction and FI&R projects.

Question. The Administration's fiscal year 2000 budget request actually recommends a decrease in the line-item for repair (Facilities Improvement and Repair) of BIA schools from $40 million in fiscal year 1999 to $36 million in fiscal year 2000. Given the $754 million repair backlog why did you propose a decrease in this area?

Answer. The Bureau's fiscal year 2000 request for education construction funding is the highest since 1992. Quite often, replacing a school is a more cost effective measure than FI&R. The replacement of the Seba Dalkai and Fond du Lac schools will produce a reduction in the maintenance backlog, because those costs are foregone by replacement.

Also, the $30 million requested in the President's Budget for the bonding initiative would result in a significant reduction in the maintenance backlog overall. Current budgetary limitations on appropriations preclude a major infusion of funds due to the existing and competing overwhelming needs and requirements on a Bureau-wide basis. Ideally, if new construction is possible to reduce the backlog, it will have a corresponding reduction on FI&R needs.

Question. The March 29, 1999 Federal Register request that BIA-funded schools needing to be replaced submit an application by July 16 in order to be placed on a new priority ranking list. How many schools does the BIA plan to place on this new priority list? Will all schools needing replacement be placed on this list? Will you be sending to Congress a specific plan for funding the constructio n projects placed on this new list?

Answer. The Bureau plans on adding approximately 15 schools to the existing list of 4 unfunded replacement schools. This will result in the publication in the Federal Register of a fiscal year 2000 priority list consisting of 19 schools; this plan assumes full funding for Seba Dalkai School and Fond du Lac School as requested in the Administration's fiscal year 2000 budget.

All schools needing replacement will not be placed on the priority list that will be published in the Federal Register. The primary reason is that the physical condition of buildings, demographic and enrollment conditions at schools are likely to change while awaiting appropriations for the 19 schools planned for inclusion on the list. Because of these changing conditions, the Bureau feels schools not on the list

should be given the opportunity to re-compete based on the conditions of the schools at the time new applications are re-solicited by the Bureau. The Bureau plans on providing the Congress with the prioritized list of all schools needing replacement. This list, however, will not constitute the Bureau's official list for funding purposes; the list published in the Federal Register will serve this purpose.

The schools on the published priority list will be included in the Bureau's Five-Year Deferred Maintenance Plan. All 19 schools on the list may or may not be included in the Five-Year Plan; inclusion will depend on anticipated out-year funding levels for education facilities construction.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. I am pleased to see that the Department's budget includes $36 million to acquire over 437,000 acres of inholdings in the California Desert. Can you comment on the importance of this acquisition, and why the funding should be appropriated this year?

Answer. The Wilderness Conservancy, utilizing private funds, will contribute a total of $25.5 million ($20.5 million in cash and $5.0 million in donated land) to be matched by $36.0 million from the Land and Water Conservation Fund, requested by the President in the fiscal year 2000 budget request. In total, 487,000 acres of land in the California Desert will be transferred to the BLM and NPS for protection and management. The urgency of this request rests in the increasing pressures that jeopardize the integrity of the resources of this unique region, some of which is critical habitat for threatened and endangered species. There is concern that the proximity of certain in-holdings to rapidly expanding rural/semi-urban areas will result in further residential development, which is already occurring at a rapid pace in the Desert. Further, mineral development on many of the inholdings is on the rise, particularly where plans of operation exist and determinations for operations are favorable to the claimant. In both cases, road development to access private lands in support of these operations increases the threat to the Desert's natural and biological resources.

The Wildlands Conservancy will donate to the National Park Service the former Catellus lands it acquired at Joshua Tree National Park. As part of the Department's $36.0 million budget request for the California Desert, the NPS fiscal year 2000 budget request for land acquisition includes $7.1 million to acquire the 86,425 acres of Catellus property located in Mojave National Preserve. BLM requests $28.9 million in its budget.

The willingness of the Catellus Corporation to sell its inholdings at the low rate negotiated by the Wildlands Conservancy and the Department is based on the timely appropriation of the entire $36.0 million requested in the President's budget. Postponement or delay of that appropriation could jeopardize the current agreementwith Catellus.

Question. The Lands Legacy Initiative proposes funding for many worthy programs, but I have heard concerns that the Administration is proposing funding for activities not authorized by the Land and Water Conservation Fund Act of 1965. Why has the Administration proposed splitting up the LWCF amon g so many different programs?

Answer. The President's budget recognizes that several existing authorized programs in the Departments of the Interior, Agriculture, and Commerce serve conservation purposes similar in nature to those currently funded out of the Land and Water Conservation Fund, and proposes to fund them out of OCS receipts deposited to the Fund. Moreover, the Administration's view is that the expertise of these agencies should be brought to bear to achieve the initiative's objectives.

Accordingly, increased funding is provided for Interior, Agriculture, and NOAA, in addition to existing programs in a variety of other agencies. Together these programs provide a variety of tools that could be applied to the individual resource issues.

A bill that I am sponsoring, as well as bills that Senator Landrieu and Senator Boxer are sponsoring, would provide significant new resources for the Urban Park and Recreation Recovery (UPARR) Program.

Question. Given the broad bipartisan support for reviving the UPARR program, why has the Administration chosen to request only $4 million for the program?

Answer. It was envisioned that $4 million would stimulate resurgence in the updating and refocusing of urban park and recreation Recovery Action Programs (RAP) to identify open space and outdoor recreational opportunities. Information derived from the RAPs, plus the quantity and quality of the rehabilitation grant applications, may provide better justification for potential future funding.

Question. What is the status of the Headwaters management plan? When will the Bureau of Land Management begin the planning process, and when will the process be completed?

Answer. Since the acquisition of the Headwaters Forest, the public expectations and interest in the area have been high. The BLM has redirected funding to implement interim management guidelines and to provide for limited public access (immediate on-the-ground needs, such as access, barriers, and parking facilities) during the summer of 1999.

BLM and the State of California will initiate a cooperative long-term management planning process in October 1999. This cooperative effort will include Federal, state, and local governments along with a broad spectrum of public interest groups. The management plan will be subject to formal review procedures, including public meetings, pursuant to the National Environmental Policy Act and the California Environmental Quality Act and is expected to be completed in 2001.

Question. BLM has announced that it will co-manage Headwaters with the State of California. How will this be coordinated?

Answer. The BLM and the State of California have signed a Memorandum of Understanding to guide the future planning and management of the Headwaters Forest Reserve. The MOU assigns the BLM as the designated Federal manager of the Reserve and assigns the California Department of Fish and Game as the designated State lead for the Reserve. Together, both agencies will manage the Headwaters Forest for fish and wildlife habitat and other ecological values on a partnership basis on behalf of the citizens of the United States.

Question. What is the status of the Pacific Lumber timber harvest plans that were grandfathered into Headwaters agreement? What is your understanding of the State's view on these THPs, and when will Pacific Lumber be able to implement these timber harvest plans?

Answer. BLM's understanding is that the State of California's Department of Forestry and Fire Protection is working with the U.S. Fish and Wildlife Service, the State of California Department of Fish and Game, the National Marine Fisheries Service, and Pacific Lumber on this issue. The State of California's Department of Forestry and Fire Protection is responsible for approving THPs on private lands. BLM is not involved in this issue and therefore is unable to provide additional information on the matter.

Question. What are your plans to overhaul the records management system for Indian trust accounts?

Answer. The plaintiffs in the Cobell v. Babbitt have requested that we produce all records (title reports, leases, probate orders, etc.) related to their individual trust accounts, including those of their predecessors dating to the original trust patents issued in the late 1800's. Judge Lamberth ruled Secretaries Babbitt and Rubin and the Assistant Secretary-Indian Affairs in contempt due to our failure to produce all trust fund documents for five named plaintiffs and their predecessors in interest. The judge assigned a Special Master, Mr. Alan Balaran, to oversee the discovery process and administer document production compliance with court orders and related matters. The costs to produce documents for the five named Plaintiffs and their predecessors in interest based on the Government's definition of predecessor is estimated to be $13 million. The definition of predecessor remains before the Special Master for decision. The Solicitor has advised that the definition advocated by the Plaintiffs would add thousands of individuals to the definition. If Plaintiffs prevail, the costs to produce these documents will increase by tens of millions.

In accordance with the American Indian Trust Fund Management Reform Act of 1994, the Special Trustee is charged with trust fund reform oversight. Mr. Thomas Thompson is currently serving as the Acting Special Trustee while the Administration conducts a search to fill the post permanently. In April 1997, the Special Trustee submitted his "Strategic Plan to Implement the Reforms Required by the American Indian Trust Fund Management Reform Act of 1994". Notwithstanding the Secretary's reservations about certain aspects of the Strategic Plan, the Secretary and the Special Trustee agreed that selected trust system improvements and data clean up efforts in the Strategic Plan should proceed. The approach selected to implement the Secretary's decisions on portions of the Special Trustee's Strategic Plan is centered on 13 major Sub Projects outlined in the Department of the Interior's High Level Implementation Plan. This Plan outlines the comprehensive, coordinated, inter-Bureau effort to correct the many well-documented problems associated with the Department's management of Indian trust funds. Implementation of this Plan will cost $136 million through fiscal year 2000.

Presently, the Office of the Special Trustee and the Bureau of Indian Affairs are developing and implementing two systems—the Trust Funds Accounting System and Trust Assets Account Management System—which will facilitate management

of trust funds and trust land transactions. Records management considerations are being incorporated into the information system development. For example, all existing electronic information systems will have their data and documentation scheduled under the Federal Records Act requirements.

In addition, the Secretary's High Level Implementation Plan contains a Records Management Sub Project to resolve Indian Affairs long standing records management weakness in the Bureau. The scope of the Sub Project includes Indian Affairs records policy, management, storage, access, control and disposition and electronic records-keeping, including imaging technology. The Sub Project was further refined based on a recent study of the Bureau and Office of Special Trustee's (OST) records management activities. The recommendations and actions to be taken to implement each of the recommendations that resulted from the study have been provided to the Subcommittee. While OST has requested $7.4 million in fiscal year 2000 to reform Indian Affairs records management, senior officials from the BIA, OST, and the Department will share in the responsibility of overseeing the reform efforts.

Question. What is BIA doing to compensate the Native Americans whose trust accounts have been lost?

Answer. In November, 1997, the Department submitted its recommendations for settlement of disputed Tribal trust fund accounts to the Congress. The recommendations were based on the Tribal Reconciliation Project, a five-year, $21 million study of Tribal accounts undertaken by Arthur Anderson, LLP under the supervision of the Department. The Department drafted legislation and, after a series of consultation meetings with Tribes, submitted the proposal to the Congress. The Administration's proposal envisioned immediate payment of known errors, a good faith settlement offer to all Tribes with trust accounts that did not accept the good faith settlement offer, and finally, litigation for those circumstances where a settlement could not be reached. It was introduced by Congressman Miller by request on April 30, 1998 (H.R. 3782). A joint hearing of the Senate Indian Affairs Committee and the House Resources Committee was held on the proposal on July 22, 1998. The Inter Tribal Monitoring Association (ITMA) offered its own proposal as well. The 105th Congress ended without the adoption of any Tribal settlement legislation. Departmental officials have met several times this year with ITMA representatives to discuss principles for a new consensus settlement bill. The Department invites active involvement of the Congress in developing Tribal Trust Funds settlement legislation.

The administration of Individual Indian Monies accounts for individual Indians is the subject of the *Cobell* v. *Babbitt et. al.* litigation. While Plaintiffs in this lawsuit contend that they have claims for recovery of "lost" funds and/or for damages for alleged mismanagement of trust lands (or other assets), this lawsuit does not involve a claim for monetary relief. Lawsuits for such claims have yet to be filed.

Question. How does the BIA propose the money from the Class Size Reduction program be distributed?

Answer. The Bureau is working with the Department of Education (Department) on the distribution methodology for the Class Size Reduction program funds. The Department is currently requiring that these funds be distributed to schools based on enrollment and level of poverty. As BIA's 185 schools qualify for the free and reduced lunch program and as high poverty schools the Bureau is working with the Department to re-evaluate its distribution method.. In addition, the Bureau funds many schools with small enrollments due to the isolation and rural conditions where Bureau schools are located. If funds are distributed based on enrollment, the Bureau will have some schools receiving only $900, which is not sufficient to effect a reduction in class size. The Bureau is recommending that the funds be distributed equally to each school. This would result in each school receiving approximately $20,000 which in some locations is sufficient to hire a beginning teacher. The Bureau will continue to work with the Department on this issue.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

UNITED STATES PARK POLICE

As Chairman of the Criminal Justice Oversight Subcommittee of the Senate Judiciary Committee, I believe it is important that Federal law enforcement activities receive appropriate funding and resources. As you know, vital services to Federal, state, and local law enforcement in the D.C. area are provided by the United States Park Police. Some of this assistance, including the essential Park Police Aviation Unit, is provided only by the Park Police.

Question. Do you believe that the Park Police is an important aspect of Federal law enforcement and that its funding needs should be met?

Answer. The NPS strongly supports the important mission of the United States Park Police and believes it to be an important aspect of Federal law enforcement. The Park Police are significantly represented in the President's fiscal year 2000 budget with a proposed operating increase of $2.661 million (excluding pay, pension, and other increased uncontrollable cost requests). This funding will be used to address training and staffing needs, support the Aviation Unit, and provide for communication enhancements. Park Police funding needs are included in the President's budget to the maximum extent possible within available funding allowances after being considered along with other priority NPS needs.

Question. It is my understanding that, since 1996, the Park Police budget requests to the National Park Service have been cut considerably. Are you aware of the extent to which Park Police funding requests have not been approved by the Park Service?

Answer. Since fiscal year 1996, all operational funding for the Park Police has risen by about $15 million (or 26.3 percent), from $57 million in fiscal year 1996 to a requested $72 million in fiscal year 2000. This change represents an 18.5 percent increase in constant dollars over this period. The emphasis the Service places on adequate funding for the Park Police is evidenced by the request in fiscal year 2000: increases in operating funds for the Park Police total almost $4 million, with the Park Police pension fund also slated for a $1.1 million boost.

The NPS, under the fiscal constraints facing all government agencies, has had to weigh Park Police needs against all other requirements. The Park Police funding requests are considered carefully within current funding constraints, and as priorities dictate, as set by the National Leadership Council of the NPS.

Regarding upgrades to the communication system, funding in the fiscal year 2000 Construction and Major Maintenance Appropriation, Special Programs budget activity, has been earmarked to address the initial short-term needs for communications systems of the Park Police—preventative system maintenance, adjustment of telephone line interfaces, training of communications staff, analysis of the radio system, and initial narrowband conversion issues. The requested amount is $255,000 and is a portion of a larger $2.5 million Servicewide request for narrowband conversion.

Question. I understand that the communications system of the Park Police is particularly dated and antiquated. What plans are being made to upgrade the communications system?

Answer. The National Telecommunications and Information Administration (NTIA) has directed the Department of the Interior to convert all of its current VHF frequencies to narrow band equipment, with all equipment to be converted before 2005. A recent study performed by the National Park Service Radio Managers and Office of Information Resource Management staff identified the following short-term USPP needs: improve the system's preventative maintenance; adjust telephone line interfaces and augment and better train communications staff; contract an engineering firm to analyze the radio system; and provide alternatives to correct cited problems including the conversion to narrowband operations and the availability of commercial services and leasing options. The cost of the initial short-term needs has been estimated at $255,000, and is part of the $2,500,000 included in the fiscal year 2000 Construction and Major Maintenance appropriation request.

Long-term needs include implementing the results of the engineering study to include newer "trunking" technology and the increase of technical staff to include the New York and San Francisco Field Offices. The study further recommended installation/implementation of a Computer Aided Dispatch system to (1) improve Park Police response time, (2) allow for the automatic identification of callers, and (3) improve officer location information. The cost to implement the long-term needs is estimated at over $13 million and will be addressed through funding proposals over a number of years.

Question. It appears that some Park Police districts and facilities, such as D–1 and Glen Echo Horsebarn, have particularly antiquated communications apparatus and are difficult to reach at times except through telephone. What is being done to improve the communications equipment for these facilities in particular?

Answer. The NPS is concerned about the need to improve the communications equipment in Park Police districts and facilities system-wide. District One and the Glen Echo Horsebarn are not special cases.

A recent study performed by the National Park Service Radio Managers and Office of Information Resource Management staff identified the following short-term United States Park Police needs: improve the system's preventative maintenance; adjust telephone line interfaces and augment and better train communications staff; contract an engineering firm to analyze the radio system; and provide alternatives

to correct cited problems including the conversion to narrowband operations and the availability of commercial and leasing options. The cost of the initial short-term needs has been estimated at $255,000, which is proposed for funding in fiscal year 2000.

Reliable communications equipment is vital for all law enforcement officers. The U. S. Park Police, along with needs at all NPS sites, will be upgraded to comply with a National Telecommunications and Information Administration (NTIA) mandate which has directed the Department of the Interior to convert all of its current VHF frequencies to narrowband equipment, with all equipment to be converted by 2005.

Long-term needs include implementing the results of the engineering study to include newer "trunking" technology. It was further recommended that a Computer Aided Dispatch (CAD) system be implemented to improve Park Police response time, automatic identification of caller, and improved officer location information. The cost to implement the long-term needs is estimated at over $13 million and will be addressed through funding proposals over a number of years.

The United States Park Police have identified this funding need in the National Park Service's Operation Formulation System (OFS) Program, an official database of unfunded budgetary needs.

Question. I understand that the Park Police has a long-term personnel shortfall and currently employs almost 150 officers less than its authorization of about 700 officers. Do you see this shortfall as a problem and are there any efforts being made to address this issue?

Answer. There is no authorized staffing level. The NPS believes, however, that an on-board strength level of 625 officers is needed. Accordingly, the National Park Service's budget request for fiscal year 2000 includes an increase of $1.861 million which, coupled with $500,000 provided in fiscal year 1999, would establish a base amount dedicated to funding two recruit classes annually. The $2.361 million would be used to cover salary costs for 48 park police cadets per year during their training, travel, lodging expenses, initial uniform, equipment issuance, applicant physicals, background investigations, and incidental costs incurred at the Federal Law Enforcement Training Center, Brunswick Georgia. At the conclusion of training, the new officers will fill existing funded vacancies, and allow attainment of essential staff levels by fiscal year 2001. The funding for the recruit classes would continue to remain available for two more recruit classes every year, as needed.

SUBCOMMITTEE RECESS

Senator GORTON. I thank you very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:35 a.m., Thursday, April 22, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses, the statements and letters of those submitting written testimony are as follows:]

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

PREPARED STATEMENT OF GREGORY E. CONRAD, EXECUTIVE DIRECTOR, INTERSTATE MINING COMPACT COMMISSION

My name is Gregory E. Conrad and I am Executive Director of the Interstate Mining Compact Commission. I appreciate the opportunity to present this statement to the subcommittee regarding the views of the Compact's member states concerning the fiscal year 2000 Budget Request for the Office of Surface Mining (OSM) within the U.S. Department of the Interior. In its proposed budget, OSM is requesting $50.6 million to fund Title V grants to states for the implementation of their regulatory programs and $169.2 million for state Title IV abandoned mine land (AWL) program grants. Our statement will address both of these budgeted items.

The Compact is comprised of 18 eastern and mid-continent states that together produce some 60 percent of the Nation's coal as well as important noncoal minerals. Participation in the Compact is gained through the enactment of legislation by the member states authorizing their entry into the Compact and they are represented by their respective Governors who serve as Commissioners. The Compact's purposes are to advance the protection and restoration of land, water and other resources affected by mining through the encouragement of programs in each of the party states that will achieve comparable results in protecting, conserving and improving the usefulness of natural resources and to assist in achieving and maintaining an efficient, productive and economically viable mining industry.

Over the past several years, the Commission has alerted the subcommittee to an alarming and potentially debilitating trend in Title V grant funding. As you know, these grants support the implementation of state regulatory programs under the Surface Mining Control and Reclamation Act (SMCRA) and as such are essential to the full and effective operation of those programs. Ever since fiscal year 1995, the appropriation for these grants has either decreased or remained stagnant. Once again this year, the Office of Surface Mining has failed to provide any increase for Title V grants, despite the states' projected need for additional moneys to meet actual program expenses.

Each year, OSM requests and receives increases in its budget to meet "uncontrollable costs" (such as workers' compensation, unemployment compensation, retirement costs and pay rate increases) and "fixed overhead costs". In estimating its projected program operating costs, the states face these same annual increases, in addition to increased costs associated with the escalating cost of travel and replacement of equipment (especially vehicles and computers). And yet, for five federal fiscal

years, we have received no increases in the grants that are supposedly intended to support our programs.

All of this finally caught up with the states and OSM in fiscal year 1999. Facing a flat-line appropriation once again, OSM attempted to allocate fiscal year 1999 Title V grant moneys based on a formula that allegedly took into account past program spending (otherwise known as "obligations"). Pursuant to this allocation formula, some states saw reductions in their grant amounts in the 20–30 percent range compared to their estimated needs and to their fiscal year 1998 amounts As a result of those reductions, some states faced mandatory lay-offs of state personnel and others had to deal with another year of being unable to replace worn out vehicles used by inspectors in the field. More specific examples of the impact of reduced grant amounts are as follows:

—"Undoubtedly, we will have to curtail some important activities. What these activities will be is unclear. Do we stop our efforts to make advances in technology? Should we cut back on successful compliance assistance and pollution prevention efforts? Do we maintain a work force that will have fewer vehicles or do we reduce the work force below the program minimums in order to purchase badly needed vehicles? These difficult decisions will be made as prudently and compassionately as possible with the goal of maximizing our environmental responsibilities."

PA Department of Environmental Protection (FY 1999 grant allocation reduced 22.25 percent below state estimate.)

—"With decreased federal support, it is apparent that an acute problem may develop. If federal funding for the coal regulatory program continues at the proposed federal fiscal year 1999 level, by state fiscal year 2001, the Division of Mining and Reclamation will have exhausted its cash balance to less than a three-month operating reserve. The only way to avoid this crisis at the present time would be to expend state funds only to the extent that they are matched by federal funds. At present federal funding levels, this would mean reducing our overall projected program expenses by approximately $700,000 annually. Such a reduction would potentially reverse all of our progress in program development and support to date, and may result in a reduction in staffing of up to 15 FTE. Obviously, such a reduction would be catastrophic to our primacy program."

Ohio Department of Natural Resources (FY 1999 grant allocation reduced 22.4 percent below state estimate.)

—"Salary funding reductions have been made to Bureau of Mines personnel decreasing the estimated time that can be dedicated to working on regulatory issues. Cuts were made to administration and inspection personnel salaries. Personnel will have less time to support the program and all cross training of inspectors has been totally cut. Travel funds have been reduced resulting in fewer opportunities to attend necessary meetings and training sessions. Purchases of some necessary equipment that was scheduled to be replaced during this fiscal year will be delayed. Six computers have failed the Y2K compatibility tests and were scheduled to be replaced or upgraded this year."

Maryland Department of the Environment (FY 1999 grant allocation reduce 31.3 percent below state estimate.)

The examples of the impacts of OSM's fiscal year 1999 Title V grant allocations go on and on. To OSM's credit, the agency has agreed to seek a supplemental appropriation to shore up state grants and we would urge you to approve such a request. As important, however, is the need to reverse the debilitating trend that has resulted in the dire circumstances now facing the states in fiscal year 1999. We therefore urge you to increase the budgeted amount for Title V grants in fiscal year 2000 to $55.4 million, which is what the states have projected their actual needs to be in fiscal year 2000. To the extent that states face anticipated shortfalls in fiscal year 1999 and assuming that a supplemental appropriation for fiscal year 1999 fails, the amount of funding needed for fiscal year 2000 may increase by an additional $1.2 million in order to make the states whole.

It is critical that you understand the basis for the states' estimates of program costs for fiscal year 2000. Those estimates, which are not reflected in OSM's budget justification document but which are attached to this statement, are based on actual projected costs and are not inflated to anticipate a reduction by OSM to achieve budget target levels. The states have been instructed by OSM to provide their best estimates based on anticipated actual program costs. The states provide OSM with two estimates, one at 18 months out which is used to prepare the initial budget proposal and another at 3 months out just prior to submission of the Department's final budget to OMB. These latter numbers are as accurate, credible and realistic as possible and reflect the true program costs and funding needs of the states.

For years now, we have tried to impress upon OSM and your subcommittee the value and importance of these estimates and the necessity of meeting the states' funding needs. In fiscal year 1999, the folly of failing to do so has resulted in significant negative impacts on state regulatory programs. It will require all of the states' fiscal ingenuity and belt-tightening efforts, together with some difficult trade-offs, to manage our programs and resources in such a way that we can achieve the same level of performance that has been expected from us in the past. We are especially concerned about the impacts of this funding crisis on OSM's evaluation of state programs pursuant to federal oversight. How ironic it would be for the states to receive something less than the high marks we have consistently received from OSM due to reduced grant funding.

It is especially frustrating for the states to be faced with this dilemma this fiscal year when OSM has finally heard our pleas about the need to increase Title IV (AML) grants. We obviously support this increase and strongly endorse OSM's plan to continue these increase over the next few years until the AML program is funded at a level commensurate with fee receipts. The states are prepared to deliver the expected benefits and services to our customers under the Title IV AML program in a cost-effective and efficient manner and welcome the new opportunities presented by increased AML funding. The inventory of existing AML problems clearly presents the states with a challenge to direct whatever AML grant moneys are available to the remediation of these remaining problems. The states welcome that challenge and stand ready to proceed expeditiously as moneys continue to be allocated from the Trust Fund.

However, it must be kept in mind that the key to avoiding future AMLs is an effective Title V regulatory program that assures active mining will occur in a controlled and environmentally responsible manner. Adequate Title V grants are the lifeblood of effective state regulatory programs. Should states be unable or unwilling to operate these programs due to funding constraints, the federal government will be faced with the burden of operating regulatory programs at a substantially increased cost. Further, without Title V programs in place, states are unable to access Title IV funds, in spite of OSM's proposed increases. In the final analysis, it behooves everyone—OSM, the Congress and the states—to commit the resources necessary to assure strong and effective state programs that will achieve the purposes and objectives of SMCRA, thereby protecting the environment where active mining operations occur and enhancing the environment through remediation of past problems associated with abandoned mines.

OSM has proposed an amount of $11.6 million for technology development and transfer, which includes improving and expanding the services and technical systems provided to states. We wholeheartedly endorse this commitment by OSM to strengthening and enhancing state programs. In this regard, one of the most successful programs of technical support for the states undertaken by OSM is the development of the Technical Information Processing System (TIPS). TIPS assists the states in making technical decisions associated with permit reviews; performing cumulative hydrologic impact assessments; quantifying potential effects of coal mining; quantifying revegetation success; assisting in the design of AML projects; and preparing environmental assessments and environmental impact statements. This function will be particularly important given several pending issues such as mountaintop removal/valley fills, blasting and subsidence. TIPS will also be critical in the ongoing efforts by the states to develop effective electronic permitting functions. We are hopeful that funding will be available to replace or update the current TIPS workstations, many of which are in dire need of attention.

We also urge the subcommittee to continue its support of OSM funding for states to attend OSM technical training sessions. Given state budget constrains as detailed above, travel to these valuable OSM training sessions is impossible without federal funding. OSM's technical training program is one of the shining stars of the federal program and is an excellent example of how OSM can best support the states in the implementation of their programs. This program is also a stellar example of state/federal cooperation in achieving the goals of SMCRA.

We are also hopeful that OSM, as part of its commitment to technical services, will continue to support funding for the Computer-Assisted Library Search Service, which benefits both the mineral producing states and the public. The system provides searches to yield complete and accurate data in minutes, thereby eliminating the need for staff manually search through volumes of documents. As implementation of SMCRA becomes more and more complex, the need for this service has increased. The states, in particular, have become reliant on the system's ability to assist us with the implementation of our programs and to address the myriad compliance actions that attend enforcement of our programs.

Finally, we urge continued funding for the Small Operators Assistance Program (SOAP). This program is critical to the permitting of remining operations by small operators, especially the costs associated with background water quality assessments, overburden analysis, and probable hydrologic consequences (PHC) predictions. Without financial assistance to undertake these expensive analyses, small operators will be unable to submit quality permit packages for potential remining operations. This will, in turn, result in additional burdens on state and federal AML program funds as remining operations will be unavailable to correct problems that currently are on the AML inventory.

Thank you for the opportunity to submit this statement on OSM's fiscal year 2000 budget request. Should you have any questions or require additional information, please do not hesitate to contact us.

STATES' FISCAL YEAR 2000 TITLE V REGULATORY GRANT REQUESTS (MAY 1998)

State	State request	OSM revised estimate (as listed in OSM's budget justification document)
Alabama	$1,029,275	$929,722
Alaska	178,872	161,571
Arkansas	179,871	162,474
Colorado	1,977,084	1,785,858
Illinois	2,482,102	2,242,030
Indiana	2,098,457	1,895,492
Iowa	164,352	148,456
Kansas	115,481	104,312
Kentucky	13,050,259	11,788,022
Louisiana	187,128	169,029
Maryland	583,986	527,502
Mississippi	132,072	119,298
Missouri	459,947	415,460
Montana	1,035,810	935,625
New Mexico	630,159	569,209
North Dakota	542,130	489,695
Ohio	2,307,000	2,083,864
Oklahoma	999,991	903,271
Pennsylvania	11,365,156	10,265,904
Texas	1,446,392	1,306,495
Utah	1,670,163	1,508,623
Virginia	3,245,664	2,931,739
West Virginia	8,027,870	7,251,405
Wyoming	1,506,671	1,360,944
Totals	55,415,892	50,656,000
Shortfall in state requested funding		4,759,892

PREPARED STATEMENT OF TIMOTHY H. QUINN, ACTING GENERAL MANAGER, METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The Metropolitan Water District of Southern California (Metropolitan) submits the following comments for the record regarding fiscal year (FY) 2000 funding for activities by the Bureau of Land Management (BLM) with regard to its participation in the Department of the Interior's Colorado River Salinity Control Program. The 1984 amendments to the Colorado River Basin Salinity Control Act (Act), direct the Secretary of the Interior to develop a comprehensive program to minimize salt contributions to the Colorado River from federally owned lands administered by the BLM.

Metropolitan is a wholesale water supplier responsible for meeting the supplemental needs of the 16 million residents and the associated economy within its service area on the coastal plain of Southern California. The Colorado River continues to meet more than one-half of these supplemental water needs, and Metropolitan is vitally concerned that the quality of this irreplaceable water supply be maintained.

Metropolitan requests that Congress allocate $5.2 million of the Management of Land and Resources appropriation, Land Resources activity, Soil, Water, and Air

Management subactivity for fiscal year 2000, for BLM's continued participation in the Colorado River salinity control program. This level of funding is necessary to meet the salinity control activities schedule that seeks to maintain the water quality standards adopted by the seven Colorado River Basin States and approved by the U.S. Environmental Protection Agency. The Colorado River Basin Salinity Control Forum, the interstate organization that coordinates the Basin states' salinity control efforts, supports this level of funding. Use of these funds would be for immediate implementation of salinity control measures through improvements in rangeland management.

Due to geological conditions, the land within the Colorado River Basin is composed largely of soils heavily laden with salts. Large portions of these lands are federally owned, and are managed by the BLM for a variety of uses: recreation; road building and transportation; oil, gas and mineral exploration and production; and most significantly, grazing. As a result, man has induced and accelerated the natural erosion processes. When such soils and rocks heavily laden with salt are eroded, much of the resulting silt is carried along in the Colorado River and its tributaries—sometimes for long distances. Ultimately, the silt settles in the streambed or on the flood plain. The salts, however, are dissolved in the water and remain in the stream, appearing in the water supplies of downstream users. The accumulative nature of these salts causes more severe water quality impacts the farther downstream each succeeding use occurs.

The rangeland management programs of the BLM have demonstrated that they can bring about some of the most cost-effective salinity control actions available. While effective at reducing unnecessary salt addition to this important water supply source, these actions are environmentally oriented as they are designed to prevent erosion, enhance wildlife habitats, and increase grazing opportunities. The BLM has studied hundreds of watersheds in the States of Colorado, Utah, and Wyoming as potential sites for implementation, and has selected several locations where promising control measures could be implemented within a very short timeframe. Such measures are projected to have an early beneficial impact on the salinity of Colorado River water received by downstream users.

Metropolitan believes it is essential that your Subcommittee support the allocation of the recommended funding of $5.2 million for the BLM's activities on Colorado River salinity control for fiscal year 2000. Your assistance and support to ensure continued funding of the Colorado River Salinity Control Program now and in the future will continue the progress already achieved by this model of intergovernmental cooperation.

We appreciate your support and stand ready to work with you and your Subcommittee. Please contact Brad Hiltscher, Metropolitan's Legislative Representative in Washington, D.C. at (202) 296–3551 if we can answer any questions or provide additional information.

PREPARED STATEMENT OF THE COACHELLA VALLEY MOUNTAINS CONSERVANCY

The Governing Board of the Coachella Valley Mountains Conservancy appreciates this opportunity to submit testimony in support of a $5 million appropriation to the Bureau of Land Management for acquisitions in the Santa Rosa Mountains National Scenic Area. The Conservancy was established by the California Legislature in 1991 to acquire and hold in trust open space in the mountainous lands surrounding the Coachella Valley, and to provide for the public's enjoyment and use of those lands consistent with the protection of cultural, scientific, scenic, and wildlife resources.

The Scenic Area is the mountain range that forms the backdrop of the Coachella Valley cities, including Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, and La Quinta. The mountains rise quite steeply from the desert floor to an alpine environment atop San Jacinto Peak at 10,800 feet. The resource values in the mountains run the gamut from scenic and wildlife to cultural and recreational. The Scenic Area is of great importance to the Coachella Valley's economy, and hundreds of thousands of people who come to the desert each year for vacation enjoy our mountains, and, in so doing, contribute to the local economy.

The Conservancy would like to inform you about two partnerships. The first partnership is the local, state, and federal partnership that has been working for years to protect the National Scenic Area. The attached chart shows the magnitude of this partnership. Since 1990 the state of California has provided over $20 million for acquisition and the local communities nearly $10 million, including $3.9 million since January 1st for a key acquisition in Andreas Canyon. BLM has contributed over $11 million in LWCF money in that time period. This is a partnership that you can be proud of having supported, and you can be confident that your continued support

will again leverage state and local contributions. With the listing of the peninsular bighorn sheep as an endangered species last year, we are in ever-greater need of acquisition funding to protect the National Scenic Area, which is home to the magnificent bighorn sheep. Land acquisition activities are accelerating in an effort to avert conflicts over the bighorn sheep and to enhance protection for the species.

The Conservancy and BLM are currently talking with nine key landowners about the acquisition of their property. Together their holdings total 13,830 acres, the total value of which is in the range of $19 to $26 million. Five of these landowners are committed willing sellers at an estimated cost of $3.4 million, and the BLM's remaining fiscal year 1999 LWCF money will initiate these acquisitions. Appraisals are currently being conducted on these properties. Of the other four landowners, three have indicated a strong interest in selling, contingent upon the purchase price being determined and how quickly the acquisitions could occur. The value of their land is in excess of $10 million. The final landowner has not yet indicated whether or not he wants to sell. The requested $5 million appropriation would complete the pending projects and enable BLM to initiate one or more of the other willing seller acquisitions. The Conservancy is optimistic that state funds will be available in the coming fiscal year to provide a significant state contribution toward those acquisitions.

The second partnership is the southern California NCCP cooperative effort. Representatives from NCCP efforts in five counties meet monthly to share information and provide mutual support for each other's efforts. Collectively, these NCCP plans comprise the core of a bioregional conservation plan for all of southern California. This is certainly one of, if not the most, most comprehensive and proactive planning efforts in the nation. We also request your support for the funding needs of our NCCP partners, namely, $10 million in acquisition funds for the San Diego Wildlife Refuge, $2 million in acquisition funds for Otay Mountain, and $2 million in NCCP planning funds. To meet other needs in the area, as well as in other areas of the country, we support $80 in Cooperative Endangered Species Act funding and full funding for the LWCF program.

In conclusion, the Conservancy would like to update you on some of the successful acquisition efforts in the Scenic Area. We are pleased to report the completion of a partnership acquisition by the BLM and the City of Palm Desert, in which each contributed $1.25 million to acquire the C.C. Myers property. Also, as alluded to earlier, the County of Riverside recently committed $1.9 million and the Agua Caliente Band of Cahuilla Indians committed $2 million to acquire the Andreas Cove Development Company property at the mouth of Andreas Canyon. The Conservancy purchased 91 acres and the Friends of the Desert Mountains have 213 acres in escrow, using Adopt an Acre program contributions from community members and corporate sponsors.

Land and Water Conservation fund money has been well spent in the Santa Rosa Mountains National Scenic Area because of these partnerships. The money is an investment in more than land. It is an investment in a model of local, state, and federal agencies working successfully together, and with diverse private sector groups. The Coachella Valley has an excellent history of such cooperative efforts in land acquisition and in preparing successful plans to deal with endangered species issues. That cooperation is alive and well today; in fact it is healthier than ever. An LWCF appropriation is a key ingredient in the recipe for the success we have had and are continuing to enjoy. The Conservancy hopes this Subcommittee will support an LWCF appropriation as you have in the past.

PREPARED STATEMENT OF ROLLIN D. SPARROWE, PRESIDENT, WILDLIFE MANAGEMENT INSTITUTE

Chairman Gorton, the Wildlife Management Institute, founded in 1911, is a nonprofit organization staffed by experienced resource management professionals dedicated to improving the management of wildlife and wildlife habitat.

FUNDING FOR WILDLIFE AND RANGE PROGRAMS

We at the Institute are very concerned about the lack of funding for the Bureau of Land Management, particularly its wildlife and range management programs. The BLM manages the largest area of public lands in the United States (264 million acres), and 162 million acres is rangeland in the western States. We are concerned that the President's requests for the Wildlife and Fisheries program ($34.688 million) and Rangeland Management ($67.217 million) are inadequate. These two programs have been underfunded and understaffed for so long that the staff are taking a perverse pride in doing without. The number of BLM wildlife biologists, for exam-

ple, is lower than it was almost 20 years ago—275. The Forest Service, which is also understaffed, has 376 FTE's and needs 454 FTEs. Furthermore, those biologists currently working for the BLM are frequently pulled into the office to work on grazing permits and other paperwork, and are unavailable for on-the-ground work.

We strongly support the President's request for $4.3 million to conduct interdisciplinary grazing permit reviews and to complete integration of the standards and guidelines into local land-use plans. We hope this new funding will alleviate some of the staffing and range managment problems we have seen in the past. We also support the proposed minimum $3.5 million increase for control and eradication of invasive weed species, $1.092 million increase for the wild horse and burro management program, and $740,000 increase for riparian management.

SAGE GROUSE, LESSER PRAIRIE CHICKEN, AND BLACK TAILED PRAIRIE DOG

Although we strongly support the BLM's Wildlife and Range Programs throughout the nation, we are very concerned about the condition of wildlife habitat in the Great Basin and Southwest, where the BLM and other federal land management agencies are facing a major wildlife crisis. In addition to the nearly 100 species already listed or proposed for listing under the Endangered Species Act, several others are on the verge of being listed including the sage grouse, the lesser prairie chicken, and the black-tailed prairie dog. The demise of these species is but one signal that major habitat problems in these two regions are not adequately addressed.

The State of Utah recently listed sage grouse as a Sensitive Species, and the decline of the sage grouse is not limited to Utah. In a February 1999 letter addressed to the directors of three federal land management agencies, the Western Association of Fish and Wildlife Agencies states that, "The Association is very concerned about current population trends of sage grouse. Nearly all populations appear to have declined significantly over the past 20 years. Reasons for declines in sage grouse populations are varied and complex, but most seem directly related to habitat loss, fragmentation and degradation . . . . Without adequate resource consideration for sage grouse and a proactive habitat enhancement program that includes compatible sagebrush steppe management actions and programs, it is unlikely that sage grouse management goals and viability can be achieved. As you may know, there are already preliminary inquiries being made by some members of the public to list sage grouse under the Endangered Species Act."

One area of particular concern is the sage grouse population in southwestern Wyoming where extensive development of new oil and gas fields is planned. Thousands of new wells with attendant roads, pipelines, and other facilities are planned in sagebrush habitat from the Green River to Pinedale. In combination with other types of habitat loss, this new development could result in the listing of sage grouse. We are concerned that environmental assessments do not adequately address habitat for sage grouse and other wildlife. In the Pinedale area, Sublette antelope and mule deer populations have declined, and hunting seasons have been shortened as a result. Loss of preferred habitat may slow or prevent their recovery.

The U.S. Fish and Wildlife Service decided that the lesser prairie chicken should be listed but precluded under the Endangered Species Act. This species' habitat is mostly east of BLM lands and on private land; however, lesser prairie chickens occupy remnants of their range in New Mexico, Texas, Colorado, and Oklahoma. Again loss of habitat is the suspected cause of this species decline. Lesser prairie chicken habitat has been converted to agricultural land, and overgrazing and "control" of shinnery oak have also had adverse effects. BLM biologists in New Mexico have been working on grazing plans to resolve some of these problems.

The black-tailed prairie dog, once widely distributed, now occupies less than 1 percent of its former range, and its population has declined to about 2 percent of historic numbers. Causes of its decline are again multiple: disease, poisoning, conversion of its habitat to favor livestock, and unregulated shooting. Tied closely to this species is the already listed black-footed ferret.

The listing of these three species under the Endangered Species Act would almost certainly affect grazing, mineral development, and recreational use of both public and private lands. To reiterate, the nation would be far better served if the needs of these species were met before they become listed.

WILDLIFE AND FISH HABITAT PROGRAM INITIATIVES

The BLM's Fish and Wildlife Habitat Management Program has identified three internal initiatives that should improve wildlife habitat in the Great Basin and the Southwest Desert: $16 million for a Great Basin Shrub-steppe initiative, $16 million for the Southwest Desert Initiative, and $6.8 million for a Riparian and Wetlands Initiative. The Wildlife Management Institute supports these initiatives and would

like to see them fully funded with increases in the agency's budget, rather than funded at the President's request level. The BLM manages 40 million acres of shrub-steppe habitat in the Great Basin and Intermountain West. Wildlife habitat in this area has deteriorated because of many causes, including altered fire regimes, overgrazing, and oil and gas development. Now, about one third is dominated by annual grasses and noxious weeds. The Southwest Desert and riparian areas are also at risk because of a variety of reasons including altered fire regimes and overgrazing by domestic livestock, wild horses, and burros.

The Fish and Wildlife Habitat Program has identified about $26 million dollars worth of projects that will NOT be funded in the President's budget request. Of this amount, $20 million worth of projects are in the Great Basin, Southwest Desert, and in riparian areas and wetlands. For example, unfunded projects for sage grouse include prescribed burns in timber and sagebrush-grasslands, sagebrush management, expanded monitoring of sage grouse, studies of the effects of oil and gas development on sage grouse, controlling cheatgrass, delineating key nesting habitats and controlling livestock in these areas, inventorying sage grouse habitat, improving grazing management, and improving riparian brood-rearing areas. In New Mexico, the BLM plans to leave a Challenge Cost Share program for the lesser prairie chicken on the table because the agency does not have enough money to match private funds. There are other unfunded projects as well for elk, desert bighorn sheep, Dall sheep, moose, management of wild horses and burros, and projects to reduce conflicts between wildlife and domestic livestock.

RIPARIAN AREAS

The BLM has completed an inventory of most of its riparian areas, and about half are in need of immediate action to prevent them from further deterioration. Riparian areas are not only important for fish, they are important for wildlife. In the desert Southwest, for example, stream banks are oases for wildlife and a birdwatcher's paradise. In the Great Basin, sage grouse, elk, deer, and many other species are dependent on riparian areas. The agency has identified $8 million in unfunded projects for riparian and wetlands restoration.

RANGELANDS

The BLM has inventoried about half of the 162 million acres of rangelands that it manages, and only 36 percent is in "late seral" (good) or "potential natural community" (excellent) status. The remainder needs work. In the Great Basin, the agency has identified tens of thousands of acres that need to be burned because they are pinyon-juniper or juniper or cheatgrass dominated lands. The incursion of pinyon pine and junipers into previous grass and shrub habitat reduces watershed function, wildlife habitat, and livestock forage and increases conflicts between wildlife and livestock. Improved livestock management and habitat restoration are needed on these lands. About 62 million acres has some cheatgrass or medusahead wildrye and is at risk of being dominated by these two invasive weeds. The agency admits that it does not have the staff to implement a large restoration program.

SEEKING COMMON GROUND

Seeking Common Ground was established to lessen conflicts between livestock and wildlife by improving range habitat and increasing the availability of water. Seeking Common Ground is an ideal example of local people solving local problems on federal and private land in the national interest. All projects approved for funding under Seeking Common Ground must be cooperative projects between federal and State agencies, ranchers, and non-governmental organizations.

An estimated $500,000 is needed for these projects, equally divided between the U.S. Forest Service and the Bureau of Land Management. In the past, the BLM has taken the funding for this program from other underfunded programs. This program should be funded with add-on moneys to avoid distortions within the agency's other wildlife and range programs.

CHALLENGE COST SHARE

We support the BLM's Challenge Cost Share Program; however, any amount earmarked for Challenge Cost Share should also be a budget add-on. The BLM has such a lean budget that earmarks for specific programs under past budgets have caused distortion in the agency's other programs.

Challenge Cost Share Programs can substantially increase funding of habitat improvement programs. For example, the U.S. Forest Service has been able to match each federal dollar with almost $2.5 of non-federal funds. The BLM has Challenge

Cost Share dollars on the table because the agency did not have staff or matching funds.

In conclusion, we are very concerned about funding for the BLM, particularly its wildlife and range management programs. Under the Federal Land Policy and Management Act, the BLM has the responsibility for managing habitat for all wildlife—a responsibility equal to that of managing a vast amount of the nation's mineral estate. It appears that the President's budget request is inadequate to meet this agency's obligations to the nation.

Mr. Chairman, we would be pleased to work with you, the Committee, and staff to provide further documentation and to help avert a future wildlife crisis on much of the nation's public land.

PREPARED STATEMENT OF GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR, COLORADO RIVER BOARD OF CALIFORNIA

Your support and leadership are needed in securing adequate fiscal year 2000 funding for the Department of the Interior with respect to the federal/state Colorado River Basin Salinity Control Program. This program is carried out as a part of ecosystem and watershed management pursuant to the Colorado River Basin Salinity Control Act and the Clean Water Act.

As you are aware, the Bureau of Land Management (BLM) is the largest landowner in the Colorado River Basin. Much of the lands that are controlled and managed by the BLM are heavily laden with salt. Past management practices have led to man-induced and accelerated erosional processes from which soil and rocks, heavily laden with salt have been deposited in various stream beds or flood plains. As a result of this disposition, salt is dissolved into the River System causing water quality problems downstream.

Congress has charged federal agencies, including the BLM, to proceed with programs to control the salinity of the Colorado River. BLM's rangeland improvement programs can lead to some of the most cost-effective salinity measures available. In keeping with the Congressional mandate to maximize the cost-effectiveness of the salinity control program, the Colorado River Board is requesting that Congress appropriate and the administration allocate adequate funds to support the BLM's portion of the Colorado River Basin Salinity Control Program.

The President's proposed budget has included $641 million in BLM's budget for Management of Lands and Renewal Resources. The Colorado River Board of California, the state agency charged with protecting California's interests and rights in the water and power resources of the Colorado River System, formally requests that Congress appropriate $5,200,000 of these funds for the Colorado River Basin salinity control activities as recommended by the Colorado River Basin Salinity Control Forum.

The Colorado River is, and will continue to be, a major and vital water resource for California. California's Colorado River water users are presently suffering economic damages estimated at about $750 million per year due to the river's salinity, and those damages are expected to increase significantly by the turn of the century without further salinity control measures being implemented. Preservation of its quality through an effective Salinity Control Program will avoid the additional economic damages to river users in California.

The Board greatly appreciates your support of the Colorado River Basin Salinity Control Program and asks for your assistance and leadership in securing adequate funding for this vital program.

PREPARED STATEMENT OF JACK A. BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

This testimony is in support of funding for the Bureau of Land Management for activities that assist the Colorado River Basin Salinity Control Program. The Bureau of Land Management (BLM) budget, as proposed by the Administration, supports ecosystems and watershed management. The activities needed to control salts being contributed from the BLM lands are a part of ecosystem and watershed management. Because the budgeting process lumps all activities together, we can only presume that there are adequate dollars in the President's budget to move ahead with the water quality enhancement and protection programs needed in the Colorado River drainage to ensure that salts in excess amounts are not contributed to the river system. Our analysis indicates that the Bureau of Land Management needs to specifically target the expenditure of funds in the amount of $5,200,000 for activities that help control salt contributions from BLM managed lands in the Colo-

rado River Basin in fiscal year 2000. The Forum simply supports the President's Budget because we presume, but cannot discern, that adequate funds will be expended on this needed water quality effort.

Although the Forum has not been able to determine from limited budget documents how appropriated funds will be spent, we are much encouraged by recent efforts by the Bureau of Land Management. A salinity coordinator for the basinwide program has been selected. Salinity coordinators in each of the state offices have been identified. There has been a meeting to help coordinate a basinwide effort that involved the basinwide salinity coordinator and the state representatives. The Bureau of Land Management should move to identify salinity control goals under the Government Performances and Results Act (GPRA) and report to Congress each year its accomplishments. The Forum is receiving more meaningful reports from BLM representatives. The success of the Bureau of Land Management in controlling erosion and, hence, salt contributions to the Colorado River and its tributaries is essential to the success of the Colorado River Basin Salinity Control Program and the adherence to water quality standards that have been adopted by the seven Colorado River Basin states and approved by the Environmental Protection Agency. The Forum submits this testimony in support of adequate funding so that the Bureau of Land Management programs can move ahead at a pace that is needed to meet these water quality standards.

OVERVIEW

The Colorado River Basin Salinity Control Program was authorized by Congress in 1974. The Title I portion of the Colorado River Basin Salinity Control Act responded to commitments that the United States made, through a minute of the International Boundary and Water Commission, to Mexico with respect to the quality of water being delivered to Mexico below Imperial Dam. Title II of the Act established a program to respond to salinity control needs of Colorado River water users in the United States and to comply with the mandates of the then newly legislated Clean Water Act. Initially, the Secretary of the Interior and the Bureau of Reclamation were given the lead federal role by the Congress. This testimony is in support of funding for a portion of the Title II program.

After a decade of investigative and implementation efforts, the Basin states concluded that the Salinity Control Act needed to be amended. Congress revised the Act in 1984. That revision, while keeping the Secretary of the Interior as lead coordinator for Colorado River Basin salinity control efforts, also gave new salinity control responsibilities to the Department of Agriculture, and to a sister agency of the Bureau of Reclamation—the Bureau of Land Management. Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt removed). The Basin states are strongly supportive of that concept, in addition to proceeding to implement their own salinity control efforts in the Colorado River Basin.

Since the Congressional mandates of nearly two decades ago, much has been learned about the impact of salts in the Colorado River system. Reclamation recognizes that the damages to United States' water users alone may soon be approaching $1 billion per year.

The Colorado River Basin Salinity Control Forum (Forum) is composed of Gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-state coordinating body for interfacing with federal agencies and Congress to support the implementation of a program necessary to control the salinity of the river system. In close cooperation with the Environmental Protection Agency (EPA) and under requirements of the Clean Water Act, every three years the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program necessary to keep the salinities at or below the levels measured in the river system in 1972.

In setting water quality standards for the Colorado River system, the salinity concentrations measured at Imperial, and below Parker, and Hoover Dams in 1972 have been identified as the numeric criteria. The plan necessary for controlling salinity has been captioned the "plan of implementation." The 1996 Review of water quality standards includes an updated plan of implementation. The level of appropriation requested in this testimony is in keeping with the agreed to plan. If adequate funds are not appropriated, state and federal agencies involved are in agreement that the numeric criteria will be exceeded and damage from the high salt levels in the water will be even more widespread in the United States.

JUSTIFICATION

The BLM is, by far and away, the largest land manager in the Colorado River Basin. Much of the land that is controlled and managed by the Bureau of Land Management is heavily laden with salt. Past management practices, which include the use of lands for recreation; for road building and transportation; and for oil, gas, and mineral exploration have led to man-induced and accelerated erosional processes. When soil and rocks heavily laden with salt erode, the silt is carried along for some distance and ultimately settles in the streambed or flood plain. The salts, however, are dissolved and remain in the river system causing water quality problems downstream.

The Forum believes that the federal government has a major and important responsibility with respect to controlling pick-up of salt from public lands. The Western Water Policy Review Advisory Commission report finds this to be true. Congress charged federal agencies, including the BLM, to proceed with measures to control the salinity of the Colorado River, with a strong mandate to seek out the most cost-effective options. It has been determined that BLM's rangeland improvement programs can lead to some of the most cost-effective salinity control measures available. These salinity control measures may be more cost-effective than some now being considered for implementation by the Bureau of Reclamation and by the Department of Agriculture. They are very environmentally acceptable, as they will prevent erosion, increase grazing opportunities, increase dependable stream runoffs, and enhance wildlife habitats.

Through studying hundreds of watersheds in the States of Utah, Colorado, and Wyoming, consortiums of federal and state agencies, including the BLM, have selected several watersheds where very cost-effective salinity control efforts could be implemented immediately. In keeping with the Congressional mandate to maximize the cost-effectiveness of salinity control, the Forum is requesting that the Congress appropriate and the administration allocate adequate funds to support the Bureau of Land Management's portion of the Colorado River salinity control program as set forth in the adopted plan of implementation.

DETAILS CONCERNING THE REQUESTED APPROPRIATION

After conferring with BLM officials, the Forum believes there needs to be spent in fiscal year 2000, by the Bureau of Land Management, $5,200,000 for salinity control. We are particularly concerned that the appropriation titled Management of Lands and Renewable Resources is adequately funded. The Forum also requests that a specific amount, $800,000, be marked for the Colorado River Basin Salinity Control Program as has been the direction from the Committee in the past.

The Forum believes that although it is commendable for the administration to formulate a budget that focuses on ecosystems and watershed management, it is essential that funds be targeted on specific subactivities and the results of those expenditures reported; this is necessary for accountability and for the effectiveness of the use of the funds. The Forum requests that the Committee require accounting, perhaps through GPRA, by the Bureau of Land Management in such a way that the results of their salinity control activities in connection with the expenditures of funds can be reviewed and measured.

PREPARED STATEMENT OF HON. JIM GERINGER, GOVERNOR, STATE OF WYOMING

This testimony supports fiscal year 2000 funding for the Bureau of Land Management (BLM) to carry out Colorado River Basin salinity control activities. You will soon receive testimony from the Colorado River Basin Salinity Control Forum (Forum) on behalf of the seven Colorado River Basin States that is being submitted by the Forum's Executive Director, Jack Barnett. The State of Wyoming concurs in the fiscal year 2000 funding request and justification statements for BLM funding set forth in the Forum's testimony.

The State of Wyoming is one of the seven member states represented on the Forum and the Colorado River Basin Salinity Control Advisory Council. The Council was created by Section 204 of the 1974 Colorado River Basin Salinity Control Act, Public Law 93–320, and like the Forum, is composed of gubernatorial representatives of the seven Colorado River Basin states. Both the Council and Forum serve important liaison roles among the seven states, the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency (EPA). The Council is directed by statute to advise these federal officials on the progress of the federal/state cost-shared, basin-wide salinity control programs, and annually recommends to the Federal agencies what level of funding it believes is required to

allow the Program to meet its objective of assuring continuing compliance with the basin-wide water quality standards.

The Council met most recently in October, 1998 and developed funding recommendations for fiscal years 2000 and 2001 based on the progress the Programs are making in managing and reducing the salt loading into the Colorado River System. Based on analyses made by the Bureau of Reclamation and the Forum and after conferring with BLM agency officials, the Council recommends that the BLM expend $5,200,000 in fiscal year 2000 to accomplish activities that BLM either has underway or should initiate in order to further control the concentrations of salinity of the Colorado River.

It is particularly important that the BLM's line-item for Management of Lands and Renewable Resources be adequately funded. We further request that the specific funding amount of $800,000 be marked for the Colorado River Basin Salinity Control Program as has been the direction to the BLM from the Committee in past years. Section 203(b) of the Colorado River Basin Salinity Control Act as amended directs the Secretary of the Interior to develop a comprehensive program for minimizing salt contributions to the Colorado River from lands administered by the Bureau of Land Management. This is both important and appropriate because the BLM is the largest manager of land in the Colorado River Basin (53 million acres of public lands in the Colorado River Basin above Yuma, Arizona) and because salt loading reductions on BLM-managed rangelands can be done more economically than some of the methods available to and projects being implemented by the Bureau of Reclamation and the Department of Agriculture.

The Council and Forum recognize the major role that the BLM can have in the Colorado River Basin salinity control effort if more attention, effort and focus by the BLM is brought to bear on controlling salt discharges from the federal lands it manages. Great opportunity exists to decrease salt loading from BLM-managed lands to the river system. The Secretary of the Interior is directed by the Colorado River Basin Salinity Control Act to give preference to those salinity control efforts which reduce salinity at the least cost per unit of salinity reduction, e.g. in the most cost-effective manner. The Forum and Council have aggressively urged, and will continue to encourage, the BLM to identify, plan and develop additional projects that will remove, or prevent the loading of, a greater tonnage of salts from the River system.

The State of Wyoming wishes to emphasize the statement found in the Forum's testimony that while we are not opposed to BLM's budgetary process of focusing on ecosystem and watershed management, it remains essential that the expenditure of funds be directed to specific sub-activities and that the accounting for expenditures be done in such a manner that monitoring can take place on how the funds were used, what resources were benefitted and which natural resource concerns addressed. Wyoming and the other member states of the Forum have been frustrated by BLM's approach of identifying where funds are allocated as opposed to what purposes or how they are used to accomplish specific activities, objectives and benefits. The same difficulty exists with regard to accounting for how allocated funds have been expended. The BLM is simply unable at the present time to indicate how much money it is spending or where it is being spent to achieve salinity control benefits. For this reason, the Forum expressed in its testimony a strong desire to have the Congress direct the BLM to implement or modify its existing accounting practices to enable the Basin States to understand how much money this agency is allocating, and what results are being obtained, in carrying out its mandate for implementing a comprehensive program to minimize salt contributions from lands it administers. Thank you for your consideration of this statement.

PREPARED STATEMENT OF CONSTANCE D. HOLMES, SENIOR VICE PRESIDENT, POLICY NATIONAL MINING ASSOCIATION

The National Mining Association's (NMA)[1] member companies account for approximately three-fourths of the coal production in the United States, over one billion tons annually, and the vast majority of mined minerals including iron ore, copper, gold, silver, uranium lead, zinc, and phosphate. The purpose of this statement is to present the mining industry's views on fiscal year 2000 programs for the following agencies: Office of Energy Efficiency and Renewable Energy, Office of Fossil Energy, Energy Information Administration, U.S. Geological Survey, the Office of

[1] The NMA has not received a federal grant, contract, or subcontract in fiscal years 1999, 1998, or 1997.

Surface Mining, the Bureau of Land Management, Advisory Council on Historic Preservation and the Forest Service.

OFFICE OF FOSSIL ENERGY

An underlying reason for the strength of the United States economy is low-cost energy and especially the availability of electricity generated by coal, now approximately 56 percent of total. Much of the existing utility generating capacity is now reaching the end of its useful life and the challenge as we move into the 21st century will be the simultaneous replacement and expansion of our generating system with technologies that use our domestic fossil resource base while minimizing both environmental impacts and generating costs. The Department of Energy's past R&D activities in the area of coal research and coal generation provide a good basis for the technologies that will be required to maintain and expand use of coal while addressing existing and possibly more stringent environmental standards. The addition of a possible requirement to reduce emissions of carbon dioxide adds yet another dimension. But, while great strides have been made, improvements in both environmental performance and efficiency must continue. NMA supports maintaining DOE's R&D activities at least at the levels proposed in the fiscal year 2000 Budget request. These activities are targeted at technologies that will be required in the near term (from now until 2010) and in the long term (post 2010).

During the near term, the results of the Clean Coal Technology program will begin to be seen. This program has been a highly successful industry and government partnership designed to demonstrate a new generation of innovative coal processes. NMA is concerned about the fiscal year 2000 request for a $246 million deferral in the Clean Coal Technology program. This deferral could jeopardize future funding of two projects in particular, which remain to be completed under this program—the Clean Energy Demonstration Project (an IGCC and fuel cell project planned for southern Illinois) and the combined steelmaking and power generation project planned for Geneva, Utah.

Other near term projects which NMA supports (which are an outgrowth of the Clean Coal Technology program) include the funding for low emission boiler system and the work ongoing on pressurized fluidized bed combustion, primarily at the Wilsonville Power System Development plant.

Over the longer term, the continuing use of coal as a valuable resource may depend upon the results of two major research areas undertaken by DOE.

Vision 21.—Vision 21 is developing the power plant of the future and is, for coal, a cornerstone of DOE's long term program. The goal is a 60 percent efficient power plant with the flexibility to produce power from coal along with premium fuels and chemicals while incorporating industrial process heat generation to boost overall thermal efficiencies to as high as 85 percent while reducing carbon emissions by more than 62 percent. Vision 21 will take advantage of and expand many of the technologies developed in the Clean Coal program (for example, PFBC and IGCC). Over the last year preliminary studies have been undertaken and now that they are complete, it is important to move rapidly into the design and development of key modules for this new fleet of power plants. This is a long term program and the work that DOE is proposing for fiscal year 2000 Vision 21 effort is critical if the technologies being developed under this program are to be available in the post 2010 time period.

Carbon Sequestration.—Equally important for the continuing availability of affordable electricity is development of a suite of technologies that will capture, or sequester, carbon emissions. It is uncertain at this point (and possibly unlikely) that carbon sequestration would be required, but carbon sequestration technologies will require several years to develop and research must be expanded now to have these technologies available should they be needed. NMA supports DOE Fossil Energy's request to increase the research dollars available for carbon sequestration work from $6.1 million in fiscal year 1999 to $9 million in fiscal year 2000. The three-pronged approaches—traditional research, enhancing sinks and searching for "breakthrough" technologies are a solid and reasonable approach. We would advocate however, that this program is of sufficient importance to support funding above the $9 million requested by the Administration.

Coal Research and Development.—The NMA requests significant continuing funding for coal preparation and direct and indirect liquefaction. Advanced coal preparation technologies promise to reduce the cost of continued use of coal in traditional applications in large industrial and electric utility boilers. Development of cost-effective liquefaction technologies will open new opportunities for high quality coal use in both turbines for power and the production of liquid fuels. These systems are not only critical as an insurance policy against the disruption of imported oil to the

U.S., but they are a necessary investment in establishing an economically viable liquid fuels program.

National Laboratories and Cooperative R&D Programs.—The Department of Energy should continue its emphasis on making maximum use of its existing research facilities, including those national laboratories that traditionally have not been active in fossil energy. The National Laboratory system is an important complement to the future of the coal-based generation through advancing R&D Programs for more efficient combustion technologies.

OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

The Mining Industry of the Future Program.—The research priorities developed through this industry/government partnership will offer important direction to the Department of Energy, industry and the Congress as the research agenda needed to take the mining industry to the 21st Century. The mining industry has completed a statement defining the goals that the mining industry should attain by 2020 in six areas: exploration and characterization of resources; extraction; processing; utilization; environment and health and safety. A technology roadmap has been completed which defines research requirements in some detail and the first solicitation has been issued for proposals in each of the above areas. In 1999 two-additional roadmaps will be completed looking in more detail at requirements in extraction and in processing. NMA solicits the subcommittee's continuing support for the mining industry portion of this program and requests support for the increase in funding requested by DOE for this program. This request is for $3 million in fiscal year 2000.

ENERGY INFORMATION ADMINISTRATION

In addition to its value to the Nation, the functions performed by the Energy Information Administration (EIA) are of significant importance to the mining industry. EIA's unbiased analysis and independent short and long term forecasts form a basis for reasoned and responsible policy decisions by the Congress, the DOE and other government agencies on both the federal and state levels. EIA's independence and objectivity are especially important as the Nation considers the effects of new initiatives such as utility restructuring and climate change policies on our energy system, and our dependence on foreign sources of energy. EIA's energy data collection and dissemination responsibilities are essential to our industry's ability to evaluate production and market trends and to make investment decisions, which benefit the Nation. Unfortunately, over the past several years funding levels for EIA have been level or declining. Over the longer term this is counterproductive and will adversely affect the level, accuracy and timeliness of the information provided to industry and policy makers. We urge the subcommittee to support current levels of funding as a minimum, and increase the amount available to EIA if at all possible.

OFFICE OF SURFACE MINING

The Abandoned Mine Land (AML) program receives funding from coal operators and its purpose is to provide for the "no-fault" reclamation of sites disturbed before the passage of SMCRA and not reclaimed to the Act's standards. NMA supports OSM's objective of funding the AML program at a level commensurate to fee receipts by 2003. In fact, OSM should have been requesting funding all along at the level of annual receipts. However, NMA encourages the Subcommittee to insure that increased expenditures are used for "on the ground" reclamation, not AML administration

NMA is concerned by the lack of adequate funding for states under the Title V grant program. NMA has long supported state primacy. The history of SMCRA has shown that this aspect of SMCRA is working. States have long ago manifested both the expertise and the will to manage strong surface mining programs. OSM has recently evidenced its desire to partner with the states. The Subcommittee should recognize this effort by increasing state funding.

BUREAU OF LAND MANAGEMENT AND THE FOREST SERVICE

National Mining Association members are engaged in extensive exploration for and development of minerals on public lands. These lands are the cornerstone of the Nation's mining industry. In turn, mining operations on public lands generate taxes and employment. In many cases, mining is the major source of employment and tax revenues in rural communities.

Industry continues to work with the Western Governors' Association pursuant to a memorandum of agreement to identify and work toward the elimination of dis-

incentives to the cleanup of abandoned hardrock mines in the West. It appears, as one reviews the BLM, USGS and Forest Service's proposed budgets that these agencies intend to allot significant amounts of money to the cleanup of abandoned mines in historic mining districts. These funds are hidden, however, within programs and initiatives such as the "President's Clean Water Initiative" and various watershed initiatives. States and industry are unable to find matching federal funds for on-the-ground cleanup in this morass of jargon and duplicative programs.

Regarding the President's "Lands Legacy Proposal," NMA agrees with the Chairman's assessment that "It is simply irresponsible to take on new land responsibilities and give grants to cities, states and private institutions when we cannot afford to adequately take care of our primary federal responsibilities—the public lands." The Forest Service's Mineral's and Geology program is a victim of similar de facto budget reductions. The Forest Service budget justification shows continued reductions in the Minerals and Geology budget; however, the Washington headquarters' overhead increases and the field allocations decrease. This headquarters' overhead is not used for the Minerals and Geology Management program; it is allocated to the agency's national programs referred to as National Commitments that have little or nothing to do with the effective operation of the minerals program.

The results of these funding shortfalls in the field are extended Environmental Impact Statement reviews (sometimes as long as 8 years), delays in mine plan processing, and inadequate federal compliance monitoring. These "National Commitments," like the proposed "Lands Legacy Proposal," are not peculiar to the Forest Service. The same type of actions are occurring in the BLM where the agency continues to expend resources to promulgate revisions to its Surface Management rules even though the Governors from affected states consider the proposal duplicative of existing state mining and other environmental programs and the National Academy of Sciences is currently studying the adequacy of existing rules.

The mining industry, as well as other natural resource industries, is faced with increasing impediments to exploration and use of federal lands. Withdrawals of land from exploration by executive fiat coupled with NEPA review and permitting delays, are resulting in a marked decline in domestic exploration and development activity on BLM and Forest Service lands. With major mining companies scaling back U.S. exploration activities, the Nation's ability to continue to produce domestically the 46,000 pounds minerals annually consumed per citizen is jeopardized.

U.S. GEOLOGICAL SURVEY

Federal Investment in geoscience research and information continue to pay enormous dividends and the rationale for continued support of geoscience remains strong. The Geological Survey's role in mineral exploration, identification of geological hazards and mapping offers important support to the mining industry. NMA supports maintaining these programs at current, or expanded levels. In addition, the Survey is the only source for most of the United States' statistical data on mining and mineral's commodities. This information provides the basis for informed policy decisions by government and is extensively used by other government agencies, by Members of Congress and by state and local governments, as well as by industry, academia and nongovernmental organizations. NMA is concerned that funding for the data and information functions has been declining since this area of responsibility was transferred to the Survey. Staff levels and mining expertise have declined significantly which affects the timeliness and accuracy of the data. NMA strongly advocates that the Survey increase the funding allocated to data and information while continuing to make use of expertise available from state geologists.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

The Advisory Council on Historic Preservation (ACHP) recently voted to finalize their rules amending their regulations implementing Section 106 of the National Historic Preservation Act. This action was taken despite the Council's public announcement several weeks earlier that they were withdrawing their proposed regulations and would pursue non-regulatory guidance on Section 106. NMA commented on the Council's proposed rule in November 1996, stating that the Council's ". . . attempt to expand its limited role under Section 106 in a manner that transcends its statutory authority pervades almost the entire rule." NMA recommends that the ACHP be prohibited from further implemention of revised Section 106 rules until it has fulfilled its statutory responsibilities and provided meaningful notice and comment to the public.

PREPARED STATEMENT OF THE ORNITHOLOGICAL COUNCIL

The Ornithological Council consists of ten leading scientific ornithological societies—the American Ornithologists' Union, Association of Field Ornithologists, Seccion Mexican Consejo Internacional para la Preservacion de las Aves (CIPAMEX), Cooper Ornithological Society, Pacific Seabird Group, Raptor Research Foundation, Society of Canadian Ornithologists, Society of Caribbean Ornithology, Waterbird Society, and Wilson Ornithological Society—that together have a membership of nearly 6,500 ornithologists. It is our mission to provide scientific information about birds to legislators, regulatory agencies, industry decision makers, conservation organizations and others, and to promote the use of that scientific information in the making of policies that affect birds and the science of ornithology. A number of the ornithologists who belong to our member societies are either USGS Biological Resources Division (BRD) researchers or employees of the land management and natural resource agencies served by BRD.

We appreciate the opportunity to submit this written testimony to the Senate Appropriations Subcommittee on Interior and Related Agencies.

The Ornithological Council supports the administration's requested increases for:

—USGS DOI Science Support—$30 million from new funds
—USGS Place-based Studies—$2.4 million
—USGS BRD—$1 million for the National Biological Information Infrastructure
—U.S. Fish and Wildlife Service Office of Migratory Bird Management—$2.38 million for migratory bird conservation and monitoring and $288,000 for permit regulatory reform and management improvements
—U.S. Fish and Wildlife Service Division of Refuges—$5.34 million for wildlife protection and $5.03 million for habitat improvement
—U.S. Forest Service—$37.2 million for forest and rangeland research

In addition, we recommend allocations above the administration's request as follows:

—USGS BRD—$15 million/year for three years, allocated to the Science Centers
—USGS BRD—$3.5 million for continuation of Species and Habitat research and $2.0 million for clean water initiative research initiated in fiscal year 1999
—USGS BRD—$1 million for the Cooperative Research Units
—USGS BRD—$4 million for the National Biological Information Infrastructure
—USFWS—$10 million for migratory bird management
—U.S. Forest Service—$410,000 for rangeland and grassland ecology research

Together, these increases total $119,548,000. This amount is insignificant compared to the economic value of maintaining the resources or the cost of recovery from mismanagement. For instance, according to the 1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, expenditures related to wildlife watching in that year totaled $29.2 billion. Hunting and fishing generated $71.9 billion in revenue.

FUNDING FOR THE USGS BIOLOGICAL RESOURCES DIVISION, FISCAL YEAR 2000

Before commenting on specific aspects of the proposed budget for BRD, we would like to bring to the attention of the Committee the current status of funding for the BRD Science Centers, where the research is actually conducted.

Deteriorating capacity of the BRD Science Centers

It is becoming increasing difficult for BRD to conduct biological research because the Science Centers do not have adequate base funding. The BRD budget declined from a peak of $161 million in FY1994 to a low of $139 million in fiscal year 1996. The fiscal year 2000 request of $161.9 million is, therefore, approximately $37 million below the fiscal year 1994 level (adjusted for inflation at 3 percent per year). This inadequate funding has resulted in a deterioration of the capacity of the BRD Science Centers to conduct the research assigned to those Centers. Without sufficient base funding, the Science Centers rely on either cyclical funding or contractual funding with agencies outside the Department of Interior (DOI). Cyclical (year-to-year) funding is inappropriate for most biological research, which typically spans several years. If funding is not assured in advance for the anticipated duration of the project, the research cannot be planned. Contractual work for agencies outside the DOI (such as the Environmental Protection Agency or the Department of Defense) precludes the researcher from conducting BRD research, as the research time is necessarily allocated to projects that have funding.

Some Science Centers have essentially no base funding. Even those with the highest levels of base funding have experienced severe reductions that impede their research programs. At the extreme end of the scale, the Columbia Environmental Research Center, which has a national mission of expertise in environmental toxi-

cology and chemistry, and a regional mission of ecosystem science for large rivers and other ecosystems in the Central Region of the USGS, is operating almost entirely on cyclical and contractual funding. Nearly 98 percent of its funding goes to fixed costs.

Funding BRD at more than the requested level

The Ornithological Council supports the fiscal year 2000 Budget Request for BRD, and in fact encourages the Committee to consider appropriating a total of $21.26 million more than was requested. An increase of $15 million per year, over the next three years, should bring BRD back to the fiscal year 1994 enacted level, adjusted for inflation, by fiscal year 2002. All or substantially all of this money should be directed to the base funding of the Science Centers.

We also encourage continued funding of programs that were included in the fiscal year 1999 enacted appropriations. These include $3.5 million for Species and Habitat research and $2 million for Clean Water Initiative research. Biological research projects typically require several years of data collection, because biological systems vary from year to year. Conditions in any single year are not adequate to support conclusions about the status of a species, of habitat, or of any other component of the system. Therefore, to plan and conduct biological research, there must be a reasonable assurance that funding will continue for the anticipated duration of the project. We recognize the importance of the projects that will be supported by the requested increases (amphibian research and monitoring, research in the Hawaiian Archipelago and on coral reefs) but these new initiatives should be funded in addition to the existing programs, rather than supplanting them.

We are also concerned about the proposed decrease for employee travel and training ($760,000). Improving the delivery of information from BRD to its partners requires that BRD scientists travel to professional conferences, training sessions, and scientific presentations. BRD scientists work closely with individual resource managers in the federal and state public land and natural resource management agencies. There is no substitute for this personal interaction, whether on-site or at regional meetings.

Uncontrollables

In the past, BRD has been required to offset increases in uncontrollables with decreases in research programs. This practice is unacceptable. We support the requested increase for $3.757 million for uncontrollables and urge Congress to instruct USGS not to require reductions in research programs to offset increases in uncontrollables.

New funding for the DOI Science Support and Place-based Studies programs

The requested budget for BRD includes funds that are actually designated for two USGS multidisciplinary programs—$3.8 million for Place-based Studies and $9.5 million for the new DOI Science Support program. The Ornithological Council supports these programs but believes that they should be funded with new funds rather than by designating funding from the four USGS divisions. This is particularly true with regard to BRD funds, which represent only 15 percent of the overall USGS budget request and which is the smallest of the four divisional budget requests.

Cooperative research units

The Cooperative Research Units have proven to be extremely effective at addressing the information needs of BRD partners. We support funding of $13.68 million ($1 million over the requested amount), which will allow full staffing of all existing Cooperative Research Units for the first time. It will also provide a small increase in base operating funds of $5,000 per unit, although this is little compensation for 20 years of level base funding.

Community/Federal Information Partnerships

Land use planning is central to local and state agencies. These partnerships are needed to complete the GAP (Gap Analysis Program) in all 50 states, which will give the state and local partners the information and tools needed for land use planning and resource management. We support the requested increase of $3 million for this program.

National Biological Information Infrastructure (NBII)

There is an astonishing amount of biological data generated by federal, state, and private researchers, but it must be managed and made accessible to resource managers. BRD is providing much-needed leadership in the delivery of information to resource managers through the NBII. Private conservation organizations, academicians, and others can share their information through this system. However, as

noted by the President's Committee of Advisers on Science and Technology (PCAST), the NBII is inadequate in its current form (Teaming with Life: Investing in Science to Understand and Use America's Living Capital, March 1998). PCAST concluded that with adequate support (which it estimated at a minimum of $40 million per year for five years), NBII could be of use to industry, education, policy makers, and management agencies. We support the requested increase of $1 million for NBII and recommend that the fiscal year 2000 funding for this program be increased to $5 million.

U.S. FISH AND WILDLIFE SERVICE, OFFICE OF MIGRATORY BIRD MANAGEMENT (MBMO)

The Ornithological Council supports the requested $2.75 million increase for migratory bird management. The management of waterfowl populations (through Adaptive Resource Management) has shown that resource management can be very effective if there is adequate information about the status of wild bird populations. The fundamental information needed for sound resource management is derived from monitoring. The requested increase for MBMO will allow for only a fraction of the needed monitoring of the populations of 836 bird species. It will also support the development of 60 science-based bird conservation plans and provide technical assistance to natural resource managers on public lands.

The information needs for migratory bird management far exceed the amount requested by the administration. We recommend that MBMO funding be increased by an additional $10 million above the requested increase.

We also strongly support the requested increase of $288,000 for permit management. MBMO issues 40,000 permits annually with a total budget of $712,000. These 17 different types of permits issued by the MBMO are prerequisites for almost all research conducted on wild birds. Over the past few years, funding for the Permits Office has been limited to the point that regulatory revisions have taken years to complete and implement. Over the past several years, ornithologists have had difficulties obtaining permits due to the inability of MBMO to finalize regulatory and procedural improvements. MBMO has been more than willing to seize opportunities for regulatory reform (including two matters that are pending; one of these has been pending for nearly four years), but MBMO has been too short of staff to conclude these efforts.

This additional funding will allow MBMO to hire two full-time permit evaluators and a national permits coordinator, streamline the permitting process, revise guidelines to a plain-language format, and complete regulatory revisions.

U.S. FISH AND WILDLIFE SERVICE, DIVISION OF REFUGES

The application of scientific informationis critical to sound resource management. When BRD was created, all the research-graded scientists were transferred from the DOI resource management agencies. In many public land units, such as the National Wildlife Refuges, there are no scientists who can apply research findings to resource management. BRD scientists do provide technical assistance, but it is unrealistic to expect the small number of BRD scientists to be able to provide substantial assistance to the hundreds of federal and state wildlife refuges, parks, and other public lands. Therefore, it is necessary to have "management scientists" based on these public lands. We support the requested increase of $5.34 million that will put a total of 39 full-time employees, including biologists, hydrologists, and botanists on National Wildlife Refuges for wildlife management projects. We also support the requested increase of $5.03 million that will add 36 full-time scientific personnel for habitat management projects. These increases are needed to allow FWS to comply with the directive of the National Wildlife Refuge System Improvement Act of 1997 to "ensure that the biological integrity, diversity, and environmental health of the System are maintained for the benefit of present and future generations of Americans."

USDA FOREST SERVICE

The Ornithological Council is generally supportive of the Forest Service's requested increase of $37.2 million for forest and rangeland research. Proper management of forest and rangeland resources is dependent upon scientific information. The administration's overall request supports a rigorous, well-balanced program to obtain that information. We are particularly supportive of the requested increases for research pertaining to:

—threatened, endangered, and sensitive species ($10 million)
—non-native invasive species ($5 million)
—inventory and monitoring ($4 million)
—global climate change ($6 million)

Finally, we recommend that the 12 percent decrease in the rangeland and grassland ecology research program be reversed in fiscal year 2000 ($271,000) and supplemented by an additional 6 percent ($139,000) to account for two years of inflation, for total funding of $2.66 million.

PREPARED STATEMENT OF HOLLY E. HAZARD, EXECUTIVE DIRECTOR, DORIS DAY ANIMAL LEAGUE

The Doris Day Animal League is a non-profit, member supported national animal advocacy organization located in Washington, D.C. On behalf of our 278,000 members and supporters, we respectfully present to the subcommittee our concerns about the Wild Horse and Burro Program (the Program) as managed by the Bureau of Land Management (the Bureau).

In 1971, Congress charged the Bureau with preserving America's wild horses via passage of the Wild Horse and Burro Act. The Act declares that "wild free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West . . . [who] shall be protected from capture, branding, harassment or death."

We are gravely concerned that the Bureau is failing to fulfill this mandate, and instead is engaging in scientifically and ecologically questionable practices, under the guise of multiple-use land management, which heavily favor private ranching interests over the protection of our nation's wild horses. Further, we are concerned that the Bureau is aware of the Program's shortcomings, but is unwilling or unable to conduct a candid review of its Program, due to threats of legal action from private ranchers who wish to keep their livestock on Bureau lands.

While it is true that the Bureau has reduced the number of livestock allowed on some of its land in recent years, the overall picture is one that gives preference to private ranching interests. The systematic removal of horses and burros from the range over the past several decades has depleted the nation's wild horse herds from 303 to approximately 186, and herd areas continue to be "zeroed out". Although no solid figures are forthcoming from the Bureau, the ratio of cattle to wild horses on Bureau land is estimated at 50:1. This means there are millions of cows and at best, thousands of horses.

There has been much debate on the "overpopulation" of wild horses and burros on Bureau managed lands, particularly in Nevada, where the Bureau estimates 21,946 horses live. Because the "appropriate management level" for Nevada has been set at 13,042, the Bureau asserts it must round up and remove approximately 8,904 "excess" horses. However, the "appropriate management level" is a fundamentally subjective figure established in the context of a system which is strongly influenced by ranching interests, and which is used to justify the removal of wild horses so that a disproportionately large number of privately owned cattle may remain on public lands. In fact, one Bureau employee admitted that the "appropriate management level" for horses could be increased in certain areas without causing damage to the range, but the Bureau will not do so, for fear of legal retaliation by ranchers.

While some claim that it would be economically devastating to reduce the number of livestock on public lands so that more wild horses could remain in the wild, it should be noted that less than 3 percent of American beef is produced from federal rangelands. Further, livestock grazing on federal lands contributes less than 1 percent to annual incomes in Western states. In contrast, the highly subsidized grazing permit system by which ranchers graze their livestock on public lands costs American taxpayers approximately $50 million every year.

Compounding these issues is the public's lack of trust in the Bureau and its policies. At the core of this mistrust is the absence of good information and data with which the Bureau might reassure its constituents that it is acting in the best interest of all involved. Not only has the Bureau been unable to provide figures on the numbers of cattle and wild horses on its land, but there is even a question as to how many "herd management areas" are under the Bureau's jurisdiction. Roundups of wild horses are being conducted in the absence of current population data and environmental assessments, and there is a lack of suitable homes to which gathered horses may be adopted. Under current law, the availability of these homes is a prerequisite to any roundup, yet the roundups continue as horses languish in holding facilities with no hope of a permanent home.

In short, the Bureau is spending millions of taxpayers dollars every year on a program which is based on entrenched ideologies and arbitrary assumptions, not facts. Such practices do not engender the good faith of the American people. Failure to regain the public's trust on this issue may ultimately result in calls for the program to be released from federal control to the states, a move which would surely lead to the demise of the wild horse.

We understand that the Bureau is in a difficult position where it must appease a diverse group of interested parties. However, until the Bureau is willing to invest the time and resources in gathering good data with which to reassure its constituents that its policies are sound, both ranchers and wild horse advocates will continue to suspect that the Bureau favors "the other side", a situation which detracts from the good work of the Bureau. We, therefore, propose that the following language be included in the fiscal year 2000 Department of Interior Appropriations Act:

"Wild Horse and Burro Program—The appropriations herein shall be used for program, herd, and habitat management, including: (1) herd population and distribution censuses; and (2) range assessment and management; and (3) habitat restoration and improvement; and (4) adoption compliance monitoring. Further, roundups of excess wild horses and burros from the range shall be based on data no more than three years old, and also shall be subject to the potential availability of appropriate homes to which the animals may be adopted."

We ask this Congress to ensure that our own government is not perpetuating a regulatory system which will ultimately lead to the elimination of the very animals it has been charged to protect. America's wild horses are our national heritage and treasure, and must be treated as such. Thank you for your consideration.

UNITED STATES FISH AND WILDLIFE SERVICE

PREPARED STATEMENT OF THE AMERICAN SPORTSFISHING ASSOCIATION

This American Sportfishing Association (ASA) statement addresses the President's fiscal year 2000 budget request for the U.S. Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), and U.S. Forest Service (USES). Of specific interest to ASA are the FWS programs dealing with federal fish hatcheries, and anadromous fish restoration including fish passage and relicensing of hydroelectric dams. We are also concerned with the Fisheries Management programs within the BLM, as well as the USFS's Inland and Anadromous Fisheries Habitat Management programs.

ASA is a non-profit trade association whose nearly 500 members include fishing tackle manufacturers, boat builders, state fish and wildlife agencies, angler organizations, sportfishing retailers, and the outdoor media. For over 50 years, ASA and its predecessor organizations have promoted the conservation of fisheries resources and environmental measures that improve the aquatic environment in order to ensure the enjoyment of healthy fisheries by America's more than 50 million anglers.

In this time of tight Federal budgets and concern for the interests of the American taxpayer, it is important to note that when it comes to the management of our nation's aquatic resources, the sport fishing industry strongly supports the principal of user pays—user benefits. Anglers currently contribute $500 million each year in fishing license fees to state fishery management agencies and another $250 million in special federal excise taxes and duties on fishing goods and taxes on boat fuel. These federal user fees flow through the Aquatic Resources Trust Fund. Thus, anglers directly pay for much of the fishery management in the country. In addition, according to the Bureau of the Census surveys, over $3 billion is generated each year in federal income taxes from the 1.2 million jobs directly associated with sportfishing activities. These angler-generated federal Treasury receipts are noted in the context of the fact that 800 million acres of the United States are federal lands. This land base, with its associated lakes, streams, rivers and estuaries, supports a large proportion of this recreational and economic activity. Growth in this economic sector is dependent upon proper stewardship of the habitats and natural resources managed by federal agencies. With this understanding, ASA applauds the modest budget increases sought in the fiscal year 2000 budget and requests Congressional support for these efforts. For a few items, we seek Congressional support for amounts exceeding the Administration's request.

FISCAL YEAR 2000 U.S. FISH AND WILDLIFE SERVICE BUDGET REQUEST

Fisheries—National Fish Hatchery System.—Over many decades of guiding Federal water development projects, Congress has dependably authorized mitigation facilities and activities to replace lost natural fisheries. The premise has been that federally-funded activities that impair naturally sustaining fisheries to provide unrelated societal benefits such as hydropower and flood protection, must be mitigated. Congress has frequently relied, at least in part, on the use of fish production technology. This responsibility has fallen to the FWS's National Fish Hatchery System. Without the mitigatory hatchery activities public recreation valued at $5 billion annually would be seriously jeopardized. In addition, the Fish Hatchery System assists

in the restoration of imperiled fish species and in restoring interjurisdictional fisheries, such as those in the Great Lakes. Over the last several years, the FWS has engaged in a careful review of its hatchery facilities and has transferred or closed those facilities not fulfilling priority federal obligations.

Today, this system of federal facilities is in poor and declining condition. The FWS's hatchery program has a conservative backlog of maintenance work totalling $218 million, an 86 percent increase over last year's already forbidding figure of $117 million. The conservative $218 million backlog for hatcheries includes $97 million in deferred maintenance. This backlog is not a list of "like to do things". Rather, the backlog in maintenance and construction is having direct impacts upon the quantity and quality of the fisheries resources being produced. To characterize the extent of the problem, the FWS has $800 million in hatchery assets. An annual maintenance budget of $10.2 million, as requested in the FWS in fiscal year 2000, equals just over one percent of assets. Industry standards run two to four percent just to maintain facilities, not to retire maintenance backlogs. This request represents a $0.25 million decrease from the 1999 appropriation for hatchery maintenance.

For another perspective on the hatchery maintenance and construction backlog, one should review private industry facility care standards. One standard industry condition index is known as the facilities condition index (FCI). This industry measurement is simply derived by dividing the maintenance and construction backlog by total asset value. In the case of the FWS hatchery system, this index equals 27 percent. In the corporate world, anything over 10 percent is considered to be in poor condition.

It would take an additional investment of $72 million to bring the hatcheries to an FCI of 10. In fiscal year 1999, the FWS was allotted $7.4 million to undertake these deferred maintenance projects, reducing the critical needs by about 9 percent. Meanwhile, maintenance requirements over the last year nearly doubled, resulting in a substantial net increase in maintenance backlog. In spite of this dire situation, the FWS has requested $250,000 less for deferred maintenance funding in fiscal year 2000. In addition, no increase was requested for annual maintenance. We warned that an appropriation in the amount sought last year by the FWS would result in even greater financial backlogs in future years. Unfortunately, these predictions have become manifest. Therefore, ASH requests Congress to provide $15 million to begin to address the top priority construction maintenance backlog at the National Fish Hatchery System.

In addition to the facility care request, it should be noted that even greater production demands are being placed upon the system. This is true for both the quantity and quality of the fish being produced. For example, the proposed Atlantic salmon and Southwest ecosystem restoration programs will require extensive use of cultured species. These increasing production requirements necessitate an increase in hatchery operations funding. The one million dollar proposed increase is welcomed as the operating budget for the Federal Fish Hatchery System has been essentially flat for many years. However, to take a good step in restoring operational capacity of these facilities, ASA requests an additional $10 million for hatchery product scoping, evaluation, and for increased production.

Fisheries—Anadromous Fish Management.—The FWS is engaged in important anadromous fisheries restoration and management work. For most of these programs, the FWS has asked for the same funding as appropriated in fiscal year 1999. We applaud the $600,000 increase for Atlantic salmon restoration and the addition of $900,000 to support fish passage work. In the next 15 years, the licenses for over 550 hydropower dams will expire. When these dams were built years ago, few measures were taken to protect fish and wildlife, including in far too many cases, inadequate or no provisions for fish passage. The relicensing process now underway will provide a unique opportunity for the FWS to include fishery safeguards in the new licenses. Legally-mandated hydropower dam relicensing activities constitutes a great burden, but also an enormous opportunity, for fisheries resources. Considering the enormous workload now faced by the FWS with power facility relicensing through FERC, the requested increase of $900,000 may well not be fully adequate. While the additional $1.7 million allocated for FERC relicensing will help, to take full advantage of the fish passage opportunities associated with relicensing, ASA would request a minimum of $3.2 million in new funding dedicated for fish passage work and recommends a total of $9.8 million for anadromous fish management.

Fisheries—Fish and Wildlife Management Assistance.—Although, the FWS is seeking to double its budget for aquatic nuisance species (ANS) management, we fear that this is inadequate to address this growing problem. Introductions of exotic species have had significant effects on native fish populations. According to the Office of Technology Assessment, exotic species have directly contributed to the listing

of 44 species of fish as threatened or endangered. Not only do exotic fish compete directly with native fish for resources, but exotic plants and animals also degrade critical native fish habitat. We applaud FWS for taking a leading role in ANS management. However, we foresee increasingly larger sums of money having to be spent on future control and remediation of new introductions and species already present. For example, since 1980, over $120 million in Federal and state funds have been spent on controlling exotic aquatic plants in Florida alone. We urge a greater allocation of funds aimed at preventative measures such as outreach programs and implementation of state and regional ANS management plans. ASA requests an additional $5 million be directed to carry out ANS preventative measures.

The $700,000 sought for southwest ecosystem restoration will provide for increased riparian fish habitat through voluntary cooperation with local stakeholders. We fully endorse this community, incentives driven approach. Restoration acts along the Mississippi River basin, including fish passage structures and revegetation of river and stream banks, are also worthy of the $275,000 increase over fiscal year 1999. These new requests totalling an increase in $3.75 million, plus the additional $5 million for ANS, and the Fish and Wildlife Management Assistance full request of just over $16 million, are fully supported by ASA.

FISCAL YEAR 2000 BUREAU OF LAND MANAGEMENT

Recreational fishing is a major activity on public lands managed by BLM, resulting in approximately 400 million angler days and generating nearly $200 million annually in economic benefits. Because the public lands managed by the Bureau of Land Management provide so many opportunities to America's recreational anglers, ASA strongly supports the President's budget request for an additional $4.3 million over fiscal year 1999 enacted level for the Bureau in fiscal year 2000. We have the greatest interest in the following areas:

Fisheries Management.—BLM manages 174,000 miles of fishable streams and 2.6 million acres of fishable lakes and reservoirs. In order to manage these fishery resources, the President requests $10.5 million in fiscal year 2000 for fisheries management, a very modest increase of $979,000 over fiscal year 1999's enacted level. Management activities focus on the maintenance and restoration of habitat for both anadromous and resident species. Challenge cost share programs constitute a major portion of this effort. Programs such as Bring Back the Natives, provide direct angler benefits by increasing habitat for native species and through access improvement projects. Most of the roughly $1 million increase for fiscal year 2000 is tied to three specific programs: (1) Tundra to Tropics, (2) FERCHydro Power Relicensing, and (3) the Clean Water Action Plan. These efforts will develop better water quality assessment capabilities in Alaska, offer opportunities to provide for increased fish passage, and improve fishery habitat. Despite the increases, funds for these three programs are only half of what is required according to agency prepared opportunity documents.

Threatened and Endangered Species.—The President has requested $18.9 million in fiscal year 2000 for threatened and endangered species, roughly the same amount as requested the previous year. With the requested funding level, the Bureau will restore riparian habitat which should directly impact coho salmon, Lahontan cutthroat, and desert pupfish among others. However, according to BLM field office funding needs, the current budget comes up short $400,000 for anadromous fisheries and $730,000 short for recreational fisheries management. An additional $4 million is requested by the BLM field offices for special status aquatic species.

Livestock Permit Renewal.—The Bureau has requested an additional $2.5 million to address the large number of grazing permits/leases that expire in 2000. These permits must be reauthorized in the coming years in order to fulfill BLM's NEPA requirements. Failure to fully support this measure will mean greater numbers of permits to review in future years and will open the Bureau to litigation, thus compounding the already formidable task. For fishery interests, this translates into less attention being focused on critical fisheries issues. Fishery habitat has been adversely affected by inappropriate grazing through increased sedimentation, vegetation loss, and riparian erosion. These new permit renewals afford BLM the opportunity to ensure that land use practices are in-line with environmental quality standards. ASA strongly encourages Congressional support for this much needed increase to the livestock permit renewal program.

Standard and Guidelines Implementation.—ASA fully supports the new BLM standards and guidelines that promote wise stewardship of rangelands. These locally developed standards and guidelines, which call for improvements in watershed and riparian management, will help to protect and restore valuable fishery habitat. As such, we would like to see these standards and guidelines implemented as quick-

ly as possible. Therefore, ASA supports the $1.8 million to be spent on standards and guidelines implementation.

BLM Fish and Wildlife Staffing.—We are very concerned that at current staffing levels, the Bureau and its field staff will be unable to meet the program and statutory requirements it must meet. At current staff levels, biologists are often forced to divide their time between on the ground, program implementation efforts and other program requirements, which may or may not provide direct fish and wildlife benefits. Evaluations, by BLM, of staffing needs have shown that the Bureau is lacking in staff to accomplish program goals. A recent work force evaluation showed that with its current level of staffing in fisheries, BLM is staffed at only 50 percent of its 1993 identified need level. At this staff level, the Bureau is only meeting approximately half of its identified programmatic needs on an annual basis.

Another indicator of the chronic work force problem sheds light on the great need for increased staffing, particularly in the fisheries program; there is a total of 65 fisheries biologists to manage all aquatic resources on BLM land, at that level there is one biologist to manage approximately 3,000 stream miles and 30,000 acres of lake. Some states have no fishery biologists at all, which has directly led to the deplorable state of a great number of these fisheries.

This staff deficiency will become especially pronounced in the upcoming year as BLM must address a significant backlog of grazing permits and reauthorize FERC hydropower dams, both of which will divert staff away from critical fishery needs. It is imperative that BLM be provided both the adequate staff and additional operating funds needed to implement its base programs if it is to be effective in managing aquatic resources on public lands which support both fish populations and the sportfishing opportunities they offer. In order to begin to address the critical shortfall in staffing, ASA urges that new staff positions and associated operating funds be appropriated for BLM field positions.

FISCAL YEAR 2000 U.S. FOREST SERVICE BUDGET REQUEST

National Forest System—Inland and Anadromous Fisheries Habitat Management.—Of the various federal landholders, the USFS is the largest provider of public outdoor recreation. This recreation can have a significant economic impact. It was recently estimated at nearly $110 billion annually. For recreational fishing, we estimate that 10 million freshwater anglers fish each year on USFS lands. This activity results in over $8.5 billion in annual economic activity and supports over 94,000 full-time jobs. ASA enthusiastically supports the President's proposed increase of 37 percent over fast year's USFS budget.

The $31 million proposed for anadromous fisheries management and the $26 million for inland fisheries are tied to several key initiatives which include improving user access and recreational facilities, protecting threatened and endangered species, and restoring degraded habitat and water flows. These significant increases over last year's budget will help the USFS continue to improve it's management of the 2.3 million acres of lakes, ponds, and reservoirs as well as the 197,000 miles of perennial stream on national forest lands. We believe that these projects supported by the funding increases are necessary to offset the lack of significant progress made on fishery habitat in the past five years when USFS budgets have remained fairly static.

Road Maintenance.—Finally, ASA is deeply concerned over the rapidly declining condition of the road system on USFS lands. Currently, there is an $8 billion backlog on road maintenance. Aquatic resources are being seriously damaged by sedimentation that flows off of these roads. We note, and strongly support the Service's request for an additional $22. 6 million for road maintenance and decommissioning.

SUMMARY

We have the opportunity to create new jobs in tourism and manufacturing sectors of the sportfishing industry. This potential can be realized by improving management of our federal lands and, in the process, creating more sportfishing opportunities from improvements in our aquatic resources. Mr. Chairman, it is paramount that we continue to invest in these programs to provide the basis for our future economic strength, and to benefit the millions of Americans who enjoy water-based recreational activities.

LETTER FROM ROGER SIMMONS, CONSUL GENERAL, CANADA

SEATTLE, WA, *April 9, 1999.*

Hon. SLADE GORTON,
Chairman, Senate Interior Appropriations Subcommittee,
U.S. Senate, Washington, DC.

DEAR SENATOR GORTON: As the Pacific Northwest begins to implement new strategies and programs for the recovery of endangered Pacific salmon and steelhead, Canada stands ready to help.

I am pleased to submit as public testimony to your 7 April, 1999 Field Hearing a study by Dr. Marvin Shaffer, natural resource economist and consultant to the Government of Canada. Dr. Shaffer and his team have analysed data for a number of Pacific salmon stocks and conclude that reducing the ocean harvest of salmon is proportionately as important, and in some cases more important, than in-river efforts to improve habitat, productivity and survival.

Shaffer's work lends scientific weight to a simple point: successful salmon recovery will require significant, sustained reductions in harvest as well as the recovery and protection of habitat. Without a new Canadian-U.S. agreement on harvest, hundreds of millions of dollars spent on habitat may never produce the desired result-more fish returning to spawn in our rivers and streams. Better harvest management must be an integral part of any comprehensive, cost-effective salmon recovery effort.

The Georgia Basin/Puget Sound region faces a significant challenge as we seek to restore the wild salmon, and in every challenge there is an opportunity. This is an opportunity for our two countries to put a contentious issue behind us and work together toward a future of ever greater cooperation.

Sincerely yours,

ROGER SIMMONS,
Consul General.

[News Release]

CANADA-U.S. AGREEMENT UNDER PACIFIC SALMON TREATY KEY TO SALMON RECOVERY

OTTAWA/SEATTLE/WASHINGTON.—Canada's Minister of Fisheries and Oceans, David Anderson, and the Minister of Foreign Affairs, Lloyd Axworthy, today released a report prepared by natural resource economist Marvin Chaffer which concludes that sustained reductions in salmon ocean harvests are as important for salmon recovery as in-river programs to improve salmon productivity and survival. The report also identifies Canada-United States agreements under the Pacific Salmon Treaty (PST) as the principal means for achieving long-term control over salmon interceptions.

"The report makes it clear that successful salmon conservation requires both the benefits of in-river habitat rehabilitation and effective harvest management," said Mr. Anderson. "This study reinforces the need for Canada and the U.S. to work together to find a cooperative approach to conservation and the better management of salmon stocks for the future of Pacific salmon stocks from Alaska to Northern California."

"The report provides more evidence that a Canada-U.S. agreement on Pacific salmon harvest arrangements is crucial to salmon conservation all along the West Coast," said Minister Axworthy. "Canada and U.S. officials continue to work toward a long-term, coastwide agreement on conservation and fair sharing of Pacific salmon. I look forward to reviewing the progress with U.S. Secretary of State Albright at our next meeting in April."

The report, Pacific Northwest Salmon Recovery Efforts and the Pacific Salmon Treaty, was commissioned by the Canadian Government last year to provide an independent analysis of the relative importance of harvest management and freshwater productivity for conserving salmon. Release of the study today comes at a time of increasing concern about conservation of Pacific salmon on the West Coast of Canada and the United States.

Attached is an Executive Summary of the Shaffer Report. The entire Report is available on the Department of Foreign Affairs and International Trade website at: http://www.dfo-mpo.gc.ca./communic/Reports/shaffe__e.htm

The Consulate would be pleased to arrange interviews with Dr. Shaffer.

EXECUTIVE SUMMARY

This study concludes that sustained reductions in ocean harvest of endangered Pacific salmon stocks are proportionately as important, in some cases more impor-

tant for salmon recovery than costly in-river programs to improve habitat, productivity and survival.

The Pacific Northwest is currently investing an extraordinary amount—over $500 million U.S. per year—for salmon recovery. With more Endangered Species Act (ESA) listing pending and new program reviews, this amount could readily double to over one billion per year, or more, in the near future.

Salmon recovery efforts to date have concentrated almost exclusively on in-river programs. A clear implication of this study is that harvesting control, which is orders of magnitude less costly, is as important and potentially effective for salmon recovery.

A large percentage of Pacific Northwest salmon are vulnerable to fishing effort in Canadian and Alaskan fisheries. Historically, exploitation in these fisheries has generally exceeded that in the southern U.S. Measures to control, on a sustained long term basis, interception of endangered Pacific Northwest salmon in these fisheries are critically important to the success of recovery efforts. They should be an integral part of any comprehensive, cost-effective salmon recovery program. Pacific Salmon Treaty negotiations provide the principal means for achieving long term control of interceptions.

NOTE: Marvin Shaffer (Ph. D. Economics) has been a consulting economist for the past two decades. He is also a former CEO of the British Columbia Transportation Authority and negotiator for British Columbia on the power benefits owed to B.C. under the Columbia River Treaty.

PREPARED STATEMENT OF KEN POYNTER, EXECUTIVE DIRECTOR, NATIVE AMERICAN FISH & WILDLIFE SOCIETY

Mr. Chairman and Distinguished Committee Members: My name is Ken Poynter, Executive Director of the Native American Fish & Wildlife Society (Society) and an enrolled member of the Passamaquoddy Tribe of Maine. I would like to thank you, on behalf of the Society, for the opportunity to provide testimony to the Appropriations Subcommittee on the Interior. I will be requesting appropriations from the Department of the Interior, Bureau of Indian Affairs (BIA), Wildlife & Parks budget (under Other Recurring Programs) for continued funding at the organization's fiscal year 1999 level of $488,000.

The Society is a national non-profit organization dedicated to the sound management and prudent use of tribal fish and wildlife resources. The organization serves as a network among tribes throughout the country, including Alaska and provides training and technical assistance to tribes in natural resource enhancement, planning, research and management.

The Society includes a membership of over 200 tribes, which includes 63 Alaskan Native villages and non-profit corporations, as well as over 1,900 individual members and numerous regional Commissions and Native organizations who are supportive of tribal fish and wildlife development and of the Native American Fish & Wildlife Society. All Society members share the common goal of protecting tribal sovereignty in the management and use of fish and wildlife resources.

Due to our effective method of providing technical assistance, periodic trainings, educational opportunities, information disbursement and the general support provided to our members and non-members alike, the Society has achieved a strong and diverse level of support. An obvious measure that emphasizes the increased recognition, reliance and support that the organization is experiencing is evident by the unprecedented growth in memberships over the past twelve months. Tribal memberships have increased 54 percent since April 1998, increasing from 136 member tribes to the current number of 204. Individual memberships have increased 58 percent in the same period going from approximately 1,200 to over 1,900 at this writing. Our substantial support and pro-active programs attest to the positive impact the organization has made in Indian Country, including Alaska. It is important to mention, and please note for the record, due to our large tribal membership base, the funding received through the federal appropriations process serves, at a minimum, 204 separate tribal governments on an annual basis.

Over the past twelve months, the Society has provided technical services and assistance to over 200 tribes, 25 non-governmental organizations, 20 states and 14 different federal agencies in the areas of fish and wildlife management, education and environmental protection. Seven regional conferences, including one in Alaska, are held annually in conjunction with associated regional specific technical work group meetings. In addition to the regional conferences, the Society holds an annual national conference. The national meeting offers a forum for attendees to address pertinent national issues, participate in relevant work related sessions and an opportunity to expand their individual networks. It also provides Conservation Law En-

forcement personnel in attendance the opportunity to participate in a forty-hour in-service training.

In addition to the above listed benefits and regular Society events, the organization sponsored numerous training sessions and natural resource related workshops throughout the country. These Society supported training sessions have become a mainstay of the organization and are a good example of our effort to assist Native resource management endeavors and address an unmet need. These funded education sessions provide Native resource managers, as well as others:, opportunities to learn new management skills and techniques or refresh old ones and represent, in most cases, the only occasion available to foster their knowledge.

These training sessions are identified and scheduled regionally by Society members. This method of identifying and scheduling trainings allows members to conduct sessions that they feel are most pertinent to their needs and held at the most convenient time and location. As a result of utilizing this form of training identification, sessions tend to be regional specific and collectively diverse. For example, the following list represents the natural resource management sessions conducted in the last twelve month period: Fisheries Management Workshop, Environmental and Water Resources Management? Native Species Management, Federal Funding and Technical Assistance Opportunities, Hazardous Materials First Responder Awareness Level Training, Endangered Species Act, Diseases of Importance in Southeastern Wildlife, Noxious Weed Control Methods, Range Management, Fisheries Management Workshop, Lake and River Electro-fishing Techniques, Fishery Sampling Techniques, Water Quality Assessment, Micro-invertebrate Surveys in Fisheries, Livestock Disease Intrusion, Tribal Big Game Commission Workshop, SO 3206 (Endangered Species Act) and the US Fish & Wildlife Service Native American Policy, Habitat Restoration and Enhancement, Eco-cultural Tourism, Elk Ranching and Aquatic Nuisance Species.

Due to the fact that protection is such an important aspect of any natural resource management plan, the Society has a large number of Conservation Law Enforcement personnel as members and supporters. Subsequently, this particular group has separate and profession-specific training needs and have participated during the last twelve month period in the following sessions: Migratory Bird Treaty Act, Authority/Non Native-Native American Jurisdictional Issues, Range/Firearm Techniques, Eagle Protection Act? The Lacey Act and Tribal Codes? Search and Seizure, Range/Firearm Qualification, Interviews and Interrogations, Crime Scenes/Collection of Evidence, Road Blocks, Covert vs. Overt Operations, Illegal Wildlife Trade, and the Endangered Species Act and Environmental Laws. Collectively, over 2,000 people participated and benefitted from the training sessions listed above.

In conjunction with the various Society conducted activities listed thus far, four quarterly newsletters (with a circulation of over 1,900 each), an annual report, promotion publications, informational management brochures and other management reports and publications were distributed nationwide. In order to maximize the federally appropriated funds received by the organization, some of the above listed events, publications and benefits were subsidized by forming partnerships and/or signing Memorandums of Understanding (MOW) with other entities.

Currently, the Society has signed a national MOU, as well as one regional MOU agreement with the U.S. Forest Service and one regional agreement with the U.S. Fish and Wildlife Service. In addition, the organization anticipates entering into a national MOU with the U.S. Department of Agriculture Animal and Plant Health Inspection Service and a national Memorandum of Agreement with the U.S. Fish and Wildlife Service.

These co-sponsorships illustrate the organization's Board of Directors continued efforts to assist Congress, when and where possible, in reducing the federal budget. It is important for the Subcommittee to realize that our continued growth, increased support to members and tribes and our constant pursuit to develop partnerships and cooperative working relationships with other entities is evidence of our desire to identify innovative ways to stretch the funds that we are allocated. Although the cost of doing business increases on an annual basis and we continue to experience unprecedented tribal and individual membership growth, we continue to maintain our resolve to not ask Congress for additional funds and constantly pursue opportunities to do more, year after year, at the same funding level we have received since 1994.

The Native American Fish & Wildlife Society represents a wealth of experience and information regarding management of fish and wildlife resources on Indian lands. Society members embody a diverse group of lay people, fishery biologists, wildlife biologists, foresters, conservation law enforcement of ricers, and land use managers and planners who currently manage tribal land bases throughout the country, including Alaska.

Members of the Society are involved in technical initiatives sponsored by the Society, as well as development of tribal technical fisheries, wildlife and recreation management initiatives critical to the preservation and protection of tribal resources. In addition, the Society continues to respond to the needs of its members in the area of technical assistance, training and program support.

The concept of the Society is based on the necessity for an organization to assume a leadership role to maintain the technical proficiency of tribal fish, wildlife and natural resource programs. Because of its organizational structure, the Society is able to efficiently respond to specific requests from tribes for technical assistance regarding the development, enhancement and wise use of their natural resources.

Collectively, American Indian tribes have a land base of approximately 94,000,000 acres, that includes thousands of miles of streams and rivers, and 730,000 lakes and impoundments. The wise use and management of these vast resources will only ensure that they remain intact for many generations to come. Because our work is so important, it is essential that we continue to receive funding so that we can carry on our goal to empower and improve the general welfare of Indian people through charitable, educational, and other fish and wildlife related activities.

The Society is currently the only national Native American organization that provides technical assistance to American Indian tribes, federal, state and local governments as well as private industry to develop and implement sound policies, ordinances, regulations, and laws to protect, preserve, conserve and prudently use and manage fish, wildlife and other natural resources. The organization continues to develop pro-active budgets year after year to assist tribes in their awesome responsibility to adequately manage the substantial natural resources in their care as listed above.

The Society continues to be appreciative of the broad, on-going, support we have and especially for the funding received for fiscal year 1999. To further illustrate both the support and the recognized necessity for the continued existence of the Society, I feel it necessary, for the record, to recapitulate the unprecedented and bipartisan support we received back in fiscal year 1995. That year, the Society was one of many federally funded entities that automatically received over a 50 percent cut in their federal appropriation and the only organization that had a full reinstatement of the initial requested amount by both the House and Senate. The continued funding at the restored $488,000.00 level each year since is further proof of the ongoing support we have from Congress and the dollar value it places on the beneficial services we continue to provide.

Once again, our intent is not to ask for additional funds to meet the increased costs of providing the programs we have developed, but to express our appreciation to the Subcommittee and our supporters for the faith they continue to show in our ability to accomplish our stated goals. We would also like to thank the Subcommittee for the opportunity to continue our important work while we assist our newly created Foundation in raising the 10 million dollar goal we have set for the permanent endowment that will eventually enable us to be self-sustaining and not reliant on federal funding. On behalf of the organization, I would like to reiterate, and remind, the Society's promise to the Subcommittee of our commitment, and diligent effort, to work with our Foundation Board of Trustees in securing the permanent endowment in as timely manner as possible.

Our contention at this time, and until we reach our goal of self sufficiency, is that Congress should view the federal funds appropriated to the Society as an investment which will be offering a return in the future via a planned small grants program to augment tribal natural resource management efforts. It is crucial that the Society continue to receive our current level of funding so that our important work with tribes, states, federal agencies and the private sector is not disrupted or diminished while we continue to work towards self sufficiency.

To reiterate our request to the Appropriations Subcommittee on the Interior, the Society is requesting a Total of $488,000.00 for fiscal year 2000.

In addition, the Society encourages legislation that allows tribes to participate in Federal Aid Funding and including tribes in any proposed future legislation addressing the Federal Aid program.

PREPARED STATEMENT OF MARY BETH BEETHAM, SENIOR ASSOCIATE, DEFENDERS OF WILDLIFE

On behalf of our nearly 300,000 members and supporters Defenders thanks you for the opportunity to provide testimony concerning our fiscal year 2000 appropriations priorities. Although we come before you to request funding, we fully understand the constraints of the Subcommittee's 302(b) allocation. We continue to work

aggressively—as we have for the past two years—with the Public Lands Funding Initiative, a broad coalition of more than 100 conservation and recreation groups, to increase the Subcommittee's 302(b) allocation so that funding is available to protect our nation's refuges, parks, forests, other public lands, wildlife, fish and plants.

U.S. FISH AND WILDLIFE SERVICE

Endangered Species: Defenders urges full funding of the President's fiscal year 2000 $114.9 million request for the Fish and Wildlife Service's (FWS) four main endangered species accounts: Candidate Conservation ($8.3 million), Listing ($7.5 million), Recovery ($56.7 million), Consultation ($37.3 million), and the ESA Landowner Incentive Program $5 million). We also urge full funding of the $80 million request for the Cooperative Endangered Species Fund, discussed under Lands Legacy, below.

The Candidate Conservation increase is needed for status surveys on approximately 300 species, development of an additional 50 Candidate Conservation Agreements (CCAs) in fiscal year 2000, and necessary monitoring of CCAs to ensure biological improvement of covered species and reduction of threats. Although properly designed CCAs can contribute to species conservation, Defenders opposes their improper use to preclude scientifically-based listing determinations.

The Listing increase is needed to process the more than 200 additional candidates and proposed species expected to require the Act's protection in fiscal year 2000. Moreover, 90 percent of listed species still do not have critical habitat designation (even though required by law). We continue to oppose the Administration's request for statutory language to cap the listing program and their new request to cap funding for critical habitat activities, which we believe is an attempt to avoid court ordered listing decisions and critical habitat designations.

The Consultation increase will help address the growing Section 7 consultation workload (more than 40,000 actions projected for fiscal year 2000) and continually expanding use of Habitat Conservation Plans (HCPs—more than 500 new and ongoing HCPs projected for fiscal year 2000) as well as provide some funding to ensure that both consultations and HCPs are based on sound science and subject to monitoring for effectiveness and compliance. While Defenders is not opposing funding for new HCPs, we continue to believe that the current FWS HCP process has significant problems requiring regulatory modifications. A major study by 119 independent scientists released two months ago drew the same conclusion reached by a 1998 Defenders report on HCPs. Led by Dr. Peter Kareiva at the University of Washington, the group developed a massive detailed database and found that many HCPs are seriously flawed because critical information is missing, and because HCPs do not take a precautionary approach for protecting species when that information is missing. Without needed modifications, HCPs are likely to exacerbate threats to listed species.

The Recovery request will help address the backlog of more than 300 species without recovery plans as well as recovery implementation and monitoring for the more than 1300 listed species expected by the end of fiscal year 2000, a 42 percent increase just since 1995. Recovery is the goal of the Act yet recovery implementation continues to be critically underfunded. According to FWS estimates, less than 20 percent of listed species have had even 25 percent of their recovery objectives met.

The following are Defenders' highest priories for specific recovery programs. To help restore the wolf to the northeast, $100,000 is needed for preparation of NE recovery plan and economic and other necessary feasibility studies. For the successful red wolf program in North Carolina, $850,000 will support continued captive propagation, monitoring, and establishment of a new recovery site. FWS needs $796,000 to continue Mexican wolf restoration which will include providing funding assistance to the White Mountain Apache Tribe for a full time tribal biologist; funding for field biologists to both AZ and NM Fish & Game Depts; increased outreach in high-use areas; and increased law enforcement made necessary by numerous wolf killings. For the Northern Rockies wolf recovery program, $1.1 million will allow monitoring, public education, and cooperative agreements with the Nez Perce tribe and states (which will receive most of the FWS allocation), while $80,000 (NPS) will pay for management of the program in Yellowstone National Park. At least $500,000 is necessary for recovery efforts in WY, MT, SD and AZ for the endangered black-footed ferret, thought to be extinct in the wild except for reintroduced populations. Finally, $1.02 million is needed for the grizzly recovery program which covers 30,000 square miles in four states and includes an EIS on grizzly recovery in the North Cascades. Successful reintroduction of threatened grizzly bears into the Bitterroot ecosystem of central ID and W. MT could increase grizzly bear numbers and range in the lower 48 states by nearly one third. Defenders opposed language in the fiscal year 1999

bill prohibiting reintroductions and will work to ensure that $115,000 of the grizzly recovery budget will be will be used for initiation of reintroductions in fiscal year 2000.

Migratory birds.—FWS is responsible for 58 game and 778 non-game migratory bird species protected under the Migratory Bird Treaty Act of 1918. At the very least, we support the President's fiscal year 2000 budget request of $21.8 million for critical activities such as conservation plan implementation, monitoring, and use of scientific information in designing management strategies. Projects funded with increases will include: monitoring population trends of nearly 500 species for which insufficient information exists; development of regional management plans for more than 50 species of migratory shorebirds; work with landowners in the southwest to benefit grassland and riparian birds (e.g. southwestern willow flycatcher, Bells vireo, and grassland sparrows); and collaborative efforts with partners to benefit forest breeding birds in the lower Mississippi River Basin.

International Affairs.—Under General Administration, Defenders endorses the request for International Affairs which helps support U.S. international leadership in the conservation of wildlife and biodiversity, particularly through implementation of the Convention on International Trade in Endangered Species (CITES). We suggest an additional enhancement of $400,000 (split evenly between International Wildlife Trade/International Wildlife Conservation Laws and technical assistance within that line item) for personnel and/or contracts to enable FWS to assist the CITES Secretariat and Parties and those of related agreements in developing improved systems and standards to prevent international conflicts of interest and for improving cooperation and efficiency in law enforcement.

National Wildlife Refuge System (NWRS) Operations and Maintenance.—We deeply appreciate the Subcommittee's support for the Refuge System and its leadership in providing significant fiscal year 1998 and fiscal year 1999 O&M increases. Defenders continues to be a proactive member of the Cooperative Alliance for Refuge Enhancement (CARE), a diverse coalition of 18 environmental, hunting, fishing, and recreation groups. CARE has reviewed FWS expenditures of the fiscal year 1998 increases and has concluded that these funds were used as intended, i.e. to reduce the overwhelming O&M backlog. Unfortunately, due to the magnitude and duration of the O&M funding deficit, continued increases will be needed for at least the next four years to address the $722 million in operations needs and the $526 million maintenance backlog. CARE has updated its Refuge restoration plan which recommends yearly increases of $65 million from fiscal year 2000 to fiscal year 2003, necessary to bring the Refuge System into a state of health by its 100th anniversary. We therefore ask an additional $37.7 million over the President's request to meet the CARE fiscal year 2000 target of which $36.35 million should be focused on operations increases which have not kept pace with those for maintenance. Operations increases are critically needed to carry out the requirements of the new National Wildlife Refuge System Improvement Act and to implement the directives of the first ever National Wildlife Refuge System conference, including inventory and monitoring (which requires additional biological staff); implementation of new compatibility regulations that depend heavily on the best available science; and the development of Comprehensive Conservation Plans. The recent Fish and Wildlife Service document "Biological Needs Assessment, National Wildlife Refuge System Division of Refuges, July 1998" documents the severe shortage in biological staffing. Examples of projects that will not be funded even at the President's level include: expansion of endangered masked bobwhite quail introduction at Buenos Aires NWR (AZ); monitoring and protection of threatened piping plover nesting areas at Des Lacs NWR (ND); and restoration of bottomland hardwood forests to benefit neotropical songbirds at Patoka River NWR (IN).

U.S. FOREST SERVICE

Major priorities for Defenders are funding increases for two extremely important areas that support species conservation in the FS budget: research and habitat management for threatened, endangered, and sensitive (TE&S) species. Sufficient funding for these programs will be key to implementing the recommendations of the Committee of Scientists which emphasize the need for species research, assessment, and monitoring.

Defenders strongly supports the important $10 million increase requested to fund TE&S research under Forest and Rangeland Research Wildlife, Fish, Water, and Air program. Currently, this program is so grossly underfunded that 70 percent of meager TE&S research funds are invested in fewer than 10 species or groups of species. Of the 2500 sensitive species on FS lands, FS scientists are studying only 54; vast information gaps exist for a whole array of sensitive species such as forest carni-

vores (lynx, wolverine, marten, fisher), bats, plants, amphibians, mussels, and crayfish. Just a few examples of critical research projects to be supported by this funding follow. The Southern Research Station will investigate factors responsible for successful reproduction of freshwater mussels which are experiencing an extinction crisis (over 70 percent of 297 native taxa imperiled). The Rocky Mountain Research Station will develop monitoring techniques and habitat management guidelines to maintain prey base for lynx, wolverine, and fisher (given that lynx is likely to be listed in the near future this information is critical to provide basis for a recovery plan). To benefit coho, chinook, and steelhead, cutthroat, redband and bull trout, the Pacific Northwest Station will develop landscape level conservation options including priorities for restoration and protection of habitat. And the Pacific Southwest station will examine effects of introduced fish and estrogen-mimicking compounds on the northern red legged frog and seven associated species.

Defenders also strongly urges funding of the President's requested $5 million increase for TE&S Habitat Management under the Wildlife and Fisheries Habitat Management line item. This investment in TE&S habitat is cost effective. As the Committee of Scientists recently reported, habitats on FS lands serve as important ecological anchors; conservation and recovery efforts consequently have benefits that extend far beyond FS lands to state and private lands. The increase will: support a 10 percent increase in survey and monitoring efforts in both terrestrial and aquatic habitats; support restoration of 19,000 acres of terrestrial and 36 miles of stream habitat; and fund development of conservation strategies and agreements for an additional 31 sensitive species and implementation of recovery plans for 7 additional T&E species. A 10 percent increase in public use benefits is expected, including increased viewing and interpretation opportunities. Unfortunately, even at the requested level, only one-third of the identified funding need (approx. $97 million) for TE&S habitat management will be met. Projects that will go unfunded at the request level include: reduction of road density in grizzly habitat on Lolo NF (MT) to reduce disturbance and displacement of bears; removal of heavy metal contamination from the Little Blackfoot River to benefit cutthroat and bull trout on Helena NF (MT); and surveying followed by habitat improvement projects such as prescribed burning to benefit prairie fringed orchid, prairie chickens and other sensitive species on Custer NF and Sheyenne National Grassland (ND).

U.S. GEOLOGICAL SURVEY BIOLOGICAL RESOURCES DIVISION

Defenders continues to believe that BRD has never recovered from funding reductions imposed upon it in fiscal year 1996 and subsequent years. Even at fiscal year 1999 funding levels of $162.5 million, BRD is still below its fiscal year 1995 base level of $166 million which, adjusted for inflation, would now total approximately $200 million. USGS has also made several budget restructuring proposals for fiscal year 2000 including a new budget activity, Integrated Science, that would fund DOI agency science priorities and place-based studies. The move towards integrated science is the right step in addressing ecosystem level interdisciplinary—and many other—research needs. However, we are concerned that $13.3 million of the proposed $47.7 million for Integrated Science is coming out of the BRD base, and that some increases for fiscal year 2000 projects are being funded out of decreases in important research just initiated in fiscal year 1999, e.g. a $5.5 million decrease for Species and Habitat Protection and Clean Water and Watershed Restoration. We therefore recommend that BRD retain in its base the $13.3 million proposed for transfer and that an increase of $13.3 million in new money be provided to compensate for the funding that would have come from BRD base to meet the Integrated Science request level of $47.7 million. We are also concerned that certain details about the Integrated Science activity, including methods for determining priorities and allocating funding, have not been made clear and must be made so as soon as possible; moreover, USGS needs to commit to meeting DOI agency needs and the Director must be held accountable for doing so.

Defenders maintains its strong support for the Gap Analysis Program (GAP), a collaborative effort involving 48 states and more than 500 business, non-profit, state, local, and Federal agency organizations to map our nation's biological diversity and areas currently managed for its protection. We also continue to believe that insufficient resources have been made available for efficient transfer of GAP data to users and integration into on-the-ground conservation planning and therefore strongly support the requested BRD increases of $3 million ($10 million USGS-wide) for National Spatial Data Infrastructure Community/Federal Information Partnerships (C/FIPS) and $1 million increase for National Biological Information Infrastructure. In particular, the C/FIPS would help states deliver GAP data and help people use the information in making daily decisions about land use. We note that

in order for the data to be useful, it must be in a form conducive to informing decisions about management and policy.

BUREAU OF INDIAN AFFAIRS

Defenders endorses and wishes to highlight funding for one worthy program under BIA Resources Management, the Cheyenne River Sioux (SD) Prairie Management Plan, part of a cooperative multi-agency effort and the tribe's response to requirements to recover the black-footed ferret. Phase I of the project, now completed, has improved the prairie ecosystem and decreased overgrazing on the Cheyenne River Sioux Reservation. The goals of Phase II, now being initiated, include: black-footed ferret reintroduction, prairie dog ecosystem management, range management, bison management, and public education. The tribe needs $2.5 million in fiscal year 2000 and $2 million/yr for 4 subsequent years to implement Phase II of the Plan.

LANDS LEGACY/LAND AND WATER CONSERVATION FUND (MULTI-AGENCY)

Defenders strongly supports full funding of the President's Lands Legacy Initiative, a total of approx. $800 million under the Subcommittee's jurisdiction: $413 for federal LWCF (DOI/FS), $80 million for the Cooperative Endangered Species Fund (FWS); $150 million for grants to states and others for land acquisition (DOI); $50 million for state open space planning grants (DOI); $50 million for Forest Legacy (FS); $40 million for urban forestry (FS); $10 million for smart growth revolving loan program (FS); and $4 million for Urban Parks and Recreation Recovery (NPS). The election last November demonstrated that Americans readily support expanded protection of open space and habitat and creation of more outdoor recreation opportunities, as Lands Legacy proposes. Voters approved 72 percent of 240 state and local ballot initiatives designed to provide funding for these purposes. We believe Congress needs to step forward and provide federal funding to mirror and assist these state and local efforts—redeeming the original promise to fully fund the Land and Water Conservation Fund which is currently owed $12 billion in unallocated funding. Defenders is proud to be on the board of Americans for Our Heritage and Recreation (AHR), an organization—representing thousands of LWCF stakeholder across the nation including urban, state, recreation, industry, and environmental groups—dedicated to revitalizing the LWCF.

We wish to highlight several components of Lands Legacy. First, the $413 million for federal land acquisition will move forward a number of high priority projects in our Refuges, Forests, Parks, and BLM-managed special areas, such as Pinhook Swamp, a corridor linkage between Northwest Florida's Osceola National Forest and Georgia's Okeefenokee National Wildlife Refuge. Second, the substantial increase in funding for the Cooperative Endangered Species Fund will give states badly needed resources to move forward with candidate conservation, recovery, and HCP efforts, for land acquisition to support both HCPs and species recovery. But even the requested $20 million increase for HCP land acquisition falls far short of the projected current yearly need of approx. $140 million that would benefit hundreds of species such as Karner blue butterfly, Florida scrub jays, Key deer, and marbled murrelets. Third, the $150 million for land acquisition grants is a needed step toward revitalizing the State-side of LWCF and will give states and local entities help in preserving dwindling vestiges of habitat and greenspace. And fourth, open space planning ($50 million) is a critically needed tool to help states address the threat of sprawl more cost effectively and strategically; comprehensive conservation of habitat must be an integral component of any such open space planning process.

Finally, we would like to offer an excellent example of a comprehensive, forward looking effort, strongly supported by Defenders, that could be funded under Lands Legacy. A broad cross-section of interests in eastern Pima County (AZ), one of the fastest growing regions in the U.S., has joined together to request funding for both Saguaro National Park West expansion (approved by Congress in 1994 without a funding source) and Pima County's Sonoran Desert Conservation Plan (SDCP). For fiscal year 2000, at least $10 million is needed to complete the Park expansion and another $40 million to help launch SDCP. This request includes acquisition of critical habitat for the endangered cactus ferruginous pygmy-owl by supplementing state and local funds for habitat acquisition in and around remnant old-growth ironwood forests northwest of Tucson. Up-front acquisition of this sensitive habitat would contribute to a pro-active private-public partnership to conserve this area of rich ecological and scientific value and jumpstart SDCP's development and implementation.

EVERGLADES RESTORATION (MULTI-AGENCY)

As national co-chair of the Everglades Coalition, Defenders strongly supports full funding for Florida Everglades Watershed Restoration, a total of $151.5 million (FWS $11 million, NPS $131.5 million, USGS $8.6 million, and BIA $0.4 million). Everglades land acquisition, research, construction and management are investments into the future of the economy and environment of South Florida. These funds are vital for carrying out the first phases of the most ambitious and critical ecosystem restoration project in history. Defenders feels that the conceptual plan for the project provides a flexible and effective blueprint for restoration. In recent weeks, improvements have been made which accelerate achievement of ecosystem benefits. We applaud those changes and congratulate the federal and state partners for their willingness to incorporate our suggestions. Thank you, Mr. Chairman.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

We appreciate the opportunity to provide testimony to the Interior and Related Agencies Subcommittee on several funding items of great importance to the Humane Society of the United States (HSUS) and its 6.7 million members and constituents. As the largest animal protection organization in the country, we urge the Committee to address these priority issues in the fiscal year 2000 budget.

ENDANGERED SPECIES ACT

The HSUS supports a strong, efficient, and effective Endangered Species Act (ESA) and the full measure of the Administration's $195 million request. Adequate funding early in the protection process—before more drastic measures are necessary for species survival—will facilitate the fulfillment of the ESA's crucial mandate and reduce potential conflicts. Full funding is necessary for scientific assessments of wildlife populations, purchase of critical habitat threatened by development, recovery planning, on-the-ground conservation projects, and improved enforcement to curtail the illegal trade in endangered species parts.

RHINO AND TIGER CONSERVATION ACT, AFRICAN ELEPHANT CONSERVATION ACT, AND ASIAN ELEPHANT CONSERVATION ACT

The HSUS supports the Administration's request of $1 million for each of three crucial foreign endangered species programs: The Rhino and Tiger Conservation Act, The African Elephant Conservation Act, and The Asian Elephant Conservation Act. The HSUS is very concerned about previous incidents and future opportunities for funds from these conservation programs to be allocated to promote trophy hunting, trade in animal parts, and other consumptive uses—including live capture for trade, captive breeding, and entertainment to meet the demand of the public display industry—under the guise of conservation for these endangered animals.

LAW ENFORCEMENT DIVISION OF THE FISH AND WILDLIFE SERVICE

After illegal drugs and arms, trade in wildlife parts is the third most lucrative smuggling enterprise in this country. New technology is essential if law enforcement is to have any hope of effectively enforcing the nation's endangered species trade laws. To that end, The HSUS requests an additional $12.764 million above the Administration's request of $39.95 million for the U.S. Fish and Wildlife Service Law Enforcement Division. Of that amount, $2.764 million is specifically requested for the Clark R. Bavin Wildlife Forensics Laboratory for the purchase of additional equipment and forensic science personnel. Adequate support for law enforcement and the forensics lab is essential to discourage the widespread trade in exotic animals and protect viable populations of wildlife before they are pushed to the brink of extinction.

LAND AND WATER CONSERVATION FUND

The HSUS strongly recommends that the Committee restore full funding for the Land and Water Conservation Fund, including funding for the state grants program which has not received any money since 1995. LWCF has been responsible for the acquisition of nearly seven million acres of parkland and open space and the development of more than 37,000 parks and recreation projects. It was an inspired act of Congress that created LWCF and a visionary step to make $900 million in Outer Continental Shelf Revenues available annually for this critical fund. Providing full funding for LWCF's federal and stateside programs this year will make a tremen-

dous difference in protecting habitat and resources that are vital to animals and people.

WILD HORSE AND BURRO PROGRAM/FERTILITY CONTROL RESEARCH

Although progress has been made, there remain serious deficiencies in the Bureau of Land Management's Wild Horse and Burro program. We believe that this is an extremely important and valuable program. America's wild horses are a public trust greatly beloved by the American people, and any indication that these animals are being threatened or mistreated generates loud public outcry. The HSUS recommends that the Administration's budget request of $19.97 million for the Wild Horse and Burro program be fully funded. Within the program, however, we recommend that $400,000 be shifted from the adoption program to on-the-ground management of horses and their range, especially wild horse monitoring, range monitoring, and habitat restoration. Restoring the ecological health and productivity of the public lands is a goal on which everyone can agree.

The BLM currently spends more than $1,100 for each wild horse that is removed from public lands and processed through the Adopt-a-Horse program. Even at that level of spending, the Bureau cannot guarantee humane treatment and adequate care to the 7,000 or more wild horses adopted each year. The HSUS believes that fertility control, if used as part of a scientifically-based and equitable range management plan, can reduce human-caused stress on wild horses, improve care for animals entering the adoption program, and reduce the costs of wild horse and burro management.

Funds appropriated by Congress in fiscal year 1993–1998 have brought immunocontraception to the brink of practical application to western wild horses. Field tests in 1992 and 1995 led to a one shot immunocontraceptive vaccine that reduced pregnancy rates in treated animals for one year by at least 85 percent. Five new field tests were begun in 1997–99, with the objectives of making the vaccine easier to use in the field, extending the length of vaccine efficacy to two years, and testing models that predict how much contraception reduces horse population growth. Since every foal not born potentially saves the Bureau over $1,100 in adoption costs, the vaccine is highly economical, even in the research phase. Delays in releasing funds over the past four years have significantly slowed research progress. Consequently, we request $350,000 in fiscal year 2000 to support further research in and initial application of wild horse immunocontraception. These funds would allow the continuation of the five field tests and put in place the means to begin management application. Each application reduces the number of horses that enter the Adopt-a-Horse program, and thereby recovers much of the cost of the research.

The HSUS also offers the following recommendations for modifications to the Wild Horse and Burro Program that will help alleviate the problems that currently trouble it.

(1) Stop the elimination of horse populations from established herd areas, stop local reductions in populations that threaten the viability of many herds, and enlarge wild horse populations where the land can sustain them. Where they are necessary, wild horse removals should be part of a comprehensive plan to restore range condition, and should be matched by real removals of livestock.

(2) Assure the public a voice in wild horse management decisions. The BLM has been using the "full force and effect" regulation, which was primarily intended for emergencies, to effectively remove the public's voice in decisions on wild horse management.

(3) Implement the recommendations of the Pierson and Culp reports, and the recommendations emerging from the Wild Horse and Burro Advisory Council.

(4) Use qualified volunteers where possible, and enhance the system for screening potential adopters, performing post-adoption compliance checks, and investigating what factors lead to successful, long-term adoptions.

These reforms will benefit the program in general, the animals themselves, and the public. The HSUS looks forward to continuing to work with the BLM on this issue.

ANIMAL CONTROL INITIATIVE ON NATIVE RESERVATIONS

The HSUS urges the Committee to designate $750,000 of the Bureau of Indian Affairs' Law Enforcement Initiative (or some other account the Committee deems appropriate) for a project to improve animal control services on several Native American reservations where public health and safety are currently jeopardized by the lack of such services. Over the last decade, some Native American Nations have developed animal control programs and ordinances, but their struggling programs are severely underfunded. Other Native American Nations have no animal control

programs at all. Poor and non-existent animal control programs pose not only serious problems for the animals on reservations, but also immediate public health and safety threats to the human residents.

Dog bites have become a serious hazard, particularly for children. More than 4.7 million individuals are bitten by dogs each year in the United States, leading to injuries and transmission of rabies and other diseases. The problem is particularly acute in Native American Nations. A 1996 report by Navajo Nation Animal Control stated that, "in 1990, the Indian Health Service announced that approximately 2,000 individuals were treated for dog bites" on that reservation. A fatality associated with a dog attack occurred last month on the Blackfeet reservation, and dog attacks on other reservations have led to severe injuries and death for children and adults over the past several years.

Recognizing this problem, The HSUS has begun providing direct services to several Native Nations. Since 1991, HSUS has worked with the Navajo Nation, and during 1998, HSUS worked with local animal control agencies to deliver basic humane services, including spaying/neutering and vaccinations, to more than a dozen reservations in Montana, North Dakota, and South Dakota, providing over 45 days of clinics. In 1999, HSUS hopes to expand its program to provide some assistance to more than 20 reservations in Montana, North Dakota, South Dakota, California, Oregon, Washington, New Mexico, Arizona, Colorado, and Utah.

However, to address the full range of public health issues associated with free-roaming, proliferating, and unvaccinated canine populations on Native lands, and to do so in a way that will achieve long term results rather than just providing stop-gap aid, federal assistance is needed. The funding requested would help several Native Nations begin to establish their own effective animal control programs. The proposed initiative would include training (workshops for animal control personnel about safe animal capture, handling, and vaccinations); animal sterilization and other veterinary services; humane education (instruction on how to deal with roaming animals, proper animal care, and responsible pet ownership); grants to Native Nation animal control agencies for facilities improvement or construction; and, if appropriate, legislation (helping communities develop effective local animal control laws). The requested funding could be allocated as follows:

—$310,000 to provide "mobile clinic" services throughout the Nations for spaying/neutering and vaccinations. This amount would cover at least 75 days of scheduled clinics, including a $200 per day honorarium for 3 veterinarians. This honorarium is necessary to recruit local veterinarians who could then be called upon for annual follow-up services.

—$270,000 to help establish animal control programs and facilities. Less than 10 percent of western Native Nations have formalized animal control programs, and even fewer have animal control facilities. This funding would be used to train Native personnel in safe animal capture and handling, humane euthanasia, and how to run an effective shelter. It would also be used to assist communities in developing effective animal control laws and humane education programs for schoolchildren, as well as to develop and print Native American directed educational materials on bite prevention and proper animal care. And it could help reservations begin building or improving their animal care facilities.

—$100,000 to provide proper equipment for animal control personnel, including gloves, nets, cat boxes, leashes, and portable cages, and for the spay/neuter clinics, including a portable anaesthesia machine, spay packs, surgery tables, instrument stands, syringes, needles, pharmaceuticals, and other medical supplies.

—$70,000 to hire two full time Native Nation coordinators, who would work exclusively on animal care issues affecting the reservations and ensure that the program was running smoothly.

This initiative would go a long way toward addressing serious public health and safety problems associated with animal control on reservations, in a way that is humane and effective on a long-term basis. The HSUS urges the Committee to make this much-needed modest investment.

Again, we appreciate the opportunity to share our views and priorities for the Interior and Related Agencies Appropriation Act of fiscal year 2000. We hope the Committee will be able to accommodate these funding requests to address some very pressing problems affecting millions of animals in the United States. Thank you for your consideration.

PREPARED STATEMENT OF CHRISTINE STEVENS, SECRETARY, SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION

The Society for Animal Protective Legislation requests an increase in appropriations of $12.764 million for the Law Enforcement Division of the U.S. Fish and Wildlife Service for fiscal year 2000. As major criminal activity has increased year by year in the trade of wildlife parts and products, it is urgent that the needs of Law Enforcement be provided with the tools and the staffing without which the David and Goliath nature of the battle will be ceded to the Goliath of organized crime.

I would like to begin by citing the urgent need for new technological instruments for the Clark R. Bavin Wildlife Forensics Laboratory.

The Triple Quadrupolar Mass Spectrometer will enable the skilled scientists and technicians at the laboratory to identify specific biological and organic chemicals. Examples of its' diverse power include: (1) determining the unique sequence of amino acids which make up proteins found in muscle tissues for speedy identification of wildlife species and (2) providing the scientists the ability to 19fingerprint' complex organic chemical mixtures from illegal chemical dump sites or oil spills and pinpoint the specific source of the materials. (Cost: $250,000 to $300,000)

A second extremely valuable piece of equipment much needed by the Forensics Laboratory is the High Resolution Mass Spectrometer which would allow the scientists to look at chemical isotopes from bone, feathers, fish scales, mollusk shells, etc. This instrument will allow the scientists to estimate time of death as well as determine the geographic location the sample came from.

A good example of its' use for determining where a sample originates from is the U.S. Fish and Wildlife Service case last year involving a multi-million dollar Asian pearl industry which used illegally harvested endangered shellfish from the Mississippi River. These shells were smuggled out of the United States and sold to the Asian pearl industry. The shells were then ground up into 19seed nuclei' around which artificial pearls form. The High Resolution Mass Spectrometer would have allowed scientists to pinpoint the location the shells were illegally taken from—even down to a specific river drainage, and strengthen the case against the criminals involved. (Cost: $750, 000 to $1,000,000)

The Fourier (pronounced For-E-A) Transform Mass Spectrometer is another important detective device which performs macro-molecular analysis as well as DNA and protein sequencing. These techniques are especially valuable in the analysis of medicinal products purporting to contain minute amounts of Rhino horn or Tiger bone powders. Other analytical techniques involve rapid species identification based on protein differences found in hemoglobin in blood and myoglobin from muscle tissue samples. (Cost: $500,000)

Additionally, the new, powerful tools of DNA analysis in matching tissue samples from poaching cases, and in identifications of species and species-hybrids are increasingly opening up new areas of forensic capability and allowing the scientists to analyze blood and tissue evidence that previously could not be processed. These expanded capabilities have placed new demands for casework on the Laboratory. To keep up with these demands the Lab needs the following instruments:

Two automated multi-probe work-stations which would allow the scientists to place DNA samples through a selected sequence of automatic analytical processes. (Cost: $50,000 each)

Two Cytoflour multi-well plate readers to instantaneously, and accurately quantify flourescent-labeled strands of DNA. This will provide a precise measurement of the DNA for subsequent analysis. (Cost: $22,000 each)

An ABI 310 capillary electrophoresis DNA sequencer would greatly expand the Lab's capability in answering both species and hybrid identifications of wildlife. (Cost: $100,000)

Finally, communications with U.S. Fish and Wildlife Inspectors at border ports is vital to the ongoing investigative assistance provided by the Lab. One goal to enhance this communication is to place 50, state-of-the-art laptop computers in the hands of Wildlife Inspectors around the U.S. These computers will allow them to securely connect to the Lab using smartcard technology and encryption software to access on-going casework, investigative and research data. This technology will greatly enhance their investigations and ultimately the service of the Lab. (Cost: $150,000)

The nature of the casework at the Clark R. Bavin Wildlife Forensics Laboratory has become more complicated and detailed as new investigations involving threatened and endangered exotic wildlife trade species are initiated. Some of the analytical techniques are adaptations from human forensics which are modified and applied to wildlife cases. Because of the diversity of evidence found in wildlife crime,

many other techniques are completely new, cutting edge forensic technologies developed from scratch.

With this changing casework and technology, additional personnel are needed. Two senior forensic scientists, 8 forensic specialists and 2 technicians will greatly assist the mission of the Laboratory. (Salaries and benefits $570,000)

The instruments and personnel needs I have described will accomplish two main goals: (1) they will allow scientists to more rapidly analyze evidence and speed up the investigative and judicial process and, (2) they will greatly assist the scientists in developing new forensic techniques to answer the difficult questions—including species identifications, cause of death, origin of sample—questions involved with the multi-billion dollar world trade in threatened and endangered wildlife.

It is estimated that there are approximately 3000 forensics laboratories worldwide, all focused on solving crimes against one species-humans. The Clark R. Bavin Wildlife Forensics Laboratory stands as one laboratory whose mission is to solve crimes against the other, silent species of the world. Support of this Lab is vital to our commitment to the countless generations who follow us and the hope that they can enjoy the world's wildlife as we do now.

PREPARED STATEMENT OF TED JAMES, PLANNING DIRECTOR, KERN COUNTY PLANNING DEPARTMENT; STEVEN J. ARITA, ENVIRONMENTAL COORDINATOR, WESTERN STATES PETROLEUM ASSOCIATION; MANUAL CUNHA, JR., PRESIDENT, NISEI FARMERS LEAGUE; LES CLARK, VICE PRESIDENT, INDEPENDENT OIL PRODUCERS ASSOCIATION; AND MIKE CHASE, ENDANGERED SPECIES COORDINATOR, KERN COUNTY FARM BUREAU

Mr. Chairman and Members of the Subcommittee: On behalf of the California Industry and Government Coalition for the Kern County Valley Floor Habitat Conservation Plan (KCVFHCP), we are pleased to submit this statement for the record in support of our funding request for the Interior Appropriations Bill for fiscal year 2000.

First, the Coalition supports the Department of Interior's fiscal year 2000 budget request for the Cooperative Endangered Species Conservation Fund—especially funding for HCP land acquisition. The Coalition urges the Subcommittee to appropriate maximum funding for land acquisition.

The Coalition's request is supported by the timely need to implement the KCVFHCP, which is in the final stages of development and expected to be completed within the next 8–10 months. The Coalition requests that the Subcommittee appropriate the maximum possible amount for this program, so that the funding pool can accommodate our request and need. We are confident that the plan's merits and urgency support this request.

Kern County's program is unique from other regions in the nation in that it contains some of the highest concentrations of plant and animal species protected by the Endangered Species Act (ESA) within the continental United States. The region is occupied by 13 wildlife species and 14 plant species listed as threatened or endangered under federal law. The potential for conflict with the federal ESA is great in Kern County because of the extensive agricultural and oil and gas production activities which occur. Since Kern County is the top oil producing county in the nation and one of the leading agricultural counties, potential conflicts with the ESA and their resolution through a proactive conservation program has significant national importance.

In recognition of the conflicts posed to economic growth by federal and state endangered species laws, a joint agency Memorandum of Understanding was entered into by the U.S. Fish & Wildlife Service, Bureau of Land Management, California Energy Commission, California Department of Oil & Gas and Geothermal Resources, California Department of Fish & Game and Kern County. The participating agencies agreed to develop a unified conservation strategy with the goal of providing a streamlined and consistent process of complying with State and Federal endangered species laws, yet at the same time allow important industry activities such as oil and gas, agricultural, ranching, water conveyance and other industry activities to continue. Preparation of the KCVFHCP began in 1989 and involved a number of federal, state and local government agencies, as well as the oil and gas industry, agricultural, utilities and environmental groups.

Kern County's Valley Floor Habitat Conservation Plan (KCVFHCP) is one of the largest and most diverse endangered species conservation programs under development in the nation encompassing over 3,110 square miles. The program embraces many of the conservation approaches that have been advocated by the Department of Interior, in that it represents a significant departure from traditional endangered

species conservation programs which utilize prohibitory controls to assure conservation of species habitat. Instead, it is based on a system of trading habitat credits in an open market. In that regard, the KCVFHCP is considered to be a state-of-art conservation plan that will address compliance with the ESA for multiple threatened and endangered species. This innovative and state of the art system, for the first time, provides landowners with real incentives and more importantly, the ability to choose how best to manage their own private property.

The Coalition appreciates the Subcommittee's consideration of its request, as well as Subcommittee's support of the Kern County HCP.

PREPARED STATEMENT OF HARRY WILDE, SR., CO-CHAIR, LOWER YUKON AND GILBERT HUNTINGTON, CO-CHAIR UPPER YUKON, ON BEHALF OF THE YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

ABSTRACT

The Yukon River Drainage Fisheries Association (YRDFA) requests an appropriation of $150,000 to operate a public information and education campaign concerning the U.S./Canada Yukon River salmon treaty negotiations and the operations of the Yukon River Panel. Funds would be transferred from the U.S. Fish & Wildlife Service to the YRDFA through a Cooperative Agreement entered into under the authority of the Fish and Wildlife Coordination Act [16 USC 661–667 (e) (1970)] and under the authority of legislation to be introduced later this spring reauthorizing the Yukon River Salmon Act.

INTRODUCTION

Since 1985 the U.S. and Canada have engaged in annual negotiations to conclude a long-term treaty for the management of chinook and fall chum that spawn in Canada. During the 1990s there were informal agreements on harvest targets and spawning escapements and from February 1995 through March 1998, a formal Interim Agreement was in place between the two countries. During the 1990s, with the exception of the unforeseen salmon crash of 1998, spawning escapements were steadily being built back up to agreed-upon levels.

While management cooperation between the two countries has had some success, there is a serious need to improve public information and education concerning U.S./Canada Yukon salmon issues to the 15,000 rural residents living in the 42 different Yukon villages in Alaska. All of these villages are extremely isolated, accessible only by small plane or riverboat. There are no daily newspapers, limited and poor TV reception and only a few scattered public radio stations.

It is these rural villagers who will be the most affected by an eventual treaty with Canada. Salmon, including Canadian-origin chinook and fall chum stocks, are the backbone of both their traditional subsistence fishery and their small commercial fishery. Decisions concerning Canadian-origin stocks have major impacts on how many salmon each family may harvest and how much fishing income a commercial fisherman might earn. These fishermen must not only be fully informed about the ongoing process but must be able to communicate with and provide feedback to the U.S. delegation negotiation team (a.k.a, the U.S. section of the Yukon River Panel and its Advisory Committee as well as agency personnel of the U.S. Fish & Wildlife Service, the U.S. Department of State and the Alaska Department of Fish & Game.

Unless the residents and fishermen of the Yukon River understand the costs and benefits of the Panel process and a future proposed treaty with Canada, it will be very difficult for United States Panel members and negotiators to move forward on negotiations. Without adequate public information and participation mistrust will build between the rank-and-file and the people who represent them.

A U.S./CANADA YUKON RIVER SALMON INFORMATION & EDUCATION PROGRAM

In 1998 and now in 1999, the U.S. Fish & Wildlife Service has, at the direction of the U.S. section of the Panel and the negotation delegation, entered into cooperative agreements with YRDFA in the amounts of $10,000 and $50,000, respectively, to assist the agencies in educating the public about the ongoing negotiations with Canada. Funds were, and are being, utilized to pay for an annual 4-day fishermen's meeting and for informational newsletters distributed to nearly 3,000 recipients.

For fiscal year 2000 the YRDFA would use the funds to expand its comprehensive public information & education program in consultation with the U.S. Fish & Wildlife Service and the Alaska Department of Fish & Game. Potential activities include: Quarterly newsletter and periodic mailings distributed to:

—1,500 subsistence salmon fishing households

—950 commercial salmon fishing permit holders
—100 contacts in state and federal agencies
—42 ANCSA village corporations
—42 IRA/Traditional village councils
—12 salmon processing/smoking operations
—8 media outlets
—15-minute radio programs distributed on Alaska Public Radio Network Fishermen's meetings in selected villages in the lower, middle and upper Yukon

Through such a comprehensive effort the fishermen and women of the Yukon will be fully informed and involved in working with the Yukon River Panel and the various agencies in charting the future of the Yukon River.

Anticipated annual expenditures of a fully-funded Information & Education Program are as follows:

YRDFA staff support	$50,000
Fishermen's Meetings (travel & per diem)	60,000
Radio programs (contractual)	16,000
Newsletters (production & distribution)	24,000

THE YUKON RIVER DRAINAGE FISHERIES ASSOCIATION (YRDFA)

The Yukon River Drainage Fisheries Association was formed in 1990 to unite lower river and upper river commercial and subsistence fishermen of the Yukon River and its tributaries within Alaska. As such it represents Yup'ik Eskimo, Athabascan Indians and white homesteaders. It is governed by a 16-member Board of Directors with seats apportioned according to the six (6) commercial fishing management districts of the Yukon, the coastal villages, the Koyukuk River tributary. and the Yukon Flats A primary goal of the YRDFA is to seek consensus solutions to the various management, conservation and allocation issues on this vast and complex river system.

The YRDFA hosts a 4-day Annual Meeting in a different village each year and publishes an occasional newsletter. The Association also sponsors ad hoc village meetings concerning local and subregional issues. It works on a regular basis with biologists of the Alaska Department of Fish & Game and the United States Fish & Wildlife Service to craft management plans that help to assure sustained yield of various stocks while meeting subsistence harvest needs and providing for commercial harvests. YRDFA then presents these consensus plans for formal regulatory approval by the Alaska State Board of Fisheries.

The YRDFA is the only organization that works with and unites all the diverse fishermen on the river. It knows the best ways to communicate with and foster the participation of these fishermen.

Thank you for this opportunity to submit written testimony.

NATIONAL PARK SERVICE

PREPARED STATEMENT OF THE COACHELLA VALLEY MOUNTAINS CONSERVANCY

The Governing Board of the Coachella Valley Mountains Conservancy appreciates this opportunity to submit testimony in support of a $5 million appropriation to the Bureau of Land Management for acquisitions in the Santa Rosa Mountains National Scenic Area. The Conservancy was established by the California Legislature in 1991 to acquire and hold in trust open space in the mountainous lands surrounding the Coachella Valley, and to provide for the public's enjoyment and use of those lands consistent with the protection of cultural, scientific, scenic, and wildlife resources.

The Scenic Area is the mountain range that forms the backdrop of the Coachella Valley cities, including Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, and La Quinta. The mountains rise quite steeply from the desert floor to an alpine environment atop San Jacinto Peak at 10,800 feet. The resource values in the mountains run the gamut from scenic and wildlife to cultural and recreational. The Scenic Area is of great importance to the Coachella Valley's economy, and hundreds of thousands of people who come to the desert each year for vacation enjoy our mountains, and, in so doing, contribute to the local economy.

The Conservancy would like to inform you about two partnerships. The first partnership is the local, state, and federal partnership that has been working for years to protect the National Scenic Area. The attached chart shows the magnitude of this partnership. Since 1990 the state of California has provided over $20 million for acquisition and the local communities nearly $10 million, including $3.9 million since January 1st for a key acquisition in Andreas Canyon. BLM has contributed over $11

million in LWCF money in that time period. This is a partnership that you can be proud of having supported, and you can be confident that your continued support will again leverage state and local contributions. With the listing of the peninsular bighorn sheep as an endangered species last year, we are in ever-greater need of acquisition funding to protect the National Scenic Area, which is home to the magnificent bighorn sheep. Land acquisition activities are accelerating in an effort to avert conflicts over the bighorn sheep and to enhance protection for the species.

The Conservancy and BLM are currently talking with nine key landowners about the acquisition of their property. Together their holdings total 13,830 acres, the total value of which is in the range of $19 to $26 million. Five of these landowners are committed willing sellers at an estimated cost of $3.4 million, and the BLM's remaining fiscal year 1999 LWCF money will initiate these acquisitions. Appraisals are currently being conducted on these properties. Of the other four landowners, three have indicated a strong interest in selling, contingent upon the purchase price being determined and how quickly the acquisitions could occur. The value of their land is in excess of $10 million. The final landowner has not yet indicated whether or not he wants to sell. The requested $5 million appropriation would complete the pending projects and enable BLM to initiate one or more of the other willing seller acquisitions. The Conservancy is optimistic that state funds will be available in the coming fiscal year to provide a significant state contribution toward those acquisitions.

The second partnership is the southern California NCCP cooperative effort. Representatives from NCCP efforts in five counties meet monthly to share information and provide mutual support for each other's efforts. Collectively, these NCCP plans comprise the core of a bioregional conservation plan for all of southern California. This is certainly one of, if not the most, most comprehensive and proactive planning efforts in the nation. We also request your support for the funding needs of our NCCP partners, namely, $10 million in acquisition funds for the San Diego Wildlife Refuge, $2 million in acquisition funds for Otay Mountain, and $2 million in NCCP planning funds. To meet other needs in the area, as well as in other areas of the country, we support $80 in Cooperative Endangered Species Act funding and full funding for the LWCF program.

In conclusion, the Conservancy would like to update you on some of the successful acquisition efforts in the Scenic Area. We are pleased to report the completion of a partnership acquisition by the BLM and the City of Palm Desert, in which each contributed $1.25 million to acquire the C.C. Myers property. Also, as alluded to earlier, the County of Riverside recently committed $1.9 million and the Agua Caliente Band of Cahuilla Indians committed $2 million to acquire the Andreas Cove Development Company property at the mouth of Andreas Canyon. The Conservancy purchased 91 acres and the Friends of the Desert Mountains have 213 acres in escrow, using Adopt an Acre program contributions from community members and corporate sponsors.

Land and Water Conservation fund money has been well spent in the Santa Rosa Mountains National Scenic Area because of these partnerships. The money is an investment in more than land. It is an investment in a model of local, state, and federal agencies working successfully together, and with diverse private sector groups. The Coachella Valley has an excellent history of such cooperative efforts in land acquisition and in preparing successful plans to deal with endangered species issues. That cooperation is alive and well today; in fact it is healthier than ever. An LWCF appropriation is a key ingredient in the recipe for the success we have had and are continuing to enjoy. The Conservancy hopes this Subcommittee will support an LWCF appropriation as you have in the past.

Prepared Statement of the National Conference of State Historic Preservation Officers

The National Conference requests a withdrawal from the Historic Preservation Fund of $150,000,000 for fiscal year 2000.

[In millions of dollars]

	FY 1999 actual	FY 2000 administration budget	Historic preservation's request at $150 million	Compare FY 1999 actual with FY 2000 request
Heritage grants:				
Restoration grants (thru States/CLGs)	.....	.....	$43.478	+$43.478
HBCU	$8.422	$15.022	15.022	+6.600

[In millions of dollars]

	FY 1999 actual	FY 2000 administration budget	Historic preservation's request at $150 million	Compare FY 1999 actual with FY 2000 request
Save Americas Treasures	30.000	30.000	30.000	.....
NHL Grants	.....	1.500	1.500	+1.500
Congressional add-ons for 8 properties	8.750	.....	.....	−8.750
Heritage grants subtotal	47.172	46.522	90.000	+42.828
Core Programs at the State and local levels	31.394	31.394	50.000	+18.606
Tribal Historic Preservation Offices andtribal grants	2.596	2.596	10.000	+7.404
Grand Total	81.162	80.512	150.000	+68.838

The purpose of the National Conference testimony is to focus on the request for the national historic pres ervation program operation through the State Historic Preservation Offices: $93.478 million ($43.478 million for restoration grants and $50 million for core activities).

WHY NOW?

The strength of the United States' economy, the elimination of the deficit, and the willingness of the Administration and the Congress, on a bipartisan basis, to consider increasing the outlays from the Historic Preservation and Land and Water Conservation Funds has encouraged the National Conference to ask for what the Nation's historic resources need. For two decades, the Historic Preservation Fund has operated at a fraction of its potential because the off shore oil lease revenues were used to balance the budget. Since financial conditions have improved, the off shore oil lease revenues can and should be di rected to their intended purpose.

THE NATION'S HERITAGE IS MORE THAN THE FEDERAL ESTATE

The heritage of the United States exists beyond the boundaries of the national park system and the larger federal estate. The heritage of the United States also exists beyond museum settings and park preserves. Comprehensive conservation of our his tory requires the comprehensive approach embodied in the National Historic Preservation Act.

National policy must provide for stewardship of heritage both in the parks and in the rest of the nation. Federally owned and non-federally owned historic places merit equal treatment and equal concern and equitable funding.

STATES, NOT FEDERAL AGENCIES, ACCOMPLISH THE NATIONAL PRESERVATION PROGRAM

The framers of the national preservation program decided to "hire" the States to fulfill the provisions of the National Historic Preser vation Act. This scheme has an added cost-cutting benefit as the States contribute half the expense. When a State Historic Preservation Officer recommends a property for nomination to the National Register, advises a developer on a rehabilitation, or con sults with a federal agency on a project the SHPO is conducting the national preserva tion program, is acting for the federal government. Without the SHPOs federal employees would bear the responsibility. The Historic Preservation Fund allocations to State historic preservation programs pay for the federal responsibility for the na tion's heritage, a federal responsibility equal to the national parks.

ADVERSE EFFECTS OF LIMITED FUNDING: UNPLANNED, UNBALANCED DECISIONS

Except for the period under the Heritage Conservation and Recreation Service, the broad national preservation program has been underfunded. This situation is not without consequences. The chart on page one of this testimony graphically illustrates one result. Funding for restoration projects has become targeted, categorical, and restricted to a narrow applicant pool. This situation undermines the goals of the national program including the need to provide opportunity and resources to all the diverse manifestations of our heritage, with decision making and administration shared with the federal government's partners at the State and local level. Advocates for preserving endangered sites are frustrated and understandably pursue other ave nues including special grants and separate authorizations. Full funding of the Historic Preservation Fund will provide equal access to resources for all

Americans, and for the properties important to all Americans, reducing the need for new programs and emergency grants.

One measure of the current situation is the fact that although the National Historic Preservation Act directs the Secretary to expend no more than 10 percent of the Historic Preservation Fund in directed grants, 60 percent of the fiscal year 1999 Historic Preservation Fund was allocated and administered at the federal level.

In the State offices, the benefits of the national program are selectively offered depending upon the resources available. With support for the federal program declin ing in adjusted dollars for twenty years, hard choices have to be made. Few offices, for example, are able to provide assistance to individuals or neighborhoods that want to be listed on the National Register of Historic Places, which is the heart of the national program. Those that can afford to hire a consultant may succeed, but many worthy sites are not recognized. Similarly, while the historic rehabilitation tax credits are a great success story, the bulk of our heritage which is not in com mercial use needs equal treatment through the matching grants established by the Historic Preservation Fund.

The most expensive consequence of chronic under funding has to do with historic sites survey and the coordination of federal activities with impacts on his toric places. Under funding has limited comprehensive historic site survey coverage. Therefore, federal agencies and applicants for federal assistance deter mine, usually through consultants, what sites their project will impact. Exacerbat ing this situation is the old fashioned methodology for maintaining historic site locational information. Limited Historic Preservation Fund allocations mean no resources to digitize historic site information, creating increased planning periods and project costs.

USES OF HPF INCREASES

Increases in Historic Preservation Fund allocations to the national preser vation program will go for known historic resource needs. The precise definition of these needs is found in National Park Service-approved historic preservation plans for each State, developed with public participation by the citizens of each State.

An existing National Park Service formula exists for the allocation of "core programs" funding among the States. The Park Service allo cates Historic Preservation Fund withdrawals over $50 million based on a competi tive grants process among the States. Local governments, official partners in the national preservation program, will benefit. A minimum of 10 percent goes to certified local government as well as half of the HPF withdrawal over $65 million. Initial expectations are that the competitive grants would focus on restoration grants for endangered National Register properties and digitizing inventory information.

The core program increases will support underfunded activities such as technical assistance in survey, National Register nominations, and enabling more local governments to become official partners in the program. The burdens of the existing program on the State Historic Preservation Offices are increasing because of growing popularity of the programs and further delegation of federal responsi bilities. For example, the number of rehabilitation tax credit projects has been growing by 15 percent per year. Public education is another high priority. Importantly, Historic Preservation Fund increases will allow for a major advance in digitizing historic site survey information resulting in both better protection for significant properties and expedited consultation for federal projects.

SAVE AMERICA'S TREASURES

Save America's Treasures grants for fiscal year 2000 should be allocated on a competitive basis through the States which have the capability to generate match award subgrants in an expeditious manner. Further, the intent of the National Historic Preservation Act (Section 101(e)(3)) is that the Historic Preservation Fund go to States, Indian tribes and local govern ments. The Historic Preservation Fund is not for federal agency expenses which should be funded through their regular budgetary processes (Section 110).

HISTORIC PRESERVATION BENEFITS

The benefits of the national historic preservation program make Historic Preservation Fund ap propriations a sound investment. The federal dollar invested in a historic preservation project goes a long way. First, it is matched at a 1:2 ratio (based on historic experience). Second, it is a one-time federal in vestment. Unlike national parks which require on-going federal expenditures in perpetuity, the responsibil ity for maintenance and the protection of the federal investment rests

with the owner. In each case, heri tage is preserved. The cost to the federal government, however, is very different.

Historic Preservation Fund dollars are further leveraged by programs in the private sector such as the federal historic rehabilitation tax credits, administered by the State Historic Preservation Officers. Owners of commercial properties on the National Register of Historic Places invested $2 billion in their buildings in fiscal year 1998 using this program, which ensures that the work maintains the historic character of the structure.

The data and expertise created by the national program may be regarded as an "infrastructure" for heritage with many potential uses, including the economic development opportunities of heritage area initiatives, and cultural tourism programs, one of the fastest growing indus tries in the world. Quality of life issues are high on the list of factors corporations consider when relocat ing, and communities successfully include heritage as a strategy in attracting new jobs and reasonable growth.

Participation in the national historic preservation program, when adequately funded, is open to everyone and is voluntary. Residents and property owners make decisions about their community's future. The Historic Preservation Fund gives them the option of having expert advice on assessing historic char acter, on alternative preservation techniques.

The national preservation program offers an alternative to exurban sprawl by rebuilding and reinvesting in existing communities, encouraging people to appreciate the character and benefits of living in an historic community. Historic districts, because of the pride and interest of residents in their community, are safer and maintain their value.

Non-quantifiable benefits exist as well. Historic neighborhoods and business districts are livable places where people want to be. "New urbanists" in the architecture and planning professions work to re-create the scale of historic communities. Celebration in Florida, Kentlands in Maryland bringing substantial profits to their developer clients.

Finally, historic preservation provides a real-time education for all Americans in the lessons and values of our history. The Historic Preservation Fund is the tool box that allows Americans to identify and protect that history for now and forever.

PREPARED STATEMENT OF STEPHEN A. JANGER, PRESIDENT, CLOSE UP FOUNDATION

Mr. Chairman, distinguished members of the Subcommittee, my name is Stephen A. Janger and I am president of the Close Up Foundation. It is a privilege for me to submit this testimony with regard to our work in the Pacific Islands to provide quality civic education experiences for students and educators.

Before I begin to discuss our fiscal year 2000 funding request, I want to express, on behalf of all of us at Close Up, our gratitude for the support this Subcommittee has shown for the Foundation's efforts to enhance and expand civic education opportunities in the Pacific Islands. The funding provided by this Subcommittee to the Office of Insular Affairs has made it possible for Close Up to reach thousands of students and educators. Without the Subcommittee's support, we know we would have had to significantly curtail the educational and training experiences we have provided Pacific Islanders.

For the past sixteen years, the Close Up Foundation has been involved in a variety of civic education activities in the Pacific Islands. With support from Congress, there are now students and educators participating from American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), the Federated States of Micronesia (FSM), Guam, the Republic of the Marshall Islands, and the Republic of Palau. In addition to having a special relationship with the United States, the unique global positioning of the Pacific Islands makes it critical that citizens in this region have the tools and understanding that are necessary to support democratic institutions. Close Up's twenty-eight years of conducting civic education programs place us in an ideal position to assist Pacific Island entities with education and training activities that will foster an interest in and an appreciation of the need for informed citizen involvement in the emerging democracies of the Pacific region.

We are aware of the budgetary pressures confronting the Subcommittee, but we believe for a relatively small investment of federal funds Close Up returns the investment many times over with significant contributions to the current and future generations of emerging Pacific democracies. Therefore, we respectfully request $1.0 million in fiscal year 2000 funding for Close Up's Pacific Islands programs.

CLOSE UP FOUNDATION'S PACIFIC ISLANDS PROGRAMS

Washington high school program

Although Close Up is much more than students on the Hill, most people associate Close Up with civic education programs for high school students. Through hard work and considerable support from communities across the country, we have experienced tremendous success during the last twenty-eight years in providing quality, hands-on, civic education experiences to a diverse group of students and educators. Our program diversity is exemplified by the participation of Pacific Island students and educators. Their presence helps to enhance the experience of many of our participants most of whom begin their week with little knowledge of people from other regions of the country (and world), only to end the week amazed at the similarities, shared interests, and new understandings created during their program week.

For the past several years, we have conducted three Washington High School Program options to meet the education needs of the Pacific Island participants. Each of the three options included a week in Washington on Close Up's program. In response to the desires of Pacific educators, we plan to eliminate one of the three program options—the Pacific Basin program—and offer two program options in fiscal year 2000.

One of the fiscal year 2000 options for the Pacific participants includes: a week in Washington on the "core" Close Up High School Program; a two-day trip to Williamsburg to explore the roots of American democracy; a visit to Philadelphia to examine the U.S. Constitution, its origin, and its impact on Pacific constituents; and, a visit to New York City, where students study the cultural and political implications of America's diverse citizenry.

The other option is the "core" Washington High School program expanded to eight days. This program was created to respond to an approximate 25 percent reduction in funding in fiscal year 1997. Rather than significantly reduce the number of students who could participate, four Pacific Island entities decided to offer an eight-day program. This program has been well received. This program option basically provides an extra day and a half for Pacific Island students to work on activities specifically devoted to the Pacific Islands and their relationship to the U.S. government.

In preparation for Close Up's current program year, we have been offering the three program options from previous years. We learned for certain after the first of the year that we would be facing a 33 percent reduction from the $750,000 we received in fiscal year 1998 (to a level of $500,000) for this part of the program. Since program planning begins a year ahead of time we felt we must go forward with our commitments and offer all three options in fiscal year 1999, even if it means fewer participants in each program. Should the Foundation's fiscal year 2000 appropriations request be funded, we plan to offer the two program options preferred by Pacific educators and increase measurably from the fiscal year 1999 level the number of students and educators taking part in those programs.

Each year, the overall program experience reaffirms our commitment to provide quality civic education programs to the Pacific Islands. The positive voices of appreciation of our programs, heard from every participating Island, strengthen our resolve to continue to strive to provide these often life transforming opportunities for the students and educators of the Pacific Islands.

Teacher training and teacher institute

In early 1998, Close Up completed an extensive nine-month civic education/social studies needs assessment for the Pacific Islands. A consistent theme in both the formal and informal discussions with Pacific educators was the need for teacher training. As a result of the needs assessment and a follow-up proposal the Foundation submitted to the Office of Insular Affairs (OIA), the Foundation was awarded a supplemental grant of $231,600 of which $149,600 was allocated for a Teacher Training Institute.

The Foundation conducted a "Training of Trainers" Institute in early December of 1998. The "Training of Trainers" (ToT) included forty-three educators from six Pacific entities; six from American Samoa, six (6) from CNMI, fifteen (15) from FSM, five (5) from Guam, five (5) from the Republic of the Marshall Islands, and six (6) from the Republic of Palau. From all accounts, the ToT was a huge success. One of the participants described the session as the best training program he had ever attended. This ToT was the beginning of creating a reservoir of educators who can work with others on their islands to improve the level of instruction for Pacific Island students.

In last year's testimony, we expressed the hope that we would receive funding enabling us to conduct a ToT. We also stated our belief that a second and subsequent

ToT would be necessary to reach an adequate number of educators. Given the timing of the supplemental grant award, the actual dates the 1998 ToT was conducted, and the expected reduction in a fiscal year 1999 grant, it is not possible for the Foundation to conduct a full ToT Institute in 1999. We continue to be, however, firm in our belief that teacher training activities are a vital element to building an educational system staffed by quality, self-reliant, self-assured educators. In the Pacific Islands, Close Up is one of the few groups trying to address this critical need. Should we be fortunate enough to receive fiscal year 2000 federal funding, we would therefore anticipate allocating some of the funding to teacher training activities.

Although training activities conducted in the Washington area offer unique resource advantages, we support the Pacific educators' belief that island-specific training conducted "on-site" can also be productive and useful. Although more limited in scope than other "off-site" training, there are home field benefits to be derived from this training approach. Specifically, it provides an arena where our ToT graduate participants can assist in the on-site training, technical assistance and evaluation.

Civic education materials

Returning to the needs assessment conducted by the Foundation, one disconcerting finding was the alarming continuing need for current civic education and other materials. Although the specific needs varied from island to island, all of the entities had significant needs for materials.

Part of the fiscal year 1998 supplemental grant of $52,000 we received is dedicated to helping reduce the shortage of materials in the Pacific Islands. Because the timing of the supplemental grant award and the ToT Institute, the production and distribution of materials will take place in the current fiscal year. Subsequent to discussions with staff at the OIA, the timeline for production and dissemination of the materials was extended to the first semester of the 1999 academic year.

The Foundation has collaborated with Pacific educators to develop island-specific social studies resource books. These books, known as the Civic Achievement Award Program (CAAP) books, are designed to connect history, government, geography, economics, culture, and current events with responsible citizenship. Since these books are tailored specifically to the island entities, their additional distribution will help mitigate some of the need for civic education materials.

A second way the Foundation can help alleviate the materials needs of the Pacific Islands is to reformulate into a comprehensive text all of the CAAP materials for the Pacific region. Funds were provided in the fiscal year 1998 supplemental grant for this activity. Work on this text is currently underway and this resource book is expected to be available for use in the fall semester of 1999. We will continue to assess the civic education materials needs in the Pacific to determine if supplemental island-specific publications are critically needed.

Local programs

Close Up's Washington teacher program enables Pacific teachers to return to their islands and use their enhanced professional skills to help all of their students—not just those who came to Washington. Armed with new classroom skills and confidence, many of these returning teachers have worked to develop government studies programs at the local level. These programs create a significant multiplier effect of learning for their students and their communities. The Foundation uses a small amount of the funding it receives to help teachers and other community members to develop and conduct these local programs.

Mr. Chairman, the Close Up Foundation has always considered it a privilege to work with students and educators from the Pacific Islands. We are proud of the programs we have conducted during the past sixteen years, and believe we have had a significant impact on the civic well-being of the Pacific Islands. As I stated earlier, we recognize that much of our Pacific work would not have been possible without the support of this Subcommittee. We believe our plans for fiscal year 2000 will continue to contribute measurably to the Pacific Islands and to the understanding and value Pacific Islanders place on democracy and democratic institutions. Therefore, we strongly believe that our work continues to justify your support. We would be happy to respond to any questions and to provide any additional programmatic or budgetary detail. Thank you very much.

PREPARED STATEMENT OF MICHAEL P. KENNY, EXECUTIVE OFFICER, CALIFORNIA AIR RESOURCES BOARD; BARBARA PATRICK, MEMBER, BOARD SUPERVISORS OF KERN COUNTY AND MEMBER, CALIFORNIA AIR RESOURCES BOARD; MANUEL CUNHA, JR., PRESIDENT, NISEI FARMERS LEAGUE; LES CLARK, VICE PRESIDENT, INDEPENDENT OIL PRODUCERS AGENCY; CATHERINE H. REHEIS, MANAGING COORDINATOR, WESTERN STATES PETROLEUM ASSOCIATION

Mr. Chairman and Members of the Subcommittee: On behalf of the California Industry and Government Coalition on PM–10/PM–2.5, we are pleased to submit this statement for the record in support of our fiscal year 1999 funding request of $100,000 for the California Regional PM–10/PM–2.5 Air Quality Study.

The San Joaquin Valley of California and surrounding regions exceed both state and federal clean air standards for small particulate matter, designated PM–10/PM–2.5. The 1990 federal Clean Air Act Amendments require these areas to attain federal PM–10/PM–2.5 standards by December 31, 2001. If the proposed PM–2.5 standards are adopted, they would have to be attained 2–3 years later. Attainment of these standards requires effective and equitable distribution of pollution controls that cannot be determined without a major study of this issue.

According to EPA and the California Air Resources Board, existing research data show that air quality caused by the PM–10/PM–2.5 problem has the potential to threaten the health of more than 3 million people living in the region, reduce visibility, and impact negatively on the quality of life. Unless the causes, effects and problems associated with PM–10/PM–2.5 are better addressed and understood, many industries will suffer due to production and transportation problems, diminishing natural resources, and increasing costs of fighting a problem that begs for a soundly researched solution.

PM–10/PM–2.5 problems stem from a variety of industry and other sources, and they are a significant problem in the areas that are characteristic of much of California. Typical PM–10/PM–2.5 sources are dust stirred up by vehicles on unpaved roads, and dirt loosened and carried by wind during cultivation of agricultural land. Soil erosion through wind and other agents also leads to aggravation of PM–10/PM–2.5 air pollution problems.

Several aspects of the research are important to federal agencies and programs within the purview of the subcommittee's jurisdiction, including the Park Service. Based on consultation with federal agency officials who work closely with the PM–10/PM–2.5 issue in the San Joaquin Valley Region, the Coalition requests funding for the following agency:

—*Park Service ($100,000)*.—The U.S. Park Service have a substantial stake in the PM–10/PM–2.5 issue. Park Service officials in the California region are concerned about the sources and types of PM–10/PM–2.5 particulate matter, including secondary emissions, that are coming into park areas from the San Joaquin Valley. There is a need for an assessment of the effect of PM–10/PM–2.5 emissions on different elevations of terrain. The Park Service is concerned about the transport of Valley emissions into outside areas under Park Service jurisdiction, especially as these emissions have an effect on vegetation and visibility in park areas. Park Service officials are concerned about the possible contribution of prescribed and forest fires on the PM–10/PM–2.5 problem, as well as the effect of PM–10/PM–2.5 particulate matter on human and other animal life, vegetation, land management, and area lakes and streams.

The importance of this study on PM–10/PM–2.5 is underscored by the need for more information on how the federal Clean Air Act Amendments standards can be met effectively by the business community, as well as by agencies of federal, state and local government whose activities contribute to the problem, and who are subject to the requirements of Title V of the Clean Air Act. There is a void in our current understanding of the amount and impact each source of PM–10/PM–2.5 actually contributes to the overall problem. Without a better understanding and more information—which this study would provide—industry and government will be unable to develop an effective attainment plain and control measures.

Our Coalition is working diligently to be a part of the effort to solve this major problem, but to do so, we need federal assistance to support research and efforts to deal effectively with what is essentially an unfunded federal mandate.

Numerous industries, in concert with the State of California and local governmental entities, are attempting to do our part, and we come to the appropriations process to request assistance in obtaining a fair federal share of financial support for this important research effort. In 1990, our Coalition joined forces to undertake a study essential to the development of an effective attainment plan and effective control measures for the San Joaquin Valley of California. This unique cooperative partnership involving federal, state and local government, as well as private indus-

try, has raised more than $24 million to date to fund research and planning for a comprehensive PM–10/PM–2.5 air quality study. Our cooperative effort on this issue continues, and our hope is that private industry, federal, state and local governments will be able to raise a final $4.6 million this year to complete the funding for this important study.

To date, this study project has benefited from federal funding provided through USDA's, DOD's, Interior's and EPA's budgets—a total of $13.3 million in federal funding with $200,000 in funding from the National Park Service for fiscal years 1998 and 1999. State and industry funding has matched this amount virtually dollar for dollar.

With the planning phase of the California Regional PM–10/PM–2.5 Air Quality Study complete, a number of significant accomplishments have been achieved. These interim products have not only provided guidance for completion of the remainder of the Study and crucial information for near-term regulatory planning, they have also produced preliminary findings which are significant to the Department of Interior's (DOI) interests.

The Study is significant to DOI interests for a number of reasons. The San Joaquin Valley experiences some of the most severe PM episodes in the nation. The information being collected by the PM study is essential for development of sound and cost-effective control plans. The potential impacts of emissions from unpaved roads under U.S. Forest Service, National Park Service, and Bureau of Land Management jurisdiction are also a concern, as well as emissions from prescribed burns and wildfires. In addition, previous studies have demonstrated that significant amounts of fine particles and their precursors from the San Joaquin Valley can be transported form the Valley into the Sierra Nevada Mountains, impacting sensitive forest areas and reducing visibility in national parks. Effective control plans for the San Joaquin Valley, based upon the results of the PM study, will help address the potential impacts of emissions from sources under the DOI jurisdiction and mitigate visibility and forest impacts through the reduction of transport from the Valley.

To this end, the PM study is expending significant resources to provide an improved understanding of emission sources within the San Joaquin Valley and Sierra Nevada Mountains, and transport both within the Valley and into the Sierras. A preliminary field monitoring program was conducted during the fall and winter of 1995/96. Extensive air quality and meteorological measurements were collected. This database is being analyzed to address a number of questions, including: (1) the sources contributing to elevated PM–10 and PM–2.5 concentrations, (2) the zone of influence of specific sources, and (3) wind flow patterns and transport routes between the Valley and surrounding areas. Preliminary results indicate that urban sites within the Valley and rural sites located in the Sierras have equivalent concentrations of secondary ammonium nitrate, suggesting this pollutant is regional in nature. At urban sites contributions from local combustion sources are then superimposed upon this regional background resulting in elevated urban concentrations.

The results of these analyses are being used to design large scale field monitoring programs to be conducted in 1999 and 2000. These field programs will address both the annual and 24-hour PM–10 and PM–2.5 standards. Surface and aloft monitoring of air quality, meteorology, fog, and visibility will be conducted at a cost of over $12 million. Final plans for these field studies are being developed, and will be carried out by numerous contractors over a broad are an encompassing Central California, the Sierra Nevada Mountains, and the Mojave Desert. Substantial resources will also be devoted to developing improved emissions estimates. A database of the field study results will be completed in 2001, with air quality modeling and data analysis findings available in 2002. This timeline is ideally positioned to provide information for federal planning requirements as part of the new PM–10/PM–2.5 national ambient air quality standards.

The Department of Interior's prior funding and participation have enabled these projects to occur. Continued support by DOI is essential to implement a full scope of transport and emissions assessment projects and to ensure that DOI concerns are met.

In summary, for fiscal year 2000, our Coalition is seeking $100,000 in federal funding to support the continuation of this vital study by the Park Service in California. We respectfully request that the Appropriations Subcommittee on Interior and Related Agencies provide these funds in the appropriation bill for fiscal year 2000, and that report language be included directing the full amount for California. This will represent the final year of funding requested from DOI.

The California Regional PM–10/PM–2.5 study will not only provide vital information for a region identified as having particularly acute PM–10/PM–2.5 problems, it will also serve as a model for other regions of the country that are experiencing similar problems. The results of this study will provide improved methods and tools

for air quality monitoring, emission estimations, and effective control strategies nationwide. Consequently, the beneficial results of this study will contribute to national policy concerns as well.

The Coalition appreciates the Subcommittee's consideration of this request for a fiscal year 2000 appropriation of $100,000 to support the California Regional PM–10/PM–2.5 Air Quality Study. DOI's past contributions have helped ensure the success of the study. The coalition thanks you for your support of this important program.

PREPARED STATEMENT OF THE CITY OF MIAMI BEACH, FL

Mr Chairman and Members of the subcommittee, the City of Miami Beach, Florida appreciates the opportunity to present testimony on two important initiatives for which we are seeking Federal assistance.

NORTH SHORE OPEN SPACE PARK /NORTH BEACH RECREATIONAL CORRIDOR PROJECT

The City of Miami Beach, Florida, seeks your support for funding to create the North Beach Recreational Corridor Project, an environmentally sensitive recreational greenway which will interconnect a series of park facilities distributed throughout the City s residential North Beach District and to tie into a regional network of recreational trails/alternative transportation routes.

The City s North Beach District is predominately occupied with multi-family residential developments including the majority of the City s low and moderate income families. Like most areas in Miami Beach, the North Beach District was developed in the 1930's and 40's as a resort community. At that time, automobiles were of little use or concern to Miami Beach visitors. As a result, very few parking facilities were developed in the area. Today, the shortage of available parking seriously impedes public access to area parks and beaches. The lack of facilities for bicycles and other forms of alternative transportation, which are extremely popular in Miami Beach, forces riders, etc. into city streets, creating many hazardous situations.

The North Beach Recreational Corridor will provide a continuous route throughout the entire North Beach District interconnecting and improving public access to public parks, the beaches and other recreational, cultural and educational facilities.

The main recreational destination along the corridor will be the City s North Shore Open Space Park. The 35 acre facility is the largest park in Miami Beach and is a highly treasured natural resource. Under the City's plan, great emphasis will be placed on the preservation and enhancement of the park's natural ecosystems which include the beach shoreline, a sand dune system and a native coastal hardwood hammock. New native vegetation plantings are proposed between the back dune and coastal hammock areas, linking the two habitats and creating a stronger dune community. Clear cutting of exotic nuisance plant species will strengthen native plantings and help create a visual link from land to sea. An expanded interpretive center is proposed to improve public access to the highly successful Sea Turtle Hatchery program and other nature education programs and activities. This unique combination of natural resources and public facilities will offer the community an "environmental classroom" that will be highly conducive to the exploration and understanding of the barrier island ecosystem indigenous to Miami Beach.

In addition to the North Shore Open Space Park, the Corridor will also connect with the Altos Del Mar Park, Band Shell Park, Ocean Terrace Park, and the 64th Street Park facilities which offer a wide array of recreational and cultural amenities. The Corridor will also connect with eight beach access areas to enhance public access to the beaches and to encourage park-beach cross utilization. Seven regional parking facilities will also be connected to the recreation trail to help improve recreational facility access for our residents and visitors.

The estimated cost of the project is $7.1 million. The City has secured $3.1 million from a Park Improvement Bond Program and an additional $840,000 in ISTEA Enhancement Funds. An appropriation of $3.2 million from the Department of Interior would provide the additional funds needed to allow this valuable regional recreational enhancement project to become a reality.

MIAMI BEACH BLACK BOX THEATER PROJECT

In recent years, Miami Beach has emerged as a force among world cities in the performing and visual arts. More than 700 cultural organizations are now based in Miami-Dade County, with Miami Beach as the preeminent destination for performances and exhibitions. This city's unique character is reflected in creative, multi-cul-

tural expression through the arts. Residents and millions of annual visitors take part in the cultural arts of Miami Beach. Cultural tourism is rapidly growing as Miami Beach's impact on the arts is being felt far beyond the island. Influences from the Caribbean and Central and South America are a vital part of the city's cultural life, not surprising given its geographic location and history as an arts community. While adding immeasurably to the quality of life in the city, the arts and entertainment industries are recognized as a powerful economic engine, critical to the next phase of development.

With such phenomenal growth in recent years, Miami Beach cannot now adequately accommodate its cultural institutions. Performance facilities are limited and in high demand. The City of Miami Beach Cultural Arts Council is besieged with requests for expanding, improving, and creating performance spaces. Collaborative efforts between the private and public sectors are underway, most notably in developing the city's new multimillion dollar cultural campus.

Vital to the cultural life of Miami Beach is a "black box" theater—an adaptable performance space for theater productions. Several small theater companies are based in Miami Beach, and have survived despite inadequate performance space and spiraling rents. Community meetings have focused attention on the urgent need for a community black box theater, preferably in the city's cultural district, though other locations are being considered.

This grant request for $1 million would contribute significantly toward creating an important cultural resource for Miami Beach. South Florida's annual Theaters of the Sun Festival and scores of plays, readings, and rehearsals could take place in a modern, safe, accessible, and adaptable performance space. The city's community theater companies, so important to the cultural fabric of Miami Beach, would finally have the "home" that for too long has been elusive.

No existing space in Miami Beach meets the needs of the resident theater companies. A black box theater is essential if independent theater is to flourish in this city. Small, experimental theater companies contribute to the community in ways that commercial touring groups cannot. The City of Miami Beach has a tradition of supporting its artists. The black box theater project is a high priority and, when realized, will be a jewel not only for Miami Beach but for theater-lovers everywhere.

Again, the City of Miami Beach thanks you for this opportunity to present our appropriation requests and for your consideration of these important initiatives.

PREPARED STATEMENT OF HON. SHARPE JAMES, MAYOR, CITY OF NEWARK, NJ

Mr. Chairman and members of the Subcommittee, thank you for giving us the opportunity to submit testimony about a project under your jurisdiction that is critical to the people of Newark, New Jersey. Newark is truly at a crossroads: we are a City with all of the problems of many major urban centers, but we are also a City with vast potential. We have begun to turn the corner—there is a renewed vitality and sense of optimism in Newark.

Vibrant revitalization is ongoing in our downtown. The successful opening of the acclaimed New Jersey Performing Arts Center (NJPAC) in 1997—which includes a new public plaza open space; an adjacent waterfront development along the Passaic River—which is scheduled to begin construction by the US Army Corps of Engineers later this year; a minor league baseball stadium where the Newark Bears will begin to play this summer; and a planned state of the art sports and entertainment complex, all are changing the face of Newark. But the renaissance of our City cannot just happen in the downtown business and arts center; it must include the residents and their neighborhoods in meaningful, substantive ways.

Newark is the largest City in New Jersey, with 275,221 residents in 1990, and ranks sixty-third in the nation in population. Newark's twenty-four square miles of land makes it the smallest of the country's top one hundred cities, with the fifth highest population density in the nation. Much of our land is taken up by Newark International Airport, higher education and medical facilities, and other institutional uses, increasing the density of our actual "livable" space. The median family income, according to the 1990 Census, was only $25,816—as opposed to $47,589 for the State—and our population is five years younger than the State average. Twenty-nine per cent of our population was under the age of 18, and twenty-six percent lived below the poverty line. For people living in these conditions, the availability of open space and recreation areas is an important and necessary asset.

Fundamental to the goal of bringing Newark back is the revitalization of its neighborhoods. Key to this improvement is the revitalization of municipal parks in some of our poorest and most densely populated areas, in full partnership with neighborhood residents and community based organizations. Toward this end, the

City of Newark seeks the assistance of this Subcommittee in securing funding to execute a plan to revitalize neighborhood municipal parks. Projects have been selected in each of the City's five wards, with specific strategies developed for each. The City of Newark will make every effort to match dollar for dollar federal support through its operating and capital budgets, staffing and in-kind services. Support is also expected from the private sector, including foundations, corporations and individuals.

With federal support, the City's Department of Neighborhood and Recreational Services will embark on a community partnership for parks strategy, currently being tested in the largest municipal park, Jesse Allen Park. Signs will be posted in each park, and a local grassroots campaign with advertising will be coordinated to invite all neighborhoods surrounding each of the thirty-five small city parks to collaborate and make theirs a community park according to the established process. In each of the cases described below, a "riends Of" park association is being formed of citizens who live around the park, and anchoring community institutions, such as schools, the faith B based community, community development groups, and local agencies. Each association will be helped by the City to form a board, create bylaws, and become a 501c3 non-profit organization. Each group will be expected to get at least 10 percent of the surrounding neighborhood residents to join the association and donate at least one dollar, and will participate in joint orientation and training with peers from similar groups city-wide.

The City will award additional funds for that particular park, which the AFriends Of@ group will help to administer to execute improvements and create programming. It is anticipated that funding will be in the amount of $1,000 per acre of park, plus matching with various foundation and corporate partners who have expressed strong interest in aiding the resurgence of parks and neighborhoods.

The City administration will maintain its current efforts and services, such as lawn mowing, trash removal and basic landscaping. In addition, our comprehensive strategy will include support from other municipal departments. The Engineering Department will address capital needs. They will develop comprehensive physical plans and drawings for each park, to be compiled in consultation with the community group. Federal support will be utilized to match municipal capital investment in improvements.

The Police Department has pledged to create walk-ride units of officers who patrol in and between specific parks, and organize police youth and adult athletic leagues to compete in the parks. They will also train watch groups who undergo association training. The Newark Public Information Office will coordinate the communications and media strategy, both for initial outreach and with each association in determining its own campaign direction and format.

The four largest parks in Newark are not City-owned, but are operated by the County. The Essex County Department of Parks and Recreation has agreed to work to implement a similar system in its facilities located in Newark so that a common bond and interconnected strategy can strengthen and multiply existing efforts. In fact, the Weequahic Park Association, one of the City's most active community groups, can serve as a model of what neighborhood involvement can do to improve park facilities. In addition, a common reservation system will be implemented between the City and County to simplify the process for organizations wishing to reserve fields and parks for events, programs, or ongoing leagues.

The specific parks that have been identified for participation in the demonstration project and the unique strategies for each are briefly described below.

Riverbank and Independence Park in the East Ward.—These parks are in the crowded Ironbound section, where the neighborhood has very little open space. The City is working with local groups to develop the designated park area near the Passaic River with jogging trails, soccer fields, and new open space.

Jesse Allen Park in the Central Ward.—This park is adjacent to one school and near several others. It was recently the focus of several discussions and meetings with community groups. It is in the heart of the City's poorest area, and has been subject to repeated vandalism. The City and the newly formed Jesse Allen Park Association are working jointly to develop and execute a plan that includes the refurbishment of ballfields, a revitalized playground, a new concert area, and security measures.

Kasberger Field in the North Ward.—These playing fields and recreation area are virtually hidden in the neighborhood in North Newark. It has attracted the attention and interest of many little league groups who want to help fix up the facility for ongoing use. A security fence, lighting and better drainage have been identified as vital needs.

Boylan Center and West End Park in the West Ward.—Boylan is the only City recreation Center in the West Ward, and West End is the only municipal park. Both need landscaping, furniture and signage to better serve their local area populations.

Mildred Helms Park and St. Peters Recreation Center in the South Ward.—Mildred Helms is a long narrow park in the heart of a dense residential neighborhood. It adjoins an elementary school, but is littered with crack vials, debris and broken glass, and has broken playground equipment. Despite this condition, the area children play there daily, as it is the only open space in the immediate area. This is a site where neighborhood organizing will potentially enable substantial change in the environment. St. Peters is a complex including basketball courts, a pool and a center building on the other side of the ward. This facility, too, is in need of community support to overcome chronic vandalism and return it to full utilization.

The City of Newark is seeking the support of this Subcommittee for a $5 million allocation to help to implement the City's overall strategy for park and neighborhood revitalization. Based on community partnerships and a sense of pride and ownership, the children of Newark will truly have the opportunity to be a part of the Citys renaissance.

The consideration of this proposal is deeply appreciated. Newark, New Jersey is looking forward to your support of this exciting project and its innovative partnership.

PREPARED STATEMENT OF JAMES MEADOWS, EXECUTIVE DIRECTOR, PRESIDIO TRUST

Thank you, Mr. Chairman, for this opportunity to bring the Committee up to date on activities of the Presidio Trust as we continue the process of transforming the magnificent Presidio of San Francisco into a financially and environmentally self-sustaining unit of the national park system.

As you know, Congress established the Presidio Trust as a wholly-owned federal corporation in 1996. The mission of the Presidio Trust is two-fold: to preserve and enhance the Presidio as an outstanding national park in an urban area while ensuring that it becomes financially self-sufficient by 2013. The Trust's 7-member Board of Directors, appointed by President Clinton, was sworn in on July 9, 1997. I have served as Executive Director of the Trust since January 1998, and have, in conjunction with the Board, shaped the development of the Trust as it assumed administrative jurisdiction and operational control of the park's non-coastal areas, including over 500 historic landmark buildings. The Trust completed the process of becoming a fully functioning federal executive agency on October 1, 1998.

The Trust submitted its Financial Management Program to Congress, in accordance with the Trust's authorizing legislation, on July 8, 1998. The Program projects a decreasing reliance on federal funding support for the Trust over the next 13 years. The Trust also submitted its 1998 Year-End Report to Congress at the end of December. I am pleased to inform you that the Trust is making substantial progress toward achieving the goals outlined in the Financial Management Program and reiterated in the Year-End Report.

Since assuming jurisdiction over the majority of the Presidio's land and facilities on July 1, 1998, the Presidio Trust has moved assertively to complete the transition of administrative jurisdiction and associated operational responsibilities from the National Park Service. The Trust has also instituted operational reforms, including a complete preventive maintenance program, and initiated an aggressive leasing program.

Funds provided by this Committee in fiscal year 1999 have been absolutely critical to our efforts to bring buildings and associated infrastructure into leasable condition. We are particularly grateful to this Committee for its support of $20 million in Treasury borrowing during fiscal year 1999. These funds will enable the Trust to prepare approximately 500 housing units for lease this year. Treasury borrowing is also funding the rehabilitation of other historic housing units as well as significant infrastructure and historic building improvements on the Presidio's Main Post. These improvements are tied to leasing activity that is currently underway and will begin to establish the sustained revenue flow that will ultimately enable the Trust to become financially self-sufficient. Revenue generated from leasing Presidio buildings will comprise 97 percent of the income necessary for the park's operation and ongoing renovation.

COMPLETING THE TRANSFER OF PRESIDIO OPERATIONS FROM THE NATIONAL PARK SERVICE

One of the Trust's main objectives in fiscal year 1999 has been to assume Presidio operations from the National Park Service while laying a foundation for an enduring

and productive partnership. By October 1, 1999, the Trust will have assumed management control of all administrative functions, fire prevention, maintenance, utilities operations and construction. The Trust also entered into a Memorandum of Understanding with the United States Park Police to provide law enforcement throughout the Presidio. To accomplish its share of managerial responsibility, Congress provided the Trust with $14.9 million in fiscal year 1999. The National Park Service received the remainder of the approximately $25 million in operating funds provided for the Presidio.

In fiscal year 2000, the Trust will have assumed responsibility for all administrative functions in the part of the Presidio that is under its jurisdiction (Area B). Accordingly, the Administration has requested $24.4 million for Presidio Trust operations in fiscal year 2000. As indicated in the Trust's Financial Management Program, funding requests for successive years will decrease annually until the Trust has achieved complete financial self-sufficiency by fiscal year 2013.

STREAMLINING OPERATIONS

The Trust believes that, to achieve its dual missions of park preservation and financial self-sufficiency, it must take steps to consolidate and streamline Presidio operations and reduce cost. The Trust's Financial Management Program projects at least 20 percent in reduced operating costs by fiscal year 2013. Already, the Trust has found significant savings by eliminating expensive maintenance contracts, instituting a preventive maintenance program, repairing infrastructure and implementing energy conservation measures.

Some examples of steps the Trust has taken to reduce costs are:

—Implementation of the "Total Maintenance System," a computer application that optimizes work order processing and response, reduces cost, tracks preventative maintenance and enhances warehouse management.

—Repair of leaks throughout the Presidio's water delivery system, creating savings of 80,000 gallons each day and $700,000 each year.

—Pressure grouting of sewer lines and manholes, achieving saving of $300,000 a year in wastewater treatment costs.

—Achievement of a 20 percent decrease in overall energy use in the park.

—Design of a one-stop compliance and permitting process, further implementing a process to ensure compliance with the National Environmental Policy Act and the National Historic Preservation Act—the process will also be accessible through the Trust's web site.

In addition, the Trust views its leasing program as a key to reducing operating costs. Leasing unoccupied historic buildings will begin to reverse the deterioration caused by several years of vacancy. Since assuming jurisdiction from the National Park Service, the Trust has also ensured that heat is maintain in vacant buildings to prevent damage caused by mildew and excessive dampness.

CAPITAL IMPROVEMENTS NECESSARY TO ESTABLISH A SUSTAINED REVENUE STREAM TO SUPPORT PARK OPERATIONS

Congress provided the Trust with authority to borrow up to $50 million from the federal Treasury. The Trust is seeking appropriations authority to borrow $20 million of that total in fiscal year 2000. Borrowed funds will be used to continue the upgrade of key buildings, utilities and infrastructure essential to the Trust's aggressive leasing program. Concurrent with this rehabilitation, the Trust will be finalizing arrangements for the replacement of the 900,000 square foot Letterman Hospital Complex with a new privately-funded complex designed to add value to the park, both programmatically and financially.

Leasing of historic Main Post buildings will provide another opportunity for the Presidio to create an educational, environmental, artistic and technological village while generating adequate income to support the park. In recent months, the Presidio Trust negotiated leases with the San Francisco Film Institute for two buildings in the Presidio's historic Main Post—the former Sixth Army Headquarters and the Presidio Theatre. The Film Institute will use the buildings for post-production work, classes and workshops and screening of films from around the world.

A mix of nearly 100 non-profit and for-profit organizations responded to the Presidio Trust's 1998 Request for Qualifications for twelve historic buildings on the Main Post. The Presidio Trust is currently in negotiation will several preferred tenants. Treasury borrowing authorized in fiscal year 1999 and fiscal year 2000 will be used to make building and infrastructure improvements needed to support Main Post leasing initiatives.

New tenants will join the 31 organizations currently leasing space on the Presidio including the Federal Emergency Management Agency, the Golden Gate National

Parks Association, the Corporation for National Service, Alexa Internet and the Thoreau Center for Sustainability.

The Trust also plans to enter into lease negotiations in fiscal year 2000 with organizations proposing to deconstruct and replace, or reuse, the other large hospital complex in the park—the Public Health Service Hospital. The Board of Directors and staff are currently evaluating responses to a Request for Qualifications issued for reuse of the site. This area of the park will need infrastructure upgrades in order to allow for productive reuse of the hospital site. Treasury borrowing in fiscal year 2000 would also be used for this purpose.

Housing will provide over half of the projected lease revenue in fiscal year 2013, the first year of Trust financial self-sufficiency. However, much of the park's 1,119 housing units are in need of renovation and repair. The Trust is using funds provided by Treasury borrowing to bring both historic and non-historic housing units into leasable condition. Our experience to date has been that such units are very marketable, given the extremely tight housing rental market in San Francisco. The Trust is currently bringing approximately 42 units of non-historic housing into leasable condition each month. More extensive renovation, required for many of the historic homes, will also be completed on some units this year, and will be continued into next year. In fiscal year 2013, the Trust projects that revenue from housing will total nearly $21 million in 1998 dollars.

The Trust also seeks to create a balance between jobs and housing at the Presidio by giving priority for housing to Presidio-based employees of tenant organizations. This policy will enable the Trust to reduce traffic congestion in the park and provides a strong incentive for organizations to locate at the Presidio given the scarcity of housing in the San Francisco area.

ENCOURAGING THE USE OF PRIVATE CAPITAL TO IMPROVE AND ENHANCE THE PARK

There is tremendous potential at the Presidio for using private capital to rehabilitate and enhance park facilities. To encourage the use of private capital in the improvement of federal facilities, Congress provided the Trust with authority to guarantee loans used for this purpose. The Trust proposes to use loan guarantees in fiscal year 2000 as it begins to negotiate with entities that will need to incur debt in order to rehabilitate buildings. Because of the low risk calculated for these guarantees (and therefore the low subsidy cost required), the Trust is proposing that the subsidy cost of the program be provided from within the Trust's operating appropriation. While the Trust does not need additional funds for this program, it does require appropriations authority to enter into the guarantees. The Administration's request therefore includes authority to enter into guarantees with the subsidy cost included in the Trust's operating budget request.

This authorization would allow the Trust sufficient flexibility in structuring lease arrangements so that it can obtain the greatest benefit for the Presidio and the federal government.

Another source of private capital for park improvements has been philanthropy. Work is currently underway to transform over 100 acres at Crissy Field from a derelict jumble of asphalt and chain link fencing to a stunning shoreline park with views of San Francisco Bay and the Golden Gate. The $27 million project is being financed without the use of federal funds, primarily through philanthropy. The project involves the largest single gift of funds ever made to the national park system. At completion in fiscal year 2000, the restored Crissy Field will feature hiking and biking trails, a restored 20-acre wetland, an education center where students will learn about natural and historic features, and restoration of the original grassy Army airfield. The project is being managed by the Golden Gate National Parks Association in cooperation with the National Park Service and Presidio Trust.

EXPEDITING ENVIRONMENTAL REMEDIATION

Part of the challenge in reuse of the Presidio involves taking steps to ensure that environmental remediation of the post occurs quickly and in accordance with the Trust's leasing and reuse priorities. Because of its tremendous potential impact on the Trust's ability to establish streams of revenue to support operations and rehabilitation, the Trust is moving aggressively in negotiations with the Army and others to ensure that the cleanup is expedited. The Trust seeks innovative solutions to the complex issues of remediation that will result in a cleanup that is protective of human health and the environment, complementary of the Trust's reuse priorities and cost-effective. It is essential that sufficient funding be provided through the Department of Defense to ensure the completion of this program.

CONCLUSION

In closing, Mr. Chairman, I would like to thank you and members of the Committee for your support of the legislation that created the Presidio Trust and for your continued funding support. We are committed to providing you with a streamlined, cost-effective operation, declining need for appropriated dollars and a successful base conversion and a national park site that is preserved, enhanced and interpreted for current and future generations.

PREPARED STATEMENT OF THE CITY OF GAINESVILLE, FL

The Depot Project includes the reconstruction of approximately two (2) miles of Depot Avenue from SR 331 to US 441 and the development of the Depot Wetlands Park. The Depot Avenue portion of the project is intended to address current safety and capacity issues and includes the construction of two travel lanes, turn lanes, curbs, sidewalks and landscaped medians. Depot Avenue traverses Gainesville from west to east, approximately ½ mile south of, and parallel to, SR 26 (University Avenue). Its western terminus is at the eastern edge of the campus of the University of Florida and its associated student housing development, and its eastern terminus is at SR 331 in Southeast Gainesville. It skirts the southern edge of downtown Gainesville at its mid-point, and its intersection with SR 329 (Main Street) is considered to be the southern "gateway" to Downtown.

Depot Avenue is located adjacent to the existing Depot Avenue Rail-Trail, which is an 8' wide asphalt bike trail. It alternately connects an existing recreational park and the proposed Depot Wetlands Park, residential areas, commercial areas, and industrial land uses along its length. The redesign of the road will address these varying conditions and will also provide for the involvement of the neighborhood residents it serves.

The enhancement of Depot Avenue will encourage increased utilization of mass transit, bicycle and pedestrian modes of travel and increase accessibility to a major public heritage and recreation destination for the community. The City of Gainesville's RTS Transportation Center is located on the north side of Depot Avenue directly south of the core of Downtown Gainesville. The Transportation Center is a multi-modal transportation hub for the Regional Transit System, Greyhound, Amtrak and the Bicycle Commuter Facility.

The enhancement of Depot Avenue will also provide infrastructure and improved safety while accessing from downtown and the University of Florida area to the Porters Community, just west of SR 329 (South Main Street) and Southeast Gainesville. The Porters Community lies within Census Tract 2, which extends north of University Avenue, and Southeast Gainesville lies within Census Tract 7. Census Tract 2 is approximately 37.7 percent African American and Census Tract 7 is approximately 75.6 percent African American (Census, 1990). Approximately 35.1 percent of all families in Census Tract 2 are in poverty and approximately 31.6 percent of all families in Census Tract 7 are in poverty (Census, 1990). The socio-economic conditions of these areas include high crime rates, sub-standard housing, and lack of services and investment. The enhancement of Depot Avenue provides for safer access to the higher employment areas of Gainesville, including downtown and the University of Florida, improving physical infrastructure, including drainage improvements, lighting and streetscaping, and providing safe bicycle and pedestrian facilities that connect both east and west Gainesville to Downtown.

The Depot Avenue Project will provide for beautification, and encourage redevelopment and infill in the urban core of Gainesville and its adjacent areas. This enhancement will provide a region-based incentive for reducing sprawl development in the Gainesville Metropolitan Area by providing an alternative east-west corridor to SR 26 that allows for maximum use of alternative transportation. As a consequence, this project will increase mobility while minimizing pollution and congestion associated with the use of single occupant vehicles.

The Depot Wetlands Park is a proposed 22-acre Stormwater Wetlands Restoration Park that will serve as the stormwater management facility and developed urban recreational park that will serve many adjacent and nearby residential neighborhoods.

As part of the stormwater management component of the project, the facility is intended to provide water treatment for the Depot Avenue Project as well as the Central City District portion of the watershed that is located upstream of the facility. This project is in the planning stages as the centerpiece of a USEPA and Florida DEP funded Brownfields pilot project.

Once constructed the Park will serve as a hub for several existing and planned rail trail bikeways. The Depot Project provides linkages to the Depot Avenue Rail-

Trail that links with the Waldo Road Rail-Trail, the proposed Downtown Connector Rail-Trail that links with the Gainesville Hawthorne Rail-Trail, and the proposed 6th Street Rail-Trail. This trail system provides connections between the Downtown area, the University of Florida campus, many residential neighborhoods, and other municipalities. The trail system serves not only recreational users but also serves as an alternative transportation facility.

The Depot Park is home to the Historic Train Depot Building that was recently purchased by the City of Gainesville for purposes of rehabilitation. The Old Gainesville Depot was built in 1907, and was placed on the National Register of Historic Places in 1996. The City of Gainesville was founded as a rail hub linking Fernandina Beach on the east coast of Florida to Cedar Key on the west coast in the mid-1800's and uses a train symbol as its official seal. The Old Gainesville Depot's under-roof, otherwise open loading docks will provide open vistas to the adjacent Stormwater Park. The Depot building will house a unique mix of destination-oriented cultural and commercial uses supportive of redevelopment in the Depot Area, the Depot Park, the rail-trail system, and the RTS Transportation Center. The historic Depot building's unique character and location will serve to make it both a lively destination hub for the neighborhood and a catalyst for further redevelopment of the area south of downtown. The building is a standing testament to and a significant visual emblem of Gainesville's rich history. It is also an historic symbol of transportation choice that is particularly appropriate to its envisioned new uses, the Stormwater Park, the adjoining rail-trail and its nearby connections that are being developed, and to the RTS Transportation Center that will be built across the street. The restoration of this building in conjunction with the restoration of the 22-acre Depot Park is expected to provide a major community destination and regional "eco-tourism" attraction for the community.

The City's Electric Utility is in the process of designing a repowering plan for the historic Kelly Power Plant located adjacent to the Transportation Center, Depot Historic Structure and the Stormwater Wetlands Restoration Park. The planning firm of Dover, Kohl and Partners has recently completed a community-planning process held in conjunction with the repowering project. This community-planning process included the entire Depot Avenue area adjacent to Downtown. The City encourages citizen participation in the community-planning process and actively provides opportunities for participation in the planning of public infrastructure such as the Depot Avenue Project.

The Depot Avenue Project will include property and right-of-way acquisition, design and construction activities at a cost of approximately $18.8 million. The Depot Wetlands Park includes property acquisition, design, remediation and construction activities at a cost of approximately $10.0 million.

PREPARED STATEMENT OF PETER J. WARD, CHAIRMAN, UNITED STATES PARK POLICE LABOR COMMITTEE, FRATERNAL ORDER OF POLICE

Mr. Chairman, and members of the Subcommittee, on behalf of the members of the United States Park Police Labor Committee, I welcome the opportunity to present testimony concerning the fiscal year 2000 budget request of the United States Park Police.

INTRODUCTION

The United States Park Police was established in 1791. In 1882, Congress gave the USPP powers equal to those exercised by the DC Metropolitan Police Department. Since that time, the mission of the USPP has expanded substantially in its scope and its importance to the citizens of the United States generally, and the national security and law enforcement infrastructure specifically. Today, the USPP operates principally out of the National Capital Region as well as in the New York and San Francisco Regions. We are charged with primary law enforcement responsibility for all national parks properties, including 22 percent of the land area of the Nation's Capital. Within the National Capital Region, we are primarily responsible for patrolling such facilities and/or their adjacent areas as the National Security Agency, NASA, CIA, Department of State Security building, Camp David, and more.

Through Memoranda of Understanding, the USPP actively and regularly supports more than eighty federal, state and local law enforcement and public security agencies with specialized expertise and equipment. Specifically, the Park Police Aviation Section supports Secret Service, BATF, DEA, DC MPD, and others on presidential security, drug interdiction and eradication, crime suspect apprehension, medical evacuation, emergency river rescue, etc. The USPP has five specially trained and equipped SWAT teams and a special environmental crime unit. Two of the five

SWAT teams are authorized for the National Capital Region, but only one is active due to resource limitations that prevent funding of any of the vacancies in the second. We are truly a "full-service" police department, running the gamut of police duties from routine patrolling to investigating homicides.

One could argue that the USPP has become a victim of its own success. Too often, when competing for scarce federal funds, an agency which is successful in its mission is deemed to be adequately funded, regardless of the budgetary strain that may lie beneath the surface. I believe this is the case with the USPP. We have watched our mission continually expand, even as our funding has failed to increase at the same rate as our mission. While we are proud of our record, we are increasingly concerned about our ability to continue that success at current funding levels. This situation, as I will emphasize repeatedly, may come to have consequences for the safety of visitors to USPP-patrolled facilities, for the security of certain other national security related agencies, and for the morale and safety of our officers.

To illustrate our concern, I would point out that current international political dynamics have increased our concern regarding the possibility of terrorist-related activities against certain high-profile national assets within our jurisdiction. Simply put, this is not the time for the USPP to be understaffed or under-equipped.

Another excellent case-in-point is the upcoming anniversary of the North Atlantic Treaty Organization, and the festivities to celebrate it this year. Obviously, a significant portion of this event will take place on or near park service land, and as always, USPP will have a major role in providing security. When our FY'99 budget was being prepared, no one contemplated this unexpected drain on our resources, yet we are tasked with finding a way to do it, and we will. However, continual pressure to divert more and more money to ever-expanding operations has left significant holes in other areas of our budget.

President Clinton has requested $1.39 billion for NPS operations in fiscal year 2000, a net increase of $102 million over the fiscal year 1999 enacted level. The budget proposes a $25 million increase to address operational needs at 90 parks and the United States Park Police. While NPS budgets have increased over the last several years, funding for the Park Police has failed to adequately provide for operational readiness. This situation has created specific needs to correct areas of concern such as basic equipment deficiencies, recruitment and retention issues and upgrading our Information Technology into the 21st century. We believe that two areas must be addressed in the fiscal year 2000 appropriations, the funds to initiate the mandated conversion of our communications equipment to a narrow band frequency, and increasing and retaining the number of sworn officers to meet authorized strength requirements.

Personnel shortages affecting visitor and officer safety

Our patrol responsibilities have continued to expand in areas of primary jurisdiction as the National Park Service acquires new property. These properties are often turned over to the Park Service with no additional funding appropriated for patrol functions by the United States Park Police. Recently in the National Capital Region we have added the FDR Memorial, The Korean War Memorial, the Pennsylvania Avenue Corridor and the Georgetown Waterfront Park. Due to heightened security concerns, we have increased coverage of our nation's treasures such as the Washington Monument and Lincoln Memorial. In San Francisco we have added the Presidio to our patrol functions, a complex of 1480 acres, and in New York's Gateway National Recreation Area additions include the Statue of Liberty, Ellis Island and Fort Wadsworth. These added patrol functions have strained the officers on the street. In the downtown area regular plain clothes anti-crime, bicycle, horse mounted, SWAT and motor scooter patrols have been either eliminated or severely curtailed in order to provide basic coverage. This has a direct effect on our ability to provide high profile patrols, which protect visitors in our Nations Capital. The combination of these added responsibilities with an ever-increasing attrition rate and the fact that at this moment over 180 officers are currently eligible for retirement brings the situation near to crisis proportions. In order to provide adequate levels of police service, an additional 110 officers are needed to fill presently authorized but vacant positions. Without proper dedicated funding to fill these positions, severe consequences such as the lack of visitor protection, decreased officer safety and morale, and a lack of deterrence to terrorist threats in and around our National treasures could occur. We believe that a 4-year commitment commencing with fiscal year 2000 at an approximate cost of $2.3 million per year should correct these deficiencies by fiscal year 2004.

Communications and equipment shortfalls

Presently, there is a Congressionally-mandated multi-agency interoperability standard for Land Mobile Communications. The requirements for that standard include encryption ability, and a plan to share critical communication. The existing United States Park Police radio system does not permit either of these two goals to be realized. Since the United States Park Police cannot currently encrypt their radio system, inclusion in the interoperability plan at this time would compromise any interagency Land Mobile Radio communications sharing plan. This has a direct effect on our ability to provide such mission functions as protection of the President, Vice President and visiting Heads of State and Dignitaries. With the present capabilities, the United States Park Police are unable to meet the requirements of the Department of the Interior multi-agency interoperability standard.

The National Telecommunications and Information Administration (NTIA) has mandated that all Federal agencies conform to a digitally encrypted narrow band radio system. The United States Park Police use a wide band un-encrypted two-way radio system. This system was purchased in the 1975 fiscal year. Although certain upgrades and repairs have occurred, the core of the system and it's technology are severely outdated. It is not possible to convert our present system to the mandated narrow band encrypted type required by NTIA.

Concerns about the abilities of the radio system also have a direct effect on Officers' morale. Patrol officers consider a properly working communications system as one of the many tools required providing for proper officer safety. Although we work in urban areas, our daily patrol functions might find us in a relatively isolated area, with other law enforcement assistance further away than what an unfamiliar person might think possible in the urban environment. The consensus among USPP Officers is that the present system is unreliable. The officers base this conclusion on the high number of instances where they encounter difficulty transmitting and receiving information because of high and low pitched background noise, static, poor sound quality and dead spots in coverage areas. A lack of confidence in our telecommunications system may not only effect the officers decision-making process in an enforcement action, but is directly related to the safety of the officer should a situation escalate. We are requesting $350,000 for an engineering study to assess the needs to bring the Force communications system up to date and in compliance with the mandated technological changes.

The United States Park Police programs base funds for the maintenance of a separate equipment replacement program and therefore, is not authorized to use the region's equipment replacement fund. Years of budget reductions and cost absorptions within our base funds have depleted our equipment replacement program. This has resulted in less than minimal replacement of our fleet of motorized vehicles, outdated radio equipment, substandard information technology equipment, as well as the severe curtailment of our repair program. In order for the United States Park Police to maintain an adequate fleet of motorized vehicles and other related equipment, a base increase will be required to address our most critical needs and provide future base funding to allow for a suitable and timely replacement/repair of required equipment. Officers' morale can be greatly effected when our uniform and related equipment replacement program has no funds to purchase essential equipment. For example, when the manufacturer of bullet proof vests only guarantees it's ballistic protection level for a period of five years, an officer wearing a vest that is ten years old can not understand why the force has no money to purchase a replacement. The force has requested $2.3 million to alleviate the most critical equipment shortfall needs.

Employee retention and morale

Pay and benefit issues have had a significant impact on the recruitment of qualified applicants including minorities and women as well as the retention of experienced sworn officers. Inconsistent interpretations of pay legislation by the Office of Personnel Management, adjusted or 'diet colas' resulting in colas to our employees below the level received by other government employees, increases in salaries and benefits among the local, state and county police departments, and competition with other Federal agencies for applicants have eroded our ability to hire and retain qualified employees. The lack of funding for additional recruit classes to fill existing vacancies has created a crisis situation for our force. Our non-retirement attrition rate continues to rise. Since 1995, 59 officers have resigned to seek employment elsewhere—26 of those in 1998 alone. Add to this the 77 officers who retired in the same period, and our inability to hire new officers to offset our attrition rate is quite clear given our present funding levels. Considering the fact that 180 officers are eligible to retire today, we must have the necessary funding to prevent our ranks from becoming dangerously low. Our inability to successfully hire and maintain officers

also directly affects our inability to fulfill the Department of Interior's requirements for implementing its programs to improve diversity in the workplace. We were unable to meet the Government Performance Review Acts diversity goals due to lack of funds for a third recruit class in 1998. In December of 1998 MCC consulting conducted a focus group study by interviewing 71 Officers and Sergeants. The number one reason for our high attrition rate was cited as pay and benefits issues. Specifically, officers cited the disparity of pay in comparison to local law enforcement agencies, the need to compress the steps required for an officer to reach the top pay scale in their grade, the 'diet colas' mandated by OPM's interpretation of pay issues, lack of raises, tiers of pay and low technicians pay.

Many of you will remember the fiscal year 1998 Treasury, Postal and General Government Appropriation legislation which provided simplification for the pay scales of Secret Service Uniformed Division. This correction removed a great deal of uncertainty and inequity from that agency's pay structure, and I believe that Congress was wise to take that step. We would ask you to consider providing similar relief to our officers, who now suffer from many of the same problems that the 1998 Treasury Postal bill sought to cure. Such a good-faith effort, which could be accomplished for a relatively small amount of money, would pay rich dividends in terms of improving officer morale.

However, if the USPP is to continue to attract and retain the caliber of officers that our mission demands, we will need our salaries to become competitive with those provided by other police forces in nearby areas. Inasmuch as budgetary realities have forced the USPP to do more and more with fewer and fewer resources, the ability to attract and retain quality personnel is a critical issue. We believe our agency is at a deficit in terms of equipment and technology; what prevents this problem from becoming a crisis is the quality of the officers out there on the job. Without quality personnel, no amount of technology, equipment or other investment will succeed at an increasingly difficult mission.

Mr. Chairman, those of us who serve in the U.S. Park Police are proud do so; we believe we fulfill a critical mission in protecting some of our country's most valuable assets. We are proud of the job we do, and we believe that this nation and its taxpayers deserve the best we can give them. As we watch our force's readiness erode, the simplest solution for most of us would be to find comparable employment with another police force; it is certainly available. But many of us have invested a lot in the Park Police and we believe in the importance of its mission. For that reason, I urge you to consider our requests and help us keep the USPP as a strong and ready protective force.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF JEAN HOCKER, PRESIDENT, THE LAND TRUST ALLIANCE

The Land Trust Alliance (LTA) is the national organization serving the country's more than 1,200 land trusts—primarily local and regional conservation nonprofits that work with private landowners to protect natural areas and other green space through voluntary methods. We are pleased to submit this testimony on fiscal year 2000 appropriations, focusing on four federal programs land trusts have used to protect places that are important both to their communities and to the nation as a whole.

We urge the committee to provide increases over last year's funding for the Forest Legacy Program of the USDA Forest Service, the North American Wetlands Conservation Fund (NAWCF), the National Fish and Wildlife Foundation, and the state grants program of the Land and Water Conservation Fund (LWCF).

Each of these programs provides funds requiring a non-federal match, so that they leverage federal dollars with state, local, and private money. Each builds and rewards partnerships between federal, state and local governments, and between government agencies and the private sector. In a very real sense, these programs are investments. They are very good investments. They purchase assets of growing value, attract the participation of new partners, and leverage every dollar you put in with one or two or three from other sources.

In November 1998 voters passed 124 local and state referenda to provide new funding for land conservation. 84 percent of all such measures on the ballot passed. Many of these were explicit tax increases, demonstrating voters' willingness to raise their own taxes to invest in protecting land resources in their communities. This subcommittee has done great work in supporting federal help for such efforts. We hope that your colleagues will provide you with the resources you will need to meet the public demand for conservation of open space in this era of American prosperity.

RECOMMENDATION: INCREASE THE FOREST LEGACY PROGRAM TO $50 MILLION IN FISCAL YEAR 2000

The Forest Legacy Program supports the purchase of interests (primarily permanent conservation easements) in environmentally important timberland to protect it from conversion to non-forest uses—usually meaning development. Forest Legacy conserves timberland for traditional uses, including forestry and provides willing landowners with an alternative to selling environmentally and economically important timberland for development. For federal outlays of $21 million, the program has acquired permanent conservation easements valued at $34 million. The cost of purchasing those lands outright would have been at least $60 million, and probably considerably higher.

Demand for this program is growing. Last year, Utah, Indiana and Delaware came into the program. This year, Tennessee will qualify. North Carolina and Virginia are in the process of applying. Montana and South Carolina have expressed interest as well. Increasing the Forest Legacy Program to $50 million annually will provide the resources it needs to function effectively on a national scale.

For most federal programs, such an increase would require years of ramp-up. But because state government agencies take much of the responsibility for implementing this program, and because the states have already identified $90 million of projects, Forest Legacy is fully capable of using $50 million in fiscal year 2000.

In Vermont, a $342,000 Forest Legacy grant resulted in a conservation easement on 2,281 acres of timberland owned by Wagner Woodlands-Atlas Timber. The donation of a $200,000 conservation easement to The Vermont Land Trust provided the matching non-federal component of the project. The landowner will continue to manage these lands for timber production, and the public will be assured of permanent access for hunting, fishing, hiking, snowmobiling, and cross-country skiing. According to Hank Swan, general partner of Atlas Timber, "I see this purchase to be a win-win situation. Atlas is able to continue its primary mission of sustained yield management and harvest of forest products, while still insuring public use." Through innovative projects such as this, Forest Legacy is proving its value as the only federal program designed to help conserve the nation's private forestland base.

RECOMMENDATION: PROVIDE $20 MILLION FOR THE NORTH AMERICAN WETLANDS CONSERVATION FUND

Congress created the North American Wetlands Conservation Fund to conserve wetlands critical for the survival of waterfowl and other migratory birds. The program works cooperatively with nonprofit organizations and state fish and wildlife agencies in the US, Canada and Mexico by providing matching grants for the protection, restoration or enhancement of wetlands. This is a competitive grants program in which the merits of projects are recommended by the North American Wetlands Conservation Council and approved by the Migratory Bird Commission.

As a recently-appointed member of the Council, I have been profoundly impressed by the amount of work its NGO members invest in this program, and by the program's effectiveness in soliciting cost-effective, biologically targeted proposals.

From fiscal year 1991 through June 1998, 593 projects in Canada, Mexico, and the US, involving over 960 partners, have been approved. The Fund has contributed $249 million; project sponsors and their partners have contributed $517 million. Approximately 4.4 million acres of wetlands and associated uplands have been acquired, restored, or enhanced in the US and Canada, and conservation in 24 million acres of Mexico's biosphere reserves has been improved through conservation education and management projects.

In Washington State, the Columbia Land Trust received a $50,000 grant to complete a $240,000 acquisition of a 50-acre wetland at the western entrance to the Columbia Gorge National Scenic Area. Working in partnership with local, state, and federal agencies, Columbia Land Trust will restore the wetland. The site is an important stopover for migratory birds using the Pacific flyway and the Columbia River corridor.

The $20 million we have requested for the fund is more than the Administration requested—but this amount is needed to assure that the program would have as much funding in fiscal year 2000 as in fiscal year 1999, when it benefited from non-appropriated funds deriving from a penalty levied on a private party in an oil spill case.

RECOMMENDATION: PROVIDE THE NATIONAL FISH AND WILDLIFE FOUNDATION WITH $8 MILLION FROM THE FISH AND WILDLIFE SERVICE; $3 MILLION FROM THE FOREST SERVICE; AND $2 MILLION FROM THE BUREAU OF LAND MANAGEMENT

The National Fish and Wildlife Foundation is another source of matching grants that effectively leverage federal dollars for conservation and help recruit the involvement of the private sector in meeting federal wildlife management goals. By seeking private donations and matching contributions, the Foundation has been able to generate more than $3 of investment in conservation projects for every $1 you have appropriated for their challenge grant programs. LTA has been a grateful recipient of challenge grants, for our work in building effective land trusts fully capable of protecting habitat and other critical open space.

In Maine, the Coastal Mountains Land Trust received a $25,000 challenge grant from the Foundation. It matched this with $75,000 of nonfederal funds to acquire 225 acres along the Ducktrap River to protect prime spawning and nursery habitat for the most genetically pure strain of wild Atlantic Salmon in the US. The Foundation presses applicants to bring a higher match to the table, and to focus their projects for maximum benefit to fish and wildlife. Projects such as these are the result.

RECOMMENDATION: INCREASE THE APPROPRIATION FROM THE LAND AND WATER CONSERVATION FUND AND ALLOCATE $150 MILLION FOR THE STATE GRANTS PROGRAM

Since its inception, the Land and Water Conservation Fund (LWCF) has been a crucial element in the conservation of the land and water resources of the nation. LTA supports the Administration's fiscal year 2000 LWCF budget request, and we are particularly supportive of the state grants component of that request.

State LWCF grants leverage federal dollars and reflect community priorities in land conservation and recreational facility enhancement. This program provides the clearest opportunity for this subcommittee to create partnerships with the state and local government initiatives for land protection we referred to earlier.

The Society for Protection of New Hampshire Forests worked closely with their state government to acquire key additions to state parks and state forests when they came up for sale. In 1979, they acquired a 146 acre inholding in Mt. Cardigan State Forest. In 1980, they acquired 89 acres adjacent to Monadnock State Park. In 1987, they acquired 490 acres surrounding Lovewell Mountain for Pillsbury State Park. In each case, state grants from the LWCF were a key component of the acquisition of these lands for the public.

The state grants program, historically very successful in promoting community and nonprofit involvement in conservation activities, deserves your support.

CONCLUSION

On behalf of the nation's more than 1,200 land trusts, thank you for considering the views of the Land Trust Alliance as you make your funding decisions for the coming fiscal year. It could make a difference on the land for generations to come.

PREPARED STATEMENT OF ROBERT PERSCHEL, CHAIRMAN, NORTHERN FOREST ALLIANCE

Mr. Chairman and members of the Subcommittee, I am Bob Perschel, Chair of the Northern Forest Alliance, a coalition of more than 40 state, regional and national organizations dedicated to the protection and stewardship of the 26 million acres of forests that span northern New York, Vermont, New Hampshire and Maine. Together we represent the interests of more than one million people. Thank you for your continued interest in the issues facing the Northern Forest region and for this opportunity to speak to you today regarding fiscal year 2000 appropriations.

The Northern Forest is the largest remaining continuous wild forest East of the Mississippi. Its 26 million acres blanket Maine, New Hampshire, Vermont and New York and hold the headwaters of all of the Northeast's greatest rivers and the mountains, lakes and forests that define the northeastern region of the country. It provides economic and environmental benefits that go well beyond state lines.

This vast forest is facing a time of extraordinary transition: over the past few months more than four million acres of mountains, rivers, lakes, ponds and woodlands have changed hands including more than 15 percent of the entire state of Maine and vast tracts in Vermont and the Adirondacks. Land sales of this scale speak to deep forces for economic and social change that will have a defining impact on the future of the region. Unless we act now to conserve the vast unfragmented forests that underpin our economy and way of life, the region and country will lose

an irreplaceable resource of national significance—the last and largest wild forest in the East.

Unfortunately, the states lack sufficient public funding to take immediate action to secure the future of their economies, communities and environment. Other than New York, the Northern Forest States do not have large enough populations or economies to generate land protection funding on the level needed to secure this vast resource of national importance.

People and policy makers across the Northern Forest and surrounding states have spoken clearly to the urgent need to take action to protect the vast forests. Echoing this call the Clinton Administration has recognized the Northern Forest as one of the nation's top conservation priorities in the President's Land Legacy Initiative and fiscal year 2000 budget. These actions reflect the fact that the Northern Forest is a mainstay of the economy, ecology and culture of the Northeast; is a vast region at risk; and is of great importance to the 70 million people that live within a day's drive of the region.

The Northern Forest Alliance again requests that this committee lead Congress in supporting two critical national programs: the Land and Water Conservation Fund (LWCF) and the Forest Legacy Program. This position is consistent with the recommendations of the Northern Forest Lands Council, which called for full funding of LWCF and $25 million per year for the Forest Legacy Program for the Northern Forest states. It also resonates on a national level, where, in last fall's elections, Americans across the country expressed deep concern for the environment and the need to curb urban sprawl and protect dwindling open space.

A fully funded and revitalized Land and Water Conservation Fund would serve the people and communities of the Northern Forest and the country well. This well tested, but often-neglected program has an impressive legacy and has been responsible for the acquisition of nearly seven million acres of open space and the development of more than 37,000 parks and recreation projects. Though the fund receives $900 million from federal offshore oil and gas receipts each year, Congress has diverted the majority of these funds in recent years and completely eliminated funding for the critical state and local programs most useful in the Northern Forest region.

Funding the federal Forest Legacy Program is also of critical importance to the Northern Forest states and the nation as a whole. Productive, privately owned forestlands are expected to provide a growing percentage of the nation's timber needs. At the same time, however, the USDA has found that the country is losing over 550,000 acres of productive forestland each year to fragmentation and development. If adequately funded, the Forest Legacy Program could play a vital role in ensuring that our nation's private forestlands continue to support rural forest-based economies and a healthy environment.

We need your leadership to ensure that Congress passes a comprehensive initiative that revitalizes the Land and Water Conservation Fund and related programs that fully serves the country's long-term interests. To enable the Land & Water Conservation Fund (LWCF) to live up to its original intent and promise, Congress should, at a minimum, guarantee to:

—Full and permanent funding for the Land and Water Conservation Fund at least $900 million annually.
—An equitable allocation of LWCF funding for LWCF's federal and state components including.
—A competitive state-grants process for projects and lands of clear national significance allocated outside of the population-based formula. This provision is essential to land protection in the Northern Forest where we have large holdings of clear national significance in states with small populations.
—Funding the Forest Legacy Program at a national level with $25 million per year for the Northern Forest region and at least $50 million nationally.
—A revived Urban Parks Recovery Program and Historic Preservation Fund funded at $150 million on a permanent annual basis.
—Funding for Wildlife Conservation at $350 million in permanent annual grants to states for habitat conservation and species protection.

To meet urgent needs to protect the prime recreation and conservation lands described below, we respectfully request a fiscal year 2000 appropriation for the Northern Forest region of:

—LWCF State Grants: $26.2–$51.2 million
—LWCF Federal Program: $9.5–$10.3 million
—Forest Legacy Program: $41.8–$67.8 million

In the 20-state, Northeastern Region:

—Rural Development through Forestry: $5 million
—Stewardship Incentive Program: $3.5 million

Without these appropriations, unwanted development and forest fragmentation will compromise public values, reduce timber production and related jobs, fragment wildlife habitat, cut off public access and degrade water quality in a region of immense national importance.

FISCAL YEAR 2000 NORTHERN FOREST APPROPRIATIONS PRIORITIES

LWCF STATE GRANTS PROGRAM

National Lead Lands, New York: 11,200 acres—$ undetermined

This 17-mile-square area contains 5 other smaller undeveloped lakes and ponds. Its public acquisition would be an important addition to the High Peaks Wilderness Area, consolidating current public holdings and buffering the remote southern High Peaks.

Green River Reservoir, Vermont: 12,000 acres—$650,000

The Green River Reservoir is unique for its size, its extensive, undeveloped shoreline, and the role of surrounding lands as working forest and recreation area.

Long Trail, Vermont: 745 acres—$184,000

Six important parcels must be purchased to secure Vermont's Long Trail, the nation's oldest long distance hiking trail. Private sale of these parcels could threaten public access to the trail, and jeopardize one of Vermont's premiere recreation tourism attractions.

Various, Maine: up to 1 million acres—$25–$50 million

LWCF State Grants must augment state money to make it possible to permanently protect some of the critical undeveloped shoreline on Maine's best loved lakes and rivers, Specific acquisition details are not yet available, but funding from both LWCF State Grants and Forest Legacy is essential to complete important conservation projects under negotiation.

Moose River, Maine: 4,531 acres—$400,000

An easement would close a large gap in river protection along the Moose River "Bow Trip" a popular family canoeing route, and would protect Number 5 Bog and an adjacent jack pine stand, recognized as a National Natural Landmark.

LWCF FEDERAL PROGRAM

Lake Umbagog, New Hampshire/Maine: shoreline +55—$3 million

Lake Umbagog National Wildlife Refuge provides critical wildlife habitat, scenic beauty, and recreational opportunities. Sixty percent of the lake's shoreline has been protected.

Pondicherry, New Hampshire: 600–800 acres—$50,000–$250,000

The Pondicherry property is packed with important bird and wildlife habitat, outstanding recreational opportunities, educational sites, and sweeping vistas sought by artists, residents and visitors.

Champion Lands, Vermont: 26,000 acres—$6.5–$7 million

The Nulhegan Basin, and island of northern habitat left behind by retreating glaciers, lies within the northern portion of the watershed and has been identified as high priority area for protection.

FOREST LEGACY PROGRAM

E. Branch Fish Creek, New York: 30,000–40,000 acres—$5.6 million

The Fish Creek watershed in the heart of New York's Tug Hill provides drinking water, wildlife habitat, free flowing scenic rivers, and forests of valuable timber.

Domtar Lands, New York: 105,000 acres—$6 million

An easement on the Domtar lands would protect from development and fragmentation an extensive forest and aquatic landscape. Funding from the Forest Legacy Program can ensure that a large, high-quality timber producing forest continues to contribute to the region's forest economy.

Green River Reservoir, Vermont: 5,760 acres—$800,000

The Green River Reservoir is unique for its size, its extensive, undeveloped shoreline, and the role of surrounding lands as working forest and recreation area.

Various, Maine: up to 1 million acres—$25–$50 million

Federal funding is critical to help protect special places like: Moosehead Lake/ Roach River Watershed and the Allagash Wilderness Waterway.

Nicatous Lake, Maine: 21,000 acres—$3–4 million

Nicatous Lake, listed as one of Maine's Finest Lakes, has outstanding wildlife, scenic, and shoreline resources, significant fisheries, and cultural features

E. Br. Mattawamkeag River, Maine: 11,281 acres—$840,000

The East Branch project encompasses important water resources, productive timberland, and 15.2 miles of undeveloped shoreline that protects the area's water supply.

Mattawamkeag Lake, Maine: 4,195 acres—$490,000

Mattawamkeag Lake scores high for public recreation assets, scenic values, and fish and wildlife habitat, and includes 12.7 miles of shoreline. The Maine Interconnecting Trail System crosses the parcel, which is adjacent to state land.

Champion Lands, New Hampshire: 18,000 acres—$ undetermined

An as yet unknown amount of federal funding from LWCF State Grants and/or the Forest Legacy Program may be needed to help complete acquisition or easements on the New Hampshire acreage.

Mr. Chairman, protection of these outstanding places represents a tremendous opportunity to conserve places of extraordinary natural and public value. It would also represent the continued commitment of Congress to work with the people of Maine, Vermont, New Hampshire and New York to protect the irreplaceable resources of the Northern Forest for future generations of Americans. Thank you for considering this request.

UNITED STATES GEOLOGICAL SURVEY

PREPARED STATEMENT OF THE UNIVERSITY OF NEW MEXICO

CENTER COMPOSITION AND DETAILS

The renovated building will house the faculty, staff, students and research facilities of the Sevilleta Long Term Ecological Research Program (LTER). This program, funded by the National Science Foundation (NSF) for the last decade, performs research on a wide variety of topics relating to environmental aspects of the Southwest. The LTER research group also conducts numerous collaborative research programs with the National Park Service (NPS), the US Geological Service (USGS), the US Fish and Wildlife Service (USFWS), the US National Aeronautics and Space Administration (NASA), the US Air Force (USAF), the USDA Forest Service (USFS), the Centers for Disease Control and Prevention (CDC), and the National Institutes of Health (NIH). NSF intends to continue to fund this LTER program for many decades as well as increase the research and education capabilities at each LTER site. The collaborative model that will be realized by the programs brought together in the renovated building is a model that NSF will support and use to exemplify how interdisciplinary research should be accomplished at other universities. This model also will obtain increased support from NASA efforts to use LTER sites to validate satellite imagery because of abilities of LTER programs to develop the comprehensive understanding of complex environmental systems needed for NASA objectives.

The primary mission of the Sevilleta LTER is to integrate research on biological responses to climate dynamics. To accomplish this, the LTER scientists collaborate with the researchers from the government agencies listed above to address problems ranging from drought effects to human disease epidemics. For example, LTER collaborative programs have: Worked with USGS scientists to identify 60-yr drought cycles in the Southwest allowing predictive capabilities for the next major drought (2005–2015); Identified environmental changes and species responses to the El Nin/ La Nin cycles that also provides greater predictive power for planning future management strategies for dealing with wet/dry periods; Examined the effects of wildfires on ecosystems, and provided USFWS and USFS managers with detailed data for fire policy development and management; Evaluated biodiversity in five NPS National Monuments (Bandelier, El Malpais, Petroglyphs, Pecos and Capulin Volcano) and in two Air Force bases (Kirtland AFB and the Melrose Range, Cannon AFB); Identified environmental factors associated with disease outbreaks in the Southwest, most notably, Hantavirus and Bubonic Plague. This research has led to

better Public Health warning systems and prevention policies, and has spawned long-term research col laborations with CDC and NIH.

All of the research/management efforts described above rely on close cooperation with primarily DOI agencies, and integrate those relationships with other government agencies at Federal, State and local levels. Private groups (e.g., private ranchers collaborating with the Sevilleta LTER Program) are also included in the research and management programs. In addition, a "Schoolyard LTER Program" has been established that connects schools in Albuquerque to the LTER databases and organizes environment research and education in areas along the Rio Grande corridor, emphasizing wise water resource use and careful management planning for human development.

All of these programs will be based in the renovated building. The close proximity of the LTER personnel to those of the USGS and educational coordinators will promote even greater collaborations through daily contact and interactions. The availability of the specimen-based collections of the Museum of Southwestern Biology (MSB), the high-tech research computer laboratories, and the Geographic Information System laboratory, will allow the collaborative relationships to continue to grow and flourish. Such multidisciplinary groups will be needed to solve large-scale problems related to climate change, human land use and development, biodiversity, emerging diseases, and natural resource management. This multidisciplinary approach coupled with access through the computers of the LTER Network Office to SuperComputer facilities, other US field stations and laboratories, and International LTER Networks will allow a global recognition and demonstration for Sevilleta research results.

The Long-term Ecological Research Network plays a key role in improving our understanding of the function and maintenance of the nation's ecosystems. Coordination and support for activities of the LTER Network is one of the responsibilities of the LTER Network Office, located at the UNM under a cooperative agreement with the NSF. At present, the LTER Network Office is located in temporary quarters on the south campus of UNM. The distance separating the office from main campus is an obstacle to close collaboration between LTER staff and the various academic departments. Through the proposed renovation, the network office will have access to high speed computer links and superior computing power and the other occupants will have direct access to the expertise in bioinformatics, remote sensing, geographic information systems, computer networking, and desktop publishing that exists in the network office.

The proposed Center for Integrated Environmental Research will provide opportunities to develop innovative partnerships among the occupants of the facility and a broader research and management community. The network office occupies the nexus of a communications network that involves the 21 LTER sites, 16 other countries belonging to the International LTER network, sites in the Global Terrestrial Observing System (GTOS), and over 200 field facilities of the Organization for Biological Field Stations. High-speed connections to the nation's computing backbone are essential for the LTER Network Office to fulfill its central role in the coordination of these research networks as well as to provide access to the computational power of our supercomputer centers. The promise of such advanced connectivity was one of the reasons that the NSF opted to locate the network office at the UNM. The proposed renovation will allow the Network Office to provide cutting-edge computer and information resources to our collaborating networks.

By the combination and juxtaposition of the outstanding research programs projected to occupy the new facility, we see a unique opportunity in bring together leading edge capabilities in computing, communications, and informatics to benefit and drive advances in environmental science. Complex issues confronting scientists and policy makers require interdisciplinary collaboration and synthesis at much larger spatial and temporal scales than are typical in traditional studies. In this complex research environment, there is a tremendous need by today's scientists for training and trained individuals in informatics, data management, and computational biology. More importantly actual training in multidisciplinary research has been almost totally lacking. Synthetic, data intensive projects will be even more common in the future. The synergy provided by creation of this center will provide a model for the nation in these areas.

The research and teaching collections of the Museum of Southwestern Biology (MSB) are among the most extensive in the world and constitute an invaluable resource for addressing some of the most serious problems facing society today. These span a wide range of disciplines from global change to public health and make it possible for UNM biologists to conduct research and educate students in areas of critical importance to the nation and the rest of the world. The research materials and the specimen-based databases of the MSB are integrally related to the Sevilleta

LTER Program, the national LTER network and the ecologically based data that they maintain. The MSB is a National Biodiversity Research Resource Center based on the ranking of its collections, service to the scientific community, size, and quality of research and collections management staff. The MSB contains collections of national and international significance in all vertebrate classes, invertebrates, plants and genetic materials.

The vast potential of these resources cannot be overestimated. All collectively represent an enormous bank of genetic diversity and hold the promise of playing an increasingly critical role in education and research in biodiversity, genetics, human health, global change, and many other areas of comparative biology. In addition, few facilities have the potential of crossing so many disciplinary lines of research. For example, MSB researchers are currently using historical samples from the collections to investigate questions concerning the ecology and evolution of emerging diseases such as Hantavirus and Bubonic plague. Studies are underway to understand the extent to which these pathogens have co-evolved with their mammalian hosts, how they function as a member of the natural ecosystem, where they occur, and what is the extent of their diversity in nature. Thus, this single research effort involves ecologists, systematists, medical researchers, geneticists, data managers, public health workers, and molecular biologists.

The MSB has a wide array of current research activities underway that will be enhanced by these new facilities. Much of the ecological and bioinformatics work of UNM's Center for the Study of Emerging Viruses will be housed in this facility as part of the MSB. This research is aimed at understanding the ecology, epidemiology, and treatments for newly discovered viruses that pose significant health threats to humans. Examples include hantaviruses and arenaviruses, which are transmitted by rodents and cause life-threatening diseases to people world-wide. Much of the research in New Mexico dealing with emerging viruses is funded through this center.

The MSB is also a partner with the University of Kansas and the San Diego Supercomputer Center in a major Knowledge and Distributed Intelligence project funded by the NSF to link databases from existing research programs in environmental sciences including the LTER Program with the museum biodiversity databases from around the world. The program has four main thrust areas:

(1) Enabling technology for (a) access to and integration of heterogeneous biocollections, taxonomic and environmental data; (b) visualizing species distributions, terrain and climate data for computational geospatial analysis; (c) predictive modeling of biodiversity phenomena; (d) utilizing the high bandwidth research network for multispecies distribution models while gathering on-the-fly data from distributed biocollection databases;

(2) Enabling research on complex problems in biodiversity and environmental emerging threats that are currently intractable, thereby creating a modeling community of systematists, ecologists, and computational scientists;

(3) Enabling education of the next generation of biodiversity informatics scientists, bringing the results of knowledge networking to K–12 students and the public; and,

(4) Enabling collaborative technologies by understanding the synergistic behavior among investigators, organizations and communities across Internet-mediated networks and new levels of information flow.

The U. S. Geological Survey, Biological Resources Division (USGS, BRD) maintains a field station of the Midcontinent Ecological Science Center on the campus of the University of New Mexico. This field station supports the mission of the BRD in working with others to provide the scientific understanding and technologies needed to support sound management and conservation of the nation's biological resources. The field station primarily emphasizes arid lands issues and has been located in the Biology Department since 1974 and has been an integral part of the Biology Department's programs in biodiversity, systematics, and arid lands ecology since that time. Current projects include a variety of management-related research on Department of Interior lands in the Southwest as well as projects aimed at providing new information on biodiversity and the health of Ecosystems including studies on global climate change.

At present, the vertebrate collections, that are a responsibility of this unit, are housed in substandard space with little or no room for either research or expansion. (300 sq. ft.), and three other employees relegated to table space around the periphery of museum collections. There is insufficient light, computer hookups, file space, storage space, and privacy for the accomplishment of planned tasks. Completion of the Center for Integrated Environmental Research would provide greatly enhanced space for collections and personnel and provide a greatly improved atmosphere for research within the Biological Resources Division, with other USGS divisions, and with other planned co-occupants of the Center.

Additional information at:

http://biology.usgs.gov/or at www.mesc.usgs.gov/arid__lands.html.
http://biology.unm.edu/herb/msb.htm
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PREPARED STATEMENT OF PETER H. EVANS, DIRECTOR, COLORADO WATER CONSERVATION BOARD

SUMMARY OF TESTIMONY

The Colorado Water Conservation Board supports the activities of the United States Geological Survey's Water Resource Investigations program in Colorado and throughout the western United States. We respectfully request that Congress appropriate funds to this program greater than those identified in the President's proposed budget for fiscal year 2000. Only funding significantly above the proposed amounts will permit the Survey's Water Resources Investigation programs to continue the important work of collecting basic hydrologic water quantity and quality data and performing the high quality analytic work necessary to manage Colorado's scarce water resources.

INTRODUCTION

This statement is submitted by Peter H. Evans, Director of the Colorado Water Conservation Board. The Board is the state agency charged with promoting the development and protection of Colorado's water resources, planning and preparation for the prevention of floods, and the protection of instream flows. Given these responsibilities, the Board is especially interested in high quality, continuous, and reliable data on streamflows and expert analysis of water resource issues. The United States Geological Survey has been an invaluable partner in the Board's work since its creation in 1937.

Colorado sits atop the Continental Divide and contains the headwaters of most of the principal river systems of the southwestern United States and the High Plains. We must share water resources which originate in Colorado with all of our neighboring states and the Republic of Mexico. The administration of interstate and international water allocation is highly dependent on accurate, unbiased, uniform hydrologic data. The United States Geological Survey has served the western states and the nation well over the last 100 years in providing this essential information. The continuity and quality of the data collected is truly an invaluable national asset, and should be recognized and maintained as such.

WATER RESOURCES INVESTIGATIONS APPROPRIATION

The overall redirection of priorities apparent in the Administration's budget proposal for the United States Geological Survey in fiscal year 2000 will cause serious problems for many years into our future. While some of the changes are most likely due to budget restructuring, such as the separation of overhead and administrative costs from program costs, there also appear to be significant real reductions in the traditional water data collection and analysis programs on which Colorado relies. We support restructuring of the Survey's budget to better document and separate overhead from program costs, but only to the extent such restructuring is truly program neutral. We urge the Interior Appropriations Subcommittee to carefully scrutinize the proposed budget to ensure that there are no program cuts masked by the restructured accounting. Beyond the restructuring, we observe a shift away from traditional Survey functions such as water resource programs in favor of biological and ecosystem programs. While the study of amphibians, coral reefs, and other habitats is important, it is not within the traditional role and expertise of the Geological Survey and a large expansion into these new areas should not be accomplished at the expense of the more established aspects of the Survey's mission.

Most specifically, we are concerned about proposed reductions in funding for the Survey's Federal—State Cooperative Program which is critical to maintaining the Federal—non-Federal partnership in the nation's water resources program. In Colorado, we rely on the local USGS districts to help identify and develop solutions to local water resource problems and data needs through the cost shared Cooperative program. The strength of the Federal—State Cooperative and stream gaging programs has always been their relevance to both local and basinwide needs. In a program where we fund fifty percent of the project costs, we make sure the money is spent solving real problems. We work with the local District personnel to jointly

identify water resource problems then tailor the projects and stream gaging networks accordingly. Many times a problem perceived to be only local in nature proves to be also significant nationally. The Cooperative program has been instrumental in identifying these problems. The recent Survey report, "A New Evaluation of the USGS Streamgaging Network," (USGS Report to Congress, dated November 30, 1998) cites the critical needs of the existing streamgaging network, and for additional water data and information gages for flood forecasting and warning, water quality and regional characterization of changes in flow. Reductions in the Cooperative program is contrary to recommendations in that report since reducing the amount of federal support will have a negative effect on the partnerships necessary to better understand the nation's rivers and streams.

The Administration's proposed reductions in certain USGS Water Data Collection and Management activities will cause similar long-term problems. In particular, the infrastructure resources research program is helping to identify and evaluate alluvial groundwater resources in the South Platte Basin, and the watershed modeling studies which can be of both general and specific help as Colorado places increased emphasis on such models. Both of these important activities appear slated for budget cuts apparently designed to support newer Survey interests.

There are many critical efforts underway in Colorado and throughout the basins we share with neighboring states that demonstrate the important role that the Water Resources Investigations programs play in managing the scarce water resources of the arid West.

—Cost shared studies funded through the Federal/State Cooperative Water Program underway or recently completed are addressing issues raised in the litigation between Colorado and Kansas over the use of the Arkansas River. The scientific analysis of well pumping measurement methods conducted by the Survey should provide a basis for improved cooperation between the states and more efficient administration of the limited water supply in the Arkansas Basin. Water users in Colorado will also benefit from efforts to understand and quantify transit losses on the Purgatoire River and investigations of recent high water table conditions between Pueblo and the Colorado-Kansas stateline.

—Increasing competition for water supplies in Colorado has led to a demand for sophisticated water resource management models or decision support systems. New modeling tools being developed by Colorado for the San Luis Valley, the Colorado River Basin, and the Platte River Basin rely heavily on extensive databases of water information which would not have been possible without the existing USGS records of historical streamflows and groundwater measurements. Many of the stations at which the Survey collected this data are funded through the Federal/State Cooperative Water and/or the Hydrologic Networks and Analysis programs. In addition to historical and ongoing data collection the Survey is also participating in development of key model components in areas where their expertise is particularly valuable.

—The Colorado River Basin Salinity Control Program is a coordinated, basinwide approach to the reduction of salinity in the Colorado River. To formulate a cost-effect salinity control program, it is essential that both the quantity and quality of the Colorado River be accurately understood. Sophisticated computer analysis will allow us to project into the future and determine the amount of salinity control that is needed, but only if we have accurate, continuous data to start with. The federal agencies, the seven basin states, and water users implementing salinity control measures need timely, reliable data and analysis to plan for the most cost-effective program possible. The Geological Survey has proven its ability to provide the necessary information and is a respected partner in the overall control strategy.

CONCLUSION

We support and urge appropriations for the United States Geological Survey, Water Resource Investigations programs sufficient to maintain historical levels of basic hydrologic data collection and analysis. These programs serve an essential interstate function which the Survey has performed with a high degree of integrity and professionalism. These basic services should not be sacrificed in a effort to branch off into new areas. The western states and the nation will not be well served by a fragmented and decentralized data collection program. Unwarranted reductions in these longstanding basic data collection and analysis programs would be short-sighted and contrary to the national interest. We urge you to restore, increase and rebalance the level of funding provided for the USGS data collection activities. These funds are of critical importance to agencies such as ours across the country. Thank you for your consideration of this statement.

PREPARED STATEMENT OF THE UPPER MISSISSIPPI RIVER BASIN ASSOCIATION

The Upper Mississippi River Basin Association (UMRBA) is the organization created 18 years ago by the Governors of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to serve as a forum for coordinating the five states' river-related programs and policies and for collaborating with federal agencies on regional water resource issues. As such, the UMRBA has an interest in the budget for both the U.S. Fish and Wildlife Service and the U.S. Geological Survey.

U.S. FISH AND WILDLIFE SERVICE

The President's fiscal year 2000 budget request for the U.S. Fish and Wildlife Service includes an increase of $1.5 million for the Mississippi River Basin Partnership, a new multi-program initiative designed to address the growing need for habitat restoration and associated activities in the large mid-continent area that drains the Mississippi, Ohio, and Missouri Rivers. The UMRBA strongly supports this new initiative, which will augment the Service's base programs that have been struggling to meet the most basic needs in the region.

Ecological Services.—The fiscal year 2000 budget request for Ecological Services totals $198,750,000 nationally. Funding from this account supports the field offices in Rock Island, Illinois; the Twin Cities, Minnesota; and Marion, Illinois, that do most of the ecological services work on the Upper Mississippi River (UMR) and tributaries. In fiscal year 1999, approximately $340,000 in base funding was used to support the important UMR work of these offices. In fiscal year 2000, Ecological Services is scheduled to also receive $750,000 of the $1.5 million funding proposed for the Mississippi River Basin Partnership. The funds will support critical work throughout the entire basin, including restoration of bottomland hardwood wetlands and degraded in-stream habitat, early consultation on water resource development projects, and work with partners to address nonpoint and point source pollution impacts on habitats and wetlands.

The UMRBA supports both the base funding for Ecological Services offices on the UMR, as well as the additional funds that are to be made available through the Mississippi River Basin Partnership. In addition, the UMRBA urges Congress to provide support for the following specific UMR efforts through earmarked increased appropriations of:

—$1 million to support the Habitat Needs Assessment in cooperation with the U.S. Army Corps of Engineers;
—$500,000 to support water quality related studies;
—$2 million over 5 years for habitat restoration in UMR watersheds, in coordination with the Clean Water Action Plan; and
—$1 million for relocating the endangered Higgin's eye pearly mussel that is threatened with extinction due to the spread of the invasive zebra mussel.

Refuges and Wildlife.—The U.S. Fish and Wildlife Service administers 249,000 acres of land and water on the Mississippi River from the most northerly unit near Wabasha, Minnesota to the most southerly unit near Grafton, Illinois. This stretch of the river includes the Upper Mississippi River Wildlife and Fish Refuge, Trempealeau National Wildlife Refuge (NWR), Mark Twain NWR, and Clarence Cannon NWR. The existence of this extensive national refuge system is, in part, the reason that in 1986 Congress designated the Upper Mississippi River System as a "nationally significant commercial navigation system and a nationally significant ecosystem."

The UMRBA supports the President's fiscal year 2000 budget request of $265.3 million for Refuge Operations and Maintenance, which reflects an increase of $27 million over the fiscal year 1999 funding level. From this amount, the refuges on the Upper Mississippi River are expected to receive a minimum of $5.621 million. This total includes base funding of approximately $3.1 million, plus additional funds for base and backlog maintenance, visitor facilities, invasive species control, and equipment replacement. Also included is a $1 million add for the UMR Refuges. UMRBA recommends that this add be allocated through the Refuge Operating Needs System (RONS). Funding through RONS will allow the enhanced level of spending to be used for increased survey and census work, moist soil management, wetland restoration, operation and maintenance of Environmental Management Program projects, visitor services, environmental education, and an enhanced refuge base of eight new positions.

In addition, the UMRBA believes that funding for land acquisition for river refuges should be accelerated. None of the acquisitions scheduled in fiscal year 2000 through the Land and Water Conservation Fund are associated with refuges on the Upper Mississippi River. The Mark Twain NWR acquisition needs (80,000 acres) are currently ranked #24 out of 140 projects ranked by the Fish and Wildlife Service.

The Upper Mississippi River Wildlife and Fish Refuge acquisition needs (35,000 acres) are ranked #82.

Also, the UMRBA supports funding of $2 million from the Service's Construction account for an Upper Mississippi River Interpretive Center as part of the Mississippi River Museum in Dubuque, Iowa. Over $8 million in private funds has already been secured for this facility, which will offer educational and interpretive services for the Upper Mississippi River National Wildlife and Fish Refuge.

Fisheries.—Most of the Service's fish management on the Upper Mississippi River is conducted out of the La Crosse (WI), Columbia (MO), and Carterville (IL) Fishery Resource Offices. Fish stocking is done from the Genoa National Fish Hatchery in Genoa, Wisconsin and fish health concerns are addressed by the Fish Health Center in Onalaska, Wisconsin.

The UMRBA supports the important work done by these offices and thus supports the funding increases which are proposed for the Fisheries Account in fiscal year 2000. Of the $79.8 million total proposed for Fisheries, approximately $600,000 in base funding is anticipated to be provided for the fisheries work on the Upper Mississippi River. In additional UMRBA strongly supports the funding which will be allocated to Fisheries from the $1.5 million total for the Mississippi River Basin Partnership. In particular, $275,000 is scheduled for work with partner agencies on fish passage; habitat restoration; and assessments of paddlefish, lake sturgeon, and freshwater mussels.

U.S. GEOLOGICAL SURVEY

While the fiscal year 2000 budget request for the U.S. Geological Survey (USGS) reflects an overall net increase of $40 million over fiscal year 1999 funding levels, it is difficult to accurately assess the impacts of this change due to the fact that the USGS budget has been reorganized. Some of the restructuring, such as separating overhead costs from program costs is a welcome change. However, the UMRBA is concerned that the overall effect of this restructuring appears to be a shift to more centralized Department of Interior budget categories such as "science support," at the expense of local district data collection efforts and federal-state cooperative activities. In addition, there are several specific research and monitoring programs in the Water Resources Division (WRD) and Biological Resources Division (BRD) that are of particular concern to the UMRBA.

Biological Research.—The Biological Research and Monitoring budget of BRD is targeted for a reduction of $3.5 million in the Species and Habitat Protection account. Among the research projects slated for elimination is the grassland habitat research which was being done, in part, by the Upper Midwest Environmental Sciences Center (UMESC). The UMESC research initiated in fiscal year 1999 ($150,000) was evaluating the link between changes in wet meadow habitats and the dramatic decline of song bird populations. This research was focused on national refuge lands throughout the region and is thus of interest to UMR biologists. The UMRBA recommends that funding for this research be restored.

Similarly, BRD funding for the Clean Water Initiative is proposed to be cut by $2 million, $350,000 of which was to have supported on-going research by UMESC concerning biological impacts of nutrients. In particular, studies were underway to assess how the pooled portions of the UMR function to mitigate delivery of nitrogen and phosphorous to the Gulf of Mexico. This research is of interest, not only because of its relevance to Gulf hypoxia, but also because of increasing concern about the more local impacts of excessive nitrogen. In particular, there is growing evidence that nitrogen is affecting the quality of backwater fisheries habitat on the Upper Mississippi River. UMESC had begun to evaluate the beneficial impacts that the Corps of Engineers' experimental water level drawdowns may have on nitrogen concentrations. This research is critical to making wise management choices on the river and UMRBA thus recommends that funding for this work be reinstated in BRD's budget.

The UMRBA supports the proposed $4 million increase in the BRD budget for amphibian research and monitoring. Because amphibians are considered good indicators of overall ecosystem health, it is important to understand the scope and severity of their decline and factors causing their deformity. A portion of this national amphibian research initiative will likely be conducted by UMESC. While we understand that the amphibian monitoring and research will be focused on federal lands, we expect the results to also be useful to the states, as they fulfill their natural resource management responsibilities.

Water Resources Investigations.—The WRD budget for its National Water Quality Assessment Program (NAWQA) is of great interest to the UMRBA. Of the 51 study units currently underway nationwide, 4 are within the UMR basin: the Upper Mis-

sissippi, Eastern Iowa, Lower Illinois, and Upper Illinois River Basins. NAWQA study unit activities are guided by liaison committees composed of federal, state, and local water management agencies, as well as universities and citizen groups. Thus the study results are of use for a broad variety of management decisions. For example, the Missouri Department of Natural Resources uses NAWQA surface water data for monitoring compliance with Missouri's water quality standards. UMRBA urges Congress to make adequate funds available to complete work in the ongoing NAWQA study units and plan for reactivating efforts in the first set of study units begun in 1991, two of which are the Ozark Plateaus unit in Missouri and the Red River of the North study unit in Minnesota. The periodic reactivation of study units is a vital part of the NAWQA methodology.

Also of interest to the UMRBA is funding in the Toxic Substances Hydrology account. Among other things, this budget category supports ongoing research on the occurrence, distribution, movement, and fate of agricultural chemicals in surface and groundwater systems of the Midwest corn and soybean producing areas. Within the budget account for Hydrologic Research and Development there are two interdisciplinary studies of particular interest for which UMRBA also supports funding. The first is a study of nitrogen transformation and transport in the Mississippi River Basin. While scientists believe that hypoxia in the Gulf of Mexico is related to nitrogen from the Mississippi River, it is unclear to what extent various sources of nitrogen contribute to the problem. The second study of interest focuses on carbon, nutrient, and sediment storage in lakes, reservoirs, and wetlands in the Mississippi River basin.

The Hydrologic Networks and Analysis budget category includes a proposed increase of $400,000 for ongoing USGS study efforts related to the Gulf hypoxia/Mississippi River issue. UMRBA supports this funding, which will be used in fiscal year 2000 to provide better spatial definition of nutrient production and to improve the scientific methods for identifying nutrient sources and associated land uses. Also, as part of the USGS Atmospheric Deposition Program, scientists are attempting to estimate the relative significance of atmospheric nitrogen inputs in the Mississippi River drainage area. All of these various studies related to questions surrounding the relationship between Gulf hypoxia and nutrients in the Mississippi River Basin are of great interest to the UMRBA states. The effectiveness of alternative management actions will depend, in large part, upon whether we have accurately evaluated the cause/effect relationships and appropriately targeted the source of the problem. The states are deeply concerned about both the scientific and policy questions associated with the hypoxia/Mississippi River nutrients problem. The UMRBA has recently requested an extension of the review period for the scientific assessments which USGS and other federal agencies prepared under the auspices of the Committee on Environment and Natural Resources (CENR). We expect that both those studies and all future assessments done by USGS will be better coordinated with state scientists and policy makers.

The UMRBA is also deeply concerned about the proposed cuts in the USGS Federal-State Cooperative program. While some of the proposed 17 percent reduction in fiscal year 2000 can be attributed to the budget restructuring, there are $2.5 million in real program reductions. In the Federal-State Cooperative program, USGS provides funding for stream-gaging and interpretative studies which is matched by nonfederal cooperators. In 1998, $5.56 million was provided by USGS for Coop program activities in the five UMRBA states. However, local cooperators provided in excess of the required match, contributing $7.7 million. Clearly, this is a popular and useful program in our region. In addition, it is ironic that a recent USGS report to Congress on the stream gaging network cites the critical need for additional gages for flood forecasting and warning, water quality, and regional characterization of flow changes. Despite this recognized need, the USGS budget proposal for fiscal year 2000 recommends reducing federal support for monitoring the nation's rivers and streams. We urge Congress to restore and increase the level of funding for the Federal-State Cooperative program.

PREPARED STATEMENT OF JOHN E. EBEL, PH.D., DIRECTOR, THE WESTON OBSERVATORY OF BOSTON COLLEGE

Mr. Chairman and members of the Subcommittee, I am the Director of Weston Observatory, a seismological and geological observatory that is part of the Department of Geology and Geophysics at Boston College, and I am also a Professor of Geophysics at Boston College. I am pleased to have this opportunity to submit testimony regarding the great importance of the National Earthquake Hazard Reduction Program (NEHRP) for earthquake hazard mitigation both in the northeastern

United States as well as throughout the country as a whole. Weston Observatory has, as one of its missions, the goals of studying the earthquake activity in New England and vicinity and of using the results of that research to encourage earthquake hazard reduction activity throughout the region. Past NEHRP funding to Weston Observatory has provided the means by which my staff and I have been able to carry out this vital work, and future funding is essential if our ambitious plans for new earthquake mitigation activities are to be achieved.

In this testimony, I will present three reasons why NEHRP funding should continue to be fully funded, and in fact should be substantially increased if possible. First, I will describe how past and current NEHRP funding has led to a major improvement in our understanding of the earthquake hazard and risk in the northeastern U.S. Second, I will explain how NEHRP has in the past, and continues today, to stimulate the public in the northeastern U.S. to take earthquake mitigation measures. Finally, I will explain some new Weston Observatory plans to develop systems for providing vital earthquake information and assessments in better and faster ways. Continued NEHRP funding is vital to the work not only of Weston Observatory but also of university and government research groups working throughout the country on seismic hazard and earthquake loss mitigation.

(1) Long-term, dedicated, instrumental earthquake monitoring in the northeastern United States during the past two decades has led to a significantly better understanding of the earthquake hazard and risk in this heavily populated region of our country. Furthermore, continued earthquake monitoring in the years ahead will add substantially to our understanding of the earthquake threat in this region.

I believe that the rapidly growing body of scientific and engineering studies and reports produced during the past two decades on earthquake hazard, earthquake risk and earthquake engineering in the northeastern U.S. attests convincingly to this statement. However, let me here give a few specific examples of the kinds of information about earthquake hazard (particularly about past earthquakes) that modern instrumental monitoring gives us.

Instrumental earthquake monitoring has revealed that the area in New England that has experienced the largest number of small earthquakes since 1975 is located in central New Hampshire, roughly from Lake Winnepesaukee south about 25 miles to near Concord. The earthquakes trend roughly in a north-south direction, parallel to the Merrimack River in that area. We know from historic records that the pilgrims of Massachusetts, Rhode Island and Connecticut experienced a very strong and frightening earthquake in 1638. The most likely epicenter for this event in 1638 is somewhere in central New England. The modern earthquake band in central New Hampshire could be very late, "left over" aftershocks of the strong 1638 earthquake. The length of this zone of current seismic activity is consistent with an earthquake of magnitude 6.5 to 7.0 in 1638, roughly the strength of the earthquakes that hit the San Francisco Bay area in 1989 and Northridge, California in the Los Angeles area in 1994. If such an earthquake were to occur today, it would be capable of causing damage to cities and towns in New Hampshire, Massachusetts, Vermont and Maine. Further seismological and geological studies are needed to find the direct geological evidence to confirm this theory for the location and size of the 1638 earthquake. Even without this confirmation, there is certainly strong circumstantial evidence for the occurrence of an earthquake of major magnitude in New Hampshire in 1638.

In another example, on January 10 and 14, 1999 several small earthquakes (magnitudes between 2 and 3) took place. These shocks were centered near the town of Amesbury in northeastern Massachusetts, just a couple miles south of the New Hampshire border. The earthquakes were felt by local residents in both Massachusetts and New Hampshire, and they caused considerable concern among the population there. There was a strong earthquake (felt throughout all of New England) that was centered in this area in 1727; it is known as the Newburyport earthquake because that is the town that experienced the greatest damage during that 1727 event. From a scientific point of view, the 1999 earthquakes are of extreme interest because the felt effects of these earthquakes were very similar to those of the aftershocks of the 1727 earthquake. The modern residents reported that the 1999 earthquakes were accompanied by very loud "booms" and were generally fairly noisy. This same type of description also was recorded in contemporary accounts for many of the aftershocks experienced shortly after the 1727 earthquake. The area over which the 1999 events were felt is very similar to the felt areas for the 1727 aftershocks. Finally, Amesbury is only about 5 miles from Newburyport. This evidence all suggests that the 1999 earthquakes are in the same place where the 1727 earthquake was centered, strongly indicating the epicenter of that historic earthquake. With the modern, precise epicenter, we now have a locality where further seismic

monitoring and geologic investigations should help us find the fault that was active in 1727, which has not yet been discovered.

Finally, during the past two years, there have been several small earthquakes that have been detected from offshore of Cape Ann, Massachusetts. These are of great importance because they may be indicating the epicentral area of the 1755 earthquake. The 1755 event was a major earthquake that was felt from Nova Scotia to Maryland, and it caused damage in Boston, Portsmouth, New Hampshire and Portland, Maine. The epicenter of the 1755 earthquake, and therefore the fault on which it took place, is unknown, since the historic descriptions of that earthquake only suggest that the epicenter was probably somewhere offshore of Cape Ann. Thus, the continued detection of offshore earthquakes is vital if we are to identify the active fault on which this important historic earthquake took place, a fault that continues to pose a major seismic hazard to Boston today.

(2) Long-term instrumental earthquake monitoring stimulates the public to engage in earthquake mitigation activities.

I have been affiliated with Weston Observatory and Boston College for over 18 years, and there is no doubt in my mind that public awareness of the earthquake threat in the northeastern U.S. has increased substantially during those 18 years. I am also convinced that the federally-supported regional earthquake monitoring has directly led to this increased public awareness. I say this for several reasons. First, reporters, governmental officials, and members of the general public now generally are aware that we have earthquakes in New England and adjacent areas. In interviews, I am no longer asked questions like, "We really don't have earthquakes here, do we?" Rather now, a more typical question is, "I know we have little earthquakes, but do they mean that we could have a big one?" Most persons recognize and correctly identify earthquake shaking when they feel it. Many are eager to provide Weston Observatory with information about what they felt in the hopes that the information will help our research. In 1981, people seemed much more skeptical that the northeastern U.S. was prone to damaging earthquakes. Today, there is little skepticism about the fact that earthquakes do take place in the region. I attribute much of this increased awareness to the steady, high-quality earthquake monitoring that has been carried out in this region since 1975. Several earthquakes are felt each year somewhere in New England, and press coverage and public interest are always high when earthquakes are felt. Regular access to reporters of earthquake monitoring facilities like Weston Observatory and of the local scientists studying the earthquake activity reinforces in the public mind that the earthquake activity is a hazard that needs to be taken seriously. Public reports of scientific research results on the earthquakes in the region also get widely reported and attract significant attention. It is the presence of continuous earthquake monitoring and the regular flow of information from that monitoring that has caused many to undertake earthquake hazard mitigation activities.

Increased awareness of the earthquake hazard through seismic monitoring has certainly helped to encourage state and local officials to adopt seismic resistance in their building codes. New buildings, highway bridges, landfills, and waste treatment plants are now being designed and built in this region with some level of seismic resistance. The willingness of engineers to design to earthquake standards and of building inspectors and code officials to enforce those standards is due to the increased awareness of the earthquake threat in the region. This activity will undoubtedly lead to decreased losses in future earthquakes.

The federally-supported earthquake monitoring and studies based on that earthquake monitoring have led to better earthquake planning at the state level in New England. As an example, a few years ago some colleagues and I at Weston Observatory wrote a report on the seismic hazard of the state of Vermont. That report was based largely on results gathered from the modern earthquake monitoring. There is now an ongoing project in Vermont to create a detailed map of the soils of Chittenden County, the most populous county in the state, using information gathered by the USGS and by the office of the Vermont state geologist. That map will be incorporated into the computer program HAZUS (from FEMA) by local planners to assess which parts of this most populous county in Vermont would experience the strongest shaking in future earthquakes. This information will then be used by state and local government officials in their earthquake hazard loss mitigation planning. To me, this project demonstrates how well earthquake monitoring by Weston Observatory dovetails with related efforts by FEMA and the USGS, with the end result being a New England state initiating its own study to mitigate the effects of strong earthquakes.

(3) Increased funding for earthquake monitoring and for earthquake research is needed to improve the speed, quality, and usefulness of earthquake information to government officials and to the public. Increased federal funding over current levels

is required if Weston Observatory is to successfully create information systems for the rapid dissemination of earthquake epicenters, magnitudes, felt areas, damage areas, and ground motions immediately following the occurrences of felt and damaging earthquakes.

Weston Observatory is extremely supportive of current USGS initiatives to create near real-time earthquake information systems and, where practical, real-time earthquake warning systems. The USGS report "A Plan for Implementing a Real-time Seismic Hazard Warning System" calls for the development of a rapid notification system, where information on the epicenter, magnitude, felt and damage areas are issued within a few seconds to a few minutes after a strong earthquake occurs. The USGS draft report "An Assessment of Seismic Monitoring in the United States: Requirement for an Advanced National Seismic System" notes that such a warning system can only be developed if there is a significant infusion of new federal funds to upgrade and operate new seismic stations throughout the U.S. The goals of a near real-time earthquake information system for the New England region is achievable with the proper investment of funding, and Weston Observatory is already developing plans for such a system. The potential of such a system to assist emergency service agencies to cope with the effects of a large earthquake is enormous once such a system is in place. However, the development of such a system requires an investment in new technology as well as in research to develop and test the system.

At the present time, when a felt or damaging earthquake takes place anywhere in New England, inquiries are sent from police, fire, or local emergency managers to their state emergency management agency. That agency contacts the Massachusetts Emergency Management Agency (MEMA) which in turn telephones Weston Observatory for verification of an earthquake and information about the event. Once Weston Observatory has a location and magnitude, that information is telephoned to MEMA, who relays it to the emergency management agencies in the other New England states. At Weston Observatory, all of the earthquake data from the regional seismic stations is gathered via internet or telephone and then read by a seismologist, who then locates the earthquake and computes its magnitude.

Weston Observatory is currently developing plans for an automated system where the earthquake data from the seismic stations are automatically transmitted to Weston Observatory (via the Internet) and an initial estimate of the epicenter and magnitude is computed in a near real-time system without human intervention. Our goal is to develop a system that is sufficiently reliable that earthquake information such as an automatically-determined epicenter and magnitude would be sent in near real-time directly to MEMA and to the other New England state emergency management agencies through the Internet or through a beeper service. Weston Observatory is further interested in developing a system whereby maps with initial estimates of the felt and possible damage areas of earthquakes are automatically generated from the earthquake epicenter and magnitude, and these maps can also be automatically sent to MEMA and other agencies shortly after an event occurs. Because earthquakes in the northeastern U.S. are felt and have the potential to cause damage over very large areas (including many different states in a single earthquake), such an automated system would be of great value in helping emergency managers decide where emergency services are most immediately and critically needed following an earthquake. Systems similar to this are already operational in California, where a much greater number of seismic stations and a higher level of dedicated funding have enabled such systems to be developed.

I believe that the automated earthquake information system described here can be developed for New England over a time period of a few years with the proper investment in new and improved earthquake monitoring stations and in the necessary research to complete the development and testing of the system. While some experience and software from such systems already implemented in other parts of the U.S. can be adapted for our system in New England, the particular geographic locations of our earthquakes, of our seismic stations, and of the way the seismic waves transmit through the geology of the region require that parts of a New England system must be created from scratch. We already have the plans and rudimentary tests of some components of such a system, but much more work is needed to make an automated earthquake information system, monitored by Weston Observatory, a practical reality in the New England area.

As a participant in a USGS workshop that helped prepare the draft report "An Assessment of Seismic Monitoring in the United States: Requirement for an Advanced National Seismic System", I strongly urge that the recommendations of this report be implemented through increased federal funding for earthquake monitoring throughout the country. Improved near real-time earthquake information systems will undoubtedly stimulate much new earthquake loss mitigation activity in those

areas of the country in which they are implemented. The rapid speed of modern communications along with the experience gained in operating near real-time earthquake information systems will make it possible for new earthquake warning systems to be developed. The goal of all of these efforts is to develop the capabilities to minimize earthquake disasters in the same way that hurricane, flood and storm warnings save lives and losses when those other kinds of natural disasters strike. Our country will benefit enormously from the implementation of a new Advanced National Seismic System.

BUREAU OF INDIAN AFFAIRS

PREPARED STATEMENT OF W. RON ALLEN, PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS

INTRODUCTION

Good morning Chairman Regula, Vice-Chairman Dicks and distinguished members of the Appropriations Subcommittee on Interior. Thank you for the opportunity to present testimony regarding the President's Budget Request for fiscal year 2000 Indian programs and services. My name is W. Ron Allen. I am President of the National Congress of American Indians (NCAI) and Chairman of the Jamestown S'Klallam Tribe located in Washington State.

THE PRESIDENT'S FISCAL YEAR 2000 BUDGET REQUEST

Department of Interior

Bureau of Indian Affairs

The President's fiscal year 2000 budget calls for $1.9 billion to be allocated to the BIA, an increase of $155.6 million over the fiscal year 1999 enacted level. The budget contains a request of $1.7 billion for the Operation of Indian Programs (OIP), a modest increase of $110 million over the fiscal year 1999 enacted level. Another component was the request of $716 million for Tribal Priority Allocations (TPA), a $17 million increase over fiscal year 1999. However, as important as these increases are to tribes, and despite the apparent commitment to tribal self-sufficiency, self-determination and self-governance shown by the Administration in its budget request, this increase still falls short of providing adequate funding for critically needed tribal programs.

Although the Administration's budget request for fiscal year 2000 includes a $17 million increase in TPA over fiscal year 1999, this increase is inadequate to meet the vital needs of tribal governments. TPA budget activity includes the majority of funds used to support on-going services at the local tribal level, including such programs as: housing, law enforcement, child welfare, education, natural resources management and other tribal government services. TPA gives tribes the flexibility to prioritize funds among these programs according to their unique needs and circumstances.

Over the past two decades, very little funding has been added to TPA to allow exercise of self-determination and self-governance. Further, in fiscal year 1995, TPA was drastically cut and critical tribal programs and services were severely impacted. Since then, tribal governments have increasingly fallen behind in their ability to provide services in their communities. These budget reductions clearly are contrary to and undermine the successes tribal governments have achieved.

Funding levels to TPA have yet to be restored to the fiscal year 1995 level. The small increases to TPA over the past few years have not been adequate to keep pace with inflation. The failure of the Administration to include a significant increase in overall TPA for fiscal year 2000 continues to hinder tribal governments' ability to provide for the essential needs of their communities.

Mr. Chairman, at the very least, the President's requested TPA increase must be supported by Congress. The enormous tribal program responsibilities associated with this budgetary category include the direct tribal operation of programs. Although the President's requested funding level for this budgetary category will help tribes address these needs, Congress is urged to increase the TPA budget category well beyond its current enacted level.

Also of concern within the BIA is the issue of contract support costs. The moratorium imposed by Congress in fiscal year 1999 on any new or expanded contracts, compacts or grants under Pub. L. 93–638 hampered many tribes' ability to continue their move towards self-determination. The President's fiscal year 2000 budget request for contract support costs includes a very modest increase of $6.4 million to

address the Bureau's continuing contract support cost shortfall, plus $5 million for the Indian Self-Determination Fund to address the contract support cost needs of tribes taking on new BIA programs. These sums are woefully inadequate to make any meaningful inroad into a shortfall that continues to penalize tribes which elect to operate BIA programs under the Self-Determination Policy. They are also insufficient to cover the contract support costs associated with the new fiscal year 1999 tribal law enforcement initiatives to be transferred to Tribes in fiscal year 2000.

Per NCAI Resolution #MRB–98–036, Congress and the Administration are respectfully urged to reconsider these sums in fiscal year 2000 to finally close the gap in contract support cost funding. Although Congress is encouraged to support the President's increase, at a minimum, it is still just a small step in moving tribes back into the position of operating, on their own, the important programs which serve their communities.

Another major area of concern is BIA construction funding. The $174 million request called for in the President's budget must be supported by Congress. As we reported to Congress last year, our schools, health facilities, courts, police and fire departments all have facilities that are in desperate need of repair and/or replacement. Included in this request is an increase of $30 million for school construction. This will allow tribal communities the ability to address the vital needs of their children and improve the environments in which they learn. NCAI also supports the President's budget request for continued new funding for Public Safety and Justice construction.

Further, many tribal communities are still awaiting much needed new construction project funding to rehabilitate or replace a variety of facilities, including high cost projects such as dams, power plants and other infrastructure renovations. The President's budget requests $22 million for the repair of high hazard dams on Indian lands. As reported by the BIA, these dams pose significant threat of loss of life, and at minimum, significant economic damage, both on and off Indian reservations. The Federal government is responsible for the maintenance of these structures and is ultimately liable for any damage which may occur as a result of their hazardous condition.

Each year, BIA facilities face increased safety hazards which must be addressed through proper maintenance and re-engineering projects that all require adequate levels of funding. The President's request of $174 million for BIA construction projects is a laudable first step.

As reported to Congress last year, the management of Indian trust lands is in dire need of reform. The BIA manages over 55 million acres of land, 170,000 individual tracts of land, 100,000 active leases, 350,000 land owners, and 2 million owner interests. According to the BIA, the allocation of new resources is designed to "close the books on Indian trust management problems as we enter the next century by completing the replacement of core trust management systems, including the complete cleanup of all trust records in the Trust Asset and Accounting Management System (TAAMS)." NCAI supports the fiscal year 2000 budget request of $100 million for the Office of Special Trustee, which will provide $65.3 million for continued implementation of the Trust Management Improvement Project.

The Administration and Congress' attempts to empower tribal governments to assume more management responsibilities over tribal program and service operations, create tribal jobs and develop sustainable economies that lead Indian Country into greater self-sufficiency are very commendable goals, and ones that are clearly shared by tribal governments. However, without adequate federal appropriations these objectives will not be achieved. Increased funding for programs and services under the BIA budget must be provided to ensure that the basic needs of this nation's first citizens are adequately met and our collective goals for a stronger economic base in Indian Country are fully realized.

Economic Development

Under the Indian Financing Act of 1974, as amended, guaranteed loans, direct loans, and grants were established for economic development in Indian Country. Unfortunately, since 1996 the grant programs and the direct loan programs have not been funded. As a result, the only program remaining under this Act is the guaranteed loan program.

Economic development conditions on reservations are dire. With welfare reform in full force, sustainable economic development is even more essential. Tribes need to develop economic development plans to reduce the severe impacts on tribal members and tribal governments. However, raising capital to start businesses on reservations is very difficult. Under the Indian Financing Act (IFA), grant money was used for technical assistance, but more importantly grant money was used as leverage for other federal programs. For example, the Department of Agriculture has a

loan program that guarantees from 70 percent to 90 percent of the loan. Even though a majority of the loan is guaranteed, many Indian individuals and tribes still have difficulty raising the 10 to 30 percent equity needed to secure the loans. If the IFA grant program was still in existence, it could be combined with other federal loan programs allowing greater participation by individual Indians and tribes. Therefore, through NCAI Resolution #GB–98–004, NCAI requests at least $20 million be appropriated to reestablish the IFA grant program.

Through NCAI Resolution #MRB–98–080, NCAI also requests that Congress appropriate $10 million specifically for funding the BIA Office of Economic Development for the purpose of providing training and technical assistance for the development and expansion of reservation business.

Indian Education

NCAI commends the Administration for its continual investment in Indian education. President Clinton has proposed a total investment of $503.6 million for BIA school operations, an increase of $27.5 million over fiscal year 1999. This increase in school operations allows the BIA to educate approximately 12 percent of the American Indian K–12 population and will cover additional costs for teachers, transportation, and operations resulting from the growing student population in Indian Country. Of the $1.4 billion request for the hiring of 100,000 new teachers, the President proposes to spend $6 million to recruit, hire and train BIA teachers in order to reduce class size in the early grades. The fiscal year 2000 school operations budget supports the President's Executive Order 13096 on American Indian and Alaska Native Education which commits to improving the academic performance and reducing the dropout rate of Indian students.

The recent Indian Education Executive Order also cites the need for creating strong and safe environments for Indian students. To help meet this goal, and in accordance with the President's call for modernization of our schools, the Administration has requested $108.4 million for BIA education construction, a significant increase of $48 million over fiscal year 1999. This increase will assist in the replacement and repair of some of the 185 BlA-funded schools on reservations where 53,000 Indian students are currently learning in facilities that present serious health and safety threats. According to the Inspector General's office, Indian schools were in significantly worse shape than even inner city schools. Included in this increase is a new $30 million Indian School Construction Bonding Initiative which will provide critically needed funds for addressing the growing backlog of health and safety deficiencies, which currently exceeds $800 million, at BlA-funded elementary and secondary schools. Although NCAI urges Congressional support for S. 7, the Public Schools Excellence Act, as it would allow tribes to utilize the funding to issue qualified school construction bonds or other taxable bonds to replace or repair BlA-funded schools, this measure and other various school bonding proposals continue to lack bipartisan support. Therefore, NCAI recommends that the federal government, which is responsible for the education of American Indian and Alaska Native students attending BlA-funded schools, authorize and appropriate sufficient funds to complete all Indian education construction requests.

The remaining $78 million in school construction funds will assist in replacing older, unsafe, and dilapidated schools, including the replacement construction of Fond du Lac Ojibway School in Minnesota and Seba Dalkai School in Arizona. NCAI fully endorses the notable funding increase request for school construction; however, with two-thirds of the education facilities over 30 years old, and more than one-quarter over 50 years old, the backlog continues to grow. Therefore, by NCAI Resolution #MRB–98–084, NCAI calls upon the Congress to support a 5-year construction plan of the Department of Interior to eliminate the deferred maintenance backlog of need by increasing education facilities construction, repair, and maintenance budgets for fiscal year 2000 to fiscal year 2004 and to fully fund BIA-funded school construction within the next five years.

The following are NCAI's fiscal year 2000 budget recommendations for the following BIA Indian education programs.

Tribal Priority Allocations (TPA): 1. Adult Education. This program continues to be one of the most underfunded Indian education areas by the federal government. For fiscal year 2000, the Administration proposes $2.6 million for Adult Education; however, the need is $5 million to adequately fund tribally-based adult education programs. The BIA estimates that approximately 20,000 Indian adults who did not finish high school participate in the program in order to obtain their General Educational Development (GED) degree.

2. Johnson-O'Malley (JOM) Program. The fiscal year 2000 request is $18 million, the same as fiscal year 1999. The funding need for this program should not be less

than $25 million in order to provide supplemental educational services for 272,000 American Indian students in 23 states.

3. Scholarships. The fiscal year 2000 request of $29 million for undergraduate scholarships for American Indians has increased only $2 million since 1996 and does not allow for the increase in the number of Indian students wishing to enter college or the increase in tuition costs which are out pacing inflation. The needs of Indian students pursuing post-secondary education are often neglected, especially when critically-needed programs are cut or eliminated such as the Department of Education's Office of Indian Education Fellowship Program.

Generally, the needs of American Indians tribal higher education programs have not been funded at stable and/or adequate levels, and inadequacy of funding is becoming more problematic under the TPA system. Therefore, per NCAI Resolution #MRB–98–075, NCAI calls for the increase in TPA allocation nationally for higher education.

Other Programs: 1. Indian School Equalization Program (ISEP) Formula. The President's fiscal year 2000 request is $312 million for this program, which provides formula-based funding for 185 BIA-operated, grant, and contract elementary and secondary schools. The requested amount would provide $3,199 per Weighted Student Unit (WSU) compared to $3,125 per WSU in school years 1997–98. NCAI supports a funding level of $3,500 per WSU and request an funding increase to meet this level.

2. Student Transportation. The fiscal year 2000 request for student transportation is $38.8 million, a $4 million increase over fiscal year 1999. In fiscal years 1997–98 the BIA-funded transportation cost was $1.98 per mile with 15,197 miles (School Year 1996–1997) driven for day and boarding schools. According to the latest School Bus Fleet information, the national average for student transportation costs in school year 1993–94 was $2.94 per mile for public schools. Therefore, the BIA-funded schools, which are located primarily in rural, isolated areas, are at least $.96 below the national per mile average.

3. Tribal Departments of Education. The fiscal year 2000 budget request, as in years past, does not include funding to assist tribes in planning and developing their own centralized tribal administrative entities as authorized by Pub. L.103–382, the Improving America's Schools Act. Per NCAI Resolution #MRB–98–003, NCAI recommends at least $3 million for tribal departments of education to accomplish the original intent of the 1994 Act. This would be appropriate given the recent trend to convert more and more schools from BIA to tribal control.

4. Tribal Colleges/Post Secondary Schools. The President's fiscal year 2000 request for Tribally-Controlled Community Colleges is $38.4 million, a $3 million increase over 1999. NCAI supports $40 million which would provide for an additional $7 million for TCCC Operating Grants.

5. Post Secondary Schools. The fiscal year 2000 request is $14.3 million and is an increase over fiscal year 1999 of $2.5 million. The request includes funding for Southwestern Indian Polytechnic Institute (SIPI) and Haskell Indian Nations University. No longer in the post secondary schools category is the United Tribes Technical College (UTTC). NCAI requests that the amount for Haskell be increased to $10 million since it is the only national institution dedicated solely to the post secondary needs of Indian students.

Public Safety and Justice

Of critical importance in the fiscal year 2000 BIA budget request is public safety on reservations. As this Committee is well aware, tribal governments are in desperate need of resources to combat crime within their communities. Last year, Congress provided $20 million to the BIA to begin addressing the law enforcement needs of Indian Country. This year, the Administration is requesting another $20 million increase for the continuation of this "multi-year" Presidential Initiative. Along with the increase in BIA funding for Indian Country law enforcement comes a requested $124 million in the Department of Justice for law enforcement on reservations. NCAI also supports the President's proposed increase of $2.6 million for tribal courts. Adequate funding for tribal courts is critical to ensuring the quality of Indian Country law enforcement efforts through a strengthened tribal judicial system.

Trust Funds Management

The President's fiscal year 2000 budget request includes $100 million for the Office of the Special Trustee for American Indians (OSTAI), a significant increase of $60.5 million over the current enacted level. Over $88 million of this proposal targets OSTAI program operations, with $65.3 million of that figure directed at further implementing the Trust Management Improvement Project. According to the BIA,

this project includes a complete overhaul of the Trust Asset and Accounting Management System (TAAMS) currently used to manage trust asset accounts.

Other proposals include a $10 million continuance fund for the Indian Land Consolidation project and a reclassification of over $2 billion in tribal trust funds to the "non-budgetary" status, similar that of Individual Indian Monies (JIM) accounts. This reclassification serves to specifically acknowledge tribal ownership over these trust fund accounts, while affecting no change to the Secretary's obligations to service them.

We recommend the President's budget increase to help the OSTAI improve the Secretary's management of these accounts and to meet his goal of correcting a 70-year-old Indian trust fund mismanagement problem. However, the recent turn of events surrounding the Special Trustee's resigning under protest over the Secretary's decision to rearrange administrative authority over trust funds management is of major concern to tribes. The Secretary's actions seem to usurp Congress' intent to provide the Special Trustee with more independent authority over trust fund management activities. Proper management of Indian Trust Funds continues to elude the federal government, even though Congress and the Administration have attempted to correct this dysfunction.

Total reform of the current trust fund management system may be the only formidable solution at this point. However, legislation introduced in the 105th Congress as H.R. 2732, the Tribal Trust Fund Settlement Act of 1998, failed to propose adequate solutions to the mismanagement of outstanding trust accounts. This prompted the NCAI General Assembly to adopt NCAI Resolution #GRB–98–054, which opposes H.R. 2732 and urges Congress and the Administration to meet further with tribes to formulate legislation that will fairly and fully compensate tribes for the damages they have suffered due to the federal government's mismanagement practices over outstanding trust fund accounts.

NCAI strongly encourages the Congress and the Trustee to work more collectively with tribes to find an end to these mismanagement practices and begin reconciling outstanding accounts. The longer we wait, the more assured it is that the overwhelming amount of mismanaged and unidentified trust fund accounts will never be reconciled. Therefore, it is in the best interest of all parties that the reconciliation of IIM and trust land asset accounts are resolved immediately. NCAI urges Congress and the Administration to stay committed, as tribes are, to achieving these goals:

Indian reservation roads

Funding for the Indian Reservation Road (IRR) program, which funds the construction and maintenance of public roads that provide access to and within Indian reservations, Indian trust lands, restricted Indian land and Alaska Native villages, is of critical importance to Indian Country. On average, only $500 per mile and in some cases as little as $80 per mile is available for Indian roads maintenance. In comparison, an average of $2,200 is spent on maintaining other federal roads, and an average of between $2,500 and $4,00 per mile is spent by states. The BIA has only been appropriated $25 million a year for maintenance of all reservation roads in the United States. As a result of insufficient funding, many roads in Indian communities are not sufficiently maintained and have to be shut down during the winter or become impassable other times throughout the year. The deteriorating road systems negatively affect the health and economic viability of all tribal communities.

Mr. Chairman, the Congress should fund the IRR program at an absolute minimum of $300 million annually, as has been recommended by both the tribes and the BIA. This would begin the process of addressing the backlog of road construction projects. NCAI also urges Congress to provide $15 to $20 million annually for Indian reservation bridge construction and repair programs. These funds should come from the national bridge repair program and not from the IRR allocation. Finally, as a matter of policy, tribes should be provided direct access to the various federal discretionary programs, such as scenic by-way funding, highway safety, mass transit, and other programs.

Agriculture

In 1986, the BIA and the Department of Interior were directed to submit to the Congress a report on the effectiveness of Federal and tribal agriculture and range programs on the national level. This report was developed through direct consultation with tribes and was submitted to Congress in September of 1986. The "Indian Agriculture Working Group" was established by the BIA consisting of tribal representatives with experience in agriculture and ranching. After a review of all the national agriculture polices was conducted and hearings were concluded, thirty-two recommendations were submitted to the BIA. Subsequently, nearly all of these rec-

ommendations were included in H.R. 1425, the American Indian Agricultural Resource Management Act (AIARMA), which was enacted into law as Pub. L. 103–177.

The purpose of AIARMA is to require the Secretary of the Interior to provide for improved management of Indian agricultural lands by working with Indian tribes to carry out numerous programs. AIARMA required that an independent assessment of Indian agriculture land management practices be conducted as well as final regulations be enacted within 18 months of the law being passed; to-date, neither have been completed. Other articles include: a preference to Indian operations for issuance and renewal of agricultural leases, the establishment of an Indian and Alaska Native agricultural education assistance program, and the development of a ten-year agriculture resource management plan for each tribe's land.

The primary purpose of Pub. L. 103–177 was to establish a policy for the BIA for management of Indian trust lands. As a basis for that policy, a need assessment to determine necessary budgeting and staffing targets was required. To this date, no assessment has been completed. Until this is done, Congress and the Departments will not have a clear direction in their responses to the Indian demand of rectifying this problem.

In 1994, the appropriated budget for this Act was $1 million dollars, ultimately increasing to $16 million by 1998. To this date, no funds have been appropriated for this act. The need for agricultural assistance in Indian Country is immense and a land management plan is imperative. Therefore, NCAI urges Congress to provide the funds to fully support Pub. L. 103–177.

In 1996, another essential act was passed. The Food Agriculture Improvement Reform Act (Pub. L. 104–127), set forward an opportunity for an Indian borrower who is facing foreclosure, to transfer the loan to either the BIA or the borrower's respective tribe. Such transfers are not available under the present BIA policy. At this time, approximately 60,000 acres of Indian trust lands are in danger of being moved out of trust status through foreclosure. To prevent this, the regulations under Pub. L. 104–127 must be promulgated immediately. NCAI therefore requests that the appropriate actions be taken.

BIA General Assistance Program

The 1996 Interior Appropriations Bill included language which capped BIA General Assistance (GA) program expenditures. Such inadequate and limited appropriations have forced BIA and tribal social service programs to cut caseloads, leaving many potential recipients unserved. The enactment of recent welfare reform legislation (Pub. L. 104–193) places increasing strain on this program. As tribal members exhaust benefit time limits in Temporary Assistance for Needy Families (TANF) programs, many urban families will return home to their reservation and their family support network. They will also apply for GA, as they are no longer eligible to receive TANF. Without increased funding, GA cannot serve currently eligible tribal members in desperate need of support, let alone accommodate newly eligible recipients.

For the last several years, the BIA has been in the process of revising 25 CFR Part 20, "Financial Assistance and Social Service Program," which regulates, among other programs, the General Assistance program. In June 1998, the BIA made available a working draft of the regulations and met with tribes in Green Bay, Wisconsin, for a day and a half to introduce the draft to tribes and to hear initial comments. In this forum, tribal leaders and social service directors voiced concerns about the dramatic impact the proposed revisions would have on tribal communities. Participants strongly objected to the lack of tribal input into the draft, the late release of the draft, and the lack of advanced notice for the introductory meeting. By far, the most substantial compliant was the lack of tribal consultation for regulations which propose to dramatically reduce the safety net program, General Assistance, which serves Indian people.

To date, no consultation plans have been released. Tribal communities are greatly concerned that the lack of adequate consultation on the part of the BIA will lead to a lack of understanding of tribal needs. Tribes anticipate that the administration will propose draft regulations that reduce the ability of tribal communities to sustain tribal members who are in need. For example, draft proposals that would make the General Assistance program unavailable to persons who have been sanctioned or terminated from an applicable TANF (Temporary Assistance for Needy Families) program for any reason, including an inability to find employment, are strongly objected by tribes.

Tribal communities already manage scarce resources and stretch those as far as possible. Further reductions in program funding and proposed program restrictions in a recently released draft of the revised 25 CFR Part 20 serve to undermine the Congress' intent of the General Assistance program and seriously threaten the qual-

ity of life in tribal communities. NCAI Resolution #GRB–98–003, calls upon the BIA to increase consultation and negotiations with tribal leaders over any proposed changes to 25 CFR Part 20, prior to any proposed social service regulations being forwarded to the Office of Management and Budget for clearance on publication in the Federal Register as a Notice of Proposed Rule Making.

CONCLUSION

Mr. Chairman, we urge the Congress to fulfill its fiduciary duty to American Indians and Alaska Native people and to uphold the trust responsibility as well as preserve the Government-to-Government relationship, which includes the fulfillment of health, education and welfare needs of all Indian tribes in the United States. This responsibility should never be compromised or diminished because of any Congressional agenda or party platform. Tribes throughout the nation relinquished their lands as well as their rights to liberty and property in exchange for this trust responsibility. The President's fiscal year 2000 budget request acknowledges the fiduciary duty owed to tribes. We ask that the Congress to maintain the federal trust responsibility to Indian Country and continue to aid tribes on our journey toward self-sufficiency. This concludes my statement. Thank you for allowing me to present for the record, on behalf of our member tribes, the National Congress of American Indians' initial comments regarding the President's fiscal year 2000 Budget. I will be happy to answer any questions you may have at this time.

PREPARED STATEMENT OF HILTON G. QUETON, EXECUTIVE DIRECTOR, AMERICAN INDIAN GRADUATE CENTER, ALBUQUERQUE, NM

Mr. Chairman and Members of the Subcommittee: The American Indian Graduate Center (AIGC) of Albuquerque, NM is pleased to submit testimony in support of the Bureau of Indian Affairs' (BIA)—Special Higher Education Scholarship Program (SHEP). AIGC, since 1969, has been the only national scholarship program dedicated to serving American Indians and Alaskan Natives in graduate study. AIGC, as current contractor for the SHEP program, is respectfully requesting $3.5 million for the BIA's graduate scholarship program in the fiscal year 2000 Budget. This amount would allow AIGC to provide financial assistance to 600 students in the 1999–2000 academic year.

BACKGROUND

AIGC is a national, non-profit Indian organization established in 1969 to assist American Indian and Alaskan Native students needing financial aid for graduate school. Nearly 90 percent of all SHEP funds goes directly to program services, and 10 percent or less is for administrative costs. The American Indian Graduate Center also raises funds from private sources for fellowships.

There have been over 8,000 students served by this program in 30 years. For the 1996–97 academic year, AIGC awarded 276 students with $1.3 million. In fiscal year 1996 Congress reduced our funding by 50 percent, from $2.6 million to $1.3 million. The fiscal years 1998–1999 funding remained at $1.3 million. Due to the devastating cut in funding, AIGC was unable to assist any new applicants for the fiscal year 1997. AIGC could only fund continuing students that year. There were over 1410 requests for applications from new students for the 1998–99 academic year, AIGC was able to fund 245 of the requests. Many of these students not funded by AIGC were unable to continue their graduate education and will probably never be able to continue. The increasing numbers of students will substantially reduce the amount each student receives. This, coupled with the increased cost of education will have a significant impact on the student's ability to remain in school. As the Indian undergraduate student population increases, this program will not be able to assist them in advancing their skills without increased funding. Former recipients of this program, such as Lorraine Edmo, Executive Director of NIEA and former Assistant Secretary, Ada Deer, are successful leaders in the Indian community that have benefited from this program.

The American Indian Graduate Center, Inc is governed by an eight member all Indian board of directors that are from all areas of the country, who attend meetings on a volunteer basis and contribute to the organization as well. A listing of the current board members is attached.

The report in "Indian Nations at Risk: An Educational Strategy for Action," issued by the Department of Education in October of 1991 stated: "An increase in funding to train Native educators for elementary, secondary, and university teaching and other Professions in science. mathematics. law. engineering, and medicine. business.

the social sciences. and related fields is a national Priority," is needed for the tribal communities throughout the country. These will be trained, Indian professionals who are not only critical to the well-being of American Indian communities, but to the country as a whole. We all know that Education is the key ingredient to self-sufficiency.

CURRENT FUNDING AND STUDENT STATISTICS

For the current 1999 fiscal year the contract amount is $1,187,000. The following is a breakdown of the number of BIA students and their fields of study from the 1997–98 academic year and preliminary figures for the 1998–99 academic year.

1997–98 ACADEMIC YEAR—FINAL

Field of study	Number of students
Business	26
Education	41
Engineering	6
Health	111
Law	90
Natural Res	4
Other	42
Number of Males	131
Number of Females	190
Total Tribes Represented	97
Total Colleges Represented	148
Masters Candidates	123
Doctorate Candidates	194
Dual Degree Programs	4
Total	321

1998–99 ACADEMIC YEAR—PRELIMINARY

Field of study	Number of students
Business	25
Education	20
Engineering	4
Health	72
Law	71
Natural Res	2
Other	51
Number of Males	98
Number of Females	147
Total Tribes Represented	96
Total Colleges Represented	129
Masters Candidates	110
Doctorate Candidates	130
Dual Degree Programs	5
Total	245

Applicants to AIGC must apply for campus-based aid through the federal financial aid process. AIGC limits assistance to only a portion of a student's unmet need. The unmet need last academic year was $3.9 million compared to this year's unmet need of $6.7 million. The average award this 1998–99 academic year was only $3,980, which represents a small percentage of their costs. Over the last three years there has been a reduction in our maximum award from $8,000 to $4,000 because of the increasing number of eligible applicants and escalating college costs.

We have administered the SHEP at a cost-effective level for the past ten years. The low overhead costs are due to a well-trained staff and the use of modern computer technology. This has enhanced our ability to service our students. We have perfected our methods of delivering services, office procedures and internal systems.

We are confident we can continue to successfully administer the Special Higher Education Grant Program in a highly efficient manner.

SUMMARY REQUEST

The American Indian Graduate Center asks that the Senate fund the Special Higher Education Grant program in the BIA budget for $3.5 million in fiscal year 2000. This funding level would bring the program to a level of funding comparable to fiscal year 1995. It would allow an additional 300-graduate scholarship awards to be made and also allow us to raise the average fellowship to $5,000 each. AIGC is the only national non-profit scholarship entity, which funds American Indians and Alaska Natives in all fields of study. There is no other organization that Indian people can turn to for funding for graduate school, other than the health fellowships provided by the Indian Health Service. INS only funds those graduate students in health fields.

We appreciate this committee's past support and we want you to know that your efforts will help to ensure a pool of skilled professionals who can return to their communities and work on improving the economic conditions on Indian reservations and urban Indian communities.

PREPARED STATEMENT OF THE ROSEBUD SIOUX TRIBE

The Rosebud Sioux Tribe is a federally recognized Indian Tribe located in south central South Dakota. The Rosebud Sioux Reservation was established in 1887 as the homelands of the Sicangu Lakota band of the Great Sioux Nation. The reservation is home to over 31, 680 tribal members residing both on and off the reservation.

For many years the Rosebud Sioux Tribe has considered the education of tribal members to be a major priority. As a result of establishing education as a high priority Rosebud Sioux Tribal members have the highest education level of any Indian tribe in the United States. (U.S.Census Bureau, 1990) This could not have been accomplished, nor can it be maintained without the support of federal dollars.

Ninety percent of Rosebud tribal children attend public schools located in five public school districts located on the reservation and in the former reservation areas which have significant tribal populations. Over three thousand tribal children are enrolled in these public schools. All of these schools rely on Impact Aid to provide basic education services to tribal children. Title IX (Indian Education Act) funds, Title I funds and Johnson-O'Malley funds provide significant services to Rosebud tribal children.

An additional six hundred tribal students attend one tribal school established under the authority granted by Public Law 100–297. St. Francis Indian School relies totally on federal dollars from the Bureau of Indian Affairs/Office of Indian Education Programs for their basic funding.

Drop-out rates and student achievement are two concerns that the Rosebud Sioux Tribe continues to struggle with. One third of all tribal children attending school will drop-out before they reach the tenth grade. One half of the ninth graders will fail one or more classes during their first year of high school. Only one third of the Seniors graduating each year are achieving at grade level. Tribal children cannot read at grade level. Adult literacy is a primary problem. Only sixty percent of tribal parents will ever attend Parent-Teacher Conferences.

Schools serving tribal children encounter many problems that are the result of extreme poverty. Violence, alcohol/substance abuse, and lack of basic needs are the results of poverty. Tribal children often do not have their basic needs for food, shelter and clothing met, thus are less likely to be able to learn. Health problems are prevalent because of poor living conditions, and inadequate health care compounds the problems. Attendance becomes a problem for many children. Parents spend a great deal of time trying to access resources to take care of their families' basic needs, thus do not have the time or energy left to be involved in their child's education. Economic conditions have a devastating effect on the lives of tribal children.

TITLE VII, IMPACT AID PROGRAM

Todd County School District is the primary provider of education for 2,150 tribal children. Todd County School District operates eight elementary schools, one middle school and one high school. Funding for the Todd County School District comes in the form of state aid, local taxes and federal sources. Todd County School District relies heavily on Impact Aid funds from the Department of Education because over one million acres of land in Todd County are non-taxable Indian and federal lands. It is estimated that Todd County School District could only operate for three months

without Impact Aid dollars and other federal sources derived from providing education services to tribal children.

The Rosebud Sioux Tribe urges Congress to support the President's 2000 Budget Request for $684 million for Impact Aid. We also urge Congress to maintain the 1.25 weighted student unit that is in the current formula for federally impacted Indian schools.

Johnson-O'Malley Programs and Title IX Programs are important programs that assist students in succeeding in school. The supplemental funds are used to connect schools to tribal families, to provide tutoring for tribal children in need of additional help, and to provide culturally relevant education services that alleviate the alienation that tribal children encounter in schools. Without the services that these programs provide to tribal children far more students would drop-out of school or fail in their studies. Tribal families would have little involvement in or connection to their children's education. These two programs could be considered equalizers that permit tribal children to "belong" in their schools and allow tribal parents to design programs that they feel their children need to stay in school and to succeed in their studies.

The Rosebud Sioux Tribe supports the President's fiscal year 2000 Budget Request for the Office of Indian Education at $77 million. Formula grants to LEA's are important to children attending public schools, but we were pleased to see that funding was also requested for Special Programs for Indian Children and National Activities. The Rosebud Sioux Tribe would like to see funding restored to $83 million with funds for all authorized Indian Education Act programs, including Adult Education, American Indian Fellowships with full funding to NACIE, as well as the Tribally Controlled Colleges Executive Order.

Six hundred tribal children attend the one tribal school located on the Rosebud Reservation. St. Francis Indian School is funded under the authority granted by Public Law 100–297. St. Francis Indian School operates totally on federal dollars. St. Francis Indian School is a K–12 school. Although St. Francis Indian School has a new facility, when the students moved into the new facility it was already too small, thus overcrowding is a problem for the school. They have tried to solve the problem with portable classrooms, however this cannot be a permanent solution. The service area of the tribal school is the entire reservation and the former reservation area, because of this service area, St. Francis Indian School buses travel in excess of 2,000 miles per day transporting students to school. Transportation costs for St. Francis Indian School are enormous. It is difficult to maintain safe buses because of the number of miles traveled each day, thus the Student Transportation funds provided by the BIA/OIEP are extremely important to St. Francis Indian School. Individual Student Equalization Program (ISEP) provides the base funding for St. Francis Indian School. The current formula is $1,200 less than the average student cost rate in the state of South Dakota, yet the school is attempting to provide quality education services, high standards and excellent, well-trained teachers. If tribal children attending tribal and BIA schools are to have equal opportunities for high quality education, then the federal government must live up to its treaty obligations and provide equitable funding that will allow tribal and BIA schools to perform with high standards.

The Rosebud Sioux Tribe supports increases in the fiscal year 2000 Presidential Budget for BIA/OIEP programs, especially the ISEP formula funds and the school construction funds requested by the President.

The Tribal Priority Allocation (TPA) provides funds for education in the form of scholarships, adult education, adult vocational training and supplemental funds to Tribally Controlled Community Colleges.

Scholarships for tribal students are extremely important to the Rosebud Sioux Tribe. If we are to have a trained workforce capable of competing in the 21 Century, we need tribal members with college degrees. In fiscal year 1999 the Rosebud Sioux Tribe was unable to fund over 100 tribal members who applied for scholarships because of the lack of sufficient funding for scholarships. Scholarships are an important source of funding for tribal students because most tribal families do not have financial resources or credit histories which support student loans. Very few tribal students are able to obtain the benefits of the U.S. Department of Education's loan programs. The current unmet need for the Rosebud Sioux Tribe is $400,000.

The Rosebud Sioux Tribe asks that Congress provide $30 million for Scholarship funds in the Tribal Priority Allocation.

Although the Rosebud Sioux Tribe has a high educational level, the Tribe relies heavily on Adult Education programs to provide GED diplomas to those tribal members who have dropped out of school before receiving a high school diploma. Welfare Reform has compounded the number of people needing a GED. The fiscal year 2000 Budget request for the TPA has a slight decrease for Adult Education, however,

with the elimination of Adult Education funding in the Indian Education Act funding, the amount requested in the BIA/TPA is insufficient to meet the needs of Rosebud Sioux Tribal members. The current unmet need for the Rosebud Sioux Tribe is $150,000.

The Rosebud Sioux Tribe requests that Congress $5 million in the fiscal year 2000 Bureau of Indian Affairs budget for Adult Education programs.

The Johnson-O'Malley Program is extremely important to tribal children. The JOM Program assists tribal students with supplementary programs, designed by parents, to prevent drop-outs, increase academic performance, provide home-school coordination, and work with substance abuse problems. These are problems that are partially the responsibility of the Bureau of Indian Affairs, yet the BIA fails to provide sufficient funding for the program year after year. The current unmet need for the Rosebud Sioux Tribe is $177,000.

The Rosebud Sioux Tribe requests that Congress provide $24 million for the Johnson-O'Malley Program in fiscal year 2000.

The Adult Vocational Training Program is a highly necessary program for tribal students wanting to attend a vocational training school, however this program has always been gravely underfunded. Welfare Reform has created an increased need for this program. It will now be necessary for tribes to assist former welfare clients in becoming employable within a very short time span. Vocational programs provide a means of quickly helping people gain skills to become employable. The current unmet need for the Rosebud Sioux Tribe is $312,000.

The Rosebud Sioux Tribe requests that Congress provide $14 million for Adult Vocational Training in the Tribal Priority Allocation of the Bureau of Indian Affairs.

Tribal nations have long desired to improve education for their children. Recently, many tribes have developed Tribal Education Codes in order to regulate education within their tribal nations. In order to administer and implement Tribal Education Codes tribes have developed Tribal Education Departments to provide functions similar to State Departments of Education. Although both the Bureau of Indian Affairs/Office of Indian Education Programs and the U.S. Department of Education are authorized to provide funding to Tribal Education Departments, neither agency has done so. The Rosebud Sioux Tribe has a dire need for funding for their Tribal Education Department. Since 1991, the Rosebud Sioux Tribe has requested funding from the Bureau of Indian Affairs at a level of $225,000. The Rosebud Sioux Tribe is hereby requesting that Congress provide funding for Tribal Education Departments in both the Bureau of Indian Affairs budget and in the U.S. Department of Education budget. The current unmet need for the Tribal Education Department of the Rosebud Sioux Tribe is $225,000.

The Rosebud Sioux Tribe requests that Congress provide $4 milllion in funding for Tribal Education Departments within the Bureau of Indian Affairs Tribal Priority Allocation.

Tribal College funding has always been a primary concern for the Rosebud Sioux Tribe. Sinte Gleska University, the Rosebud Sioux Tribe's tribal college, has had a tremendous impact on education on the Rosebud Sioux Reservation. In order to continue the development and delivery of services from the University, it is necessary for them to have sufficient funds to operate.

The Rosebud Sioux Tribe is requesting that funding for Tribally Controlled Community Colleges (Schnyder Act) funding in the Tribal Priority Allocation be increased. The current unmet need for Sinte Gleska College is $3 million. We also urge Congress to increase the Tribal College basic funding within the Bureau of Indian Affairs /Office of Indian Education Programs budget.

The President has requested $48 million for school construction bonds for tribal schools. The Rosebud Sioux Tribe supports this budget request, and humbly requests that Congress provide the funding requested.

The President has also requested funds for a class size reduction initiative and has requested funds to train and put 1,000 new teachers in tribal and BIA schools. The Rosebud Sioux Tribe supports this initiative, however, without additional school construction there will be no classrooms in which to place the new teachers.

The Rosebud Sioux Tribe is requesting that Congress provide funding to the Rosebud Sioux Tribe to construct a new tribal school, which will serve 400 students in grades K–12. This facility is needed to accommodate the projected growth in student populations over the next 5 years and to attempt to provide appropriate high quality tribal education to tribal students. Current schools will not have the space to accommodate the growth in the Rosebud Sioux Tribe's population, nor have they been successful in educating tribal children.

PREPARED STATEMENT OF EARL HAVATONE, CHAIRMAN, HUALAPAI TRIBAL COUNCIL OF ARIZONA

The Honorable Slade Gorton, Chairman of the Sub-Committee and all distinguished Senate members, on behalf of the Hualapai Tribe, we appreciate the opportunity to request additional funding from the Department of Interior budget for our tribal projects which total $11,075,069. We are pleased to report that Hualapai, with your past support, has nearly completed an aggressive integrated Tribal management initiative, which has resulted in progressive management of our social services, and the environment, including the protection of cultural resources, and the sustainable development of our unique natural resources.

However, funding priorities set by the Department of Interior are not always responsive to the unique circumstances of the Hualapai Tribe. We are requesting Congress for additional funding which will assist the Hualapai in achieving a higher degree of economic independence and well-being. We simply ask bipartisan support to prepare the Tribe for the 21st Century and true self-determination. In light of the recently reported projections of an $8 billion dollar federal surplus, there is now a means to satisfy some of the critical needs that the Tribe has testified about in the past ten years. The following programs need your attention and additional support:

BIA. Housing Improvement Program, $250,000.—This program requires additional funding to repair and renovate existing homes that were built in the 1970's or later.

BIA-Indian Child Welfare Act Program, $150,000.—Additional funding is needed in this program to employ one (1) legal advocate and logistical support to protect our children.

BIA-Johnson O'Malley, $150,000.—This program supports educational services, incentive programs, educational community projects and youth programs currently enrolled in four (4) off-reservation school districts.

Headstart $500,000.—This program provides early childhood instructional education, medical screening and health maintenance for our most valuable resource our children.

Elderly Program (Title III & XX & Title VI) $115,069.—This program provides hostel services, cultural activities and congregate food services for our elderly.

Comprehensive Health Program $450,000.—This program needs additional funding for three (3) contract programs: Alcohol Program, Community Health Nurse Program and Mental Health Program. We need funding to combat the high rate of alcoholism and drug abuse among our youth. In addition, we have a high rate of diabetes including an increasing amount of dialysis patients, which necessitates the increased funding needs for diabetes prevention education.

Ambulatory Care Clinic $2,500,000.—The Hualapai Tribe needs funding to construct an ambulatory health care facility, including equipment, staff and logistic support. The current CDBG/HUD funds are not adequate to address the needs of our Tribe.

IHS Emergency Medical Services $400,000.—Additional funding is needed for 24 hour, seven days a week medical services for our community.

Women's Infant & Children (WIC) $25,000.—We need additional funding to provide for infant nutritional program and other medical aid.

Family Violence $80,000.—We need funding to provide protective services for abused women and children that are placed in shelters and safe houses.

BIA-Roads Maintenance and Repair $500,000.—The Tribe is responsible for approximately 300 miles of reservation roads. We need $200,000 for operation and maintenance, and $300,000 to replace equipment that is antiquated beyond repair.

BIA-Structure Fire Program $90,000.—This program has been retroceded to BIA operations due to inadequate funding, and is in need of additional funding.

Selected BIA-Consolidated Tribal Government Programs (CTGP) (not including Natural Resources discussed below) $1,000,000.—Funding is needed for existing CTGP programs of Higher Education, Tribal Work Experience, Tribal Court, Adult Vocational Training, Tribal Operations, Summer Youth Programs.

Natural Resources Department $850,000.—Our Natural Resources Department is in dire need of a facility in order to integrate all of the its management, administration and services. The departmental offices of Agriculture, Cultural Resources, Forestry, Environmental Services, Water Resources, Wildlife Fisheries and Parks and Environmental Protection are now located in substandard buildings that are or will be condemned. The Tribe is requesting $600,000 to build an "Earthship Complex Facility" that will house all departmental offices in a central location in order to provide better service to tribal members, Federal, State and local governments. With funding support from the EPA, the Tribe has completed the first "earthship" of this complex, constructed with tribal natural resources (timber and flagstone) as well as

recycled tires and cans encased in earth with passive solar applications, solar panels. A small investment of $600,000 will provide an environmentally sound demonstration project that can be used as a model for other tribes and the general public to follow nationwide.

We submitted to the Phoenix BIA Area Office a funding request for our Natural Resources General 638 Contract, which includes $900,000 for start up costs. However, we only received $15,000 from the BIA, and per the recommendation of Phoenix Area Of lice, we have resubmitted our request. For tribal management of nearly 1,000,000 acres of the reservation lands, the Tribe needs a congressional earmark of $250,000 for our Natural Resources program, which is the funding equivalent of $0.25/acre. The BIA funded the contract for $6,000 in fiscal year 1997 and $10,000 in fiscal year 1998 & fiscal year 1999. This funding averages about $0.008/acre which is a ridiculously low average compared to the average of $1.50/acre that Federal agencies receive for their land management.

We need the $250,000 to staff and administer the Tribe's on-going coordination and cooperation efforts relating to land management with more than 25 Federal, State and local and private entities. Without a specific earmark for Natural Resources, the Tribe will be forced to rely on limited program dollars to fund this function.

BIA-Water Resources $675,000.—In late 1991, the Hualapai Tribal Council initiated a program to quantify and manage our scarce water resources through a 638 contract. Survival in the desert Southwest is entirely dependent upon reliable water resources and sound water management. Yet, the 638 funding criteria for fiscal years 2000–2001 does not adequately address this pressing need. In fact, we have not received an allocation for fiscal year 1999, and we fear that our water resources program may soon be without funding to carry out the needed work.

We request $675,000 this coming year to continue our water assessment and to begin to litigate/negotiate our water rights on the Colorado River and in the Gila River adjudication.

Wildlife Fisheries and Parks Department $1,215,000.—The projected fiscal year 2001 budget of the Hualapai Wildlife Fisheries and Parks Department is $1,215,000 and is not likely to be funded within the BIA's fiscal year 2001 allocations. The Tribe is responsible for the management and protection of one million acres within the Grand Canyon. The amount we are requesting will be used to complement the management goals of the Grand Canyon National Park, including expanding and enhancing recreation opportunities and visitor services. Funds are needed to supplement existing available resources for the Hualapai Wildlife, Fisheries and Parks Department, and will be used accordingly:

	Amount
Native Fish Rearing Facility Construction	$490,000
Biological Survey and Training Education	75,000
Peach Springs Canyon Recreation Facilities	250,000
Base Program/Wildlife, Fisheries & Parks	400,000

Forestry $675,000.—Ninety percent of the funding for our 638 Contract Forestry Program has come from unbended forest development congressional add-on monies. This source of funding was appropriate when our main emphasis was in forest development, but we have shifted the direction of our forestry program since the completion of our Forest Management Plan.

The Hualapai Tribal Forest Management Plan (1987–1996) includes an annual budget of $675,000 for all forestry activities, including: $375,000 for timber sale preparation and administration, $125,000 for management plans and inventories, and $175,000 for forest development.

We respectfully ask that Congress fulfill the intent of the 1990 Indian Forest Management Act (PL 101–630) by funding the activities outlined in our BIA-approved Forest Management Plan. Accordingly, we request an annual appropriation of $675,000 earmarked through the Tribal Priority System for the Hualapai timber sale and management plan programs administered through our Forestry Program.

Agriculture $500,000.—We plan in the next 3 years to begin repairing our reservation boundary fence, which is approximately 228 miles long. We need $100,000 to fund the beginning phase of this project as well as continual funding to complete the project. We also propose to rebuild the Tribal Stockyard, which was originally built in the 1950's and which requires $150,000 for restoration purposes. We need a congressional earmark of $500,000 for support of the Hualapai Agriculture Program.

Cultural Resources $250,000.—Pursuant to the Native American Graves Protection and Repatriation Act of 1990 (25 U.S.C. 3001 et seq.), the Hualapai Tribe has been receiving and responding to 110 different repatriation inquiries from museums

across the country that have items that may belong to the Tribe. To preserve and protect our cultural resources that we repatriate under Federal law, we need funds to construct a temperature-controlled facility to house these materials. The funding will also be used for support staff and office space for our growing Cultural Resources Department.

BIA Environment Trust Resources $750,000.—We need funds to reconstruct a waterline soldered with lead and to provide a long-term base for the environmental programs. This waterline is the only secondary backup domestic source of drinking water for the town of Peach Springs and its reconstruction is estimated to cost $350,000. The Environmental Services & Environmental Protection Programs are new tribal programs that we created to address the staggering backlog of NEPA compliance documents required for all federally funded programs. We need an additional $400,000 to provide base funding for the Tribe's top ten environmental priorities. The Tribe has nearly completed a Tribal Environmental Review Code (with 13 subtitles) through an ANA Grant. The Tribe has also identified and assessed the entire reservation wetlands and watersheds through an EPA Grant. And, we have begun a non-point pollution control program through EPA and ADEQ. The primary concern that we have with these sources of funds is that they are competitive grant projects. Without a continuing base funding from the BIA Trust Resource Account funds, our environmental programs will cease to exist and we will be unable to protect the environment for future generations to come. Therefore, we respectfully request that funding be set aside for the Hualapai Tribe Environmental Protection Program in BIA Trust Resources in the amount of $750,000.

The Hualapai Tribe is very proud of the extraordinary progress it has made in less than a decade with what amounts to a relatively modest Federal trust investment. We are confident and dedicated to the goal that a small tribe, surrounded as we are by bountiful natural resources, can achieve a goal of self-determination. We believe that we will achieve our goal with your assistance, and we appreciate the your consideration of our written testimony. Thank you.

PREPARED STATEMENT OF VINCENT RANDALL, CHAIRMAN, YAVAPAI-APACHE NATION

Thank you for the opportunity to provide this testimony on the fiscal year 2000 Appropriations Bill for the U.S. Department of Interior, Bureau of Indian Affairs.

The Yavapai Apache Nation supports the President's Budget for fiscal year 2000 for the Bureau of Indian Affairs and for the Indian Health Service.

Our tribe particularly supports the continued and increased funding of the initiative on Law Enforcement in Indian Country. The need for improved law enforcement services in Indian Country has been widely documented showing that Indian citizens living on the reservations do not receive even the minimum level of law enforcement services taken for granted in non-Indian communities. For example, with an estimated population of 1,430,000 in Indian Country, the police officer to citizen ration (2.9 officers per 1,000 citizens) would require at least 4,290 police officers, an increase of 50 percent over the current number of 2,000 sworn officers in Indian Country. There is a need for a large infusion of financial resources to make public safety in Indian Country comparable to the rest of America. The budget increase in fiscal year 2000 is the second year of the four-year initiative.

The Bureau of Indian Affairs' Law Enforcement Initiative was formulated in partnership with the Department of Justice (DOJ) to ensure maximum usage of the Federal dollar. Working together, the BIA and DOJ's respective budget requests complement each other to ensure that efforts are not duplicated and funding can be provided to tribes on a more expansive basis. It is essential that the next step of the improvements to law enforcement be funded in the fiscal year 2000 appropriations act.

We also want to bring to your attention the critical need for Road Construction and Road Maintenance funding for Indian lands. Tribes can not be successful in economic development without adequate transportation systems. While the Bureau of Indian Affairs has received a slight increase nationally in road construction funds from the Transportation Efficiency Act for the 21 Century (TEA–21), the funding for tribes under the jurisdiction of the BIA Phoenix Area Office has decreased by more than 50 percent from the funding provided under the Intermodal Surface Transportation Efficiency Act (ISTEA). The funding for the BIA Phoenix Area was reduced from $26 million per year to $16 million per year. The Yavapai Apache Nation has immediate needs for street improvements and new street construction.

BIA Road Maintenance funds are also critically inadequate to provide even the most basic maintenance of the roads and streets in Indian Country. Highway standards are not being met on the large majority of reservation roads. Tribes do not re-

ceive any of the Highway Users Roads Funds (HURF) collected through taxes collected by States and Counties on the sale of motor fuels even though the tribes and tribal members pay such taxes. The Yavapai Apache Nation's streets continue to deteriorate from lack of maintenance. A review of the funding process for BIA Roads Maintenance program might be of benefit.

We do appreciate your listening to our concerns and your efforts to improve standards of living in Indian Country.

PREPARED STATEMENT OF THOMAS SIYUJA, CHAIRMAN, HAVASUPAI TRIBAL COUNCIL

Thank you for the opportunity to provide this testimony on the fiscal year 2000 Appropriations Bill for the U.S. Department of Interior, Bureau of Indian Affairs.

The Havasupai Tribe supports the President's Budget for fiscal year 2000 for the Bureau of Indian Affairs and for the Indian Health Service.

Our tribe particularly supports the continued and increased funding of the initiative for Law Enforcement in Indian Country. Fiscal year 2000 is the second year of the four-year implementation period. The need for improved law enforcement services in Indian Country has been widely documented showing that Indian citizens living on the reservations do not receive even the minimum level of law enforcement services taken for granted in non-Indian communities. Our tribe will certainly benefit from improvement in law enforcement services.

Our Tribe is working hard to improve our academic standards at the Havasupai School. However, we can not do so unless we can attract and retain qualified teachers and school administrators. We do not have adequate housing available for teachers which is the primary cause ofturnover exceeding 100 percent per school year. We are a remote location and all tribal housing is occupied, usually with extended families, in overcrowded conditions. We propose to demolish two antiquated and condemned buildings and replace them with two 4-plex apartment type units. These two units will meet all of our housing needs for the non-local school staff.

We request a one-time appropriation in the BIA Office of Indian Education Programs in the amount of $1,200,000 to demolish two existing buildings and replace them with two 4-plex apartment buildings. The schematics, drawings, and cost estimates have been developed and provided to the BIA.

We also want to bring to your attention the critical need for Road Construction and Road Maintenance funding for Indian lands. Tribes can not be successful in economic development without adequate transportation systems. While the Bureau of Indian Affairs has received a slight increase nationally in road construction funds from the Transportation Efficiency for the 21 Century (TEA–21), the funding for the tribes under the jurisdiction of the BIA Phoenix Area Office has decreased by more than 50 percent from the funding provided under the Intermodal Surface Transportation Efficiency Act (ISTEA). The funding for the BIA Phoenix Area was reduced from $26 million per year to $16 million per year.

BIA Road Maintenance funds are inadequate to provide even the most basic maintenance of the roads and streets in Indian Country. Highway standards are not being met on the large majority of reservation roads. Tribes do not receive any of the Highway Users Roads Funds (HURF) collected through taxes collected by States and Counties on the sale of motor fuels even though the tribes and tribal members pay such taxes in most States. The Havasupai Tribe requests the Interior Appropriations Subcommittee review the need for Roads Maintenance funding and the resultant deterioration of most reservation roads and streets.

We do appreciate your listening to our concerns and your efforts to improve standards of living in Indian Country.

PREPARED STATEMENT OF JAMES M. TUTT, PRESIDENT, CROWNPOINT INSTITUTE OF TECHNOLOGY, CROWNPOINT, NM

This testimony addresses appropriations to the U.S. Department of Interior, Bureau of Indian Affairs, Activity: Special Programs and Pooled Overhead, Subactivity: Community Development. This testimony also addresses the separate category of BIA Contract Support, which we understand automatically accompanies community development appropriations.

On behalf of the students and the community served by the Crownpoint Institute of Technology in Crownpoint (CIT), New Mexico, I thank you, Chairman Gorton, and the Members of this Subcommittee who so kindly provide the opportunity for outside witnesses to present written testimony and recommendations.

The focus of CIT's testimony is the national education funding policy of the Bureau of Indian Affairs carried out under appropriations made by the Interior Sub-

committee. First, I want to express our appreciation to this Subcommittee for enabling the operation of tribally controlled vocational education, as well as other tribal educational institutions. However, we believe that this Subcommittee may not be aware of the absence of a fair policy in the distribution of the funds that Congress appropriates for this purpose.

Currently, the Congress through the Interior Subcommittees appropriates more than $2 Million for the operation of postsecondary tribal vocational education institutions. For fiscal year 2000, the Administration budget request is $2.3 Million for Adult Vocational Training to tribally controlled vocational institutions. There are only two such institutions in the nation, and that total number has remained unchanged for two decades. It is also our understanding that an automatic indirect cost, or contract support, accompanies this appropriation. This indirect cost equates to approximately 23 percent of the base appropriation. Although it originates from a separate category of the BIA budget, it automatically adds funds to the direct appropriation and augments those limited finds.

CIT recognizes the generosity of the Congress in its appropriations to tribally controlled vocational education but wishes to bring to the subcommittee's attention the urgent fact that the entire appropriation for postsecondary, vocational training is earmarked to one institution, the United Tribes Technical College in Bismarck, North Dakota. The Crownpoint institute of Technology (CIT) in Crownpoint New Mexico is one of the only two tribally controlled postsecondary vocational institutions in our nation. CIT and UTTC are analogous as tribally chartered postsecondary vocational education institutions and identical in eligibility under the law that funds only one of the two institutions. While we recognize that Congressional appropriations must have limits, it is discriminatory and violates Congress' own education policies to totally exclude one tribal institution, and arbitrarily earmark the entire appropriation to another institution that is serving the exact same function for Indian students, just from another tribe in a different State.

The Crownpoint Institute of Technology is equally eligible under the law that authorizes the appropriation of these funds to the United Tribes Technical College in North Dakota. The authorizing law cited is the Adult Indian Vocational Training Act (Public Law 84–959). There is nothing in this brief 1956 law that would preclude CIT from also benefiting, or for that matter, that would justify favoritism to only one eligible institution. The Indian Adult Vocational Training Act authorizes "the sum of $3,500,000 for each fiscal year, and not to exceed $500,000 of such sum shall be available for administrative purposes." This authorization would seem sufficient to generously contribute training funds to two eligible institutions.

This "Indian Adult Vocational Training Act" is clearly intended to fund the costs associated with ". . . institutional training in any recognized vocation or trade" to help "adult Indians who reside on or near Indian reservations obtain reasonable and satisfactory employment." CIT's mission is identical to that set forth in this law.

CIT has outstanding success statistics. CIT is the only vocational institution on the Navajo Nation. It primarily serves the Navajo population, but is open to and welcomes non-native students as well. In past years, CIT has retrained displaced uranium workers from nearby towns as just one example of its service to the non-native communities. Currently, CIT enrolls 437 students. Of the student body, 51 percent are men and 49 percent are women. The average student age is 26, although the range has been from age 18 to 64. CIT also offers a small day care center for these single parent students, but because of budget constraints cannot fully meet the need for day care services.

CIT is fully accredited by North Central Association of Colleges and Schools; the same accrediting agency utilized by dominant society educational institutions. CIT offers rigorous educational training programs developed to respond to high-demand employment opportunities. CIT's programs culminate in one-year certificates or two-year Associate degrees. There is only one primary difference between CIT and dominant society vocational educational institutions, and this difference is that CIT is geographically accessible to reservation residents and offers a culturally sensitive learning environment that includes such features as instructors bilingual in English and Navajo is the everyday spoken language of this region.

The Crownpoint Institute of Technology (CIT) is also a tribally chartered postsecondary institution. Founded in 1979 as the Navajo Skill Center, the institution changed its name in 1986 to more accurately reflect its evolution from a jobs training center into a full-fledged vocational technical college, during which period CIT earned fill accreditation from North Central Association of Colleges and Schools. CIT offers thirteen certificate vocational and technical programs, as well as two-year programs culminating in Associate Degrees. These programs are. Administrative Assistant, Accounting , Building Maintenance, Carpentry, Computer Technology, Cul-

inary Arts, Electrical Trades, Environmental Technology, Heavy equipment Mechanics, Legal Advocate, Natural Resources, Nursing Assistant and Veterinary Assistant.

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CIT programs are overseen by Boards of Advisors who are industry officials and community leaders involved with the economic sector and in particular with private industry. This consistent involvement of the economic sector partially explains the fact that CIT boasts a job placement average of 87 percent, an average that has been consistently near and sometimes above this rate for eight consecutive years.

A further statistic that CIT is proud to report is that as an additional result of our structure that involves Advisors from the economic sector, over 61 percent of our known graduates are employed in private industry. (Because of budget realities, CIT does not have the resources to track 100 percent of its graduates over twenty years. Our research evidences that in general, nearly all CIT alumni who have relocated distantly have done so for employment reasons). CIT instructional programs are very much in touch with where the jobs are, and CIT continues to tailor its program offerings to economic demand. Partially as a result of the successful job placement reputation that CIT has earned over the years, CIT's student retention averages 95 percent which is also far above the national average for even dominant society's best vocational institutions.

Because of funding constraints, the institution cannot accept all applicants and must turn away an average of 200 students each year. The primary reason is the shortage of adequate housing. Although the town of Crownpoint is one of the reservation's activity centers, it is still extremely small and excess housing is virtually non-existent. CIT is a campus-based institution, with one dormitory that houses all students. This situation creates a particular hardship for married and single-parent applicants, who because of family responsibilities are sometimes those most urgently in need of job training. Nearly one third of CIT students are single, head-of-household with an average of three dependents.

CIT's average applicant has had no education or training beyond high school, and therefore has no salable job skills. Over one third of CIT students have not completed high school, and as part of its instruction, CIT offers GED and remedial education on an as-needed basis in order to equip these students with the learning skills to successfully make the transition to CIT's postsecondary programs. Over 50 percent of the individuals who enroll in CIT's remedial and high school equivalency courses complete the course and earn their GED diplomas. CIT offers rigorous vocational technical programs of excellence in a culturally responsive academic environment. Nearly all CIT students speak English as a second language as Navajo is the everyday spoken language of most of the reservation. Nearly all CIT students come to the institution from an environment where no employment prospects exist for them. Their backgrounds have largely been absent any opportunities to learn specialized job skills that can empower them to achieve meaningful employment opportunities. Without the educational and training opportunities offered by CIT, most of these individuals and their dependents would have no alternatives but to begin or remain on welfare subsistence. At least 20 percent of CIT students seek their livelihoods through maintaining livestock and remaining on their traditional lands. CIT is able to assist these individuals in achieving an improved quality of life for themselves and their families through its Veterinary Assistant and Environmental programs.

PREPARED STATEMENT OF BRUCE WYNNE, CHAIRMAN, SPOKANE TRIBE OF INDIANS

Mr. Chairman, and Members of the Subcommittee, on behalf of the Spokane Tribe of Indians, I am pleased to submit this testimony on the proposed fiscal year 2000 budget for the BIA and IHS.

The Tribe is located in Eastern Washington, has 2,267 members and a Reservation of 156,000 acres. While the Spokane Tribe was historically a fishing tribe, we now rely primarily on timber for tribal income.

BUREAU OF INDIAN AFFAIRS

General.—The Spokane Tribe supports the overall increase of $155.6 million over the fiscal year 1999 enacted level for the Bureau of Indian Affairs.

Tribally Controlled Community Colleges.—We support the President's proposed increase of $7.1 million for funding for the Tribally Controlled Community Colleges. This money will be used to increase operating grants for the 26 Tribally Controlled Community Colleges, for a proposed fiscal year 2000 level of $38.4 million. We believe this minimum amount is necessary to maintain stable and productive colleges on Indian reservations. The Spokane Tribal College is in its early stages of development. We are proud of our accomplishments to date and look forward to full participation in the tribal colleges program in the near future.

We are hopeful that this Subcommittee, despite the funding limitations for all domestic discretionary programs in fiscal year 2000, will be able to give priority consideration to funding for tribal colleges, as was urged in the recent "sense of the Senate" provision as Section 312 of the Senate fiscal year 2000 budget resolution. S. Con. Res. 20 appropriately notes that although funding for tribal colleges received an increase in fiscal year 1999, tribal colleges faced an actual per-student decrease in funding over fiscal year 1998, and per student funding for tribal colleges is only about 63 percent of the amount given to mainstream community colleges.

Tribal Priority Allocation (TPA).—The Spokane Tribe supports the proposed net increase over the fiscal year 1999 enacted levels of $17 million in TPA funding for fiscal year 2000. This would bring total TPA funding in fiscal year 2000 to $716 million. The TPA funding is the lifeblood of tribal governments. It is the money tribes receive to support services for their people. The United States' obligation to provide funds for tribal health, education and welfare programs is part of the treaty guarantees made to tribes by the United States in return for the cession of millions and millions of acres of land. We especially support the proposed $6.1 million increase for contract support for on-going contracts. Our tribal contracts support costs are now funded at only 80 percent. We also support the proposed $2.1 million for the Tribal Work Experience Programs.

Decreases in prior years in TPA funding have left tribes actually losing in terms of adjustments for inflation. Mr. Chairman, we use these TPA funds for many purposes, including tribal government infrastructure, services for children and the elderly, scholarships, education, courts, law enforcement, adult vocational education, training, agriculture and forestry. The funds must be stretched very thin for all programs. The services the Tribe is expected to deliver versus the amount of our contracts for these programs does not fulfill the BIA's trust responsibility. In addition,

the introduction of Welfare Reform has placed an unexpected burden on our Education programs.

We ask the Subcommittee to support the President's proposed increases for TPA and to add more , if possible, to this account which targets spending at the local level. An across-the-board ten percent increase over the President's budget proposal would be of great benefit to all tribes nationwide.

Upper Columbia United Tribes (UCUT).—The proposed budget would increase the UCUT program by only $10,000. An increase of at least $350,000 is critically needed for this important program.

The UCUT program serves the vital interests of the five tribal entities in the geographic region above the Grand Coulee Dam (the Confederated Colville Tribe, and the Coeur d'Alene, Kalispel, Kootenai and Spokane Tribes). Operations of hydroelectric facilities, as well as contamination from mining, industrial and sewage facilities, agriculture and other development, continue to have devastating impacts on the UCUT Tribes' cultural, fish and wildlife and water resources. UCUT appropriations are used to implement, monitor and evaluate natural and cultural resource plans, and to coordinate management activities with state, federal and other tribal governments.

In fiscal year 1999, the Confederated Tribes of the Colville Reservation formally joined UCUT, adding the interests of 8,000 more tribal members and 1.4 million additional acres of Reservation lands to the realm of UCUT concerns. Combined, the five UCUT tribal entities represent 16,221 tribal members and 1,905,879 acres of land resources. The Tribal Councils of UCUT have reinforced UCUT's mission to address not only fish and wildlife, but also cultural matters, water resources, and economic development issues common to all the UCUT members Tribes. The UCUT Tribes participate actively in regional intergovernmental forums related to UCUT mission topics, and need funding sufficient to continue and expand the UCUT mission.

The President's budget request of $310,000 does not include even an inflationary increase over the fiscal year 1999 enacted level. Further, the fiscal year 1999 UCUT appropriation was actually less than the previous year's funding. A significant increase is needed now to insure that the Tribes can maintain their fish and wildlife activities, as well as to cover the expanded mission of issues crucial to protection of cultural and water resources as required by numerous federal laws. Assessed funding needs for this program are just over $650,000. This includes base funding of $100,000 for each Tribe and a modest budget of $150,000 to cover the costs for a central office to coordinate, provide policy analysis, and serve as a liaison for the member tribes.

Law Enforcement Programs.—The Spokane Tribe strongly supports the proposed increase of $20 million for BIA law enforcement programs. This is the second year of the Department of the Interior's joint program with the Department of Justice on the Law Enforcement Initiative in Indian County. The increase will be used for personnel, equipment and detention services, all badly needed at Spokane.

While we know that funding for the Justice Department programs for Indian law enforcement programs is not in the Subcommittee's jurisdiction, we do want to express our support for the President's proposed increases in those programs as well, which will provide additional resources for investigation and prosecution of crime in Indian Country, programs to address alcohol and substance abuse programs in Indian Country, the improvement of tribal courts, construction of correctional facilities, and police education and training in Indian Country.

INDIAN HEALTH SERVICE

The Spokane Tribe supports the proposed increase for fiscal year 2000 totaling $170 million over the fiscal year 1999 enacted level for the Indian Health Service. Virtually every program operated by the IHS is seriously underfunded and has been for years. We urge the Congress to begin to provide the funding needed to address the critical health needs of Indian people by supporting the Administration's fiscal year 2000 request.

The Spokane Tribe of Indians is also concerned about the regulations that limit a tribe's ability to contract Indian health programs in urban areas. Tribes such as ours that are located near a major urban area have tribal members residing in the urban areas who are unable to receive services from IHS because there is no urban Indian health care provider. The Spokane metropolitan area has been without formal care and service for the past several years. The Spokane Tribe would like to have the ability to contract this service from IHS, through a special waiver, if necessary.

Finally, we wish to call to this Subcommittee's attention the need for funding to state and local governments for health care services to pass through and be provided directly to the tribes that will provide the services to people in our communities.

The Spokane Tribe also supports the testimony of the Northwest Portland Area Indian Health Board in its entirety. Thank you very much.

PREPARED STATEMENT OF ROBERT CLARK, EXECUTIVE DIRECTOR, BRISTOL BAY AREA HEALTH CORP.

The Bristol Bay Area Health Corporation (BBAHC) submits this statement on the Administration's proposed fiscal year 2000 Indian Health Service budget. In summary, our recommendations are:

—Fund mandatory costs increases for inflation, pay and population growth, for which the Administration has requested $34.7 million for inflation and pay raises and IHS estimates the need at $93 million (not including increases for population growth);
—Fully fund contract support costs, which IHS estimates there is over a $100 million shortfall;
—Increase funding for the Community Health Aide Program for Alaska by $20 million;
—Increase the leasing authority for Village Built Clinics by lifting the cap of 170 allowable leases;
—Provide $10 million to fund Patient Travel for Alaska programs; and
—Funding for patient transport vehicles and vehicle storage buildings.

BACKGROUND

The BBAHC is a private, non-profit corporation organized in June 1973 by the Alaska Native villages of the region. BBAHC serves more than 8,000 year-round residents and 34 villages within the Bristol Bay, Calista and Koniaq regions—three of Alaska's twelve regions as divided under the Alaska Native Claims Settlement Act of 1971. The region is 46,573 square miles, an area nearly the size of the state of New York and larger than nineteen of the "Lower 48" states. BBAHC's health care services include hospital services, family medicine, and other preventative and community health care.

In 1980, BBAHC became the first Native organization in the United States to assume full management of an Indian Health Service operation and health services program under the Indian Self-Determination and Education Assistance Act. The BBAHC-administered Kanakanak Hospital is accredited by the Joint Commission on the Accreditation of Healthcare Organizations. BBAHC became a member of the Alaska Tribal Health Compact in 1994, and since that time has administered health programs under Title III of the Self-Determination Act.

MANDATORY COST INCREASES

As you are no doubt aware, inadequate funding for mandatory cost increases over the past several years has forced tribal and IHS health programs to redirect funding from other urgently needed health care services, thereby restricting the extent of services we would otherwise be able to provide. In Alaska, we feel the impact of inadequate mandatory cost increases acutely as a result of our higher costs of living. For example, the cost of living in Dillingham is 20 percent higher than the average cost of living in the lower 48 states, with the cost of living in the villages averaging 5 percent higher than Dillingham.

The proposed fiscal year 2000 IHS budget would provide tribal and IHS programs $34.5 million for pay costs and inflation.[1] However, this amount does not include population growth. So a more reasonable figure for built-in costs is $146 million. We also note that the IHS figures for shortfall for mandatory pay raises is calculated for federal employees only—it does not include funding for persons hired directly by BBAHC or other tribal health care providers. We at BBAHC estimate that under the fiscal year 2000 request, we will be forced to absorb $1.25 million.

If Congress does not provide additional funds for mandatory cost increases in fiscal year 2000, BBAHC and other tribal health care organizations will have to make

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[1] According to the IHS budget justification document, their estimated shortfall of $92.9 million is the combined need for pay costs and inflation. IHS based the figure on 2.1 percent non-medical and 3.8 percent medical inflation rates and a 4.4 percent pay raise. No funding was requested for population growth, which is estimated at 2 percent per year.

some hard choices. An example of a kind of health service reduction we may have to make is in the purchase of specialized health services, such as OB-GYNs and other health care specialists who are not on the permanent staff of the hospital in Dillingham. We purchase the specialized services of these medical personnel to come to our hospital for special need patients.

CONTRACT SUPPORT COSTS

We are encouraged that the Administration's proposal for IHS contract support costs provides an increase of $35 million. However, BBAHC strongly urges Congress to consider the recommendation of the Alaska Native Health Board which seeks full funding of the estimated contract support shortfall of over $100 million. This amount takes into account those tribes currently receiving contract support as well as those on the waiting list (or queue). Without additional funds, tribes will continue to be denied their right to assume local control over federal Indian programs, such as health care, or be financially penalized for electing to exercise that right.

BBAHC also concurs with the Alaska Native Health Board in calling on Congress to refrain from imposing systemic changes to the contract support process before several ongoing efforts have been completed. These efforts—a General Accounting Office report on IHS and BIA contract support that is due in June 1999, a federal-tribal workgroup effort on contract support led by the National Congress of American Indians, and an IHS workgroup on contract support—may provide Congress a fresh approach to establishing a fair and equitable process for the distribution of contract support.

The BBAHC also opposes any legislative provision which would restrict a tribe's ability to contract, such as the moratorium on new and expanded contracts enacted in fiscal year 1999, or any other similar legislative mandate. Finally, we request that Congress require the IHS to report the need for contract support in an accurate and timely manner.

COMMUNITY HEALTH AIDE PROGRAM INCREASE

BBAHC is working with the Alaska Native Health Board and others to update the report on the Community Health Aide program, CHA/P in Crisis. The report findings on problems faced by the CHA/P include below-standard salaries, high attrition rates, and lack of support and training. The program has been a model system for delivery of low cost primary care to patients residing in the rural areas of Alaska. The trained CHA/P personnel act as primary care physicians and emergency care staff, primarily in the remote areas of Alaska—several hundred miles away from any physician-based facility. Although the program received some increase in funding several years ago, it is again on the verge of crisis unless funds are provided to meet the increased costs. As you are no doubt aware, the alternative to this system of care would be very costly, both in terms of dollars and in patient care.

BBAHC concurs with ANHB and others in making the following recommendations to Congress: raise CHA/P salaries to a standard of $20 per hour, increase funding for training centers and for support costs in the village clinics. We too urge full support of the CHA/P program by to including at least $20 million in the fiscal year 2000 Indian Health Services Budget for these essential services.

VILLAGE-BUILT CLINIC LEASING PROGRAM

Through the leasing authority of the Alaska Area Native Health Service (AANHS) under the Village-Built Clinic leasing program, BBAHC has two outstanding requests for clinic leases, one for a clinic at Portage Creek and the other for a clinic at South Shore Aleknagik. According to the AANHS it has, as of 1997, reached the 170 lease limit it is authorized to fund.

Additional funds are needed for making upgrades, modifications and additions to existing village-built clinics and where appropriate, replace existing clinics. For example, modifications to provide more square footage is essential. Currently, due to space limitations in the village clinics, during periods when visiting doctors are using the clinics to attend to patients, clinic staff have at times needed to perform on-going clinic services from their homes. These much-needed improvements, which could be funded through a new program similar to the Maintenance and Improvement Program, are above and beyond the realm of the current leasing program.

We strongly urge that the AANHS Village-Built Clinic leasing program be increased from 170 to at least 180, and that a commensurate increase in funding be appropriated for the additional leases. These clinics are vital to enabling the Community Health Aide Practitioners, doctors, dentists and others to provide health services to village residents.

PATIENT TRAVEL

The BBAHC, as well as other Alaska Native health care providers, is faced with a critical and expensive component of health care in Alaska—patient access to health care. Although the Community Health Aid Program and physician assistants provide basic health care at the village level, those who need a doctor's care and other procedures must travel by air to those services. Additionally, there are related costs such as lodging and meals. Consequently, up to 40 percent of rural Alaska Natives needing diagnostic services or treatment deferred having it done because of costs for airfare, cab fare, and lodging. (Access to Care: Crisis for Alaska Native, 1991.) Even with the new Alaska Native Medical Center in Anchorage providing limited accommodations for family members accompanying a patient, it is not enough to house all those in need.

Therefore, we urge that Congress provide for the Alaska health care programs an increase of $10 million for patient travel. This is the need in excess of that covered by various third party coverage which is also tapped where/when appropriate.

PATIENT TRANSPORT VEHICLES

Federal Aviation Administration regulations now require that landing strips be located further from villages than in the past. Previously, airplanes landing strips that were located on the edge of villages or in villages were in danger of hitting power lines. With the safety regulations in place, the distance of airstrips from village clinics is 7 miles in our area. This has resulted in our no longer being able to simply transport a patient from an airplane to the clinic by hand carrying, sled or a small vehicle. We are also concerned that lack of proper transport vehicles will became an issue for JCAHO accreditation.

For these reasons, we need vehicles in which to transport patients to and from airstrips, airports, village clinics. We also need heated buildings in which to store the vehicles. Our estimate for the cost of 16 patient transport vehicles, including shipping costs and heated buildings in which to store them is $1.4 million.

Thank you for the opportunity to share our concerns on the health needs of people in the Bristol Bay Area in Alaska and of Native people throughout the nation.

PREPARED STATEMENT OF RONALD J. WOPSOCK, CHAIRMAN, TRIBAL BUSINESS COMMITTEE OF THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION

INTRODUCTION

My name is Ronald J. Wopsock. I am Chairman of the Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah. I am providing this written testimony in support of the Department of the Interior's proposed appropriation for the Ute Tribe's water settlement. The proposed appropriation of $27.5 million is a portion of the Bureau of Indian Affairs' "Indian Land and Water Claim Settlements" appropriation and is in partial fulfillment of the obligations and promises made by the United States to the Ute Tribe in 1965 and reconfirmed by Congress in 1992. Those obligations and promises are set forth in the Ute Indian Rights Settlement, Title V of the Central Utah Project Completion Act, Public Law 102–575, 106 Stat. 4600, 4650 (Oct. 30, 1992). The purpose of the Settlement is, in part, to settle long-outstanding claims held by the Tribe relating to the failure to construct features of the Central Utah Project ("CUP") contemplated in the September 20, 1965 Agreement between the Tribe, the United States and the Central Utah Water Conservancy District ("CUWCD"). The proposed fiscal year 2000 appropriation is to partially fund the Tribal Development Fund authorized in section 506 of the Settlement.

The Ute Indian Tribe is pleased with the opportunity to present its views to this distinguished Subcommittee. The Tribe looks forward to working with the members to assure passage of the proposed appropriation, which will provide a critical step in completing the funding of the Tribe's Water Settlement; funding that is vital to the economic development of the Tribe and its members.

THE UTE INDIAN TRIBE

The Ute Indian Tribe is made-up of three bands, the Uintah, Whiteriver and Uncompahgre. The Reservation is made up of two separate reservations: the Uintah Valley Reserve established in 1861; and the Uncompahgre Reserve established in 1882. Together they encompass nearly 4.5 million acres of Indian trust, fee and federal land. Approximately 1,000,000 acres of Reservation land is held in trust for the Tribe.

Approximately 3,300 tribal members live on the Reservation. They suffer from the highest unemployment rate in the entire Uintah Basin. While the Reservation is blessed with oil and gas resources, employment opportunities are limited. Other "modern" employment opportunities are proscribed by the lack of additional economic development. The Tribe and a few tribal members do engage in agricultural enterprises which provide only limited economic returns. Fish and wildlife resources are extremely important to the Tribe and could, if properly developed and managed, offer greater economic opportunities.

As I previously noted, in 1965 the Tribe, United States and CUWCD entered into what is commonly referred to as the Deferral Agreement. In that Agreement, the Tribe deferred the development of over 15,000 acres of tribal land, thereby making available up to 60,000 acre-feet of water annually to assure a sufficient water supply for the Bonneville Unit of the CUP. That Unit is the principal component of Utah's water supply future. It is one of the most complex and expensive transmountain diversion projects ever built by the Bureau of Reclamation. The project diverts water, including the 60,000 acre-feet made available by the Tribe, from the streams in the Uinta Basin and transports the water westward across the Wasatch Mountains to Salt Lake and Utah counties. In exchange for its substantial and essential contribution, the Tribe was to receive a substitute water supply from storage in two large dams proposed as the final units of the CUP. The dams were never built and the replacement water never delivered. If the Settlement is fully funded no later that January 1, 2005, the 60,000 acre-feet of tribal water will continue to be transported annually across the Wasatch Mountains. If not, the Tribe can demand the return of the water.

THE UTE INDIAN RIGHTS SETTLEMENT

The Ute Indian Rights Settlement was passed by Congress and signed by the President in October, 1992. The facts surrounding this Settlement make it distinct from other Indian water settlements. The United States had a contractual obligation to the Tribe which it failed to fulfill. The Settlement represents substitute consideration for the dams promised in 1965, not enticement to enter a settlement of the Tribe's water right claims. Below is a brief summary of the status of the appropriations previously made by Congress as authorized in the Settlement, and the work the Tribe has undertaken with those funds.

Section 504—Farm Assistance Programs.—Congress has fully funded the Tribe's farming programs, found in section 504 of the Settlement. The Tribe has utilized those funds to: (a) complete a tribal feedlot, which is now in operation and employs 4 full-time and 5 part-time tribal members; (b) provide assistance to over 100 small farm and ranch operations owned and operated by tribal members; (c) improve the water delivery system in the Uintah Indian Irrigation Project by piping open ditches and installing sprinklers; and, (d) establish a tribal farming co-op which provides equipment and on-farm labor to small tribal farmer. Overall, the Tribe's agricultural operation employs 13 full-time tribal members.

Section 505—Stream Habitat, Environmental and Recreational Improvements.—Section 505, which provides funds for various stream and habitat improvement projects, has been partially funded. The Tribe has used a portion of these funds to establish an Aquatics Department that has actively undertaken stream and fishery habitat improvements and has developed extensive in-house data collection and technical review capabilities. The Tribe also has implemented several big game programs designed to enhance and properly manage the Tribe's wildlife resources. The Fish and Wildlife Department, including the Aquatics Department, employs approximately 35 full or part-time tribal members in activities directly related to programs funded under section 505. The remaining amounts approved under Section 505 are not included in the fiscal year 2000 appropriation.

Section 506—Economic Development Programs.—Appropriations for the "Tribal Development Fund", the largest and most important program in the Settlement, began in fiscal year 1997 and continued in fiscal year 1998 and 1999 at an appropriation level of $25.0 million. The entire amount of the proposed fiscal year 2000 appropriation (less penalties) is for the Tribal Development Fund under Section 506. The purpose of the Fund and economic projects undertaken by the Tribe are described more fully below.

THE TRIBAL DEVELOPMENT FUND

Section 506 of the Settlement establishes a Tribal Development Fund "to be appropriated [in] a total amount of $125,000, 000 to be paid in #T3three annual and equal installments. . . ." (Due to inflation factors statutorily applied to the 1992 authorization, the authorized amount has increased over the past seven years to ap-

proximately $145 million.) In fiscal years 1997–1999, Congress made $25.0 million appropriations for the Tribal Development Fund. However, these appropriations did not meet the statutory requirement of equal one-third installments. Instead, Congress decided to reduce the appropriations and "adjust" future appropriations in accordance with section 506 (b). That subsection provides that an adjustment will be made by the Secretary which represents the interest income "that would have been earned on any unpaid amounts" if Congress failed to fully fund the Development Fund in three annual and equal installments. As a result, the fiscal year 1998 and 1999 appropriations included $4.7 million in penalties. The fiscal year 2000 appropriation includes an approximate $5.08 million penalty.

The Settlement limits the Tribe to spending only the interest derived from the Development Fund on it economic projects. The Tribe also is required, under section 506, to prepare a Tribal Development Plan setting forth its economic development projects. That Plan must be approved by two independent financial consultants approved by the Secretary.

Following receipt of the fiscal year 1998 appropriation, the Tribe retained its financial consultants and began a broad review and analysis of potential on-Reservation economic development programs. As a result of that process, the Tribe has completed the construction of a much needed full service grocery store, centrally located on the Reservation, and a mini-mart and truck stop. Both are now in successful operation and employ approximately 47 tribal members.

The Tribe cannot fully evaluate, develop or implement a comprehensive plan to both create and foster additional economically viable enterprises on the Reservation or invest in outside economic ventures until the Development Fund is fully funded. It is vital, therefore, that funding be completed as quickly as possible to allow the Tribe to determine with some accuracy the amount of interest that will be available for economic development on an annual basis. The Tribe can only develop a comprehensive, well-planned economic development program when it knows the amount available to the program for economic investment on a year-to-year basis.

THE PROPOSED FISCAL YEAR 2000 APPROPRIATION

Congress clearly recognized and understood in 1992, that the Development Fund should be fully funded as quickly as possibly to foster economic development on the Reservation. The Fund is a critical component of the Tribe's efforts to secure economic self-sufficiency in the future. That process cannot be fully implemented until funding is complete. The proposed appropriation of $27.5 million represents a small increase over the fiscal year 1999 appropriation, which was $25 million.

There are several fiscally related reasons for supporting the full $27.5 million appropriation recommended in the budget. First, funding at that level will assure that the January 1, 2005 deadline is met; funding at reduced levels, $25 million for example, risk that this deadline will not be met. Second, the overall budget for Indian Land and Water Claim Settlements continues to be reduced, this year by approximately $480,000.00, even with the small increase in the Tribe's Settlement appropriation. This is because several other settlements were completed in fiscal year 1999. Thus, there is a good opportunity to provide funding for the Ute Settlement, bring it closer to completion, while providing an overall budget reduction for the Indian Land and Water Claim Settlement.

Finally, the United States is required to pay a penalty for its failure to fully fund the Tribe's Development Fund in three equal annual installments. It makes good long-term (and short term) sense to make the full $27.5 million appropriation because failing to do so costs the United States additional money. The fiscal year 1997, 1998 and 1999 funding levels were less than required under the Settlement. As a result, the fiscal year 1998 appropriation included a $1.5 million penalty and the fiscal year 1999 appropriation include a $3.2 million penalty. It is estimated that the fiscal year 2000 appropriation will include a $5.08 million penalty. The more the fiscal year 2000 appropriation is reduced, the greater the penalty in subsequent years.

It is important to recognize in reviewing this proposed appropriation that $27.5 million falls well short of what was clearly anticipated and promised by Congress in 1992. It does not amount to a full one-third of the overall authorization and it does not replace the shortfalls from previous years. At the proposed rate, the Tribe's Settlement will not be fully funded until fiscal year 2003. Until then, the Tribe can initiate only limited economic development programs that will fall well short of the economic development envisioned by Congress and essential to the Tribe and its members.

CONCLUSION

On behalf of the Tribal Business Committee of the Ute Indian Tribe, I would like to express my gratitude to the Subcommittee for this opportunity to present the Tribe's statement in support of the proposed $27.5 million water settlement. The Tribe and the United States have worked together for many years to realize the economic benefits promised when the Tribe provided water to assure the completion of one of the West's grandest water development projects—the Central Utah Project. We are now close to completing what has been a long process. The proposed appropriation of $27.5 million is a critical step in bringing this matter to a close and fulfilling the obligations undertaken by the United States in 1965 and reaffirmed by Congress in 1992.

Thank you.

PREPARED STATEMENT OF HON. DANIEL TUCKER, VICE CHAIRMAN, SYCUAN BAND OF MISSION INDIANS

Mr. Chairman and members of this Committee, I am Daniel Tucker, Vice Chairman of the Sycuan Band of Mission Indians, located in southern California. I thank this Committee for selecting me to present oral testimony on the fiscal year 2000 Budgets for the Bureau of Indian Affairs and Indian Health Service.

The Sycuan Band of Mission Indians, a Federally recognized Tribe, was created by Executive Order in 1875, and allotted a one square mile reservation. We were organized under Articles of Association approved by the Secretary of the Interior on August 18, 1972. The Sycuan Band consists of 104 Tribal members, approximately fifty percent are under the age of 18. For the last 125 years we have occupied the same one square mile plot of land.

We have utilized the minimal amount of land available to us to develop gaming enterprises. As a so-called gaming tribe, we have made advances in our social, economic and health care initiatives for our people. However, it has come at great expense as we are continually thwarted in our efforts to achieve economic self-sufficiency due to the vacillating federal policies, state political interests and corporate profiteers who wish to eliminate our pre-Constitutional status as sovereign nations.

PUBLICATION OF INTERIOR'S GAMING PROCEDURES FOR TRIBAL GOVERNMENTS

In November 1998, the citizens of the State of California passed State Proposition #5 (approving a model Compact) by a margin of 63 percent to 37 percent which protected the rights of Indian tribes to pursue gaming ventures. We hope this action by the people sent a clear message to this Congress and the Administration that the American people support our rights as legitimate governments, and that Federal policy and subsequent appropriations should be reflective of the peoples mandate for fairness to Indian people in California and elsewhere.

The moratorium which prohibited the publication of the Department of the Interior's Gaming Procedures for Tribal Governments expired on March 31, 1999. Unfortunately, individuals continue to threaten our financial resources as evidenced by the Senate version of the fiscal year 1999 Supplemental Appropriations bill (S. 544) that contains a rider which would undercut the Secretary's ability to go forward with the Class III gaming procedures. We are pleased that the U.S. House of Representatives' companion measure (H.R. 1141) does not contain such a provision.

We request that as the Committee with jurisdiction over Indian appropriations matters, you will not consider any such appropriations rider in the fiscal year 2000 appropriations measure.

BUREAU OF INDIAN AFFAIRS

The Bureau of Indian Affairs Tribal Priority Allocations (TPA) Workgroup has been meeting steadily throughout this past year to develop recommendations to the Congress for the TPA budget process. Tribes have developed meaningful solutions and we hope this Committee will give fair consideration to their viewpoints when their final report is submitted.

Redistribution of TPA funding

The Congress included a provision in the fiscal year 1999 appropriations bill which allowed for "prosperous" tribes to return their TPA shares to the BIA for redistribution to other tribes. The Sycuan Band of Mission Indians strongly believes that tribes who elect this option should be allowed to determine where its respective shares are redistributed.

Redistribution of TPA authorized on an annual basis only

Furthermore, any such tribe that agrees to have its shares redistributed should consent to the redistribution on an annual basis only. Thus, the tribe is able to protect its right to access TPA funding in future years should its economy suffer, especially in light of the aggressive outside efforts to corrupt tribal gaming enterprises.

TPA redistribution to be treated as non-recurring funds

In the event TPA shares are redistributed to another tribe, those funds should be identified as non-recurring, and therefore, not eligible to be included in another tribes base funding.

INDIAN HEALTH SERVICE

More than 20 years ago, we established a medical clinic on our reservation. Sycuan has a 638 Contract with IHS to provide health care to any American Indian in need of medical attention. However, in order to maintain a quality of service to our patients, it has become necessary for the Tribe to subsidize our operating budget for the facility. The basic service area consists of East San Diego County, however, patients throughout the greater San Diego area are treated. The total number of patients served annually is in excess of 3,000 individuals. This includes the eighteen area Tribes, as well as a number of non-Indians. Although we have been able to subsidize our clinic's budget so far, cuts in IHS funding are always a concern.

We are pleased that the Administration has submitted a budget to Congress that increases funding by $170 million. Although this is far short of the IHS/Tribal/Urban Budget Formulation Committee's $8 billion dollar estimated need, and is also far less than the $500 million increase requested by the Secretary of the Department of Health and Human Services, we hope the Committee will take action to ensure an increase in funds for Tribal managed health facilities, programs, services and activities.

Contract support costs

The Administration and the Congress have both recognized the need to increase contract support costs funding as well. However, the amount requested by the Administration does not meet the costs needed to bring tribes up to the level of funding needed to adequately sustain health care operations. Direct and Indirect funding should be increased to bring tribes up to par with other Federal health care programs, equitable to the per capita costs for patient care other citizens enjoy.

Funding to support the elevation of the IHS director

We also ask this Committee to include funding necessary to support the elevation of the Director of the Indian Health Service to the position of Assistant Secretary for Indian Health. The salary for this position must be commensurate with the pay received by other Assistant Secretaries within the Department.

BUREAU OF INDIAN AFFAIRS AND INDIAN HEALTH SERVICE

Moratorium on new and expanded programs

For fiscal year 1999, Congress passed a moratorium on new and expanded contracts, compacts, grants and cooperative agreements. This action was contrary to long-standing Federal Indian policy. The Indian Self-Determination and Education Assistance Act (ISDEAA), Public Law 93–638, authorizes tribes to exercise their right to contract or compact and to receive full funding for the programs contracted or compacted by an Indian tribe, including necessary contract support costs. In fiscal year 1999 Congress reversed its policy which can only been viewed as bad faith to the Indian people. We implore the Committee to object to any such provision that may be proposed for fiscal year 2000.

In conclusion, I urge this Committee to give priority consideration in budget allocations to the strengthening of Tribal governments, the delivery of services directly to Indian people, and the development of Tribal infrastructures and economies.

Thank you.

PREPARED STATEMENT OF JASON L. JOSEPH, CHAIRMAN, SAUK-SUIATTLE INDIAN TRIBE

My name is Jason L. Joseph, Chairman of the Sauk-Suiattle Indian Tribe of Washington State, presenting our written testimony by summarizing our tribal requests and concerns. It is an honor to present to you the needs and concerns of the Sauk-Suiattle people. The requests for increases are to be added to the base budgets in the fiscal year 2000 on the following priority.

TRIBAL LEVEL APPROPRIATIONS PRIORITIES

(1) +$190,000 to Tribal Budget Base for Government Operations in the BIA TPA Tribal Government Account for a planner/grants writer, a business development/management assistant, office equipment. This is in addition to the $160,000 minimum received in FY–98 by the Tribe per appropriations language for every tribe. Request 100 percent Indirect Costs;

(2) +$250,000 for Law Enforcement & return it to TPA: to secure office space, hire and purchase equipment for two officers, a Probation/Truant Officer, detention facilities with necessary equipment to allow short term holding facilities, in the BIA TPA, Public Safety and Justice, Law Enforcement Tribal Agency Account.

(3) +$200,000 for Tribal Budget Base to support Tribal Court; Prosecutor, Public Defender, Court Clerk and for Court Operations. to be added to BIA TPA, Public Safety and Justice, Tribal Courts Budget Base;

(4) +$375,000 to develop economic enterprises, added to BIA Tribal Government Account;

(5) +$200,000 for Cultural Resource funding with continual funding as there was not a formal anthropological study done which is specific to Sauk-Suiattle. Also, for Land Acquisition Study to determine a land base for the Tribal Members to return to their Ancestral Home, to identify economic development initiatives that could generate Tribal revenue for jobs and to decrease federal dependency. To be added to the BIA Office of Trust Responsibility Account;

(6) +$30,000 Increase Higher Education scholarships in the BIA Education Scholarship Account;

(7) +$75,000 to Tribal Base for Indian Child Welfare for administrative staff and additional counselors to work with children and dysfunctional families, in the BIA TPA for Human Services, ICWA Account;

(8) Place current new 13 acres land adjacent to the Tribe's Administrative Office into Trust land status, which will not to be used for gaming. Also, the Caskey Lake 50.8 acres land, 3 miles from the reservation to be transferred into trust land status;

(9) Request title for the Tenas Creek and Suiattle Cemetery lands, plus two additional 15 acres surrounding the two cemetery parcels. This is necessary to clear up the ownership, multiple jurisdiction and joint responsibilities that now exists. These are sacred sites that need protection. It will clear up the US Forest Service, BIA, or Sauk-Suiattle ownership.

(10) +$350,000 replace 360,000 gallon cement domestic Water Storage Tank for health & safety.

REGIONAL APPROPRIATIONS PRIORITIES

Support affiliated tribes of northwest indians

1. For Northwest Portland Area Indian Health Board fiscal year 2000 request on appropriations
2. Contract support increase funding of $100 million by NWPAIHB
3. Oppose pro-rata distribution of fiscal year 1999 contract support funds, oppose $5 mil. cut in CHR
4. For Sovereign Immunity, against taxation, for Land-Into-Trust

Support northwest indian fisheries commission

1. Contract Support Costs (Indirect Cost) Funding at 100 percent
2. BIA Forest Development, Woodland Management, Northwest Forest Plan $3.0 Million and from this amount, "Jobs in the Woods" initiative of $400,000
3. Washington Tribal Shellfish Management, Enhancement, and Enforcement Funding to Implement Tribal Treaty Rights through the Establishment of Base Shellfish Operations $1.95 Million.
4. Salmon restoration funding
5. Timber, Fish and Wildlife Module $4 million

National appropriations priorities

1. Support the Administration's Request of $1.9 billion for BIA and $2.8 billion for IHS
2. Full Funding of Contract Support Costs for BIA & Indian Health Service. Remove the fiscal year 1999 '638 contracting moratorium. Oppose proposed $5 mil. cuts in CHR program
3. BIA Tribal Priority Allocations request of $716 million, plus the small and Needy Tribes Appropriation minimum.
4. Elevate IHS Director to Asst. Sec.; Increase IHS funding for HIV/AIDS, Diabetes—inflation, increase of medical costs, related medicines, breast & cervical cancer

5. Law Enforcement funding at $20 Million
6. Increase tribal court funding to $58.4 Million as authorized under the Indian Tribal Justice Act, PL 103–176. Reauthorize Act as resources are needed. (Pres. $2.6 mil)

BACKGROUND, SMALL & NEEDY TRIBE

The Sauk-Suiattle Indian Tribe has 235 members and is signatory to the Treaty of Point Elliott in 1855. A land survey was conducted to establish a reservation base for our Tribe but, never finalized due to the untimely death of the surveyor. We were a land less tribe prior to 1980 when we purchased 23 acres of land for our reservation near our original homelands in the foot hills of the Cascade Mountains. As a small tribe, our needs are magnified, as the basic tribal government support resources just aren't available. All the operations are under grants and contracts, as there are no tribal funds, meaning shortfalls and reductions cannot be covered by the Tribe.

PRIORITY REQUESTS-NARRATIVE

Increase in Core Tribal Government Staff.—The Tribe has had a great turnover in its core management positions (General Manager and Accountant) due in large part to unstable and inadequate funding plus the Tribe's remote location. This has kept the Tribe from progressing. The Tribe requests a $190,000 appropriation increase above the $160,000 minimum appropriated in fiscal year 1998 to the BIA Tribal Priority Allocations, Tribal Government, Other Aid to Tribal Government Budget Base for a planner/grants writer, a business development and management assistant and office equipment. To include 100 percent contract support costs.

Increase in BIA Law Enforcement.—The Tribe has only one police officer, jail facilities are hours away. The Tribe needs a second officer and a truant/probation officer to provide services to the community. The Tribe requests a $250,000 increase, to be added to the BIA Tribal Priority Allocation, Public Safety and Justice, Law Enforcement Tribal/Agency Budget Base, so that the Tribe can hire and equip. two officers, a radio system, a probation/truant officer, office space, detention facilities with necessary equipment to act as a short term holding facility. The Tribe requests the law enforcement funds be returned to the TPA from the special account within BIA.

Increase BIA Tribal Courts.—The Tribe requests that $200,000 be appropriated for Tribal Court, added to BIA Tribal Priority Allocations, Public Safety and Justice, Tribal Courts Budget Base, for Tribal Court operations and staffing (½ time judge, court clerk, prosecutor, defender).

Increase Economic Development Enterprise.—The Sauk-Suiattle Indian Tribe is focused on developing economic self-sufficiency. However, the current trend of cuts far outweighs the actual portion of federal monies utilized by the tribes, and heavily impacts Congressional recognition of the need to meet Treaty and trust responsibilities.

The Sauk-Suiattle Indian Tribe has initiated a planning process to develop economic enterprise that will provide long term financial stability, employment for Tribal members, reinforce the need for education for Tribal members, and allow the Tribe to assume true Self-Determination and financial independence. Since these efforts require dedicated time to expedite results, the Tribe requires stable "economic incubation" funding for a period of 3 years in order to:

(1) hire a business manager/planner to focus on the effort,
(2) develop a complete business plan,
(3) initiate a viable financial enterprise(s), and
(4) develop sufficient capital to "stand alone".
(5) developing business codes

The tribe has calculated a three (3) year cost of $375,000 for this project to reach a return on the investment, including the necessary "seed" capital to begin the actual enterprise and meet all anticipated "incubation" costs. The U.S. Government benefits as a result of a decreased financial need of the Tribe, as well as the benefits of employed Tribal members not requiring the current level of governmental assistance.

Also, Tribal Economic Enterprises will employee those members of the larger Community outside the Reservation currently unemployed as a result of the economic downturn in forest product work. The local community was designated a depressed timber community.

Cultural Resource Funding & Special Appropriation for Land Acquisition Study.—The Sauk-Suiattle Tribe has 235 members, 20 houses, one services building and no vacant suitable land for the creation of a Tribal economy. The Tribe currently has

an unemployment rate of over 65 percent and over 80 percent of employment age tribal members make less than $7,000 a year. With a land base the Tribe could provide employment, generate Tribal revenue, decrease dependence on federal funds and enable Tribal members to return to their ancestral home. The Tribe requests a special appropriation of $200,000 to the BIA for the Sauk-Suiattle Tribe to perform a land acquisition feasibility study on identified sites, including the possibility of a land trade between the U.S. Forest Service, and the Washington Department of Natural Resources to decrease land acquisition costs. There are also several thousand acres of unresolved Tribal allotments which should be factored into study. These lands (5,000 + acres) were allotted to Tribal members and then taken without compensation in 1897 when the Mt. Baker—Snoqualmie National Forest was created.

Increase Higher Education Scholarships.—The Tribes current 638 contract with BIA only provides funds for 20 percent of the Tribal members seeking higher education. The Tribe requests that BIA Portland Area Office scholarship funding be increased by $30,000 to provide educational opportunities to Sauk-Suiattle Tribal members to attain their higher education. Our base budget includes less than $4,000 in funds, even with more than half of the population of college age.

Increase in BIA Indian Child Welfare.—Half the Tribe's population is 18 or younger and 75 percent of the children on the Reservation have received KEYBOARD A services. Because of the Reservation's small population base and remote location, which requires high travel time, the Tribe does not receive comparable operating funds such as other Tribes. Sauk-Suiattle requests that a $75,000 appropriation be added to the Tribe's base budget through the BIA Tribal Priority Allocations, Human Services, Indian Child Welfare Act account to (1) provide for added counseling services, and (2) management to work with children and dysfunctional families.

Land into Trust.—There are two parcels of land that the Tribe wishes to be put in trust status. The first, the new 13 acres adjacent to the current reservation. Second, 50.8 acre Caskey Lake, lake and swamp approximately 3 miles from the reservation. The Tribe has No intention, nor is it feasible due to location to use these parcels for Gaming. It may be utilized for other enterprise to create jobs that will benefit the Tribe and the local non-Indian community. The Tribe submitted requests in July 1998 to have the Secretary, DOI transfer the lands from fee to trust status.

Tribal Cemetery Plots.—Sauk-Suiattle Tribe requests title to the "Suiattle Cemetery" and the "Tenas Creek Cemetery" lands, plus additional 15 acres of surrounding lands for each cemetery, to clear up the question of ownership, multiple jurisdictions and joint responsibilities. The ownership, trust or protective authorities and general administrative responsibilities are not clear, whether it is the US Forest Service, Bureau of Indian Affairs (BIA), Sauk-Suiattle Indian Tribe or US Navy. The properties are actually owned by the US Forest Service, the BIA has trust responsibility and the Tribe works jointly with these two entities to manage and upkeep the sites. The US Navy without notifying the appropriate authorities just assumed the area was available for their training maneuvers, which caused extensive damage to the graves of our people. These are sacred sites and need protection. Prior allotments of tribal members in area was 5,000+ acres.

Water Storage Tank.— the current 360,000 gallon domestic drinking water Cement Tank leaks. The tank was lined, but still leaks. Acidity in the water is the cause of the leaking of the high rates of lead and copper into the drinking system. The tank is 15 years old, is 60 feet high and 20 feet across. The pipes also need replacing.

We urge that Congress remember our small tribal governments, our management problems and needs, and support them in with sufficient appropriations. We urge funding for tribes, their programs and their developments be given the highest priority. Thank You.

PREPARED STATEMENT OF DAVID LOPEMAN, CHAIRMAN, SQUAXIN ISLAND TRIBE

Mr. Chairman and Members of the Subcommittee, on behalf of the Squaxin Island Tribe, I thank you for this opportunity to provide testimony on the fiscal year 2000 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS). The following concerns and recommendations of the Squaxin Island Tribe are common, not only to us, but to Tribes both in our region and throughout the Nation.

SUMMARY OF APPROPRIATION REQUESTS

Tribal specific

1. Support for $97,500 for the Squaxin Island Shellfish Management

Regional

1. Support for $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal shellfish harvest management, enforcement and enhancement to implement Tribal treaty rights through the establishment of base shellfish operations
2. Support for $1.247 million BIA, Resources Management, Endangered Species initiative
3. Support for $3.0 million BIA, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" initiative and from this amount a designation of $400,000 for the Wild Stock Restoration initiative
4. Support for $3.1 million for the Northwest Tribal Ecosystem Management initiative
5. Support additional funding of $4.0 million for the Timber-Fish-Wildlife Agreement to implement tribal obligations under new state and private forest practices, rules and regulations pertaining to ESA obligations
6. Support the development of a displaced fishers "Jobs-in-the-Woods" program and a gear and vessel subsidized payment account

Self-governance and other national issues

1. $12.1 million increase for Diabetes Programs
2. $12.1 million increase for Substance Abuse/Alcoholism Programs
3. $7.2 million increase for Health Promotion/Disease Prevention efforts
4. $3.6 million increase for Emergency medical Services
5. $2.3 million increase for Tribal Environmental Health Programs
6. $15 million increase for Cancer screening and treatment, principally for breast and cervical cancer
7. $19.5 million increase for Dental programs
8. $7.1 million increase for Mental Health programs
9. Replace the proposed $5 million cut in the Community Health Representatives program
10. Support the Administration's request for a $170 million increase for the IHS budget
11. Support the replacement of funding for the Indian Health Service's recruitment and retention program and the physician's pay program
12. Address the funding and service disparities in Indian Health Programs by providing level of need funding for Indian Health Programs
13. Support the BIA Tribal Priority Allocations request of $716 million as well as the Small and Needy Tribes Appropriation minimum
14. Increase Tribal Court funding to $58.4 million
15. Support the full funding of Contract Support Costs (CSC) and the distribution methodology for CSC funds recommended by the National Congress of American Indians
16. Remove the fiscal year 1999 appropriation moratorium on PL 93–638 contracting and compacting

NARRATIVE SUMMARY OF REQUESTS

Tribal specific

Support $97,500 for the Squaxin Island Shellfish Management. The Squaxin Island Tribe was a plaintiff in the court case which reaffirmed the Treaty rights of the Tribes in Washington State to harvest 50 percent of the shellfish product, and to act as co-managers of the shellfish resources. This involves management of both inter-tidal and sub-tidal species of shellfish.

For the past two years, we have been expanding our management of this very important resource to the Squaxin Island Tribe. Currently we manage the resource for about 150 Tribal harvesters who harvest shellfish for subsistence and commerce as has been the case since the Treaty was signed in 1854. To date our expanded enhancement and management efforts have been directly funded by Tribal dollars.

Once again, the appellate court has upheld the District Court's decision, and strengthened the tribal claims. Our experience has shown that in order to be an effective co-manager of this resource, we need to be able to participate in management, enhancement, and enforcement activities. As managers of this resource, we will need to continue to expand our management capacity. This will involve specialized training and equipment for our harvesters, our management staff, and our enforcement staff.

Regional

Support request of $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal Shellfish Management, Enhancement and Enforcement funding to implement Tribal treaty rights through the establishment of base shellfish operations. Additional funding to tribal programs are necessary to address these needs. Western Washington tribes request an additional $1,950,000 be added to tribal fisheries management contracts as permanent base funding. This would provide basic infrastructure for each tribe of $97,500. This would cover only the basic level of management and enforcement needs.

Support for $1.0 million BIA, Resources Management, Endangered Species initiative. As Tribes that are potentially impacted by the proposed listing of pacific salmon under the terms of ESA, funds are needed for biological review, listing decisions, conferencing, consultation and recovery planning to prepare for the changes in harvest, hatchery and habitat practices in response to the ESA process.

Support for $3.0 million BIA, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" initiative and from this amount a designation of $400,000 for the Wild Stock Restoration initiative. We support the BIA request of $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Jobs in the Woods" Initiative and the designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative (WSRI). WSRI is essential to developing a habitat inventory base from which restorations projects can begin. This work will extend the effectiveness of the limited funds for restoration by providing an effective tool for prioritization and design of projects.

Support for $3.1 million for the Northwest Tribal Ecosystem Management initiative. This amount is needed to support the coordination and cooperative monitoring effort by the Tribal co-managers for the protection and restoration of salmon populations, consistent with ESA, the Clean Water Act, Natural Resource Conservation Service's obligation for salmon recovery, and the Forest Service obligations under the Northwest Forest Plan.

Support additional funding of $4.0 million for the Timber-Fish-Wildlife Agreement to implement tribal obligations under new state and private forest practices rules and regulations pertaining to ESA obligations. This amount is needed to allow tribes to effectively participate in monitoring and adaptive management processes that are integral to the TFW process.

Support the development of a displaced fishers "Jobs-in-the-Woods" program and a gear and vessel subsidized payment account. Such a program would provide meaningful work and a liveable wage for tribal members who are adversely impacted due to low fish populations. Such a program coupled with a program which provides support to fishers for gear and vessel payments during low fish harvests will prevent disastrous foreclosures and economic conditions for tribal fishers and related businesses.

Self-governance and other national issues

We support providing the requested increases for the Indian Health Service programs as this will begin to close the vast disparity between Indian health care and promotion programs and those of the rest of the American population. As a group, Indian people have the lowest life expectancy of any other group in this country. The trust relationship and the government-to-government relationship which exists between the Federal Government and Tribal Governments dictates that Native Americans and Alaska Natives be provided health care programs which are commensurate with the highest quality health care available in this country.

We support providing the requested increases for the Bureau of Indian Affairs programs as this will provide tribes with the funds to improve and expand their governmental and administrative infrastructures so as to be fully responsive to the unique and diverse cultural, political, economic, social and health and welfare needs of their constituents.

We support the provision of full funding of Contract Support Costs (CSC) for the BIA and the IHS. CSC is an important part of the federal resources transferred to Tribes under Self-Determination and Self-Governance which support vital managerial and administration functions essential to any government or business. Further, we support the distribution methodology recommended by the National Congress of American Indians as this appears to be the most equitable way to manage the gross under funding of CSC.

We support the lifting of the moratorium on contracting and compacting as this is a serious affront to tribal sovereignty and a serious breach of the government-to-government relationship which exists between the federal government and tribal governments as established through treaties, legislation, case law, and executive orders.

We support the requests and recommendations of the Northwest Portland Area Indian Health Board, the Northwest Indian Fisheries Commission, and the Northwest Intertribal Court System. These consortia assist us in an efficient and cost effective manner, thus insuring the tribes and the federal government that scarce funds are wisely managed. Please consider their requests as you consider our individual submissions.

In closing, the Squaxin Island would like to emphasize the long list of unmet needs that are evident throughout Indian country We are doing everything we can to work with the limited resources available to us. The health care of Indian people cannot remain at such a deplorable level. We are entering the next millennium, yet Indian people remain as the highest risk population in the Nation.

On February 20, 1998, the U.S. President announced a "New Racial and Ethnic Health Disparities Initiative". Unfortunately, the Administration's initiative is inconsistent with the priorities presented by Indian country under the Secretary's consultation policy. Funding was removed from our hospitals and clinics line items to provide funding for Departmental initiatives. Thus, we look to this Committee to correct the gross negligence of our consultative input on the part of the Administration.

In addition, there are three legislative measures which will warrant your support during this session of Congress. Each of these bills, if passed, will improve the quality and delivery of health services to Indian People. Should these items come before you, possibly in your capacity on another Committee of Congress, please support these measures. And, should you have questions, we would welcome the opportunity to address your inquiries. They are:

—Support H.R. 1167, a bill to make Self-Governance a permanent tribal option in the IHS

—Support H.R. 403, a bill to elevate the IHS Director to the level of Assistant Secretary, with commensurate pay increase, and keeping the Office of Tribal Self-Governance as a part of, and co-located within that elevated office

—Support the re-authorization of Public Law 94–437, The Indian Health Care Improvement Act, with provisions to address the funding needs and authorities of contracting and compacting Tribes

The Committee's support for our requests is much appreciated and on behalf of the Squaxin Island people, I thank you for your continued efforts.

PREPARED STATEMENT OF TIM BALLEW, CHAIRMAN, LUMMI NATION

The Lummi Nation is located in the Pacific Northwest of Washington State, serving a population of over 4,000 members. The Lummi Nation is a fishing community. We have depended on the resources from the oceans and the rivers for generations. We are one of the first Tribes to enter into Self-Governance. We are proud to say that we are in the tenth year of implementation. The following document presents the Lummi Nation's funding priorities, as well as regional and national concerns and recommendations for your consideration. Further, the Lummi Nation strongly opposes any bill, language or legislative rider which undermines Tribal sovereignty and our ability to advance our governmental responsibilities based on the long standing government to government relationship.

TRIBAL-SPECIFIC APPROPRIATION REQUESTS

+$1,300,000 to Support Water Negotiations—$300,000 for attorney fees, $400,000 for on reservation technical studies, and $600,000 for Nooksack River Basin technical studies (Tribal Government Services and Water Resources Accounts)

+$750,000 for Water and Sewer Infrastructure Planning—Provide the IHS Sanitation Facilities Construction Program with funds to support the planning for upgrading our water and sewer system (IHS Division of Facilities & Environmental Engineering (DFEE)

+$700,000 Increase to Lummi Nation Hatchery—Bureau's Hatchery Operation Program Maintenance and Repair Program

$1,300,000.—Support water negotiations summary

The Nation signed an Agreement in Principle with the Federal Government and the State of Washington on January 27, 1998. This agreement is a stepping stone toward a final settlement of the on-reservation water rights conflicts, which were and still are, attributable to the non-Indians disregard for treaty-reserved water and fishing rights in the Nooksack River Watershed. Many difficult issues remain to be resolved which will require significant technical studies and legal consultation before a final agreement can be signed. To complete this work the Lummi Nation is

requesting $1.3 million during fiscal year 2000: $300,000 to defray legal consultation costs, $400,000 for on-reservation technical studies, and $600,000 for technical studies in the Nooksack River Basin. Recommendation: Support the increase in the Water Rights Negotiation/Litigation, Attorney fees and technical studies.

$750,000.—Support water and sewer infrastructure planning summary

The Lummi Water and Sewer System services Indian and non-Indian residents with a Board of Indian and non-Indian residents elected by both the Tribal and non-Tribal community. The System was built in 1983 and is 16 years old. Currently, the facility is at over 85 percent capacity. The Lummi Nation is not in the position to undertake this level of planning without assistance from the Indian Health Service. Both short and long term planning needs to begin immediately. The Nation requests that funds be identified in the IHS/DFEE Sanitation Facilities Construction Program to support the planning of a water delivery and sewage treatment system infrastructure for the existing and projected population of the Lummi Indian Reservation . Recommendation: Direct IHS/OEHE to fund Lummi Nation Need for Water and Sewer System Planning Request.

$700,000.—Increase to lummi nation hatchery

The Lummi Nation hatchery is a fully operational hatchery that is 30 years old this year. The hatchery provides employment and income opportunities for many families. The hatchery supplies oyster and clam seeds to most of the Northwest Washington Tribes and private growers. With the recent Supreme Court decision to uphold the shellfish ruling, there will be an increased need both by treaty and non-treaty growers for oyster seed and clam seed enhancement projects. These dollars will benefit both the Tribal governments and Washington State. Recommendation: Request that $350,000 be added to the BIA Hatchery Operational Program for the Lummi Nation.

REGIONAL REQUESTS

The Lummi Nation is an active member of the NWIFC and we support the following requests. We further emphasize the Committees understanding of the impact of the Endangered Species Act to a tribal fishing community. Adequate base funding must be provided for tribal participation in ESA activities and the DOI Secretarial Order must be fully implemented. Further, emphasis and consideration efforts are needed to assist the families whose livelihoods have been devastatingly affected. Today, Tribal members are losing their boats which was their only source of income.

—*Support for the $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" Initiative*.—The WSRI is essential to developing a habitat inventory base from which restoration efforts can begin. The remaining $2.6 million from this initiative will allow tribes throughout the Pacific Northwest to continue to conduct watershed analysis and watershed restoration in watersheds within their Usual and Accustomed Areas.

—*Support additional funding of $4.0 million for the Timber-Fish-Wildlife Agreement to implement tribal obligations under new state and private forest practices rules and regulations pertaining to ESA obligations*.—This is required for tribes to actively participate in state forest practice rules and regulations that have an effect on listed salmon populations. Tribes, as a result of their co-management status, are deeply involved in this management forum. Tribes have a high level of skills and technical capabilities that would greatly facilitate a successful outcome. Tribes will need additional funding to participate in monitoring and adaptive management processes that are a cornerstone to the TFW process.

—*Support for the development of displaced fishers "Jobs in the Woods" program and a gear/vessel subsidized payment account*.—This program is needed to assist displaced tribal fishers. This could provide meaningful jobs and income to tribal members, as they are restricted from harvest opportunities due to low fish abundance. A program that provides support to tribal fishers for gear and vessel payments in absence of revenues from harvest is essential in order to preclude catastrophic bank foreclosures.

—*Support for the $1.95 million Western Washington tribal shellfish management, enhancement, and enforcement funding request to implement tribal treaty rights through the establishment of base shellfish operations*.—The Tribes request an additional $1,950,000 for tribal fishery management contracts to be added as part of permanent base. As tribal shellfish programs develop and expand, other issues affecting the shellfish resource have been identified. For instance, very little data and technical information exists for many of the fisheries now being

jointly managed by state and tribal managers. This lack of information can impact the fisheries and resources as a whole.

Although tribes are addressing the basic management responsibilities in their shellfish fisheries, it is clear that more needs to be done to adequately address resource concerns for the benefit of all fishers, Indian and non-Indian alike.

—Contract Support Costs.—the IHS fiscal year 2000 shortfall in contract support costs totals $109.8 million. Congress should appropriate adequate contract support cost funds to eliminate this shortfall.

—Contract Health Services.—Contract Care has lost $245 million in unfunded inflationary cost increases and increased costs due to population growth since fiscal year 1992. We support the request of the NWIHB to address and correct this diparity in Indian Country compared to contracted health service providers for non-Indians.

—Restore CHR funding and grant inflation and pay cost increases. The Indian Health Service should not cut $5 million from this widely supported program. $5 million plus $1.7 million for a total of $6.7 million should be restored to this line item to maintain current services.

We continue to support the requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board and the Northwest Indian Fisheries Commission.

NATIONAL REQUESTS

IHS

—Support the Administration's request for a $170 million increase for the IHS budget

—Address the funding and service disparities in Indian Health Programs by providing level of need funding for Indian Health Programs

—Support the Full funding of Contract Support Costs

—$12.1 million increase for Diabetes Programs

—$12.1 million increase for Substance Abuse/Alcoholism Programs

—$7.2 million increase for Health Promotion/Disease Prevention efforts

—$3.6 million increase for Emergency Medical Services

—$2.3 million increase for Tribal Environmental Health Programs

—$15 million increase for cancer screening and treatment, principally for breast and cervical cancer

—$19.5 million increase for Dental Programs

—$7.1 million increase for Mental Health Programs

—Support the replacement of funding for the Indian Health Service's Recruitment and Retention Program and the Physician's Pay Program

—Support The National Congress of American Indians recommendation regarding the distribution methodology for Contract Support Cost funds

BIA

—Support the request for $108.4 million for education construction

—Support the BIA Tribal Priority Allocations request of $716 million as well as the Small and Needy Tribes Appropriation minimum

—Remove the fiscal year 1999 moratorium on PL 93–638 contracting and compacting

We continue to support the requests and recommendations of the National Congress of American Indians, the National Indian Health Board, and other National Indian requests before this Subcommittee in the fiscal year 2000 Appropriations.

In addition, there are three legislative measures which will warrant your support during this session of Congress. Each of these bills, if passed, will improve the quality and delivery of health services to Indian People. Should these items come before you, possibly in your capacity on another Committee in Congress, please support these measures. And, should you have questions, we would welcome the opportunity to address your inquiries. They are:

—Support H.R. 1167, a bill to make Self-Governance a permanent tribal option in the IHS

—Support H.R. 403, a bill to elevate the IHS Director to the level of Assistant Secretary, with commensurate pay increase, and keeping the Office of Tribal Self-Governance as a part of, and co-located within that elevated office

—Support the re-authorization of Public Law 94–437, The Indian Health Care Improvement Act, with provisions to address the funding needs and authorities of contracting and compacting Tribes

I appreciate your consideration of the fiscal year 2000 requests and recommendation of appropriations for the BIA/IHS, on behalf of the Lummi Nation. Thank you.

PREPARED STATEMENT OF BILLY FRANK, JR., CHAIRMAN, NORTHWEST INDIAN FISHERIES COMMISSION

On behalf of the Northwest Indian Fisheries Commission member tribes, I want to thank the Subcommittee for the opportunity to present testimony on our fiscal year 2000 fisheries and habitat management needs that fall within the Bureau of Indian Affairs budget.

SUMMARY OF FISCAL YEAR 2000 APPROPRIATIONS REQUEST

In general, the NWIFC supports the Administrations appropriation request that is presently before the Subcommittee. Specifically, the NWIFC requests funding and direction which will achieve the following for fiscal year 2000:

—Provision of Contract Support Funding at 100 percent levels necessary for existing and emerging programs;
—Support for the $1.247 million Bureau of Indian Affairs, Resources Management, Endangered Species Initiative line item;
—Support for the $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" Initiative line item and from this amount a designation of $400,000 for the Wild Stock Restoration Initiative;
—Support additional funding of $4.0 million for the Timber-Fish-Wildlife Agreement to implement tribal obligations under new state and private forest practices rules and regulations pertaining to ESA obligations;
—Support the development of a displaced fishers "Jobs-in-the-Woods" program and a gear/vessel subsidized payment account; and,
—Support for the $1.95 million western Washington tribal shellfish management, enhancement, and enforcement funding request to implement tribal treaty rights through the establishment of base shellfish operations

INTRODUCTION

Twenty-five years ago, the *U.S.* v. *Washington* case was decided by the federal court system. This decision, respecting the treaty rights of our member tribes, propelled major changes in fisheries management in the Pacific Northwest. These changes have not only fundamentally altered the legal, political, social and economic institutions of the State of Washington, but have also fostered a nationwide quest for tribal self-determination and self-governance led in part by the Northwest tribal leadership. These parameters affect both the way tribes perform fisheries management, as well as how we approach the federal system during the budget/appropriations and legislative processes.

TRIBAL AND NWIFC PROGRAMS

We are at a turning point in natural resource management in the Pacific Northwest.

We have made great strides in institutionalizing tribal management consistent with tribal values, treaty rights and federal court decisions. We have developed great professional capabilities and policy respect as we proceed through the various processes. We are efficient and effective, but we are still far short of where we would like to be in our capabilities. And, while we have efficiently organized our tasks and assigned responsibilities between our tribal community to extend our collective efforts, the management obligations are many. New and highly difficult complexities abound, many precipitated by the demands of the Endangered Species Act (ESA) and the Clean Water Act (CWA). We are challenged now with three separate ESA listings of threatened salmon populations and over 666 water bodies listed under Section 303 (d) of the CWA. To meet this challenge, we will need all of our existing funding and additional new resources.

Over the past decade, tribes have been able to secure new monies for additional responsibilities. However, over the same time, tribes have seen other monies they once received for other duties diminish, either through inflation or through the elimination of program and support funding. And in this process, Indian natural resource management capacity has been unfairly affected. With a small base, any cuts to tribal resource programs have profound impacts to tribal management. Therefore, we strongly urge the Subcommittee to guard against any diminishment of the tribal program funding base, and do all it can to strengthen and enhance the Bureau's Trust, Tribal Priority Allocation and Self-Governance Program funding. We also ask that the Subcommittee will ensure that the Western Washington-Boldt Implementation and the Pacific Salmon Treaty base budgets will be fully funded for this coming year.

CONTRACT SUPPORT FUNDING IS ESSENTIAL TO TRIBAL PROGRAMS

We continue to have concerns that the Bureau of Indian Affairs has failed to fully request Contract Support Funds for tribal programs. We are also concerned that Congress has not fully appropriated their necessary funds. An artificial cap upon the funding pool for indirect cost reimbursements places a huge burden on tribal fisheries programs. Such a failure has led tribal programs to reduce direct funding for indirect, mandated purposes. The net effect has been a loss of program purchasing power and program staff capability. For the NWIFC in fiscal year 1999, we have planned for a $250,000 contract support shortfall. What this means is that we are not spending that amount for direct services from our Fisheries Management or Pacific Salmon Treaty Contracts, but rather are allocating that to cover necessary administrative costs not provided due to the indirect shortfalls. We have been, and will be forced to continue to reduce our programs to cover these costs as mandated by law. Such a burden cannot be borne by tribal programs again this year or into the future without onerous results. In addition, the actual level of contract support is not determined until late in the fiscal year making cash flow management extremely difficult.

WILDSTOCK RESTORATION INITIATIVE/WATERSHED RESTORATION/NORTHWEST FOREST PLAN/ENDANGERED SPECIES ACT IMPLEMENTATION

In late February, a number of species of Pacific Salmon were "listed" by the National Marine Fisheries Service as "threatened" under the terms of the Endangered Species Act (ESA). This ESA listing process will likely trigger a cascading chain of events, culminating in significant changes to harvest, hatchery and habitat practices for the region and its inhabitants.

Tribes will be affected by this federal process. As fisherman, the listing raises serious questions about the status of the stock and pose a threat to the individuals opportunity to continue to harvest this salmon, a treaty-secured resource. As governments, the ESA process places inordinate demands upon the tribes as co-managers of the resource. Biological Reviews, Listing Decisions, Conferencing, Assessments, Opinions, Consultation, and Recovery Planning are just a few of the series of loops tribes will now be forced to participate in just to ensure their treaty protected fisheries. The tribes harvest opportunity and management certainty will be placed in severe jeopardy by these actions without additional funds to manage through the risks imposed by this federal mandate.

It is partly for these reasons that the tribes have worked very hard over the years to bring about positive and effective change in resource management. Unfortunately, the process has overtaken tribal efforts, and new obligations are upon us. That is why we are asking for additional funding beyond our base program.

We would like to support the new initiative developed by the Bureau of Indian Affairs which would enhance the Bureau and tribes' abilities to respond to the ESA process. This amount is for $1.247 million, and is an effort to meet the ESA process obligations by enhancing tribal and bureau capacity building.

We are also requesting that the Subcommittee continue to provide $400,000 for the Wild Stock Restoration Initiative from the $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management and the Northwest Forest Plan "Jobs in the Woods" Initiative line item. The WSRI is essential to developing a habitat inventory base from which restoration efforts can begin. The remaining $2.6 million from this initiative will allow tribes throughout the Pacific Northwest to continue to conduct watershed analysis and watershed restoration in watersheds within their Usual and Accustomed Areas. This approach is identical to last year's request, which the Subcommittee supported.

TIMBER-FISH-WILDLIFE AGREEMENT EXPANSION

Finally, we are supporting additional funding to tribes for expansion of the Timber-Fish-Wildlife program that cooperatively and collaboratively allows tribes to actively participate in state forest practice rules and regulations that have an affect on listed salmon populations. Tribes, as a result of their co-management status, are deeply involved in this management forum. Tribes bring to the table a very high level of skills and technical capabilities that if appropriately funded, would greatly facilitate a successful outcome. Tribes will require additional funding to participate in monitoring and adaptive management processes that are a cornerstone to the TFW process. That is why we are seeking an additional $4.0 million for expansion of this program to implement new forest practice rules and programs within the State of Washington. On a related note, tribes are also watching closely the Commerce, Justice and State Subcommittee on Appropriations treatment of the Depart-

ment of Commerce Coastal Salmon Restoration Initiative of $100 million. Without these monies as well, the tribes ability to work through the TFW process will be severely constrained.

There is also a strong need for a program to assist displaced tribal fishers. A "Jobs-in-the-Woods" like program that employs tribal fishers will provide meaningful jobs and income to tribal members as they are restricted from harvest opportunities due to low fish abundance. A program that provides support to tribal fishers for gear and vessel payments in the absence of revenues from harvest is essential in order to preclude catastrophic bank foreclosures. Such a program should be a combination of grant and/or loan packages that reflects the economic status of tribal fishers.

SHELLFISH MANAGEMENT INITIATIVE

For centuries, members of Puget Sound and Coastal Treaty Tribes have harvested shellfish for their commercial, ceremonial and subsistence needs. Hard shell clams and oysters were collected from shoreline areas. Other shellfish species, such as crab and shrimp, were also gathered for subsistence and commercial uses. Shellfish harvesting was as important to tribal traditional life and commerce, as was fishing for salmon and steelhead.

Tribes signed treaties with the United States in the mid-1850's, that included guaranteed tribal rights to gather shellfish. However, over the course of the past century and a half, conflicts have arisen, and the tribal right to harvest these resources was diminished. As a result, tribes were forced to seek a reaffirmation of their rights through the federal courts system. Now after five years in the courts, the tribal rights to harvest have been clarified, when the Supreme Court just this month denied cert. and let stand the decision of the 9th Circuit Court. Tribes have steadily moved forward during this time in implementing their treaty rights to harvest their share of the resource. Several dozen regional shellfish management plans have been successfully negotiated with tribal and state agencies, and tribes have redirected efforts to conduct the minimum management needed for their fisheries. Agreements and processes to access private tidelands have also been proceeding peacefully. The chaos predicted by some non-Indian groups concerning tribal access to private tidelands has not materialized. Tribes have fully cooperated with landowners when attempting to access privately owned tidelands under the rules set by the Court.

As tribal shellfish programs develop and expand, other issues affecting the shellfish resource have been identified. For instance, very little data and technical information exists for many of the fisheries which are now being jointly managed by state and tribal managers. This is particularly true for many free swimming and deep-water species. This lack of information can not only impact fisheries and the resource as a whole, but makes it difficult to assess the treaty/non-treaty sharing arrangements. Additionally, intertidal assessment methodologies differ between state and tribal programs, and can lead to conflicts in management planning.

During the course of the court case, tribal and state attorneys were able to negotiate a consent decree regarding shellfish sanitation. This agreement establishes the interaction of the state department of health and the tribes in developing and implementing shellfish sanitation programs designed to protect the public health. The implementation of the decree has revealed to both the state and the tribes that the presence of biotoxins in shellfish is dangerously unacceptable, and threatens the viability of both the state and tribal fisheries. Additional research and monitoring of this biotoxin is necessary to prevent illness and death that may result from consuming toxic shellfish.

The significant value of deep-water shellfish fisheries has increased illegal harvesting. Enforcement of these fisheries, at both the state and tribal levels, are not adequate to fully enforce these fisheries. Tribes and state enforcement agencies are addressing problems by coordinating patrols, but additional monitoring of harvest is needed to effectively manage these fisheries.

Though tribes are addressing the basic management responsibilities in their shellfish fisheries, it is clear that more needs to be done to adequately address resource concerns for the benefit of all fisheries, Indian and non-Indian alike.

Additional funding to tribal programs is needed to address the aforementioned issues. Western Washington tribes request the Subcommittee to add an additional $1,950,000 to tribal fishery management contracts as part of the permanent base. This would provide approximately $97,500 per tribe, and allow a very modest amount for coordination activities. This request is supported by a wide range of individuals, organizations, and governments and is necessary to effectively manage the shellfish resource.

CONCLUSION

We appreciate the Subcommittee's continued support for the tribes and the NWIFC as we implement our co-management responsibilities. It takes funding resources to make our management system work, but the returns to our efforts are many. Tribal communities depend on fisheries for their cultural, social and economic livelihood. Because of our tribal management capabilities, in large part supported by this Subcommittee, we do feel that we are making some progress in protecting our resources. However, the challenges are great, and we must continue our effort with renewed vigor. We thank you for your attention to our needs. We leave you with supporting documentation for our requests. We are available to meet with you and your staff at your leisure.

PREPARED STATEMENT OF W. RON ALLEN, TRIBAL CHAIRMAN AND EXECUTIVE DIRECTOR, JAMESTOWN S'KLALLAM TRIBE

Mr. Chairman, on behalf of the Jamestown S'Klallam Tribe, I thank you for the opportunity to express our concerns and requests regarding the fiscal year 2000 Bureau of Indian Affairs and Indian Health Service budgets. The following document presents the Jamestown S'Klallam Tribe's funding priorities, as well as other regional and national concerns and recommendations for your consideration.

OVERALL RECOMMENDATION

The Jamestown S'Klallam Tribe strongly recommends that the Subcommittee not consider any provisions or legislative riders which undermine Tribal sovereignty and our ability to advance our governmental capacity based on long-standing Federal/Tribal relations and Federal Indian law and policy. Further, the Tribe strongly opposes any moratorium on self-determination contracting and self-governance compacting. Any such moratorium is a direct assault of tribal sovereignty by eliminating the rights of tribal governments to contract or compact for programs and services for their respective communities.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

1. $45,000 increase in IHS Services appropriations plus full funding of related contract support costs for the Jamestown S'Klallam Tribe IHS Self-Governance base budget;
2. $260,000 one-time funding for development of a community on-site sewage disposal system;
3. $600,000 one-time funding for the purchase of land adjacent to our existing reservation and;
4. $30,000 increase in BIA Tribal base funding for unfunded Operations & Maintenance programs.

REGIONAL REQUESTS AND RECOMMENDATIONS

1. Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

1. Restore and expand $1,000,000 increase to the DOI Office of Self-Governance for planning and negotiation grants;
2. Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;
3. Provide a minimum of $23,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;
4. Provide $146,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services; and,
5. Support all requests and recommendations of the National Congress of American Indians.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

Increase In IHS services for Jamestown S'Klallam self-governance base—+$45,000

We are now in our sixth year of implementation of Self-Governance with the Indian Health Service (IHS). During that time, we have negotiated for a majority of the IHS programs and services and have re-designed our Tribal health services into

a comprehensive Tribal managed care program. As a small Tribe managing a new and innovative program, it is critical that we maintain stable base funding levels to ensure successful implementation of our managed care program and to provide critical health care services to our members.

When the IHS Contract Health Services (CHS) budget was first compacted under Self-Governance in fiscal year 1996, the Jamestown S'Klallam Tribe was able to stretch the funding into a guaranteed benefit package for Tribal members. This was accomplished through aggressively coordinating existing state, federal and private health coverage. This Managed Care Program, which has achieved great success in improving access at a lower cost, was created in a post-health reform environment which, unfortunately, no longer exists. Since state and national health reform plans evaporated in 1997, the cost of purchasing and providing health care services has again begun to escalate more rapidly (after a temporary slowing of medical inflation). Tribal programs will not be able to sustain CHS programs in this environment unless IHS funding keeps pace with medical inflation.

A 4-year analysis of our Tribal CHS funds vs. medical costs reveals a growing and worrisome discrepancy between the cost of services and CHS budget allocation. Program costs increased at an annual average of 27.0 percent over the three fiscal years, while CHS increased at an annual average of only 1.3 percent.

Our Tribal program simply cannot afford to continue to absorb these costs. The Tribe requests the Subcommittee to direct IHS to restore mandatories in order to address the rising cost of providing health care services and to increase our Self-Governance base budget by $45,000 to provide for adequate medical and general inflationary (as well as related contract support costs) needed to maintain our current Tribal health program.

Development of a community on-site sewage disposal system—+$260,000

As documented by IHS, the Tribe's existing wastewater facilities are severely impaired. Our location adjacent to Sequim Bay, our limited land base and the limited capacity of that land, have all combined to create a situation where our systems are failing where they are and we have to move them to a more suitable site. When one of our septic drain fields failed, we were required to shut down our Tribal Community Center facility it served. Yet, when we applied for money to fix it, we were told that because it was not being used, it was not a public health threat and therefore did not qualify for emergency funding. These facilities serve our Children, our Elders and even the non-Tribal community. To apply for funding from IHS, we would be put on a national waiting list; the earliest possible money-in-hand to fix the septic system would be in the year 2000. To qualify for Rural Utilities funding through USDA, we would have to serve non-Indian residences off reservation land. We do not qualify for other funding sources because our small reservation does not have residences. We are required to have a functioning sewage disposal system to serve our Tribal facilities, but do not have access to the $260,000 necessary to ensure that requirement.

Last year, before our septic system failed, we were awarded $277,733 from HUD to construct a community well to serve our Tribal facilities. Even so, this was $57,000 less than we needed-HUD simply ran out of funds. We cannot count on additional funding from HUD to fix our septic system, and we cannot continue to operate with a substandard, poorly functioning system. Therefore, we request the Subcommittee to fund $260,000 so that we can relocate our wastewater disposal system away from the sensitive resources of Sequim Bay and provide our facilities with a consolidated, fully functioning sewage system.

Establishment of tribal land base—+$600,000

For the past 8 years, the Tribe has requested the Subcommittee's assistance in securing additional land to add to our existing reservation. This request remains unfunded and we again appeal to the Subcommittee for your consideration of funding for this land acquisition. In the 1870's, Tribal members rejected a relocation policy (urged on by white settlers) to move them from their historical lands to another Tribe's reservation. In 1981, the Jamestown S'Klallam Tribe achieved federal recognition. Since that time, we have been attempting to undo the effects of this injustice, which had devastating social, economic, and cultural impacts for on the Tribe. We strongly believe the United States government has an obligation to assist the Tribe in correcting these negative impacts. One way this situation can be addressed is for the Congress to assist us to increase on our meager reservation land base; a base that would have been substantially larger had it not been for the 100-year wait for our recognition.

A contiguous ten (10) acre site still remains available for purchase at approximately $600,000. This land acquisition would allow us to expand our facilities to

meet the steadily increasing demand for services by our Tribal members. Our Tribe is now at a critical juncture in this rapidly evolving situation. We need Congressional assistance to purchase the adjacent property which is essential for logical and efficient growth management of the Tribal operations. If the Tribe does not acquire the tract and a third party purchases and develops the land, we will obviously be blocked from any further practical expansion of our reservation base due to the geographic conditions of this area. In addition, the likelihood of a price escalation for this acreage exists.

Increase in BIA tribal base funding for operations & maintenance—+$30,000

Federal programs with jurisdiction over water and wastewater facilities and/or funding (EPA, IHS, HUD) require that a formal operations and maintenance program be adopted and implemented. These facilities require a certified operator employed by the tribe, ongoing monitoring and maintenance, and equipment reserves at an estimated annual cost of $30,000. O & M programs are not funded by the agencies requiring them, nor are they eligible for funding under any program; thus, they are an unfunded mandate. If we are to meet the requirements for successful operation of our facilities, we must request an additional $30,000 annually.

REGIONAL REQUESTS AND RECOMMENDATIONS

The Jamestown S'Klallam Tribe is a direct beneficiary of the collective Tribal efforts and continues to support the requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

Self-Governance And Other National Considerations

—*Restore and Expand $1,000,000 increase to the DOI Office of Self-Governance for planning and negotiation grants*.—Funding for Self-Governance negotiation and planning grants was deleted from the DOI Self-Governance office last year. However, Tribal participation in the Self-Governance initiative continues to increase. In fiscal year 1999, a total of $209 million in funding has been obligated and transferred from the BIA to 209 Tribal governments under Self-Governance. The proposed restoration of funding includes award of ten (10) $50,000 planning grants and ten ($50,000) negotiation grants.

—*Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need*.—CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2000 includes a modest increase for CSC, it is woefully inadequate to make any meaningful inroad into a shortfall that continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes similar to how other contractors are funded within the federal government.

—*Provide a minimum of $23,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments*.—Although the Administration's budget request for fiscal year 2000 includes a $17.0 million increase over fiscal year 1999, the request contains no general increase for TPA. This activity includes the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resources management and Tribal government services. At a minimum, the requested amount will provide for a modest 3 percent inflation adjustment for existing Tribal programs and services.

—*Provide $146,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services*.—These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. IHS and Tribal programs have been forced to absorb these costs over the past 8 years. In an analysis conducted by the Northwest Portland Area Indian Health Board, the compounding effect of multi-year funding shortfalls from (FY 1993–FY 1999) have resulted in $1.2 billion in real resources lost! If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

In conclusion, we strongly recommend increased funding levels within the BIA and IHS budgets for critically-needed existing programs. It is truly unconscionable and outrageous for Tribal governments who have struggled to secure decent housing, health care, and other programs for its people to suffer further reductions in funding. This funding is an obligation stemming from solemn commitments of the U.S. to Indian people to provide basic health, safety, education and economic secu-

rity. We appreciate this Subcommittee's continued support and urge that Tribal government operations be afforded the highest priority in your appropriation decisions.

PREPARED STATEMENT OF KERRY L. SUBLETTE, SARKEYS PROFESSOR OF ENVIRONMENTAL ENGINEERING, UNIVERSITY OF TULSA, DIRECTOR, INTEGRATED PETROLEUM ENVIRONMENTAL CONSORTIUM (IPEC)

It is proposed that $750,000 be appropriated from the Bureau of Land Management (Energy and Minerals), or other account that the Committee may deem appropriate, to fund a program to train Native American tribal authorities (1) to remediate environmental damage resulting from past spills of crude oil and produced water brine and (2) to train other tribal personnel in the same skills.

"TRAIN THE TRAINER"—EXPANDING ENVIRONMENTAL KNOW-HOW AMONG NATIVE AMERICANS

Historically much of the oil and gas produced in Oklahoma has come from Indian land. In the culture surrounding the early days of oil and gas production there were few environmental regulations or concerns. This past lack of proper environmental practice resulted in damage that is still visible and problematic today. The most persistent problem is the contamination of soil and groundwater from past spills and discharge of produced water brine. Historic brine spills are seen today as scars on the land, devoid of vegetation, and highly eroded. Because of the age of these spills most of the companies responsible are no longer in business. Historic brine scars not only represent a loss of use of land but also a continuing source of pollution of valuable surface waters and groundwater. These brine-impacted sites contain salt and runoff and drainage from these sites jeopardizes public and private sources of drinking water. The sole solution to this continuous source of salt pollution is remediation. Many Oklahoma tribes occupy lands scarred by past brine spills. The salt in these scars threatens tribal recreational and drinking water sources.

Today when oil or brine is spilled on Indian land, many times no one is held responsible for the cleanup. When a responsible party can be identified there is frequently bureaucratic confusion about the proper course of action. The Bureau of Indian Affairs, the state regulatory agencies, the Bureau of Land Management, and the Environmental Protection Agency all have regulatory and enforcement responsibilities, but it is unclear where one agency's responsibility ends and the other begins. The result is contaminated tribal land with no clear path to remediation and restoration.

In response to these problems tribal organizations, such as the Inter-Tribal Environmental Council (ITEC) in Oklahoma, have been formed to inform and assist member tribes in dealing with environmental damage produced by past and current spills of produced fluids (oil and brine) on tribal lands. These organizations are terribly underfunded and in critical need of training in remediation, well plugging, and well inspections.

Through its technology transfer program for the domestic petroleum industry, the Integrated Petroleum Environmental Consortium (IPEC) can provide some of this training. However, what tribal organizations really need is the self-sufficiency that will come from having their own environmental specialists and trainers. IPEC proposes to provide these organizations with an in-depth training program in environmental know-how related to these oil and gas related problems resulting in the education of Native American environmental specialists. Further IPEC proposes to give these specialists the skills and resources to allow them to train others in methods of remediation of oil and brine spills and pollution prevention.

The remediation of crude oil spills and brine scars does not require expensive instrumentation or highly specialized equipment. The major equipment required is simply earth-moving equipment. Most tribes have equipment of this type currently used for road work and other municipal projects. Therefore, remediation of oil and brine spills is not economically beyond the reach of the tribes. By "training the trainer" IPEC extends its reach beyond the classroom into the tribes building self-sufficiency within the tribes to solve environmental problems on tribal lands and protect precious natural resources. Teach a student and you have reached one student, train a teacher and your reach is boundless.

Specifically the requested appropriation will be used to provide intensive classroom and field training to tribal authorities using oil and brine-impacted sites on tribal lands as field laboratories. Tribal personnel will obtain valuable hands-on experience in site assessment and characterization, spill control, and remediation using both established technology and new innovations that offer greater cost effectiveness and environmental protection. As a deliverable from this project IPEC will

develop a curriculum, field training manuals, and audio-visual aids that can be used by trained tribal personnel to provide training to others. Of course a student does not become a teacher by simply acquiring information. Therefore, the program will also incorporate training to develop teaching skills. IPEC will also incorporate dialog between tribal personnel and regulatory agencies and oil and gas producers as an integral part of the program to promote the development of a mutually beneficial relationship between the tribes and the industry.

IPEC will draw on faculty from member institutions as well as its partner organization the Waste-management Education & Research Consortium (WERC) to provide instructors for the proposed training program. Undergraduate and graduate students in science and engineering from these same institutions will participate in the program as mentors, teaching assistants, and participants in field projects. It is often said that the best way to learn is to teach. Therefore, an added benefit to the proposed project is the additional field training that IPEC and WERC institution students will obtain from their participation.

ABOUT IPEC

The Integrated Petroleum Environmental Consortium (IPEC) is an environmental consortium of the University of Oklahoma, Oklahoma State University, the University of Tulsa, and the University of Arkansas at Fayetteville. Funded as an EPA Research Center, the mission of IPEC is to increase the competitiveness of the domestic petroleum industry through a reduction in the cost of compliance with U.S. environmental regulations. This mission is accomplished through a vigorous research program for the development of cost-effective technologies to address environmental problems having the greatest economic impact on the domestic industry and "how to" focused technology transfer to the industry. IPEC is advised by an Industrial Advisory Board (IAB) composed of environmental professionals, state regulators, and independent operators who review all research proposals for relevancy to IPEC's mission. This Board is dominated by the upstream independent sector of the industry. IPEC is also advised by a Science Advisory Committee (SAC), composed of leading environmental experts from academia and government laboratories, that reviews all research proposals for scientific quality. IPEC also sponsors the annual International Petroleum Environmental Conference as its principal technology transfer flagship.

ABOUT WERC

The Waste-management Education & Research Consortium (WERC) was established in 1990 by the Department of Energy to expand the nation's capability to address waste management issues through education, technology development, and technology transfer. WERC member institutions are New Mexico State University, the University of New Mexico, the New Mexico Institute of Mining and Technology, Dine Community College, Los Alamos National Laboratory, and Sandia National Laboratories. Environmental education serves as the cornerstone of WERC. All WERC member institutions provide services to support undergraduate and graduate degree programs, environmental certifications, workshops, and conferences. WERC also operates four specialty environmental laboratories providing services to WERC institutions and the community; these are the Soil-Water Testing Facility, the Environmental Radioactive Monitoring Laboratory, the Hobbs Oil Water Experimental Facility and the Navajo Drylands Environmental Laboratory.

PREPARED STATEMENT OF KAREN DIXON BLAZER ON BEHALF OF ASSOCIATION OF NAVAJO COMMUNITY CONTROLLED SCHOOL BOARDS, INC.

Mr. Chairman and Members of the Subcommittee: My name is Karen Dixon Blazer. I appear on behalf of the Association of Navajo Community Controlled School Boards (ANCCSB), whose members operate BIA-funded schools on the Navajo Reservation under contracts or grants from the Bureau of Indian Affairs. My testimony focuses on the need to adequately fund BIA school operations and facilities in order to improve the educational opportunities for Indian children.

ANCCSB has placed highest priority on the need to eliminate the backlog in the construction and repair of BIA schools and to provide full funding for administrative cost grants.

SCHOOL CONSTRUCTION AND REPAIR

ANCCSB supports the priority ranking of new school construction projects. The BIA budget request, however, does not fully honor the priority list. The Bureau properly asks for funding for a new Seba Dalkai School, which is 9th on the priority list. But then it skips over the 12th school—Shiprock Alternative—which would be next in line for funding (as the 10th and 11th schools have already been funded), and requests an appropriation for Fond du Lac, the 14th ranked school. The BIA budget justification admits that Shiprock will finish the design stage in September of this year; thus Shiprock will be ready to begin construction in October. We ask the Subcommittee to correct this error by providing construction funding for Shiprock in fiscal year 2 000.

ANCCSB continues to be seriously concerned about the tremendous backlog in replacement school and dorm funding. A December, 1997 General Accounting Office report regarding Indian school conditions found that our school facilities are in poorer physical condition than other schools nationally. They found that 62 percent of BIA schools have at least one building in need of extensive repair or replacement, compared to only 33 percent nationally and to 38 percent of inner-city schools. In the GAO study, the BIA reported that the cost of the total inventory or repair needed for BIA education facilities was $754 million. The size of this backlog increases daily, as construction costs continue to rise.

Yet the BIA's budget seeks funding for only two new schools, and even more disturbing, actually seeks a reduction of $4 million for education facility improvement and repair. We find this unconscionable.

The BIA's $30 million proposal for issuance of "bonds" will not cure the backlog. For that proposal even to be implemented, Congress must first enact the Administration's massive national school modernization initiative, a small part of which would provide $200 million in tax credits for tribal schools if tribes are able to issue bonds for school construction. Since the proposed BIA bill language says the bonds would not be guaranteed by the Federal Government, the ability of most tribes to even issue a bond is highly doubtful.

ANCCSB supports Senator Pete Domenici's position that the best way to alleviate the Indian school construction and repair backlog is to fully appropriate the needed funding over a 5-year period. We ask you to make this commitment now. As ANCCSB has previously testified, there is compelling evidence which shows a strong link between student achievement and the learning environment. But many Indian children are forced to attend school in buildings which are dilapidated and unsafe.

ADMINISTRATIVE COST GRANTS

Administrative Cost Grants enable tribes to exercise their self-determination rights guaranteed by acts of Congress. We need the Committee's careful attention to the BIA's budget justification regarding these Grants because to us it makes no sense. Note the following:

—In the current School Year (SY98–99), 116 schools are operated by tribes and receive AC Grants. BIA reports that it supplied only 89.54 percent of the amount required by law for these AC Grants using the $42,160,000 supplied in fiscal year 1998. (This program is "forward funded".)

—In fiscal year 1999, Congress did not increase the budget for AC Grants; it remained at $42,160,000. These are the funds that will supply AC Grants in SY99–2000. BIA's budget says 129 schools will be operated by tribes in SY99–2000 and then estimates that it will be able to supply 94 percent of the amount required by law. This makes no sense. How can the percentage of need met increase when there will be 13 more eligible schools but no additional funding to cover their AC Grant needs?

—In the fiscal year 2000 request, BIA reports that 10 more schools will convert to tribal operation in the Navajo Nation alone in SY200–2001 (the school year covered by the fiscal year 2000 budget)—which brings the total to 139 schools. BIA asks for $5.5 million to cover the AC Grant needs for these 10 schools. But it does not tell you how much of the system-wide AC Grant need it will be able to cover with this additional funding. If it were enough to supply 100 percent of the statutory formula, BIA would have said so. The only conclusion we can draw is that we will get far less that what the law requires. Obviously, when more schools are eligible for AC Grants, each will suffer a reduction from the full amount needed.

Please ask BIA how much will be needed to cover 100 percent of the AC Grant needs of the 139 schools that will be tribally-operated in SY2000–2001 and appropriate the full amount needed.

ANCCSB also urges the Committee to delete the BIA's bill language which places a cap on the amount of funds that can be used for AC Grants. This language is designed to overcome a decision from the Interior Board of Contract Appeals that Congress meant what it said when it directed that schools receive 100 percent of their AC Grant formula amount. This BIA language breaks faith with the schools that the Interior Department should be fully supporting.

FACILITIES OPERATION & MAINTENANCE

We are puzzled why BIA wants to split the "facilities operation and maintenance" budget into two separate accounts—"operations" and "maintenance". The Bureau's justification merely says it wants to "prevent co-mingling" of funds and to "increase accountability for maintenance expenditures." The agency does not explain, however, what the problems are with the current system, nor how this proposed change in budget organization will "cure" any perceived problem.

If the Bureau wants to achieve some specific accounting objectives with regard to the Bureau-operated schools, it has the authority now to do so. But the separation of this budget category into two parts will not give BIA control over whether funds provided to contract and grant schools are spent for "operation" or "maintenance". The directives applicable to use of funds by contract and grant schools are set out in the Indian Self-Determination Act and the Tribally Controlled Schools Act, not by how the BIA decides to organize its budget request. Frankly, it does not make sense for BIA to dictate from its Central Office how the whole system should use its operation and maintenance funds. Local school boards must have the ability to decide how best to allocate scare resources to respond to the conditions and circumstances of their own buildings.

The more important issue, however, is that the combined request for "operation" and "maintenance" remains woefully inadequate to meet facilities needs. Last year, a draft of the BIA budget contained a brutally frank acknowledgment that the budget request was so low that "all BIA funded schools will experience lower operating budgets and continued deterioration of physical plant conditions, and will perpetuate unsafe conditions for students and school staff." (The four paragraph analysis of the facilities O+M budget was deleted from the justification before it went to Congress, so you did not get to see it.) The fiscal year 2000 budget request is only slightly more than last year's.

At best, the combined $79 million requested for facilities is 33 percent below the needed amount, according to the BIA's FACCOM formula. We ask the Committee to appropriate $118 million to fully fund education facilities needs.

STUDENT TRANSPORTATION

ANCCSB commends the Bureau for continuing its efforts to bring funding for student transportation into line with the national average expenditures in public schools—but we're not there yet. BIA estimates that the fiscal year 2000 budget request will enable it to provide $2.19/mile in SY2000–01. By comparison, the national average was $2.92/mile six years ago (SY93–94). It is no wonder that schools must continue to divert ISEP formula funds to cover transportation costs.

We ask that the transportation budget be increased by $6.2 million to at least bring the rate per mile to the six-year-old national average of $2.92.

INDIAN SCHOOL EQUALIZATION PROGRAM

In 1991, a BIA Task Force recommended that the weighted student unit (WSU) be funded at $3,499. For the school year beginning nine years later (SY2000–01), the BIA's budget request is still more than $200/WSU short of that target.

It is our goal to provide a high quality education for Navajo children to provide the tools they need to compete in today's world and become tomorrow's leaders. Our schools do a praiseworthy job with the resources they have, but we constantly look forward to the day when we can provide our children with educational opportunities that are more comparable to those enjoyed by other children in this country. For this, we must look for ISEP formula funding increases.

We question the Bureau's budget priorities. For example, BIA seeks $7.3 million to fund 90 FTEs for "agency/area technical support". This works out to an average of $81,700 per person. Similarly, the $4.4 million for "education program management" (part of BIA General Administration) will support 49 FTEs—an average of $89,100. By contrast, many of our schools can barely pay veteran teachers with masters' degrees a $30,000 per year salary. Is a Central Office bureaucrat really worth three times more than a classroom teacher?

Please provide at least a $10 million increase for ISEF for SY 2000–01.

TRIBAL DEPARTMENTS OF EDUCATION

Every state in the Union has a state department of education supported with public funds provided by its state legislature. Congress is the "state legislature" for the BIA system schools. But if any tribe wants to have a tribal department of education, it has to pay for this out of tribal resources, as Congress provides no recurring funding for this vital operation. The Navajo Nation has funded its own department of education since its inception in the late 1950s because our tribal leaders place a high priority on education of our young people.

We strongly support the National Indian Education Association's recommendation that Congress supply recurring funding to support operation and development of tribal departments of education. If you must look to other budget accounts to find funds for this effort, we suggest you start by moving moneys from the "agency/area technical support" and "education program management" budgets mentioned above.

Mr. Chairman and Members of the Committee, thank you for your consideration of these requests and for your interest in the welfare of Indian children in the BIA school system.

PREPARED STATEMENT OF PHILLIP BELONE, EXECUTIVE DIRECTOR, RAMAH NAVAJO SCHOOL BOARD, INC., PINE HILL, NM

Mr. Chairman and Members of the Subcommittee: My name is Phillip Belone. I am the Executive Director of the Ramah Navajo School Board, which is responsible for providing educational services to children on the Ramah Navajo Reservation in New Mexico. My statement describes the critical need for an additional permanent facility to address severe overcrowding at the Pine Hill School on the Ramah Navajo Reservation.

FACILITIES BACKGROUND

Historically, the Ramah Navajo community relied on the county public school system and the Bureau of Indian Affairs to meet our educational needs. Then, in 1968, the Gallup-McKinley County School District closed its public high school in Ramah. Because our community is so isolated, this action left most parents with no choice but to send their children to boarding schools far from home.

Concerned that their children were being forced to leave their homes to attend school, our local tribal government officially established a school board in 1970. At that time, there was no formal Indian self-determination policy in place. Nevertheless, the Ramah Navajo community leaders took it upon themselves to meet and explore ways to develop a community school. They made trips to Washington to lobby for a school—at a time when such an activity was largely unheard of. Through their persistence and the just nature of their cause, they succeeded in getting Congress to listen to, and eventually support, them. Ever since then, Ramah Navajo has been a leader in Indian self-determination and has served as a model for other tribal governments. In fact, it was these grassroots efforts at Ramah Navajo that formed the basis for the enactment of the Indian Self-Determination and Education Assistance Act of 1975.

The founding Board members successfully lobbied Congress for funds to start their own school system in 1970. This funding allowed the Board to renovate the defunct Ramah High School and to begin providing educational services to the community.

In 1972, the Board again received school construction funding so that the Ramah Navajo Chapter could build a more centrally-located facility in Pine Hill. Phase I construction, which took place during the 1975–1976 school year, resulted in three buildings (high school, elementary school, and gymnasium) that were designed to meet the educational needs of 284 students. That first year, we had no running water on campus, and electricity was generated by locomotive diesel engines.

Phase II construction, which was completed in 1979, helped to build a kindergarten facility, a library, and our transportation infrastructure. However, only two classrooms were added during this phase, which was not enough to address the fact that enrollment was exceeding building capacity.

Due to our ever-increasing enrollment, in 1990, we constructed multi-purpose and middle school additions, for a total of eight classrooms. The additional space allowed us to meet health and safety standards and to alleviate overcrowding. Unfortunately, this situation did not last long.

STUDENT ENROLLMENT TRENDS

Since school year 1992–1993, our Pine Hill student population has climbed from 371 to 575 students. Our soaring enrollment figures, as illustrated in the graph below, has led to severe overcrowding. We are using every available space for classes, including converted office space, a teachers' lounge, and our student library, which means that elementary school students are not able to use it.

HEALTH AND SAFETY ISSUES

Over the last decade, our increased student enrollment has created several health and safety issues. Our current square footage per student has caused an increase in communicable diseases, transmittable viruses, and bug infestation, among other things.

Safety concerns, such as a lack of proper fire evacuation routes, is also a growing problem.

As you are aware, student achievement is directly related to a student's learning environment. In our situation, overcrowding is affecting the ability of our school to provide high-quality educational services to our children. Therefore, we request that you support our request to construct a new permanent facility for the students at the Pine Hill School.

FUNDING REQUEST

Based on current space and safety requirements, we immediately need six additional classrooms. We are seeking $1,237,160 to construct an 8,643-square foot facility that would provide six 871-square foot classrooms and teachers' workrooms. The building would be a steel structure with a brick veneer in order to provide fire resistance while blending with our existing structures. Each classroom would be wired for computer technology and would contain ample storage space for both teachers and students. The cost estimate for the project follows:

Architect/Engineering	$75,000
Waste Treatment/Site Utilities	125,000
Construction ($120/square foot)	1,037,160

Should we receive funding for this project, we anticipate that we could complete construction within 18 months. We have included with our testimony a proposed floor plan for the building.

Children who attend class in the library or in the tiny room that was once a teachers' lounge are not receiving a satisfactory education. Student motivation suffers, student achievement suffers, and student self-esteem suffers. The children of our community have the right to an education that is equal to that received by other children in this country.

In the past, we have successfully worked with Congress to meet our educational facility needs. We urge the Subcommittee to provide us with our funding request so that this fruitful relationship will continue. Thank you for your consideration of our request, and we would be happy to provide the Subcommittee with any additional information.

PREPARED STATEMENT OF BURTON APACHE, PRESIDENT, ALAMO-NAVAJO SCHOOL BOARD

Mr. Chairman and Members of the Committee: My name is Burton Apache. I am president of the Alamo-Navajo School Board. I am here to testify about the BIA school operations and IHS budgets for fiscal year 2000.

Despite its name, the Alamo-Navajo School Board does much, much more than run a school. Our 10-square mile reservation is isolated in south-central New Mexico, far away from what we call "big Navajo." Because of our remote location, the School Board is authorized by the Navajo Nation Council and the Alamo Chapter—which is a political subdivision of the Navajo Nation—to administer the education, health care, road maintenance, and community programs that serve the nearly 2,000 members of our community.

SCHOOL OPERATIONS

Facilities operations and maintenance

The 185 BIA-funded schools rely on the Facilities O&M account to maintain a enormous inventory of federally-owned buildings that runs the gamut from schools,

dorms, administrative offices, staff housing, and gyms to bus garages and repair ships, storage units, fire stations, and utility systems.

Funding for facilities operations and maintenance has grown increasingly inadequate over the years. In fiscal year 1992, we received 95.78 percent of need. Last year, an internal draft of the fiscal year 1999 BIA budget justification admitted that a $77 million appropriation would not meet more than 68 percent of need and would, at best, enable a major portion of schools to operate "at a bare minimum of need." Even more alarming is the fact that the final fiscal year 1999 O&M funding level was even less than that, at $75.2 million.

For fiscal year 2000, the BIA has requested only $79.1 million for facilities O&M, $51.83 million for operations and $27.28 million for maintenance. This will only supply about 67 percent of the level that we need to properly operate and maintain our facilities, especially given the fact that another 793,711 square feet will be added to the facilities inventory in fiscal year 2000.

By the time that system-wide "off the top" expenses are deducted, we only receive about 30 to 40 percent of the funds needed to cover our costs. Since we cannot run a school without paying our utilities, we are forced to drastically reduce or eliminate minor repairs, routine preventative maintenance, unscheduled maintenance, and facility systems upkeep.

As any homeowner knows, failing to maintain a structure decreases its value, comfort and livability, and leads to earlier and more expensive repairs or replacement. The same goes for schools, as the General Accounting Office confirmed in 1998 when it reported that BIA schools are in worse physical condition and have more unsatisfactory environmental conditions compared to other schools in the country.

So, where do we turn when we absolutely need to make repairs? We, like most schools, take funds from our basic instruction account to make up the essential part of our facilities shortfall. I would guess that Congress intends that these dollars be used to educate Indian children and to provide their dorm services, but we just cannot do that until our basic operations and maintenance are fully funded.

Therefore, we ask that you increase facilities operations and maintenance funding to $118 million.

Administrative cost grants

With Administrative Cost Grants, tribes or tribal organizations that operate schools are provided funds for related administrative overhead services and operations which are necessary to meet the requirements of law and prudent management. When 100 percent of these costs are not funded, we are again forced to use funds that are intended to provide classroom instruction for students.

In the current school year, 116 schools are operated by tribes and, as such, receive AC Grant funding to help them cover their administrative costs. BIA reports that it supplied only 89.54 percent of the amount required by federal law for these AC Grants, using the $42.16 million appropriated in fiscal year 1998.

In fiscal year 1999, AC Grant funding was frozen at $42.16 million, despite the fact that another 13 schools will be operated by tribes in SY 1999–2000. BIA's budget says that it expects to supply 94 percent of the AC Grant amount required by law. I do not understand how, they can be at this level if there are 13 more schools but no additional funding.

In the fiscal year 2000 budget request, BIA reports that ten more schools will convert to tribal operation in Navajo Nation alone in school year 2000–2001. BIA has requested $5.5 million to cover the AC Grant needs for these schools. However, I am concerned that existing grant schools will still receive far less than what the law requires.

The budget also keeps the current appropriations rider that caps the amount of BIA funds that can be used for AC grants to the amount appropriated. This language is intended to overturn a 1997 decision by the Interior Board of Contract Appeals that said that the BIA violated the law by failing to pay the Alamo Navajo School Board and the Miccosukee Tribal School the full amount of AC grant that was required by federal law. We initiated this suit because the BIA underpaid our AC grant by more than $386,000 over a four-year period.

We ask that you delete the proposal to extend the current cap for another year and instead fully fund AC grants at 100 percent of need, as required under the authorizing statute.

FIRE PROTECTION

Several years ago, there were numerous news reports on the lack of fire protection at BIA-funded schools on the Navajo Reservation. Immediately after, the BIA authorized schools to use facilities O&M funds for fire services. We have received some

minor equipment, like fire suits, and some volunteer training, as a result. But we still have not seen any additional funding for services or any truly significant improvements in fire protection.

As a result, we still have only one fire truck. As we reported a few years ago, this vehicle is more than a quarter of a century old, and it carries only 500 gallons of water. This is the only fire truck on our reservation, which is the size of the District of Columbia, and we are expected to use it to protect $25 million in federal facilities and 1,800 homes.

In its construction budget, the BIA requests funding to purchase new fire trucks for five specific locations. We were hoping that Alamo Navajo would make the list, but we did not. Our need for a new fire truck is critical. Therefore, we urge the Subcommittee to add us to the list of locations that would receive a new truck.

BIA estimates that $200,000 will be needed for each of the locations identified in the budget. Frankly, if Alamo Navajo does the purchasing itself, we probably could obtain what we need for approximately $150,000.

HEALTH ISSUES

Contract support shortfall

We urge the Subcommittee to provide full funding for IHS contract support costs.

A cornerstone of federal policy under the Indian Self-Determination and Education Assistance Act has been that Indian tribes not be penalized for electing to exercise their right to assume local control over federal Indian programs. In fact, the law requires that that tribes and tribal organizations receive an amount of funding equal to what the federal agency would have expended in its direct operation of a program, plus the amount necessary to cover certain administrative and overhead costs, also known as contract support costs.

The estimated current contract support shortfall is $93 million for tribes that receive contract support and those who are on the waiting list. This figure may change as final negotiations take place and when the moratorium on IHS contracting is lifted.

As the Subcommittee knows, a General Accounting Office report on IHS and BIA contract support is due in June, and an NCAI-led work group on contract support and a similar IHS work group are currently finishing their respective examinations of contract support policy issues.

We urge the Subcommittee not to change the contract support system prior to completion of these reports and to fully fund contract support at 100 percent of need.

Community health representatives/public health nurses

The IHS budget proposes to reduce the Community Health Representatives (CHR) program by $5 million. We urge the Subcommittee to reject this ill-conceived idea and to keep funding at the fiscal year 1999 level.

We understand that the Administration has explained that the proposed cut is a result of budget constraints and a decision to increase funding for public health nurses at the expense of the CHR program. Stated quite simply, at Alamo Navajo, we need both CHR and public health nurse services.

We have had a public health vacancy at the Alamo Navajo Health Center for eight months. This position is critical to our service delivery system, because the public health nurse is the focal point for the clinic's medical providers to refer patients for specialty appointments, home visits, continuum of care issues, and compliance with prescribed therapy. Unfortunately, public health nurses are hard to come by, especially in a remote area like ours.

We also need our CHRs as part of our service delivery system. CHRs are local residents who bridge the gap between the clinic and the community. Because we often have to hire "outsiders" as public health nurses, CHRS become cultural liaisons and case managers that provide access to community homes, translation services, appointment delivery and coordination, transportation, and general patient follow-up.

Currently, we have four CHRs and a budget of $69,436. The proposed $5 million cut to the CHR program would reduce the Alamo Navajo CHR budget by $10,549. We would not be able to meet salaries and benefits for our CHRs, and the meager support costs we have (about $9,000) would be eliminated. In order to keep about $10,000 in support funds, which basically cover training and vehicle costs, we would have to eliminate one of our four positions. Frankly, we doubt whether the proposed public health nursing increase would offset the loss to Alamo-Navajo. In fact, we expect that our ability to support the existing public health nurse position and community health services with our CHR staff would be cut by 25 percent.

CONCLUSION

As always, we appreciate having this opportunity to tell the Subcommittee about the needs and concerns of the Alamo-Navajo community. We look forward to working with you.

PREPARED STATEMENT OF SCOTT HUNSINGER, DIRECTOR, NON-ACADEMIC PROGRAMS, SHIPROCK ALTERNATIVE SCHOOLS, INC.

Mr. Chairman and Members of the Committee: My name is Scott Hunsinger. I am the Director of Non-Academic Programs for Shiprock Alternative Schools, Inc., located within the Navajo Nation, in Shiprock, New Mexico. We are seeking the Subcommittee's support in righting a wrong that has been perpetrated in the BIA's education construction budget request for fiscal year 2000.

The fiscal year 2000 BIA budget does not request funding for our school. This glaring omission means that the BIA has failed to honor its own new school construction priority list in making school construction funding decisions. Shiprock had every reason to expect that we, as number 12 on the priority list, would be next in line to receive a construction funding request. Much to our dismay, this did not occur.

THE PRIORITY LIST

In December 1991, the BIA solicited new school construction applications from schools in its system so that it could add additional schools to the bottom of its existing priority list. At that time, the priority list consisted of 11 schools.

Shiprock filed its application for the construction of a new K–12 facility in January 1992, within the application deadline. A year later, the BIA published in the Federal Register a consolidated priority list consisting of the original 11 schools, plus five new ones ranked in order from 12 through 16. Shiprock was ranked number 12.

Significantly, the BIA's announcement indicated that, although it planned to change the process for new school construction applications, schools on the consolidated priority list would "be retained, in order, on the list."

For the past 10 years, the BIA has requested and Congress has funded the construction of schools on the priority list as they finished their pre-construction planning and design phases. When the fiscal year 1999 appropriations bill was enacted, 10 of the first 11 schools had been funded for construction.

The fiscal year 2000 budget request seeks construction funding for two schools. Quite appropriately, one of them is the Seba Delkai School, which is the only school of the 11 on the original priority list that has not been funded for construction.

As number 12 on the priority list, Shiprock should have been the next in line to receive a funding request. Instead, the fiscal year 2000 budget request passes us over and instead recommends funding for school number 14—the Fond du Lac Ojibway School.

Both the Shiprock and Fond du Lac projects are in the design phase which immediately precedes construction. Shiprock is scheduled to complete design by September 1999, a fact that the BIA acknowledges in its budget justification. Therefore, we will be ready to start construction in October, when fiscal year 2000 begins, if Congress provides us with construction funds.

The entire concept of the priority list is that schools will be funded for construction in the order of their ranking, so long as they are at the proper stage of design development. Shiprock is right on target with our design schedule. Yet we have been inexplicably passed over in favor of a lower-ranked school.

It seems that we were not funded primarily because our project is larger and, therefore, more expensive than the Fond du Lac project. Our construction costs are an estimated $25 million, to serve 450 students, compared to $14.3 million, to serve 280 students. Frankly, the fact that our project costs more should not cause BIA to ignore its very own priority rankings, especially since we can begin building this year. This kind of action breaks faith with us and damages the integrity of the entire priority ranking system.

THE SOLUTION

Shiprock is entitled to have its position on the priority list honored through the appropriation of construction funding in fiscal year 2000. This could be achieved in a number of ways.

First, the BIA could amend its budget request and Congress could agree to provide the needed funds.

Second, Congress could unilaterally appropriate additional resources for new school construction and direct that the funds be used for Shiprock.

THE SHIPROCK STORY

Shiprock Alternative Schools, Inc. currently operates an alternative high school with 188 students, an elementary program with 215 students, a residential facility for 94 students, and a special education program for approximately 20 students with severe multi-handicapping conditions. Despite the fact that we have been operating out of converted dormitory buildings since the school's inception in 1976, these programs have achieved great success.

The alternative high school was established in order to serve the at-risk youth who were experiencing social and academic problems in a conventional academic setting. Throughout the school's history, we have been the school of last resort for high school students who have dropped out, who have child care needs, or who have had disciplinary problems. For these individuals, our school provides a second chance for them to complete their high school education. We are very proud of the graduation rates achieved by these students, which has averaged 30 students each year over the past three years.

Our elementary program is based on the principles of early intervention and prevention, focusing on the academic and social needs of individual students through a blend of conventional and traditional Navajo educational approaches. Class sizes are kept to a minimum to encourage maximum student-teacher interaction and individual attention. The elementary program has been so successful that we simply cannot accommodate all of the students who wish to participate and must keep a waiting list each year. This has all been accomplished through strong instructional leadership, as well as active parent participation and teacher dedication.

SHIPROCK FACILITIES

Our buildings are 50-year old dormitories converted for educational use through the removal of an abundance of interior walls to create classroom space. The resulting space used for the educational programs is a known fire and safety hazard, summarized in a 1988 facility code compliance survey and a BIA inspection validation report that stated that the buildings were originally designed as dormitories and are not safe or suitable for use as educational occupancies. The age of these facilities has also created a situation whereby constant maintenance and repair is required in order to keep the buildings operational.

Over 10 years ago, BIA inspectors advised that our facilities could not be effectively or cost-efficiently remodeled or repaired to meet code requirements and, therefore, should be replaced. This was formally acknowledged by the BIA in 1993 when our school was ranked number 12 on the new school construction priority list.

CONCLUSION

On behalf of Shiprock Alternative Schools, I thank you for your past support of Indian education. I hope that the Subcommittee will work with us to correct the completely unfair situation that I have talked about today. I would be happy to provide the Subcommittee with any additional information or answer any questions.

PREPARED STATEMENT OF PRESTON MCCABE, PRESIDENT, PINON CHAPTER, THE NAVAJO NATION

Mr. Chairman and Members of the Committee: My name is Preston McCabe. I am president of the Pinon Chapter of the Navajo Nation and president of the Pinon Community School Board. I appreciate the opportunity to testify again this year about the need to provide the full amount requested for IHS facilities construction and to adequately fund BIA education programs.

HEALTH CLINIC

We urge the Subcommittee to fully fund the Administration's $42.53 million budget request for health care facilities construction. By doing so, you will help to make our dream of building our desperately-needed health center—which is number three on the clinic construction priority list—one step closer to reality.

Our community, which is comprised of Pinon and seven other Chapters of the Navajo Nation, has been without an adequate health care facilities for decades. For 18 years, there were virtually no infrastructure improvements in our area because of the issues surrounding the Navajo-Hopi boundary dispute. Once the boundary

issues were worked out in 1979, funding shortfalls prevented us from providing adequate health care services to our people.

The 11,000 members of the Pinon community currently use what is known as a "health station." It was built in 1959 and operates only three days per week, providing minimal nursing support, pharmacy, lab, and dental services. The nearest doctor is at least 50 miles away.

The IHS and this Subcommittee have for several years recognized the need for a full-fledged clinic in Pinon. In 1992, the IHS approved a project justification document for it. After the design work was halted in September 1997 because of insufficient funding, we finally have been able to resume the project using the $1.037 million appropriated for the clinic last year.

This funding will be sufficient to complete design work and put to us on line to receive phase one construction funding in fiscal year 2001. Therefore, we ask that you fully fund the fiscal year 2000 request for health care facilities construction so that we can continue to move toward accessing the basic medical services that are so long overdue.

SCHOOL OPERATIONS

The Administration should be congratulated for proposing increases to the School Operations account, especially for the Indian Student Equalization Program and for Student Transportation. However, we would like to raise our concerns about the Facilities Operations and Maintenance budget, as well as several other issues affecting Pinon and other BIA-funded schools.

Facilities operations and maintenance

For the first time, the BIA school facilities Operations and Maintenance account is separated into two line items. We are extremely troubled by the combined funding levels for these two accounts.

The "operations" line item request is $51.83 million and the "maintenance" request is $27.29 million, for a total of $79.1 million. This amount is approximately $4 million more than the current funding level, and it simply is not enough to keep up with new inventory and to maintain existing buildings.

The BIA expects that 793,711 square feet of new education facilities space will be added to its inventory in fiscal year 2000. The BIA estimates that the average cost of operations and maintenance funding is $4.25 per square foot. This means that, to fund the new square footage, an additional $3,373,271.75 would be needed just to keep pace. This leaves about $500,000 that could reasonably be considered an increase in terms of dollars that could be used to improve the current operations and maintenance for existing facilities.

The BIA budget justification for fiscal year 2000 states that "the General Accounting Office conducted a review of the Bureau's facilities management program in the first quarter of fiscal year 1998. Their findings support the need for increased funding for facilities operation and maintenance as essential to reducing the deterioration rate of facilities and avoiding higher costs in the future."

I could not agree more. It does not make good economic sense for the federal government to build new schools and dormitories, such as the $16 million dorm construction project we recently completed, and then fail to provide enough funding to keep them in good condition. We request that you provide at least $100 million for facilities operations and maintenance so that the federal government's investment in our children can be enjoyed by future generations.

Administrative cost grants

In the current school year, 116 schools are operated by tribes and, as such, receive AC Grant funding to help them cover their administrative costs. BIA reports that it supplied only 89.54 percent of the amount required by federal law for these AC Grants, using the $42.16 million appropriated in fiscal year 1998.

In fiscal year 1999, AC Grant funding was frozen at $42.16 million, despite the fact that another 13 schools will be operated by tribes in SY 1999–2000. BIA's budget says that it expects to supply 94 percent of the AC Grant amount required by law. I do not understand how, though, if there are 13 more schools but no additional funding.

In the fiscal year 2000 budget request, BIA reports that ten more schools will convert to tribal operation in Navajo Nation alone in school year 2000–2001. BIA has requested $5.5 million to cover the AC Grant needs for these schools. However, I am concerned that existing grant schools will still receive far less than what the law requires.

We also strongly object to the BIA's proposal to continue the current appropriations language which places a "cap" on the amount of BIA funds that can be spent

on AC Grants to the amount appropriated for the year. This language subverts the Interior Department's legal obligation to pay AC Grants to contract and grant schools at 100 percent of the amount determined by the statutory formula.

We ask that you reject this language and instead provide the resources needed to fully fund the federal government's obligation to pay 100 percent of Administrative Cost grants to schools.

Classroom expansion

The BIA has requested $36.01 million for Facilities Improvement and Repair, which is a $4 million decrease from the current funding level. This cut is completely unjustified, given that the BIA itself estimates that the backlog of repair and improvement needs is approximately $734 million.

At Pinon, we are in desperate need for additional classroom space and therefore request that we receive funding for three portable classrooms.

We currently have 84 students enrolled in our kindergarten program, and we anticipate that this number will jump to 100 next year. However, our current classroom space in our four rooms is sufficient for only 90 students, according to BIA regulations.

In addition, our Navajo Culture and Language program is currently being conducted in an empty bedroom in our dorms because we have no classroom space.

Program expansion

We urge the Subcommittee to lift the current moratorium on program expansion for BIA-funded schools.

Many of our dormitory residents are bussed to a state-funded public school. Often, the public school is unable to meet their unique education needs, putting them on a path toward failure. We would like to offer these at-risk students an Alternative Education program that is tailored to meet their special needs. However, we cannot do so as long as the current ban on new program starts is in existence.

Education technology

Finally, I wanted to bring to the Subcommittee's attention a matter that has frustrated our efforts to make our students ready to meet the technological challenges of the new millennium.

The fact of the matter is that the BIA is far behind in providing cabling, internet access, hardware, and software upgrades to schools. For example, over a year and a half ago, the BIA arranged to have local area network (LAN) cabling installed so that we can make the internet available to our elementary and high school students. Despite repeated requests to the individual who is supposed to do the work and supply the cable, the installation has not been done.

We do not want to wait indefinitely to provide our students with internet access. Therefore, we request that you include report language instructing the BIA to finish the job immediately by directly providing schools with the funding that has already been appropriated for this critical purpose.

Student transportation

We are pleased that the BIA has requested a $3.74 million program increase for student transportation, which will provide a total funding level of $38.84 million. This proposed increase will allow a payment rate of $2.29 per mile. While this rate is 19 cents more than the current rate, it is still far below the national average.

The national average for school transportation was $2.92 per mile three years ago—so we are still running below public school transportation funding, despite the fact that the roads our buses travel on are usually in much worse shape. That just does not make sense. I ask that you increase the BIA budget request for student transportation to a level that can provide at least the national average of $2.92 per mile that public schools receive.

CONCLUSION

Mr. Chairman and Members of the Committee, thank you for your past support of Indian education programs and of the Pinon Community School. We hope that this testimony will receive the same thoughtful consideration that you have given us in prior years and we would be pleased to provide you with any additional information about our priorities and concerns.

PREPARED STATEMENT OF GEORGE CUKRO, EXECUTIVE DIRECTOR, BLACK MESA COMMUNITY SCHOOL

Mr. Chairman and Members of the Committee: My name is George Cukro. I am the executive director of the Black Mesa Community School, a kindergarten through grade eight Grant school located in an extremely rural area on the Navajo Nation in northern Arizona.

The Black Mesa Community School opened in 1976 in used trailers that had been converted into small classrooms. Later, the Bureau of Indian Affairs constructed a small building with four classrooms, a library/conference room, an all-purpose room with a kitchen, a small office, and two student bathrooms. This facility was designed for 80 students—but our average student population since 1991 has been 100 students.

In recognition of the fact that the condition of our facilities has limited our ability to provide students with a full range of educational opportunities, the fiscal year 2000 BIA budget request includes funding for six additional modular classrooms for our school. These portable units will be used as follows:

—Two additional classrooms to reduce the student/teacher ratio in classes that are currently combined across grades because of overcrowding
—One classroom for gifted and talented students
—Two pre-vocational training rooms for our middle school students
—One computer classroom for technological training

Unfortunately, our employee housing inventory simply is insufficient to meet the needs of the eight new employees that we expect to hire in the coming year. Currently, our school currently employs 26 staff members. Of these people, eight reside in employee housing because of our geographic remoteness and lack of adequate off-site housing. Our inventory consists of eight trailer units, ranging from 12 to 30 years old. As you can see, there is a need to construct additional housing units and modernize our oldest units, so that we can house the employees that we will require to fully staff our new classrooms.

To meet this need, the Black Mesa Community School requests that the fiscal year 2000 Interior appropriations bill authorize a transfer of $400,000 in BIA school operations funds provided to us in prior years to help us finance critical employee housing needs.

You may recall that you included this type of appropriations transfer authority to the Cibecue Community School in the fiscal year 1998 Interior appropriations act. Much like the Cibecue Community School, the Black Mesa Community School has been able to save approximately $1.3 million over the past eight years through careful financial planning and management. We are now seeking to use a portion of these funds ($300,000 in reserve Indian Student Equalization Program allocations and $100,000 in surplus Operations and Maintenance funds) to meet anticipated employee housing needs.

We are not asking for any additional funding or that the Subcommittee set any kind of precedent so that we can address this situation. Instead, we are asking that you provide us with the same assistance that you provided to the Cibecue Community School in its attempt to meet its critical facility needs.

SCHOOL BUS GARAGE

The BIA has requested $36.01 million for Facilities Improvement and Repair, which is a $4 million decrease from the current funding level. This cut is ludicrous, given that the BIA itself estimates that the backlog of repair and improvement needs is $734 million.

For example, at Black Mesa we are in desperate need of a metal garage for our school buses. There is simply nowhere to repair or store our buses. For minor servicing, we must travel 25 miles each way on an unpaved road filled with 12-inch ruts, mud, snow and ice. For major repairs, the trip is 150 miles.

If we had a metal garage, we could save substantial wear and tear on our already fatigued buses by storing them indoors and servicing them on-site.

CONCLUSION

Mr. Chairman and Members of the Committee, thank you for your past support of the Black Mesa Community School's need for additional classroom space. We hope that this testimony will receive the same thoughtful consideration that you have given us in prior years and we would be pleased to provide you with additional information about our priorities.

PREPARED STATEMENT OF WALLACE TSOSIE, BOARD MEMBER, GREASEWOOD SPRINGS COMMUNITY SCHOOL, INC.

Mr. Chairman and Members of the Committee: My name is Wallace Tsosie. I am a board member of the Greasewood Springs Community School, Inc., located on the Navajo reservation. My testimony today focuses on the need to provide additional funding for BIA-funded school operations.

The Greasewood Springs Community School serves the educational needs of 349 students in grades kindergarten through grade eight. Since July 1, 1996, our school has been operated by a local Board of Directors through a Grant from the Bureau of Indian Affairs pursuant to the Tribally Controlled Schools Act, Public Law 100–297.

First of all, I would like to take this opportunity to commend the Administration for its proposed increases to the Indian Student Equalization Program, Student Transportation, and Administrative Cost Grants. However, there remains much more that must be done if the children who attend BIA-funded schools are to be on a level playing field with public school students throughout America.

FACILITIES OPERATIONS AND MAINTENANCE

The Facilities Operations and Maintenance account is separated into two line items in the fiscal year 2000 budget request, a decision that the BIA says was based on a February 1998 Interior Department report on facilities maintenance issues.

The "operations" line item request is $51.83 million, while the "maintenance" request is $27.28 million, for a combined total of $79.1 million. This is but a small increase over the fiscal year 1999 funding level of $75.2 million—which, in turn, was nearly $2 million less than the BIA had asked for. Even that original request was far below the amount needed to properly operate and maintain facilities.

Last year, an internal draft of the fiscal year 1999 BIA budget justification admitted that a $77 million appropriation would not meet more than 68 percent of need, and would, at best, enable a major portion of schools to operate "at a bare minimum service level." This part of the budget justification was deleted from the final version.

The fiscal year 1999 narrative also stated that the average cost of O&M funding is $5.00 per square foot—but this year's justification says that the average cost is only $4.25 per square foot. I just do not understand how O&M costs could have declined by 15, or any other, percent!

In fiscal year 1998, Congress approved $3.14 million for the construction of a new gymnasium at the Greasewood School. This funding fulfilled a promise made by the BIA more than a decade ago, and will allow us to finally fix our serious overcrowding and safety problems. Unfortunately, without adequate O&M funding, the gym's useful life will be significantly reduced—which means a lower return on the investment of tax dollars you put into it.

ADMINISTRATIVE COST GRANTS

AC Grants provide funds to tribes or tribal organizations operating schools in lieu of contract support. They are designed to enable tribes and tribal organizations to operate contract or grant schools without reducing direct program services to students. Tribes are provided funds for related administrative overhead services and operations which are necessary to meet the requirements of law and prudent management. When 100 percent of our costs are not funded, we are forced to use critically-needed dollars which should be used to provide classroom instruction to students.

In the current school year, 116 schools are operated by tribes and, as such, receive AC Grant funding to help them cover their administrative costs. BIA reports that it supplied only 89.54 percent of the amount required by federal law for these AC Grants, using the $42.16 million appropriated in fiscal year 1998.

In fiscal year 1999, AC Grant funding was frozen at $42.16 million, despite the fact that another 13 schools will be operated by tribes in SY 1999–2000. BIA's budget says that it expects to supply 94 percent of the AC Grant amount required by law. I do not understand how, though, if there are 13 more schools but no additional funding.

In the fiscal year 2000 budget request, BIA reports that ten more schools will convert to tribal operation in Navajo Nation alone in school year 2000–2001. BIA has requested $5.5 million to cover the AC Grant needs for these schools. However, I am concerned that existing grant schools will still receive far less than what the law requires.

Furthermore, the budget retains the current appropriations language which places a "cap" on the amount of BIA funds that can be spent on AC Grants to the amount appropriated. This language is designed to overturn the Interior Department's legal obligation to pay AC Grants to contract and grant schools at 100 percent of the amount determined through a statutory formula. We strongly urge that the Subcommittee reject this language.

STUDENT TRANSPORTATION

We are encouraged that the BIA has requested a $3.74 million program increase for student transportation, for a total funding level of $38.84 million. The budget narrative states that school bus mileage will increase by approximately 600,000 miles in SY 2000–2001 and that the proposed increase will allow a payment rate of $2.29 per mile, which is 19 cents more than the current rate. However, the projected payment rate is still far below the national average of $2.92 reported for public schools for school year 1993–1994.

Our reservation has primitive road conditions, with our buses covering 253 unpaved and 289 paved miles every day. We are in dire need of four-wheel-drive buses which would allow us to get students to school and back home safely. Our transportation budget is hit especially hard during the winter months, when bad road conditions mean that our buses break down on a regular basis.

We also need a garage or repair facility to deal with these breakdowns. For example, every single tire repair must be taken to Holbrook, which more than 50 miles away. This is time-consuming and quite expensive. In addition, we would like to install a diesel fuel pump at the school because the Greasewood Trading Post, the closest fuel outlet, is so costly.

Finally, additional transportation funding would allow us to increase the number of bus drivers we employ. Right now, we are always short of adequate bus drivers, which leads to transportation problems for students.

CONCLUSION

Mr. Chairman and Members of the Committee, thank you for considering these requests and for your attention to the welfare of Indian children at the Greasewood Community School.

PREPARED STATEMENT OF MARTHA GARCIA, PRESIDENT, RAMAH NAVAJO CHAPTER

Mr. Chairman and Members of the Committee: My name is Martha Garcia. I am President of the Ramah Navajo Chapter, a community located in the west central mountains of New Mexico. My testimony today focuses on providing the resources to fund the acquisition of the Bond Ranch by the Ramah Navajo Chapter, as well as our support for increased law enforcement, Tribal Priority Allocations (TPA), and contract support funding.

The Ramah Navajo Chapter is a certified chapter of the Navajo Nation government with over 3,000 members. Our community has a land base of 154,553 acres, which is comprised of a "checkerboard" of trust land, individual allotted land, and fee land purchases by or for the Chapter. As a governmental entity of the Navajo Nation, the Chapter has been authorized since 1986 by the Navajo Nation to contract Bureau of Indian Affairs programs pursuant to Public Law 93–638. The Chapter currently operates programs and services previously administered by the BIA under a Model Contract through our Consolidated Tribal Government Programs. In addition, the Ramah Navajo School Board, Inc., a non-profit organization in our community, operates five TPA—and educational—programs under a Model Contract.

Our mission is to nurture the well-being and growth of our community and its people by promoting the development of comprehensive community services, programs and opportunities; by encouraging the development self-sufficiency through self-determination; and, by maintaining respect of our traditional values of cultural heritage and family.

THE BOND RANCH ACQUISITION ECONOMIC DEVELOPMENT PROJECT

The Ramah Navajo Chapter requests $1.7 million to purchase the Bond Ranch and to establish a tribal ranch on that land. The Bond Ranch is located in the Ramah Navajo Community and is surrounded and adjacent to tribal trust land and Individual Indian Allotments.

Records indicate that the Ramah Navajos settled and continuously occupied the land on which the Bond Ranch is located since the 1500s.

In 1863, the United States waged an intensive war against the Navajo people. During this period, a number of Ramah Navajo families were exiled to Fort Sumner, New Mexico. In 1868, however, a treaty between the United States and the Navajos allowed the people to return home. The Ramah Navajo families returned to their homes in Ramah.

In the late 1800s, Mormon missionaries established a settlement in Ramah. They eventually pushed the Ramah Navajos out of productive farming areas and into land covered with volcanic rock. As more non-Indian settlers moved into the area, more lands were taken from the Ramah Navajo people.

Beginning in 1920, some Ramah Navajos were allotted land, which created a small land base for our people.

In the 1940s, the New Mexico and Arizona Land Company began selling large quantities of land and, in order to preserve the use of these lands for the Ramah Navajos, the Picuris and Pojoaque pueblos purchased 55,000 acres. In 1951, the Navajo Nation purchased this land from the pueblos for the continued use by the Ramah Navajos.

In the late 1930s, the Bond family acquired a ranch on these lands, which was used for a sheep and cattle ranch and a bean farm. While the sheep ranch and bean farm ceased operations in 1950, the cattle ranch continues to operate today on 12,320 acres—or 19.25 sections of open grazing land—which is comprised of both deeded and state-leased lands. In June 1997, the Bond family publicly offered the ranch for sale at a price of $150 per acre for the deeded land, for a total purchase price of $1.464 million.

The Ramah Navajo Chapter would benefit greatly by purchasing the Bond Ranch. The Chapter intends to use it for such economic development projects as a cattle and sheep ranch and a hydroponic greenhouse. Purchasing the Ranch also would allow us to consolidate some of the currently "checkerboarded" land in our community. We have actively explored grant opportunities from federal agencies to purchase the Ranch but so far have come up with nothing. Therefore, we request that direct funding for the Ranch be provided in the fiscal year 2000 Interior Appropriations bill.

ADDITIONAL LAW ENFORCEMENT FUNDING IS BADLY NEEDED

A recent Bureau of Justice Statistics report on crime in Indian Country presented a disturbing picture of violence on our reservations. BJS reported that the rate of violent victimization is more than double the national average. American Indians between the ages of 18 and 24 experience the highest per capita rate of violence of any racial group considered by age—about one violent crime for every four people in this age group.

At the Ramah Navajo Chapter, we have not been immune from crime and violence. We have alcohol-related crimes. We have murder. We have assaults.

One reason for our rising crime rate is a lack of a police presence. We have nine law enforcement vehicles in our inventory, and all of them have over 100,000 miles on them. The rough terrain of our community means that our vehicles experience faster than average deterioration and higher than normal maintenance costs. We have funding to replace four of them this year, but we need additional funding to replace the other five.

In addition, we only have nine law enforcement officers available to patrol a 150,000-acre area. Clearly, we must increase our police force if our people are to feel safe and secure.

The budget request would provide a total of $137.8 million for the President's Initiative on Law Enforcement in Indian Country, including a $20 million program increase to fund the Bureau's portion of this joint effort with the Department of Justice.

We strongly urge the Subcommittee to fully fund this request. While the Ramah Navajo Chapter supports the Justice Department Indian Country Law Enforcement Initiative, we are concerned that the DOJ funding is provided primarily through discretionary grants. We must ensure that law enforcement funding gets to all tribes that are in need, not just those with good grant writers.

According to the BIA's budget justification, the additional law enforcement funds will continue to focus on core law enforcement issues, including hiring additional Bureau and tribal law enforcement personnel, ensuring that new employed personnel are trained and certified, connecting additional law enforcement programs to the INLINE system for statistical reporting, and vehicle replacement for those vehicles with mileage of 100,000 miles more.

We ask you to ensure that the hiring of law enforcement officers and providing police vehicles are made the top priorities in the expenditure of these additional dollars.

TRIBAL PRIORITY ALLOCATIONS FUNDING

In keeping with our goal of gaining self-sufficiency through self-determination, the Chapter in 1986 began contracting under Public Law 93–638 programs previously run by the BIA. Through TPA funding, we are able to tailor our budget and to prioritize our programs to address the unique circumstances of our community, which suffers from an extremely high poverty level.

Today, our unemployment rate is over 70 percent. Over 60 percent of our community members live in substandard homes, which often lack electricity, water, and wastewater facilities. Over 65 percent of our BIA-maintained roads are in poor conditions.

Furthermore, due to welfare reform, we are being forced to provide additional financial assistance to those Chapter members who are simply unable to find work in our community, which simply does not have an economic base.

As you can imagine, current TPA funding levels have not been enough to meet our housing, social services, community development, and scholarship needs.

The budget request includes a $17 million increase in TPA spending, but this is simply not enough to meet our governmental needs. In fiscal year 1995, TPA funding was cut drastically and, since then, tribal governments have increasingly fallen behind in their ability to provide services in their communities.

TPA funding still has not been restored to the fiscal year 1995 level and has not even kept up with inflation. We urge the Subcommittee to restore TPA funding to the fiscal year 1995 level, adjusted for inflation, so that we can meet our governmental responsibilities at the local level.

CONTRACT SUPPORT SHORTFALLS

Every year, the BIA's budget request for contract support costs has been significantly less than the amount needed by tribal governments to effectively administer programs under the authority of the Indian Self-Determination and Education Assistance Act.

For fiscal year 2000, the proposed contract support budget is $121.34 million, or $6.1 million over the fiscal year 1999 level. The Administration acknowledges that, even with such an increase, the amount "will only maintain approximately the existing percentage level of support for contracting Tribes." The BIA estimates that the fiscal year 2000 shortfall will exceed $23.2 million, or 16 percent.

The Ramah Navajo Chapter lacks other tribal resources and is totally dependent on federal funds to operate its programs. In November 1998, the Chapter ran out of money due to contract support shortfalls that arose because the BIA had failed to pay 100 percent of negotiated indirect costs for several years.

So that we could alleviate our immediate cash flow crisis, we had no choice but to negotiate with the BIA to receive our fiscal year 1999 Tribal Priority Allocations funds earlier than planned. However, this band-aid approach does not address the fundamental problem of the federal government's failure to meet its obligation under the law to fully fund contract support.

Another problem is the timing of contract support distributions. At the Albuquerque Area Office, the BIA distributes final contract support funding on or near the last day of the fiscal year (September 30). This restricts tribes from managing their contract support funds in a prudent manner. The Ramah Navajo Chapter operates on a calendar year and receives no funding for the fourth quarter. For the last two years, our funding levels were capped at between 75 and 80 percent. Receiving word on or near the last day of our third quarter that we are not going to receive any additional contract support dollars for the year makes it extremely difficult to manage our cash flow responsibly.

For these reasons, the Ramah Navajo Chapter urges the Subcommittee to consider the following positions with respect to contract support funding:

1. The federal government must consider the fact that, as long as Tribes exercise their rights to operate programs under the authority of the Indian Self-Determination and Education Assistance Act, there will be a need to fully fund contract support.

2. The federal government must comply with existing court decisions and fund the contract support costs of other federal agency programs associated with Public Law 93–638 and the BIA must increase contract support funds for those federal agencies that do not pay contract support at the approved and negotiated indirect cost rate.

3. The BIA should distribute contract support funds when Tribal Priority Allocation funds are allocated and distributed so that contractors will know their funding levels and be able to manage their funding more prudently.

4. The Interior Department should increase its staff at the Office of the Inspector General in order to more quickly process indirect cost proposals and negotiate indirect cost agreements.

CONCLUSION

On behalf of the Ramah Navajo Chapter, I would like to thank the Subcommittee for its consideration of our requests and for its willingness to support programs which benefit our Chapter and Indian country as a whole.

PREPARED STATEMENT OF YOUNG JEFF TOM, PRESIDENT, MARIANO LAKE COMMUNITY SCHOOL, INC. OF THE NAVAJO NATION

Mr. Chairman and Members of the Subcommittee: My name is Young Jeff Tom. I am president of the Mariano Lake Community School Board, which operates a kindergarten through grade six Bureau of Indian Affairs-funded Grant school located in the mountains of western New Mexico. My testimony focuses on the urgency in meeting the education construction and administrative cost needs of BIA-funded schools in fiscal year 2000.

Our school was built in 1952 and was one of the first schools established in the Eastern Navajo Agency. A total of 264 students from the communities of Mariano Lake and Pinedale attend our school, which is located in the Great Continental Divide Mountain Range, approximately 30 miles from Gallup and 25 miles from Crownpoint, New Mexico.

Of our total enrollment, 63 children in grades one through three live in our dormitory. Every Friday afternoon, these children are bussed home, where they are picked up again on Monday morning. Our day school students are those who have access to county and paved roads. They are picked up and brought to school by 8:00 each morning, at which time they are provided with breakfast. They are bussed home at 2:30 in the afternoon.

FACILITIES ISSUES

Mariano Lake Community School has the following facilities inventory:

—Dormitory—Good condition; renovated in 1991
—Main building housing administrative offices, food services, six classrooms—Good condition; renovated in 1991
—Facility maintenance building—Good condition; renovated in 1991
—Portable kindergarten classroom—Temporary classroom housing 40 students; located outside main building
—Four portable classrooms housing grades four through six—No bathroom facilities for sixth grade
—Transportation services trailer—Poor condition
—Employee housing—Two duplex apartments for teachers and one house for principal; all built in 1954 and in poor condition
—Computer laboratory/staff offices—Poor condition; built in 1954
—School library—Too small to hold books, materials, audio-visual equipment

We have been trying for more than ten years to have a gymnasium built for our students. This was expected to be done as Phase II of the Mariano Lake construction plans, which commenced in the 1980's. To date, however, the BIA has not honored its commitment to completed our gym project. Without a gymnasium or even a multi-purpose facility, our students have to use the school's dining room for physical education class. Since these classes are held while food is being prepared, the amount of dirt and dust that they generate has become a health and safety concern.

Our top facilities priorities are to construct a gymnasium and to replace our portable classrooms with a permanent building. However, unless Congress increases the BIA's education construction budget request, we will be waiting a long time for these goals to be realized.

As the Subcommittee knows, the BIA has requested only $36.01 million for Facilities Improvement and Repair, which is a $4 million cut from the current funding level. Given that the BIA itself estimates that the backlog of repair and improvement needs is $734 million, I cannot imagine why more funding was not requested. The Subcommittee should immediately correct this situation and increase FI&R funding to a level that will make a serious dent in the backlog.

The BIA has asked for $30 million for a "school bond" initiative that is tied to the President's multi-billion dollar initiative for school construction nationwide through the use of tax credits. A 1.5 percent share of this initiative would be reserved for tax credits for tribal school construction, but this would require participating tribes to issue bonds, sell them in the bond market, and apply to the Secretary of the Interior for money from the $30 million fund to pay back principal.

Frankly, we believe that few tribes with school construction needs would be able to issue or market these bonds, especially since they would not be guaranteed by the United States. Thus, this is not a good solution to the pressing need for new facilities in Indian country.

We believe the wiser course is to use this $30 million to help reduce the known backlog of school construction and improvement items already registered with the Bureau, such as our gymnasium project. We urge the Subcommittee to keep this $30 million in the construction account and use it for actual construction projects instead of the bond initiative.

ADMINISTRATIVE COST GRANTS

In July 1998, our board made the decision to convert our school to grant status so that we could exercise more local control over education, a philosophy that seems right in line with the Congressional Majority's education policy.

Frankly, the fact that Administrative Cost Grants are not fully funded makes it extremely difficult for us to exercise our right to operate educational programs at the local level. Under federal law, AC Grants are supposed to provide tribes and tribal organizations with the resources they need to cover the administrative overhead and operational expenses that are part and parcel of running a BIA-funded school.

In the current school year, 116 schools are operated by tribes and, as such, receive AC Grant funding to help them cover their administrative costs. BIA reports that it supplied only 89.54 percent of the amount required by federal law for these AC Grants, using the $42.16 million appropriated in fiscal year 1998.

In fiscal year 1999, AC Grant funding was frozen at $42.16 million, despite the fact that another 13 schools will be operated by tribes in SY 1999–2000. BIA's budget says that it expects to supply 94 percent of the AC Grant amount required by law. I do not understand how, though, if there are 13 more schools but no additional funding.

In the fiscal year 2000 budget request, BIA reports that ten more schools will convert to tribal operation in Navajo Nation alone in school year 2000–2001. BIA has requested $5.5 million to cover the AC Grant needs for these schools. However, I am concerned that existing grant schools will still receive far less than what the law requires.

The only way to make sure that tribal governments have the real ability to exercise their right to operate their own education programs under Public Law 100–297—and to provide high-quality educational services—is to fully fund AC Grants at 100 percent of the statutory formula.

CONCLUSION

I appreciate having the opportunity to share the views of the Mariano Lake Community School with the Subcommittee and look forward to working with you to meet the educational needs of Indian children across the country.

PREPARED STATEMENT OF JACOB LONETREE, PRESIDENT, HO-CHUNK NATION

Good afternoon Chairman and members of the Committee. My name is Jacob LoneTree; I am President of the Ho-Chunk Nation in Wisconsin. I would like to thank the Committee for the opportunity to testify before you today.

The Ho-Chunk Nation, with 5,956 members, has a very limited trust land base spread through seventeen counties in the State of Wisconsin. Although the Nation has provided increased economic opportunities for its members in recent years, we still have a long way to go in this regard. Moreover, the long-term effects of generations of poverty among our people are still very much with us today. This is particularly so with respect to health care. Our people suffer from alarming rates of diabetes, heart disease, alcoholism, and cancer. Perhaps the most devastating is diabetes. Currently 29.1 percent of Ho-Chunk tribal members have been diagnosed with diabetes. This statistic is even higher for members over 40. In this age group, 39 percent of our members are diabetic. Even more alarming, we recently learned that 40 percent of our 2–4 years old are classified as obese. Obesity is, of course, the leading

risk factor in diabetes. Improving the health status of our members is a top priority for the Nation. In support of that goal, I have issued a Presidential Proclamation designating 1999 to be the Ho-Chunk Nation Year of Fitness.

The Nation is a member of the Tribal Nations Joint-Venture Coalition for Health Facilities. The Coalition is urging Congress to appropriate $15 million in funding for the Tribal-IHS Joint Venture Program authorized under Section 818 of the Indian Health Care Improvement Act. This Program is intended to provide funding for equipment and staff to operate a health care facility constructed by an Indian tribe in exchange for a no-cost, long-term lease in favor of the Indian Health Service. The Program was used successfully in the past for facilities in Oklahoma and Oregon, but has not been funded since fiscal year 1993. If funded properly, this Program could save the federal government millions of dollars in construction costs, provide Indian people and tribes with resources to address extremely important health care needs, and stimulate economic development in historically deprived areas of Indian country.

The Nation, in hopes of funding for the Section 818 Program, has already shouldered the significant financial burden of building a vitally needed health facility for Nation members in Baraboo, Wisconsin. The Nation has expended over $14.5 million to construct the Ho-Chunk Nation House of Wellness or "Wanaisguni Hocira." We are delighted to report that we completed Phase I of the facility and opened for business in December of 1998. We are now in the process of completing Phase II of the facility. Phase II will consist of a facility for community activities to improve the health and well being of our members. We believe that in order for our communities to be healthy, we have to provide our members with opportunities to engage in healthy activities. Phase II of the facility will provide these opportunities.

The House of Wellness is the only tribally or IHS operated health facility within 80 miles. In undertaking to build this facility, the Nation is filling a void that has never been met in this area. Before this facility was constructed many tribal members were forced to seek medical attention at the Ho-Chunk Health Care Center near Black River Falls which the Nation also built. This is a round trip distance travel of 160 miles. Critical optical and dental services, which were provided to members as part of contract health services, were provided on a limited basis based on a medical priority. We simply have not been able to meet the demand for these services. Significantly, tribal members were not receiving important preventive medical services, such as pap smears, breast cancer screening and diabetes screening.

Phase I of the House of Wellness provides a broad range of out-patient services, including health, laboratory, pharmacy, x-ray, dental, substance abuse, mental health, nutrition, health education, and community health nursing. We currently have a staff of thirty, including two doctors, two nurses, two nurse practitioners, one x-ray technician, and one dentist. The facility is planned to accommodate 2,500–3,000 patients annually. The Nation seeks $3 million of the requested Joint-Venture funding for staffing and operation costs of this facility.

We understand that the Indian Health Service in its budget request to the Office of Management and Budget requested $15 million for the Tribal-IHS Joint Venture Program. Unfortunately, the Office of Management and Budget did not maintain this funding when it passed the INS budget back to the Agency despite specific direction by the House Appropriations Committee last year requesting that this Program be reinstituted. The Joint Venture Program is an economical and innovative way to meet the overwhelming health care needs of Indian people.

We urge the Committee to demonstrate that federal policy supports this tribal initiative, by including $15 million for the Tribal-IHS Joint Venture Program, and including $3 million for the Ho-Chunk Nation Wanaisguni Hocira in Sauk County, Wisconsin.

PREPARED STATEMENT OF CHAIRMAN WILLIAM F. YALLUP, SR., YAKAMA INDIAN NATION

APPROPRIATION POLICY CONCERNS

Fully Fund Agency BIA and INS Programs at Authorized Levels: the local BIA agency is unable to perform its most basic trust responsibilities at the current level of depressed funding. We ask the committee to fully fund these programs at their authorized FTE levels. We are specifically concerned about the following programs, which we request be funded at the Agency level at the amounts indicated:

BIA Natural Resources Program: Request an additional $921,000. This program includes the functions of Real Estate Services, Land Services (including Environmental and Treaty Rights Protection), and Wapato Irrigation Project Billing. Trust

responsibilities include: (a) leasing and distribution of income (>1300 active leases), (b) acquisition and disposal of real property, including fee to trust conversions, probates and wills, (c) farm /conservation planning for more than 2800 allotments on more than 100,000 acres with crop market value in excess of $70 million, (d) multiple resource management on approximately 1.1 million acres of range and forested land including six major watersheds affected by the ESA listing of steelhead and salmon, (e) natural and cultural resource protection and enhancement, (f) environmental and Treaty rights protection for the reservation and the ceded area, and (g) billing (>8400 accounts) and collections ($6,000,000 annually) for the 175,000 acre Wapato Irrigation Project.

BIA Road Maintenance and Transportation Planning Program: Request $1,750,000. This program has the responsibility for all road maintenance and transportation planning on the 925 miles of primary road and 2,325 miles of secondary road located on the reservation. This chronically underfunded program's function is key to the governmental infrastructure and its ability to both provide services to the constituency and move goods to market.

BIA Forestry Program: request an additional $940,000. This program is the heart of the tribe's economic base, administering forest harvest on 675,000 acres of commercial timberland. The program includes forest planning and inventory (including pre-sale planning, forest inventory, and a GIS and Silvicultural Lab), and forest management (including sale administration, contract preparation and compliance, and collection and distribution of proceeds). The program has been historically underfunded to the point of being unable even to fulfill its authorized level of FTE's.

BIA Higher Education Scholarships: request an additional $150,000. The Bureau of Indian Affairs Scholarship program has not and is not being adequately funded. Although the scholarship need is rising, the Administration's funding request is declining. The increased scholarship need reflects the rising cost of a college education and the larger number of Indian students accepted into college. A key to economic development and self-sufficiency is a college education. Inadequate scholarship funding thwarts the successful efforts of Indian tribes to better prepare our youth for college and it sends the wrong message to students.

INS Contract Health Services: request an additional $947,000. The primary requirement for Contract Health Services to provide assistance is the availability of funding. Contract Health Services currently receives $3,213,264 for patient care each fiscal year with no adjustment for increases in population and inflation. Increasing numbers of eligible patients continue to require medical and dental services. Health care costs are constantly increasing and alternate sources of payment are decreasing. The present budget is expended at an average rate of $80,000 per week, which only covers 75 percent of the year, and will prevent the delivery of needed assistance to eligible patients for the last 3 months of fiscal year 2000.

Direction to Interior and Related Agencies: We ask that you direct the Bureau of Land Management, Forest Service, Natural Resources Conservation Service, National Marine Fisheries Service, and the Fish & Wildlife Service to enter into cooperative agreements or Public Law 93–638 contracts with the Yakama Nation as provided under Public Law 103–413 to fund coordination, participation, and project implementation under the many ESA recovery plans. Each of the federal agencies has had several years to implement authorized programs to provide for healthy and sustainable fisheries. As an effective alternative, the Yakama Nation urges you to direct these agencies to fund the Tribe's restoration program to reach that goal.

Self-determination Contract Support: Request $750,000. This year, indirect costs are expected to be funded at less than 90 percent. The shortfall is a guaranteed out-of-pocket cost to the Yakama Nation of $750,000 in fiscal year 2000, which we will incur performing functions for and on behalf of the Federal government. We urge the Committee to fully fund the contract support budget for both the BIA and the IHS so that these federal contract obligations may be fulfilled.

Leavitt Act Collections: The Wapato Irrigation Project (WIP or Project) is one of the largest Indian irrigation projects operated by BIA. It is located entirely within the exterior boundaries of the Yakama Indian Reservation in Yakima County, Washington. The Project diverts approximately 600,000 acre-feet of water annually from the Yakima River, and irrigates approximately 142,000 acres of arable land within the Yakama Indian Reservation. Approximately 55 percent of the arable land (78,000 acres) is held in trust for individual Indians and the Yakama Indian Nation by the United States. Most of the Indian owners lease their lands to non-Indians. The remaining 64,000 acres (approximately 45 percent) are owned by non-Indians. In 1993,102,000 acres were farmed by non-Indians, 13,000 acres by Indians, and 27,000 acres were idle.

Since 1993, the idle lands within the WIP have increased, placing the burden of meeting Project maintenance and operations expenses upon "productive" lands. The

WIP has been arbitrarily designated by BIA as one of the few "self-sufficient" Indian irrigation projects, wherein O&M costs are assessed directly against the landowner, without the assistance of federal appropriations. In addition to the problem of "idle" lands being assessed, many properties within the Project are classified as "productive" despite having marginal agricultural value, and are not easily leased by the BIA. The O&M assessment upon both such unproductive properties has accumulated over the years to the detriment of the Indian owners, who have no means to pay. The threatened debt collection by BIA jeopardizes the health, safety and welfare of the Yakama people.

The Yakama Indian Nation requests that actions be taken to defer further collection proceedings under the Leavitt Act, and to exempt Indian landowners within WIP from O&M assessments, past and future. We further request that annual appropriations be designated to offset WIP O&M costs that would be assessed against Indian properties. Annual appropriations would relieve the now unreasonable burden placed upon Indian property owners, and would permit necessary repairs in order to assure the reliable and safe delivery of services.

Agricultural Enterprise Program: Request $1,125,000. This new economic development program is designed to capitalize on the value-added approach to resource utilization outlined in the YIN strategic plan. Instead of leasing out valuable farmland to other producers, the YIN is now actively involved in growing, harvesting, marketing, and distributing agricultural products on approximately 1,200 acres of tribal land. This effort has been completely financed by the YIN. This request will be used to consolidate the land base with several key acquisitions, prepare the fields, and develop a diversified crop management plan to enhance the program's production, distribution, and marketing goals.

SPECIFIC FUNDING ITEMS

1. Support of Wapato Irrigation Project (WIP) Conservation Plan implementation under Title XII of Public Law 103–434, Yakima River Basin Water Enhancement Project: Request $3,000,000, non-reimbursable. Implementation of the WIP Conservation Plan and the Toppenish Creek Corridor Plan will provide for precise control, measurement and conservation of irrigation water distribution on the Wapato Irrigation Project and the restoration of critical habitats. These funds are needed under the tenets of the act for the installation of turnout measurement structures, piping of small lateral canals, and improvement of water measurement and management programs.

2. Repair of the Wapato Irrigation Project (WIP) facilities: Request $5,000,000, non-reimbursable. WIP is the largest irrigation district in the Yakima Basin and is the largest operated by the Bureau of Indian Affairs (BIA). The importance of WIP to the local, regional, and national economy cannot be overstated, and it is jeopardized by the need for repairs. Capital improvements of WIP facilities required for basic project delivery services include: safety improvements, drop structures, power generation facilities, bifurcation structures, and pumps. Attention to this matter is urgent.

3. Forest Development Program: Request $1,250,000. In order to continue sound forest management practices while protecting the welfare of our People, we ask continued funding at the previous year's level of $600,000 plus an additional $650,000. We have severe spruce budworm infestation in 300,000 acres and need to thin an additional 200,000 acres. This backlog threatens the funding of our entire Tribal Governmental structure. This need has been acknowledged by the BIA Central Forest Office and the GAO recently issued a report documenting the insufficiency of the current level of funding (GAO/ACED–91 –53, March 1991) for forest development.

4. Water Resources Management: Request $450,000. The Yakama Nation Water Resources Management Program was initiated to ensure Tribal technical involvement in all water resource management projects addressing ground and surface waters. The current water crises facing the Yakima Basin makes this an ongoing need. These funds will insure that the United States Government fulfills its trust responsibility to the Yakama Nation.

5. Fish and Wildlife Resource Management: Request $1,496,000. We ask for continued funding of the fish and wildlife program at last year's level of $546,000 plus an additional $950,000. $400,000 of new money will address ongoing technical and managerial processes at the reservation, county, state, and regional levels relative to ESA listings, salmonid enhancement, watershed restoration and management, and co-management of big game resources. $150,000 of new money will expand the Northern Spotted Owl inventory and monitoring project, the workload of which has increased by 75 percent in the last three years due to the spruce budworm epidemic.

$400,000 of new money will fund YIN's involvement in the FERC relicensing process for 28 non-federal dams in YIN's Ceded Area in the next 10 years.

6. Educational Needs: Request $602,000. This request supports the Johnson O'Malley/Title IX Supplemental Education program (JOM). JOM is an integral part of tribal member secondary education, which allows increased parental participation and family involvement in the education processes supported by YIN's JOM programs. YIN will operate 22 reservation, rural, and urban JOM programs in support of 3,010 students during the fiscal year 2000 cycle. Money spent in education for the tribe now will ultimately save money in social services later. Over the years many Indian students have benefited academically, culturally and socially from JOM programs. We request that the funding and student count caps, which were frozen through the Tribal Priority Allocation Process (TPA) at $152/student in 1995, be removed. Actual costs incurred are $200/student to adequately serve our 22 JOM programs, yet, due to the increased numbers of students enrolling in these programs since 1995 (an average of 18 percent per year), our effective spending level has been reduced to $96/student under the caps. Increased funding must be allocated to reflect true need based on the number of actual students.

7. Law and Justice/Public Safety Operations: Request $850,300. The Yakama Nation provides routine and emergency law enforcement services to a service population of approximately 9,005 Tribal members, and ancillary services to 35,000 nonmembers. These tribal services include enforcement of criminal and civil codes, fish & game law enforcement, natural resource protection, animal control, probation, and investigation and prosecution of criminal cases in the Tribal Court. YIN provides these services 24 hours a day, 7 days a week on approximately 1.4 million acres. The Yakama Nation Tribal Courts have an ongoing need for access to legal periodicals and case histories. This request covers $425,300 in additional funds to meet our basic operational needs, $200,000 in additional funds to set up the Court law library, and $225,000 in additional funds for 4 new line officers.

8. Law and Justice Facility: Request $26,000,000. The Yakama Nation operates a police department, jail, and Tribal Court system. These key elements of our Tribal governmental infrastructure have never been adequately funded, and the current jail facility, constructed 35 years ago as a temporary structure, is in a near condemnation state. Tribal sovereignty requires that we be able to function at the level of other non-tribal government entities and this will not be possible without this facility. The Tribe has renovated the existing structures out of its own funds but an adequate building will cost $26,000,000 and is beyond our capabilities. With the current emphasis on law and order it is important that Indian Tribes be included in nationwide infrastructure rebuilding programs.

9. Noxious Weed Control: Request $150,000. The diverse economy supported by the Yakama Indian Reservation is extremely vulnerable to the epidemic proliferation of noxious weeds currently occurring in the western United States. Over 200,000 acres of irrigated farmland and an adjacent 600,000 acres of grazing land are potentially jeopardized. The severity of the situation was recognized by President Clinton in his February, 1999 Executive Order in which he recommended additional funding to combat the spread of noxious weeds. This request will be used to enhance the on-going tribal program dealing with this problem on reservation lands.

10. Spruce Budworm Epidemic Emergency Package. Request $8,225,000. The YIN administrative forest is currently experiencing a Spruce budworm infestation of epidemic magnitude and a related buildup of Douglas fir bark beetles. This forest health problem presently impacts approximately 300,000 acres, or roughly ½ of the Yakama Reservation forest, presenting the possibility of a landscape level wildfire at worst and extreme loss of income from unsalvaged timber at best. The YIN situation is currently the worst Spruce budworm epidemic in the western United States. Because this situation threatens not only the economic well being of the YIN, but the entire forest products industry of central Washington as well, the YIN Tribal Council declared a state of emergency in September, 1999. This request is concentrated in three areas; (1) repair of the primary transportation road required to remove the salvaged timber, (2) planning, conditioning, and implementing alternative timber sales, consistent with all ESA, NEPA, and tribal guidelines, in those areas impacted by the infestation, and (3) aggressive pre-commercial thinning in conjunction with overstory removal to disrupt the budworm's life cycle.

If this emergency package is fully funded, it eliminates the need for the above requests for $150,000 for Spotted Owl inventory under 5. Fish and Wildlife Resource Management, and the new $650,000 under 3. Forest Development.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE COLVILLE RESERVATION

On behalf of the Colville Business Council for the Confederated Tribes of the Colville Reservation, I am pleased to have the opportunity to testify before the House Subcommittee on Interior and Related Agencies on fiscal year 2000 Appropriations.

BUREAU OF INDIAN AFFAIRS

Inchelium public ferry

The Tribes strongly support the Administration's request of $456,000 for the ferry boat which transports people across Lake Roosevelt and request an add-on of $195,000 for this important program. We further ask the Committee to prohibit the BIA from allocating funding needed for the ferry boat to other tribes in the Portland area. This funding is for a unique purpose and any attempt to reallocate this money according to a tribal shares distribution plan or otherwise would be detrimental to the people of the Colville Tribes.

The ferry serves an isolated community of the Reservation and provides the only reasonable means of transportation to and from the community. In fiscal year 1998, over 200,000 individuals used the ferry. Lack of funding for the ferry would severely impact the social, economic and educational well-being of the Inchelium community. Many of our enterprises, professional staff, teachers, and other community members utilize this ferry to provide needed services to our people.

School construction.

Paschal Sherman Indian School

Paschal Sherman Indian School, located on the Colville Indian Reservation near Omak, Washington is over 100 years old and is in desperate need of replacement. This school is critical to providing educational opportunities for Indian children throughout the northwest region. Many of these children have encountered severe economic and social conditions and Paschal Sherman has provided them with the opportunity to learn. Over 175 students participate in a well-balanced curriculum emphasizing the culture and traditions of the Colville peoples. In 1985, Paschal Indian school ranked 3rd on the BIA school replacement list. However, because the school board accepted the use of modular buildings, the school was taken off the BIA priority list. The life of those modular buildings has now expired and they pose significant safety hazards to our children.

For over fifteen years, Paschal Sherman has been housed in a multitude of temporary facilities. Administrative offices, classrooms, gymnasiums and dormitories are all in poor structural condition. Some buildings have been condemned. The continued safety and operation of the school for the well-being of the children is a major concern to the Colville Business Council. Additional funds are required for the construction of new facilities and to address the backlog of repair work for the existing facility.

Paschal Sherman represents just one of the many schools that make up the $1 billion backlog in education facilities construction. This massive problem must be addressed by a commitment from both Congress and the Administration, to address this problem in five years. Thus, the Colville Tribes strongly support the Budget Committee's recommendation that BIA school construction be funded at $308 million. This is the only way that $1 billion the severe backlog in education facilities needs will be addressed.

President's Bonding Proposal

While the Colville Tribes support the Administration's efforts to develop innovative solutions to the $1 billion backlog that now exists in BIA education facilities construction, the President's bonding proposal is not likely to work to address the overwhelming needs in Indian country. As we understand the President's proposal, if it were enacted it would authorize $11 billion in school construction bonding authority, financed through tax credits to investors. Of this amount, $200 million in bonding authority would be provided to the BIA for BIA and tribal schools. And for those schools on the BIA priority list, the Budget proposes $30 million to pay the principal of an estimated $75 million in bonds.

However, for those schools that are not now on the BIA priority list, the obligation to repay the bonds would rest with the Tribal governments. The reality is, that most tribes including the Colville Tribes do not have the resources to issue and repay public bonds. If we had the resources to undertake this type of financing we would have sought out private financing on our own.

In essence, the federal government is asking Indian parents and the Indian children to pay for the cost of building and repairing these federal schools. The federal government assumed the responsibility to educate Indian children. Simply because many tribes have stepped in under the Self-Determination Act to operate most of these schools—and in fact have had better results in terms of higher test scores than when the BIA operated these schools—does not make these schools any less of a federal responsibility. The BIA/Tribal school system is one of two school systems that are solely a federal responsibility. The other is the Department of Defense school system. It is unlikely that the federal government would ask the Department of Defense families to pay for the cost of building and repairing their schools. The federal government should not ask Indian parents to assume this burden.

Thus, while we appreciate the President's effort to resolve this staggering problem, the Colville Tribes do not support the bonding proposal. We urge the Committee to again direct the BIA to develop a proposal that will address the existing backlog in five years.

Law Enforcement. The Colville Tribes have experienced dramatic increases in crime on the reservation. In fiscal year 1998, the Tribal Police "calls for service" totaled 8090. This is an average of 22 calls per day. Insufficient resources make it difficult to staff officers in each of the four main districts. Accordingly, response times may exceed several hours due to the remoteness and poor road conditions between communities.

Nationally, Indian people face substantially higher rates of exposure to criminal activity than any other population group. The steady increase in gang activities on the Colville Reservation is of particular concern to the Colville Tribes. Tribal Police Services are severely challenged by the need for additional funding to handle these increases and for additional safety and equipment purposes. Moreover, the increase in crime rate impacts associated law and order services including courts, jail and juvenile detention facilities, prosecutors, public defenders, probation and parole. In light of this great need, the Colville Tribes strongly support the requested increases for both the BIA and DOJ for the second year of the Administration's Law Enforcement Initiative in Indian Country.

Detention Facility Construction. The Tribal jail was condemned several years ago. The Tribal jail is now third on the list of replacement facilities. We are in desperate need for the funding to complete the design phase of this project. In 1994, we completed 20 percent of the design phase. However, no money has been dedicated to this purpose since then.

Because our jail was condemned, we are forced to contract with local jurisdictions for the incarceration of our prisoners. The cost of contracting for this service is over $40 a day for each prisoner. This is more than the cost of a night's stay in some local hotels. Nevertheless, in order to maintain peace and protect the people of the Reservation from convicted criminals, we must bear this cost. It is clear that replacing the facility is a far more cost effective way to incarcerate the convicted criminals. We urge the Committee to include the funding to complete the design phase of this facility.

Towards this goal, the Tribes support the $34 million requested in the Department of Justice budget for detention facilities. In addition, we ask that the Committee direct the Department of Justice to spend this funding according to the existing BIA law enforcement facility priority list. It is the duplicative for the DOJ to establish a new priority list for these facilities, when one already exists.

INDIAN HEALTH SERVICE

Community Health Representatives. We strongly oppose the Administration's proposed $5 million cut in the CHR program. The CHR program provides a vitally important link between the people in our communities and the medical facilities and providers that serve them. The CHRs at Colville provide a wide range of key services, including monitoring patients, administering the WIC program, and providing patient education. The CHRs are often the first to respond to medical emergencies. Beyond this, CHRs are trusted community members who are able to bring many tribal members, particularly the elderly, into contact with health care providers—in situations where those tribal members would in many cases otherwise not receive needed medical care. Those who seek to cut funding for the CHR program must be unaware of the fundamental role the CHRs play in helping our people access the medical care they need. We urge the Committee to provide a $10 million increase nationwide to the CHR program.

Mental Health and Substance Abuse. The Tribes are very concerned that the Administration has not requested any increases in mental health funding. The overall health and welfare of our tribal membership is undermined by extremely high rates

of alcohol and substance abuse. The demands placed upon the Children and Families Services, Youth Residential Shelters, Mental Health and Alcohol/Substance Abuse programs have increased as a result of the decline in the overall health of the Tribal members. Again, the major emphasis must be placed on the root problem—alcohol and substance abuse in the community. This is a major contributing factor in the increased need for many kinds of counseling services. For example, the Tribes have very high statistics relating to intensive child abuse risk and preventable death rates for children. Much of this, along with other problems we face, is directly related to alcohol or drug abuse in the homes. The Tribes strongly support increased funding for substance abuse programs and mental health programs.

Contract Health. The Tribes strongly support the Administration's $24 million increase for contract health care. At Colville alone, we have an active user population within the Colville Service Unit, which includes Chelan, Douglas, Ferry, Grant, Lincoln, Okanogan, and Stevens counties of 6,732.

Contract health care has a long history of being massively under funded. This year's budget will still only provide for only 60 percent of the total contract health needs throughout Indian country. Last year, the IHS recorded over 14,500 payment denials for services that were not within operating medical priorities. This translates into serious deficiencies at the Colville Indian Reservation and means that only "emergency" treatment can be received throughout most of the fiscal year.

The insufficient funding for contract care health funding leads to a lack of doctors, limited treatments and lack of early intervention and diagnosis. While in the long run it is much more costly to provide medical service for "after the fact" illnesses than to provide preventative types of health care services, we are not in a position to address the long term health needs of our people in this way. Funding is available only for emergencies. Moreover, the problems associated with the lack of contract health care funding will only escalate in the upcoming years as more geriatric services are required for elderly Tribal members returning home to the Colville Reservation to retire.

Health Facilities. There are three IHS facilities on the Colville Reservation. The most recent of these was built over twenty years ago and the oldest was built in 1934. These clinics provide care to over 27,000 patients annually. However, while the personnel at the clinics do an outstanding job at all of these facilities the Colville Tribes encourage the Committee to increase facilities maintenance and construction funding. The clinic in Omak is housed in a 1,698 square foot double-wide mobile home, which was converted into the clinic in 1974. This clinic sees over 2000 patients a year. It is critical that this facility be replaced with another facility in order to provide the best level of care possible to the Tribal members of the Colville Reservation.

Contract Support. Contract support dollars provide the Tribes with the administrative support for all of the contract functions assumed from the IHS. These dollars enable the Tribes to provide the mandatory financial, purchasing, personnel and other administrative support systems required by law. Over the past several years, the Tribes have received substantially less than the rates negotiated with the Office of the Inspector General. The reason for this shortfall is the substantial under funding of this function in the IHS budgets. For this reason, the Colville Tribes support the $35 proposed increases in funding for contract support within IHS.

Thank you again for the opportunity to testify.

PREPARED STATEMENT OF DONALD MOORE, SR., CHAIRMAN, BAD RIVER BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

Mr. Chairman and members of the Committee. I am Donald Moore, Sr., Chairman of the Bad River Band of Lake Superior Chippewa Indians, of Wisconsin. I appreciate this opportunity to provide the Committee with the Band's testimony on fiscal year 2000 appropriations.

INDIAN HEALTH SERVICE

Community Health Representatives. We strongly oppose the Administration's proposed $5 million cut in the CHR program. The CHR program provides a vitally important link between the people in our communities and the medical facilities and providers that serve them. The CHRs at Bad River provide a wide range of key services, including monitoring patients, administering the WIC program, and providing patient education. The CHRs are often the first to respond to medical emergencies. Beyond this, CHRs are trusted community members who are able to bring many tribal members, particularly the elderly, into contact with health care providers—in situations where those tribal members would in many cases otherwise not receive

needed medical care. Those who seek to cut funding for the CHR program must be unaware of the fundamental role the CHRs play in helping our people access the medical care they need. We urge the Committee to provide a $10 million increase nationwide to the CHR program.

Contract health services. The need for health care services has risen dramatically at Bad River—with our user population increasing from about 1100 in 1991 to about 3,739 today. But funding has failed to keep pace. With contract care funding of $740,000, this means we have a per patient allocation of $198 for contract care services—a good indication of just how meager these funds are. As a result of funding limitations, contract care must be limited to emergency care only. This creates great hardship among our people—who must suffer with illness and pain until it becomes life-threatening. This is no way to treat our people. The Budget calls for a $24 million increase in contract health care. We support the increase, and urge the Committee to do all it can to fully fund contract health care.

Diabetes. At Bad River, diabetes continues to be a major problem. We appreciate that Congress has targeted resources to this diabetes programs in Indian country. Starting last year, we received a small grant to address diabetes issues at Bad River. With this grant, we have been focusing on our children and youth—providing a wide range of education, nutrition and fitness programs to help our next generation understand what can be done to deter or prevent the problems of diabetes. To be successful, these programs must be continued over time. We urge the Committee to continue to do all it can to continue to fund tribal programs to combat diabetes.

D. Dental services. Our dental program is able to pay only for emergency dental work for adults. With a current budget of $104,400 our dental program has a long list of persons waiting for dental services, for which no funds are available. Often, the inability to obtain needed dental work for elders makes it difficult for them to eat—which in turn leads to further medical problems. We need an additional $200,000 to provide services to those now waiting for needed dental care.

Funding for Tribally-Constructed Health Clinic. In 1995, the Band took the initiative, using Tribal and grant funds, to build a new $500,000 health clinic on our Reservation. This replaced a tiny clinic that was located in a community building. While the new facility has enabled us to provide additional needed services, including pharmacy, the IHS has not provided us with the staffing and equipment costs needed to utilize our facility in full. We urge Congress to provide funds, as authorized under the Indian Health Care Improvement Act, for IHS to provide needed staff and equipment in tribally constructed health care facilities, including for Bad River.

LAW ENFORCEMENT

Crime in Indian country—including at Bad River—is a serious and growing problem. The Administration's Law Enforcement Initiative calls for a $20 million increase over last year for BIA/tribal law enforcement across Indian country. It also includes $124 million to enhance Department of Justice law enforcement efforts, including additional funds to support tribal courts, and to provide grants to tribes for additional police personnel (COPS grants). All of this is very much needed, and we urge the Committee to give priority to funding for law enforcement in Indian country.

At the same time, we are concerned that the Administration's initiative may not address our situation at all, since we have not been included in prior funding of law enforcement officials. In fact, the Bad River Band has no Tribal police force at all on our Reservation. The Tribe currently has only one available source of law enforcement personnel. Under an agreement with Ashland County, the Tribe contributes $57,000 per year for law enforcement services. In return, the County assigns a single county sheriff, who is supposed to provide law enforcement, but only on a part time basis. That sheriff does not even live on the Reservation, and he is only present on the Reservation during certain limited hours. On most days, after 3 P.M., during the very hours when most crimes are committed, there is no police personnel at all on the Reservation.

During 1997 (the most recent year for which statistics are available), the sheriff responded to 439 calls on the Reservation. We need Tribal police on the Reservation—both to provide a visible presence as a deterrent and to respond to crimes that do occur. But general increases in law enforcement funding do not help us if none of the money is directed to our needs. To establish a minimum primary law enforcement presence the Tribe requests an earmark of $125,000 to hire, train and equip two tribal police officers.

EDUCATION

Mashkisibi School. At Bad River, we have taken the initiative to address the needs of those children who have had difficulties in the public school setting—by establishing the Mashkisibi School, an alternative school for grades 9–12. The School, established in 1995, serves 20 to 30 students each year. These are students who would drop out if public school was their only option. The Mashkisibi School seeks to engage these students by integrating Ojibwa language and culture into all aspects of the curriculum, and by focusing on the practical impact of all areas of learning. The School has demonstrated considerable success, keeping these children in school, and helping them thrive. In its short time in existence, the School has had 22 graduates, of whom 5 are now in college, 2 in the armed services and 9 are otherwise employed. These are individuals who, without the availability of the Mashkisibi School, almost certainly would never have completed high school.

While we have been able to begin the School on a shoestring, to be able to survive, we will need federal support. To operate the school—providing salary to our fine staff—we need $135,000 for fiscal year 2000. And, to have a proper facility for our School, we need $350,000. We recognize that there is currently a moratorium on new BIA funded schools. But, in this case, where the Band has stepped in to educate a segment of the student population that was not otherwise receiving the services needed to keep them in school, an exception should be made. We urge your support for the Mashkisibi School.

Other Tribal Education programs. The Band runs a Higher Education Grant Program—to provide scholarships to needy tribal members to attend college. While this is vital to the future of the Tribe, with current funding, we have been able to meet the need of only 72 percent of our students. The President's budget calls for a reduction of over $919,000 in the Higher Education Grant Program, compared with last year's level. This reduction, which we oppose, would further limit the number of tribal members who will be able to advance their education and return to the Reservation with skills to enhance the quality of life in our communities.

The Band also runs an Adult Vocational Training Program, which provides grant funds for vocational training, and a Direct Employment Assistance Program, which provides assistance to tribal members to meet basic needs as they begin employment. Increases of at least 25 percent are needed in both of these worthy programs. The Johnson-O'Malley program is a key to the success of many of our students in the public school system. This program provides needed counseling and support services—and study skills training—to about 490 students. This year, the President is proposing to cut JOM again—this time by $611,000. We urge Congress to reject such a cut, and restore full funding for the JOM program.

NATURAL RESOURCES MANAGEMENT

Our natural resources are key to our cultural and economic survival as a people. Wild rice, deer and walleye are central to our lives, and subsistence use of these resources is widespread and increasing. Proper management and enforcement efforts are more critical than ever to preserve the integrity of our Treaty rights and resources for members of the Band. We face population growth on the Reservation and in surrounding communities, increased environmental threats and ever-increasing equipment, supply and personnel costs. Despite these pressures, we have had no increase in our Tribal Management and Development Program (formerly called Fish and Game) for several years. To keep pace, and to provide the kind of enforcement and management that are necessary to protect our resources for future generations, we request an additional $300,000 for fiscal year 2000. We also support full funding for the Circle of Flight program and BIA Fish Hatchery Maintenance.

LAND CONSOLIDATION

We are very pleased that Bad River was selected to participate in the Land Consolidation Pilot Project established under last year's Omnibus Appropriations Act. At the same time, we recommend that the bill language on the pilot project be amended to provide that the participating tribes have the right to determine how best to use the funds to address the problems of fractionation.

At Bad River, the United States allotted about 97 percent of our Reservation lands. The legacy of allotment is a Reservation that is badly checkerboarded, in a manner that creates a jurisdictional nightmare. To give you a sense of the problem, there are more than 30,000 interests in trust lands on our Reservation of less than 2 percent. Effective management and use of lands that are so badly fractionated is essentially impossible. Fractionated land ownership significantly impedes economic development of our Reservation land base.

We supported enactment of a pilot program to assist tribes in purchasing fractionated interests in trust lands. And, we were delighted to have been selected to participate. But, we have been disappointed in the way the BIA has determined it will proceed. The BIA has set up the pilot project in a manner that unduly limits the role of the tribes. We had expected the pilot project to provide needed funds directly to the participating tribes, to allow the tribes to determine and implement their own policies and priorities for addressing fractionation. For example, we expected we would be able to identify critical parcels that the Band would purchase from willing individual Indian sellers. But, rather than allowing the tribes to devise their own approaches, the BIA is controlling the process.

According to the BIA, all that Bad River will receive under the pilot program is $8,000. That money is to be used by the Band to assist the BIA in notifying potential sellers of the program, and other administrative tasks. The BIA itself is retaining $250,000 for administrative costs. And, the BIA has mandated that only parcels of less than 2 percent interests may be purchased. The Band has no role at all in selecting which particular parcels or interests should be purchased to advance tribal conservation or economic development goals. If a critical parcel from the Band's perspective is a 3 percent interest, no purchase of that interest is possible, according to the BIA.

We believe that the Land Consolidation Pilot Project can provide a real opportunity to begin to address the fractionation problem. But for the project to succeed, tribes must not be excluded from determining how best to address the problem locally. To assure a proper role for the tribes, we urge the Committee to amend the bill language to provide that tribes may contract for the pilot project under Public Law 93–638. Consistent with the policy of Self-Determination, we feel strongly that the tribes, not the BIA, are best situated to make decisions on how to use Pilot Project funds to purchase fractionated interests and to help restore the Reservation land base.

PREPARED STATEMENT OF TOM MAULSON, CHAIRMAN, LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

Mr. Chairman and members of the Committee, my name is Tom Maulson, and I am the Chairman of the Lac du Flambeau Band of Lake Superior Chippewa Indians, located in Wisconsin. I am here to testify on behalf of the Tribal membership, to discuss their issues, concerns and needs.

As a Chairman of a Sovereign Nation, it is my responsibility to emphasize that the United States is obligated by Treaties and Executive Orders to provide critically needed social, education, health and governmental services to all federally recognized Indian Nations in exchange for all the land and peace our forefathers provided. It is this special relationship between the Indian Nations and the United States that provides the proper understanding of my appearance here today, and our work with this Committee, the Congress and the Administration on fiscal year 2000 appropriations. With this in mind, Mr. Chairman, I would like to turn to some specific health care, education, law enforcement and natural resource issues arising out of the President's fiscal year 2000 budget.

HEALTH CARE

Community Health Representatives. The CHR program provides a critical link between our people and their health care providers. Our CHR staff is trained and knowledgeable with regard to key medical needs of our people. They perform important functions including outreach patient education, administration of medication, and changing dressings. Our CHRs also provide services to new mothers dealing with post partum issues, child immunizations and other matters. In this, we have seen great success—as our child immunization rate at Lac du Flambeau is now 91–94 percent.

In addition, our CHRs have earned the respect and trust of the members of our community. While many of our people, especially the elderly, are often reluctant to address medical problems, our CHRs are very effective in seeing that our people access proper health care. Without CHRs many of our people simply would not seek or obtain needed medical care. We strongly urge the Committee to reject the Administration's proposed $5 million reduction, and to restore full funding to the CHR program.

Physician pay. Another key health issue is physician pay. At Lac du Flambeau, we have seen the difference retaining quality doctors can make. In the last year, for example, we have succeeded in hiring a woman physician, with family practice and OB experience. This physician, who is from the Turtle Mountain Chippewa

Tribe, is also a graduate from the INMED program at the University of North Dakota. This physician's manner and expertise have restored the faith of many of our people in the medical care we provide at our clinic.

While the system has worked in providing us with this fine physician, we are concerned that we may be unable to retain her over time, unless we can provide her with adequate pay. Among other things, our physician, like most young doctors, has substantial loans from medical school which she must repay. Unless we can help her and others address their loan repayment costs, we run the risk of losing the best available doctors to the private sector. For this reason, we are extremely concerned that the President's budget calls for $5.9 million less than would be required merely to pay mandatory increases under the Pay Act. We urge the Committee to redress this and provide full funding for physician pay. This will protect the government's investment in Indian doctors, and will help tribes like Lac du Flambeau recruit and retain the quality doctors our people need and deserve.

INDIAN EDUCATION

I am encouraged by the fact that education is a primary focus of the President's budget. Educating the Band's future leaders, educators, health care providers, natural resource specialists, and administrators is one of the top priorities of ours as well. At the Lac du Flambeau Public School, our student population is 95 percent Native American, yet less than 2 percent of the teaching staff is Native American. The effort to recruit Indian teachers, the Band feels, is a priority. The President requests $10 million, to recruit and train 1,000 new Indian teachers, to serve in public school districts with high concentrations of Indian children. We recommend that the recruitment and training program be flexible enough to allow applicants to be trained by the local educational agencies and serve as interns in the schools they will be teaching. In addition, we urge the President and Congress to make this an ongoing educational initiative—one year is simply not enough to make up the deficits we face.

The Band believes that the more time our children are in school the better chance they will be successful. The budget proposes $600 million to enhance after school and summer school programs across the country. The Band requests that $100 million of this amount be set aside for Indian Country.

TRIBAL LAW ENFORCEMENT

In 1998, the Tribal Police Department logged 25,000 man hours answering 4,515 complaints. Our 11 member Police Department consists of 10 full time officers and 1 administrator responding to calls ranging from domestic violence to juvenile cases including runaways, burglary, fraud, battery and vandalism. The officers have issued 650 citations for underage drinking, truancy, curfew and traffic violations, to name a few. The work load for the Tribal Police Department has also increased dramatically, since a Tribal/State/County Agreement has been enacted making it imperative to enforce all laws, codes and ordinances 24 hour per day. The Tribal Police not only respond to tribal complaints but also provide services to the non-Indian community. Our Police Department also aids surrounding community police departments (Oneida and Iron County Sheriffs and Woodruff, Minocqua and Eagle River Police Departments).

Currently, our budget for Law Enforcement is $220,300, but the Band's need is $550,000. To address this shortfall, the Band requests an increase of $329,700. We urge you to support the President's proposed budget which seeks a $20 million increase for BIA/Tribal law enforcement programs and $124 million within the Department of Justice budget for targeted law enforcement programs such construction of jails and retention centers and the COPS Grants Program.

NATURAL RESOURCES

In past testimony, I have emphasized that the natural resources of the Lac du Flambeau Band are our most valuable and significant asset—apart from our children and elders. Our natural resources provide the people with cultural, spiritual, subsistence, social and economic opportunities. Our Reservation is located in the heart of Wisconsin's tourism and sportfishing region. Tourism and related industries provide a livelihood for Indians and non-Indians alike. The land, the water, the air and all the animals and plants that live along with us on this land, help make us what we are as a people. We need adequate funding to fulfill our responsibilities to keep these resources clean and available for the generations to come.

Wildlife and Parks. The Band has a very comprehensive Natural Resources Department and dedicated staff with considerable expertise in natural resource and land management. Our activities include raising fish for stocking, conservation law

enforcement, collecting data on water and air quality, developing well head protection plans, conducting wildlife surveys, administering timber stand improvement projects and more on the 92,000 acre reservation. We urge this Committee to increase the Wildlife and Parks budget by $10 million nationwide and set aside $200,000 for Lac du Flambeau ($100,000 for Tribal Fish Hatchery Operations and $100,000 for Tribal Management and Development). The Wildlife and Parks budget has not increased since 1990 and an increase will help maintain our current staff and critical natural resource programs.

Circle of Flight. The Circle of Flight Program (also known as the Wetlands and Waterfowl Management Program) is dedicated to preserving and rehabilitating our Nation's wetlands and waterfowl populations. Wetlands are important in providing flood control, clean water and recreation. Waterfowl are an important source of food for tribal members and also support hunting opportunities for many up and down the Mississippi Flyway. Twenty reservations, the Great Lakes Indian Fish and Wildlife Commission, 1854 Authority and Fond du Lac Ceded Territory, with reservation and ceded territory land base of more than 61 million acres, have identified $975,000 in funding needs for fiscal year 2000. We urge the Committee to continue to support this initiative and increase the President's budget by $398,000 for this very worthy program.

Forestry. Within our reservation we have 45,000 acres of forested land that supports hunting and gathering opportunities for tribal members, as well as logging. Proper management of the forest is essential to sustain our subsistence lifestyle and to provide economic growth for the Band. The Forestry Program, consisting of 2 foresters and 2 technicians, conducts broad management activities including tree planting, prescribed burning, timber road design and maintenance, timber sale administration and integration with wildlife management. We strongly request that an additional $70,000 be earmarked for the Lac du Flambeau Forestry Program tosupport a program that has not received any new funding since fiscal year 1991.

Tribal Historic Preservation. In 1996 the Band assumed Tribal Historic Preservation Office status (THPO) through the National Historic Preservation Act. We are one of 17 Tribes in the Nation to assume the duties of the State Historic Preservation Office for all lands within the exterior boundaries of the reservation. The President's budget includes a $2,595,000 for THPO'S. We urge the Committee to increase the budget to $10 million to address the needs of the tribes already in the program, and for additional tribes that are assuming Historic Preservation Office status. Also, the Committee should be made aware that there is a disparity in funding between State Historic Preservation Offices (SHPO) and Tribal Historic Preservation Offices (THPO). For example the smallest SHPO receives $250,000 while the tribe with the largest land base, the Navajo Nation (with a land base larger than West Virginia's), only receives $89,000. The Band supports the National Association of Tribal Historic Preservation Officers' request of $275,000 base funding for each THPO. Since the tribes by law have the same responsibilities as states in this regard, funding for tribes should be sufficient to enable tribes to meet those responsibilities.

Land Consolidation. The Band supports the President's request for $10 million for the Land Consolidation Project but would respectfully request that the tribes be authorized to administer the project through a Public Law 93–638 contract. The tribes, not the BIA, should determine how best to address the problems of fractionation of trust lands. The Band currently is participating in the Pilot Project. To fully implement this project, an increase of $60,000 to support the Land Management Department is requested.

GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

The Band supports the President's request of $3.56 million for the Great Lakes Indian Fish and Wildlife Commission, as well as the Commission's additional request of $206,000 for radio replacement and to implement the U. S. Forest Service Memorandum of Understanding. The requested funds are essential for implementing the Band's off reservation hunting, fishing and gathering rights in the ceded territories.

CONTRACT SUPPORT COSTS

Contract support is the final issue I would like to discuss. The President's TPA budget includes $121,338,000 for Contact Support which is an increase of $6,109,000 over last year's level. But even the BIA admits that this will only meet up to 84 percent of the total contract support needs in Indian Country. For the Self-Determination policy to work as Congress has envisioned and mandated, full contract support costs must be provided to tribes in connection with programs they administer. The Band urges Congress to fully fund contract support.

Thank you. Miigwetch.

PREPARED STATEMENT OF SPIKE BIGHORN, THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK INDIAN RESERVATION

TRIBAL PRIORITY ALLOCATIONS

The Tribal Priority Allocations system is intended to give tribes an additional measure of flexibility in determining how to use available funds to best meet local needs. The Administration has requested an increase of $36.3 million for programs under TPA. While we support this request it would still fall far short of allowing the Fort Peck Tribes to meet the needs of our people in key areas including, education, agriculture and tribal courts. We urge the Committee to do all it can to increase TPA above the level requested by the President.

Education ($983,000)

We urge the Committee to support the education needs of Indian people. The President's budget requests $28.6 million for scholarships for Indian students to attend accredited post-secondary schools, a decrease of $919,000 from last year. Obtaining a degree in higher education—particularly for those individuals from families that have not previously sent anyone to college—takes courage and often considerable personal sacrifice. We believe it is our responsibility to support the efforts of our people to attend college. The Tribes provide scholarship funds available through the BIA program. However, the current levels of funding are already far too inadequate. For example, this year the Tribes have identified 230 students who are eligible for scholarship benefits for higher education but who cannot be served because of lack of funding. The BIA itself reports that the level of unmet requests for scholarships nationwide has increased steadily over the last three years and currently stands at an estimated $26.6 million. The decrease in funding will eliminate the opportunity of higher education for many tribal members. This is tragic, as it diminishes the number of educated Tribal members who would return to our communities to work with our youth, our elders and otherwise enhance the well-being of the Tribes. Furthermore, education is key in moving people off of welfare and into the workforce.

We are also disappointed that the BIA budget request of $18.08 million for the Johnson O'Malley program is $600,000 less than the fiscal year 1999 amount as it reduces even more the already meager resources provided to support culturally relevant education for Indian students attending public schools. We estimate that the Johnson O'Malley Program is currently underfunded by an $974,000 at Fort Peck.

The Tribes request $983,000 to meet the funding needs of the Tribes' Education Department. This request is consistent with past funding levels, but we emphasize that, with a total estimated need of $2,467,900, this amount is adequate to meet only about 25 percent of total education needs for tribal members on the Reservation. For example, the Tribes have identified 100 students eligible for the Tribes' adult vocational scholarships and 75 individuals eligible for the Tribes' employment assistance program who are not served due to a lack of funding.

Water resources ($20,000)

The Fort Peck Water Resources Department is charged with managing, conserving, developing, and protecting the water rights of the Fort Peck Tribes. To accomplish this mandate, the Tribes are conducting a feasibility study for the North Sprole Irrigation Project. This project will allow the Tribes to make beneficial use of their water rights and their land by building the necessary infrastructure to pump water from the Missouri River and irrigate 15,000 acres of farmland. Because this project would assist the Tribes in utilizing their natural resources and would provide employment to tribal members during all phases of its development, it is an important component of our overall plan for economic development. The Tribes request an additional $20,000 to fund the core functions of our Water Resources Department.

Agriculture ($1.291 million)

The President's budget requests $19.347 million for BIA agriculture programs, an increase of $619,000 over last year. The Tribes support additional resources for agricultural needs, of which Fort Peck has many. The Fort Peck Tribes' Natural Resources Program recently took over management of the Fort Peck Agency's agriculture program under a self-determination contract. The Natural Resources program is responsible for natural resource management planning on approximately 4,500 leases and for the administration of 92 range units, encompassing 362,132

acres. Currently, the Tribes receive only $184,314 to administer the program which pays only existing staff and vehicle support and maintenance—but provides no funds for essential range improvements or other key needs. Long-term underfunding of the agriculture program has created substantial need at Fort Peck for improvements.

The Natural Resources Program requires $1,140,000 for range improvements. Currently, the 92 range units are underutilized due to the lack of water developments and cross fencing. These funds are needed to build 200 miles of cross fences, drill 80 water wells, repair 20 stock dams, and to develop 40 springs. Also, during the summer of 1998, the area on the Reservation north of Brockton, Montana was hit with a flash flood, which breached the Colgan dam located on the Poplar River. Natural Resource Conservation Service engineers have conducted a site visit and put the preliminary cost estimate to repair the dam at $35,000. Finally, the Tribes sorely need a new range inventory. Currently we must rely on stocking rate data that is outdated and obsolete as it was generated in the last range inventory conducted in the 1970's. We estimate that it will cost approximately $116,000 per year for three years for the new range inventory. This amount includes funding for four additional FTE.

Tribal courts

The Fort Peck Tribes support the BIA's request for approximately $11.4 million for tribal courts and the DOJ's $5 million requested increase for the Indian Tribal Court Program within DOJ. Historically, tribal courts have been under funded and overworked. Despite the commitments of the BIA and DOJ to fund tribal courts, these amounts will only begin to address the historical deficiencies in funding. Critics of the tribal court system fail to understand that without adequate funding, tribal courts can not operate at their full potential. The Fort Peck Tribes urge this Committee to support even higher funding for tribal courts, to make up for the many years when the needs of these important tribal institutions were not met.

LAW ENFORCEMENT AND DETENTION FACILITY OPERATIONS AND MANAGEMENT

The President's budget requests a $20 million increase over last year for BIA/tribal law enforcement for the second year of the President's Indian Country Law Enforcement Initiative. The President's budget also requests $124 million increase for the DOJ targeted law enforcement program. The Tribes strongly support the President's effort to enhance law enforcement in Indian country.

Tribes' police department ($1.4 million)

At Fort Peck alone, we have an estimated $1,400,908 million need in our Police Department though funding levels fall far below that amount. Our Reservation covers 6,000 square miles. We have a population of 13,000 living on the Reservation. We currently have 15 officers on the force. We require about 44 officers to meet the President's goal of 2.9 officers per 1000 persons and to provide adequate staffing in each of the Reservation law enforcement districts. Although our officers are well trained and dedicated, there are simply not enough of them to meet the day-to-day law enforcement needs of our community. Eleven dispatchers serve the Police Department, but we require at least 6 additional persons to adequately serve the Reservation. We also require funding for a statistician. Documenting the number of accidents, highway deaths, arrests, and other statistics is essential to improving the quality and responsiveness of the Police Department. This job is currently performed by the police captain, a person who already has enormous responsibilities. Also, the Tribes have been recently required to meet additional requirements for conducting background checks of and providing training to law enforcement personnel. As a result, the Police Department requires an additional staff person to administer these new requirements.

In addition, our Police Department is in desperate need of equipment. It currently has only 8 police cars. We would like to have at least 11 more cars—one per officer. Because our officers must cover a large geographic area, the police cars endure an enormous amount of wear and tear. This fact, coupled with the small number of cars, results in a dangerous situation where we lack adequate and reliable transportation for our officers. Our Department also needs additional equipment such as car radios, bulletproof vests, roll bars and protective shields.

Last year Congress appropriated $20 million in new funds for the law enforcement budget of the Bureau of Indian Affairs. While approximately 56 percent of the law enforcement programs are operated by tribes pursuant to self-determination contracts and self-governance compacts, the Bureau allocated approximately 61 percent of these funds (excluding the $1.84 million allocated for training of officers of BIA and tribal programs) to BIA central office and BIA-run programs and only

about 38 percent to the tribal programs. Fort Peck received none of these additional funds for law enforcement or corrections. The Tribes request the Committee to direct BIA to distribute all increases fairly among BIA and tribally-operated programs.

Detention facility operations and management ($1.431 million)

The BIA has indicated that it will allocate $4 million of the $20 million additional law enforcement funds for corrections officers. We urge the Committee to direct the BIA to allocate a portion of those funds to meet the Tribes' need of $1,431,757 for staffing and equipment at the Tribes' two detention facilities.

Last year through the DOJ, the Tribes received a grant to do the necessary upgrades and repairs to the Tribes' youth detention facility. While the facility will now be brought into compliance with applicable codes, there is still a significant need in staffing and operation and maintenance for this facility. We also need additional staffing at the adult facility. Adequate staffing is critical to the success of the Tribes' correction system. Being understaffed grossly limits the ability to ensure compliance with mandated detention standards, the security of the facility, and the safety of the inmates, staff, and visitors. It also results in increased employee workloads which in turn causes high turnover, low staff morale, and poor facility maintenance. Without adequate staffing we are unable to provide inmate programs which contributes to an abnormally high recidivism rate. Moreover, understaffing can increase the risk of litigation arising out of living conditions in the facility.

INDIAN HEALTH SERVICE

The President's budget requests a total of $2.8 billion for overall IHS services and construction. This is a $170 million increase over the fiscal year 1999 level, which makes a significant improvement over the President's request last year. The health indicators in Indian communities consistently demonstrate higher infant mortality, teenage suicide, accident, alcoholism, diabetes, and heart disease rates among Indian people when compared with other minorities and the general American population. Unfortunately, current levels of IHS funding to Indian communities fail to meet health cost inflation rates from year to year. Yet, money directed to health care, especially preventative care, such as routine checkups and health education, clearly improves the quality of life and helps avoid more expensive health care costs in the future. The increase in the President's budget is a modest step toward improving long-term health care in Indian country but falls far short of adequately addressing the substantial unmet health needs of Indians.

TRIBAL COLLEGES

We support the Administration's request of $31.311 million for tribal colleges which is a $7 million increase over last year. This request is consistent with the President's Executive Order on Tribal Colleges, which supported enhancing federal support to tribal colleges and universities nationwide. The twenty-six tribal colleges are important institutions to remote tribal communities. On our Reservation, we operate the Fort Peck Tribal College, a fully accredited institution, offering Associate Degrees in arts, science and applied sciences. We also offer a vocational certificate for our students. We have a current enrollment of 356 students. In 1998, thirty-one of our students graduated.

PREPARED STATEMENT OF FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

Mr. Chairman, Members of the Committee, the Fond du Lac Band of Lake Superior Chippewa would like to thank you for this opportunity to present our testimony on fiscal year 2000 appropriations for the Department of Interior and Related Agencies.

The Fond du Lac Band occupies a Reservation in north-eastern Minnesota. The Fond du Lac Reservation was established by Treaty with the United States on September 30, 1854 and encompasses approximately 110,000 acres of land that the Band occupied from time immemorial. There are currently about 3,350 members of the Fond du Lac Band, of this ⅔ live on the Reservation.

FOND DU LAC OJIBWAY SCHOOL—$14.316 MILLION FOR NEW SCHOOL CONSTRUCTION

The Band strongly supports the Administration's request of $14.316 million for construction of the Fond du Lac Ojibway School. Funding for construction of this facility is desperately needed. We are ready to begin construction as soon as the funds are appropriated.

The existing Ojibway School is a grant school under the Tribally Controlled Schools Act of 1988 (Public Law 100–297, Title V, Part B; the "Tribally Controlled Schools Act"). The School serves approximately 382 children in grades K–12. The existing buildings are very old and decrepit. We have had to use four temporary portable buildings to house the Middle School (Grades 6–8) and a library. These buildings are in violation both of applicable building codes and BIA space guidelines. The 1992 BIA Construction Validation Report stated that, "The building poses a clear and immediate danger to its occupants. To not replace the facility could be construed as negligence in the event a fire occurred. Any attempt to continue to use this facility on other than a short-term interim basis, is imprudent."

We have equally serious problems with the buildings for the primary school. As a result of continual spring flooding of the main building's basement, a septic tank system's back-up that flooded the pre-kindergarten classroom's restroom, and leaking roofs, the primary school buildings are contaminated with high levels of fungal growth. This growth has caused significant health problems for our students and our teachers. The overall condition of the school is so poor that the school was placed on an Accredited Warned Status by the North Central Association of Schools in April, 1995.

Notwithstanding these facility handicaps, the school has been able to provide high quality education to the students it is able to admit. The Fond du Lac Community, School Board, Reservation Business Committee, Education Administration and Staff have continually sought to improve Indian Education since the inception of the Ojibway School. The involvement of the community has been instrumental to the existence of the school. With the help of tribal, state and federal programs, the Ojibway School has evolved into a leader in tribal education.

Nevertheless, children cannot strive to be the best if they are in an environment that threatens their health. Fond du Lac children have the right to go to school in a place where they can learn and grow to become whatever their hearts desire them to be. However, right now they are going to a school where their health is threatened and their safety is at risk.

The Administration has requested the dollars to complete the construction of this school by June 2000. There is no reason why Fond du Lac school children should continue to be at risk. We urge this Committee to support the Administration's request and include the $14.3 million necessary to complete the construction of the Fond du Lac Ojibway School in the fiscal year 2000 Appropriations bill.

Additional Education Program Needs.—The Band strongly supports the Administration's request for Indian Education programs including: $319.890 million on for the Indian School Equalization Program (ISEP); $38.8 million for Student Transportation; and the $79 million for Facilities Operation and Maintenance. This funding is necessary to ensure that the 185 BIA and tribal schools throughout the country will be able to meet the performance goals set out by the President's Call for Action for American Education in the 21st Century. The fate of Indian people in the 21st Century rests with the education and success our children. Thus, it is critical that this Congress support the requested funding for school operations.

LAW ENFORCEMENT—$350,000 FOR LAW ENFORCEMENT OFFICERS AND $100,000 FOR EQUIPMENT

In 1997 the Minnesota Supreme Court issued a decision in which it held that certain traffic regulations including speeding, driving without a license, and driving without insurance are "civil-regulatory" in nature and under Public Law 280 unenforceable by state police officers on the Reservation. The ruling, known as the Stone decision, left a jurisdictional void with regard to law enforcement on roads within Indian Reservations within the State. The Fond du Lac Band has undertaken to fill this void by establishing our own Tribal police force. In addition, last year the Fond du Lac Band worked with the local law enforcement agencies and entered into a cross-deputization agreement to ensure the maximum amount of law enforcement services for the Fond du Lac Reservation and its citizens. However, because we have limited financial resources, we have significant unmet needs in this area. At Fond du Lac, we need $350,000 for police officers and staff and $100,000 for equipment to adequately ensure the safety of the Reservation population.

We strongly support the Administration's $144 million request of additional funding for the Indian County law enforcement Initiative. However, we are concerned that the BIA does not intend to provide tribes located in Public Law 280 States with any of the additional $20 million earmarked within the BIA law enforcement program. In light of the Stone decision, we ask this Committee to direct the BIA to change its policy as to tribal police departments located in Public Law 280 states.

In addition to the requested funding for more police officers in Indian country, we support the Administration's request to support the other components of our justice system, in particular the tribal courts. We support the $13.6 million request in the BIA's budget for tribal courts and the $5 million in the Department of Justice's budget to continue funding for the DOJ's Tribal Courts Initiative.

NATURAL RESOURCE PROTECTION PROGRAMS

Off-reservation resource protection needs—$200,000

Under Treaties with the United States made in 1837 and 1854, the Fond du Lac Band reserved rights to hunt, fish and gather rights on the lands that the Band ceded to the United States. The Band's rights under these treaties have been recognized and upheld by the federal courts—most recently the United States Supreme Court. On March 24, 1999, the Supreme Court issued a decision expressly reaffirming the Chippewas' hunting and fishing rights in the 1837 Ceded Territory.

Under well-established law, in exercising these off-reservation treaty rights, the Band must also take steps to ensure proper use and management of the natural resources. As to the 1837 Ceded Territory, this means the Fond du Lac Band is responsible for Fond du Lac Band members' hunting, fishing and gathering activities over approximately 3,000,000 acres of land. The Band has adopted a code and resource management plans to protect the exercise of treaty reserved rights and the resources, and these plans have been approved by the federal court. The Band, however, needs to ensure that it can sufficiently staff this work—which requires the assistance of game wardens, fish and wildlife biologists, technicians, and related equipment. To do this, we are seeking an additional $200,000 to be added to the Bureau of Indian Affairs base budget and earmarked for Fond du Lac and the 1837 Ceded Territory.

On-reservation needs—$135,000

It is essential that the Band properly manage its resources in order to meet the demand of an increasing population. Established by the Treaty of 1854 with the United States, the home of the Band is 110,000 acres in northeastern Minnesota. The waters, wildlife, wild rice, and forest resources of our Reservation are vitally important to the members of the Band, as these resources provide the foundation of our culture, subsistence, employment, and recreation. The Fond du Lac Reservation includes some 3,200 acres of lakes, 1,900 acres of wild rice lakes and associated wetlands, 66 miles of cool water streams, and 17,500 acres of forest. The increasing resident population is placing all resources under great stress.

The loss of wild rice lakes and wildlife habitat, and the decline of forest biodiversity are of great concern to the Band. Therefore, we are seeking an additional $135,000 for our natural resources and forestry program to enable us to address the challenges we face in this critical area. The main area of concern is the Aquatic Resource Protection and Restoration. It is imperative that we continue to protect these resources for the future generations on Fond du Lac by the implementation of antidegradation monitoring program with emphasis on mitigation of contaminants.

CONCLUSION

The needs at Fond du Lac and throughout Indian Country remain massive. Your support to preserve the current BIA funding request is critical to maintain current program levels. Your consideration for our additional funding requests will enable us to improve the delivery of services to Band members and help ensure that all citizens within the 8.5 million acres in central and northeastern Minnesota enjoy adequate protection of all resources. Thank you.

PREPARED STATEMENT OF LARRY IVANOFF, CHAIRMAN, ALASKA NATIVE TRIBAL HEALTH CONSORTIUM

The Alaska Native Tribal Health Consortium, based in Anchorage, is the newest tribal health organization in Alaska, and the largest tribal health organization in the United States of America.

We are a statewide non-profit consortium of Alaska Native tribes and tribal health organizations, operating as a co-signer to the Alaska Tribal Health Compact, and responsible for management of the statewide health service programs formerly provided by the Alaska Area Native Health Service. Our responsibilities include management of area-wide tribal support services, area-wide environmental health and engineering functions, and the Alaska Native Medical Center. Our fiscal year 1999 anticipated revenue from the Indian Health Service is approximately $100 mil-

lion, and from all sources is approximately $150 million. Our service area includes approximately 105,000 Alaska Natives and American Indians.

From our perspective, it is essential that the United States Congress apply a small portion of the government's budget surplus to address the long-standing deficiencies in the operating and capital budget of the Indian Health Service, beginning in fiscal year 2000. We join our sister organization, the Alaska Native Health Board, in requesting that the I.H.S. recurring budget be increased by 20 percent in the coming fiscal year.

We note that the Department of Health and Human Service's fiscal year 2000 request to the Office of Management and Budget would have provided a 17 percent increase for the agency. While the Administration's formal request to Congress reflects only a 7.6 percent increase for fiscal year 2000, we acknowledge that this is the most significant increase proposed in many years. These requests are well-justified and warrant serious Congressional consideration.

Nationally, it is well-recognized and documented that the Indian Health Service budget only addresses between 50–60 percent of the health service needs of the I.H.S. beneficiaries, and that Alaska Natives and American Indians who live outside of I.H.S. service areas are served at a significantly lower level. The overall Indian Health Service budget levels must address considerations for built-in costs such as federal/tribal employee pay increases, inflation in medical services, increased costs of medical technology, and population increases. Failure to provide for these costs means that the real appropriations levels for Indian Health Service and tribal health programs are gradually reduced from already inadequate levels.

There are several specific health conditions and program areas which warrant special consideration and attention in the fiscal year 2000 appropriations process:

Sanitation Facilities Construction.—While funding from all federal and state sources has increased overall for water and sanitation projects needed in Alaska Native villages, it is essential to maintain or increase the Indian Health Service contribution in this area over the next ten years. More than 100 rural communities have inadequate sanitation services.

Health Facilities.—Even though Alaska's high-profile projects have been addressed (Alaska Native Medical Center and Maniilaq Medical Center) in recent years, there remain several rural Alaskan hospitals and health centers that require replacement on an urgent or high prior ity basis. These include the St. Paul Health Center, the Metlakatla Health Center, and the Barrow Hospital. Continued Congressional support for projects on the I.H.S. facilities priority list is essential.

Patient Travel.—Tribal health providers in Alaska continue to face significant shortfalls in their ability to provide financial assistance to allow Alaska Natives who live in remote isolated communities to obtain access to basic primary and specialty medical services. We endorse the Alaska Native Health Board's proposal for an earmarked increase of $10 million for Alaska Native patient travel support.

Behavioral health services.—Over half of the 180 Alaska Native villages do not have community-based mental health or substance abuse treatment services. In most communities services are available only from itinerant professionals on an infrequent basis or through referrals to urban-based programs. There is growing concern for prevention and treatment services for inhalant abusers in rural Alaska.

Maternal/child and elderly services.—Our epidemiologists are advising that, due to demographic changes, our requirements for maternal/pediatric services are likely to increase between 25–30 percent in the next five years, outstripping the current capacity of our hospitals and primary health care centers. Similarly, demands for medical services for Alaska Native elderly will also increase between 25–30 percent over the next five years.

Cancer prevention and treatment.—Unfortunately, both behavioral and environmental factors are resulting in significant increases in cancer rates among Alaska Natives statewide. It is essential that prevention, screening, and treatment services all be enhanced by tribal health providers in Alaska.

Telehealth services.—Initial funding was approved by Congress in the fiscal year 1999 I.H.S. budget for the first year actiities of the Alaska Federal Health Care Access Network, a four-year $28 million project designed to interconnect all Alaska Native health care locations, Veterans Administration health sites, military health sites, and State public health nursing sites with telemedicine capabilities. Continuing support of Congress for the second and subsequent years for this project is essential.

Community Health Representative services—We are concerned that the Administration has proposed a reduction of $5 million in the CHR services appropriation. Over 100 CHR's in Alaska provide critical direct patient services and support for primary care operations. We urge the Committee to maintain current levels of appropriations for this program.

In addition to these health services concerns, the Alaska Native Tribal Health Consortium shares with most other tribal health providers a serious concern that Congress this year address the issue of providing adequate tribal contract support cost funding.

The Consortium has assumed responsibility for managing a $100 million Indian Health Service program, and has determined a contract support requirement of approximately $15 million, of which $3 million is for start-up costs. As of this date we are managing this agreement with no contract support; our current negotiations with the Indian Health Service for award of our fiscal year 1999 allocation will at best only meet 70 percent of our full contract support requirement. These funds are essential to support our administrative infrastructure, including such vital functions as board operations, legal services, audit services, strategic planning activities, employee benefits, information systems, financial management systems, etc.

We understand that the total national contract support cost shortfall is approximately $103 million. We encourage your attention to upcoming reports from the General Accounting Office, an I.H.S. workgroup, and an workgroup organized by the National Congress of American Indians; these reports will provide the full scenario concerning tribal contract support requirements and, hopefully, solutions to this serious matter.

Finally we would like to take this opportunity to address several related matters relevant to the long-term viability of the Indian Health Service and tribal health programs nationally.

First, Congress must soon attend to the reauthorization of Public Law 94–437, the Indian Health Care Improvement Act, which expires in September, 2000. This act provides essential authorities for most of our health initiatives. Alaska Native tribes and tribal health organizations are prepared to offer our resources in support of a comprehensive review and refinement of the act.

Second, we urge your support for passage of HR 1167, Title V of the Indian Self-Determination and Education Assistance Act, which will provide permanent authorization for Tribal Self-Governance. More than 95 percent of Alaska Native tribes have been successful in implementing this initiative, and need Congress' assurance that this it will be supported on a long-term basis.

Third, we urge action to extend the authorities provided through the Medicaid/Medicare Direct Reimbursement Demonstration project on a permanent basis to all tribal health providers nationally. The two tribal health organizations in Alaska who have participated in this project have found it to be beneficial in improving their financial operations.

Finally, we urge action on legislation which will elevate the position of the Director of the Indian Health Service to the level of Assistant Secretary in the Department of Health and Human Services. Such action will be consistent with the status of the Bureau of Indian Affairs within the Department of Interior, and will ensure that the Indian Health Service has sufficient visibility and authority within the DHHS structure to achieve its mission.

On behalf of the Board of Directors of the Alaska Native Tribal Health Consortium, I want to express my thanks to the members of the committee for the opportunity to present these concerns and recommendations, and for your commitment to supporting us in our vision to seek the highest possible health status for our people.

PREPARED STATEMENT OF JAIME PINKHAM, PRESIDENT, INTERTRIBAL TIMBER COUNCIL

SUMMARY

Mr. Chairman, I am Jaime Pinkham, President of the Intertribal Timber Council. I submit this testimony with the following requests regarding the Bureau of Indian Affairs fiscal year 2000 Forestry program:

(1) Add $1,950,000 to strengthen B.I.A. forest and woodland management planning capability.

(2) Re-establish separate Forestry Program Elements in Non-Recurring Programs Resources Management.

(3) Add $3 million for a new integrated resources management program line item.

(4) Add $2 million to T.P.A. forestry activities for acreage increases, and

(5) Note that $750,000 will be needed in each of fiscal years 2001 and 2002 for the statutorily required Indian forest land assessment.

INTERTRIBAL TIMBER COUNCIL BACKGROUND

The Intertribal Timber Council (I.T.C.) is a twenty three year old organization of seventy forest owning tribes and Alaska Native organizations that collectively possess more than 90 percent of the 7.5 million timberland acres and a significant portion of the 9.4 million woodland acres that are under B.I.A. trust management. These lands are vitally important to their tribes. They provide habitat, cultural and spiritual sites, recreation and subsistence uses, and through commercial forestry, income for the tribes and jobs for their members. In Alaska, the forests of Native corporations and thousands of individual allotments are equally important to their owners. To all our membership, our forests and woodlands are essential to our physical, cultural, and economic well-being, and assuring their proper management is our foremost concern.

A CRISIS IN FOREST MANAGEMENT PLANNING

Mr. Chairman, today only 50 percent of the 5.6 million acres of tribal commercial timberlands in B.I.A. trust have current B.I.A. approved management plans. Yet B.I.A. approved management plans are required in statute and regulation for the harvest of Indian trust timber. A November 13, 1998 opinion from the Interior Solicitor's Office holds that "Indian trust timber may not be harvested until an approved forest management plan has been established." This lack of approved plans threatens to withhold up to 340 million board feet of Indian trust timber from the market, potentially depriving tribes of millions of dollars of vitally needed revenue and hundreds of timber harvest related jobs. This situation is directly attributable to the B.I.A.'s lack of forest management planning capacity, a situation that is growing worse. While last year only 40 percent of the total 17 million forest acres held in B.I.A. trust was covered by approved management plans, for this year it has fallen to just 35 percent.

This decline has been caused by (1) substantially reduced Forestry T.P.A. funding, (2) a 7.5 percent increase in forest acres under trust management since 1992, (3) greatly increased complexity in management planning requirements, (4) no increase in Forest Management Inventory and Planning funds since fiscal year 1991, (5) inflationary erosion of purchasing power, and (6) since 1995, the reduction by roughly half of the B.I.A. Central and Area Office Forestry personnel who provide the planning expertise for the great majority of smaller forested reservations.

To assure that the most basic rudiments of forest planning can be provided tribal forestlands, we request that $1,950,000 be added as follows to increase B.I.A.'s forest management capability: (A) add $300,000 to the Area Office Forestry budget for four additional professional foresters, add $150,000 to the Central Office Forestry budget for two additional professional foresters, (B) add $1 million to Forest Management Inventory and Planning, and (C) add $500,000 to Woodlands Management.

We further request that $3 million be added for integrated resource management planning, and that $2 million be added directly to forestry activities in T.P.A. for management on increased forest trust acres.

Each of these requests are discussed in further detail below, as is notification that $750,000 will be needed in each of fiscal years 2001 and 2002 for the second independent assessment of Indian forests.

ADD $300,000 TO AREA FORESTRY AND $150,000 TO CENTRAL OFFICE FORESTRY FOR ADDITIONAL PROFESSIONAL FORESTER CAPABILITY

Between fiscal year 1995 and today, B.I.A. Area Office Forestry personnel have been reduced from about 25 to about 15. In the same time, Central Office Forestry personnel have been reduced from about 19 to about 10. Although reduced by roughly half from fiscal year 1995 levels, these personnel are called upon to try to provide the professional and scientific expertise required for the successful trust planning and management of 17 million trust forest acres, most of which is on ninety eight reservations with economically viable forests throughout the United States. They are trying to do this at a time when forestlands are being recognized as never before for their biological significance and are also being intensely scrutinized and challenged on many aspects of their management, particularly on commercial utilization. Yet, with or without current plans, many tribes have little choice but to rely on the commercial use of their forest for at least some portion of essential tribal revenues.

Of the 98 reservations with economically viable timberlands, many with smaller forests have no resident professional forestry personnel. And the great majority of the 98 reservations do not have personnel with the specialized expertise necessary for the development of a forest management plan. So those tasks, by necessity, fall

upon the 15 Area Forestry personnel spread throughout the B.I.A.'s twelve Area Offices (with several Area Offices harboring only a single forester), and upon the five foresters in the Central Office's Branch of Forest Resources Planning. It is, quite simply, well beyond any realistic expectation that such limited manpower can develop, review, and oversee implementation of management plans required by law for the 98 reservations. In fact, the Branch of Forest Resources Planning has been forced by staff reductions to eliminate its general forest planning capability, and today principally provides only inventory analysis.

Today's request for six additional personnel is an exceptionally modest plea to begin the restoration of the B.I.A. forest planning capability, because tribal forests, without plans, are open targets for mismanagement or legal challenge, either of which would diminish or interrupt what for many tribes is a critical source of essential operating revenue.

ADD $1 MILLION TO FOREST MANAGEMENT INVENTORY AND PLANNING

The Forest Management Inventory and Planning (FMI&P) budget covers the special one time projects needed in the renewal of forest management plans, such as remote sensing, mapping, inventory, management and implementation planning, and environmental assessments. Funds for these planning activities are not provided in a reservation's regular, on-going forestry budget, and the FMI&P funds meet those needs by rotating throughout reservations as their forest management plans need renewal. These funds are particularly needed for those smaller tribal forests where there are few or no forestry personnel. But since fiscal year 1991, when the program was increased to $1.5 million, these funds have basically remained flat (est. fiscal year 2000: $1.593 million), failing to keep pace with inflation, the expanded land base, or planning's increasingly complex requirements.

One particular example where additional FMI&P funding is needed is N.E.P.A. compliance. As of the end of fiscal year 1998, approximately 57 percent of Category 1 forests (commercial forests of more than 10,000 acres or a one million board foot A.A.C.) were without current environmental assessments, exposing those tribes to potentially dire consequences because B.I.A. is unable to comply with N.E.P.A. requirements. One of the larger tribal forests, that of the Navajo Nation, has been shut down for several years because of challenges to planning and N.E.P.A. assessments. For the smaller Category 2 forests (commercial forests of less than 10,000 acres and less than a one million board foot A.A.C.), only one third have environmental assessments.

To begin to correct these deficiencies, the I.T.C. requests an FMI&P increase of $1 million for fiscal year 2000. B.I.A. estimates that FMI&P needs a $6.1 million annual increase.

ADD $500,000 FOR WOODLANDS MANAGEMENT

We also request once again an increase of $500,000 for B.I.A. Woodlands Management, a doubling of the Administration's requested level. Mr. Chairman, in 1988, the B.I.A. Division of Forestry was formally assigned responsibility over the 9.4 million acres of tribal woodlands, including 4.4 million acres with commercial capability. At that time, B.I.A. data indicated $3 million was needed to properly initiate trust management of woodlands. $500,000 was provided, and has essentially stayed at that level ever since. Today, those funds cover the costs of woodlands managers at three Area Offices in the Southwest and fund a very limited number of on-the-ground projects. Only twenty seven percent of these woodlands have formal management plans, and only 47 percent have rudimentary inventories. With little or no firm data, the three Area Woodlands Managers are relying on rough estimates and guesswork in trying to cover the millions of acres within their responsibility. Yet woodlands are intensively used across a wide range of activities, particularly for subsistence and small economic undertakings. An additional $500,000 would allow a greater degree of inventory and planning, a few additional personnel for increased oversight, and the implementation of an increased percentage of the annual backlog of submitted projects.

RE-ESTABLISH SEPARATE FORESTRY PROGRAM ELEMENTS IN NON-RECURRING PROGRAMS RESOURCES MANAGEMENT

Mr. Chairman, we also request that the three separate Forestry Program Elements in Non-Recurring Programs Resources Management be re-established. Those elements, Forest Development, Forest Management Inventory and Planning, and Woodlands Management, have been in place for years describing very necessary specific programs. In its fiscal year 1999 budget request, B.I.A. lumped then together into a single sum simply entitled "Forestry". We protested, noting that lumping such

funds together greatly reduces the Bureau's accountability for those programs, and that allowing their expenditures to be shifted around at the Bureau's discretion effectively eliminates those programs as accountable, discreet activities. Further, the co-mingling of those funds presents confusion and difficulty in any 638 contracting or compacting that tribes might seek for those activities. When we objected to the Bureau, they noted that the combining of those funds was just to make the budget simpler. They acknowledged our concerns and said the separate Program Elements would be re-established for fiscal year 2000. Yet, in the fiscal year 2000 B.I.A. request, they remain combined. Accordingly, we ask that the Committee re-establish them.

ADD $3 MILLION FOR FUNDS FOR A NEW I.R.M.P. LINE ITEM

Mr. Chairman, integrated resource management plans are considered essential in the current management of natural resources, and particularly in complex forest ecosystems. Everywhere you look, whether it is the forest industry, state forestry, or federal forestry on B.L.M. and U.S. Forest Service lands, you see an intense focus on comprehensive ecosystem management. Everywhere, that is, except the Bureau of Indian Affairs. Despite a special trust obligation for tribal resources, the B.I.A. has only one person responsible for integrated resource management plans. Otherwise, it has no program and no funds for this standard modern management tool. Yet, among all Federal agencies, I.R.M.P.s are most appropriate, and needed, for tribal trust lands. The Indian people live on and from their land. And our population is rapidly expanding, placing our lands under increasing pressure. As noted in the 1994 Indian Forest Management Assessment Team (I.F.M.A.T.) report, tribes are progressive, dedicated stewards of our land, but the severely limited planning resources available to us are precluding options and flexibility. Moreover, with increased national attention to landscape-wide comprehensive management, the absence of tribal I.R.M.P.s will cause management blank spots in the broader fabric of surrounding land. B.I.A. has estimated an annual need of $15 million over ten years for I.R.M.P.s for all tribes. And on Indian forestlands alone, the I.F.M.A.T. report noted that $94 million is needed annually to bring B.I.A. other-than-direct timber production management activities up to parity with the U.S. Forest Service. Yet, B.I.A. has next to nothing. Accordingly, we request the establishment of a new I.R.M.P. line item in Non-Recurring Programs, Resources Management, and that it be funded at $3 million to begin to address these shortcomings.

ADD $2 MILLION TO T.P.A. FOR FORESTRY ACTIVITIES FOR ACREAGE INCREASES

Since fiscal year 1992, Indian forestland under trust management has increased from 15.9 million acres to 17 million acres today, a 7.5 percent increase. Total Forestry funding in T.P.A., including Self-Governance transfers, has actually declined from $26.8 million in fiscal year 1992 to $26.7 million requested for fiscal year 2000, without factoring in any loss for inflation. To reflect the costs of these increased acres at the Agency level where the actual day-to-day management activities take place, the I.T.C. requests that the fiscal year 2000 budget for forest activities in Tribal Priority Allocations (estimated at $26,665,000 including Self-Governance) be increased by 7.5 percent, or $1,999,875, with direction that the increase be distributed according to acreage increases. This request at least allows the current level of regular forestry funding to accommodate increased acres.

NOTE THAT $750,000 WILL BE NEEDED IN EACH OF FYS 2001 AND 2002 FOR THE STATUTORILY REQUIRED INDIAN FOREST LAND ASSESSMENT

Finally, Mr. Chairman, we wish to alert you that the B.I.A.'s fiscal years 2001 and 2002 budgets will each have to provide $750,000 for the second independent assessment of Indian forest lands, which we roughly estimate will cost $1.5 million over the two years. The National Indian Forest Resources Management Act (Public Law 101–630) requires that the Interior Department provide for the assessment every ten years, starting with its November 28, 1990 enactment. After a one year lag for planning, the first assessment was commenced in fiscal year 1992 and the report was issued in November, 1993. Pursuant to the Act, the Secretary is to provide for the second assessment on the Act's tenth anniversary on November of 2000, which will be fiscal year 2001. While no action is necessary at this time, the assessment is exceptionally important in providing a comprehensive independent review of the status and management of Indian forestlands across time. It is, we believe, so important to the Indian trust beneficiaries that we want to bring it to your attention now, so that you will be aware of it.

Mr. Chairman, that concludes my remarks. Thank you.

PREPARED STATEMENT OF DEE KETCHUM, CHIEF, TRIBAL COUNCIL OF THE DELAWARE TRIBE OF INDIANS, BARTLESVILLE, OK

INTRODUCTION

The Delaware Tribe of Indians, a federally-recognized tribal government located in eastern Oklahoma, appreciates this opportunity to provide written testimony on fiscal year 2000 funding for the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS). The Delaware Tribe provides this testimony to make three basic points.

First, we want to thank the Congress for fully funding the "new tribes" account in fiscal year 1999. This had a direct and positive impact on our Tribe which received a share of this funding as a result of the BIA's 1996 reaffirmation of our Tribe's federally-recognized status. We've accomplished many things with our first two years of funding; we ask that you fund the full amount requested for the fiscal year 2000 "new tribes" account for our third of three years of funding.

Second, we wish to thank the Congress for adopting language in the fiscal year 1999 appropriations act which removed a potential for confusion created by an fiscal year 1992 appropriations proviso that could have been interpreted to undermine our Tribe's authority to fully and efficiently administer federally-funded programs. As to the related Committee report language, the Delaware Tribe wishes to inform you of the efforts we have made in the past year to comply with the Committee's directives regarding the need to cooperatively develop, with two other Indian Tribes and the BIA, arrangements by which Federal funds are administered so as to avoid duplication of funding and services.

And finally, the Delaware Tribe wants this Committee to understand how unyielding and counterproductive is the fiscal year 1999 moratorium the Congress placed on new contracts under Public Law 93–638, as amended, especially for a Tribe like Delaware which is poised to rebuild and regain the tribal infrastructure it once had.

BACKGROUND ON THE DELAWARE TRIBE OF INDIANS

The Delaware Tribe of Indians has had a long and rich history of relations with the United States. In 1778, the Delaware became the first tribe to be granted recognition by the United States. By 1866, most of the Delawares had moved from the northeastern U.S. to Kansas. In 1866 our ancestors signed a treaty providing for their removal to Oklahoma. Since 1866, the Delaware Tribe of Indians have continuously maintained an elected tribal government in Bartlesville, Oklahoma and engaged in direct, government-to-government relations with the United States. In the early 1970's, the Delaware became one of the first tribes to contract with the BIA and the Indian Health Service, assuming tribal administration of programs previously run by Federal bureaucrats.

In 1977 the U.S. Supreme Court expressly affirmed that the Delaware Tribe of Indians of eastern Oklahoma has " . . . maintained a distinct group identity, and they are today, a federally recognized tribe." *Delaware Tribal Business Committee* v. *Weeks,* 430 U.S. 73, 77 (1977). Nevertheless, in 1979, an acting BIA Deputy Commissioner issued a letter on behalf of the Cherokee Nation of Oklahoma purporting to end the Delaware Tribe of Indians' direct relationship with the United States. For the next 16 years, the BIA refused to resolve the confusion that its 1979 letter caused. That uncertainty ended in 1996 when, after careful legal review by its Office of the Solicitor, the Interior Department expressly reaffirmed the Delaware Tribe of Indians, Bartlesville, Oklahoma, as a federally-recognized Indian tribe. And the authority of the Delaware Tribe to administer some federally-funded programs was fully resolved by the Congress in the fiscal year 1999 appropriations act.

"NEW TRIBES" FUNDING

We ask that you fully fund the Administration's request for "new tribes" funding in fiscal year 2000. While we are not a "new" tribe, our status has only recently been reaffirmed and we thus qualify for a third year of funding under this account. We have used our "new tribes" funding of approximately $160,000 per year to revise our existing tribal constitution, establish core governmental and programmatic control systems, and administer service programs for the benefit of our members. With these and other grants program funding, the Delaware Tribe has successfully established a Tribal Economic Development office, Tribal Grants and Contracts office, and the Delaware Child Care Development Project. The Tribe has been working closely with the city of Bartlesville and local industry to foster economic development activities that will boost our area's lagging economy.

REPORT OF THE DELAWARE TRIBE'S EFFORTS TO FACILITATE ITS PROVISION OF DIRECT SERVICES

We are particularly grateful for the Congressional confirmation of the Delaware Tribe's authority to deal directly with the BIA to provide services to our tribal members under the Indian Self-Determination Act, Public Law 93–638, as amended. The accompanying report language directed that the BIA work with our Tribe as well as with the United Band of Keetoowah Indians and the Cherokee Nation of Oklahoma to develop a plan to prevent an increase in the demand for additional funding, to avoid duplication of services, and to not lose cost efficiencies related to economies of scale as separate service delivery mechanisms are established among our three Tribes. In addition, the report asked the BIA to report by April 1, 1999 on a plan that will coordinate the identification of geographical areas in the areas occupied by our three Tribes which are eligible for trust land applications. We have not seen the BIA's report. However, we would like, first, to comment on the concerns of the Committee expressed above and, second, to provide the Committee with our own direct report on the activities we have taken as a Tribe in response to the Committee's directive.

No Demand for Additional Funding if Delaware Provides Direct Services to its Members.—Because of several unique factors, we believe the process of establishing a separate service delivery system will not, in and of itself, create demand for additional funding. First, the Delaware Tribe proposes only to provide traditional federal Indian services to our own members. Currently, the Cherokee Nation has contracted with the BIA to provide certain federal services to all 66,000 Indians, regardless of tribal affiliation, residing within a 14-county service area in Northeastern Oklahoma. Twenty years ago the Delaware Tribe established a five-county service area for its members, which lies within the 14-county area. We propose only to continue to provide services for our 2,450 members who reside in our five-county area. Our members comprise, at most, only 3.7 percent of the population served by Cherokee with BIA funds. At the point that Delaware chooses to exercise its right to contract with BIA to provide certain services to its own membership within that five-county area, the BIA would need only shift to Delaware a maximum of 3.7 percent of the funding now provided to the Cherokee Nation, whose funding agreement would be reduced by a corresponding amount. There would be no double funding nor any demand for additional funding. Even contract support costs would be roughly the same because the Cherokee Nation's demand would necessarily be reduced as corresponding contract support funding is provided to Delaware.

No Duplication of Services If Delaware Provides Direct Services to Its Members.—Our Tribal service area has remained the same since the early 1970's. Since that time, the Tribe has successfully administered its own Housing Authority with U.S. Department of Housing and Urban Development funds, its own job training program (JTPA) with U.S. Department of Labor funds and several other federally-funded programs within its service area without any measurable negative impact upon, or overlap with, the benefits provided to other Indians in the same area by the Cherokee Nation. There is no evidence of any duplication of services as a result of our operation of these programs alongside similar programs operated by the Cherokee Nation. At the same time, however, we acknowledge the problem presented by the fact that the Cherokee Nation does not prohibit dual-enrollment of an Indian otherwise eligible for membership in both the Cherokee Nation and another Tribe such as ours. We thus understand the concern raised by the Committee and are working with the BIA to develop an administrative mechanism to ensure that no duplication of services occurs.

No Cost Inefficiencies If Delaware Provides Direct Services to Its Members.—The Delaware Tribe has always recognized that health care is best delivered in a consolidated fashion. Because of basic economies of scale, we have no intention of pursuing a separate contract for IHS hospital funding. Our Delaware health needs are already severely underfunded and we are committed to maximizing every possible benefit from the limited health funding provided to Indians in our service area. At the same time, and based on the same principles, the Delaware Tribe has a continuing concern with the way the Cherokee Nation has been administering many of these programs. We believe that the Cherokee Nation operation is actually too large, with its huge size encouraging inefficiency rather than efficiency and permitting open discrimination in the provision of services. In recent years, we have heard public and private stories about nothing but waste, misappropriation, and poor judgment being exercised by the Cherokee Nation program managers and its government. The Cherokee Nation headquarters is located some two and a half hours from the Delaware Tribe's headquarters in Bartlesville, which fact greatly limits many Delawares ability to obtain services from the Cherokee Nation programs.

Report of BIA and Inter-Tribal Planning.—Our Tribe has attempted to diligently work with the two other Tribes and the BIA as requested by the Committee in order to develop a plan responsive to the concerns of the Committee. More than one year ago, the Delaware Tribal Council traveled to the Cherokee Nation to meet with Cherokee representatives. At that time, the Delaware Tribe submitted a proposal to the Cherokee to settle the issues of funding administration and territorial jurisdiction. Within that proposal, the Delaware requested that the Cherokee agree that the Delaware be able to provide services to Delaware tribal members not otherwise enrolled with the Cherokee Nation who reside within the traditional five-county area. Further, the Delaware requested that the Cherokee agree that the Delaware should be able to exercise territorial jurisdiction over lands owned by the Delaware Tribe and its members, not otherwise enrolled with the Cherokee Nation, in a limited three-county area of Washington, Nowata, and Rogers. Within the three county area, it would be presumed that the Delaware Tribe and its members would also be eligible to take land into trust. The Delaware proposal clarified that at no time would the Delaware be providing services to Cherokee tribal members or other non-Delawares, and that the Delaware Tribe would never exercise jurisdiction over lands owned by the Cherokee Nation or any Cherokee tribal members or other non-Delaware Indians.

In response, the Cherokee Tribal Council requested that the Delaware Tribe prepare a report on the federal programs that the Delaware intended to contract within the proposed service areas and the number of people to be served. The Cherokee also requested that the Delaware prepare a report of the lands owned by the Delaware Tribe and Delaware tribal members in the three-county area. We prepared and delivered these reports by July, 1998, with copies to the BIA Muskogee Area Office and to the Interior Department's Self-Governance Office. To date, the Cherokee Nation has failed to respond, comment upon, or even acknowledge receipt of these reports we prepared at their request. Further negotiations have not been possible given the internal strife that has overwhelmed the Cherokee Nation. We hope the Cherokee elections next month will lead to a new willingness and ability on the part of the Cherokee leadership to renew negotiations with the Delaware Tribe.

Nevertheless, the Delaware Tribe has continued to respond to the Committee's directive by meeting with BIA Muskogee Area Office officials to develop proposals to provide services and identify a jurisdictional area for the Delaware Tribe. Most recently, the Delaware Tribe has adopted the Bureau's suggested process of affirmative 19selection' by Delaware tribal members to receive services from the Delaware Tribe as opposed to the Cherokee Nation. The Delaware Tribe intends to utilize this 19selection' process in contracting a limited number of education programs for fiscal year 2000 until such time as the Tribe can implement a constitutional prohibition on dual enrollment. The Delaware Tribe is not aware of any objections that the Keetoowah might have with the Delaware proposals, consistent with the longstanding good-will that has existed between the Keetoowah Band and the Delaware Tribe. To our knowledge, the Keetoowah Band has never expressed any interest in providing federal services to Delaware members nor in exercising jurisdiction over Delaware members or our lands.

TEMPORARY MORATORIUM ON SELF-DETERMINATION CONTRACTING

The Delaware Tribe has in recent years been making great progress, against equally great odds, to regain the operational status it possessed less than a generation ago. The primary purpose of the "new tribes" funds the Delaware Tribe has received is to develop procedures for the Tribe to be able to enter into contracts under the Indian Self Determination Act, Public Law 93–638, as amended. The temporary moratorium placed by Congress on new fiscal year 1999 contracts raises the specter of unintended, drastic consequences for a Tribe like Delaware which is poised to rebuild and regain the tribal infrastructure it once had. While the Delaware Tribe can certainly appreciate the concerns of the Committee that rising contract support costs pose a significant challenge, we believe a blanket moratorium generates more harm than good. We urge the Committee to not place a similar moratorium on new fiscal year 2000 contracts but instead focus its efforts on the development of a more precise and uniform way to project and manage contract support costs. The Delaware Tribe has worked hard to prepare ourselves to again directly serve our own people. A substantial investment has been made in our Tribe, by our members, by our leaders, by the BIA, and by the Congress. Extending the moratorium to fiscal year 2000 would waste these efforts. It would substantially set back the plans we have to dramatically improve services to our members within available appropriations. It would further legitimize and retrench the present service delivery system that is so cost inefficient and wasteful. The Delaware Tribe deserves better, and the opportunity

to demonstrate its ability to do better for itself. Continuing the moratorium into fiscal year 2000 would force a halt to the progress achieved to date by the Tribe and frustrate its ability to pursue progress in future years. We urge the Committee to undertake a more narrowly targeted approach in its continuing efforts to manage contract support costs in fiscal year 2000.

CONCLUSION

The Delaware Tribe is proud of our government-to-government relationship with the United States. We will jealously guard this relationship, as it is absolutely vital to our continuing existence. The Delaware Tribe is striving to run our tribal government and deliver tribal services in the most efficient manner possible. We offer this testimony in that spirit. Thank you for this opportunity.

PREPARED STATEMENT OF DR. KENNETH E. QUICKEL, JR., PRESIDENT, JOSLIN DIABETES CENTER

Mr. Chairman, thank you for this opportunity to present testimony for the hearing record. As President and CEO of Joslin Diabetes Center, I would like to present the Committee with some facts about Joslin, diabetes in the US, and the status of Joslin's progress toward compliance with the directive in the fiscal year 1999 Appropriations Act regarding "cooperative efforts" with the Indian Health Service.

The purpose of this statement is to request $1 million for implementation of the cooperative effort between Joslin Diabetes Center and the Indian Health Service for fiscal year 2000.

JOSLIN DIABETES CENTER

Joslin Diabetes Center is located in Boston, Massachusetts, and is the oldest and largest diabetes clinic and research facility in the world. Details on Joslin's accomplishments are attached in the fact sheet "Joslin Diabetes Center".

DIABETES

Diabetes and the complications from diabetes are wrecking havoc on Americans, particularly the Native American population and other minorities, and now comprise one of the most expensive and damaging of the diseases that plague mankind. The far reaching aspects of this disease are discussed in the attachment "Diabetes".

FISCAL YEAR 1999 IHS DIRECTIVE

The Statement of the Managers Accompanying the conference Agreement for fiscal year 1999 contained the following:

"2. Of the funds available to the IHS for diabetes programs, the Service should fund cooperative efforts with the Joslin Diabetes Clinic in Boston to non-invasively screen for undiagnosed diabetes and diabetic retinopathy in Indian communities. The Committees understand that such a program would be similar to programs the Joslin Clinic is conducting with the Department of Defense and the Veterans Administration and that the managers of existing diabetes programs within IHS have expressed an interest in working with Joslin."

To date, we have met with IHS officials several times. IHS representatives have traveled to Boston to tour our facility and meet with our physicians and research scientists. One of the visitors volunteered to undergo the non-invasive eye screening for diabetes, the heart of the Joslin Vision Network (JVN). Our report was that he had "young eyes".

All of the contacts we have had have resulted in positive outcomes and have advanced us toward the point of compliance with the fiscal year 1999 directive of a cooperative effort. The Committee staff has assisted both IHS and Joslin in working toward the selection of a location and deployment of equipment and personnel to the site in the near term. Funds for the project have not yet been obligated, but we understand that there are efforts underway to identify funding sources in the current fiscal year.

We are confident that we will be able to commence a joint project during the current fiscal year. The exchange of information concerning Joslin's specific medical protocol and how the JVN could best be utilized within the Indian Health Service system has been a necessary first step. Decisions and related factors on the selection of the most appropriate site for the initial deployment are now underway. When we have developed the jointly approved plan, we will brief the Committee on our pro-

posal to comply with the Committee's directive for fiscal year 1999 cooperative effort between the Joslin Diabetes Center and the Indian Health Service.

CONCLUSION

Mr. Chairman, continuation of this cooperative effort for a full year will cost $1 million for the expenses of both the Indian Health Service and the Joslin Diabetes Center. We respectfully request that you carefully consider the potential program benefits from this modest investment for fiscal year 2000 funding.

Thank you again for this opportunity to submit this statement for the hearing record.

PREPARED STATEMENT OF HON. GEORGE E. BENNETT, CHAIRMAN, GRAND TRAVERSE BAND OF OTTAWA AND CHIPPEWA INDIANS OF MICHIGAN

The Grand Traverse Band of Ottawa and Chippewa Indians is presenting this testimony to help guide the Committee in its consideration of the fiscal year 2000 appropriation for the Bureau of Indian Affairs and the Indian Health Service. As a Self-Governance Tribe, our ability to continue to successfully administer federal programs is largely impacted by the budgetary process and our ability to inform Congress, in a government-to-government setting, of our views. While we cannot testify in person before this Committee, we send this written testimony to provide you with our views on the fiscal year 2000 budget request for Tribal programs.

We are a sovereign Indian Nation located in the Northwest corner of what is now the State of Michigan. Our people have resided in this place for many centuries and, as is our tradition, we send you greetings from our people. We provide this testimony with good thoughts and prayers that the Creator will bless the work of this Committee and that your actions will benefit the people of this country. We pray that you will hear the needs of Indian people and find answers to the needs as stated in this testimony.

THE ADMINISTRATION'S FISCAL YEAR 2000 BUDGET REQUEST

The United States of America has been built on lands that were secured by Treaties from the Native people of this land. Those Treaties, the United States Constitution, over 5000 laws, Presidential executive directives, and many Supreme Court decisions evidence a unique relationship between Indian Tribes and the United States Government. No other group of people in this country has this unique relationship. This relationship provides for a Trust Responsibility owed by the United States to Indian Tribes. Each year the Administration requests funding for programming that is geared towards meeting the trust responsibility the United States owes to Indian Tribes and to Individual Indians.

The Administration's fiscal year 2000 Budget provides for an increase in both the Indian Health Service budget and the Bureau of Indian Affairs budget. With respect to the requested $170.1 million increase in the Indian Health Service budget $144.6 million is for items such as personnel and pay-related cost increases, staffing at new facilities, initiatives for women's health and alcohol and substance abuse prevention and treatment, contract support funding and the Indian Health Care Improvement Fund. The remaining $25.5 million increase is for Indian Health Facilities. The Tribe generally supports all of the increases the Administration has requested for fiscal year 2000 for both the Bureau of Indian Affairs and the Indian Health Service and asks that this Committee view them favorably.

REMAINING UNMET HEALTH CARE NEEDS IN INDIAN COUNTRY

The increases the Administration seeks for the Indian Health Service, while positive, simply are not sufficient to meet the needs on Indian Reservations across this country. To look at why these increases are insufficient, we only need to look at the last 20 years of Indian funding.

In 1983, annual funding to Indian Nations was cut from $3.5 billion to $2.0 billion in the federal budget. Tribes were devastated and have never recovered from that severe cut. In 1988, the Senate Select Committee on Indian Affairs directed that a study be conducted of the federal budget. This study was intended to show that Indian Tribes were receiving a fair share of the United States budget. Instead, to the Committee's surprise, the report showed that there was $3,000 for every non-Indian in this country in the federal budget and $2,300 for every Indian. (See: report of Congressional Reporting Service, Library of Congress, Senate Select Committee on Indian Affairs, Budget views and costs fiscal year 1989, March 1988.) Years later, this gap in funding still exists.

This past month, we lost three of our members on our reservation. One was 41 years old, one was 47 years old and one was 55 years old. These are ages of death for third world countries, not the United States of America. All three of these people were taken much too early. It is time that this country provides health services to Native Americans at the same level as non-Indians. Federal statistics paint a thorough picture on the need for equitable funding. The most dramatic case involves the neglected health of Indian people. The infant mortality rate for Indian people is 15 per 1,000 lives—nearly double the average of the rest of the U.S. population. The alcoholism death rate for Indian people is 38.4 per 100,000 population—six times the rate for other races in this country. The diabetic mortality rate for Indian people is 31.7 per 100,000 compared to 11.9 for all other races.

It is no coincidence that these trends have taken place as fewer medical professionals are available in comparison to a decade ago as the budget for Indian Health continues to be reduced in real dollars. In 1982, for example, there were 99.7 doctors for every 100,000 Indians. By 1994, the rate of doctors dropped to 89.7. Similar reductions were seen in the number of nurses in Indian country. Meanwhile, during the same period, per capita annual expenditures through Indian Health Service was $1,153, which was nearly two-thirds lower than the rate of $3,111 for all other races in this country.

This funding gap contributes to an already existing backlog of unmet health care needs for Indians. For example, the funding our Tribe receives from the Indian Health Service is only enough to meet 20 percent of our health care needs. We attempt to cover the 80 percent shortfall by using Tribal revenues which would otherwise go to other pressing governmental needs, such as Housing, Water System, Sewage Treatment Plant, and Law Enforcement . Unfortunately, we simply cannot meet all of the health care needs of our membership.

The fiscal year 2000 Budget request provides an increase of $170,100,000, which will allow the Indian Health Services budget to keep up with the services offered in the fiscal year 1999 Budget. This is not enough to make any gains into this under-funded program that is so important to the health of Indian people. The National Indian Health Board, after several years of work, developed a real dollar-assessment of the need for health services in Indian Country. The National Indian Health Board determined that an 8 billion-dollar budget is needed to meet the health needs of Indian people.

The budget proposed for fiscal year 2000 is $2,412,387,000 which is far short of the need. While we realize the current budgetary climate makes it difficult to fund the actual need, we believe that a bold attempt to come closer to the needs budget can be accomplished by Congress. With only 25 per cent of the need for health service met through the budget, it makes Indian people the least funded for health services in this country.

At a meeting of the National Congress of American Indians this winter we asked the Secretary of Health and Human Services about this issue. She told us that only Congress can dictate a change in this budget and she feels that Congress will not increase the Indian Health Service budget to meet these needs. We believe that answer is unacceptable to our children, to our elders, and to our membership who suffer from the lack of health services due to the shortage of funds in the Indian Health Service budget.

CLOSING

We respectfully ask that this Committee recommend a one billion-dollar increase to the Indian Health Service budget for fiscal year 2000. Additional funding is needed to provide for the unmet needs in Dental Health for both our children and our adults. Dentists who work on our children have told us that the long neglected dental care has created other health problems for our adults and they can see this continuing with our children. A full time dentist at the Tribe would allow for the wrap around health care needed by our membership. Funding is also needed for specific health programs such as diabetes and alcoholism, which create additional health problems when untreated. Prescription drug costs have continued to rise much faster than budgets. Physician and Hospital services are dramatically under-funded and being forced to managed care, with limited funding, means that the Tribe is often in the position of limiting health service dollars to emergency needs only. Additional funding is needed in each of these categories and the one billion-dollar increase would assist Tribes with these needs. While this increase would only meet a little over fifty per cent of the need for health services in Indian Country, it would provide sufficient funds to allow for progress to be made in the health care of Indian people. We leave you with good thoughts, and prayers for the work that you do for Indian

people and all the people of this land. Thank you for providing us this opportunity to address these needs.

PREPARED STATEMENT OF HON. STEPHANIE RAINWATER-SANDE, PRESIDENT, KETCHIKAN INDIAN CORPORATION

Thank you for this opportunity to provide testimony on the fiscal year 2000 budget request for both the Bureau of Indian Affairs (BIA) and for the Indian Health Service (IHS). Ketchikan Indian Corporation (KIC) is a federally-recognized tribal government created under the Indian Reorganization Act (I.R.A.). The KIC constitution was approved by the Secretary of the Interior in 1940. We currently have 4,162 members, and our enrollment has been growing each month.

In 1976, we were one of the first Indian Tribes to assume, under the newly enacted Public Law 93–638, the Tribal operation of programs run by the BIA. In 1993, KIC was one of several tribes in Alaska that first participated in the BIA Tribal Self Governance demonstration program. Since then, we have managed our BIA-funded programs with increased flexibility and an equal measure of increased accountability.

In 1997, we achieved our goal of securing a Self Governance Compact with the IHS. We are now constructing a 35,000 square foot, five story health clinic totally financed through the operations of Ketchikan Indian Corporation. KIC has been able to maximize the beneficial impact of this federal funding at the local and community level through self-governance.

Through self-governance, we have shifted the focus of our welfare-assistance programs more towards Tribal employment and training. It was determined that wholesale distribution of General Assistance grants to Tribal members was a poor solution to a continuing problem. This was resolved by the KIC Tribal Council in 1993; years before the same idea was initiated by the Federal Government. There was and still is a need to develop academic and employment skills with the ultimate goal of permanent, full-time employment.

In 1997, KIC established a Housing Authority by acting as a HUD Indian Housing Block Grant recipient. This Native American Housing Assistance and Self Determination Act (NAHASDA) grant totals nearly one million dollars annually.

Tribal self-governance has strengthened our administrative and management control systems, allowing the Tribe to invest back into our programs. This increased tribal economic activity is also a direct benefit to all of the area communities that have been hit hard by the closing of so many of the timber industry facilities and the down-turn in regional commercial fishing.

KIC's various enterprises continue to grow and provide employment opportunities for Tribal members and revenue for Tribal governmental programs. Even though we continue down the evolutionary road of self-determination, we must all recognize the tremendous magnitude of unmet need that still exists. These hardships must be bridged with federal funding while still working toward increased self-sufficiency.

FY–2000 INDIAN HEALTH SERVICE COMPACT FUNDING

KIC agrees with the Alaska Native Health Board that there is a need for additional patient travel funding in Alaska. Our position is that another ten million dollars for this use should be designated for the Alaska State Compacts. The burden of travel expense is much higher in the expansive and rugged geographical terrain of Alaska. Ketchikan is located in the rural Southeast portion of the State where the only access to IHS hospital facilities and specialty services is by air travel. This has become a tremendous burden on our IHS Compact dollars. In 1998, there was an expenditure of $110,610 for 197 patients. So far in 1999, the total is $64,000 for 146 patients. This expense takes away other services or programs that could be offered by the Tribe from Compact dollars. This travel expense could filter down to the patient if these dollars were expended early; in fact, causing patients to delay a needed medical trip for lack of money could have tragic consequences.

We urge you to keep these concerns in mind during budget deliberations. We appeal that Congress will continue working toward bridging the health care discrepancy between the general population and that of Native peoples.

We ask this Subcommittee to support the legislative efforts in Congress to fund all contract support at 100 percent, and that this is fulfilled in a timely manner. Eliminating the statutory cap on the amount of IHS contract support funding is crucial for this complete funding.

We ask that you do not extend Section 328 the moratorium on new or expanded Self Governance Compacts and Contracts within the Interior Department and IHS.

We request that you eliminate the three-year moratorium on new IHS contracts with Alaska Natives Villages or Village Corporations within the area served by an Alaska Native Regional Health Entity. KIC rejects the concept of using any type of moratorium as a tool to manage-self determination or self-governance compacting.

We ask that you not extend Section 314 of the FY–1999 Omnibus Appropriations Act, which attempts to limit liability of the IHS and BIA for past failures to fulfill their contract support obligations to tribal contractors.

We also ask that you support legislation making self governance permanent for IHS under a new Title V of the Indian Self Determination and Education Assistance Act. This Act has been a cornerstone of federal policy for Indian tribes to exercise their rights to assume local control over federal Indian programs. This Act has permitted tribes to exercise greater cost efficiencies and maximizes the benefit of each appropriated dollar.

The self-determination and self-sufficiency fostered by Public Law 93–638 is the key to our survival as an Indian tribe. Inflationary and mandatory pay costs have had a devastating effect on our program budgets; these include commissioned officer salaries as well as direct hires.

Population growth is a large part of the equation. The methodology used to determine our Compact budget is based on the 1990 census, which gave our number to be 1,566. Our current membership is now 4,162. At the present time we have over 6,000 active patient medical charts. We have seen a patient load increase of sixty five percent from fiscal year 1998 to fiscal year 1999 year to date. Although we have been able to remain stable and absorb these increases through good management and scheduling, our Health Clinic personnel are beginning to reach their limits. The methodology of funding these costs has proven to be completely inadequate; it has created shortfalls that have been absorbed by the Tribe or by other IHS programs. Of the 127 million dollar shortfall identified by the IHS for FY–99, only 60 million dollars were appropriated. Congress must identify a more logical response and methodology of keeping up with this inflationary shortfall.

An increase in funds is needed beginning in fiscal year 2000 to alleviate this detrimental erosion of the Indian health care system. We cannot maintain the same level of services next year with the same amount of service dollars we received in fiscal year 1999.

BIA CONTRACT SUPPORT FUNDS.

We share the concerns of other tribes that the inability of the Bureau to fund 100 percent of identified contract support costs serves as a disincentive to increased contracting or compacting of federal programs. In the last five years, approximately 80 percent of the tribal indirect costs have been funded. This shortfall greatly reduces the ability of the Tribe to administer its Compact, management and administrative costs. Inadequate funding clearly weakens and negatively impacts the delivery of all program services.

The Tribe fully supports the Tenth Circuit Court Ramah decision that it is wrong for the BIA to dilute its indirect cost burden by including in the indirect cost base federal programs that do not contribute fully to the indirect cost pool. KIC urges that the system of BIA shortfall management be modified to reflect some of the strengths of the IHS system, including that aspect which protects tribes from reductions over the prior year's base, and thus promotes stability within the tribe. Congress and all agencies should continue the past effort to fully fund contract support costs through the ISD Fund. The BIA should recognize direct contract support costs associated with particular programs under tribal operation. Section 106(k) rules of the Indian Self-Determination Act should be clarified by Congress to reflect that all the indirect cost pool is included in the application of this rule. Currently OIG is questioning the appropriateness of applying this rule to indirect cost expenditures. This is because currently this section only applies to funds paid under the ISDA. The indirect cost pool is compromised of other funds as well.

A Tribal Priority Allocations (TPA) Workgroup has been formed in response to section 129 of the fiscal year 1999 appropriations. This section directed BIA to present a report to the appropriations committee, by April 1, 1999. The report would include distribution of funds and recommendations on how TPA funds should be allocated in the future. There have been many options and dialogue concerning tribal revenues, relative needs, regional consortia, and whether or not TPA funds should be transferred from prosperous tribes to more needy tribes. This has been just some of the dialogue so far.

It is the position of Ketchikan Indian Corporation that the allocation method remain the same. Spread the general increases proportionately to all tribes. Let the contractors or compactors administer their TPA as they chose; do not use a need-

based formula. Prosperous tribes can be encouraged to return their TPA and incentives can be given to do so.

CONCLUSION

The BIA and IHS funding for tribal programs falls far short of tribal needs. The growth of funding for Indian programs has not kept pace with the overall growth in federal spending, or even with increased costs faced by tribes and agencies due to inflation. We, as do other tribes, use our own resources to supplement our TPA funding to address the shortfall. KIC believes self-governance has worked in a positive, proactive, synergetic direction.

Our tribal members are excited about this new chapter in our tribe's history, the growth of tribal enterprises that provide employment opportunities for tribal members and revenue for tribal governmental programs.

We thank you for this privilege to provide written testimony. Please do not hesitate to let me or my staff know if we can provide any further information of value to the Subcommittee in its deliberations.

PREPARED STATEMENT OF HON. BORIS R. MERCULIEF, PRESIDENT, ST. GEORGE ISLAND TRADITIONAL COUNCIL, ST. GEORGE ISLAND, AK

Mr. Chairman, Members of the Committee, on behalf of my people I thank you for this opportunity to provide this testimony today on Indian Health Service and Bureau of Indian Affairs issues.

My name is Boris Merculief and I am the elected President of the St. George Traditional Council. The St. George Traditional Council is the only federally-recognized tribal government entity on St. George Island and, pursuant to democratic elections, represents all of St. George's resident Aleuts.

We are a small Aleut community located on a remote Pribilof island that has been our homeland for generations. We have about 150 year-round residents on our 44 square mile Island. Our homeland is located approximately 800 miles south and west of Anchorage in the middle of the Bering Sea.

Through the years, severe weather and a sparse natural environment have made our life on St. George island quite harsh. But in recent decades the realities endured by the Aleut families on St. George have been made even harsher by the actions of the United States government. I speak of the sudden and complete shutdown in 1973, by Federal law, of our harvesting of fur seals on St. George, a trade that for more than a century had been the main livelihood and cultural centerpiece of our Aleut community of St. George. Suddenly, in the name of wildlife protection, fur seals became untouchable and our Aleut community unwelcome on our Island. We Aleuts were declared expendable. The implicitly stated policy of the United States was to remove us from our homeland, our Island. We have refused to leave.

For decades before, my forebears and other St. George Aleuts had survived on a modest and sustainable local economy based on sealing. We jealously protected our fur seal population. We depended on a well-managed, healthy and populous fur seal population for our own livelihood. We cared for the fur seals. We were committed to the best of management and conservation. But somehow this was not enough, and outsiders who never understood our Aleut way of life, our culture, our values, and our history determined from afar that a complete ban an all harvesting of fur seals was necessary for the survival of the seal population. That verdict doomed the human families who have for decades shared St. George with the fur seals and other wildlife. We now have no local economy to speak of. We are increasingly a welfare economy dependent on cash assistance from outside our Island.

We believe there was no sound, rational basis for placing a complete ban on our fur seal trade over two decades ago. With proper management, the herd was not at risk. Regardless, today the only danger confronting the seals is produced by the ban. Meanwhile, the male fur seal population has swelled so much that they are killing each other in territorial and hormonal spats rivaled only perhaps by the Serbs and the Kosovars. We Aleuts, who have been pauperized by an uninformed and callous Federal policy from afar, are now consigned to sit in dependency and watch our once valuable and healthy resource go to waste all around us while we teeter on the edge of survival.

I recite this background for two purposes. One, this is history that has been made in my and your lifetimes. These wrongs must be redressed in our lifetimes. Second, it places our appropriations request in its real and practical context.

I lead the Traditional Council which is the Indian Tribe on our Island. When the 1966 and 1983 Acts which affect our Island were passed, the Traditional Council was the original and only governmental entity on St. George Island. Since then, the

City of St. George has been organized to represent both Aleuts and non-Natives who have recently moved to the Island and Tanaq, the Village Corporation, was organized under the Alaska Native Claims Settlement Act to represent St. George Aleut shareholders born before 1971 regardless of where they live.

Over the past several years, the Traditional Council has engaged in a discussion with other Pribilof Island entities and with our Alaska congressional delegation on how best to gain a fair resolution of our claims against the United States for the harm it has caused our people and our Island by taking away our entire means of livelihood. To this day, Federal agencies micro-manage much of our Island for purposes having nothing to do with our people who have inhabited the Island for more than a century.

Some of our claims could be resolved through the annual appropriations process, and we ask that you give special consideration to them for the following reasons.

REQUEST NO. 1: TRANSFER OWNERSHIP OF THE "COTTAGE C" FACILITY FOR USE WITH OUR IHS HEALTH CLINIC

The St. George Traditional Council manages a tribally-operated health Clinic funded by the Indian Health Service (IHS). Ours is the only health facility and provider on St. George Island. Due to our remote Island location, and often extreme weather conditions that regularly preclude travel off of our Island, all residents and visitors depend on our Clinic for vital health services. Our health clinic serves everyone, regardless of whether they are Aleuts or other Alaska Natives.

Our health clinic facility is dangerously dilapidated and IHS's many promises of a replacement clinic have not been kept. At present we have two health professionals stationed permanently on our Island. Periodically, IHS physicians and other medical professionals travel to our Island to provide specialty services at our clinic. These professionals must be housed while they are on our Island. The travel costs plus the high per diem charges we must pay for overnight accommodations at the only hotel on our Island have sharply limited the medical services we can obtain. The lone, 10-room hotel on St. George charges $130 per night, sorely taxing our scarce operating budget.

Meanwhile, across the street from our clinic is a mostly unused and empty National Oceanic and Aeronautic Administration (NOAA) facility. Known as "Cottage C", this facility is not a cottage but a 4,800 square foot building that has three floors containing seven bedrooms and three baths. In previous years it served as the Island's hospital. It is now only used by National Marine and Fisheries Services (NMFS) about 10 percent of the year, typically by supervisory personnel when they visit our island. In light of this minimal use, the cost to NOAA in maintaining this facility cannot be justified.

When the Federal government pulled out of St. George Island in 1983, various Federal agencies transferred to the City of St. George and Tanaq facilities and staff quarters. However, as the entity responsible for all medical care on St. George Island, the St. George Traditional Council has no quarters to house the visiting medical personnel.

IHS has notified us that we are slated to receive new primary care recurring funds as part of the Alaska Native Medical Center (ANMC) Rural Anchorage Service Unit. These funds will be used to increase family physician, dental, optometry and audiology visits to our Island in an effort to reduce our backlog of basic health needs. However, a substantial amount of these funds will have to be diverted to lodging costs unless we are transferred the ownership of "Cottage C". We want to maximize the funds available for those medical visits. Not only would a transfer of Cottage C to the St. George Traditional Council reduce the amount of funding NOAA currently expends for its maintenance, but it would increase the amount of IHS funding which can be used towards these basic specialty health services.

In addition to serving as temporary staff housing, "Cottage C" could also serve as temporary or overflow space for our existing clinic in-patient load. Our present clinic only has two beds. A couple years ago, when there were 8 to 10 fishermen injured in an accident, we were forced to lay them in the hallways. Fortunately, our local people contributed bedding and other bedside care until we could get a medical evacuation plane into our landing strip. Daily air service is no longer provided to our Island and inclement weather routinely makes landing or takeoff of charter medical evacuation aircraft impossible.

We ask this Subcommittee to set in motion the immediate transfer of "Cottage C" to the St. George Traditional Council for its use for public health purposes. On at least three separate occasions, we have requested of NOAA and NMFS that they transfer this property to us, but have been refused. We need the help of the Subcommittee to get this facility transferred to us immediately.

REQUEST NO. 2—SPECIAL ADD-ON OR EARMARK TO REPAIR OUR IHS CLINIC.

Our existing IHS Clinic is facing major structural deficiencies that require immediate attention. Much of the plumbing system has been destroyed, the central heating system is inoperable, and the clinic rests on a bad foundation that is causing structural damage. We are faced with an emergency need for funds to rebuild our clinic. We may well have to abandon our clinic in the very near future.

Our clinic building was transferred to the Traditional Council in 1986 along with a grant of $90,000 from NOAA to fix it up. NOAA proposed the transfer of the clinic on a take it or leave it basis. The Council received an additional $150,000 from a special Federal fund and contributed another $200,000 of its own funds to help bring the clinic into useable condition. Since then, severe weather conditions and a poor design have caused the clinic's foundation to settle. The settling has crushed the sewage piping under the building's foundation, preventing some toilets from draining or flushing. The hot water pipes feeding the central heating system for the clinic have now rusted away, leaving us with no central heat for the past two years. Instead, we now must use space heaters. There is growing concern that leaking sewage is tainting our limited supply of fresh water. None of the electrical wiring throughout the clinic is grounded. Wiring itself is far from adequate for modern-day health equipment, and there is significant asbestos contamination. These conditions would not be tolerated anywhere else in America! Yet the IHS continues to defer, delay and ignore our clinic repair or replacement requests.

An inspection completed on September 20, 1996, by an Environmental Health Specialist from the Public Health Service (PHS) listed recommendations (Attachment A) of which the most significant was the need to build a replacement clinic. The cost estimate for this construction was $980,000, based on an engineering report at that time. However, on March 19, 1999, we had an engineering firm evaluate our clinic and update the estimate (Attachment B). The 1999 report of the independent engineering firm concerns us greatly. We may be without any clinic facility in the very near future.

According to Section 204 of the Fur Seal Amendments Act of 1983 16 U.S.C. 1151, the Secretary of Health and Human Services is obligated to provide medical and dental care. The Secretary has delegated that responsibility to the Indian Health Service but has not allocated the necessary funds to IHS to even minimally carry out the Secretary's special statutory obligation. Indeed, the statute requires the Secretary to maintain existing and construct new health facilities on St. George Island.

Accordingly, we ask this Subcommittee to add-on or earmark sufficient funds to repair or replace our health clinic facility on an emergency basis given the serious deterioration and public health hazard that our clinic has become.

REQUEST NO. 3—REPAIR OF RESIDENTIAL HOUSING

Housing is critically scarce on our Island, as a result of the growing demand and the Federal agencies' destruction of inhabitable dwellings of residents who chose to leave the Island in the 1970s.

We recently conducted a community housing survey. Since 1978, only nine (9) BIA-funded and eight (8) HUD-funded houses have been built. No new residential housing has been constructed on St. George Island since 1985, except for two houses built by the school district. The last time that any housing was repaired with Federal assistance was in 1976. Residential housing in our community has not received proper maintenance work for twenty years (Attachment C). Asbestos and lead-based paint are widespread. Most of us inherited these homes from the days when our families were Federal employees who were compensated in part by Federal housing. When the United States ended our status as Federal employees, closed down our fur seal harvest, and pulled out of our Island, we were left with deteriorated houses that suffered from years of Federal neglect and lack of maintenance.

One Federal official, in defending the Federal withdrawal in 1976, wrote that home maintenance functions "would be better handled by some individuals or the Corporations who may wish to set up home construction and building—supply businesses such as are available in most other communities" (Attachment C). Most other communities have an economy. We do not. Without a functioning economy, our people have no money to repair their dilapidated homes.

When these Federal homes were transferred to our residents, the United States deeded over seriously flawed facilities under conditions that accelerated their wear and tear. The effects of salt water infiltration provide a good example of the nature of our home maintenance problems. Throughout the 1980s, salt water infiltrated our fresh water supply. Finally, in about 1990 we got a new fresh water system that kept the salt water at bay. However, during the preceding ten years, the salt water had seriously damaged our residential plumbing pipes and our residential furnaces.

We have fresh water again. But we are left with an inoperable infrastructure. Once again, it seems the Federal agencies dumped problems on the local people and ran. This problem has now become acute for our families.

We feel the uncertainty of our economic future may not be able to provide adequate compensation to the residents to fix the problems inherited when the property was transferred from the Federal government. If the deferred maintenance is taken care of, this will remove one more stumbling block in our path to the development of a self-sustaining economy on our Island. Consequently, we have prepared a detailed list of houses with estimated repair costs (Attachment D) and propose these housing funds be administered by the Council. This approach would allow the Council to address life endangering situations as well as maintain management and control necessary to get the jobs done.

Accordingly, we request that this Subcommittee add-on or earmark sufficient funds to the Bureau of Indian Affairs to be transferred to the Traditional Council through our tribal Self-Governance agreement, under the auspices of the Aleutian Pribilof Islands Association in accordance with Title IV, Public Law 93–638, as amended, for the purpose of meeting these emergency housing repair needs.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

INTRODUCTION

On behalf of the 32 Tribal Colleges which comprise the American Indian Higher Education Consortium (AIHEC), we thank the Subcommittee for allowing us this opportunity to present our appropriations request and justifications for the 26 tribally-controlled colleges funded under Public Law 95–471, "The Tribally-Controlled College or University Assistance Act." This program, also known as the "Tribal College Act," is administered by the United States Department of Interior, Bureau of Indian Affairs, Office of Indian Education Programs. Although AIHEC is seeking full funding for the Act's authorized programs, we realize that this request must be obtained over time. We ask that the Subcommittee fully support and build upon the President's Budget Request of a $7.1 million increase for Titles I and II in fiscal year 2000 (FY00). Specifically, we request an increase of $10 million over fiscal year 1999 funding for Titles I and II, which provide core operational funding for 26 colleges. Additionally, we seek Title III funding at $2 million for endowments; Title IV funding at $2 million for economic development; $1.8 million under the facilities renovation authority of the law; and $214,000 for technical assistance. The total amount requested under this Act is $46,234,000.

AIHEC was founded in 1972 by six of the first tribally-controlled community colleges. Today, AIHEC is a cooperatively sponsored effort on the part of 32 member institutions throughout the United States and Canada, all of which are fully accredited (with the exception of three institutions that are accreditation candidates). The Tribal Colleges were chartered by their constituent tribes over the last 30 years to bring greater access to higher education opportunities to American Indians living on remote and economically disadvantaged reservations. Since their creation, the Tribal Colleges have been addressing the problems and challenges of our welfare system. Throughout their history, Tribal Colleges have provided GED and other college preparatory courses.

Our mission requires us to help move American Indian people toward self-sufficiency and help make American Indians productive, tax-paying members of American society. Fulfilling that obligation will become increasingly difficult as more and more welfare recipients turn to the Tribal Colleges for training and employment opportunities. Tribal Colleges serve over 25,000 students each year, offering primarily two-year degrees, with a few colleges now offering four-year and graduate degrees. Together, they represent the most significant and successful developments in American Indian education history, promoting achievement among students who would otherwise never know educational success.

Please note that AIHEC's membership also includes institutions of higher education funded under separate authorities, and AIHEC fully supports their independently submitted Interior Appropriations requests. These include Haskell Indian Nations University and Southwestern Indian Polytechnic Institute; the Institute of American Indian Arts; and United Tribes Technical College.

BACKGROUND AND FUNDING DISPARITIES

The Tribally-Controlled College or University Assistance Act of 1978 provides funding for the operating budgets of one qualifying institution per tribe based on an American Indian enrollment formula. The Act does not provide funding for non-

Indian students, although Tribal Colleges serve an increasing number of non-Indian students, approximately 18 percent of Tribal College students are non-Indians from the surrounding rural communities, with little or no funding for these students coming from the state or Federal government. Federal appropriations have never reached the levels authorized under Title I. Funding for the colleges was first authorized at $4,000 per full-time equivalent Indian student, or Indian Student Count (ISC). In 1998, this level was raised to $6,000 per ISC, to more closely reflect the true cost of higher education at a community college. Due to a combination of inadequate appropriations and dramatic enrollment growth at the colleges, funding for the Tribal Colleges has never reached either of these levels. In fact, even with the fiscal year 1999 increase of $1.4 million, the colleges suffered a decrease of $53 per Indian student and are still funded at less than half of the level authorized, or $2,964 per full-time Indian student.

Compounding the existing funding disparities is the fact that Tribal College enrollments have increased dramatically—the 26 Tribal Colleges funded under this Act now serve 22,000 students every year. Additionally, funding for Tribal Colleges, insufficient from the outset, has not even kept pace with inflation—in fiscal year 1999, the Title I Tribal Colleges received only $133 more per Indian student than they received in 1981. This represents an increase of only four-percent over an 18-year period. When inflation is factored in, the payment's value actually decreased by $1,261 (from $2,831 to $1,570) since 1981.

Tribal Colleges, in many ways, are victims of their own successes—the dramatic enrollment increases recorded by the colleges, coupled with a growing number of Tribally-Controlled Colleges, have forced Title I colleges to slice an inadequate pie into incredibly small pieces. The Carnegie Foundation for the Advancement of Teaching, in two separate studies praised the Tribal Colleges, for providing access to students, strengthening communities and rebuilding cultures. The first recommendation of the most recent report, requested full funding for the Tribally-Controlled College or University Assistance Act. Pointing to the significant enrollment gains posted by the colleges—Title I Tribal Colleges reported a 270 percent increase from 1981 to 1998—the report called on the Administration and Congress to fund the colleges at fully authorized levels.

Our request for an $8.3 million increase for Title I would amount to only $3,827 per full-time Indian student, which is still significantly less than the average amount under which mainstream community colleges operate. It is also significantly less than the authorized amount of $6,000 and just a modest increase over the current Indian student allocation of $2,964.

Tribal Colleges have survived on a patchwork of smaller, competitive, short-term grants that supplement the insufficient Titles I and II operational funding. This is not a stable way of funding Tribal Colleges, but these institutions have little choice. Several colleges have faced serious struggles because of this funding instability, and accrediting agencies are warning the colleges about the hazards of relying too heavily on "soft money." Unlike most state institutions, the Tribal Colleges are young, as most were founded within the past 25 years. They have not built the funding reserves that are common at older institutions. The lack of reserves actually forced two of the colleges to cease operations during the government furloughs and the budgetary impasse of 1996. Therefore, it is more important than ever that the Tribal College Act achieve what it was designed to do: provide for the operational support of Tribal Colleges.

While mainstream institutions are able to fall back on a foundation of stable state support, Tribal Colleges are located on Federal trust territory, and the states have no obligation to fund them. They receive little or no funding from the states in which they are located. It is important to note that Tribal Colleges are reliant on the Federal government for their operational funding. Tribal Colleges are also inequitably served by state block grants, and are frequently neglected in block grant distributions, as the recently passed welfare reform block grants demonstrate.

Tribal Colleges cannot rely on local tax base revenue. Although Tribes possess the sovereign authority to tax, high reservation poverty rates, the trust status of reservation lands, and the lack of a strong reservation economy diminish the creation of a reservation tax base.

Indian gaming is not a viable funding source for Tribal Colleges. The vast majority of the reservations served by Tribal Colleges are located in extremely remote and economically disadvantaged areas. Therefore, gaming has not been a significant or stable source of income for the majority of the colleges. In addition, gaming tribes should be held to the same standard as states, which are not required to share their gaming revenue with other states, nor are they penalized for the success of their lotteries or gambling.

Tribal Colleges are a direct result of the special relationship between American Indian tribes and the Federal government. Tribal Colleges are founded and chartered by their respective American Indian nations, which hold a special legal relationship with the Federal government, actualized by numerous treaties, Supreme Court decisions, and prior Congressional action. Tribal Colleges serve communities in the most rural areas of our nation. For Tribal College students, both Indian and non-Indian, higher education would otherwise be inaccessible. Tribal Colleges do not discriminate based on race or ethnicity. They are simply and effectively removing barriers that have long prevented equal access to higher education for reservation communities.

FURTHER JUSTIFICATION AND HIGH PRIORITY AREAS OF NEED

AIHEC recognizes the Congressional goal of achieving a balanced budget, and we applaud this effort. Within that framework, AIHEC would like to highlight the following justifications and target highest priority areas of need for increased funding for Tribal Colleges.

Justifications

1. Tribal Colleges provide access to critical postsecondary education opportunities that would otherwise be out of reach. Most American Indian reservations are located in extremely remote areas, and their populations are among the poorest in the nation. For many American Indian communities, the nearest mainstream institution is several hours away, making attendance virtually impossible. The cost of attending a mainstream institution is usually prohibitively high, especially when tuition, travel, housing, textbooks, and all other expenses are considered. Unemployment on the reservations served by Tribal Colleges can reach 86 percent, and over 90 percent of Tribal College students qualify for need-based federal financial aid.

2. Tribal Colleges are producing a new generation of highly trained American Indian contributors: Teachers, tribal government leaders, engineers, nurses, computer programmers, and other much-needed professionals. Most of these new professionals are the first in their families to attend college. By teaching the job skills most in demand on their reservations, Tribal Colleges are laying a solid foundation for tribal economic growth, with benefits for nearby off-reservation communities. Most Tribal College graduates remain in their tribal communities, applying their newly acquired skills and knowledge where they are most needed. For example, 87 percent of Little Big Horn College (Crow Agency, Montana) graduates have found employment within the Crow Agency reservation community.

3. Tribal College students and faculty also contribute to our nation as a whole, by participating in our national community of researchers, scientists, authors, artists, and teachers. Despite a lack of adequate funding, Tribal Colleges have established centers for research and education that are contributing in revolutionary ways. Many Tribal Colleges conduct economic development research, investigate new land uses and encourage tribal entrepreneurship. Each college has completed a detailed economic development plan that strongly justifies the need for the economic development appropriation (Title IV) requested in this testimony.

4. Tribal Colleges meet the strict standards of mainstream accreditation boards, and offer top-quality academic programs. For example, Turtle Mountain Community College, located in Belcourt, North Dakota, and several other Tribal Colleges have been granted a ten-year accreditation term—the longest term allowed for any higher education institution.

5. Tribal Colleges serve as highly effective bridges to mainstream four-year postsecondary institutions. A recent survey of Tribal Colleges indicated that an average of 40 percent of graduating students transfer to four-year institutions, compared with a national average of 22 percent. A case study compared students who transferred from Salish Kootenai College in Pablo, Montana, with American Indian students and found the Tribal College students were better prepared for the challenges of mainstream four-year institutions and were more likely to complete Bachelor's degree programs.

6. Tribal Colleges serve as community centers, providing libraries, tribal archives, career centers, economic development centers, public meeting places, child care centers, nutrition and substance abuse counseling, and a broad range of other vitally needed facilities.

7. Tribal Colleges have become centers for American Indian language and cultural research, preservation, and revitalization. Many Tribal Colleges now serve as tribal archives, and offer courses in tribal history, literature, government, language, kinship, and other aspects of American Indian culture.

High priority areas of need

Like mainstream institutions, these institutions strive to fully develop their institution and to expand services to address the needs of their increasing student bodies. If each college received full or at least the increased core operational funding in FY00, Tribal Colleges could focus on some of their high priority areas of need, such as (1) maintaining accreditation by stabilizing their core operational budgets and beginning to build upon existing programs (now, due to low funding levels, the colleges must piecemeal their core budgets together) (2) improving instructional capabilities and enhancing student support services; (3) expanding library services and collections, and establishing a tribal archive; (4) facilities maintenance and improvement, and enhancing laboratory facilities; (5) expanding technology through purchasing computers and establishing Internet access; (6) expanding child care facilities; and (7) constructing community or cultural centers.

BUILDING ON THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2000

The President's Budget Request reflects a $7.1 million increase for the operational grants funded under Titles I and II of this Act. Although we are very appreciative for this increase request and acknowledge that it will be helpful to the 26 institutions funded under this Act, it reflects only a beginning to what must be a sustained commitment. The gross funding disparities described above have caused considerable hardship on the colleges. Only when full funding is appropriated will equal educational opportunities begin to exist for American Indian peoples, giving the Tribal Colleges the opportunity to ensure that the quality of their educational services, which they have struggled so hard to achieve, are not compromised.

CONCLUSION

In light of the justifications presented in this statement and the even further enrollment increases that will result from welfare reform, we strongly urge the Subcommittee to increase funding for Tribal Colleges. Fulfillment of AIHEC's FY00 request will strengthen the mission of these colleges and the enormous, positive impact they have on their respective communities. This funding will help ensure that our colleges are able to properly educate and prepare thousands of American Indians for the workforce of the 21st century. Without the Tribal Colleges to serve as the means for moving from welfare to work, much of the reform accomplished by the Congress will fail throughout Indian Country. As demonstrated in this statement, Tribal Colleges have been extremely responsible with the Federal support they have received over the last 18 years. These institutions have proven themselves as a sound Federal investment, and we ask for your continued support.

Thank you again for this opportunity to present our funding requests. We respectfully ask the Members of this Subcommittee for their continued support and consideration of our fiscal year 2000 appropriations request.

PREPARED STATEMENT OF OLNEY PATT, JR., CHAIRMAN, TRIBAL COUNCIL, CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Mr. Chairman, I am Olney Patt, Jr., Chairman of the Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon. Our phone number is 541–553–1161. My testimony, which I submit today for the Subcommittee's hearing record, addresses the proposed fiscal year 2000 budgets for the Bureau of Indian Affairs, the Indian Health Service, and the National Park Service with the following requests and comments:

(1) We request that the $20 million increase for B.I.A. law enforcement be doubled, that those funds be available to tribally operated law enforcement programs, and that $500,000 be specifically designated for Warm Springs.

(2) We request the designation of $3.5 million in B.I.A. Construction as a federal match in building a new elementary education facility at Warm Springs.

(3) We support the $250,000 B.I.A. request for Columbia River fishing access site management, and ask that those funds be contractible for law enforcement.

(4) With regard to the Indian Health Service Budget, we request:

That I.H.S. "Special Pay" be dedicated to providing full pay to federal employees and installations;

That $5 million be restored to the Community Health Representatives program;

That Contract Health Services funding be increased beyond the requested 3.5 percent;

That $13 million be added to the requested amount for the Catastrophic Health Emergency Fund; and

That the overall I.H.S. budget be increased to reflect population growth and medical inflation increases.

(5) We support the $200 million in the National Park Service budget request for the Land Legacy Initiative.

The items below are listed according to priority. We wish to emphasize that the top two priorities for the Confederated Tribes of Warm Springs remain the first two items, both of which are very basic for any community: law enforcement and education.

(1) We strongly urge that the requested $20 million increase for B.I.A. law enforcement funding be at least doubled, ask Congress to assure B.I.A. law enforcement funds can be used for all tribally operated law enforcement programs, and request that at least $500,000 be designated specifically to provide law enforcement services at Warm Springs.

The Warm Springs Reservation is exempt from Public Law 280 state criminal jurisdiction, so law enforcement on our Reservation rests with the Federal and Tribal governments. B.I.A. provided law enforcement on our Reservation up to the 1950s, but starting in the termination era, withdrew its support. Since that time, except for some support for our corrections facility and investigations branch, our Tribe has covered the full cost of public safety on our Reservation. Recently, declining tribal revenues and population increases have severely strained our capability to bear this burden. Now, at any one time, we can only afford two patrol officers to cover the entire 1,000 square mile Reservation, which, while mostly rural or even remote, is bisected by one busy highway and adjacent to another busy highway—this one a major drug route—to the east. Consequently, we share the high crime rates that are all too common in Indian Country. In response to this national crisis, B.I.A. initiated a law enforcement improvement effort in fiscal year 1999, and while we were able to access some of those funds to take part in a Central Oregon law enforcement and drug interdiction effort, B.I.A. restricted the use of fiscal year 1999 funds for additional patrol officers to only those law enforcement programs operated directly by the Bureau itself. Tribal programs, such as ours, could not get what we needed most: additional patrol and corrections officers. Now, for fiscal year 2000, B.I.A. is requesting another $20 million law enforcement increase, which still falls far, far short of the pressing law enforcement needs in Indian Country, so we ask that the requested increase be at least doubled. And to make sure that those funds can be put to their most effective use, we ask that Congress assure they be available to tribal law enforcement programs for patrol and corrections officers. We further ask that at least $500,000 be dedicated for patrol officers, equipment, and support personnel at Warm Springs, so that the B.I.A. can fulfill the trust responsibility it has avoided for more than forty year on our Reservation by meaningfully contributing to our law enforcement.

(2) We request the designation of $3.5 million in B.I.A. Construction as a federal match in building a new elementary (k–6) education facility at Warm Springs.

In 1960, when the B.I.A. ceased directly providing education to Warm Springs children, it turned over its facility, a former boarding school, to the local school district. Today, that facility is still the principal school on our Reservation, despite its age and severe under sizing. Today, even with many Warm Springs Elementary School students in modular units, our growing school population requires that children in 6th grade and above be bussed to the town of Madras, which can take an hour and a half one way. Clearly, a new school is needed at Warm Springs, but the local school district can only afford half the $7 million cost. Accordingly, we request that the balance of construction funding be provided in the B.I.A. Construction budget. B.I.A. has informed us there is no legal impediment to their funding construction of a school at Warm Springs, and with a local match and local coverage of operational expenses, it is a good example of fiscal cooperation.

(3) We support the $250,000 B.I.A. request for Columbia River fishing access site management in the "Other Recurring Programs, Resources Management" budget, and request the funds be contractible for law enforcement.

After U.S. construction of Bonneville Dam in the 1930s inundated traditional tribal treaty fishing sites on the Columbia River, the U.S. repeatedly pledged to create 400 acres of new sites "in lieu" of those submerged. However, only five sites totaling about 40 acres were provided, and they became very crowded and run down. Finally, in 1988, Public Law 100–581, Title IV, authorized the Corps of Engineers' renovation of existing sites and development of twenty six new sites, totaling not more than 400 acres. Upon each site's completion, the Corps turns it over to B.I.A. to be managed in trust. The turn-over procedures were memorialized in a June, 1995 memorandum of understanding between the Corps and B.I.A., including Corps agreement to provide a lump sum for each site's initial operation and maintenance. For its part of the M.O.U., the B.I.A. pledged to provide $250,000 for administration

of the sites, including law enforcement. Several of the new sites have now been turned over to B.I.A. and are already being intensively used by tribal fishermen. We ask that the B.I.A. O&M funds be provided, that they include use for law enforcement, which is critically needed at these crowded sites quite distant from the reservations, and that the funds be subject to Self-Determination Act contracting, so that the funds may be more effectively and efficiently used by the tribes themselves.

(4) Indian Health Service Budget:

We ask that Congress direct that any "Special Pay" funds appropriated to the Indian Health Service be dedicated to providing full pay to federal employees and installations.

"Special Pay" is an element of the Indian Health Service budget intended to fully address pay and benefits for I.H.S. Physicians and Dentists working at I.H.S. operated locations, such as the Wellness Center at Warm Springs. There has, however, been discussion about redistributing this pay among all I.H.S. funded health activities, including programs that, through contract or compact, are not directly operated by the I.H.S.. This would diminish the availability of those funds to cover the employment obligations owed I.H.S. Federal employees, diverting the funds from their intended purpose, either depriving Service employees of the pay and benefits they are owed or forcing the reduction of staff (and services) at IHS operated facilities such as ours.

The Community Heath Representative (CHR) Program should have its $5 million restored.

This program serves as a vital link between our elders and the Indian Health Clinics and Hospitals. CHR's are mostly Tribal employees who are trained in health prevention and health screening techniques. Sometimes our elders are resistant to seeking health care when it is most needed, and CHRs have the ability to communicate with them and to encourage and assist them in obtaining the necessary help.

Contract Health Services (CHS) funds need a substantially larger increase than the purposed 3.8 percent in the President's Budget. The CHS funds represent 15–20 percent of the total Health Services account in the IHS budget. This program has been under-funded since 1992, and medical inflation has further diminished the CHS purchasing power since then. A 3.8 percent increase won't even meet current medical cost increases, let alone begin to address the backlog of unaddressed need for this large and vital part of the I.H.S. budget.

Add $13 million to the Administration's request for the Catastrophic Health Emergency Fund. Within Contract Health Services is a $12 million subactivity for the Catastrophic Health Emergency Fund (CHEF). The fund is a lifesaver for Indian health programs. Its purpose is to fund catastrophic health care cases with large expense (over $19,000). The Catastrophic Health Emergency fund is an important source of funds for programs that experience high cost cases. These cases place a tremendous financial and ethical burden on a Service Unit or a tribe if the case occurs near the end of the year after the Fund has been exhausted. A high cost case at a small Indian health program can wipe out resources for other routine health care needs. The $12 million proposed for fiscal year 2000 is less than was appropriated in fiscal year 1992 (even without factoring for inflation). In fiscal year 1998, 501 cases seeking a total of $9,850,000 in CHEF assistance went unpaid. The actual need is certainly greater than $9 million because the fund is depleted well before the end of the Fiscal year. Every year, tribes know that, in the last quarter of the year, claims are not likely to be approved, and many programs simply do not submit claims. $13 million should be added to the CHEF fund.

Increase the IHS budget to reflect population growth and medical inflation increases.

Overall the Indian Health Service has been underfunded in two major areas: 1. population growth and 2. medical inflation costs. The population of Native American and Alaskan Natives has increased without a corresponding increase of IHS Health care dollars. And medical inflation has increased at 6–10 percent per year without any IHS budget increase, seriously eroding the purchasing power of our health care dollars.

(5) We support the $200 million added to the National Park Service budget for state and tribal participation in the Land and Water Conservation Fund as part of the Interior Department's Land Legacy Initiative.

The issue of declining salmon habitat points out the increasing importance of the ability of states, local, and (subject to authorization) tribal governments to secure open land for conservation purposes, and these funds will be of great help by reinvigorating the so-called "stateside" of the Land and Water Conservation Fund.

Mr. Chairman, that concludes my remarks. Thank you.

PREPARED STATEMENT OF NORTON SOUND HEALTH CORPORATION

NSHC Priority Budget Items. The Norton Sound Health Corporation (NSHC) submits this statement on the fiscal year 2000 Indian Health Services budget and makes the following requests:

(1) Provide appropriations to fully fund mandatory cost increases and increase level of need funded for Alaska Natives/American Indians;

(2) Community Health Aide Program increase for Alaska of $20 million;

(3) Patient travel increase for Alaska of $10 million;

(4) Facilitate alternative financing for Norton Sound hospital and other facilities construction projects.

(5) Fully fund contract support costs;

(6) Support $4 million budget request for Alaska Telemedicine project;

(1) *Fully Fund Mandatory Cost Increases and Increase Level of Need Funding*.—The NSHC requests the Subcommittee to recommend funding for all mandatory cost increases incurred by the IHS and tribal health care providers, including medical and non-medical inflation, mandatory pay increases, and population growth. Although the Administration's fiscal year 2000 budget request includes $34.5 million for built-in costs, this amount would only partially fund pay raises and inflation. But this amount is far less than the $93 million IHS conservatively estimates is needed to fund inflation and built-in costs for just fiscal year 2000. And the IHS estimate of $93 million does not include increased costs for population growth.

The chronic underfunding of built-in costs since fiscal year 1996 for tribal and IHS health programs has required us to absorb an ever-increasing amount of mandatory cost increases has limited the amount available for direct health care services for our people. In fiscal year 1997 and in the subsequent fiscal year 1998, Norton Sound Health Corporation experienced audited losses of $1.9 million and $1.8 million, respectively. We are projecting another loss of approximately $600,000 in this current fiscal year 1999 if something is not done to increase our available funding for operations. These losses relate primarily to the inflationary costs we have had to absorb for salary increases to remain competitive in our recruitment of health care workers, the above normal costs relating to patient travel and medivac transports, and the decrease in alternate sources of payors (revenues) for Native Indian Health Services beneficiaries. We are seeing an increasing decline in the private insurance and medicaid coverage for Native eligibles which results in a transfer of costs from these alternate payors to the Indian Health Services compact. Our Administration and the Board of Directors have done all that we can to reduce expenses including: cutting back on Board meetings, eliminating administrative support staff, seeking lower cost facility lease alternatives, taking our phone system in-house, enacting a reduction in force (RIF) of certain programs, eliminating our substance abuse program, eliminating our Self Governance Office, eliminating our grant writer office, eliminating our health education program, cutting out training and reducing travel for staff, delaying pay increases, cutting back on employee benefits and streamlining certain departments in order to reduce administrative supervisory costs. All this has been done with much pain and has resulted in a truly "barebones" operation. If we do not see some relief soon, we will have no choice but to begin to cut out our primary care services including patient travel, village clinic care, the number of physicians and other practitioners as well as other extreme measures.

We are hoping that the momentum of support we have seen over this past year from the President's office and Congress for Native Health programs will prevent this from happening. We support the National Congress of American Indians' efforts to bring the level of funding for the Indian Health Services to a par with health care expenditures for typical United States citizens. We also support the Indian Health Services attempt to quantify this disparity, through the report by the Level of Need Workgroup, in response to Congressional inquiries into this grave matter. The Level of Need Workgroup's preliminary report (final report due out in May 1999) states that the net risk adjusted annual costs of a typical Blue Cross/Blue Shield benefits plan for Indian/Alaska Native beneficiaries is greater than $3,000 per person. This compares with the personal services funding received of only $1,350 per Native user. We request that the Congress look closely at this report in considering the fiscal year 2000 budget and consider a phase-in funding approach over the next three to five years to bring parity in health care for the underserved first citizens of our great country.

We are equally concerned that any proposed efforts to institute across the board budget cuts for federal agencies exclude the Indian Health Services in light of the demonstrated unmet health care needs in Indian country. We urgently request that

the Congress consider the Indian Health Services separately when contemplating any such action in the ensuing months of budget deliberations.

(2) *Community Health Aide Program increase of $20 million*.—Norton Sound Health Corporation is currently working with the Alaska Native Health Board to update the report on the Community Health Aide program, CHA/P in Crisis. This report identifies problems including below-standard salaries, high attrition rates, and lack of support and training. The Alaska Health Aide program is a model system of delivering low cost primary care to patients residing in Rural Alaska. This program saw some relief in funding several years ago; however, it is now on the brink of another crisis if increased costs are not met. We ask that Congress consider raising CHA/P salaries to a standard of $20/hour, to increase funding for training centers and for support costs in the village clinics. These trained quasi-professionals act as primary care physicians and emergency care staff in mostly remote areas of Alaska, several hundred miles away from any physician-based facility. The alternative to this system of care would be very costly, in terms of dollars and in patient care. We urge full support of this program with phased-in funding to include at least $20 million in the fiscal year 2000 Indian Health Services Budget.

(3) *Patient Travel increase of $10 million*.—We ask for an increase of $10 million for patient travel for Alaska. Physical access to care is a critical and expensive component of health care in Alaska. While the community Health Aid Program and physicians assistants provide basic health care at the village level, many services and procedures are not feasible in village clinics. The majority of rural Alaska Natives who need a doctor's care must travel by air to receive these services; the current average cost for travel between the village and Nome is $250 round trip and between Nome and Anchorage is $650 round trip. Medivac costs for critical care patients average $2,500 between Nome and the villages and $6,300 between Nome and Anchorage, not including medical escort costs, supplies costs and any airline standby charges. In addition, there are other related costs, i.e., hotel, food and ground transportation. The 1991 report, Access to Care: Crisis for Alaska Natives found that 40 percent of patients who need treatment or diagnostic services deferred it due to the costs for air fare and lodging. Of note is that the new Alaska Native Medical Center has some accommodations for family members accompanying patients to their facility in Anchorage, but it by no means can house all those who need it. Nome has no patient quarters available for village patients or escorts seeking care at our regional hospital.

(4) *Facility Construction Costs for the Norton Sound Regional Hospital*.—As we testified last year, one of NSHC's greatest needs is the replacement or renovation of the severely overcrowded Norton Sound Regional Hospital. Originally constructed in 1948 and since expanded, the hospital is filled with code violations and safety deficiencies which include unsafe wiring and plumbing, inadequate ventilation, and structural problems due to foundation movement. Although we have completed an application for a new hospital, it appears that IHS construction funding will not be forthcoming for a very long time, given the backlog for funding the Indian Health Services Facilities Construction projects. The NSHC has continued to explore alternative funding through borrowing the necessary funds from private sector sources. In order to do this, however, we must be assured of stable IHS funding for lease of the space to deliver health services.

The Indian Self-Determination Act, as amended, and the Indian Health Care Improvement Act (§804) was intended to provide for this situation by requiring IHS, at the request of a tribe, to lease tribally-owned facilities that are used for the delivery of health care services. We have been prohibited from obtaining financing in this way, however, by an Office of Management and Budget policy which requires the entire costs of a long-term lease to be scored in the first year. This policy makes it cost prohibitive for IHS to lease space.

We were disappointed that in spite of the fiscal year 1999 House Appropriations Report request to IHS that its fiscal year 2000 budget address alternative construction options, such as reinstituting a joint venture facilities construction program, cost-sharing arrangements and the enhanced use of third-party collections for improving aging facilities, it failed to do so. We understand that IHS had proposed $15 million for join venture projects, but that it did not make it into the final Administration request. We must continue to work together to find a sensible way to achieve the goal of providing health care in a safe and adequate environment.

Norton Sound Health Corporation strongly urges Congress to provide authorization for establishment of a loan program to fund renovation and expansion of existing facilities and construction of new facilities owned and/or operated by Tribes. The program could include direct loans and loan guarantees over a multi-year period. Management of the program could lie outside of the Indian Health Services if necessary.

(5) *Funding for Contract Support Costs Shortfalls*.—While the NSHC appreciates the Administration's request for an additional $35 million in contract support costs, it is still considerably less than the amount needed. The IHS estimates the current shortfall in contract support is $93 million, although that amount may be reduced pending final negotiations and lifting of the moratorium on new and extended contracts. Thus, the NSHC fully supports the Alaska Native Health Board recommendation of full funding for the IHS contract support costs, in furtherance of the well-established federal policy to encourage tribal self-governance. Additionally, we urge that Congress allow the completion of the National Congress of American Indians-led national review of contract support policy and refinement of distribution methodologies before instituting any changes to the current system.

We request the Subcommittee to work with the Department of Health and Human Services to assure that sufficient funds for contract support costs are included in the fiscal year 2000 budget.

(6) *Alaska Telemedicine Project*.—The NSHC urges that Congress fund the Administration's budget request of $4 million (the same amount as appropriated in fiscal year 1999) for the Alaska Federal Health Care Access Network (AFCAN). The AFCAN is a multi-year telemedicine and telehealth technology project which will connect over 200 federally funded health care facilities (including tribal clinics, tribal regional hospitals and clinics) to facilitate the sharing of clinical and patient information.

Thank you for your consideration of our recommendations and for your attention to matters affecting the health of Alaska Natives and Native people throughout the nation.[1]

PREPARED STATEMENT OF ROBERT E. KENAHAN, TRIBAL POLICE CHIEF, NARRAGANSETT INDIAN TRIBE

On behalf of the Narragansett Indian Tribe, I am pleased to present the Tribe's statement concerning the fiscal year 2000 budget of the Department of the Interior, Bureau of Indian Affairs. On December 30th, 1998, history was made in my home State of Rhode Island when the Narragansett Tribe selected me as the Tribe's first appointed Police Chief. In addition to that honor, I was also pleased that my swearing-in ceremony was attended not only by tribal members but by local dignitaries such as former U.S. Attorney Sheldon Whitehouse and current U.S. Attorney Meg Curran. Their attendance spoke well of the government-to-government relationship that all tribes seek to strengthen with the United States. It is my hope, and the hope of this proud Tribe, that working together, we may forge a strong and meaningful relationship with our State and Federal counterparts in the law enforcement field.

The Narragansett Tribe urges Congress to increase the President's fiscal year 2000 budget request of $138 million for BIA law enforcement. This is $42 million over the fiscal year 1999 level. Of this increase, however, $20 million would be a program increase, with the remaining balance for built-in costs. We believe that the program increase should be double that.

I would not be here before you today if it were not for the existence of a COPS FAST Grant through the Department of Justice which augments the Tribe's Public Law 93–638 funding. I am a Korean War veteran and retired Rhode Island State Police Sergeant with nearly 40 years experience in law enforcement; 21 years as a uniformed officer, detective and police liason with the State Attorney General's office and 18 years in the security business, rising to become Vice President of Pinkerton's Security.

As head of the newly formed Narragansett Tribe Police Department I wish to apprise you of the current working conditions. I ask for your assistance to provide additional funds to the BIA budget to make the Narragansett Tribe's, as well as other tribal law enforcement programs, more effective and self-reliant. As a law enforcement professional, I truly believe that funds spent in law enforcement are funds well spent. An effective law enforcement program can save lives and make a difference in the community. It is an essential component of any community's infrastructure. Without adequate law enforcement services and a judicial system, Indian

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[1] The Norton Sound Health Corporation (NSHC) is the provider of health care services to more than 6,000 Native and 2,100 non-Native residents of the Bering Straits Region in northwest Alaska. NSHC, headquartered in Nome, is the only source of health care, excluding one private dental practice, in a region, which encompasses more than 25,000 square miles. NSHC serves and is controlled by 20 Native villages within the Bering Strait Region. We provide a wide array of health care services, from preventive services to the operation of an intermediate care nursing facility and the Norton Sound Regional Hospital.

tribes cannot hope to attract economic development to their reservations to improve the living conditions of their members and break the cycle of dependence on Federal appropriations.

The Tribe is appreciative of the Administration's program increase of $20 million dollars over the fiscal year 1999 enacted level for Law Enforcement and $2.5 million increase in Tribal Courts to carry out the Presidential Initiative on Law Enforcement in Indian Country, a joint effort by the BIA and Justice to combat rising crime rates in Indian Country and improve public safety. Although these increases are significant, I associate myself with the remarks of Assistant Secretary-Indian Affairs, Kevin Gover, who stated that "Indian Country needs in every program are massive" as well as the remarks of Thomas Leclaire of the Office of Tribal Justice who stated that Tribal and BIA law enforcement agencies have insufficient staff and lack the facilities and basic communications and intelligence gathering technology required to address the law enforcement needs which exist in Indian country today. Our program is typical. Our fiscal year 2000 proposed BIA funding for law enforcement is $69,000. Our need is more than seven times that at roughly $500,000.

Using the Narragansett Tribe's Law Enforcement program as an example, I would like to illustrate just how critical increases in Federal appropriations for Law Enforcement in Indian Country are. As a former State Police Sergeant, the conditions which I and the other Narragansett Tribal police officer operate under are hazardous, inefficient and simply unacceptable.

1. *Three Additional Officers are Required to Meet Minimal Law Enforcement Needs ($250,000)*.—At the present time, the Narragansett Police Department consists of one patrol officer (Derrick Johnson) and myself. We have one patrol vehicle that my patrolman and I must share which is not adequately equipped to perform regular duties. The reservation consists of approximately 2000 acres, some parcels of which are not contiguous. We must patrol the Narragansett Church, Longhouse, Four Winds Community Center, Administration Building, out-patient health center, housing site and an additional 1500 acres of fee property. We patrol for trespassers, abandoned vehicles, illegal hunting and fishing and must respond to any emergencies. A full patrol takes two and one half to three hours.

Although we are on-call 24 hours a day, evening and weekend patrols are limited and are performed on an ad hoc basis. At a minimum, we require an additional three officers, with BIA Police Academy training and other law enforcement training, to provide the Tribe's 2000 members with adequate law enforcement services. We have had preliminary discussions with the Tribe's health department on the subject of developing a family violence program, but that too requires that we have adequate law enforcement staff.

In a matter of weeks, the Tribe's reservation will host summer campers and an annual Pow Wow which attracts thousands of spectators. We have two ponds on our reservation—Deep Pond and School House Pond—and at present we do not have adequate safety ropes and buoys in the event an emergency situation arises. Our existing police force cannot handle the number of people we anticipate will come onto the Tribe's reservation and our resources are already stretched to their limit.

2. *Office Space and Equipment are Inadequate ($250,000)*.—The Tribe's Law Enforcement program occupies a 10' x 10' cubicle in the Tribe's Administration Building. Patrolman Johnson and I must excuse ourselves to a private office if we receive a confidential call. Any complainant is in full view of the entire office. Privacy and confidentiality are important in law enforcement and the lack of both inhibits our ability to effectively serve the tribal community. In addition to the Tribe's reservation, we also patrol another 1500 acres of fee property owned by the Tribe. We do not have a secure radio frequency to communicate with and without better equipment, I cannot maintain constant radio contact with Officer Johnson throughout his patrols. This is not safe and I view this situation as unacceptable. We have applied for an FCC license to utilize our own frequency and hope to secure the license in the near future. I hope that the Narragansett Tribe can access fiscal year 2000 funds for upgrading our radio equipment.

We would also like to acquire a law enforcement office trailer which could be housed on the reservation behind the Tribe's Administration Building. When properly equipped, including support staff, this facility would allow us to better perform our job. In addition, we need an additional patrol vehicle and part time dispatcher so that both Officer Johnson and I can respond to calls. We recognize that improvements in our program must be incremental, based on our limited budget, but to be credible to the community we serve, we must demonstrate improvement in our law enforcement program each day.

3. *Negotiating a Memorandum of Understanding with State Officials*.—We have made considerable progress in negotiating a joint memorandum of understanding with State of Rhode Island and local officials concerning areas of mutual concern.

I am confident that we will resolve remaining differences in the near future. One issue which we must resolve with the State is on the issue of tribal access to State criminal background check information (BCI), using the RILETS system. Access to this data may prove lifesaving. It is critical that an MOU be in place soon. My life, the life of Officer Johnson, and the lives of the Tribal community we serve may be at risk without it. Only through joint cooperation will the Narragansett Tribe and its non-Indian neighbors break down barriers of mistrust. Despite our great need, I am committed to making the Tribe's law enforcement program the best it can be.

In addition to providing a breakdown of our law enforcement funding needs, I am including Uniform Crime Statistics for 1997 for the State of Rhode Island of arrests of Native American Indian or Alaska Natives as well as the Department of Justice's Standard Compliance Process for a safe and effective police department which lists the essential components required for a start up law enforcement program.

In closing, I hope you will assist the Narragansett Indian Tribe through increased appropriations. All successful undertakings have the same ingredients—determination by those involved and the resources to get the job finished. We have the determination. Give us the resources and we will finish the job of making Narragansett Law Enforcement an example of a well run law enforcement program.

PREPARED STATEMENT OF CLARENCE ALEXANDER, CHAIRMAN, COUNCIL OF ATHABASCAN TRIBAL GOVERNMENTS

The Council of Athabascan Tribal Governments (CATG),[1] a tribal consortium of ten Athabascan Indian Villages in the Yukon Flats, Alaska, makes the following recommendations on the fiscal year 2000 Interior and Related Agencies Appropriations bill:

—Repeal of the 3-year moratorium contained in the fiscal year 1999 Interior Appropriation Act which prohibits Alaska Villages from entering into new contracts with the Indian Health Service. We oppose any institution of limitations on tribal contracting under the Indian Self-Determination Act.
—Allocation of $200,000 in the Fish and Wildlife Service budget for the Council of Athabascan Tribal Governments to work with USF&WS in assuming some of the services and functions on the Yukon Flats National Wildlife Refuge.
—Allocation of $200,000 within the Fish and Wildlife Service budget for the Council of Athabascan Tribal Governments to work with USF&WS on the Comprehensive Conservation Plan for the Yukon Flats National Wildlife Refuge.
—Full funding for IHS and BIA contract support.

In order to appreciate our budget recommendations—which focus on utilization of our own people's knowledge and talents—we provide a brief description of our physical environment and our efforts to make better lives for ourselves through assumption of activities previously done only by outsiders.

The Gwich'in Athabascan Indian population, of Alaska, occupies about 55,000 square miles in the Northern Interior of Alaska on the Yukon River drainage—this is 11,000 square miles larger than the state of Pennsylvania. The villages are scattered over the vast valley called the Yukon Flats—half of them above the Arctic Circle. Villages at the Western end of the valley begin the down river transition to the Koyukon Athabascan culture. The population in the Yukon Flats, is about 1,460. All the villages in the valley are isolated—only winter trails and rivers connect them. The closest urban center, Fairbanks, is about an hour's flight from most villages. Commuter airlines provide the only transportation and mail service to Fairbanks. And, although people travel between villages by river in the summer, snow machine and dog sleds in the winter, they travel, most often, by air. Communication between communities is by telephone, facsimile, mail and a 5,000 watt public radio station, Gwandak Public Broadcasting, located in the largest community—Fort Yukon.

The Benefits of Indian Self-Determination Contracting Extend Beyond BIA and IHS Programs.—Since 1985, more than one hundred jobs have been brought back to the Yukon Flats through the Indian Self-Determination and Education Assistance Act, Public Law 93–638 contracting process. Many of these jobs were previously held in Fairbanks. Many more resulted from our efforts to leverage 638 funds to develop

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[1] The Council of Athabascan Tribal Governments is a Tribal Organization (consortium) of ten Athabascan Indian villages in the Yukon Flats, Alaska. The CATG was formed in 1985 during a gathering of the Chiefs. Each federally recognized tribe elects its chief according to tribal constitution. The Chiefs make up the membership of the CATG. The CATG is recognized as a nonprofit Tribal Organization for the purposes of administering federal, state, and private foundation grants and contracts as authorized by the Chiefs. The CATG administrative office is located within the Yukon Flats region of the village of Fort Yukon.

additional programs and projects. These jobs represent permanent full time employment through the tribes and the tribal consortium we started together.

Approximately $6 million per year is being brought into the Yukon Flats because of Public Law 93–638. Add to this the impact of leveraged EPA grants, locally contracted water and sewer grants, and locally contracted airport improvement grants, and other programs and you will find another one to two million dollars. Finally, the capacity of tribes to run 638 contracts and maintain clean audits has prepared them to take on responsibility for housing under the Native American Housing Assistance and Self-Determination Act—something they would not have had the confidence to do ten years ago or even five years ago. The effect of the stability provided by the 638 process snowballs once the tribe is comfortable with the responsibility. We invite you to tour our offices and the tribal offices in each village to see this yourself.

Because of the build up of contracting in the Flats and the stability of our administration, the Council has been able to take on a $700,000 telecommunications project due to go on line by May, 1999. We formed a partnership with the University of Alaska and AT&T to make this happen. The project will enable us to save money on telephone and fax, provide an intra-net for telemedicine, internet access and dial-up access in all of our villages. We couldn't have done this without being Self-Determination Act contractors first and having the stability and experience created through that process.

The experience of tribal contracting also results in tribal emphasis on development and employment of local human resources. Children are observed as potential candidates for higher education and future employment with the tribe. Youth are encouraged to return home with the skills that they learn "outside" to build their homes and their lives within the community. In the 1980's, people said our villages were dying. Today the population is growing and there is a returning sense of purpose and hope.

We learned from other villages who led the way to contracting in Alaska. Many other communities have followed our example. Many more now want to follow this path. With all these accomplishments would it have been better to be paying our six to ten million dollars for welfare instead? How many more suicides would we have had? How many more people suffering from substance abuse? We would rather see our people in meaningful employment with a future and hope for their children. We have learned how to accomplish this. We seek opportunities to continue the process.

Alaska-Specific Health Moratorium.—The fiscal year 1999 Interior Appropriations Act contains a provision which prohibits Alaska villages who are served by a regional health program from entering into new or expanded contracts with the IHS for 3 years (through September 30, 2002). This is an incredibly counterproductive and discriminatory policy, and we urge you to repeal it.

By statute, tribes in Alaska enjoy the same rights as in the rest of the Nation. But the foundations of the Indian Self-Determination and Education Assistance Act, inherent tribal rights and authority, and informed local decision making are being undermined in Alaska by a moratorium that denies tribes in Alaska the same rights as other tribes throughout the nation. It dictates to tribes in Alaska who will provide health care to their tribal members. Only in Alaska, have we been told to adhere to "economies of scale" and that we must accomplish this through regional entities. This should not be a congressional decision.

We realize that the primary purpose of IHS and other health care programs is the provision of quality health care. However, health care also is a very large "industry" in this nation and it does provide billions of dollars for millions of jobs. In reviewing the Alaska situation, we believe that even if every single tribe were to contract for locally provided services over the next ten to fifteen years, the effect would be to slowly increase the contract support costs a maximum of 15 to 20 million dollars per year. Yes, there is a cost for increasing local tribal control over locally provided services through the Indian Self-Determination and Education Assistance Act health contracting—but it has also been demonstrated by the Indian Health Service and tribes that there is a direct relationship between tribal contracting and an increase in the quality of health services provided.

Because of our contracting, our regional health clinic is fully staffed for the first time in many years. We no longer depend on outside agencies to provide temporary Health Aides in our villages. Instead, we have more consistent service because we use our own trained workers. We encourage and assist our workers to take distance learning classes while on the job and to pursue careers as physician assistants, dentists, and doctors. We train people on the job and, if they have to leave their community, they have skills to work wherever they go.

Our tribes have also demonstrated improvement in BIA services because of local the Indian Self-Determination and Education Assistance Act contracting, and that experience enables the tribes to assume responsibility for other programs as well. Out of 43 tribes in the Interior of Alaska, only seven tribes in the Yukon Flats and two others have fully taken over Public Law 93–638 BIA contracts to provide services. These tribes have painstakingly built their administrative capacity, and are seeking to assume responsibility for programs as they feel prepared to do it. For instance, CATG administers some health programs on a regional basis, while other health services—particularly those in the preventive and substance abuse areas—are likely candidates for village-level contracting. It is unjust to deny them the same opportunities open to tribes across the nation to contract for a portion of their health services as well. We ask that there be no more Alaska specific riders on appropriations or other bills that limit tribal authority. We ask that there be no legislative riders that set precedents which limit tribal opportunity while posing as solutions. We ask that the Alaska-specific moratorium on IHS contracting be lifted.

Tribal Administration of Activities in the Yukon Flats National Wildlife Refuge.—The Council of Athabascan Tribal Governments has been steadily building capacity in the area of Natural Resources Management. Each of the tribal governments in the Yukon Flats has a Natural Resources Office and there is also a regional department at CATG. The CATG has proposed taking on responsibility for some of the programs, functions, services and activities on the Yukon Flats National Wildlife Refuge. These lands constitute a large part of the homelands of the Gwich'in and Koyukon people who have lived as part of this land for thousands of years. Tribal eligibility to take on this responsibility exists in law and the Yukon Flats National Wildlife Refuge has been listed as one of the non-BIA programs within the Department of Interior eligible for tribal management. We refer you to the October 21, 1997 Federal Register notice in which was published the Interior Secretary's Non-BIA Programs Available for fiscal year 1999 Self-Governance Agreements—specifically listed is Alaska National Widlife Refuges (statewide). The notice also lists eight programs with potentially contractible elements. Within this list, numerous opportunities exist for our area. Our biologist has identified the following as areas in which CATG could contract: habitat management, wildlife survey/studies, visitor services/visitor center operations, acquisition/appraisals, comprehensive conservation planning, wetland restoration projects, building site restoration, fire management, subsistence management, contaminants monitoring, cultural resources planning, archaeological surveys, cooperative fisheries management and restoration agreements, fish collection and tagging.

Following a recent meeting between CATG and the Regional Fish and Wildlife Service Office, USF&WS has agreed to provide us a listing by the end of April of activities it is now carrying out which it believes could be contracted by CATG. This is an encouraging development.

And we are also encouraged by legislation, S. 748, introduced on March 25, 1999 by Senator Murkowskiwhich is designed to increase the hiring and contracting with Alaska Natives by federal agencies in Alaska. Senator Murkowski states in his introductory remarks:

> "Legislation already exists for contracting with and hiring Alaska Natives. Sections 1307 and 1308 of the Alaska National Interest Lands Conservation Act and the Indian Self-Determination and Education Assistance Act are clear on these matters. The problem is that the law have been largely ignored. . . . Mr. President, the National Park Service, The Bureau of Land Management, the Fish and Widlife Service, and other agencies within the Interior Department have an opportunity to hire and contract with local Alaska Natives who were born and live near and in our parks,hazards, they know about living and working in arctic conditions. Given the evels of unemployment in the area, it makes absolutely no sense not to hire these individuals."

While the tribes in the Yukon Flats have been able to attain employment of about 20 percent of the workforce, the YFNWR poses an economic opportunity which could bring this to 40 percent within a few short years. We ask that Congressional support be given to this project and that funding be allocated in the amount of $200,000 to enable CATG to work in partnership with USF&WS and demonstrate our capacity to do the work. The budget includes technical staffing, office support and travel to develop and design implementation methodologies for contracts programs, functions, activities and services.

Yukon Flats Comprehensive Conservation Plan.—We are deeply concerned that the USF&WS has delayed revision of the Comprehensive Conservation Plan for the Yukon Flats National Wildlife Refuge until July 2006. This is approximately 14

years after the original plan was put in place. The Service has indicated that this is due to the small planning staff and that because there are 16 national Wildlife Refuges in Alaska, the planning process has been prioritized. The CATG has the capacity to carry out many aspects of Comprehensive Conservation Plan planning process and would like to contract with USF&WS to do this work. The CATG requests an allocation of $200,000 to undertake this task in collaboration with the Fish and Wildlife Service. Funding would be used for technical staffing, office support and travel for planning staff to work with the Fish and Wildlife Service in designing and implementing the Comprehensive Conservation Plan.

Thank you for your consideration of our concerns.

PREPARED STATEMENT OF STAN RICE, JR., PRESIDENT, BOARD OF DIRECTORS, PRESCOTT INDIAN TRIBE

The Yavapai-Prescott Indian Tribe appreciates the opportunity to address the issue of fiscal year 2000 Appropriations Bill for the United States Department of Interior, Bureau of Indian Affairs. The Tribe has reviewed President Clinton's Budget for fiscal year (FY) 2000 for the Indian Health Service and the Bureau of Indian Affairs and fully supports the requests made in the President's budget regarding these two departments.

The Yavapai-Prescott Indian Tribe particularly supports the continued, and increased, funding of the initiative on Law Enforcement in Indian Country. Fiscal year 2000 is the second year of the four-year implementation period. The need for improved law enforcement services in Indian Country has been widely documented demonstrating that Indian citizens residing on Reservations do not receive the minimum level of law enforcement services taken for granted in non-Indian communities. For example, with an estimated Indian Country population of 1,430,000, the police officer to citizen ratio (2.9 officers per 1000 citizens) would mandate at least 4,290 police officers, an increase of 50 percent over the number of 2000 sworn police officers in Indian Country.

An example that reflects the Yavapai-Prescott Indian Tribe involves the creation of our new Tribal Police Department. Recently, the Tribe developed its own Tribal Police Department, with the assistance of a Department of Justice Community Oriented Policing Services grant. We are sure that you are aware of the high cost of establishing a police department. While we gladly received grant funds for the police officers' salaries, the Tribe was financially responsible for the purchasing of all equipment associated with the new police department. It proved to be very expensive and we are still acquiring equipment for our Tribal Police Department. Continued, and additional, funding for Law Enforcement in Indian Country will guarantee the Tribe the opportunity to receive funding or pursue grant funds to continue the development of the Tribal Police Department.

The Bureau of Indian Affairs' Law Enforcement Initiative was formulated in partnership with the Department of Justice (DOJ) to ensure maximum usage of the Federal dollar. Working together, the BIA and DOJ's respective budget requests complement each other, to ensure that efforts are not duplicated and funding can be provided to Tribes on a more expansive basis. It is essential that the next step of the improvements to law enforcement be funded in the fiscal year 2000 Appropriations Act.

We would also like to bring to your attention the critical need for Road Construction and Road Maintenance funding for Indian lands. Tribes cannot be successful in pursuing or developing economic development without adequate transportation systems. While the Bureau of Indian Affairs has received a slight increase nationally in road construction funds from the Transportation Efficiency Act for the 21st Century (TEA–21), the funding for the tribes under the jurisdiction of the BIA Phoenix Area Office has decreased by more than 50 percent from the funding provided under the Intermodal Surface Transportation Efficiency Act (ISTEA). The funding for the BIA Phoenix Area was reduced from $26 million per year to $16 million per year. This cut drastically curtailed the number of projects that could be developed by Native Americans in the BIA Phoenix Area Office.

The Yavapai-Prescott Indian Tribe has one street, Slaughterhouse Canyon Street, to construct over the next five (5) years at a cost of four (4) to five (5) million dollars. The BIA has advised us that our fair share of the TEA–21 funds for the next five years totals only $143,000. Obviously, at this rate, it will take the Tribe forty (40) years before we can build this single street. This is totally inadequate and does not meet the actual needs of our Tribe.

The Tribe requests a one-time appropriation of $1.2 million to construct the Slaughterhouse Canyon Street. This street will provide an alternative route around

the most dangerous intersection in Prescott and will be utilized by Tribal members and Prescott city members. It will also serve as access to our planned Tribal museum and various administrative and commercial development on our Reservation. This road is instrumental to the economic stability of the Tribe and its Tribal members.

BIA Road Maintenance funds are also critically inadequate to provide even the most basic maintenance of the roads and streets in Indian Country. Highway standards are not being met on the large majority of Reservation lands. Tribes do not receive any of the Highway Users Roads Funds (HURF) collected through taxes collected by states and counties on the sale of motor fuels, even though the Tribes and Tribal members pay such taxes in most states. The Yavapai-Prescott Tribe receives only $10,000 per year from the BIA for maintenance and upkeep of all the streets and roads on our Reservation. As a result, they continue to deteriorate which makes the road construction investments short-lived, not to mention the dangerous driving conditions that develop because of the deteriorated condition.

If you require additional information, please contact me at 520–445–8790, ext. 33. The Yavapai-Prescott Indian Tribe appreciates your listening to our concerns and problems, and also, appreciate your efforts to improve the standards of living in Indian Country.

PREPARED STATEMENT OF THE NEZ PERCE TRIBE

The Nez Perce Tribe is requesting the following funding amounts for fiscal year 2000 which are specific to the Nez Perce Tribe:

—$150,000 through the BIA for the Nez Perce Tribe to conduct a feasibility study and economic impact analysis to build a Cultural Center in conjunction with the Lewis and Clark Bicentennial;

—$737,050 under the BIA's water rights negotiation and litigation program within Indian Rights Protection for negotiation and litigation of the Snake River Basin Adjudication;

—$450,000 for our Gray Wolf Recovery Program through the Fish and Wildlife Service;

—$385,000 through the BIA's Indian Child Welfare Grant Program, Welfare Assistance Program and 638 Contract Administration Costs for Tribal Social Services Programs;

—$200,000 through the BIA for Tribal involvement in the Federal Energy Regulatory Commission's re-licensing of Idaho Power's Hells Canyon Complex; and

—$1.2 million for equipment and $3.3 million for staffing through IHS under a joint venture arrangement

In addition to the Nez Perce Tribe's specific requests, the Tribe supports the following increases set out in the President's fiscal year 2000 budget requests for tribal programs in the Bureau of Indian Affairs, Indian Health Service and other agencies of the Department of the Interior:

—support for the $20 million increase requested for BIA law enforcement;

—support for the $5 million increase for fiscal year 2000 to expand the Indian Land Consolidation Pilot Project through the Office of Special Trustee;

—support for the increase of $17 million for the Tribal Priority Allocation account in the BIA over the fiscal year 1999 enacted level;

—support for the fiscal year 2000 increase of $170 million for IHS, which does address pay-related cost increases, population growth, and staffing at new facilities;

—support for $500,000, through the Fish and Wildlife Service, for consultation with tribes as part of the Secretarial Order related to tribal treaty rights and the ESA; and

—support for the $250,000 requested for Columbia River fishing access sites built by the Army Corps of Engineers.

LEWIS AND CLARK BICENTENNIAL OBSERVANCE—BIA, $150,000

With the upcoming Lewis and Clark Bicentennial, the Nez Perce wish to tell their own story of the Corps of Discovery led by Lewis and Clark. The Nez Perce saved the Lewis and Clark expedition from starvation, as well as giving them food and supplies for their journey. Despite the contributions of the Nez Perce, only individual states have been funded to prepare for the upcoming Bicentennial. The Tribe would like to be included in the observance to help people recognize our efforts to the Lewis and Clark expedition and our contributions to the Pacific Northwest.

The Nez Perce Tribe, working with the State of Idaho, through the Governor's Committee on the Lewis and Clark Bicentennial, have agreed to jointly support the

development of a Nez Perce Cultural Interpretive Center to be located on the Nez Perce Indian reservation. The State has ranked this project number two as part of their overall strategic plan for the Lewis and Clark Observance. We have already spent a significant amount of our own funds on a preliminary study that dealt with the development of the architectural design and potential site locations. Based on this study, the Tribe has designated Tribal land for the Cultural Center. The Cultural Center will include an exhibit specific to the Corps of Discovery and their interaction with the Nez Perce people.

The Nez Perce Tribe is requesting $150,000 for fiscal year 2000, through the BIA, to go towards the second phase which will provide a more detailed economic analysis for the Cultural Center, as well as provide support staff in developing a comprehensive strategy for the Lewis and Clark Observance with other local, state and federal agencies.

SNAKE RIVER BASIN ADJUDICATION NEGOTIATIONS FUNDING—BIA, $737,050

The Nez Perce Tribe has been involved in the Snake River Basin Adjudication (SRBA), the largest water rights adjudication in the country, since that proceeding was statutorily mandated by the Idaho Legislature in 1987. The SRBA is a general stream adjudication in which all the water rights in the Snake River basin (approximately 185,000 claims) will be determined. The Snake River basin encompasses approximately two-thirds of the geographic area of the State of Idaho, and much of the basin lies within the aboriginal territory of the Nez Perce Tribe. We are represented in this proceeding by our in-house counsel and the Native American Rights Fund in Boulder, Colorado.

In December of 1998, the SRBA Court ordered the parties to the Nez Perce claims into mediation. For fiscal year 2000, the Nez Perce Tribe is asking that $737,050 be made available in the BIA's Indian Rights Protection account for Water Rights Negotiation and Litigation to enable the Tribe to continue its participation in the SRBA. These funds will cover the cost of vital, on-going work by fisheries, economic, historical, and engineering experts, as well as necessary attorney costs and overhead expenses.

WOLF RECOVERY PROGRAM—FWS, $450,000

The Nez Perce Tribe is in its fourth year of participation in the Wolf Recovery Program with the U.S. Fish and Wildlife Service (FWS). Through a contract with the FWS, the Tribe produced and is implementing a Service-approved recovery plan for the Gray Wolf in Central Idaho, which requires documentation of ten breeding pairs for three consecutive years. The 35 wolves released in 1995–1996 have grown into a population of 12 packs containing a minimum of 115 animals and ten of those packs produced a total of 51 pups in 1998.

The Nez Perce Tribe appreciates the support that Congress gave the program by mandating a funding increase for fiscal year 1998, which put the program up to $300,000. However, due to the large population increase, the program remains underfunded. The wolf population consists mainly of young animals which have started to disperse, and have even shown up 230 miles away in Oregon. The dispersing animals can be expected to seek unoccupied territory to settle in, and will now begin to affect people and communities, that were previously not impacted by the wolf recovery effort. The funding shortfall threatens the Tribe's ability to adequately monitor movements of the wolves scattered throughout 15 million acres and beyond, investigate depredations, trap and collar animals, document reproduction, purchase additional collars and radios, gather data on food habits, and answer questions about the impact of wolves on ungulates and cattle.

The ranchers and citizens of Idaho, and surrounding states, have every right to expect the Tribe and the FWS to monitor these wolves, as well as provide services and support. For the reasons set out above, the Nez Perce Tribe is requesting an increase of $150,000 for a total of $450,000 for fiscal year 2000 for the Tribe's Wolf Recovery Program, through the FWS.

TRIBAL SOCIAL SERVICES PROGRAM—BIA, $385,000

The Nez Perce Tribe has contracted from the BIA, through a 638 contract, to run the Social Services Program, which administers many different tribal assistance programs. Since that time, services to individuals on the reservation have increased threefold, while the funding levels for contract support costs have decreased each year. The Tribe's established share for contract Administration costs for fiscal year 2000 is $132,000, $2,500 less than last year. Since the funding levels are not keeping up with the increasing numbers of children and people needing assistance, this seriously jeopardizes the Tribe's Social Services Department from updating equip-

ment, hiring more staff and adequately meeting the needs of their members and the assistance programs they operate.

Indian Child Welfare and BIA Welfare Assistance are just two Social Service's programs the Tribe operates. The Indian Child Welfare Program tries to prevent the break up of Indian families, as well handle child abuse and neglect cases, court interventions and foster care placement. Due to the Tribe's share for the Indian Child Welfare Program being $52,495 for fiscal year 2000, there is only one child welfare worker to provide services to the 75 families and children in crisis that currently receive services under this program. The BIA Welfare Assistance Program the Tribe runs services 430 cases under this program, yet it will only receive $124,000 for fiscal year 2000, $2,500 less than fiscal year 1999. For these reasons, the Tribe is requesting an increase of $28,000, for 638 contract Administration costs, an increase of $22,505 for Indian Child Welfare, and an increase of $26,000 for Welfare Assistance, for a total funding level of $385,000 for fiscal year 2000, through the BIA.

FERC DAM RELICENSING—BIA, $200,000

The Hells Canyon Complex is a series of three dams (Hells Canyon, Oxbow, and Brownlee) owned by Idaho Power Corporation on the Snake River along the Oregon-Idaho border. The Federal Energy Regulatory Commission (FERC) is empowered to license all non-federal dams, including the Hells Canyon Complex. These licenses last 50 years and are subject to terms imposed by FERC, including the development of protection, mitigation, and enhancement measures to address all aspects of dam impacts, including effects on cultural sites, wildlife, and fisheries. Rather than pursuing a traditional relicensing process which involves considerable litigation, Idaho Power has elected to create a collaborative process to involve many stakeholders throughout all phases of the relicensing process.

Hell's Canyon has significant historic, cultural, and natural resources important to the Nez Perce Tribe, and so the Tribe has been a participant in the relicensing process since it ensued in 1996. Other than travel reimbursement funds from Idaho Power, there has been no direct funding available to the Tribe to participate in the FERC process. Funding provided to the Tribe would ensure continued participation in the relicensing, and would allow Tribal technical representatives to work with resource groups that design studies focused on dam impacts and assist Idaho Power in the development of protection, mitigation, and enhancement measures. For these reasons, the Tribe is requesting $200,000 for fiscal year 2000, through the BIA, to participate in the FERC relicensing of the Hells Canyon Complex.

JOINT VENTURE FUNDING—IHS, $4.5 MILLION

Congress recognized that the existing system for funding the replacement of health care facilities under the IHS Facilities Priority Construction List does not work for most tribes. It is difficult for our Tribe to make that priority list due to the criteria the IHS utilizes for new facility construction. Congress has authorized "Joint Venture" programs under the IHS which provides that tribes who construct their own facilities with their own resources could count on the IHS to provide staffing and new equipment, as long as the tribe provides the facility under a no-cost lease agreement to IHS.

The Nez Perce Tribe has elected to construct replacement clinics at Kamiah and Lapwai, Idaho, as both clinics have been designated in need of replacement. Both clinics are too small and are experiencing severe maintenance problems. The Tribe will provide the land and construction costs. The Nez Perce Tribe seeks funding from IHS for staffing and new equipment for these facilities, which we hope to be completed by the end of fiscal year 1999. The estimated cost for start-up equipment for both of the facilities is $1.2 million and the annual recurring amount is $3.3 million.

ITEMS OF GENERAL SUPPORT

BIA law enforcement

Due to this Subcommittee's funding increase in fiscal year 1999 for BIA Law Enforcement, the Nez Perce Tribe was able to increase its patrol officers from 6 to 12. Despite this increase, we are still short of the minimum 17 patrol officers it would take to perform patrol duties around the clock. Also, we still do not have the manpower to staff a Communications-Dispatch center that would require a staff of 7, or an Adult and Juvenile Detention Center, which would require a staff of 13. Since the Nez Perce Tribal Police Department provides normal and emergency services to

both Indians and non-Indians citizens within the Reservation, the Administration's request for a $20 million increase for BIA Law Enforcement is badly needed. For these reasons, we strongly urge additional funds be provided to tribes, through the BIA, for law enforcement, to be used for personnel, equipment and basic detention services within the BIA's Special Programs and Pooled Overhead account.

Indian land consolidation program

We support the $5 million increase, for a total of $10 million for fiscal year 2000, the Administration has requested through the Office of Special Trustee, for expansion of the BIA's Indian Land Consolidation Program. Currently, only three tribes are involved in the pilot program this year which was set up to help tribes consolidate fractionated interests in Indian trust lands. With an increase of $5 million in fiscal year 2000, this will allow for more tribes to participate in this program to address the ever-increasing problem of trust land fractionation.

IHS cost increases

We support the $174 million increase for fiscal year 2000 the Administration has requested for Indian Health Service over the fiscal year 1999 enacted level. The Administration's fiscal year 2000 request recognizes the yearly rising costs associated with Indian health facilities by targeting $34 million for population growth and pay-related cost increases, and an additional $8.6 million for staffing at new facilities. Pay-related costs and population growth increase each year and yet, usually get overlooked in the funding process. Also, as tribal populations grow, the need for new facilities and people to staff those facilities increase as well.

Tribal priority allocations (TPA)

We appreciate that the Administration continues to provide additional resources through the Tribal Priority Allocations account to assist tribal governments to address basic necessities and critical services within our communities. The President's fiscal year 2000 budget proposes an increase of $17 million over the fiscal year 1999 enacted level. While much of this proposed increase is for specific programs, rather than a general increase to base funding of all tribes, we support additional funds for TPA in fiscal year 2000.

In-lieu sites

We also support the $250,000 requested by the BIA to implement the terms of the 1995 Memorandum of Agreement between the BIA and the Corps of Engineers for Columbia River fishing access sites built by the Corps. In that Memorandum, the Corps committed $250,000 annually for the costs of law enforcement, operation and maintenance, training and other maintenance needs.

ESA secretarial order

The Nez Perce Tribe supports the $500,000, through the Fish and Wildlife Service, the Administration has requested for consultation with tribes as part of the Secretarial Order addressing the relationship of tribal treaty rights and the Endangered Species Act.

Thank you for your consideration of the Nez Perce Tribe's appropriation requests for fiscal year 2000.

PREPARED STATEMENT OF THE NATIONAL INDIAN CHILD WELFARE ASSOCIATION

The National Indian Child Welfare Association (NICWA) located in Portland, Oregon submits the following recommendations regarding the fiscal year 2000 Bureau of Indian Affairs and Indian Health Services Budgets and those agencies data-gathering efforts as they relate to child welfare and childrens mental health services. Our comments will focus on the following budget items and requests:

1. Increase by $3.0 million ($15.9 million) the BIA fiscal year 2000 Budget Request relating to the Indian Child Welfare Act under the Tribal Priority Allocations (TPA) budget category.
2. Restore historic funding of Indian Child Welfare Act (ICWA), Title II off-reservation grant programs ($2.0 million) which was funded through fiscal year 1996 under the Special Projects and Pooled Overhead portion of the BIA budget, but is not identified in the Administration's request for fiscal year 2000.
3. Require the BIA and IHS to provide more detailed information all programs that provide funding/services for children. This information is needed to accurately identify the need for these programs and how BIA and IHS budget requests respond to that need. The recommendations pertain to the tribal ICWA, Title II grant programs under TPA and the IHS Mental Health and Social Services and Contract

Health Services budget categories (specific recommendations described below and in the conclusion section of testimony.)

ORGANIZATIONAL PROFILE

The National Indian Child Welfare Association is based in Portland, Oregon and provides a broad range of services including, (1) training and technical assistance for tribal and urban Indian child welfare professionals, (2) consultation on mental health and child fare program development, (3) by request, facilitation of child abuse and neglect community prevention activities and (4) analysis and dissemination of public policy information that impacts Indian children and families. NICWA does not receive any BIA or IHS funds. We have a strict policy that prohibits us from applying for or receiving any funds that would otherwise benefit tribal programs. Our constituents are tribal governments and urban Indian child welfare programs throughout the United States. Our organization works closely with the Affiliated Tribes of Northwest Indians and National Congress of American Indians as well as having members of the Indian Child Welfare Committees of both organizations. This will be our seventh year in providing both oral and written testimony to the Subcommittee.

MEASURING NEED

Under TPA tribes are essentially provided a block grant from which they must fund a broad variety of services. Under this system, tribes must make decisions about which services they can fund and at what level. This often involves transferring funding from one financially strapped service to another, even though both services are overwhelmed by the human need they face. The BIA looks at this transfer as a measure of decreased need, which they use when developing their budget request. This provides only an artificial measurement of need. Using this method, Congress and the Administration will never know what the actual need for any program under TPA is and how well appropriated funds are doing in trying to meet that need.

Data provided to Congress should accurately describe human need, not just budget priorities. Amazingly, the BIA has been allowed to provide only superficial data to justify budget requests. For example, it is virtually impossible to know how many clients receive child welfare services, what kind of services are provided, what the outcomes were from services provided and how need for child welfare services compares to the level of services being funded. One improvement made by the BIA is the inclusion of data in their justification regarding child abuse and neglect referrals from 1992–1996 and the impact of continued high rates of poverty and unemployment in Indian Country upon referrals for child abuse and neglect—increasing referrals (see page BIA–55). The caseload data on page BIA–56 is a potentially helpful addition, but the numbers only reflect the need that was met through the provision of services. The numbers provide no comparison to the actual or unmet need for these types of services. This explains why the caseload numbers for Child Welfare Assistance have remained the same for several years. The number by itself is virtually meaningless, unless you can compare it to the actual number of placements needed, not just those funded. The implication here is that the BIA is meeting all of the need, which could not be further from the truth, especially when you consider the information on page BIA–55.

Another important factor in determining the need for child welfare funding is tribal access to other program services and funding. Of the top four federal sources of child welfare funding guaranteed to states under the Social Security Act (Title IV-B subparts 1 & 2, Title IV-E and Title XX) tribes only have guaranteed access to one, Title IV-B subpart 1 Child Welfare Services, and the amounts of funding available from this source for tribes are extremely limited (approximately $5.0 million projected for fiscal year 2000). Tribes, unlike states, have no authority to access the full array of federal funds that are needed to provide comprehensive child welfare services.

This situation, combined with dwindling state resources, lack of state expertise in serving Indian families and states' reluctance to enter into agreements for the provision of services in Indian communities based on financial and jurisdictional issues, has created a serious crisis for tribes in their efforts to protect their children and establish permanency and stability for those children who need help. It is worth noting that the BIA has developed a mistaken and sometimes cynical sense of what opportunities are available for tribes who are trying to piece together child welfare services. At a BIA meeting in early February, where the needs of tribes were being reviewed, it was suggested that the BIA also include in their analysis those programs that could benefit Indian children, but excluded tribes from eligibility. The

response from Deborah Maddox, BIA Director of Tribal Services, was that tribes could form agreements with states to access these federal programs, but that many tribes did not want to. This is an absurd statement. Tribes across the country are interested in or actively pursuing these types of services agreements, but are often met with reluctance by state governments. For several years now, NICWA and other tribal advocates have attempted to get the BIA to work more closely with the Administration for Children and Families in an effort to get greater access to federal child welfare and stimulate tribal/state agreements, but the BIA continues to act as if there is nothing to be done. We think that more can and should be done by the BIA in this area.

TRIBAL CHILD WELFARE PROGRAMS

Our first observation is that the program description contained in the BIA budget justification for Indian Child Welfare Act services is misleading (see page BIA–53) in that it makes the program sound much more substantial than it really is. In reality, the funding from this program only allows the vast majority of tribes enough money to fund a social work position or two and the basics needed to keep an of rice running (utilities, phone, fax, office supplies). More comprehensive services that provide clothing and shelter are rarely provided with these funds. The primary purpose of the tribal grant program is to help tribes respond to child abuse and neglect referrals, strengthen families where child abuse or neglect is present and address the permanency needs of children who have been removed from their homes. We all wish the program were more extensive, but $13 million doesn't go very far for 558 tribes.

Until fiscal year 1993 tribes had been forced to compete for child welfare funding from year to year. This competitive process was extremely disruptive and in most years only allowed approximately 50 percent of the tribes nationwide to receive any child welfare funding. Improvements in the grant process and small increases to ICWA in previous years and greater access to Title IV-B funding have enhanced tribal access to child welfare funding, but there is still a need to continue efforts to make more funds available to address child abuse and neglect. Efforts should include a more careful and accurate analysis of the child welfare needs of tribes by the BIA for purposes of budgetary recommendation. This analysis should be based on more than just population figures and how tribes are able to prioritize their limited TPA funds. It should include data on types of services provided, how many children and families receive these services, number of out-of-home placements of Indian children, type of out-of-home placement, length of time in out-of-home care, and numbers of children who are able to secure permanence through reunification, guardianship, kinship/relative care or adoption.

Other factors that deserve careful analysis include tribal access to other child welfare funding or services and the relative costs of providing basic child welfare services on tribal lands. This is meaningful data that can provide Congress with an accurate definition of need.

The most recent research on risk assessment of child abuse for Indian children indicates that 34.4 percent of Indian children are at risk for abuse or neglect (1993 National Indian Justice Center Study on Indian child maltreatment funded by the Indian Health Service). Many other documented indicators of the need for these services are also highly visible in many Indian communities such as extreme poverty and high rates of substance abuse.

OFF-RESERVATION ICWA, TITLE II GRANTS

Off-reservation programs can provide a number of important services to both tribes, states, and individual Indian children and families. The ICWA does not make a distinction between who should benefit from the act and is designed to protect Indian children and families everywhere. Arguably, Indian children living outside of their tribal community are some of the most vulnerable Indian children to stressors that are linked to risk for abuse and neglect. These off-reservation programs, where they have been able to exist, can provide key linkages to tribes when their members become involved in state child welfare systems. All of which are designed to meet the purpose of the Indian Child Welfare Act. Some common services that these programs can provide include:

—At the request of tribes, provide case advocacy or other services, such as foster care, to tribal children who do not live on the reservation and whose tribe may not even be in the state.

—Act as a resource to state agencies, courts and private agencies by providing training on how to provide more cost-effective services.

—Recruiting and licensing Indian foster and adoptive families, an activity that states often do not have resources for and are not successful at.

Off-reservation programs have suffered from the instability of inadequate funds and a competitive grants process. Historically, funding levels for off-reservation ICWA programs have been between $1.5 to $2.0 million. This has enabled the BIA to minimally fund about 40 programs a year which serve 65 percent of the Indian population that live primarily in urban settings. These programs have also tried to access private foundation funding and state contracts to supplement their ICWA grants. However, these funds have been increasingly difficult to secure, especially in light of increased competition for these resources due to reductions in state and federal funding.

We also know that many of these children may be served by state child welfare agencies at some point. Because of the small number of off-reservation ICWA programs operating in the United States, many of these children in urban areas are at great risk for not receiving needed services or protections. This seems especially relevant when you consider the budgetary problems that states are experiencing that result in minimal resources for staff training and services in general.

MENTAL HEALTH SERVICES

One of the best assessments of the current status of mental health services for Indian children is contained in a report that NICWA published in 1996 entitled, "American Indian Children's Mental Health Services: An Assessment of Tribal Access to Children's Mental Health Funding and a Review of Tribal Mental Health Programs." We have provided a complimentary copy for the committee to review. The report details issues affecting access to mental health services, current funding sources, an original survey of tribal mental health providers, profiles of four tribal mental health service systems, barriers to access of mental health services and compilation of recommendations for improving access to services.

Three issues we believe are of great importance to the committee's consideration of our request are (1) IHS system of mental health service delivery is primarily geared to adults (see statistics on page 4 and 15–17 of the report and IHS–45), (2) it is difficult, if not impossible, to identify how much of the IHS funding under the Mental Health and Social Services and Contract Health Services budget categories go to mental health service, particularly mental health services to children and (3) IHS admits in their own budget request that they are not able to meet the current need with available resources (see page IHS–45). Our best sense, based on findings in our report, is that children receive few mental health services funded by IHS. We therefore recommend that the committee require IHS to provide data detailing the level of funding from Mental Health and Social

Services and Contract Health Services that supports mental health services for Indian children.

CONCLUSION

Tribal child welfare programs are a valuable resource shown to be extremely effective in protecting Indian children and strengthening Indian families. A study in 1988 commissioned by the Department of Health and Human Services and Department of Interior entitled, "Indian Child Welfare: A Status Report," revealed that tribal programs outperformed the BIA and state child welfare programs, notwithstanding the limited funding available to tribes. Specifically, Indian children in substitute care had shorter stays in foster care and higher rates of permanency when served by tribal programs. In 1994 the Office of Inspector General issued a report entitled, "Opportunities for ACE to Improve Child Welfare Services and Protection for Native American Children," which clearly showed that most states were either not willing or able to share federal funds for child welfare services with tribes. This clearly demonstrates that tribes, when provided opportunity, are able providers of child welfare services, while currently not being able to depend on state funding sources or services.

We must also take into consideration other factors which impact the ability of tribes and off-reservation programs to protect their children and give them a sense of permanence. Because of welfare reform and recent child welfare reform, states have additional pressures to target their resources carefully. This will most likely mean that states' historic reluctance to provide services on tribal lands will continue and possibly get worse. If tribes are not given the adequate resources, then Indian children will likely continue to be the most unprotected class of children in this country with the least access to services that help provide permanency.

The National Indian Child Welfare Association requests that the subcommittee recommend the requests we have made in our testimony. They are as follows:

—Increase by $3.0 million ($15.9 million) the BIA fiscal year 2000 Budget Request relating to Indian Child Welfare Act by under the Tribal Priority Allocations (TPA) budget category.
—Restore historic funding of Indian Child Welfare Act (ICWA), Title II Off-Reservation grant programs ($2.0 Million) which was funded through fiscal year 1996 under the Special Projects and Pooled Overhead portion of the BIA budget, but is not identified in the Administration's request for fiscal year 2000.
—Require the BIA to provide adequate child welfare data to Congress. Some examples of this data are types of services provided, how many children and families received these services, number of out-of-home placements of Indian children, type of out-of-home placement, length of time in out-of-home care and number of children who are able to secure permanence through family reunification, guardianship, relative/kinship care or adoption.
—Require the IHS to provide data detailing the level of funding from Mental Health and Social Services and Contract Health Services budget categories that supports mental health services for Indian children.

Please consider these requests carefully and help tribal governments and off-reservation ICWA programs continue to offer proven, effective programs for Indian children and families.

PREPARED STATEMENT OF KENNETH C. HANSEN, CHAIRMAN, SAMISH INDIAN TRIBE OF WASHINGTON STATE

On behalf of the members of the Samish Indian Nation I would like to first thank the committee for the opportunity to submit written testimony. This request is directed at two programs under the jurisdiction of the Department of Interior Bureau of Indian Affairs. The Samish Indian Nation requests the Congress to legislatively re-establish all of the Samish Treaty Rights, which will be at no cost to the government. Secondly, the Samish Indian Nation hereby requests that money be appropriated for the purchase and establishment of a land base sufficient for the wants and needs of the Samish people, with authorization to take such land into trust status as a reservation. The cost of this land acquisition could vary but would not exceed ten million dollars. As chairman of the Samish Indian Nation I am submitting this testimony to you without the assistance of any Washington DC based legal or lobbying firm. The fact that we have no resources to pay for those professional services does not negate the seriousness of our requests. We are concerned that we have no one to knock on your doors and focus attention to our needs. It is my sincere hope that you, as members of Congress, will elevate our request and give it the attention that it so rightly deserves.

Samish is in the worst of all possible worlds. We won a decision in the courts on re-recognition. With recognition should come our original treaty rights, and the reservation promised in that treaty. However, we have been unsuccessful in getting the legal assistance to pursue re-instatement of treaty rights. We have no land, no treaty rights. Housing and Urban Development funding is based on past housing, which we do not have. The Public Law 93–638 contracting moratorium was passed, just as Samish was beginning the contracting process, which has put the Tribe another year behind other tribes in program and economic development. When you are already 30 years behind, additional delays are unconscionable.

Let me tell you the story of the small administrative error that created 30 years of untold hardship and grief for members of the Samish Indian Nation. The error was the inadvertent omission of the Samish Indian Tribe from the list of Federally recognized tribes prepared by the Bureau of Indian Affairs in 1969, in spite of the fact that Samish was on the draft list first prepared in 1966. No one was able to explain, legally or otherwise, how or why it happened. It took 26 years of struggle to expose the truth.

TREATY RIGHTS

The home territory of the Samish Indian Nation, since the beginning of time, is an area approximately 70 miles north/northwest of the city of Seattle in an area that is now referred to as the San Juan Islands. We are members of the Coast Salish Language group, as are the neighboring tribes. Further, like our neighboring tribes, we were party to the Treaty of Point Elliott which was negotiated in 1855 and ratified by the Senate in 1859 (12 Stat. 927). In 1931 the U.S. Court of Claims held in the Duwamish et al Indians v. U.S. that the Samish were a party to the Treaty of Point Elliott, as did the Indian Claims Commission in Docket 261 that the Samish Tribe were the successors in interest to the treaty signing Samish.

These two judicial entities had no apparent legal difficulty in recognizing Samish's lawful claim to exercise its Treaty rights. Although the tribe was never given their reservation land base, it was promised under the treaty of Point Elliott, we were none the less afforded the opportunity to exercise our treaty rights on the same basis as neighboring tribes. Many of our members held BIA issued "Blue Cards", which allowed them to exercise their hunting and fishing rights without a license from the State of Washington.

As Department of the Interior administrative law judge David Torbett held in 1994, and later reaffirmed by federal district court Judge Thomas Zilly in 1995, that the Samish have always been a federally recognized tribe and appeared on the list of federally recognized tribes prepared by the BIA in 1966. As Bureau employees later testified, they had no idea how the Samish "fell off" the list of recognized tribes when it was published in 1969.

In 1974 we intervened in *U.S.* v. *Washington,* the Boldt fishing rights case. This was litigation aimed at determining who should be able to exercise treaty rights. The federal government opposed our intervention because they said we were not a recognized tribe. This determination was not made based on published standards, federal witnesses later testified that it was a seat-of-the-pants decision made on a personal level. In 1979, by the then aging and ill Judge Boldt signed proposed findings of fact submitted by the Justice Department, without any changes or alterations, and held that the Samish as a non-recognized tribe were not eligible to exercise their treaty rights. In 1981 the Ninth Circuit Court of Appeals in San Francisco overturned Judge Boldt's decision, but then substituted their own six-point criteria to determine if a tribe was eligible to exercise its treaty rights. The factual record on appeal was not fully developed to address these new criteria. Rather than remand the case to the lower federal court to develop new evidence, the Ninth Circuit applied the new criteria to the old evidence and held that Samish was not eligible to exercise our treaty rights.

The U.S. Supreme Court denied certiorari only when the U.S. Solicitor General, Rex Lee, promised that if the Samish Tribe were successful in obtaining political recognition then the United States would have to take a new look at the case. The time for that new look is now. By satisfying the standards for recognition the Samish Indian Nation has necessarily satisfied the criteria for exercise of treaty rights.

We are requesting that the Congress either include language in the Interior Appropriation legislation to either:

1. Restore our full treaty status and all treaty rights under the Treaty of Point Elliott. This is our preference. This option would save the cost of endless years of litigation and appeals.

2. Request the Bureau of Indian Affairs and Department of Justice to immediately file in federal district court to reopen the Samish portion of the proceedings of *U.S.* v. *Washington.*

LAND ACQUISITION

This is a very simple issue, with a very simple solution. Samish was promised a reservation under the Treaty of Point Elliott, and no such reservation was ever created. Without a land base our people have been forced to relocate further and further away from the heartland of Samish territory. We are seeking from Congress fiscal year 2000 appropriations language that includes up to ten million dollars for the acquisition of lands for residential, cultural and, economic development purposes within the land acquisition boundaries as set forth by resolution number 99–01–07, passed by the Samish Indian Nation Tribal Council on January 18, 1999. And we further request that the Secretary of the Interior be authorized to take such land immediately into trust as a reservation for the Tribe.

We request that the Congress direct the Department of the Interior to immediately commence working with the Samish Indian Nation to create a homeland sufficient for the social, educational, cultural and economic needs of the Samish people. This can be accomplished through land purchases, land trades with state, other federal and private individuals.

The Samish Indian Nation is dedicated to learning from the mistakes that other tribes have historically made in creating their tribal communities. This is a once in a millennium opportunity for this tribe, to do it right from the very beginning; to create an attractive community that will seek to bring back members of the Samish Indian Nation from all walks of life, from all educational backgrounds, and from all income levels. The Tribe is committed to creating a healthy community from the very beginning. With a land base that will allow the creation of a healthy and balanced community the Tribe can prevent the replication of avoidable mistakes.

CONCLUSION

The two requests that we have made in this testimony are simple, clear, and concise. The Samish Indian Nation is morally, legally, and equitably entitled to these requests. They are not complicated. They represent the initial two priorities that the Samish Indian Nation has to regain our full tribal status. We did not create this situation that we find ourselves in, but we have always responded to it with great dignity and truth. Unfortunately most of the time we were never given the same courtesy by the staff of the Department of the Interior or the Bureau of Indian Affairs. The federal government's conduct even resulted in their Solicitor, Mr. Scott Keep, being held in contempt by Judge Thomas Zilly. We are simply asking congress to step up to the plate and work with us while we attempt to heal our people and our Tribe from what was simply an administrative error. Thank you for your attention to these requests and if you have any questions or require additional information please contact me through the tribal offices at 360–293–6404.

PREPARED STATEMENT OF VICTOR R. PRESTON, CHAIRMAN, SUSANVILLE INDIAN RANCHERIA

We appreciate the opportunity to express our concerns concerning the fiscal year 2000 President's Budget Request for the Indian Health Service and the Bureau of Indian Affairs. The Susanville Indian Rancheria (SIR) provides health care to more than 2,000 Native American beneficiaries located in Lassen County in Northern California. Since 1986, when the SIR first began contracting with the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA), we have continuously improved the quality, quantity, and scope of health care services and other services to eligible Native Americans located in our service area. The increasing levels of all services that we have been able to provide are directly related to the amount of resources which Congress makes available both to the IHS and the BIA.

The SIR's aim is self-sufficiency and independence while promoting cooperation and collaboration with other Tribes, organizations, local, state, and Federal sectors of the larger society. Moreover, there is the expressed determination to preserve what is possible of a precious heritage and cultural identity. The SIR has contracted for over thirteen years under the Indian Self-Determination and Education Assistance Act, P. L. 93–638 with both the IHS and the BIA.

Two historic events between the U. S. Army and the SIR were commemorated during a ceremony on July 30, 1997. The first event was the transfer of Army property to the SIR which occurred as a result of the 1995 Base Realignment and Closure process (BRAC). The second event was the four-way partnership created between the Madigan Army Medical Center, the Sierra Army Depot in Herlong, California, the SIR, and the local government. This partnership allows the SIR to provide health care services not only to the SIR population but to active and retired military personnel and the local population who reside in this remote area of Lassen County. This was the first such agreement in the Nation and the SIR was the first tribe ever to have Army property transferred under the BRAC process.

A major achievement of the transfer of some of the facilities at the Sierra Army Depot to the SIR was the establishment of a Youth Regional Treatment Center (YRTC). Since the original enactment of the Indian Alcohol and Drug Abuse Prevention and Treatment Act of 1986, the California Plan was developed by the Tribes who have been waiting and working toward the establishment of such facilities. With the transfer of the facilities from the Department of the Army, we are on the verge of finally realizing these efforts for the Indian population of California. Since fiscal year 1993, Congress has appropriated $17.4 million for the construction of YRTCs in other areas and the SIRs acquisition of the facilities does not require construction funds. When finally developed and staffed, the YRTC will house and treat 30–50 Native American youths between the ages of 12—18 during their respective cycles of at least 120 days. These youth will be referred from other participating tribes in California through a state-wide clinical referral team. To accomplish this effort, the SIR received over 50 Tribal resolutions and letters of support from throughout California. The YRTC will be the only family-oriented residential facility in California and possibly the IHS. This will provide for on-site direct involvement of the family in the treatment process. By all accounts, family-oriented residential treatment is the most effective approach in the treatment of substance abuse.

While we are aware of and understand the President's concerns relating to the new initiatives he is proposing for the Native Americans, we find it hard to comprehend the reduction of current health services to our people to fund these initiatives. By not providing for the mandatory costs increases (inflation), the current level of inadequate services will result in cuts to direct services. The Indian Health

Service is the primary source of health care to our people whether directly or by contracting with Tribal Organizations. As a Tribal Contractor in a rural and somewhat isolated part of the country, we are constantly straining to meet the needs of our people against the ever-shrinking resources available. It is important and necessary to at least maintain the current level of services that is provided to Native Americans, plus inflation.

This is especially true in the state of California. The recently completed Health Report from the Congressionally mandated California Indian Policy Commission finds a global funding shortfall of $56 million for health services in California. Another study funded by the Administration for Native Americans finds that California has the lowest adjusted per capita expenditure within the entire IHS. In addition, an IHS conducted Health Services Inventory conducted in 1993 reported that California had a "Mean Level of Needs (services) being met" of 31 percent compared to the IHS average of 58 percent.

With this, other studies, and reports in mind, we believe that there is a greater need to maintain current services and combat the effects of alcoholism, mental health, unemployment, diabetes, drug abuse, suicide, and violence that are epidemic among Native Americans. New initiatives are needed but not at the expense of existing programs.

As Congress begins the appropriations process for fiscal year 2000, the SIR aggressively seeks support from the Subcommittee in reversing the decline in funding for the Native American programs that we have experienced since fiscal year 1996. In general, we believe that the President's fiscal year 2000 budget has taken a positive step in that direction in some areas. We are concerned, however, that even the Administration's request for certain essential tribal programs and services provided through the BIA and the IHS remain seriously inadequate. Accordingly, tribal budgets are insufficient to meet the most basic needs of tribal populations.

With this in mind, we would propose that the Subcommittee take the following actions regarding the IHS and BIA fiscal year 2000 Budget Requests as outlined in priority order on the attached pages.

SUSANVILLE INDIAN RANCHERIA—INDIAN HEALTH SERVICE

1. We propose an increase of $52.2 million for mandatory cost increases (inflation).—The subcommittee needs to provide the inflationary cost increase required to maintain the fiscal year 1999 level of services. Currently, the Indian Health Service per capita health care expenditure is approximately one third that of the U. S. civilian resident. To further erode this by not providing for inflation does not reflect the Federal government's responsibility to promote the health of the American Indian and Alaska Native people, communities, and culture by providing quality curative and preventive medical care. In some cases, the IHS is the only source of care available in remote locales. The Tribes as well as the IHS have continually lagged behind the health care inflation rates for a number of years and have seen the level of services decrease because of this fact. Because of the remoteness of Indian clinics the cost of services becomes an increasing burden on Tribal leadership as resources are being taxed to the limit. The rate of inflation is exceeding the resources available to IHS and Tribal contractors and, therefore, services have to be reduced.

If, as the President has stated in the past, IHS is the only source of medical care available on remote reservation lands, does he expect the continuation of the same level of services as the previous year while planning to propose new program initiatives? By not providing for mandatory cost increases it will continue to erode the available resources available for the delivery of health services. The effect is twofold in that qualified medical personnel will not continue to work nor can be hired for salaries that are below those of their counterparts in the private sector and, in order to pay for the raises, resources used for health care are diverted from providing services and a reduction of the level of services being provided is the end result.

Tribal contractors benefit from this increase because IHS provides some of the resources to them and that enables them to provide pay raises and to better hire qualified medical personnel. Remote locations, the lack of proper medical equipment, and the lack of personnel are problems faced daily by Native American health care providers. To continue this trend is to further erode the health status of these people.

We, therefore, request that the subcommittee provide the resources required for the mandatory cost increase—$52.2 million.

2. We propose the restoration of the $5 million reduction in community health representatives (CHR).—The CHR program is a vital link to the delivery of health services for the Susanville Indian Rancheria. We are located in a isolated, rural community with a lack of adequate roads and health care services. The CHR program pro-

vides us the opportunity to reach out to our Tribal members on a one-on-one basis and provide not only transportation services but nutrition, food delivery, well-baby care, etc.. We understand that some Tribal Officials believe that this program may not be vital to them and, if reductions are required this is the program to be reduced. These officials are not located in locations such as the SIR and other organizations and have determined it is not a priority. But it is a priority for Tribal organizations such as ours.

We, therefore, request that the $5 million reduction be restored for the Community Health Representatives program.

3. We propose an increase of $21 million for the youth regional treatment centers (YRTC).—One of the major causes of health care problems among the Native American population is alcoholism and substance abuse especially among the youths of the reservations. To combat this issue, the IHS and Tribes have been hard at work establishing Youth Regional Treatment Centers (YRTC). When first conceived, as a result of the Indian Alcohol and Drug Abuse Prevention and Treatment Act in 1986, the projected cost for operating these facilities was $22 million per year. The IHS base program contains approximately $11 million. All Tribes and the IHS involved in these facilities realize that, to fully function, there needs to be appropriated an additional $21 million due to the various levels of services being provided at each facility. If these facilities are to make a difference and provide the Native American youth of today with the ability to live to be an adult, such an increase would ensure a long and productive life.

We, therefore, request a program increase of $21 million for operational costs be provide for the Youth Regional Treatment Centers.

4. We support the proposed increase of $35 million for contract support costs.—Total funding requirements for Contract Support Costs for fiscal year 2000 is $309 million of which there is available $203.7 million. This leaves a shortfall of $105 million. The Self-Determination process is being delayed due the constraints on the funds available.

In fiscal year 1997, concern was expressed that the IHS depiction of the shortfall would be misunderstood as resulting from unwarranted indirect cost escalation. It does appear that the Appropriations Committee has also misunderstood this issue. The Committee struck the request for shortfall, and concerned with the rapid increase in contract support costs, directed the IHS to work with Tribes, the BIA, the IHS, and the Office of the Inspector General (IG) of the Department of the Interior to see what could be done to contain costs. The IG issued a preliminary report that found the increases were not due to unwarranted indirect cost escalation, but were mainly due to increased compacting and contracting activity among the Tribes. It is essential that tribes waiting to compact or contract be given some hope of receiving the funding needed to make Self-Determination hopes a reality. There is also a possibility that recent court decisions and continuing unmet needs might result in the retrocession of compacts and contracts back to the IHS which would create an even bigger problem for the Committee in the future.

We, therefore, request that an increase of $35 million be provided for the Indian Self-Determination Fund.

The President's budget provides for an increase of $155.6 million over the fiscal year 1999 enacted level. While we support the increases proposed we would like to note that they do not restore certain programs such as the Tribal Priority Allocation (TPA). The small increases to TPA over the last several years have failed to keep up with inflation.

The major concern we have is that the California Tribes be treated on an equitable basis when distribution of funds and these increases, if appropriated, are made by the BIA.

We, therefore, request that the proposed budget for the BIA be appropriated as presented. We also request that special set-aside funds for individual Tribes be carefully scrutinized and funded only in cases of dire emergencies.

PREPARED STATEMENT OF DAVID M. GIPP, PRESIDENT; AND CHARLES MURPHY, BOARD PRESIDENT AND CHAIRMAN, STANDING ROCK SIOUX TRIBE

UNITED TRIBES TECHNICAL COLLEGE: MAKING A DIFFERENCE

For thirty years United Tribes Technical College (UTTC) has been providing post-secondary vocational education, job training and family services to Indian students from the Great Plains and throughout the nation. An inter-tribally controlled edu-

cational institution,[1] UTTC was assisting Indian people in moving from public assistance to economic self-sufficiency long before the 1996 welfare reform act. Our job placement rate in 1997 was 96 percent. The request of the Board of the United Tribes Technical College Board for the fiscal year 2000 Bureau of Indian Affairs budget is:

—$2,538,000 in BIA funds for UTTC, which is $157,000 over the Administration's request. It is also the same as the fiscal year 1998 Senate mark.

—Increased BIA funding for contract support costs. We annually absorb approximately $100,000 in contract support costs.

— Additionally, we ask Congress to encourage the BIA to place more emphasis on job training and vocational/technical education. The Adult Vocational Training program, funded at $9.9 million in fiscal year 1999, is but a shadow of its former self. There is no BIA leadership or advocacy for job training or vocational/technical education at the central or area levels. United Tribes Technical College, whose budget is located in the "Special Programs and Pooled Overhead/Community Development" portion of the BIA budget suffers from at best a lack of interest from persons who work with that portion of the budget.who primarily work on BIA-administered accounts. Other tribally-based colleges are in the "Other Recurring/Education" portion of the budget.

United Tribes Technical College.—A Unique Inter-Tribal Educational Organization. United Tribes Technical College is the only inter-tribally controlled, campus-based, postsecondary vocational institution for Indian people. We are chartered by the five tribes in North Dakota and operate under an Indian Self-Determination contract with the BIA. We currently enroll 310 students from 36 tribes and 17 states. In addition, we serve 115 children in our pre-school programs and 128 children in our elementary school, bringing the population for whom we provide direct services to 593. In some years our students come from as many as 45 tribes.

Occasionally people assume that UTTC is funded under the authorization for the other tribally controlled postsecondary institutions—the Tribally Controlled Community Colleges Act (TCC). We do not receive funding through the TCC Act, an Act which authorizes funding for only one tribal college per tribe. In North Dakota, each tribe has chartered a tribal college under the authority of the TCC Act. Additionally, the tribes in North Dakota jointly administer United Tribes Technical College which, in turn, serves Indian students from all over the nation.

UTTC was incorporated in 1968, long before most of today's tribal colleges were established. However, we have much in common with the other tribally-controlled colleges and are an active part of the American Indian Higher Education Consortium (AIHEC). What distinguishes us from the other tribally-controlled colleges is that we are chartered and controlled jointly by multiple numbers of tribes and that our primary focus is postsecondary vocational education. Additionally, our campus-based family housing is unique.

Educating Students and Placing Them in Jobs.—We are proud of the education, skills and services provided by UTTC for our students and their families over the past thirty years. And we are proud that this education is taking placing in a tribal setting, where our students and their families can maintain and strengthen their tribal heritage. We have had a job placement rate exceeding 80 percent sustained over the last 10 years, and in 1997 had a job placement rate of 96 percent. This success is all the more gratifying in light of the background of our students, most of whom come from tribal areas where poverty and unemployment are the norm. A large proportion of our students are from the fourteen tribes in the Dakotas, where unemployment among Indian people is chronic. BIA Labor Force data reports the percentage of potential Indian labor force on and near reservations in the Aberdeen Area (North Dakota, South Dakota, Nebraska) who are jobless is 71 percent. Of those persons who are employed salaries are so low that 33 percent are living below the poverty guidelines. (Source: Interior Department 1997 Labor Market Information On the Indian Labor Force.)

UTTC Course Offerings and Coordination with Other Educational Institutions.—UTTC offers 8 Certificate and 13 Associate of Applied Science degree programs.[2] En-

[1] The college is owned and operated by five federally-recognized tribes situated wholly or in part in North Dakota. These Tribes are the Spirit Lake Sioux Tribe, the Sisseton-Wahpeton Sioux Tribe, the Standing Rock Sioux Tribe, the Three Affiliated Tribes of the Fort Berthold Reservation, and the Turtle Mountain Band of Chippewa. Control of the institution is vested in a ten-member board of directors comprised of elected Tribal Chairpersons and Tribal council members.

[2] One-year certificates are: Office Technology; Automotive Service Technician; Construction Trades Technology with options in Carpentry, Electrical, Plumbing, and Welding; Early Child-

Continued

trepreneurship and new technology skills are being integrated into appropriate curricula. Recently we expanded our business program. And our newest program is a two-year degree program in injury prevention which was established in September of 1998. We are the first tribal college to have this course of study. The course trains students for injury prevention specialist jobs, and to try to change the culture of injury in Indian country. The program offers classes including Introduction to Injury Prevention, Prevention of Traffic-Related Injuries, and Prevention of Injuries Due to Violence.

The death rate among Indian injuries is 2.8 times that of the total U.S. population (Source: Indian Health Service fiscal year 1999 Budget Justification book). Reducing the incidence of injuries in Indian country is an area of focus for both the IHS and the Surgeon General. We received assistance through the IHS to establish our Injury Prevention Curricula.

All programs are accredited through the North Central Association of Colleges and Schools at both the certificate and two-year degree granting levels. During the last re-accreditation process (1996), the NCACS authorized UTTC to begin developing curricula for four-year degrees.

UTTC has transfer and articulation agreements with other colleges so our graduates can transfer to four-year schools from areas including Licensed Practical Nursing, Criminal Justice, Business and Entrepreneurship and Health Instruction. We have been a member of the Interactive Video Network of North Dakota's colleges, universities and tribal colleges since 1994. This is expanding the educational opportunities for our students.

Job Training and Economic Development.—UTTC is a designated Indian Minority Business Center serving Montana, South Dakota and North Dakota. We also administer a Job Training Partnership Act program and an internship program with private employers. And, thanks to a grant from the Kellogg Foundation, we are assisting tribes and tribal members in the Aberdeen Area with rebuilding buffalo herds.

Coordination with State Welfare-to-Work Efforts.—UTTC is working in cooperation with the state of North Dakota on welfare reform. We are serving state-referred Temporary Assistance for Need Families (TANF) recipients who are able to participate in our Cooperative Education internship program with private employers. By attending UTTC, these TANF recipients can meet their work, training and volunteer requirements. And we are providing child care for 60 children of state-referred TANF recipients.

We take exception to the 12-month statutory limit on the length of time a TANF recipient can be enrolled in a vocational education course and still be eligible for TANF. This limits TANF recipients to taking one-year certificate courses at UTTC. Our experience shows that the students who graduate from a two-year, rather than a one-year, course have significantly higher earning power. Many of our students come to UTTC planning to take a one-year course, and then, finding themselves in a supportive environment and seeing the economic benefit of the longer course, decide to work for the two-year degree.

Serving Families Contributes to Education and Job Placement.—We believe that a primary reason for UTTC student success is that we serve the students' social, academic and cultural needs. Many of our students are the first generation in their family to attend college and for many it is their first experience in living away from home. Many students are on public assistance and many have families of their own. Some of our services are:

—Early childhood services for 155 children, ages birth to five years and an additional 41 elementary children for extended care.
—The Theodore Jamerson Elementary School (grades K–8) serving 128 Indian students;
—A health clinic whose services includes immunization, health education, eye and dental exams, and referrals to other health care providers;
—Family housing and dormitories for solo parents and for students without children;

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hood Education; Criminal Justice; Hospitality Management: Food & Beverage Specialization; Medical Secretary.; and Welding Technician.

Two-year Associate of Applied Science (A.A.S.) degrees are offered: Arts/Marketing; Automotive Service Technology; Construction Trades Technology with options in Carpentry, Electrical, Plumbing and Welding; Criminal Justice; Early Childhood Education; Health Information Technology; Hospitality Management: Food & Beverage Specialization; Office Technology with emphasis in computer applications or accounting; Practical Nursing; Small Business Management; Welding Technology; Dietetic Technician, and Injury Prevention.

—A local transportation system for students for school activities and necessary appointment e.g., (doctor appointments) outside the campus. Most UTTC students do not have cars.

UTTC Seeks Non-BIA Funds.—UTTC is aggressive in seeking non-BIA funding for special needs. For example ,we combined Department of Agriculture, Economic Development Administration and state Community Development Block Grant funds and replaced our aging water, sewer and gas systems in 1997.

Our elementary school received a competitive Department of Education grant for computer technology, and was one five BIA-system schools to receive this funding. We also received a Kellogg Foundation grant to develop buffalo management skills for the tribes and their members throughout the Aberdeen Area, as they attempt to rebuild herds of buffalo decimated more than 100 years ago.

The above mentioned grants are highly competitive, restrictive, one-time grants, and they cannot provide for day-to-day operations. We cannot survive without the basic operating funds which come through the Bureau of Indian Affairs.

UTTC Funding History and Current Needs.—BIA funding has not come close to meeting our cost-of-living and other needs. From fiscal year 1990 through fiscal year 1999, BIA funding for UTTC increased on the average 3.9 percent annually (from $1,708,000 in fiscal year 1990 to $2,310,000 in fiscal year 1999).

The operating and purchasing strength of our budget has diminished by some 20 percent since 1990. Utility costs are especially difficult. Electricity expenses have risen about 20 percent per unit and the per unit gas costs have increases approximately 113 percent during this decade. We have been able to partially offset utility rate increases by implementing stringent conservation measures such as improved weatherization and reductions in building temperatures. However, energy consumption cannot be further reduced because of our location and the harsh winters in the northern plains.

While we are not proposing a large increase in BIA funding for UTTC, below are some of our financial needs of which we want you to be aware:

—*Housing*.—We need new and rehabilitated campus housing so that we can increase student enrollment. We have an ongoing waiting list for enrollment, which currently stands at 200. The primary reason for not admitting a potential student is lack of housing.

—*Salaries*.—We were able to provide a cost-of-living increase for our employees last year However, our faculty still receive salaries that are lower than in any state college system. North Dakota salaries for higher education faculty are the lowest in the nation—but the average faculty salaries at UTTC are even lower than those in the North Dakota state system.[3]

—*Maintenance and Repair of Historic Buildings*.—Lack of available resources has also meant a limitation on the repair and maintenance of physical facilities, many of which are of historic significance. The College occupies the old Fort Lincoln Army Post, and many people visit our campus to see these buildings. Other than the more recently constructed skills center and the community center, UTTC's core facilities are 90 years old. Estimates for new facilities total over $12 million, according to a 1993 U.S. Department of Education report to Congress. Continuing a course of nonrepair will ultimately prove more costly as the repairs will be greater. Fire and safety reports document our repair needs.

—*Emergency Repair*.—Emergency repair on both single and family student housing, instructional facilities and support facilities exceeds $100,000. This amount will obviously not cover major renovations or new facilities. Funding is also needed for maintenance and repair related to damaged caused by inclement weather including blizzards and extremely low temperatures.

Neither UTTC nor other tribal colleges receive funding through the BIA for maintenance and repair nor for construction. We believe that this situation should be corrected. A good starting point would be to make some maintenance and repair funding available to the tribal colleges.

—*Contract Support Costs*.—The fixed and related costs approved under our annual Indirect Cost proposal to the U.S. Inspector General have decreased in recovery by over $100,000 annually, with another expected loss of $110,000 for fiscal year 1998 and at least that much in fiscal year 1999. We are in dire need of adequate recovery for this year, as well as prior years. In fact, we have an unrecovered contract support cost of $1,089,000 over the past ten years. UTTC's absorption of these built-in costs has damaged our capability to provide program services to our students and faculty.

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[3] Source: Integrated Postsecondary Education Data Systems (IPEDS) Report of the U.S. Bureau of the Census and the Department of Education Office of Education Statistics.

—Technology.—We need funding for updating our computers and hardware to maintain and our capabilities for distance learning programs for our campus-based students and students at other locations. We have been working with the Denver Indian Center to provide UTTC classes, via distance learning. to the Indian population in the Denver area. Thus far we have three classes on-line and are expecting to begin operations soon.

—*Course Offerings/Student Services*.—We would like to change some of our courses to better meet new market demands. For example, we want to expand the allied health professions. We also need to expand our diagnostic capabilities in tribal-specific areas and also in the areas of literacy and math-science background. This would allow us to improve student remediation services. Finally, we want to make improvements in our student follow up, career development, and job market research efforts.

Thank you for your consideration of our request. We need your assistance to ensure that the unique educational opportunities offered by United Tribes Technical College will be available for what we hope will be an increasing number of Indian and Alaska Native students and their families next year and in the future.

PREPARED STATEMENT OF HON. ROBERT GUENTHARDT, TRIBAL OGEMA (CHIEF EXECUTIVE), LITTLE RIVER BAND OF OTTAWA INDIANS OF MICHIGAN

This testimony provides the views of the Little River Band of Ottawa Indians of Michigan on the President's Budget Request for fiscal year 2000 for the Bureau of Indian Affairs. The Tribe is requesting that the Committee either provide an add-on of $355,500 to the fiscal year 1999 Tribal Priorities Allocation (TPA) enacted level, or that the Committee direct the BIA to make this money available to the Tribe out of regular TPA funding. The Tribe is also requesting Committee support for the request of the Chippewa-Ottawa Treaty Management Authority for additional funding for Little River for negotiations and implementation of the U.S. v. Michigan treaty fishing settlement.

The Little River Ottawa is a relatively small Tribe which was restored and reaffirmed to Federal recognition by Congress in 1994. Because the Tribe's restoration Act was passed in September of 1994, the Tribe did not receive funding in fiscal year 1995. The Tribe first received BIA "New Tribes" funding in fiscal year 1996. Unfortunately, the Tribal enrollment figure used to submit appropriations requests was the number of BIA-approved enrollment files (650), rather than the Tribe's projected enrollment of 2,000. The Tribe's fiscal year 1996 New Tribes funding was $330,000. In comparison, other newly restored/reaffirmed Tribes with comparable enrollments received in excess of $1 Million Dollars in New Tribes funding. Little River's New Tribes funding level was increased from $330,000 to $671,000 in fiscal year 1997; however, even this increased level was half of that received by similarly situated Tribes.

This funding inequity hindered the Tribe's ability to fulfill the purposes of the "new tribes" program. Nevertheless, in the few years since Congress restored the Little River Ottawa to federal recognition, Tribal leaders have made the best use of the limited resources available to fulfill their governmental responsibilities and to use the tools of self-determination. In July 1998, the Tribe's membership approved a new Constitution, which establishes three (3) separate branches of Tribal government: Legislative (Tribal Council), Executive (Tribal Ogema), and an independent Tribal Judiciary. The Tribe has utilized, or is utilizing, monies received under the Michigan Indian Land Claims Settlement Act (Pub. L. 105–143) to purchase nearly 2,000 acres of former Reservation land for community and economic development. The acquisition of these properties has dramatically increased the Tribal government's regulatory and law enforcement responsibilities. Many Tribal families are returning the Reservation in anticipation of new jobs and housing. Importantly, the Tribe's Constitution assures Tribal members and non-members alike, access to the Tribal Courts to vindicate rights secured under the Tribe's Constitution and enforcement of Tribal laws. As Committee members are well aware, providing and maintaining a competent Tribal forum for members and non-members does not come cheap.

As noted previously, the Bureau did take some steps to correct the Tribe's funding inequities in fiscal year 1997, when the Tribe's New Tribes funding level was adjusted from $330,000 to $671,000. In fiscal year 1998, Minneapolis Area Office received approximately $1.9 Million Dollars in additional TPA monies to be re-allocated in the Area. Unfortunately, those increased funds were allocated based upon each Tribes' current funding and Little River's share only amounted to $48,696. The

addition of these funds, however, did bring the Tribe's total appropriation for fiscal years 1998 and 1999 to $724,166.

The Tribe is doing its part to develop a responsible, competent Tribal government. Long-term maintenance and support for these essential governmental responsibilities requires adequate Tribal Priorities Allocation funding from the Bureau of Indian Affairs.

A number of these important programs—most notably Tribal Courts, Law Enforcement, Tribal Council and Social Services—are dramatically underfunded. The Tribe's unmet needs in these very critical areas can be met with surprisingly little funding—approximately $400,000. This increase will permit the Tribe to maintain its existing programs at the minimum levels established in previous fiscal years and provide the Tribe with a base budget to develop and maintain a independent, competent Tribal Judiciary and related law enforcement on the Tribe's Reservation.

This is the second year the Tribe has asked the Congress for assistance in correcting the mis-calculation of the Tribe's TPA distribution. We ask for this Subcommittee's assistance in making sure the BIA corrects this problem in fiscal year 2000. Specifically, the Tribe is requesting that the Committee either provide an add-on of $355,500 to the fiscal year 1999 enacted level, or that the Committee direct the BIA to make this money available to the Tribe out of regular TPA funding.

With the federal dollars it have received, the Tribe has now hired a core staff and has developed several programs to address the service needs of tribal members. The Tribe has established its Court, its governmental offices, a health clinic, a community center and has begun to reacquire land within its historic Reservations. Unfortunately, this progress may be short-lived. Unless we have a funding increase in fiscal year 2000, the Tribe will have to cut back or eliminate many programs.

The Tribe also has Court-ordered responsibilities for management, regulation and enforcement activities related to Treaty-reserved fisheries on the Great Lakes. The Congress has recognized its unique obligation to fund Tribes sufficiently to protect Treaty resources. Since the early 1980's Congress has appropriated recurring funds through a separate line-item for the Chippewa-Ottawa Treaty Fishery Management Authority to permit its member Tribes to carry out their responsibilities for Great Lakes treaty fishery conservation and management, as well as meeting their obligations under a Consent Order entered in the treaty rights litigation U.S. v. Michigan. The terms of the settlement embodied in the Consent Order and the current efforts to negotiate a successor a agreement are a testament to the Tribe's willingness to work with the State and its user groups to reach accommodations on these controversial matters.

In 1998, Little River became a member of the Chippewa-Ottawa Treaty Fishery Management Authority and a party to U.S. v. Michigan. The Tribe intends to be a full partner in the management and protection of the Great Lakes fishery resources and is assuming its Court Ordered responsibilities under the Consent Order. To date, however, Congress has not provided the Treaty Management Authority with the financial resources necessary to provide Little River with the funds it needs to carry out its regulatory and enforcement responsibilities. The Chippewa-Ottawa Treaty Fishery Management Authority will be requesting additional funding to allow the Little River Ottawa to assume these responsibilities. As is the case with the other 1836 Treaty tribes who are party to U.S. v. Michigan, these funds are appropriated through a separate recurring line-item in addition to each of the member Tribes' TPA allocations. With the expiration of the current Consent Order in the Year 2000, actual appropriation of these funds for Little River in the Year 2000 is essential to protection of Little River's treaty resources.

Mr. Chairman, the Tribe believes this situation has reached a critical state. In fact, and I do not say this lightly, our very survival as a tribal government depends upon adequate funding provided to us by the Bureau of Indian Affairs from appropriations made by the Congress. We are willing to assume and carry out our responsibilities as a government; however, those responsibilities require a minimum level of funding. What we currently have is simply not enough. If we can be provided and assured the minimum level we ask for, we are willing to use those resources to do the rest, and the best, for our people.

We thank you for any help you can offer to ensure that our funding needs in fiscal year 2000 will be met.

Thank you again for the opportunity to bring this important matter to the attention of the Members of the Subcommittee.

PREPARED STATEMENT OF WILLIAM OLD CHIEF, CHAIRMAN, BLACKFEET TRIBE, BLACKFEET INDIAN RESERVATION

Mr. Chairman and Distinguished Committee Members: My name is William Old Chief, Chairman of the Blackfeet Tribe, government of the Blackfeet Indian Reservation, Montana. I would like to respectfully thank you for the opportunity to present written testimony to the Senate Committee on Appropriations Interior Subcommittee. I am requesting appropriation funding for the Blackfeet Tribe, funding administration shall be directed through the Department of the Interior, Bureau of Indian Affairs (BIA), Wildlife and Parks. Listed by priority, they are: $4,700,000.00 to construct a Trout Fish Hatchery facility; $275,000.00 annual 638 Self-Determination contract for hatchery operations; $100,000.00addendum to the existing Blackfeet Fish and Wildlife Public Law 93–638 Self-Determination Contract which is currently funded at $100,000 annually, the addendum will bring the total to $200,000annually; $50,000.00 addendum to the existing Blackfeet Threatened and Endangered Species Program Public Law 93–638 Self-Determination contract, which is currently funded at $120,000 annually, the addendum will bring the total to $170,000 annually.

The Blackfeet Indian Reservation (BIR) is located in central Montana and shares borders with Glacier National Park to the West and Canada to the North. The BIR land base encompasses 1.5 million acres of forest, range and farm lands. The Blackfeet Tribe consists of approximately 15,000 members, of which 8,500 members reside on the reservation. Non-Tribal residents of the reservation number approximately 2,500 individuals.

The BIR recreational fisheries habitat and resource is extensive and provides an integral role within the structure of the natural resource. The assemblage of BIR aquatic wetlands consist of 19,668 acres of glaciated pothole basins that range in size of less than an acre to lakes of more than 2,000 acres. Approximately 35 lakes still in a Pre-Columbus state provide 13 square miles of blue ribbon trout fish habitat.

The Blackfeet Tribe has clearly identified the need for a Trout Fish Hatchery on the Blackfeet Indian Reservation, and has initiated inter-agency cooperative measures for the preparatory planning and development of a facility. The proposed hatchery would exclusively support lake systems in Indian Country, and would serve to attain maximum biologic potential for growth, angler success, and production. The hatchery requirement stems from an effort to secure the integrity of the Tribal Fisheries resource and provide for its' future growth potential. The establishment of a resident hatchery will offer the Tribe a multiple of opportune economic advancements and make possible the desire to obtain a positive level of self-reliance and effective self-governance. The hatchery will foster associative social and economic interests and productively address the commercial expansion of Tribal and Non-Tribal based affiliate private businesses. The Tribe envisions a sustained recreational fisheries supported internally by existing Tribal conservation management trust efforts.

The Blackfeet Tribal lake fisheries have historically produced trophy trout in impressive numbers and have been said to be the fly fishermens' best kept secret in the Northwest. Because of this recognition, the revenue generated through sales of Tribal fishing permits is substantial and provides an important source of income for the Tribe and supports many local and state private enterprises. Tribal fishing permits are sold on and off the BIR, which effectively promotes business to many local and surrounding Montana rural communities. Revenue from permit sales goes to provide conservation law enforcement and management for the Tribes' fisheries. Peak sales of permits earned the Tribe $201,000 in revenue for fiscal year 1996. Although it is not a significant amount on a national scale, in an arena of a stressed agriculture economy this relief is notably substantial. Once in operation Hatchery production would enable the Tribe to maximize fishery growth potential and increase service supply to stimulate expansion of recreational fishery commerce.

Trout stocking for the Tribal lakes has been conducted annually by the U.S. Fish and Wildlife service, and for many years the Tribe has enjoyed benefits derived from this trust responsibility. The Tribe deems the stocking program to be successful in many categories, but has grown strongly concerned by recent yearly disruptions that have placed the Tribal fishery in jeopardy. The Tribe received a maximum supplementation of 800,000 trout in fiscal year 90', since that time the Tribe has seen a disturbing decline in lake fish stocking rates. fiscal year 1998' stocking rates for Tribal lakes were approximately 300,000 trout. The impact to the Tribe has been a serious deficiency in angler success and a 35 percent reduction in fishing permit revenues. The Tribe receives the bulk of fish for the lakes from Creston Hatchery U.S. Fish and Wildlife Service. The Tribe expects additional disruption to the lake stocking rates when Creston interrupts production to meet quality standards to the

dam structure that supports the Hatchery. Also the USFWS has adopted a new policy of raising only native endemic species in federal hatcheries, the effect of this transition will disrupt production and stocking rates as well. The Tribe appreciates the requirements of the comprehensive public trust responsibility and empathizes with the ensuing reduction in services due to budget concerns, yet the serious plight of the Tribes' natural resource interests lends further justification to acquire a Tribal Hatchery. The advent of these developments expedites existing Tribal desires to realize self-reliance in this area of Trust responsibility and secure Tribal interests.

The Blackfeet Tribe has worked cooperatively with the U.S. Fish and Wildlife Service and the Bureau of Reclamation to thoroughly examine preliminary hatchery considerations. Interior agency technical assistance has enabled the Tribe to ensure the best management practices and address collective natural resource parameters to assure environmental and biologic quality control. The Tribe is confident in the planning direction arrived by the collaborate process and is affirmed that procurement for quality production will be attained.

The hatchery facility design will address current fish culture practices to ensure quality biologic production and maintain species integrity. To accomplish this goal all fish production will be accommodated indoors. Water supplies will be treated in two manners. The fish egg hatching facility will utilize filter systems that will range down in size to one-half micron mesh followed by ozone injection, and finally ultra violet exposure. The larger building that will house older developed fish, will filter the water for larger colloidal suspended sediment and be exposed to ultra violet light. These methods will suppress bacterial and viral introduction with a high degree of certainty. The egg hatching facility water amount requirement is less but demands intensive treatment because of the high disease susceptibility of younger fish. An enclosed hatchery building will provide water quality by diminishing the formation of solar radiated algae and bacteria. The use of smooth fiberglass tanks in a darkened surrounding will reduce injury complicated by the stressful environment of an enclosure. Indoor rearing of the fish imparts a preservation of survival escape behavior needed once the fish is released in their natural habitat, this decreases mortality rates and increases mature populations in the wild. The Hatchery will have a 50 year operational capacity and will have the future potential to provide Fish to the other Federally recognized Tribes residing in Montana.

The Tribe shall utilize a three phase production approach for the hatchery. Phase one shall include the engineering and design details to conform to facility production fish requirements. Phase two shall be further defined on the basis of phase one to construct the Hatchery. Phase three shall involve operational OMB performance to achieve progressional development. The Tribe has explored and examined plans for a host of contingencies pertinent to the hatchery for five years. The parameters and requirements for phase one have been logistically defined. Phase one will require a expert consulting design to refine and document a final product that will allow the Tribe to shift to phase two and phase three.

The Great Plains Tribes have consistently been regarded in terms of their relationship with the buffalo. Primarily this is true for the Blackfeet Tribe, yet culturally the Blackfeet honored all animal species with equal repect and reverence. In particular, although not a diet staple the fish plays a very significant historical and contemporary spiritual role for the Blackfeet. Consumption of fish is performed first to honor particular spirits before the commencement of all Blackfeet spiritual ceremonies. In addition, the advent of western society has placed subsistence burdens on the people of the Blackfeet Tribe since the late 1880's. To offset their adversity the Tribe has incorporated fish more frequently into daily diets, and like the horse, fish have evolved to portray a active culturally important role to the society structure. In short, the Blackfeet Tribe has a substantial invested interest in the procurement of the best stewardship for the Tribal natural resources fisheries.

The Blackfeet Tribe receives an annual Public Law 93–638 contract to conduct fish and wildlife conservation management for purposes that include law enforcement, management operations, project work, and administrative support. The intent of this contract continues to be fulfilled by theBlackfeet Fish and Wildlife Department (BFWD). The Tribe enjoys increased fish and wildlife resources and distinguishes an expansion in responsibility, concurrently as the BFWD has matured, the need for additional funding to support operational performance and function is essential to meet management requirements. The Tribe takes great pride in the success that past funding has allowed. Part of that success is made possible and is demonstrated by the Tribes' well established fish and wildlife conservation code. To meet future resource responsibilities with competence and credibility the Tribe must attend to enlarge it's capabilities. Funding to meet these natural resource requirements would empower the Tribe to self-sufficiently administer new incursions of responsibility.

The BIR provides extensive habitat for a wide variety of fish and wildlife species. Many species are listed within the Endangered Species Act or are candidate concerned species. The BFWD must provide the protection aspect of management for these ESA species. Big and small game species including non-game species proliferate on the BIR. Fish and wildlife fauna include: Grizzly Bears, Black Bears, Grey Wolves, Elk, Moose, Whitetail and Mule Deer, Mountain Goat, Mountain Lion, Big Horn Sheep, Antelope, Bald and Golden eagles, Osprey, Piping plovers, Ferruginous Hawk, Northern Goshhawk, Harlequin Ducks, Trumpeter Swans, Whooping Crane, Lynx, Swift Fox, Red Fox, Bull Trout, Westslope Cutthroat Trout, Beavers, Otters, all members of the weasel family(wolverines), and coyotes. The BIR's pothole system plays a very important role for waterfowl and migratory birds(Trumpeter swans). The BFWD responsibility is for the management of all species within the BIR's 1.5 million acres of habitat, additional funding would work directly to adequately secure that interest.

The Blackfeet Threatened and Endangered Species (TES) program is one of several programs within the BFWD. Initially the duty of the TES program was to conduct research on grizzly bears and grey wolves on the BIR. TES responsibilities have expanded out of necessity to encompass more management efforts as well as other species that are listed as threatened or endangered. The current mission of the TES program is to gather information on the habits and distribution of grizzly bears, wolves, and other federally threatened and endangered wildlife species or species of special concern that occur on the BIR, to assist in their management, and to develop plans for future management of those species. The goals of the program include the following: (1) to provide information to resource managers that will enable them to avoid or lessen negative impacts to threatened or endangered species as they conduct their respective management activities, (2) to provide training, education, and employment opportunities to Tribal members in the field of wildlife biology, and (3) to assist BIR residents in the management of nuisance or depredating grizzly bears, wolves, or other predators.

The TES program works closely with the U.S. Fish and Wildlife Service and other federal, state, and Tribal agencies in cooperative interagency efforts to manage all threatened and endangered species. Some of the accomplishments to date include a habitat enhancement project for the threatened piping plover, a Tribal Bear management plan, near completion of a grizzly bear cumulative effects analysis model that will help managers throughout the ecosystem determine and mitigate effects on grizzlies of planned activities, a livestock carcass redistribution program that reduces conflicts between bears and ranchers, implementation of food storage guidelines for rural residents and campers to reduce bear conflicts, and garbage management guidelines, including acquisition of nonfederal funding for bear proof garbage dumpsters on much of the BIR. We work in close cooperation with a private conservation organization that reimburses ranchers for livestock that are killed by wolves or grizzly bears. The quality of our TES program is equitable to similar state or federal programs.

TES current level of funding is not adequate to meet federal mandates or maintain quality service. Much of our equipment is over 10 years old and needs replacement. Costs for operations have increased while our budget has remained the same. Grizzly Bear and wolf populations are increasing on the BIR and require more management effort. More wildlife species are being listed as threatened or endangered, requiring our attention. The TES mission dictates an additional human resources, and support equipment to meet our increasing demands to facilitate Tribal Self-Determination.

The Blackfeet Tribe wishes to emphasize an imbalance in the federal funding distribution of fish and wildlife initiatives in Indian Country. The Pacific Northwest and Great Lakes region receive 85 percent of funds while Tribes in the remainder of the country rely on the remaining 15 percent. The Great Plains region includes 80 percent of Indian Country trust land mass. The Blackfeet Tribe does not dispute nor wish to disrupt present funding allocations elsewhere, we only wish to express a desire to obtain a measure of equity in funding accruement to adequately address unmet natural resource needs.

The Blackfeet Tribe appreciates previous support as it has assisted the BFWD to meet challenges and see to the best interest of the fish and wildlife resource. The sustained commitment demonstrated by the House and Senate strongly confirms a sincere pledge to promote Blackfeet self-sufficient efforts and fosters realization of tangible measures towards Self-Determination.

PREPARED STATEMENT OF THE BERING SEA FISHERMEN'S ASSOCIATION

ABSTRACT

The Bering Sea Fishermen's Association (BSFA) requests the Senate Appropriations subcommittee on Interior and Related Agencies to continue to direct base funding of $805,000 plus an additional $700,000 to BSFA to conduct salmon research and restoration projects in the Arctic-Yukon-Kuskokwim (A-Y-K) region of Alaska. As in previous fiscal years, base level funding of $805,000 is already available and identified for this research effort within the BIA's Wildlife & Parks, Tribal Management and Development program. Additional funding is requested to respond to the 1998 Federal fisheries disaster in western Alaska. BSFA will continue to work with appropriate regional Native non-profit organizations and village councils in the design and implementation of these projects.

BSFA'S ARCTIC-YUKON-KUSKOKWIM SALMON INVESTIGATIONS PROGRAM: MONITORING AND RESTORING THE SALMON RESOURCE

In response to drastic declines in salmon returns, in fiscal year 1994 the Congress authorized a Bureau of Indian Affairs appropriation of $800,000 to BSFA to conduct salmon monitoring, research, restoration and enhancement projects in western Alaska. Since that time from fiscal year 1995 through fiscal year 1999 the BIA has maintained a base level funding of approximately $800,000 to $805,00 in its budget to support what is known as the Arctic-Yukon-Kuskokwim Salmon Investigations program. This base level funding has been placed in the Wildlife & Parks, Tribal Management & Development section of the budget. With the exception of fiscal year 1995 funding, each year the Congress has directed that the full $800,000–$805,000 be directed to the Bering Sea Fishermen's Association (BSFA) so that one single entity is responsible for administering the overall A-Y-K salmon research effort. Each year BSFA has consulted with agencies such as the Alaska Department of Fish & Game (ADF&G) and the United States Fish & Wildlife Service (USF&WS) as well as various regional Native non-profit organizations and village councils to create cooperative research projects. BSFA then subcontracts with these Native regional organizations and village councils for recruitment and supervision of a crew leader and local villagers and field equipment and supplies. In many cases, the ADF&G or USF&WS also provides in-kind support of personnel or equipment.

The goals of these projects are to:

—fill a gap in the scientific database not covered by existing agencies;
—assure sustained yield management of salmon stocks;
—develop tribal capabilities in salmon management and research, and;
—provide information to assist management in providing for subsistence salmon needs of rural Alaskan villages.

Using this Congressional appropriation BSFA has funded all or a significant portion of the cost of the following projects:

Arctic (Kotzebue Sound & Norton Sound)

Sikasuilaq Springs chum salmon hatchery: annual operational costs (fiscal year 1994)
Kobuk River chum salmon abundance test fishery (fiscal year 1994)
Regional salmon spawning surveys (fiscal year 1996-fiscal year 1999)
Salmon catch (age-sex-length) sampling (fiscal year 1996-fiscal year 1999)
Sockeye salmon habitat analysis & lake fertilization (fiscal year 1994)
Chum salmon habitat analysis & micro-hatchery construction (fiscal year 1994)
Snake River salmon counting tower (fiscal year 1994–fiscal year 1999)
Eldorado River, Pilgrim River & North River salmon counting towers (fiscal year 1996-fiscal year 1999)
Regional subsistence harvest surveys (fiscal year 1994-fiscal year 1999)
Public forums: project planning (fiscal year 1994-fiscal year 1999)

Yukon River

Chum salmon micro-hatchery development (fiscal year 1994 & fiscal year 1995)
Toklat fall chum salmon productivity analysis (fiscal year 1994-fiscal year 1999)
Pilot Station main river salmon counting sonar operations (fiscal year 1994)
Anvik River terminal harvest test seine fishery (fiscal year 1994)
Kaltag Creek salmon counting tower (fiscal year 1994–fiscal year 1999)
Nulato River salmon counting tower (fiscal year 1994–fiscal year 1999)
Tanana Village salmon abundance test fishwheels (fiscal year 1994–fiscal year 1999)
Mountain Village fall chum salmon abundance test fishery (fiscal year 1995–fiscal year 1999)

Andreafski River coho salmon counting weir (fiscal year 1995–fiscal year 1999)
Galena village fall chum salmon abundance test fishwheel (fiscal year 1995)
Tanana River fall chum tag & recapture population estimate (fiscal year 1995–fiscal year 1999)
Clear Creek salmon counting tower (fiscal year 1996–fiscal year 1999)
Pilot Station sonar local Native technician (fiscal year 1996–fiscal year 1999)
Nenana River salmon spawning surveys (fiscal year 1996–fiscal year 1999)
Lower Yukon (Emmonak) local Native fishery technician (fiscal year 1997–fiscal year 1999)
Public forums: subsistence management plans & project planning (fiscal year 1994–fiscal year 1999)

Kuskokwim River

Eek Island salmon abundance gillnet test fishery (fiscal year 1994)
Aniak River coho salmon counting sonar (fiscal year 1994)
Nunivak Island salmon abundance study (fiscal year 1994 & fiscal year 1995)
Chum salmon migration timing and spawning distribution study (fiscal year 1995)
Kanektok, Takotna and Kwethluk salmon counting towers (fiscal year 1996–fiscal year 1999)
George River salmon counting weir (fiscal year 1996–fiscal year 1999)
Aniak River sonar local Native technician (fiscal year 1996–fiscal year 1999)
Tatlawiksuk River salmon counting weir (fiscal year 1999)
Public forums: inseason management and project planning (fiscal year 1996–fiscal year 1999)

Bristol Bay

Wood River coho salmon counting tower (fiscal year 1994)

For all of these projects BSFA has worked directly with and subcontracted with regional Native non-profit associations such as:

—Kawerak, Inc. (Norton Sound)
—Tanana Chiefs Conference (Yukon River)
—Association of Village Council Presidents (Kuskokwim & Yukon Rivers)
—Kuskokwim Native Association (Kuskokwim River) and also with the individual traditional/IRA councils of the villages of Emmonak, Mountain Village, St. Mary's, Andreafski, Kaltag, Nulato, Galena, Tanana, Kwinhagak and Takotna and as well as individual fishermen.

Through using the BIA appropriation as matching funds, BSFA has also leveraged several thousands dollars of project support from the Alaska Department of Fish and Game, the U.S. Fish & Wildlife Service and the Bureau of Land Management. Finally, these BSFA-administered projects were implemented with a low indirect rate of less than 15 percent.

FISCAL YEAR 2000 APPROPRIATION DESIGNATION & RESEARCH PLANS

Although the program has helped to rebuild some of the individual salmon returns, most AYK salmon streams require continued monitoring and restoration efforts. Maintaining this appropriation is critical to ensuring effective salmon management so that sustained yield is maintained, tribal capabilities are developed and rural subsistence salmon harvest needs are met.

As the committee may know the 1998 season saw widespread salmon run failures throughout western Alaska. Not only were chum salmon returns weak in the 1993 crash but chinook returns were unexpectedly poor and coho and sockeye returns were also below average. This unforeseen crash points out the need for research into freshwater and ocean survival of salmon in addition to the standard baseline studies of adult spawning escapement studies. Studies aimed at estimating total population are also warranted.

Therefore BSFA requests a continued subcommittee designation to Bering Sea Fishermen's Association of the $805,000 budgeted for Arctic-Yukon-Kuskokwim Salmon Investigations within the BIA's fiscal year 1999 Wildlife & Parks, Tribal Management & Development budget section. We also urge the subcommittee to designate an additional $700,000 to BSFA to respond to the multispecies salmon run failure of 1998.

If the additional $700,000 is secured BSFA would likely undertake some of the following studies to aid in the management and rebuilding of western Alaska salmon stocks. These studies would include sockeye salmon lake fertilization and expanded chum salmon incubation projects in Norton Sound; a chinook salmon population estimate and freshwater survival studies in the Yukon River; and expanded sockeye and coho escapement monitoring and a chinook population estimate in the Kuskokwim River.

BSFA will continue to work with and contract with local and regional Alaska Native organizations and other appropriate entities as well as with individual fishermen. BSFA is the only group that represents and works with all fishermen (commercial and subsistence) and villagers throughout the entire Arctic-Yukon-Kuskokwim region. BSFA Board and staff are intimately familiar with salmon research needs in the A-Y-K region. Having BSFA as the single responsible program management entity will assure both the development of tribal capabilities and the fulfillment of the intent of Congress to rebuild salmon returns in an efficient manner.

Thank you for this opportunity to submit written testimony concerning appropriations for the Bureau of Indian Affairs.

PREPARED STATEMENT OF THE SEMINOLE TRIBE OF FLORIDA

The Seminole Tribe of Florida is pleased to submit this statement regarding the Tribe's fiscal year 2000 request for $1,199,500 from programs in the Department of the Interior (DOI). The Tribe asks:

—that Congress provide $1,000,000 from the Critical Ecosystem Studies Initiative (CESI) account in the National Park Service budget for the Seminole Tribe for activities related to the Tribe's Everglades Restoration Initiative on the Big Cypress Reservation;

—that Congress provide $199,500 from the Bureau of Indian Affairs for water quality studies, as a part of the Tribe's Everglades restoration efforts.

In addition to this specific request for the Tribe's programs, we request that Congress fund the CESI account at the same level it has been funded in the last two fiscal years, $12 million. The Administration cut the CESI account by one-third, despite the important research that it funds; such research helps support critical Everglades ecosystem restoration. The Tribe requests that Congress the restore the $4 million cut to the CESI account.

The Tribe's Everglades Restoration Initiative is a comprehensive water conservation system designed to improve the water quality and natural hydropatterns in the Big Cypress Basin. This project will contribute to the overall success of both the federal and the state governments' multi-agency effort to preserve and restore the delicate ecosystem of the Florida Everglades. In recognition of this contribution, the Seminole Tribe's Restoration Initiative has been endorsed by the South Florida Ecosystem Restoration Task Force and has been found to be consistent with the recommendations of the Governor's Commission for a Sustainable South Florida.

The Seminole Tribe has been working with the US Army Corps of Engineers (COE) and the USDA Natural Resources Conservation Service (NRCS) to identify programs that could fund the Tribe's Everglades Restoration Initiative. At this time, the western portion of the Big Cypress Reservation, along with a canal that transverses the Reservation, has been identified as a Critical Project under the authority of the Water Resources Development Act of 1996 (WRDA 1996). The NRCS has identified a number of Farm Bill programs suitable for funding the design, planning, and construction of the project on the eastern portion of the Reservation. The funds provided by the DOI have made it possible for the Tribe to do the research necessary to allow the COE and NRCS to complete final project designs. In addition, the Tribe continues to spend Tribal funds to advance the research and design and is prepared to provide the required cost share payments as required by the different federal programs.

THE SEMINOLE TRIBE OF FLORIDA

The Seminole Tribe lives in the Florida Everglades. The Big Cypress Reservation is located in the western basins, directly north of the Big Cypress National Preserve. The Everglades provide many Seminole Tribal members with their livelihood. Our traditional Seminole cultural, religious, and recreational activities, as well as commercial endeavors, are dependent on a healthy Everglades ecosystem. In fact, the Tribe's identity is so closely linked to the land that Tribal members believe that if the land dies, so will the Tribe.

During the Seminole Wars of the 19th Century, our Tribe found protection in the hostile Everglades. But for this harsh environment filled with sawgrass and alligators, the Seminole Tribe of Florida would not exist today. Once in the Everglades, we learned how to use the natural system for support without harm to the environment that sustained us. For example, our native dwelling, the chickee, is made of cypress logs and palmetto fronds and protects its inhabitants from the sun and rain, while allowing maximum circulation for cooling. When a chickee has outlived its useful life, the cypress and palmetto return to the earth to nourish the soil.

In response to social challenges within the Tribe, we looked to our Tribal elders for guidance. Our elders taught us to look to the land, for when the land was ill, the Tribe would soon be ill as well. When we looked at the land, we saw the Everglades in decline and recognized that we had to help mitigate the impacts of man on this natural system. At the same time, we acknowledged that this land must sustain our people, and thereby our culture. The clear message we heard from our elders and the land was that we must design a way of life to preserve the land and the Tribe. Tribal members must be able to work and sustain themselves. We need to protect the land and the animals, but we must also protect our Tribal farmers and ranchers.

Recognizing the needs of our land and our people, the Tribe, along with our consultants, designed a plan to mitigate the harm to the land and water systems within the Reservation while ensuring a sustainable future for the Seminole Tribe of Florida. The restoration plan will allow Tribal members to continue their farming and ranching activities while improving water quality and restoring natural hydroperiod to large portions of the native lands on the Reservation and ultimately, positively effecting the Big Cypress National Preserve and Everglades National Park.

The Seminole Tribe's project addresses the environmental degradation wrought by decades of federal flood control construction and polluted urban and agricultural runoff. The interrupted sheet flow and hydroperiod have stressed native species and encouraged the spread of exotic species. Nutrient-laden runoff has supported the rapid spread of cattails, which choke out the periphyton algae mat and sawgrass necessary for the success of the wet/dry cycle that supports the wildlife of the Everglades.

The Seminole Everglades Restoration project was designed to allow the Tribe to sustain ourselves while reducing impacts on the Everglades. The Seminole Tribe is committed to improving the water quality and flows on the Big Cypress Reservation. We have already committed significant resources to the design of this project and to our water quality data collection and monitoring system. We are willing to continue our efforts and to commit more resources, for our cultural survival is at stake.

In addition to addressing the ecosystem concerns related to the Big Cypress Reservation, the Tribe has been actively involved in the development of the ecosystem-wide restoration plan. The Tribe, as an active member of both the Governor's Commission for a Sustainable South Florida and the South Florida Ecosystem Restoration Task Force and Working Group, has worked cooperatively with our neighbors to design a sustainable future for all of South Florida.

SEMINOLE TRIBE EVERGLADES RESTORATION INITIATIVE

The DOI, through the BIA, has provided the Tribe with $199,500 in each of the fiscal years 1994 through 1999. In addition, through the NPS, Interior provided the Tribe with $390,000 in fiscal year 1997 and $920,000 in fiscal year 1998. A $1 million appropriation was provided to both the Seminole and Miccosukee Tribes in the fiscal year 1999 appropriation cycle; the Tribe is working with the Task Force and Everglades National Park to decide how to split the funding. The Tribe is using these funds to monitor and analyze the quality and quantity of water coming onto and leaving the Reservation and to conduct scientific studies to determine nutrient impacts. For example, the Tribe plans to study the assimilative capacity of the C&SF canals for nutrients, phosphorus in particular. The results of such monitoring and studies will be available to others studying Everglades degradation and developing plans to arrest the harm.

The Tribe has also developed a conceptual plan that will enable us to meet new water quality standards essential to the cleanup of our part of the Everglades ecosystem and to plan for the storage and conveyance of our water rights. The appropriated funds have also been used to design the Tribe's best management practices program, with the assistance of the NRCS. We continue to use available funds to further the design and planning work necessary to implement our Everglades Restoration Initiative.

The Tribe's Everglades Restoration Initiative is designed to mitigate the degradation the Everglades has suffered through decades of flood control projects and urban and agricultural use and ultimately to restore the nation's largest wetlands to a healthy state. Our Everglades Restoration Initiative will enable the Tribe:

—to collect and monitor data to establish a baseline and to evaluate performance of the overall system design;

—to design and construct surface water management systems to remove phosphorus, convey and store irrigation water, improve flood control, and rehydrate the Big Cypress National Preserve;

—to commit to the long-term operation and maintenance of new water management systems; and
—to design and implement comprehensive best management practices for the Big Cypress Reservation.

This project will enable the Tribe to meet proposed numeric target for low phosphorus concentrations that is being used for design purposes by state and federal authorities. It will also provide an important public benefit: a new system to convey excess water from the western basins to the Big Cypress National Preserve, where water is vitally needed for rehydration and restoration of lands within the Preserve.

As discussed in the introduction, the Tribe will continue to work with the COE and the NRCS to satisfy the requirements of these agencies' respective programs. Once again, the funding requested in this testimony is crucial because such funds will allow the Tribe to continue to develop the data and design information that is required for the design, planning, and construction of the Everglades Restoration Initiative. In addition, the results of studies the Tribe helps pay for with both the CESI funds from NPS and the BIA funds will be applicable to other entities supporting Everglades restoration.

CONCLUSION

Improving the water quality of the basins feeding into the Big Cypress National Preserve and the Everglades National Park is vital to restoring the Everglades for future generations. By granting this appropriation request, the federal government will be taking a substantive step towards improving the quality of the surface water that flows over the Big Cypress Reservation and on into the delicate Everglades ecosystem. Such responsible action with regard to the Big Cypress Reservation, which is federal land held in trust for the Tribe, will send a clear message that the federal government is committed to Everglades restoration.

The Seminole Tribe is ready, willing, and able to begin work immediately. Doing so will require substantial commitments from the Tribe, including the dedication of over 9,000 acres of land for water management improvements. However, if the Tribe is to move forward with its contribution to the restoration of the South Florida ecosystem, a substantially higher level of federal financial assistance will be needed as well.

The Tribe has demonstrated its economic commitment to the Everglades Restoration effort; the Tribe is asking the federal government to also participate in that effort. This effort benefits not just The Seminole Tribe, but all Floridians who depend on a reliable supply of clean, fresh water flowing out of the Everglades, and all Americans whose lives are enriched by this unique national treasure.

Thank you for the opportunity to present the request of the Seminole Tribe of Florida. The Tribe will provide additional information upon request.

PREPARED STATEMENT OF JIMMIE C. BEGAY, EXECUTIVE DIRECTOR, ROCK POINT COMMUNITY SCHOOL, THE NAVAJO NATION

Mr. Chairman and Members of the Committee: We, the representatives of Rock Point Community School wish to express our appreciation for this opportunity to share our concerns in connection with the education of our children and the education of the Native American students generally.

Whereas the entire Nation is striving to achieve highest output of our education at secondary level in the world, we at Rock Point and American Indian students generally are far behind the national norm. We are unable to meet the average national standard to be achieved by the year 2000. We can neither hire nor retain properly trained and qualified teachers for want of adequate funds. Unlike most of urban and semi-urban schools in the USA, isolation in our case, and in the case of most of the schools on the Navajo Reservation is a major factor. Some incentives are required to hire and retain qualified teachers. Thus, we need some more funds to retain trained teachers, because the available funds to us are considerably less than the average national expenditure per student.

Our main concerns are about funding for ISEP, Transportation, Administrative Costs, Operation and Maintenance and House for the School Staff members.

INDIAN SCHOOL EQUALIZATION PROGRAM (ISEP)

This appropriation provides for the direct classroom instruction. Funds provided per Weighted Student Unit (WSU) in SY 1998–1999 was $3,199. Estimated WSU dollar value in the School Year 1999–2000 is $3,238. If the appropriation provides

according to the President's request, it will be estimated $3,285 for SY 2000–01. In 1991, an ISEP Task Force had determined that $3,499 is the minimum need per WSU. In the SY 2000–01, 9 years after the recommendation, it is still far short of the need at that time. Cost of classroom instruction including annual step increase and increased cost of more trained and qualified teachers is increasing at 6.23 percent per year. To meet the national goal of year 2000 is not possible with the amount available. If the $3,499/WSU recommended in 1991 is to be achieved in the SY 2000–2001, at least $336,606,000 needs to be appropriated in the fiscal year 2000 budget.

Here at Rock Point Community School, we are not left with enough finances to purchase updated classroom supplies, text or library books or purchase of innovative instructional materials including computers and relevant software.

Since the economy of the nation is upwards with savings in the national budget, the investment in education, more particularly of the Native American students will be the most important investment. This is also important if Congress wants the Native American students to be at par with other students in the development of national manpower to meet the challenges of the 21st century.

We, therefore ask that the appropriation for ISEP be not less than $336,606,000.

TRANSPORTATION OF THE STUDENTS

In all these past years, a considerable portion of ISEP funds which is for classroom instruction has been used to pay for the transportation of students, further aggravating the minimum needs of the classrooms. The national average expenditure for a mile of transportation in the School Year 1993–1994 was $2.92, but we received only $2.10 per mile in the current School Year. If we really do not touch dollars from classroom instruction for the transportation of students, appropriation should not be less than $48,330,000 to yield at national rate of six school years ago. Even then we will have to use some classroom instruction funds to make up for the rising cost of mileage and rental from GSA. President's budget request at $38.8 million which will yield $2.35 per mile is still far below the need 6 years ago.

This does not include the cost of transportation for extra-curricular activities, which is part of the total educational growth of the students. This cost eats away another substantial portion of our transportation budget, further eroding the dollars meant for classroom instruction.

We ask that appropriation for this be not less than $48 million. This will be the most appropriate way of meeting the transportation costs, although we will still have to use some ISEP funds for transportation, but at lesser rate.

ADMINISTRATIVE COST GRANTS

One of the most pressing concerns is funding for the Administrative Cost Grants.

In the SY 1999, there were 117 schools under grant or contract and only 68 operated by BIA. In the School Year 2000–01 there will be only 56 schools operated by BIA, the rest 129 to be operated by Native American Communities. Out of this, at least 10 schools are projected to be grant schools only on Navajo Reservation. The administrative and technical support functions previously provided by BIA at Agency or Area level are now mostly the responsibility of the Contract and Grant schools. This is besides the usual contractual and administrative function for which this fund is allocated. But the Administrative Cost appropriation has remained almost the same for several years at $42.2 million in spite of the increase of the number of grant and contract schools. The responsibility of managing the Bureau funded schools will fall 100 percent on the Native American communities by converting BIA operated schools to grant or contract schools in the years to follow. Except for one year, the need generated by the Admin Cost formula established in PL 100–297 has never been met at 100 percent.

If Congress is seriously supportive of self-determination for education, appropriation at $47,610,000 for the School Year 2000–2001 as asked by the Administration's budget will not be adequate. It must be at least $50 million to get closer to the needed amount for every school.

HOUSING FOR SCHOOL EMPLOYEES

It is worth noting that there are only 52 units of housing at Rock Pont against an average of 130 employees. These units were built in the 1960's and 1970's and constantly need repair and large amounts of maintenance. We do not have any other housing available in the community for renting nor there is any project for building houses for the community by the Tribal Housing Authority. The Community itself stands in need of housing for the growing population.

Yet the President's budget has been reduced from last year's $3 million appropriation to $2.5 million. We feel that Rock Point Community School's housing problem should be addressed as soon as possible in order to retain and recruit trained and qualified teachers. Housing may appear to be non classroom function. But it has direct impact on classroom instruction. If qualified teachers are not available for want of housing or are not retained because of poor living conditions, how can we improve the quality of instruction?

At least an estimated $4 million will be needed to replace old and dilapidated housing units at Rock Point Community School alone. We ask you to increase the education housing budget.

OPERATION AND MAINTENANCE OF FACILITIES

There are two points we wish to submit to you. The BIA's budget request has separated the funding for "operation" and "maintenance" of facilities with the explanation that they want to avoid the "co-mingling of funds". By this, BIA seems to be trying to dictate how much of its allowance a local school can spend for each. This is unnecessary and unwise. Circumstances differ widely at school locations. The local school board must have the flexibility to spend its facilities funds on operation and maintenance as its local needs require. We ask you to reject BIA's proposal to separate these two items.

The more important issue is that the combined amount for facilities operation and maintenance remains at only about ⅔ of the amount needed to properly operate and prudently maintain our facilities. As the Bureau itself acknowledges, our federally-owned facilities are deteriorating at a fast pace when there is not enough funding to fully maintain them. The United States has invested millions of dollars in building school facilities—such as the new Rock Point High School. It is in your interests as well as our to protect the federal government's investment and assure that the buildings are maintained so they can be enjoyed for their full useful life.

We ask the Subcommittee to fund a combined "facilities operation and maintenance" budget at $118 million.

Thank you for consideration of our requests.

PREPARED STATEMENT OF HON. TIM E. GILMARTIN, MAYOR, METLAKATLA INDIAN COMMUNITY

The Metlakatla Indian Community of the Annette Islands Reserve in southeast Alaska provides this statement on the fiscal year 2000 budget requests for the Bureau of Indian Affairs and the Indian Health Service.

The industries which have in the past provided an economic base for the Metlakatla Indian Community—fishing and timber—are all but defunct. Our extremely depressed economy, combined with issues associated with our remote island location, lead us to bring to your attention our need for a health clinic and more law enforcement resources which meet our unique circumstances. Our Reserve is the only Indian reservation in the country with a maritime boundary. Thus, Metlakatla's law enforcement responsibilities include jurisdiction over not only the 1,500 to 2,000 residents and approximately 90,000 acres of uplands, but almost 50,000 acres of ocean waters as well.

We respectfully request the Subcommittee to recommend:

—IHS funding for design ($1.3 million) and construction of a health center
—Increased BIA funding for Law Enforcement, with special attention paid to our unique law enforcement responsibilities
—General increase in BIA funding for Tribal Priority Allocations

IHS FISCAL YEAR 2000 BUDGET

Annette Island Service Unit Health Center. We have a health care emergency in the Metlakatla Indian Community. Our only health care clinic—the Annette Islands Service Unit Health Center—is literally falling apart, posing real safety risks for our clients and employees. The state of our buildings is the sole reason we cannot meet the standards of the Joint Commission on Accreditation of Health Care Organizations. It has become a full-time job just to keep the health center buildings patched together enough to remain open. But we must keep the Metlakatla health center open since it is the sole source of health care on the Annette Islands Reserve.

We desperately need $1.3 million for design of a replacement clinic and quarters and additional funding for construction. The total estimated cost for a clinic and quarters is $16 million.

Modular Health Center.—Our health center consists of four modular buildings, which are set on pilings and are connected by open, elevated wooden walkways. They house a medical clinic (the oldest and largest of the buildings, and the one in the worst condition), a family services center, a dental clinic, and administrative offices. Over time the buildings have settled unevenly, posing an unsafe environment for people seeking health services (18,000+ visits per year).

"Not Suitable for Renovation".—The Indian Health Service has classified our health center as not suitable for renovation due to structural limitations. Yet we continually scramble for funding to make emergency repairs which will allow us to continue to provide health services. Cost estimates for repairs necessary to achieve compliance with current fire, mechanical, electrical and life safety codes, as well as the Uniform Building Code and the Americans with Disabilities Act guidelines is over $1 million. Our Maintenance and Improvement funds are not adequate to meet these needs. Further, the buildings will never be able to be fixed for anything approaching long-term usage.

Falling Walls and Other Repairs.—Indicative of the worsening structural condition of the clinic is that when the temperature drops below freezing and then warms up, the clinic walls drop and separate. Recently, the southeast wall of the Medical Records room dropped and separated 1½ inches, causing the floor to buckle in the Family Services building. All staff and equipment had to be displaced from the Family Services building for safety reasons. The x-ray room on the north end of the building was similarly affected this year when that wall dropped and separated. In that instance, we obtained a $13,000 grant to lift the pilings and move the wall back in place. This is not a permanent fix, and, in fact, settling and cracking of the walls continue to this day.

Other recent repairs include: replacement of domestic hot and cold water piping in the Medical and the Dental Clinics and a portion of the Family Service Building; insulation of the new piping; installation of a circulating pump to try to prevent pipes from freezing; repair of the waste piping in the crawl spaces; and replacement of the rotting emergency room and patient room floors.

Sick Building Syndrome/ADA Noncompliance.—The IHS October 1996 Deep Look Survey of our health center noted that some rooms have no heat and that "no ventilation is provided to the facilities, resulting in very poor indoor air quality and sick building syndrome, especially in the clinic. The buildings get hot in the summer due to no air conditioning being provided. The problem is especially severe in the clinic where temperatures have reached over 38 degrees centigrade and the building occupants have passed out because of the heat."

Among the findings of the Deep Look Survey are: corridor widths, number of exits and toilet facilities are not in compliance with the ADA guidelines; waste piping systems are sloped in the wrong direction and sag in all buildings except the dental clinic; electrical systems in the clinic and administration buildings are not grounded; asbestos in the ceilings; and roofing and gutter systems need to be replaced. The most recent Deep Look survey, however, was done prior to the phenomena of the clinic walls dropping and separating.

IHS Priority List.—The Annette Islands Service Unit Health Center is on the IHS construction priority list. The Administration requested $3.7 million in fiscal year 2000 for design of the Red Mesa and Pawnee clinics. Next on the list after them is St. Paul, Alaska and Metlakatla. St. Paul, whose service population includes a large non-Indian tourist and fishing population, may be able to obtain design money from another federal agency. We ask Congress to provide enough funds in the fiscal year 2000 IHS budget to allow the Metlakatla Indian Community to design and begin construction of its desperately needed health center.

BIA FISCAL YEAR 2000 BUDGET

Law Enforcement. The inherent difficulties associated with Indian reservation law enforcement, such as inadequate funding, poor equipment and facilities, and difficult working conditions, are compounded by the stark isolation of the Reserve. The Reserve is reachable only by boat or, weather permitting, by small float planes. It's small police force and limited court system are taxed heavily by the needs of the resident Indian population. Additionally, under federal law, except for fisheries enforcement, non-Indian residents and visitors are not subject to tribal criminal authority. The Islands have no resident state or federal law enforcement personnel or court system. Therefore, absent a crime taken seriously by state authorities, non-Indian criminal conduct is virtually free from jeopardy.

Staffing.—Finding and keeping adequate manpower to properly staff Metlakatla's police force is a continual problem. The Community simply cannot meet the salary

expectations of trained law enforcement personnel. Isolation, inadequate housing and high living costs add to this difficulty.

Metlakatla's off-shore law enforcement responsibility is particularly undermanned and under-funded. Our maritime boundary extends 3,000 feet off-shore over the entire circumference of the islands, approximately 60 miles. The Community has never been able to fund more than a single, low-speed vessel and one officer to patrol the entire area. This level of enforcement is simply inadequate to meet the need. The principal beneficiaries of the absence of enforcement are the non-resident charter fleet who profit from Metlakatla's resources but pay no heed to its laws. Metlakatla needs more personnel and better vessels to do its job properly.

In spite of the recent heightened interest in law enforcement problems on Indian reservations, many of Metlakatla's unmet or underfunded law enforcement needs continue to remain unaddressed due to the allocation priorities established by the Bureau. For instance, funding for our patrol boats should be considered on par with funding for squad cars, but it is not. We strongly urge the Subcommittee to support the Administration's requested increase of $20 million for the BIA Law Enforcement program and also ask that the BIA allocation priorities give fair treatment to the unique needs of the Metlakatla Indian Community.

Tribal Priority Allocation. The Community was deeply disappointed that the Administration's fiscal year 2000 budget request did not include a general increase for Tribal Priority Allocations (TPA) funding. Instead, the Administration proposed targeted increases of $17 million, of which less than $6 million is for programs or services for the benefit tribal members. The Community continues to experience major levels of unmet need in the areas of Education-Scholarships, Other Rights Protection (which we utilize for fisheries and boundary enforcement activities), Resources Management, and Aid to Tribal Government—categories which are not covered by the Administration's targeted increases.

We urge that Congress provide a general increase in TPA funding to begin to address the disparity in funding of tribal programs as compared to funding provided to other governmental entities to provide similar governmental services.

Contract Support. The Community supports the $6.45 million increase requested by the Administration. However, the Bureau estimates that the current on-going shortfall is about $24 million. We respectfully request that Congress fund at least the amount identified in the budget request, and defer action on policy and distribution methodologies until the National Congress of American Indians national workgroup on contract support completes its work on this matter.

On behalf of the Metlakatla Indian Community, we appreciate the opportunity to provide our views to the Subcommittee regarding the Indian Health Service and Bureau of Indian Affairs budgets for fiscal year 2000. Metlakatla Testimony

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PREPARED STATEMENT OF THE SHOALWATER BAY INDIAN TRIBE

The Shoalwater Bay Indian Tribe [1] comes before the Interior Appropriations Subcommittee to tell you about the miscarriages, still births, and infant mortality that has dominated our lives since 1988 and to ask for your assistance and guidance. Between 1988 and 1992 we had an infant mortality rate of 53 percent. Last year, 89 percent of pregnancies on our reservation ended in adverse outcomes, and we are concerned that this scourge may be spreading beyond our tribal boundaries and is becoming a regional problem. We ask that the fiscal year 2000 Indian Health Service budget provide:

—$1,037,000 for the Shoalwater Bay Tribe for a range of preventive, monitoring, testing and social intervention measures regarding miscarriage and infant mortality. We attach a one-page summary of items which comprise this appropriations request.

Investigations into Shoalwater Bay Miscarriages and Infant Mortality.—There have been a number of investigations and recommendations from an array of agencies regarding the incidences of miscarriage, stillbirth, and infant mortality at Shoalwater. Below is a summary of these activities:

—*Joint Tribal/IHS/Washington Report (1994)*.—Investigations conducted by the Tribe, Indian Health Service, and Washington State Department of Health focused on three areas of concern in response to emergency: (1) lack of adequate

[1] The Shoalwater Indian Reservation (as set aside by Executive Order on September 1866), is located in the coastal Pacific County in the state of Washington. This small, remote Reservation consisting of approximately 1,034 acres, including tidelands, is situated on Willapa Bay at North Cove. According to the 1997 Indian Labor Force Report, 30 percent of the Shoalwater Bay labor force was unemployed. And of those who were employed, 19 percent were living below the poverty line.

health care; (2) the need to establish a Health Concerns Advisory Committee: and (3) possible exposure of community members to environmental toxins. As a result of the investigation, a report, The Pregnancy and Infant Mortality Emergency of the Shoalwater Bay Reservation, Washington State: A Joint Report of Findings issued by the Shoalwater Bay Tribal Council, Indian Health Service, and Washington State Department of Health—October 27, 1994 (SBIT/WA ST Joint Report), was released. This report outlined recommendations to improve the quality and availability of health care while also conducting a comprehensive and definitive environmental health risk assessment.

In order to address the concerns over lack of access to adequate health care, the Tribe sought help at the local level, regional level, and finally the national level in Washington D.C. This resulted in a fiscal year 1995 Congressional appropriation of $250,000 to be used to establish a clinic on the tribal reservation and to provide mental health care services. These funds along with additional funding secured over a three-year period made it possible for the Tribe to assume local control of its health care needs. The Tribal Clinic and Health Department has continued to grow and now serves over 700 local Native Americans and employs 10 staff, including a full time physician, dentist, nurse, mental health professional and substance abuse counselor.

The second area of concern identified by the report was the need for the Tribe to enlist outside expertise. Consequently, in 1994, the Shoalwater Bay Health Concerns Advisory Committee (SBHCAC) was formed. The task force consists of representatives from the Center for Disease Control (CDC), Indian Health Service (IHS), the Agency for Toxic Substances and Disease Registry (ATSDR), the Environmental Protection Agency (EPA), the American Medical Association (AMA), Washington Department of Health (WDOH), the University of Washington (UW), and independent epidemiologists. SBHCAC is still active and continues to be a guiding force in health-related actions taken by the Shoalwater Bay Tribe.

—*EPA Limited Assessment (1994–1995)*.—It had been suggested in the SBIT/WA ST Joint Report that environmental pathways may have been responsible for the Shoalwater Bay Indian Tribe's reproductive health crisis. Consequently, Congress charged the Environmental Protection Agency (EPA) with the responsibility of performing a definitive environmental assessment of the Reservation. However, because of budgetary constraints, EPA was only able to do a very limited "snap shot" study which resulted in the following list of strong recommendations outlined by in Shoalwater Bay Indian Tribe—A Limited Assessment: 1994–1995:

—Screen ground water possibly contaminated by runoff from cranberry bogs for pesticides and other organic compounds.

—Monitor air quality during aerial pesticide application events.

—Perform further studies of the long-term ecological impact of the extremely toxic pesticide, carbaryl, routinely applied on tidelands adjacent to the Reservation.

—Work with shellfish farmers to develop less draconian methods of controlling mud shrimp populations.

—Monitor adjacent abandoned military site to better understand the source, fate and impact of unusual bromo-and iodo-compounds found at the site.

—Augment and strengthen database for organomercury compounds (found in pesticides) in local sediment samples.

—Examine affect of carbaryl and glyphosate pesticides on the Willapa ecosystem. Collect sediment samples immediately after spraying.

—Perform an extensive study of the entire cranberry drainage area to determine the extent of sediment contamination and destination of contaminated sediment.

—Perform in-stream monitoring, especially via aquatic bioassays to determine cumulative effects of the use of different pesticides and herbicides in cranberry growing area.

—Because Tribal members consume relatively large amounts of fish and shellfish, selective tissue analysis of some sustenance organisms should be performed.

Unfortunately, no funding was allotted to the Tribe to implement programs necessary to follow through on all these recommendations. The Shoalwater Bay Reservation is fairly isolated with the nearest laboratory facility 150 miles from the Reservation. Limited funding and isolation coupled with prohibitive costs of commercial lab testing have made it impossible to adequately address all the recommendations made by EPA. The most important issue relating to addressing environmental pollution on the Reservation is the further development of the Tribal Environmental Testing Laboratory. This will enable the Tribe to build the capacity to more closely follow EPA's recommendations by making it possible and affordable to

put a comprehensive year-round monitoring plan in place.(Estimated funding requirements needed to initiate this project are outlined in the attached budget.)

Presently, the Tribe has been able to establish only a few very limited environmental monitoring projects on the Reservation with assistance from newly formed relationships with agencies such as EPA and Administration for Native Americans (ANA). These projects include water quality monitoring of the cranberry drainage ditches known to be contaminated with pesticides, monitoring water quality and sediments from an abandoned military site suspected of having toxic materials buried there, and the monitoring of Tribal tidelands for the presence of pesticides and fecal coliform bacteria.

—*Centers for Disease Control (1998–1999)*.—Despite all these efforts, the reproductive health crisis continues to plague the Shoalwater Bay community. Members were devastated to learn that health statistics collected from the Tribal Health Program showed that, as of September 1998, 80 percent of the pregnancies ending for the year-to-date had resulted in adverse outcomes. By the end of the year, four more pregnancies were lost to miscarriages, raising the incidence of adverse outcomes for pregnancies ending in 1998, to nearly 89 percent.

In November 1998 the Shoalwater Bay Tribal Council appointed a committee to investigate the situation on the Reservation, gather information on adverse pregnancy outcomes, and then to prepare a report. In December, the committee conferred with Pacific County Health Department and the SBHCAC. After a comprehensive analysis of clinical data was performed, the Shoalwater Bay Tribal Council and Pacific County Board of Commissioners jointly submitted a request for assistance from the Center for Disease Control (CDC).

After reviewing the clinical data, CDC responded immediately by sending a team of epidemiologists to the Shoalwater Bay Indian Reservation to perform a study of alarmingly high occurrences of adverse pregnancy outcomes. The final report from CDC is not yet finished, but will be made available upon completion in mid-April.

Based upon discussions with SBHCAC, CDC, and Pacific County Health Department, the Shoalwater Bay Indian Tribe determined that the following steps would best address the Tribe's reproductive health issues:

—Implement high-risk pregnancy protocols in hopes of decreasing risk of adverse pregnancy outcomes by allowing early identification of pregnancy related problems. Initially this would have to be done at a distance with UW and Tacoma General. The Tribe and the County Health Department are working together to establish the protocols in hopes of emulating the UW program in a regional fashion.

—Hire a community health nurse to provide in-home support, education and ongoing monitoring of pregnant mothers and their families. This person would also need to have an extensive grief counseling background and be able to assist in identification and coordination of community resources while providing general health education and wellness promotion to all the community members.

—Implement a monitoring and data tracking system to track all Native Americans and all Shoalwater Bay Tribal members as related to pregnancies, chronic health conditions, and overall wellness. Establish a data base of health information to serve as an early warning system for negative health indicators that would be coordinated with the Grays Harbor and Pacific County monitoring systems to allow examination of data on a regional basis for possible trends in local populations.

—Implement psycho-social intervention including grief counseling and obtain a contract for psychiatric consultations to assist Tribal Clinic providers in care delivery.

—Work with a local pathology lab to store frozen samples from miscarriages to allow genetic testing and screening for possible toxins. This would involve coordination with the environmental testing of water, air and soil to identify possible agents of contamination to test for in the tissue.

—Support development of Tribal Environmental Testing Laboratory (initiated in 1998), that will allow for routine testing of water quality and sediments.

This list is by no means definitive, and although health costs change rapidly, the Tribe has outlined its estimated funding needs in the attached budget.

DISCUSSION

It is the hope of the Shoalwater Bay Indian Tribe that the strategies outlined above will provide the capacity to gain the information necessary to better understand the nature of the reproductive health crisis. By developing the means to monitor pregnancies and to perform tissue analyses, in the event that more losses do

occur, a determination can be made as to the presence or absence of toxic compounds. Further, by developing the capacity of the Tribe to monitor its environment, those compounds isolated in tissue samples can be compared with the myriad of environmental pollutants routinely found in high concentrations on Shoalwater Bay Tribal land and in Tribal water.

The Tribe realizes that it must continue to work closely with Pacific County Health Department to determine whether or not the problem is confined to the Reservation or if it is a regional problem. Furthermore, the Tribe recognizes that they must work closely with Federal, State, and local governments to find the resources necessary to develop a sound health care system. Moreover, the Tribe must acquire the necessary resources to ensure the success of the newly developed Tribal Environmental-testing laboratory (initiated in 1998). Finally, the Tribe realizes that it must follow-up on the recommendations made in the EPA report mentioned previously.

The Shoalwater Bay Indian People realize that it will be difficult, if not impossible, to readily determine the cause for the loss of nearly an entire generation of Shoalwater babies. But what those outside the Tribe do not realize is that the survival of an entire nation—the sum total of its traditions and culture—is in danger of being lost forever. And although this tragedy, at times seems impossible to overcome, the Shoalwater People are determined. And consistent with the spirit exemplified by the Shoalwater Bay Indian Tribe, they will continue to fight for their survival in the same way their ancestors fought. But they need help.

SHOALWATER BAY INDIAN TRIBE

Budget addendum to testimony before the Interior appropriations subcommittee

1. Implement High Risk Pregnancy Protocols for all expectant mothers in the community. This would involve transportation to and from appointments in Tacoma or Seattle to visit OB-GYNs specializing in High Risk Pregnancies and deliveries. Since this cost is directly related to the number of pregnancies in the community each year, it is very difficult to estimate. Using $20,000 per pregnancy with possibly 10 pregnancies per year plus $30,000 for a transportation program. The tribe will work closely with local providers to develop these protocols so that the mothers will be able to remain in the community and follow these protocols.—*$230,000 estimated annually*

2. Tissue testing for genetic abnormalities and environmental toxins. We are still working with the SBHCAC to establish the protocols for this program. A relationship with the local pathology lab is being developed along with the list of toxins to begin testing for in the tissue samples.—*$60,000 estimated annually*

3. Hire a full-time Community Health Nurse to provide in home health care and education to expectant mothers and their families while also addressing grief counseling needs when necessary. This could be a position funded cooperatively through the County Health Dept.—*$60,000 annually (includes salary, benefits)*

4. Implement a monitoring system of all Native Americans and non-tribal community members in the service area through full utilization of the Patient Care Component module within the I.H.S. RPMS computer software system. This combined with an annual survey of all Shoalwater Bay Indian Tribal members would allow complete data collection of all health care information of community members. This information should allow us to identify health care trends within our community earlier so that an intervention can be coordinated.—*$75,000 annual salary, benefits, and supplies*

5. Create and implement psycho-social intervention to include grief counseling and the purchase of psychiatric consultations with Tribal Clinic staff to assist them in mental health services referrals and care.—*$52,000 estimated annually*

6. Support development of Tribal Environmental Testing Laboratory, which will enable the Tribe to perform routine monitoring over a three-year period. This will establish the baseline for the clinical testing of tissue samples for the presence of environmental toxins. This includes testing of water quality and sediments for unacceptable levels of pesticides, herbicides and fecal bacteria.—*$560,000 one time emergency add-on*

Total request: $1,037,000 one-time emergency add-on and a recurring add-on of $477,000

Please note that the costs for number 1 and 2 are directly linked to the number of pregnancies that occur in a year. This money could be set aside at Portland Area Indian Health Services and drawn down as each pregnancy occurs. With the current funding level, the Tribe cannot provide these services and ensure there will be

enough funding to provide services through the entire fiscal year for the remaining service population.

PREPARED STATEMENT OF HON. GERALD J. JONES, TRIBAL CHAIRMAN, PORT GAMBLE S'KLALLAM TRIBE

As Chairman of the Port Gamble S'Klallam Tribe from Washington State, I appreciate this opportunity to submit testimony regarding the President's fiscal year 2000 budget request for tribal programs in the BIA and IHS. This statement is presented on behalf of my fellow elected Tribal Council members and on behalf of the Port Gamble S'Klallam people.

My testimony addresses four particular program areas for which the Tribe urges Congress to support funding increases in fiscal year 2000:

—Shellfish and Endangered Species Funds. Request $420,000 for implementation of the *U.S.* v. *Washington* shellfish decision and for salmon recovery efforts necessitated by Endangered Species Act listing of salmon runs in our treaty area.
—Law Enforcement. Support proposed increases through BIA and DOJ for additional tribal police personnel and tribal jail facilities.
—Contract Support. Fully fund the BIA and IHS pools for funding tribal contract support needs, as required by law.
—Tribal Courts. Support proposed increases through BIA and DOJ, and appropriate additional funds as authorized under the Indian Tribal Justice Act of 1993.

Before I address these four specific areas, however, I would like to say that the Port Gamble S'Klallam Tribe is very pleased with the number of significant proposed increases contained in the President's fiscal year 2000 budget request, including funding increases to the Bureau of Indian Affairs, Office of Special Trustee for American Indians, Indian Health Service, Department of Justice, and Office of Indian Education. While we are mindful that, overall, Congress has less money to appropriate among all federal programs in fiscal year 2000 than in fiscal year 1999, we strongly urge this Subcommittee to put as many additional resources into tribal programs as possible.

JUSTIFICATION OF PORT GAMBLE S'KLALLAM PRIORITIES: TRIBAL LEVEL

Shellfish and endangered species

In the fiscal year 2000 budget request, there are a number of proposed increases for the protection of endangered species and for salmon recovery efforts in the Department of the Interior and other federal agencies. The Tribe supports these increases. We also support the proposed $500,000 to the Fish and Wildlife Service for the Secretarial Order regarding the implementation of the Endangered Species Act (ESA) on tribal lands, resources and rights.

The Tribe supports the small proposed increase of $136,000 in fiscal year 2000 for Western Washington Fisheries Management, for a funding level of almost $5 million. In addition, we request that $420,000 be added for the Tribe to implement the recent U.S. v. Washington shellfish decision and the salmon recovery efforts necessitated by ESA listing of salmon runs.

The Tribe's natural resources program has only been funded to meet the minimum court ordered requirements to allow the tribal harvest of #T3salmon. This stems from a 1974 federal court decision which affirmed the Tribe's treaty right to harvest and manage salmon. The Tribe has developed and now operates a fisheries management program that meets the requirements of court decisions, implements joint Tribal, State and Federal management plans and agreements, and maintains consistency with tribal values.

In 1997, the Tribe's treaty right to harvest shellfish was reaffirmed by the 9th Circuit Court of Appeals. However, the Tribe still cannot exercise this right unless it provides for the management and protection of the shellfish resource. The court decision requires the Tribe to collect and analyze data, conduct resource assessments, take measures to ensure the protection of public health and develop management plans with State agencies and private tideland owners.

The Tribe now has the opportunity to utilize many species of shellfish, including deep-water animals such as crab, shrimp, and geoduck. Effectively managing these "new" shellfish resources, while providing for their protection, requires additional technical expertise. The additional shellfisheries will also require expanded enforcement efforts and capability. The opportunity is also available for the enhancement of tidelands to increase shellfish production. This will benefit both Indians and non-Indians.

The Tribe cannot take advantage of the opportunity to harvest treaty resources unless we meet the court's requirements, and we cannot meet the requirements without additional funding. The Tribe has imposed a tax on the harvest of shellfish to fund a skeletal harvest program. This tax provides about $130,000 per year. This tax base cannot increase without opening new harvest opportunities. It is a "Catch-22" situation for the Tribe.

Of equal concern, two species of salmon in our treaty area were listed recently as "threatened" under the ESA. The ESA listing has broad implications for tribal and non-tribal management of salmon. As co-managers of the salmon resource, the Tribe wants to be involved and is legally required to be involved in the development and implementation of plans to protect and recover depressed stocks of salmon. Unfortunately, the Tribe has virtually no tax base to support these activities because there can be no harvest of these species.

To continue the Tribe's salmon management program and the additional requirements of both the shellfish decision and the ESA recovery planning efforts, the Tribe needs an additional $420,000 to employee a shellfish biologist, salmon biologist with a background in ESA issues, three technicians and the necessary support services and equipment, in addition to the Tribe's contribution of the proceeds from our harvest tax.

Law enforcement

Within the BIA's Special Programs and Pooled Overhead account is a proposed increase of $20 million for BIA Law Enforcement, for the second year of the joint Department of the Interior-Department of Justice Law Enforcement Initiative in Indian Country. The proposed increase will be for personnel, equipment and detention services. With an additional $3.3 million for uncontrollable costs for the BIA Law Enforcement Initiative and the transfer of law enforcement funding from Tribal Priority Allocations, the proposed fiscal year 2000 total for the BIA Law Enforcement Initiative is $141.3 million. We strongly support these requested additional resources for personnel and law enforcement services in Indian country.

Although we know that the Department of Justice does not receive appropriations under this Subcommittee, we are aware that the fiscal year 2000 budget request proposes a total of $124.2 million through the Office of Justice Programs and other bureaus of the Justice Department as part of the joint DOJ-DOI initiative to improve law enforcement in Indian country. We hope that Congress will agree to provide the requested increases in fiscal year 2000 for additional attorneys to investigate and prosecute crime in Indian country; alcohol and substance abuse programs in Indian country; development and enhancement of tribal judicial systems; construction, renovation and repair of adult and juvenile correctional facilities and jails in Indian country; and education and training to police in Indian country. We strongly support these requested additional resources.

The Port Gamble S'Klallam community has been confronted with a number of serious, new crime issues over the past couple of years, including illegal drugs and gang violence. Although our efforts to combat these problems have been undertaken in cooperation with local and federal law enforcement agencies, the Tribe continues to have a chronic shortage in police protection because there is not enough funding to provide salaries and equipment. To meet our goal of 24-hour police coverage on the reservation, we need a minimum total of six officers. Our level of need is $160,000 to fund additional officers, their equipment and training.

In addition, the Tribe would like to begin the process of planning a tribal jail. Currently, we contract with neighboring counties for jail facilities. The nearest juvenile detention facility, more than an hour's drive from the reservation, is filled to capacity most of the time. Adult jail facilities are frequently full as well, posing a safety threat to our police officers and to the community. The Tribe needs $80,000 to plan a jail facility which could provide jail services to six area tribes, increase employment and generate revenue by renting jail space to local jurisdictions.

Contract support

We request that Congress fully fund the BIA and IHS pools for funding tribal contract support needs. Full funding is imperative for tribal contractors to meet the incidental needs and expenses associated with the programs they have assumed on behalf of the federal government.

As the court determined in #T3Ramah Navajo v. Lujan, tribal contractors are entitled to receive the full amount of funds necessary to meet the costs of supporting the federal programs they have assumed under contracts and compacts. Despite this decision, the Administration's fiscal year 2000 requests for contract support funding remain short of meeting the full needs of tribal contractors.

As a Self-Governance Tribe, we have assumed the responsibility for delivering governmental services directly to the local community. Self-Governance has been a dramatic success on our reservation. The Tribe's management of tribal programs has resulted in more cost effective and efficient delivery of services to the local community. Because of the contract support shortfall over the past six years, however, the gains we make in program delivery have been significantly diminished.

If the shortfall continues through the upcoming fiscal year, our tribe will again be faced with making very difficult choices. Funds otherwise identified for a particular program must be used to cover the contract support shortfall. What makes the decisions all the more difficult is that cuts will be made to already underfunded programs, including daycare, education and senior citizen housing. As in years past, our food bank and emergency shelter programs face elimination again. The losers are the people to be served.

Tribal courts

In the fiscal year 2000 budget request, additional resources are requested for tribal courts. We urge this Subcommittee to support the requested increase of $2.6 million within the BIA's Tribal Priority Allocations account for Tribal Courts. We also wish to express our support for the $5 million requested in fiscal year 2000 through the Office of Justice Programs in the Department of Justice to provide financial and technical assistance for the development and enhancement of tribal judicial systems.

However, we also wish to call to this Subcommittee's attention our dismay that tribal judicial systems are so inadequately funded. Although some funds have been appropriated pursuant to the Indian Tribal Justice Act of 1993, those appropriations have been nowhere near the level of funds authorized under the Act. We urge this Congress to provide additional resources.

The Port Gamble S'Klallam Tribe is proud of our tribal court, which is part of the Northwest Intertribal Court System. Our tribal enforcement and justice officials work in concert with federal and state law enforcement, prosecutors and courts to address the inter-jurisdictional problems associated with enforcement of child abuse, drug crimes, and child support on the Reservation. The court hears cases in twenty subject matter areas, including criminal, civil, traffic, child welfare, juvenile, domestic violence, hunting, fishing, housing, and adult protection. Our tribal court staff is made up of a judge, prosecutor, court administrator, court clerk, court compliance officer and support staff. This work requires having personnel available on nights and on weekends as well as the during the work week. The court facilities require space and equipment for the confidential work of the court which cannot be shared by other tribal departments. We are nearly two hours from the nearest law library and must have an updated reference base including Internet access located on site for the court's use. The court must also provide an effective appellate system to ensure due process.

There are those in Congress and elsewhere who believe that individual civil rights are compromised in tribal justice systems. While our court provides high quality justice and we see no evidence of violations of individuals' civil rights in our court, a chronic lack of funding in our court and in all tribal courts hampers the efforts of tribal governments to provide all the necessary judicial services to their people. Thank you for this opportunity to submit this testimony on fiscal year 2000 funding for tribal programs.

PREPARED STATEMENT OF THE NATIONAL INDIAN EDUCATION ASSOCIATION

The National Indian Education Association (NIEA), the oldest national non-profit organization representing the education concerns of over 3,000 American Indian and Alaska Native educators, school administrators, teachers, parents, and students, is pleased to submit this statement on the President's fiscal year 2000 budget as it affects Indian education. NIEA has an elected board of 12 members who represent various Indian education programs and tribal constituencies from throughout the nation. The following is NIEA's funding recommendations for the BIA.

DEPARTMENT OF INTERIOR

Bureau of Indian Affairs (BIA)

Within BIA's overall departmental framework are five categorical areas that contain education-related programs serving federally-recognized Indian tribes. The programs serve Indian students in K–12, postsecondary, and adult education programs either through direct funding from the BIA or indirectly through allocations to tribes. These programs include: Tribal Priority Allocations; School Operations; Tribally Controlled Community Colleges; Special Programs and Pooled Overhead; and

Education Construction. A separate line item for the Institute of American Indian Arts (IAIA) funds postsecondary programs for Indian students in the arts. In the following paragraphs, we discuss specific BIA education programs and provide recommended levels of funding. A separate one page table is provided which shows our numbers compared to previous years as well as the Administration's request.

Tribal Priority Allocations (TPA)—$51,106,000

Scholarships.—The fiscal year 2000 request is $28.6 million and is $919,000 less than fiscal year 1999. Since fiscal year 1994, allocations for tribal college scholarships have fallen from $31 million to less than $29 million in the 2000 request. NIEA recommends $39 million for this scholarship program. Funding for Indian scholarships is one of the greatest need areas in Indian education and has declined significantly since fiscal year 1995. This trend needs to be reversed. The 1990 Census identified the majority of the Indian population as being under the age of 25 compared with 17 percent nationally. The BIA estimates that 9,800 students will be awarded scholarships through this program in fiscal year 1999 with an average award of $3,000. The reduced funding level means that more than 300 students will be denied funding next year.

Adult Education.—The fiscal year 2000 request is $2.6 million and is a reduction of $28,000 from fiscal year 1999. NIEA strongly recommends the program be funded at $4 million in fiscal year 2000. Next to Indian scholarships, adult education programs continue to be one of the most critically-needed areas in Indian communities. Adult education programs have a twofold purpose in allowing Indians adults who did not finish high school to obtain their General Educational Development (GED) degree and/or increase their life-coping skills. There is no other on-reservation source of funds for GED completion.

Johnson-O'Malley (JOM) Program.—The fiscal year 2000 request is $17.5 million and is a reduction of $611,000 over 1999. NIEA recommends that the JOM program be funded at $24 million. Since fiscal year 1995, the funding for JOM has decreased by nearly $7 million. The JOM program provides supplemental educational services for 272,000 American Indian students in 23 states. NIEA continues to support a per pupil expenditure of $200, a number also supported by the National Johnson O'Malley Association.

Other Programs, School Operations—$503,568,000

The fiscal year 2000 budget request for School Operations is $27.4 million over 1999. The $503.5 million investment in students attending BIA schools provides for a variety of basic educational services from early childhood to transportation and administrative costs associated with educating primarily reservation-based schools. The BIA educates about 10 percent of the American Indian and Alaska Native K–12 population in the U.S. Below are the various education components within this category.

Indian School Equalization Program (ISEP) Formula.—The President's fiscal year 2000 request is $319.9 million compared with the fiscal year 1999 actual of $306.2 million for this program. The increase of $13.7 million provides formula-based funding for 185 federally-operated and contracted schools serving 51,378 students. There are several types of schools funded with ISEP funds including BIA-operated, grant, and contract elementary and secondary schools. The fiscal year 2000 request reflects a 10 percent reduction in the student count from the prior year. While there was a decrease in student enrollment in school year 1998–1999, the BIA expects an increase of 2.5 percent for school year 1999–2000. The Weighted Student Unit (WSU) amount for school year 1998–1999 is $3,199. The estimate for 1999 is $3,238 and $3,285 in 2000. NIEA continues to support a funding level of $3,500 per WSU—a number we have proposed since fiscal year 1993. The proposed $3,285 per WSU is still far below the average per student expenditure by public elementary and secondary schools, an amount reported by the Department of Education's National Center for Education Statistics (NCES) to be $7,317 per student in school year 1996–1997. In addition, enrollment for BIA schools has consistently grown from 39,911 in 1987 to 51,378 in 1999. T3NIEA recommends $329 million for ISEP and $708,000 for ISEP Program Adjustments.

Family and Child Education (FACE) Program.—The fiscal year 2000 request is $5.5 million and is $83,000 more than 1999. The FACE program was first funded in 1992 and was designed to begin educating children at an earlier age through parental involvement at home and to coordinate FACE components. We request that the FACE program be funded at the fiscal year 1994 level of $7.5 million. Currently there are 22 FACE sites, however the BIA could use a FACE program at each of its elementary schools if the program were sufficiently funded.

Student Transportation.—The fiscal year 2000 request is $38.8 million and is an increase of $4 million over 1999. In SY 1998–1999 the BIA-funded transportation cost is $2.10 per mile with over 14 million miles estimated to be driven. The latest national cost per mile was not available, however, in 1994, the national average was $2.92 per mile for public schools. Therefore, the BIA-funded schools, which are located primarily in rural, isolated areas, are at least $.82 below the national per mile average. For students in boarding schools, transportation funding is provided at the beginning and end of the school year and for one round trip home at mid-year. For students in day schools, daily transportation must be provided. NIEA recommends $41 million for student transportation.

Institutional Disabled.—The fiscal year 2000 request is $3.7 million and is $7,000 less than 1999. Appropriations in fiscal year 1999 provided for services to approximately 166 Indian children ages 5–21 in 47 different institutions. These students require 24-hour institutionalized care. NIEA recommends $4 million.

Facilities Operations and Maintenance.—The fiscal year 2000 request is $79.1 million and is $3.8 million less than 1999. The request will provide for $51.8 million for operations and $27.3 million for maintenance costs for all Bureau-funded schools. In fiscal year 1999, the Bureau will provide essential services for educational facilities consisting of 2,337 buildings containing approximately 17.6 million square feet. NIEA recommends $90 million.

Administrative Cost Grants.—The fiscal year 2000 request is $47.7 million and is $5.5 million over 1999. For school year 1999–2000, the BIA will have 129 contract/grant schools and 56 Bureau-operated schools. Administrative cost grants enable tribes and tribal organizations to operate contract or grant schools without reducing direct program services to Indian students. The Navajo Nation has approved the conversion of 10 additional schools during school year 2000–2001, therefore more funds are needed to cover these conversion costs. NIEA recommends $50 million.

Area Agency Technical Support.—The fiscal year 2000 request is $7.4 million and is $240,000 over 1999. This funding provides technical support and program supervision through 24 education line officers for 185 Bureau-funded elementary and secondary programs, and the scholarship and adult education programs. NIEA recommends $8 million.

Tribal Departments of Education (TED).—Although no funding is provided in the President's budget, NIEA recommends at least $3 million for tribal departments of education. We believe that sufficient funding should be provided to assist tribes in planning and developing their own centralized tribal administrative entities to accomplish their goals in accordance with school reform and accreditation needs. This would be appropriate given the recent trend to convert more schools from BIA to Tribal control. Funding for tribal education departments has been endorsed by NIEA's membership as well as by the National Congress of American Indians (NCAI).

Tribally Controlled Community Colleges—$38,411,000

Tribal Colleges/Post Secondary Schools.—The fiscal year 2000 request is $37.3 million and is $7.1 million over the 1999 amount. Included in the request is $114,000 for technical assistance and $977,000 for Endowment Grants. NIEA supports the American Indian Higher Education Consortium funding recommendation of an additional $10 million for tribal colleges.

Special Programs and Pooled Overhead—$15,670,000

Postsecondary Schools.—The fiscal year 2000 request is $14.3 million and is $1.4 million over fiscal year 1999. NIEA recommends $16 million for the postsecondary schools program. The two postsecondary schools funded under this section include Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute (SIPI). Haskell will receive $8.6 million and SIPI will receive $5.7 million if the request is approved. NIEA recommends $10 million for Haskell and $6.5 million for SIPI since both schools have experienced large increases in enrollments. Both schools provide a variety of educational opportunities for Indian and Alaska Native students at the community college and university level to prepare them to enter four-year colleges and universities or to find employment. From 1997 to 1998, enrollment at both schools increased by 350. The fiscal year 2000 projection shows a major increase of nearly 500 Indian students.

Special Higher Education Scholarships.—The fiscal year 2000 request is $1.3 million, level with 1999. This amount has remained the same since 1996 and is totally unacceptable to NIEA. NIEA recommends $5 million. Since fiscal year 1995 funding for BIA graduate scholarships have been cut in half. The reduction occurred at the same time the Department of Education, Office of Indian Education lost funding for its $2.6 million fellowship program for Indian students which served an average of

150 students. The BIA program is the primary funding source for American and Alaska Native graduate students and is totally inadequate to help these individuals meet the costs of an advanced degree. The program, which is administered by the American Indian Graduate Center (AIGC) of Albuquerque, New Mexico, has been underfunded for at least the last 20 years. For school year 1997–1998, the actual unmet need was $5.7 million. During the 1996–1997 school year, the program funded an estimated 378 students with an average award of $3,955. Because of reduced funding, scholarship awards are being drastically reduced while the demand for these limited scholarship funds increase. This program funds students in 27 states with 128 tribes represented. No other federal graduate level scholarship program, specifically for American Indian students, currently exists.

Education Construction—$108,377,000

Replacement School Construction.—The fiscal year 2000 request is $69.9 million and is $52.4 million over 1999. As part of the fiscal year 2000 request is $30 million as recommended by the President's School Bonding proposal. NIEA supports the completion of all construction for all schools on the priority ranking list. The fiscal year 2000 funds are designated for the Seba Dalkai School in Arizona and the Fond du Lac School in Wisconsin. The priority ranking list contains 16 schools. To date, seven schools have been completed and are now occupied. Ten of the sixteen schools have been funded though the construction phase. The Bureau estimates that approximately $111 million would be needed to complete the remaining six schools on the replacement school construction list.

New School Construction Priority List.—NIEA has become aware of a situation involving Shiprock Alternative School which is apparently not on the list to be funded in fiscal year 2000, even though it should be next in the priority ranking list. The priority ranking list determines the order that new schools are to be built and should provide the baseline for annual appropriation requests. Shiprock was assigned position number 12 out of 16 on the priority list. The schools designated to be funded in fiscal year 2000 are Seba Dalkai (# 9 on the list) and Fond du Lac Ojibway School (#13 on the list). If this is indeed the case, we request that additional funds be made available for Shiprock Alternative. Schools assigned #10 (Sac and Fox Settlement School in Iowa) and #11 (Pyramid Lake High School in Nevada) are scheduled to begin construction in 1999. Bypassing a school on the priority list for budgetary reasons sets a negative precedent as the BIA works to establish new guidelines for a future priority list. These guidelines are due out this fiscal year.

Education Facilities Improvement and Repair (FI&R).—The fiscal year 2000 request for Education Facilities Improvement and Repair is $36 million and is $4 million less than 1999. The FI&R program is focused towards eliminating critical health and safety hazards in Bureau education facilities. The estimated backlog of education repair needs, excluding quarters as of January, 1999, totals approximately $743 million. NIEA urges the Committee to consider additional, or supplemental funding, in order to clear up this situation. NIEA recommends $46.2 million.

Indian School Construction Bonding.—The fiscal year 2000 request is $30 million and is included under the Bureau's Replacement School and is being proposed in the President's School Construction Modernization Initiative. The bonding initiative is designed to provide needy districts and Tribes with the authority to issue bonds to lenders who could claim a tax credit for the life of a bond in lieu of interest. It is estimated that the bonding authority could generate an estimated $75 million in construction authority. Past bonding initiatives have failed for various reasons and direct funding may be a better alternative for tribes and bureau schools since they are a federal responsibility equal to the better-funded Department of Defense schools. We feel that the proposal has some merit; however, an outright appropriation to fund the $740 million backlog is preferred.

Institute of American Indian Arts (IAIA).

The fiscal year 2000 request is $4.25 million and is level funded with fiscal year 1998 and fiscal year 1999. NIEA supports the fiscal year 2000 request for IAIA plus an additional $2 million for construction needs. This institution has been in existence for 35 years and is the only facility solely dedicated to the arts for American Indians and Alaska Natives. The request would support the core operations of the institute by providing funding for instruction, student support services, administration costs, and for operations of the IAIA museum. NIEA supports an appropriation of $6.25 million for IAIA.

IAIA has been compared to other institutions in terms of cost per students. IAIA does not have its own facilities and leases space from a separate college and from a tribally-contracted school. The cost for housing the IAIA on the campus represents 18 percent of the total institutional budget. IAIA also operates a museum which

houses the National Collection of Contemporary American Indian and Alaska Native Art, a collection of 7,000 pieces. There are no funds requested in the fiscal year 2000 budget for construction costs at IAIA. NIEA asks the committee to support an additional $2 million for IAIA's construction needs for a new campus. In the fiscal year 1999 appropriations bill, the IAIA was required to raise $500,000 in order to bring the appropriation of $3.75 million to $4.25 million. By mid-February 1999, IAIA had raised 80 percent ($395,000) of the $500,000 as requested by Congress. IAIA has made exceptional progress in obtaining private sector support and in 1990, a private donor in Sante Fe, New Mexico donated 140 acres of land that will be used for a future campus.

BUREAU OF INDIAN AFFAIRS FUNDING—FISCAL YEARS 1996–2000 PRESIDENT'S REQUEST

[Educaton Programs Only]

	Fiscal year								
	1996	1997	President's request 1998	Actual 1998	President's request 1999	NIEA 1999 recommended	1999 Final appropriations	Feb. 1, 1999 2000 President's request	NIEA 2000 Recommended
Bureau of Indian Affairs tribal priority allocation:									
Scholarships	$26,285,000	$26,481,000	$29,524,000	$29,495,000	$29,036,000	$29,036,000	$29,509,000	$28,590,000	$39,000,000
Adult Education	2,374,000	2,486,000	2,287,000	2,663,000	2,699,000	4,000,000	2,633,000	2,605,000	4,000,000
TCCCs Supplement	951,000	986,000	951,000	1,024,000	1,047,000	1,047,000	1,047,000	1,081,000	1,081,000
JOM	19,634,000	18,177,000	17,216,000	18,534,000	18,080,000	24,000,000	18,080,000	17,469,000	24,000,000
Other—Eduction Design	1,261,000	1,301,000	955,000	1,504,000	1,406,000	1,406,000	1,406,000	1,361,000	1,361,000
TPA Subtotal	50,505,000	49,431,000	50,933,000	53,220,000	52,268,000	59,489,000	52,675,000	51,106,000	69,442,000
Other programs—school operations:									
ISEP (Formula)	262,833,000	285,739,000	296,272,000	293,703,000	308,518,000	329,000,000	306,230,000	319,890,000	329,000,000
ISEP (Program adjustment)	150,000	150,000	154,000	154,000	708,000	708,000	656,000	663,000	708,000
Early Childhood	5,471,000	5,471,000	5,471,000	5,471,000	5,513,000	6,500,000	5,503,000	5,586,000	7,500,000
Student Transportation	25,697,000	31,604,000	34,302,000	32,802,000	36,464,000	36,500,000	34,758,000	38,835,000	41,000,000
Institutional Disabled	3,432,000	3,732,000	3,737,000	3,737,000	3,741,000	3,741,000	3,740,000	3,747,000	4,000,000
Facilities O&M	67,846,000	73,696,000	74,628,000	74,628,000	77,409,000	77,409,000	75,222,000	79,100,000	90,000,000
[Facilities Operation Detail]								[51,825,000]	
[Facilities Maintenance Detail]								[27,275,000]	
Administrative Cost Grants	36,560,000	42,160,000	44,710,000	42,160,000	46,690,000	48,290,000	42,160,000	47,690,000	50,000,000
Area/Agency T.S.	6,897,000	6,966,000	7,032,000	7,032,000	7,142,000	7,142,000	7,117,000	7,357,000	8,000,000
Tribal Departments of Education						3,000,000			3,000,000
Substance Abuse/Alcohol Education								400,000	400,000
School Statistics—ADP		700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Emergency Operations	500,000								
Other program subtotal	409,386,000	450,218,000	467,006,000	460,387,000	486,885,000	512,990,000	476,086,000	503,968,000	534,308,000
Tribally controlled community colleges:									
Operating Grants	26,320,000	26,320,000	29,320,000	28,820,000	34,320,000	36,320,000	30,220,000	37,320,000	40,220,000
Technical Assistance	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000

Endowment Grants	977,000	977,000	977,000	977,000	977,000	977,000	977,000	977,000	977,000
TCCC Subtotal	27,411,000	27,411,000	30,411,000	29,911,000	35,411,000	37,411,000	31,311,000	38,411,000	41,311,000
Special programs/pooled overhead—education:									
Postsecondary Schools	11,732,000	12,383,000	12,682,000	12,682,000	12,921,000	16,200,000	12,921,000	14,333,000	16,000,000
Special Higher Education	1,337,000	1,337,000	1,337,000	1,337,000	1,337,000	5,700,000	1,337,000	1,337,000	5,000,000
Education Subtotal	13,069,000	13,720,000	14,019,000	14,019,000	14,258,000	21,900,000	14,258,000	15,670,000	21,000,000
Education Construction:									
Replacement School Construction	18,500,000	4,000,000	14,000,000	19,200,000	37,400,000	116,788,000	17,400,000	39,859,000	39,859,000
Indian School Construction Bonding	.....	.....	.....	.....	.....	.....	.....	30,000,000	30,000,000
Employee Housing	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,507,000	3,000,000
Facilities I&R	23,039,000	24,139,000	32,179,000	32,179,000	46,212,000	46,212,000	40,000,000	36,011,000	46,212,000
Education Construction Subtotal	44,539,000	31,139,000	49,179,000	54,379,000	86,612,000	166,000,000	60,400,000	108,377,000	119,071,000
Institute of American Indian Art	5,500,000	5,500,000	.....	4,250,000	3,188,000	4,250,000	4,250,000	4,250,000	6,250,000
BIA Grand Total	550,410,000	577,419,000	611,548,000	616,166,000	678,622,000	802,040,000	638,980,000	721,782,000	791,382,000

DEPARTMENT OFFICES

INSULAR AFFAIRS

PREPARED STATEMENT OF HON. ISMAEL JOHN, SENATOR, NITIJELA OF THE MARSHALL ISLANDS; AND HON. NEPTALI PETER, MAYOR, ENEWETAK ATOLL ON BEHALF OF THE ENEWETAK/UJELANG LOCAL GOVERNMENT COUNCIL

Mr. Chairman and distinguished members of this Subcommittee: Thank you for providing this opportunity to the people of Enewetak to describe issues relating to food production and the environmental situation on Enewetak Atoll.

Mr. Chairman, at the outset we wish to thank you, this Subcommittee, and the Congress for the $410,000 appropriation for equipment and manpower which was in addition to the $1.191 million program funding requested by the administration for fiscal year 1999. We have been informed that this Subcommittee desires a report on how the $410,000 was spent. The $410,000 was used (1) to purchase two backhoes and two flat bed trucks, (2) to fund the repair of a vessel essential for the shipment to Enewetak of food, material and equipment and , (3) is being used to fund additional manpower. It must be noted that there was an unexpected delay in availability of funding for these and other portions of the program. We understand that this delay was due to the belated enactment of the Interior Appropriations Bill. As a result of the delay, funding for the purchase of equipment and for additional manpower was not available to us until approximately mid-December 1998. We purchased two Caterpillar backhoes from a dealer in Honolulu at the best price possible as soon as funding for such purchase was available to us. The Backhoes were shipped to Majuro, Marshall Islands in January 1999. All the equipment finally reached Enewetak in early March, 1999 and is now fully operational. Additional manpower has recently been employed to permit us to more quickly effect the rehabilitation of the soil, the continued planting of plants, and maintenance of same. A portion of the $410,000 was used to repair a vessel essential for food, material and equipment from Majuro to Enewetak. The repair of the vessel was critical to Enewetak for several reasons. First, the Enewetak motor sailer, the Wetak II, sank in May, 1998. Second, the Marshall Islands national government drastically curtailed its shipping service to Enewetak. Consequently, we required a substitute vessel to provide for the shipment of food, material and equipment to Enewetak. We were fortunate to find a 104 foot twin screw vessel for sale by the University of Hawaii. We negotiated a good price for the vessel but it required repairs. The cost of the vessel was $100,000, and the repairs amounted to $250,000, for a total of $350,000. This is a good price for a vessel of this type. The vessel is now in outstanding condition, with much greater cargo and passenger capacity than the vessel it replaced. We financed a portion of the total cost of the vessel with insurance proceeds from the loss of the Wetak II. The insurance proceeds amounted to $180,000 leaving a balance of $170,000 for the vessel's repair. We requested that $170,000 of the $410,000 be made available for such repair costs. We explained the necessity of a vessel for our community and this program to the Department of Interior. We pointed out that the vessel is the lifeline which permits us to live on Enewetak. The Department of Interior acceded to our request and the vessel's repair has been completed this very week. The vessel will be in Majuro late this month in time for a necessary food and material shipment to Enewetak.

Although we are very grateful for the $410,000 in addition to the $1.191 million for the core components of the program, we must point out that this type of additional funding is the type of funding required on an annual basis to permit the program to keep pace with inflation. For example, this program has essentially been level funded since 1986 at approximately $1.1 million. The purchasing power of the $1.1 million has been reduced to less than $700,000. Consequently, the program has taken a 35 percent cut in funding. A funding level of approximately $1.6 million would provide the same purchasing power as existed with respect to the $1.1 million provided in 1986.

Another important issue to bear in mind is that our atoll continues to suffer the lingering ill effects of the 43 nuclear bombs exploded at Enewetak. All the land of Enewetak requires rehabilitation to support food bearing plants. Fifty percent of the land requires further radiological remediation. Enjebi needs to be resettled. In addition to such remediation, rehabilitation and resettlement, we need to be provided just and adequate compensation for the use of Enewetak by the United States. We have previously discussed these issues with members of this Subcommittee. In such discussions, we informed this Subcommittee that we were in the process of having scientists, engineers, agriculturalists, and appraisers determine the remediation, rehabilitation, resettlement, loss of use, and hardship costs. We expect all these items

to be quantified this month and the experts' reports and testimonies to be presented to the Marshall Islands Nuclear Claims Tribunal. We will also present to you the findings of our experts. We believe that this Subcommittee shares our desire to provide adequate funding to finally resolve these outstanding issues and permit us to live our lives on Enewetak as God intended. Until such funding is provided, we request that funding for the present program continue. As we have stated many times, without the food, transportation, fuel, agricultural rehabilitation and maintenance that is funded by this program, we would not be able to live on Enewetak.

We would now like to describe the program and its components, and the efforts we have made to make this program as effective as possible.

ENEWETAK FOOD AND AGRICULTURE PROGRAM

The Enewetak Food and Agriculture Program enables us to live on Enewetak. It provides funding for imported food, continued agriculture rehabilitation, operation of a motor vessel which brings us the imported food, a nutrition education program, and an operation and maintenance component conducted out of a facility on Enewetak known as the field station.

1. *Efforts made to increase food production*.—As we previously explained to this committee, we were unhappy with the state of the agriculture rehabilitation program when we inherited the program from the Department of Energy. Accordingly, in 1993 we had an assessment of our agriculture situation conducted. The purpose of such assessment was to determine the then current agriculture situation and to develop recommendations for increased food production. The recommendations included the hiring of a part time on-site agriculture consultant. The agriculture consultant began his work in 1993 and modified the recommendations somewhat. The most significant aspects of the agriculture rehabilitation program are the infusion of nutrients into the soil and the planting of buffer plants along the island's shore to protect the interior plants from salt spray. The infusion of nutrients into the soil is accomplished by digging trenches and placing organic material in the trenches along with a compost mixture of copra cake and chicken manure. This activity is extremely labor intensive and required the importation of copra cake and chicken manure. Although the work is progressing, additional funding is required to provide greater manpower and the necessary equipment, materials and supplies.

2. *Importation of food*.—Imported food is required because of the poor soil condition of the land available to us and the radiation contamination of other lands. Since we have taken over the program we have increased the quantity of imported food by 35 percent without any increase in the overall program budget. We have accomplished this by utilizing bidding procedures for food purchases; elimination of transportation charges by use of our vessel; elimination of import tax on food; and reduction of other program expenses.

3. *Nutrition education program*.—Since our people cannot rely on traditional foods we must import food, the nutritional value of which is unfamiliar to us. Several years ago we became aware that some of our people, particularly our children, suffered from malnutrition. Accordingly, we instituted a nutrition education program. We are pleased to report that we have been apprised by physicians that malnutrition among our children has been greatly reduced.

4. *Vessel*.—The Wetak II , a fifty foot motor sailer, was used to primarily transport our imported food purchases and agriculture material from the region to Enewetak. Food and agriculture material was transported from Majuro, a distance of 600 miles from Enewetak. Unfortunately, the Wetak II sank in May, 1998. As described above, we have purchased, repaired, and refitted a replacement vessel. This vessel will provide us with much greater cargo and passenger capacity. The vessel is now in excellent condition and will provide the necessary lifeline for goods and materials for our community.

5. *Field Station*.—Operation and maintenance of the entire program is conducted out of a facility referred to as the Field Station. The machinery and equipment required by the agriculture, food and transportation components of the program are kept at the Field Station. Field Station personnel provide all the required agricultural work; maintain, service, and operate the equipment required by the various components of the program; make payments and maintain books of accounts; and coordinate the procurement of food, material and equipment. The overall manager of the program is Johnson Hernest. Other management personnel include Samson Yoshitaro and Mathan David. The program employs 40 members of our community.

CONCLUSION

In closing, we thank the Congress for its past funding of the Enewetak Food and Agriculture Program and request that it provide funding for fiscal year 2000 in the

amount of $1.6 million to offset the effects that inflation has had on the program these past 13 years. In addition, we look forward to discussing with the Congress the funding required to finally complete the remediation, rehabilitation, resettlement of Enewetak and to provide us the just and full compensation to which we are entitled for the damages we sustained as a result of the United States Nuclear Testing Program.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

PREPARED STATEMENT OF STEVE HOLMER, CAMPAIGN COORDINATOR, AMERICAN LANDS ALLIANCE

FOREST APPROPRIATIONS INITIATIVE (FY 2000) A BUDGET TO PROTECT AND RESTORE THE NATIONAL FORESTS

Current Forest Service budget priorities are harming both the environment and the economy by emphasizing logging at the expense of activities that are needed to restore the environment and that provide greater economic returns. Clean water, fish and wildlife, and tourism on the National Forests all provide more jobs and economic value than logging. Yet, over one-third of the agency's budget is spent on logging, and only 11 percent of the budget is spent on recreation, fish and wildlife and watershed improvements combined.

The Forest Appropriations Initiative proposes to redirect 10 percent of the Forest Service budget away from environmentally harmful activities to fund restoration and land acquisition programs that have a higher overall benefit to society. Here is a brief summary of the Initiative:

LOGGING AND TIMBER SALE SUBSIDIES

Congress should prohibit logging in old growth, roadless areas, and steep or unstable slopes. We support reducing the commercial timber sale subsidy by eliminating fiends in the timber sales management line-item. The National Forest timber program is causing unacceptable environmental and economic harm. Old-growth, roadless areas, and critical riparian habitat for endangered salmon stocks are all still being clearcut on the National Forests. The timber program costs taxpayers anywhere from $300 million to $1.2 billion dollars each year depending on what economic analysis is used and none of these estimates include the cost of fixture restoration or road maintenance. Eliminating the Timber Sales Management line-item (which fiends less than ⅕ of the total timber program) would save an estimated $196 million.

ROADS AND ROAD CONSTRUCTION

We oppose all Finding for new roads. We oppose all Finding for road reconstruction until the agency completes long-term roads policy. We support $50 million for more road maintenance and obliteration. Limited road construction would be permitted to allow decommissioning of other roads and road reconstruction would be allowed to prevent imminent environmental harm.

According to the Forest Service, only 18 percent of the road system is currently being maintained each year and tens of thousands of miles of road need to be decommissioned. The estimated cost for maintaining the National Forest road system is $568 million each year. Eliminating new construction and reconstruction would save an estimated $90 million.

OFF-BUDGET FUNDS & COUNTY PAYMENTS

Congress should eliminate all off-budget funds to end the current incentive to log and to help restore agency accountability. County payments should also be decoupled to end the incentive for counties and schools to support excessive logging levels.

RECREATION

We support a moratorium on new construction projects until the existing infrastructure maintenance backlog has been addressed. Proposes to eliminate the recreation fee-demonstration project. The Sierra Club, American Lands and over 75 other environmental groups oppose the imposition of recreation access and user fees on public lands for several reasons: opposition to payment of fees for use of public lands for which the public already pays taxes; the recreation fee demonstration program

is the leading edge of the recreation industry's attempts to transform public land recreation into commercial enterprises; and the program creates an inappropriate incentive to build new facilities to generate more receipts for the agency.

FIRE ECOLOGY AND FOREST HEALTH

We propose to reallocate funds within the wildfire management program to increase funding for research, planning and manual treatments. We strongly oppose restoration and fuels reduction projects as part of a commercial timber sale. We oppose earmarked funding for the Quincy Library Group plan. We propose numerous prescriptions on how to improve and restore accountability to the fire suppression program.

STEWARDSHIP AND RESTORATION

We oppose the stewardship contracting language is this year's spending bill and the idea of trading National Forest trees for services. Congress should reject restoration projects as part of a commercial timber sale. We support non-commercial stewardship pilot projects using appropriated funds.

FUNDING INCREASES FOR RESTORATION

More funds are urgently needed to acquire threatened habitats, to maintain and decommission roads, and to provide the needed economic transition assistance for rural communities. The Appropriations Initiative calls for $398 million in additional spending.

INVASIVE SPECIES

We support a $25 million increase above last year's level. We propose numerous prescriptions to improve the program.

LAW ENFORCEMENT

We propose $3 million for a Timber Theft Cadre to investigate timber theft.

MONITORING AND INVENTORY

We propose a $30 million increase for monitoring along with a requirement that no project may be undertaken without adequate Finds for monitoring. We also support the Forest Service completing their inventory of eastern old growth.

FISH AND WILDLIFE PROGRAMS

We endorse a $105 million increase for habitat protection and research.

WATERSHED IMPROVEMENTS

We support a $20 million increase but opposes spending watershed improvements funds for timber sale management.

STATE AND PRIVATE FORESTRY

The Initiative proposes a $55 million increase for the Forest Legacy, Urban Forestry and Economic Assistance programs that help transition communities away from timber dependency.

LAND ACQUISITION

We support a $100 million increase for land acquisition.

A BUDGET TO PROTECT AND RESTORE THE NATIONAL FORESTS

We are proposing to cut $286 million from the road construction/reconstruction and timber sales management line-items and we are proposing $398 million in increased spending for restoration and land. acquisition programs. This represents a shin of approximately 10 percent of the agency's over-all budget that will benefit both the environmental and the economy.

PROPOSED CUTS IN THE FOREST SERVICE FY 2000 BUDGET

[In thousands of dollars]

Line item	FY 2000 request	Omnibus bill FY 1999	Proposed decrease from FY 2000 request
Timber Sales Management	$196,800	$226,900	$196,800
Road Construction & Reconstruction	96,400	98,000	90 000
Total			286,800

PROPOSED INCREASES TO FOREST SERVICE FY 2000 BUDGET

[In thousands of dollars]

Line item	FY 2000 request	Omnibus bill FY 1999	Proposed increase from FY 2000 request
Law Enforcement	$66,000	$66,000	$3,000
Wildlife Habitat Management	37,000	32,000	20,000
Inland Fish Habitat Management	26,000	19,000	40,000
Anadromous Fish Habitat Management	29,000	22,700	20,000
TES Species—Research	53,100	42,200	10,000
TES Species—Habitat Management	31,500	26,500	15,000
Road Maintenance & Decommissioning	122,000	99,800	50,000
Grazing Management	28,500	28,500	10,000
Monitoring & Inventory	88,000	80,000	30,000
Rangeland Vegmation Management	36,500	28,500	9,000
Research: Insects, Diseases & Exotic Species	25,000	19,600	11,000
Forest Health Management (Invasives)	40,300	37,300	5,000
Urban Forestry	39,500	30,500	10,000
Forest Legacy	50,000	7,000	30,000
Economic Action Programs	16,300	17,300	5,000
PNW Assistance	7,000	9,000	10,000
Land Acquisition	119,200	119,100	100,000
Watershed Improvements	40,100	30,100	20,000
Total			398,000

PREPARED STATEMENT OF CRAIG AXFOD, PROGRAM DIRECTOR, UTAH ENVIRONMENTAL CONGRESS

The Following represents the written testimony of the Utah Environmental Congress (UEC) regarding appropriations for the Forest Service in the coming fiscal year. We appreciate your committee's willingness to accept written testimony at its April 13 hearing on this matter.

The Forest Service is charged with mortaring 192 million acres of U.S. forest. These forests range from tropical rainforests in Puerto Rico to the more arid forests of the southwest. The UEC recognizes it is open a difficult challenge to manage such diverse habitats stretching from one end of the continent to the other. The UEC also believes having these forests under federal management is an opportunity.

Traditionally America's national forests have been managed largely with the extractive industries in mind, particularly the timber industry. Billions of dollars have been spent and lost managing a timber program that amounts to nothing more than corporate welfare. Timber has been sold at below cost, and the taxpayer has picked up the tab for roads built solely for the purpose of taking timber out of the forest. In the long run the taxpayer also must pay for the maintenance or obliteration of these roads as well.

Excessive logging and road construction has also fragmented or destroyed critical habitat for a variety of species. The Forest Service's 1995 report, criticized by the GAO in a later audit, stated that there were approximately 378,000 miles of roads crisscrossing America's national forests. Most, if not all of these roads, are contributing to the sediment-a/ion of many of the more than 200,000 miles of fishable

streams managed by the Forest Service. These roads have also been identified as a major contributing factor for massive landslides in the Pacific Northwest.

The result of habitat loss and erosion caused by logging and the associated road construction is a loss of diversity that leads to the listing of species that otherwise might have thrived in a healthy forest. In addition, sedimentation hurts native fish populations and the fishing industry as streams become too warm or to muddy to smart native fish, and as sediment becomes deposited in the bottom of popular lakes. Mudslides often can cause damage to maintained state and local roads and bridges, as well as private property. The costs of these problems are not factored into the profit and loss statements provided to you by the Forest Service or the GAO, and they are tremendous;

I stated earlier that the UEC believes having 192 million acres of forest under federal management is an opportunity. In spite of the past mismanagement described above, we do believe this to be so. It is an opportunity for our government to preserve for future generations the natural beauty and diversity on forests have to offer. These forests are the headwaters for our municipal and agricultural water supplies. They are the places where our families go to camp, hold reunion, or just spend a day hiking together. They are living laboratories where students of all ages can go to learn more about the natural world, and they are places with unique inherent qualities that should be protected just because they are.

These Publicly owned forests are more valuable spiritually, aesthetically, biologically, and financially in their natural state, then they are as resources for extractive industries to exploit. While most of these benefits affect our quality of life in intangible ways, the financial benefit of managing forests for something other than timber, grazing, or mining is very clear. The Forest Service itself admits "Outdoor recreation provides the largest contribution to national economic activity of any national forest program." (Report of the Forest Service, fiscal year 1997). Revenues to the treasury alone generated by recreation came to $45.2 million in fiscal year 1997. That is excluding income tax revenue generated by people employed by the recreation industry, an industry that directly benefits from the preservation of pristine forests and other wildlands. It has been estimated by the Forest Service that by the year 2000 recreation, hunting, and fishing in our national forests will contribute 38 times more income and create 31 times more jobs than logging within our national forests will.

In light of the facts discussed above, the UEC calls on Congress to eliminate the government's timber sale program. This would save taxpayers more than $300 million a year. The funding could be redirected into retraining programs for workers in the timber industry, endangered species monitoring and protection, watershed protection, and road maintenance or obliteration programs. All funding for additional road construction should cease. The Forest Service has a multi-billion dollar backlog of roads in desperate need of maintenance. In recent testimony the Forest Service admitted only 18 percent of existing roads are being maintained to Forest Service standards. Why continue funding more road construction when there are not enough resources to maintain existing roads?

The UEC has been told repeatedly that money is unavailable for adequate monitoring and law enforcement on the national forests. Money must be redirected into these aspects of the forest management program. The Forest Service is required under the National Forest Management Act to monitor the impacts of actions they carry out or approve. By redirecting some timber program and road construction funds into monitoring, there would be no excuse for not doing the monitoring required by law. Both the forests and the public would benefit by having solid scientific information available before management decisions are made. This weld have the added benefit of reducing administrative appeals and litigation.

By funneling additional money into law enforcement programs costly impacts caused by illegal off-road vehicle use could be significantly reduced. In my state of Utah alone there are more than 11,000 miles of road within our six national forests. Public access to the backcountry is simply not an issue when so many miles of road are available. Illegal off road vehicle use contributes to erosion, destroys plant life, fragments wildlife habitat, and damages riparian areas. All of this damage ultimately must be paid for by the taxpayer who must bear the burden resulting watershed improvement projects and endangered plant recovery plans.

I hope the committee will take the above mentioned concerns into consideration during its deliberations on the Forest Service's budget for fiscal year 2000. I ask that these comments be included in the official record.

PREPARED STATEMENT OF MICHAEL T. GOERGEN, JR., DIRECTOR, FOREST POLICY, SOCIETY OF AMERICAN FORESTERS

Mr. Chairman, I am Michael Goergen, the Director of Forest Policy for the Society of American Foresters (SAF). The more than 18,000 members of the Society constitute the scientific and educational association representing the profession of forestry in the United States. SAF's primary objective is to advance the science, technology, education, and practice of professional forestry for the benefit of society. We are ethically bound to advocate and practice land management consistent with ecologically sound principles. I am especially pleased to be here today to comment on the fiscal year 2000 budget for the Department of Interior and Related Agencies. I wish to thank the subcommittee for its continued support of professional forestry, and its continued support of our priorities. I thank the Chair for the opportunity to testify on these important issues.

The public policy activities of SAF are grounded in scientific knowledge and professional judgment. From this perspective we review proposed budgets for forestry and related natural resource programs to determine their adequacy to meet stated objectives and public needs.

THE USDA FOREST SERVICE

Forest inventory and analysis

The current Forest Inventory and Analysis program provides accurate, comparable data across all forestlands in the United States. Local governments, journalists, environmental groups and private citizens, in addition to forestry professionals in every employer category, need and use this information. Understanding the condition of the nation's forests is critical for appropriate planning and sustainable management. We believe the subcommittee has recognized the importance of this program in the past, and will continue to do so in the future. The new draft strategic plan, created in response to Section 253(c) of that act and recommendations of the Second Blue Ribbon Panel, exemplifies the program's commitment to adapt for the changing needs of the forestry profession and the larger public interested in the forests of this nation. The draft plan we viewed integrates the Forest Inventory and Analysis program with the Forest Health Monitoring program. It reduces the current inventory cycle and explores ways to make the program more efficient. We look forward to the distribution of this plan in its final form.

In reviewing the Administration's fiscal year 2000 proposed FIA budget, we are concerned that the 1998 legislative mandate for an annualized inventory program with timely reporting will not become reality. Especially when the Administration states in its fiscal year 2000 Budget Justification that "the inventory cycle will remain at an average level of 11 years." The proposed FIA budget of $25.8 million is 11 percent of the Forest Service's Research Budget and 0.9 percent of the agency's total proposed budget. To comply with the 1998 Farm Bill Research Title for FIA and to implement prioritized elements of the strategic plan, Congress must increase the FIA funding level and the Administration must place greater priority on the FIA program. To insure that the FIA Program obtains funding commensurate with its responsibility to conduct an inventory of our nation's forests, we recommend a separate line item in the Forest Service's budget for FIA.

Although SAF has not seen the final dollar amount requested by the FIA program to implement the goals of this draft strategic plan, we realize that moving toward the new annualized inventories and increasing the range of data collected will create new expenses for this important program. In order to support these endeavors, we encourage the subcommittee to continue to support increased funding for this program. In addition to funding for the overall program we would like to see a separate line item in the National Forest System (NFS) budget to enable the collection of FIA data on the NFS. While Congress has given the NFS funds to implement the FIA program on its lands before, the Forest Service has not always been able to collect this data. The NFS has many priority issues to deal with. We are all aware of their need to address backlog after backlog, and the accountability issues from which the agency suffers are no stranger to this committee. FIA is a priority as well, and data from the NFS must be collected. We hope that by establishing a separate line item, and including appropriate report language, Congress will give the agency the opportunity to adequately fund its share of the FIA program, and address the priority ecological issues it must to ensure these forests for the next generation.

Addressing the ecological infrastructure backlog

Much has been said about the backlog issues associated with the national forests. Whether it is forest health, deteriorating forest roads, endangered species, salmon

habitat, recreation facilities, hazardous fuels, or any number of other issues, it is clear that the national forests desperately need attention. The Forest Service must address its ecological infrastructure backlog. Ecological infrastructures are those mechanisms that allow forest and other natural systems to function properly. Any one component of a system that is not functioning properly has the potential to impact other parts of the system. This is not always the case, but clearly there are examples in the national forests. Humans manipulate these processes sometimes acting as an equalizer, sometimes doing more damage. The key is allowing professional natural resource managers to put the infrastructure back in place.

The Agency is attempting to deal with all these ecological infrastructure needs. They have mapped areas of forest health risk across the nation. They are addressing a very serious problem with the National Forest System road network. They are addressing wildland/urban interface issues. The most frustrating thing about all of these efforts is the estimated costs associated with addressing them. The Forest Service believes it will cost $8.6 billion to address the road backlog it faces. The Congressional Research Service believes it will cost $3.9 billion to completely address the hazardous fuels buildup on the National Forest System. These figures do not include other ecological infrastructure issues that plague the National Forest System, such as the costs associated with restoring salmon habitat, enhancement of endangered species habitat, or a host of other problems. While these figures are astronomical and beyond what Congress can realistically fund, the Forest Service will receive money to address some of these problems and one problem should not be favored over the other by the Congress or the Administration. Forest Service managers know where the most critical problems are, they know how to address them, and they have the wherewithal to get the job done. The Forest Service should continue to develop plans and tools like the forest health risk maps, which Congress can study and consider. We believe this helps Congress, in their oversight role, fund backlogged work with confidence that the work will be completed. The Forest Service needs a reliable multi-year source of funding to address these issues, and the ability to set the priorities at the local level. The Agency also needs adequate and appropriate staff to carry out these activities.

With that said, we feel the need to address the fiscal accountability challenges the Forest Service faces. This subcommittee is well aware of these challenges, as is the Forest Service. The SAF believes Congress, the Forest Service, and the Administration have tried to address these issues openly and with a commitment to solve the problem. There is frustration from everyone, including the SAF, that progress has not been faster. Many believe that the Forest Service should not be rewarded with increased appropriations when their perceived performance on this matter is less than satisfactory. While we understand that philosophy, our primary concern is for the health of the land. We hope that Congress, the Forest Service, and the Administration can find mechanisms that increase accountability and increase the health of the land.

Keeping a managed forest landscape

It is important that the Forest Service and the federal government not waiver on their commitment to state and local forestry agencies and the 10 million private nonindustrial forestland owners of this nation. The Forest Service has a unique partnership with the state forestry organizations, a partnership which has the opportunity to improve the health of our nation's forests through technical assistance, inventory and monitoring, and protection from fires, insects, and disease on the 490 million acres of non-federal forests. Due to limited funding, the State and Private Forestry programs have yet to fully meet their potential, however SAF supports these programs and hopes Congress will as well.

We are concerned about the status of private forestland in this nation. State, county, private, and industrial lands are increasingly producing forest-related goods and services. The most dramatic change on these lands is the shift in production of timber. Approximately 94 percent of all timber produced in the US is produced on non-federal lands. The volume of timber from national forests has decreased dramatically, from 12.7 billion board feet (bbf) to 3.4 bbf, over the past 12 years. Such reductions shift the burden of producing wood fiber to state and private lands in order to meet the nation's increasing demand for forest products. The federal government has some responsibility to protect and enhance the sustainable flow of forest products from state and private lands precisely because of the substantial decrease in production on Forest Service lands.

We are seeing examples of increasing urban sprawl, forest fragmentation, and large managed private forests sold as smaller parcels to individual owners. As a nation we have decided that forests, both public and private, are important for economic, environmental, human health, and spiritual reasons. We express the impor-

tance and value of our forest resources through a variety of mechanisms, including legislation. Many federal statutes, including the Endangered Species Act, the Clean Water Act, the Clean Air Act and others, have a regulatory impact on the management of private lands. Other statutes, the Cooperative Forestry Assistance Act of 1978, and the 1990 Farm Bill Forestry Title, for example, take a cooperative, incentive based approach to nonfederal forests. These acts recognize the need for state, federal, and local cooperation to achieve resource benefits across the landscape, and they use a nonregulatory, incentivebased approach to achieve them. This cooperative approach is vital on issues that cross ownership boundaries, such as watersheds, forest insects and disease, and particularly wildfire.

Adequate funding is essential if the program is to reach nonindustrial private landowners, only about 10 percent of whom have written management plans for their land. Even worse, the majority of timber sales on private lands go forward without the benefit of professional forestry advice. While this may seem like merely a problem of poor business practices, we in the forestry profession view it as a serious threat to the long-term sustainability of the nation's forest resources. Private land has public value. That is why we actively support programs that increase the amount of forestry advice available to nonindustrial private forest landowners. In addition to private sector consulting and industry efforts, extension programs, and other mechanisms, we believe the State and Private forestry programs can help both public and private sector foresters meet these challenges.

We also strongly support funding for the Cooperative Fire Protection Programs. Wildfire does not respect political boundaries and the State Fire Assistance program allows for federal and state agencies to have a coordinated wildfire response. The program also helps state agencies comply with national safety and training standards which allows state crews to be deployed on federal fires and other disaster situations. The Volunteer Fire Assistance program is another strong cost share program that helps rural firefighters secure the latest training and equipment. Rural communities fight forest fires, and do not often have the resources to do so. This is particularly true as we see further development of wildland/urban interface fire issues. Cooperative Fire Protection Programs are critical to both forest health and the safety of our communities. We ask the subcommittee to consider strong funding levels for these programs.

Other research programs

There has been a general clamor for increased funding for forestry research since the publication of the 1990 RPA program report, which identified improving scientific knowledge about natural resources as a high priority. The National Research Council's (NRC) 1990 report, Forestry Research: A Mandate for Change, found the knowledge required for sound forest management policies inadequate. The 1997 NRC report entitled Forested Landscapes in Perspective, which focused on the needs of nonindustrial private landowners, continued to report that information needs were not being met. SAF is concerned about the relatively stagnant research budget of the last few years, but was encouraged by recent modest increases, and we thank the committee for that support. These appropriations, however, represent a significant decline in constant dollars and have lead to the unavoidable loss of not only administrators but scientists with significant expertise in highly specialized areas.

Natural resource management issues are more complex today than they ever have been in the past. To find solutions we need interdisciplinary research in the biological, physical, and social sciences. The Agency has done a good job, and could do more, to reduce overhead and put more research dollars to work in direct research projects. But if we continue to lose scientists and research dollars, we believe complex issues are unlikely to be resolved, and the future of the Forest Service research program will be in jeopardy. With recognition of this disturbing trend, we encourage the committee to increase the appropriation for Forest Service Research over fiscal year 1999 levels.

THE BUREAU OF LAND MANAGEMENT

The fiscal year 1998 Interior and Related Agency Appropriation Act (Public Law 10583) included language that expanded the use of the Bureau of Land Management's Forest Ecosystem Health and Recovery Fund (FEHRF). This was a welcome change and we thank the Committee for developing this change in authority. This legislation allows for broader forest ecosystem health and recovery activities as well as monitoring. The expanded authority for the FEHRF, combined with increased funding for prescribed burning, will provide BLM managers with the tools to improve forest and wildlife habitat on BLM lands.

In spite of the funding available under the FEHRF to implement ecosystem health projects, the BLM lacks the ontheground personnel, within the Public Domain, nec-

essary to plan and implement these important activities. Since 1981, the BLM Forestry Management program has experienced an inflation-adjusted 65 percent budget decrease, whereas the entire Management of Lands and Resources budget has experienced only a 10 percent decrease over the same time period. We believe the BLM needs to increase its forest management expertise in order to take full advantage of the FEHRF and effectively shift to a focus on forest restoration. Therefore we support an increase in funding for additional forestry personnel to plan and administer forest health improvement activities under the BLM Forestry Management program.

STEWARDSHIP CONTRACTING PILOT PROJECTS

I would also like to thank this committee for its role in developing language in last year's appropriations bill that allowed the Forest Service to develop stewardship contracting pilot projects. Innovation is important in natural resources management. These pilot projects will give us an opportunity to learn how to accomplish forest management objectives in concert with community objectives, hopefully at a reasonable cost. This committee continues to show leadership in forest management and we hope SAF can continue to be a partner in that leadership.

CLOSING

In conclusion, we strongly support the BLM Forestry Management program and the Forest Service research, forest inventory and analysis, state and private, international, and road appropriations we've highlighted. Thank you, Mr. Chairman for the opportunity to share our views with you and the subcommittee today.

PREPARED STATEMENT OF FAITH T. CAMPBELL, PH.D., WASHINGTON REPRESENTATIVE, ON BEHALF OF FRONTERA AUDUBON SOCIETY

Frontera Audubon Society requests a total of $5 million from the Land and Water Conservation Fund (LWCF) in fiscal year 1999 for purchase of lands by the U.S. Fish and Wildlife Service for the Lower Rio Grande Valley National Wildlife Refuge in Texas.

The Lower Rio Grande Valley National Wildlife Refuge protects incomparable biological values. The Lower Rio Grande Valley—an area as big as Delaware—is home to the greatest biodiversity for any similar-sized area of the country. The 465 bird species that reside in or migrate through the Valley constitute half of all bird species found in the United States. Sixty of the bird species live in no other part of the country. More than 200 species of mammals, reptiles, amphibians, and fish also live in the Valley, as do 300 species of butterflies, and 1,200 species of plants.

Because less than 5 percent of the valley now is in natural vegetation, this biological treasurehouse is in danger. Twenty-one species are federally listed as endangered or threatened; an additional 35 are considered to be imperilled in Texas. More than 100 of the bird species are listed by the Texas Partners in Flight program as "species of special interest".

The Lower Rio Grande Valley NWR is the key to ensuring survival of the region's biodiversity—and the economic and other benefits people enjoy as a result.

The Lower Rio Grande Valley NWR protects vitally important habitat remnants in 11 distinct biotic communities. Furthermore, the specific segments included in the Refuge are chosen to provide a corridor for the wildlife to use in moving among habitat remnants.

When complete, the 132,500 Lower Rio Grande Valley NWR will constitute more than half of a planned 250,000 acre wildlife protection network that will include lands managed by state, county, and private conservation organizations as well as the Laguna Atascosa NWR. The planned complex will protect a modest 8 percent of the area of the four counties involved: Cameron, Hidalgo, Starr, and Willacy.

The Lower Rio Grande Valley NWR is so important to protecting the Nation's biological diversity that it always ranks among the top 10 on the U.S. Fish and Wildlife Service's land acquisition priority list. This year, it ranks third.

Despite the Refuge's importance, land acquisition has lagged in recent years due to low funding levels; only a few thousand acres could be purchased each year. Thus, as the Refuge approached its 20th anniversary since its creation, about one-third of the authorized lands and waters had not yet been purchased.

As a result of the special land-acquisition appropriation (Title V of the fiscal year 1999 Land and Water Conservation Fund), heartening progress is being made this year. The Refuge has a total of $7.4 million on hand for land acquisition—a mere $2 million through the regular appropriations process and $5.4 million through the

special Title V. These funds should allow acquisition of something over 6,000 acres (the need to buy increaasingly expensive water rights has somewhat reduced the amount of land that can be acquired with the available funds).

Furthermore, the Refuge utilized duck stamp funds to purchase 12,000 acres north of the Brownsville ship channel. This last parcel will probably be transferred to the nearby Laguna Atascosa NWR.

If we exclude the parcel to be transferred, by the end of fiscal year 1999, the Lower Rio Grande Valley NWR should have acquired about 84,000 acres.

It is important that the Congress maintain the momentum from fiscal year 1999. Many of the two dozen landowners who have expressed interest in selling high-priority tracts to the Refuge have waited years for responses to their offers.

Completing the Refuge is an urgent task. The lower Rio Grande valley is experiencing rapid economic growth stimulated by the North American Free Trade Agreement and winter "snowbird" tourism. Last year, it was reported that two out of ten metropolitan areas that are undergoing the most rapid growth in the entire nation are found in the lower Rio Grande valley—McAllen-Edinburg-Mission and Brownsville-Harlingen-San Benito. This growth has two impacts. First, while agricultural land can be restored as wildlife habitat after purchase, land converted to housing, warehouses, or similar uses is no longer of potential value to the Refuge. Second, the rapid growth is raising the demand for water; the cost of water rights have doubled in just three years. The result is increased overall costs of land acquisition for the Refuge.

At the same time, many farmers are leaving the occupation—and some of them wish to see their lands included in the Refuge. Allowing the Refuge to move rapidly on these offers will serve both biological conservation and the human needs of the Valley.

Expansion of the Lower Rio Grande Valley NWR will benefit the region's economy as well as its biological diversity.

Tourism is the third largest industry in Texas. This $25.4 billion business provides 446,000 jobs, $1 billion in state taxes, and $739 million in local taxes. Nature tourism is the fastest-growing segment of the industry, and Texas is a prime beneficiary of this trend because the state is the number one birding destination in the United States.

The Lower Rio Grande Valley is one of three "birding hotspots" in Texas. Nearly 100,000 birders visit the Lower Rio Grande Valley NWR each year. They spend $34.5 million and add $14.4 million to the local economy of McAllen. Harlingen's 1996 Rio Grande Valley Birding Festival generated $1.6 million in economic impact. At present, birders concentrate at the Santa Ana NWR—an older part of the Refuge located near Mission and Hidalgo. As other portions of the Lower Rio Grande Valley NWR are developed, more birders will be attracted to the additional opportunities, greater diversity of habitats, and less crowded conditions. The economic benefits will also be distributed more widely among towns in the Valley.

Completion of the Lower Rio Grande Valley NWR is supported by the Lone Star Chapter of the Sierra Club, Texas Nature Conservancy, a chapter of the American Butterfly Association, Lower Laguna Madre Foundation, Native Plant Project, numerous botanical organizations and garden clubs, and Frontera Audubon Society. The Valley Chamber of Commerce and Chambers of Commerce of Brownsville, Harlingen, and McAllen recognize the importance of nature tourism, especially birders, to the Valley's economy and sponsor birding, butterfly, and other festivals. Texas Parks and Wildlife Department has purchased 5,500 acres as part of the larger network of reserves. TPWD also supports birding competitions, such as the Texas Coastal Birding Classic and the Texas Coastal Birding Trail.

PREPARE STATEMENT OF JUSTIN R. WARD, SENIOR POLICY SPECIALIST, THE NATURAL RESOURCES DEFENSE COUNCIL

The Natural Resources Defense Council (NRDC) urges Congress to approve $50 million in fiscal year 2000 appropriations for the Forest Legacy Program.[1] Consistent with our deep commitment to land and natural resource conservation, NRDC strongly supports the Administration's proposal for a full and permanently funded Lands Legacy Initiative, which includes the Forest Legacy Program. We have endorsed the "Resources 2000 Act" introduced by Senator Boxer and Rep. Miller (S.

[1] NRDC is a non-profit environmental membership organization with 400,000 members and contributors nationwide. Since 1970, NRDC's scientists, lawyers and staff have been working to protect the world's natural resources and improve the quality of the human environment. NRDC has offices in New York, Washington, D.C., San Francisco, and Los Angeles.

446, H.R. 798), which would provide permanent annual funding for the Land and Water Conservation Fund, Forest Legacy and other land protection programs.

The loss of intact forest landscapes poses a serious threat to biological diversity and the environment. U.S. Department of Agriculture statistics reveal that more than half a million acres of private timberland are converted to development each year. Among other impacts, the resulting forest fragmentation degrades critical habitat for many resident and migratory birds and other species.[2] Permanent conversion of forest lands also sacrifices an important resource for carbon sequestration to combat global warming.

Conservation easements represent a cost-effective tool for keeping private land in forest cover. In a growing number of cases in different regions of the country, the easement tool has been successfully applied on working forests, where easement terms are structured to permit commercial timber harvesting with conservation safeguards.[3]

Created under the 1990 farm bill, the Forest Legacy Program has provided crucial financing for voluntary conservation easement transactions. The program now operates mainly under a system of federal grants to states for purchase of conservation easements on private forest lands. Federal funds cover 75 percent of the grants, with 25 percent in matching support provided by states or other non-federal sources. Easements created under Forest Legacy Program grants allow private landowners to harvest timber on their property consistent with environmental stewardship principles and practices. Since the program's inception, more than 69,000 acres of working timberland have been enrolled as Forest Legacy lands.

Low and unpredictable funding levels have prevented the Forest Legacy Program from achieving its potential. This year's $7 million annual program budget falls well short of the amount needed to fund the current docket of worthy grant applications. Low funding is a deterrent to adding to the list of 17 states currently active in the program.

The Forest Legacy Program employs geographic priority-setting to assure that significant conservation benefits result from the public investment. Participating states identify and map "Forest Legacy Areas" on the basis of their important forest resource values threatened by permanent conversion, and the likely effectiveness of the Forest Legacy Program in protecting those values. Moreover, approved multi-resource management plans are required of all participating landowners. This requirement helps to guarantee good stewardship of forest soil and water quality, recreation, timber, scenery, fish and wildlife.

Land managed for timber production under the Forest Legacy Program could be well-positioned to help meet growing demand for wood originating from certified, well-managed forests. For example, the Certified Forest Products Council (CFPC) was launched in 1997 as a non-profit, voluntary business initiative dedicated to increasing the market for independently certified forest products in North America. The CFPC has a growing and diverse membership of corporate partners that includes large and small companies across the forest products value chain. For example, Nike Inc., Habitat for Humanity, The Home Depot, Colonial Craft, Berkeley Mills and Furniture Co., and the architectural firm of William McDonough & Partners are all CFPC members.

In summary, the Forest Legacy Program represents an innovative and sensible vehicle for conservation partnerships linking the federal government, the states, and the private sector. Funding the program at the proposed $50 million level would help secure lasting protection for America's productive forest lands.

PREPARED STATEMENT OF THE SOUTHERN ENVIRONMENTAL LAW CENTER

The Southern Environmental Law Center (SELC) welcomes the opportunity to submit this statement to the Senate Interior Appropriations Subcommittee on the issue of fiscal year 2000 appropriations and thanks the Subcommittee for its careful consideration of the topics covered.

SELC is a non-profit public interest advocacy group providing comprehensive free legal services on environmental issues in the Southeast. SELC also studies environmental problems, monitors state and federal regulatory programs, and engages in public education activities. SELC is active in a six-state region that encompasses

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[2] National Research Council, Forested Landscapes in Perspective: Prospects and Opportunities for Sustainable Management of America's Nonfederal Forests, pp. 59–60 (National Academy Press, Washington, D.C., 1998).

[3] K. Slee, "Evolving Easements on Working Forestlands," Vol. 17 Exchange: The Journal of the Land Trust Alliance, pp. 5–8 (Spring 1998).

the Southern Appalachian Mountains, including Alabama, Georgia, North Carolina, South Carolina, Tennessee, and Virginia, with offices in Atlanta, Chapel Hill, and Charlottesville.

Among other areas, SELC has expertise in management of the Southern Appalachian National Forests which is particularly relevant to the appropriations being considered by this Subcommittee. The Southern Appalachian states contain a special forest ecosystem with significance for the North American continent as one of the most ecologically diverse regions in the world. The 1996 Southern Appalachian Assessment (SAA) identifies no fewer than nine forest classes prevalent in the region and states that more species of trees are native to the Southern Appalachians than to any other northern temperate region of the globe. The region is also home to some of the most outstanding outdoor recreation opportunities in the nation and, since it is within a day's drive of one-half of the U.S. population, it draws numerous visitors from many other parts of the country. The SAA also identifies 190 rare, threatened, and endangered aquatic species within the Southern Appalachians.

Decisions made within the context of the Forest Service budget are crucial to the effective protection of these unique resources. Budget items meriting specific scrutiny and action from this Subcommittee include commodity timber sales, road construction, off-budget trust funds, and county payments.

First, the budget for commodity timber sales should be limited so as to end below cost timber sales and to prevent environmental damage. The Forest Service's timber program as currently practiced results in serious degradation of the unique resources of the Southern Appalachian region and is financially irresponsible. National Forest logging has damaged wildlife habitat and increased soil erosion and sedimentation in high quality streams. Below cost timber sales are particularly likely to occur in areas with steep slopes and higher elevations, which are conditions prevalent throughout the Southern Appalachians. At the same time, the program loses money. According to a 1998 General Accounting Office report, over the three years from 1995 to 1997, the costs of the Forest Service's logging program exceeded returns to the Treasury by $1.05 billion.

The second area of concern, related to commodity timber sales, is the road construction budget. Funding for road construction in roadless areas should be eliminated, and overall funding for road construction should be reduced while the Forest Service develops its long-term transportation policy. Road construction is one of the most environmentally damaging activities practiced by the Forest Service because it contributes to water pollution and the destruction of wildlife habitat. Moreover, road construction continues to be linked to timber sales with ninety-five percent of new road construction on National Forests in recent years being completed for logging activities. All of this construction activity occurs in an obviously unsustainable fashion. In his State of the Forest speech for 1999, Forest Service Chief Dombeck identified a road maintenance backlog of $8.5 billion. This year's Forest Service budget should increase funding for legitimate maintenance and repair needs, which include environmentally necessary road re-construction and road obliteration.

SELC's third area of concern focuses on the Forest Service's off-budget trust funds. These funds are the Salvage Sale Fund, the Knutson-Vandenberg (K-V) Fund, the Brush Disposal Fund, and the Roads and Trails Fund. These funds should be reformed by requiring that they be used for their original stewardship purposes, such as reforestation, and by removing any incentive for timber harvesting as a means of increasing agency revenue. An additional problem with these funds is their use by the Forest Service to escape Congressional oversight. Under current practice, the Forest Service captures significant amounts of money in these funds in the form of charges for indirect and overhead expenses. The result is that the Forest Service retains money that should properly be returned to the U.S. Treasury. This practice should be ended in order to return Forest Service activities to Congressional control.

Finally, SELC recommends that this year's appropriations language should delink payments to counties from National Forest timber harvesting revenues while ensuring that counties containing National Forest lands are adequately compensated for lost property tax revenue through a fully funded Payments in Lieu of Taxes (PILT) or comparable program. Many current and former county commissioners are now recognizing that this program forces county governments in the direction of non-sustainable positions on ecologically critical issues and creates significant funding uncertainty for rural schools, roads, and other infrastructure. Again, in his State of the Forest speech, Chief Dombeck advocated de-linking these payments and replacing them with a stable funding source that would hold counties harmless from fluctuations in the timber market.

SELC stands ready to assist this Subcommittee by submitting, upon request, additional information on any of these Forest Service budget issues and, particularly,

by providing information on the unique and important Southern Appalachian forest environment. We appreciate the Subcommittee's attention to these matters.

PREPARED STATEMENT OF MYRNA JOHNSON, DIRECTOR, ORCA

ORCA is the trade association for the $8 billion human-powered outdoor recreation industry. Our members are manufacturers, retailers, and suppliers of backpacking, hiking, kayaking, canoeing, backcountry skiing and climbing equipment, as well as service providers for these activities. We urge the Committee to increase funding for recreation management and trails at the National Park Service, U.S. Forest Service, and the Bureau of Land Management, and to fully fund the Land and Water Conservation Fund. In addition, we urge the Committee not to extend the recreation user fee program beyond its scheduled fiscal year 2001 end, and to urge you and the agencies to evaluate the demonstration programs with serious criteria before requesting or implementing a permanent program.

FOREST SERVICE

We are deeply concerned about the Administration's proposed USDA Forest Service recreation budget for fiscal year 2000. As we enter the new millennium and a new era for the Forest Service, we believe it is incumbent on Congress to invest in recreation, the future of our national forests.

The Forest Service itself estimates that in the year 2000, recreation will create 74.8 percent of the Gross Domestic Product generated from Forest Service land, yet recreation accounts for only 8 percent of the Forest Service proposed budget for fiscal year 2000. We urge the Committee to increase that percentage to at least 15 percent in fiscal year 2000, as a first step in providing adequate funds for a very important player in the forest economy.

The current investment does not match the role recreation plays, nor does it meet the needs of the growing number of recreationists using Forest Service land. The Forest Service indicates that recreational visits to national forests in 1993 totaled 859 million visits in 1996; they project that number to be 930 million visitors in 1998.

Yet the numbers of personnel providing recreation services and the resources available to manage for recreation is stagnant or declining. The numbers of recreation management personnel has decreased from 2309 in fiscal year 1998 to 1934 in fiscal year 1999. The number is projected to hold steady for fiscal year 2000, but those FTEs will have less resources with which to do their job. Once again, we need to point out that this is not how we believe a growth area should be treated, particularly one that is heavily service-oriented. We know that in many regions, the recreation management staff is so small that there is little to no staff to write permits, and volunteers are relied on more and more to be in contact with the public when a professional touch is needed.

NATIONAL PARK SERVICE

Only a fraction of the National Scenic Trails under Park Service care are in place and the agency's successful Rivers, Trails, and Conservation Assistance program meets less than 50 percent of the demand for its services. These trails are the crown jewels of America's trail system, and need additional support.

BUREAU OF LAND MANAGEMENT

BLM has seen significant increases in recreation while staff resources have decreased. This should be rectified.

LAND AND WATER CONSERVATION FUND

We believe that providing funding for parks and open space at the federal and state levels via LWCF is the single best way to preserve America's great places and natural heritage, provide quality recreation opportunities for all Americans, invest in our children's health and quality of life, and implement solutions for urban sprawl—a natural resource concern that has the potential to dramatically change America's landscape. We urge this committee to fully fund the Land and Water Conservation Fund, both the federal and state sides of the program.

Here are our specific requests for the fiscal year 2000 appropriations bill:

Forest Service Recreation management. $225 million for fiscal year 2000. $170.3 million was appropriated in fiscal year 1998, but only $145 million was available for fiscal year 1999. The request for fiscal year 2000 is functionally $4 million less

than 1999 because of uncontrollable costs, and $25 million less than 1998. This is not a way to treat a program that fits into the highest priorities for the agency.

FS Trail maintenance. $35 million for fiscal year 2000. The Administration has requested $20.4 million; the fiscal year 1999 appropriation was $18.4 million. The Forest Service has documented a backlog of $257 million in trail maintenance projects.

FS Trails Construction/Re-construction: $30 million for fiscal year 2000. $29.5 million was available in fiscal year 1999; the Administration has requested only 13.05 million.

FS Wilderness Management: $50 million for fiscal year 2000. $29.5 million is available for fiscal year 1999. The Administration has requested $36.5 million.

FS Heritage Resources: $25 million for fiscal year 2000. $13.05 is available for fiscal year 1999. The Administration has requested level funding from last year.

NPS Rivers, Trails and Conservation Assistance. $12 million. $7 million was available in fiscal year 1999.

NPS National Trails System. $7 million, up from $3.5 million in fiscal year 1999.

BLM Recreation Management. Increase recreation management by $10.2 million over the fiscal year 1999 appropriation.

BLM Recreation Maintenance. Increase recreation management by $6.7 million over fiscal year 1999 appropriation.

Land and Water Conservation Fund. $900 million for fiscal year 2000, including a fair share for the stateside program.

RECREATION FEE DEMONSTRATION PROGRAM

In addition, we believe last year's appropriations conference committee report and this year's forest service budget document come dangerously close to a breach of the promise made to the American people when the recreation fee demonstration program was created: that user fees would supplement, not supplant, current funding. We wish to let the Committee know that the initial support for the fee program within the ORCA membership is declining. One reason for declining support is that it appears that fees are not adding recreation funds to the mix, but rather making up for decreases in general funding or paying for little more than enforcement of the new fees.

In fact, the FS budget document indicates that the appropriation levels they have requested are not enough "to operate facilities and trails to meet full quality standards." One of their suggestions for meeting the shortfall is "aggressive implementation of the Recreation Fee demonstration pilot." This "aggressive implementation" is disturbing to recreationists who do not want to be nickeled and dimed to death or charged multiple fees for access to particular recreational activities.

We urge the committee to use the currently established demonstration program to fully evaluate the program for user support and for creating guidelines for successful and unsuccessful programs. We do not support additional extensions of the demonstration program, and seek a better accounting of what programs have and have not worked before moving ahead with a permanent program. The mere fact that the program raises money is not a good enough reason for continuing the program indefinitely.

Thank you for the opportunity to provide this material for the record. If you have questions, do not hesitate to call.

PREPARED STATEMENT OF ROBERT M. EVETTS, PRESIDENT, NATIONAL ASSOCIATION OF ABANDONED MINE LAND PROGRAMS

I am the current President of the National Association of Abandoned Mine Land Programs which represents twenty-three States and three Tribes that administer approved abandoned mine land reclamation programs. The Association was organized for the purpose of enhancing communication, coordination, and consistency between the States, Tribes and the Office of Surface Mining on issues related to Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA, Public Law 95–87). I am pleased to represent the Association by providing comments to you regarding the proposed budget for the Office of Surface Mining (OSM) for the fiscal year 2000.

The Abandoned Mine Land Program has successfully administered and aggressively pursued the abatement of mine hazards and the active reclamation of lands adversely affected by past mining activities across the United States. Many of these abandoned mine lands exhibit scars and environmental degradation which occurred more than 150 years ago. These scars and hazards were left unremediated to heal and abate themselves which they have not done.

Congress acted in a responsible effort to remedy these abandoned mine land problems in 1977 when it enacted the Surface Mining Control and Reclamation Act. The Act established a program through which abandoned mine hazards and reclamation could be addressed without placing an increased financial burden on the citizens or negatively impacting the nation's debt. The plan would be funded by a tax on active coal production; the problems created by past mining activities would be directly or indirectly remediated by the same industry that created them.

As background, coal producers across the nation have contributed in excess of $5.1 billion dollars in taxes and interest to the Abandoned Mine Land Trust Fund since fiscal year 1977. Under the Act, this amount less a stipulated amount to the United Mine Workers of America Combined Benefit Fund, should have been made available for AML reclamation. Unfortunately, annual appropriations have been considerably less than the states anticipated which is also inconsistent with the intent of the Act. This historical practice of under funding the AML program activities has resulted in an unappropriated AML Trust Fund balance which will exceed 1.5 billion dollars by the end of this year. This unappropriated balance is growing at the rate of more than 100 million dollars a year. It seems unconscionable to allow the accumulation of these dedicated funds to continue while serious health and safety hazards still exist and remain unabated.

The Membership of the Association and I would like to express the following concerns regarding the President's proposed fiscal year 2000 Budget:

AML PROGRAM FUNDING

The proposed fiscal year 2000 budget is a commendable step in the right direction and we support the Administration's effort to increase AML funding. However, the proposed budget still perpetuates the practice of inadequate AML funding. The proposal would only appropriate approximately 55 percent of the fiscal year 2000 projected income to the Trust Fund, allowing the rapid and continued accumulation of unappropriated balances.

The 26 member States and Tribes who administer Abandoned Mine Land Programs have an established record of accomplishments spanning the past 18 years. One of the primary contributing factors to the overall program success has been the ability of the individual states and tribes to establish program needs, prioritize projects and administer programs tailored to the needs of their respective states and tribes.

The proposed increase of $25 million to reclaim abandoned mine sites that pose significant threats to human safety will, in fact, require a reprioritization of state projects in order to establish funding eligibility. This manipulation of funding is or could be detrimental to the objectives of the individual States and/or Tribes and places OSM in a "controlling" rather than an "oversight" role in the AML Program. This does not seem to coincide with the "less government" initiative advocated over the past few years. The proposed $25 million increase is directed to two types of projects which are almost one in the same: $22 million in support of the President's Clean Water Action Plan; and $3 million increase in funding for the Appalachian The Honorable Ralph Regula The Honorable Norman Dicks April 9, 1999 Page Three

Clean Streams Initiative ($2 million to eligible AML State/Tribal grants and $1 million in cooperative agreements for not-for-profit groups). Both of these programs are in support of the Clean Water Action Plan. This type of stipulated funding increase will not allow all of the program States/Tribes to compete for this funding on an equal basis. Not all states are faced with the same stream and water shed problems but all have priority 1 and 2 problems to remediate.

The proposed increase in AML funding is part of the Administrations effort to fund the AML program at a level commensurate to fee receipts collected. This effort, though commendable, does not address the fact that the funding (fee collection) under the Act will end in 2004 unless extended. It would appear more logical that we should advocate an immediate and recurring appropriation which would be commensurate to the projected fee collection each year. This still would not address the current unappropriated AML Trust Fund balance of more than $1.4 billion.

The Surface Control and Reclamation Act was amended in 1990 to assure minimum program states a recurring funding level of $2 million. Stability in funding is an absolute necessity, especially when trying to establish long-term planning at the minimum funding level. Beginning in fiscal year 1995, appropriations fell 25 percent below the previously established $2 million funding level and have continued to be at $1.5 million through fiscal year 1999. We appreciate and are in support of the President's effort to restore the minimum state program funding to the $2 million level.

The AML Trust Fund balance currently exceeds $1.4 billion. The Association is supportive of a recurring funding appropriation which would either substantially reduce or preferably bring the trust fund balance to zero by the end of the current fee collection, which is set to expire in 2004. This would allow for the States and Tribes to plan ahead to maximize their reclamation efforts prior to the end of the Program.

SUMMARY

It is the belief of the National Association of Abandoned Mine Land Programs, as well as the public, that the AML program was created for the express purpose of addressing the serious health and safety problems which exist throughout the nation's coal fields. The reclamation of these sites should be performed in an expedient and effective manner. The AML program States and Tribes have demonstrated that they have effective programs in place and are capable of accomplishing these requirements, providing that adequate funding is available. Implementation of the coal production tax has provided obvious in-place funding. The Honorable Ralph Regula The Honorable Norman Dicks April 9, 1999 Page Four

To further these goals, the Association respectfully requests that the subcommittee consider the following recommendations:

1. Recommend that fiscal year 2000 appropriations for AML program activities equal or exceed the amount of anticipated fee collections to the AML Trust Fund in fiscal year 2000.
2. Recommend increased funding level to adequately fund the Appalachian Clean Streams Initiative without impacting the State Reclamation Grant funding.
3. Insure that the minimum program states receive no less than the $2 million level of funding as provided for in SMCRA.
4. Institute a long-term management plan for the AML Trust Fund which would reduce it to a zero balance on or before the expiration of the fee collection period.

The Association is appreciative of this opportunity to present its comments and recommendations on the OSM proposed fiscal year 2000 budget. I would be glad to address any request for clarification or additional information that the Subcommittee or Committee may desire.

DEPARTMENT OF ENERGY

PREPARED STATEMENT OF DR. GERALD P. HUFFMAN, DIRECTOR, CONSORTIUM FOR FOSSIL FUEL LIQUEFACTION SCIENCE

COOPERATIVE RESEARCH C1 CHEMISTRY

C1 chemistry is the conversion of carbon-containing materials that contain one carbon atom per molecule into valuable transportation fuels and chemical products. In 1999, with the support of the U.S. Department of Energy, the Consortium for Fossil Fuel Liquefaction Science (CFFLS), a research consortium with participants from the universities of Kentucky, West Virginia, Utah, Pittsburgh and Auburn, initiated a new basic research program on C1 chemistry. The CFFLS is requesting $1.6 million from the Department of Energy to continue this program in fiscal year 2000. This represents a modest increase over the $1.4 million of funding provided for this program by DOE in fiscal year 1999. The CFFLS research program on C1 chemistry is a cooperative program jointly sponsored by the DOE Energy Efficiency and Renewable Resources (EE) Office of Transportation Technology (OTT) and the DOE Fossil Energy (FE) Advanced Research and Environmental Technology (AR&ET) division. We are requesting $1.2 million from DOE EE OTT and $0.4 million from DOE FE AR&ET. The five Consortium universities will provide $0.25 of cost sharing for every $1.00 of federal funding, or $400,000, to support this research program in fiscal year 2000.

The feedstocks for C1 chemistry include natural gas, carbon dioxide, methanol, and synthesis gas (a mixture of carbon monoxide and hydrogen). Synthesis gas, or syngas, is produced principally by reforming of natural gas, which is primarily methane, with steam. It can also be produced by gasification of coal, biomass, or organic wastes. Syngas is the source of nearly all of the hydrogen and methanol produced. It is also the primary source of many chemicals and can be a source of very clean transportation fuels. Because of new environmental standards now being promulgated, C1 chemistry is likely to become a major source of transportation fuel in the U.S. early in the next century.

In cooperation with DOE, the Consortium has identified several research topics that will be emphasized in this program to help meet our national energy needs and environmental goals. The following areas have been identified as the most critical:

1. Conversion of methanol and syngas into clean, oxygenated, transportation fuels.
2. Conversion of natural gas into syngas.
3. Conversion of syngas, natural gas and methanol into hydrogen.

A brief summary of the CFFLS program for each of these research topics is given below.

Transportation fuel.—A principal goal of the DOE in the transportation sector is to develop new sources of ultra clean diesel fuel for use in light trucks and sports utility vehicles, the use of which has increased dramatically in this country over the past several years. The Fischer-Tropsch (F–T) process is one option for the production of such diesel fuel. However, F–T plants are very large and expensive and there are conflicting views regarding the best technology for a F–T plant. Most F–T development is likely to occur abroad, converting cheap foreign natural gas into diesel fuel and importing it to the U.S. In contrast, the technology to convert syngas into methanol is a comparatively simple and relatively inexpensive technology. Currently, there are only two commercial F–T plants in the world. However, there are many operating methanol plants through out the world and in the U.S. Our research will therefore focus on reacting methanol and syngas to produce novel, oxygenated, diesel fuels that are superior to any now being produced. These diesel fuels have the potential to significantly increase mileage rates attained by trucks and sports utility vehicles, while markedly reducing emissions of fine particulate matter and sulfur and nitrogen oxides. Reduction of airborne particulate matter less than 2.5 microns in diameter ($PM_{2.5}$) is a major goal of both the DOE and the EPA.

Conversion of natural gas into syngas.—There is an abundance of remote natural gas, much of which is currently being wasted. The Alaskan oil fields represent a remote natural gas source in the U.S. that is not currently being utilized. Therefore, it is important to develop more effective technology to convert natural gas into syngas. This step is the costliest part of C1 chemistry. Most syngas is currently made by reforming natural gas (methane) by reaction with steam. However, there are several advantages to using carbon dioxide to reform natural gas to syngas.

—Many natural gas sources in nature contain a significant percentage (20–50 percent) of carbon dioxide in addition to methane.
— The resulting syngas has a more favorable hydrogen to carbon ratio for the production of transportation fuels.
—The reaction of carbon dioxide with natural gas to produce syngas has the advantage of using significant amounts of carbon dioxide in a productive manner.

The CFFLS research will focus on the development of novel catalysts for reforming of natural gas with carbon dioxide that will have higher activities and longer active lifetimes.

Hydrogen.—Research will focus on development of new nanoscale catalysts and processes to improve the conversion of syngas, methanol and natural gas into hydrogen free of carbon monoxide contamination. The high purity hydrogen produced from such conversion processes can be used in advanced, pollution free, power sources known as fuel cells, as well as for traditional uses (ammonia, refining, etc.). A long term goal of DOE is the development of high efficiency, pollution free vehicles powered by fuel cells. Because of our existing infrastructure, there are advantages to continuing to use liquid fuel in vehicles. One possible scenario is vehicles that use methanol as the primary fuel, with on board reforming devices to convert the methanol to the hydrogen required by fuel cells. Therefore, our program will investigate technology for producing hydrogen from methanol.

ECONOMIC AND ENVIRONMENTAL BENEFITS

Although it will require a long-term research effort, the practical benefits of the technology that could ultimately be developed from this research are substantial. Several potential economic and environmental benefits that could result from C1 chemistry research are briefly summarized below.

—Utilization of remote natural gas (e.g., from the Alaskan oil fields).
—Domestic production of clean, high efficiency, diesel and other transportation fuel.
—Reduction of the U.S. trade deficit.
—Reduction of emissions of fine particulate matter ($PM_{2.5}$).
—Reductions of emissions of sulfur and nitrogen oxides.
—Productive use of carbon dioxide, a greenhouse gas.

SUMMARY AND BUDGET REQUEST

The Consortium for Fossil Fuel Liquefaction Science, a research consortium with participants from the universities of Kentucky, West Virginia, Utah, Pittsburgh and Auburn, has initiated a coordinated basic research program on C1 chemistry. The goal of the program is to develop technology to convert simple carbon feedstocks (natural gas, carbon dioxide, methanol and syngas) into valuable products, such as ultra clean, high efficiency transportation fuel, hydrogen, and chemicals. The Consortium is requesting $1.6 million from the Department of Energy to support this program in fiscal year 2000, a modest increase over the level of support provided in fiscal year 1999. The five Consortium universities will provide $0.25 of cost sharing for every $1.00 of federal funding, or $400,000 per year.

PREPARED STATEMENT OF RICHARD BAJURA, DIRECTOR; AND GEORGE FUMICH, PROGRAM ADVISOR, NATIONAL RESEARCH CENTER FOR COAL AND ENERGY AT WEST VIRGINIA UNIVERSITY

Chairman Gorton and Members of the Subcommittee: This statement was prepared by Richard Bajura, Director of the National Research Center for Coal and Energy, and George Fumich, a Program Advisor for the Center. We appreciate your consideration of our statement regarding programs in Fossil Energy and Energy Conservation on the topic of alternative transportation fuels and chemicals.

NEED FOR ALTERNATIVE TRANSPORTATION FUELS AND CHEMICALS

The expanding U.S. dependence on imported petroleum is detrimental to our energy security and to our balance of payments in foreign trade. Oil imports are projected to increase to a level of 60 percent of our total consumption by 2010. Approximately 98 percent of the fuels that power our nation's transportation sector are derived from petroleum-based fuels.

Emissions of carbon dioxide from the transportation sector are expected to increase by 50 percent over the next fifty years. Since 1973, the year of the Oil Embargo, essentially all of the increase in U.S. highway fuel consumption has been due to trucks. Petroleum-based fuels are a major source of particulate emissions in heavy duty engines. In California, for example, heavy duty diesel trucks are only 2 percent of the vehicles on the road, but account for 30 percent of the smog emissions and 70 percent of the particulate emissions.

Research accomplished thus far indicates that by using indirect liquefaction technologies, alternative transportation fuels can be produced which are higher in energy content and environmentally superior to petroleum based fuels. The research area called C–1 Chemistry offers much promise for the development of new fuels, fuel additives, and value added chemicals. C–1 Chemistry is based on using feedstocks which initially have only one carbon atom per molecule, such as methane [CH4], carbon monoxide [CO] and methanol [CH30H].

PROGRAMS OF THE OFFICE OF TRANSPORTATION TECHNOLOGIES

Syngas produced from coal or natural gas, coupled with advanced research in C–1 Chemistry, can be the base from which the U.S. can build commercially viable coproduction industries for producing alternative transportation fuels and value-added chemicals. In fiscal year 1999, your Appropriations Subcommittee on Interior and Related Agencies supported the Consortium for Fossil Fuel Liquefaction Science to initiate research in C–1 Chemistry under the Office of Transportation Technologies. This program is a cooperative effort between our Consortium, which has five member schools, the Office of Transportation Technologies, and the Office of Fossil Energy.

We request your continued support for this program through an additional appropriation of $1.2 million in the fiscal year 2000 budget of the Office of Transportation Technologies. This research is particularly relevant to programs in heavy vehicle technologies in view of the contribution of such vehicles to the overall level of emissions from the transportation sector.

PROGRAMS IN THE OFFICE OF FOSSIL ENERGY

We believe it is in our national interest to develop advanced programs which will permit the cost-effective conversion of coal to cleaner liquid fuels, value added chemicals, and more advanced fuels such as hydrogen. Continued investments are required to reduce the cost of fuels and chemicals production and to encourage the

industrial acceptance and early commercialization of viable co-production technologies in support of Vision 21 programs.

In this regard, we are recommending additional funding of $2 million for Fossil Energy programs in the area of Indirect Liquefaction research to a level of $9,659,000 for fiscal year 2000. We recommend that these funds initially be used to support research in C–1 Chemistry, catalysis, and process development. Out year funding increases are recommended for reactor modeling, scale-up studies and fuels testing, followed later by performance studies in pilot plants and demonstration plants. This kind of research program is required to reduce the risk of commercializing indirect liquefaction plants, thereby encouraging investments by the private sector. This program can yield payback benefits through increased employment and reduced balance of payments deficits through the use of our vast coal reserves.

Thank you for the opportunity to share our views with the Subcommittee. We would be pleased to provide additional information regarding these programs as needed.

PREPARED STATEMENT OF RONALD J. PUGMIRE, PH.D., ASSOCIATE VICE PRESIDENT FOR RESEARCH, PROFESSOR OF CHEMICAL AND FUELS ENGINEERING, UNIVERSITY OF UTAH

In your considerations for the fiscal year 2000 budget, I recommend support for the Consortium for Fossil Fuel Liquefaction Science (CFFLS), a five-university research consortium with approximately 100 participants from: the University of Kentucky, West Virginia University, the University of Utah, the University of Pittsburgh, and Auburn University. Over the past two years, the consortium has developed very promising technology for C1 chemistry.

C1 chemistry is the conversion of feedstocks such as natural gas, carbon dioxide, and synthesis gas (a mixture of carbon monoxide and hydrogen) into hydrocarbon products. Synthesis gas, or syngas, is produced principally by reaction of natural gas with steam. It can also be produced by gasification of coal, biomass, or organic wastes.

Because of new environmental standards now being promulgated, C1 chemistry is likely to become a major source of transportation fuel in the U.S. early in the next century. Although there is a DOE program on Fischer-Tropsch synthesis, a form of C1 chemistry, there is currently no coherent national research program on the more innovative aspects of this important technology. To fill this void, the Consortium for Fossil Fuel Liquefaction Science, a research consortium with participants from the universities of Kentucky, West Virginia, Utah, Pittsburgh and Auburn, has initiated a basic research program on C1 chemistry. The Consortium has made a thorough study of C1 chemistry to determine which research topics should be emphasized to meet our national energy needs and environmental goals. The following areas have been identified:

1. Conversion of natural gas into syugas. Novel plasma reactors and reaction of natural gas with carbon dioxide will be investigated.
2. Conversion of syngas into clean diesel and other transportation fuels. We will investigate reaction of syngas with methanol to produce oxygenated diesel fuel that should be cheaper and better than Fischer-Tropsch diesel fuel.
3. Conversion of syngas into hydrogen. Catalytic processes will be developed to produce hydrogen that is free of carbon monoxide and can be used in fuel cells.
4. Conversion of syngas into value-added chemicals. Direct synthesis of a number of value-added chemicals from syngas could markedly improve economics.

ECONOMIC AND ENVIRONMENTAL BENEFITS

—Utilization of 1.5 trillion cubic feet of natural gas per year with a value of approximately $4 billion.
—Production of 3 trillion cubic feet of hydrogen per year with a value of approximately $7 billion.
—Production of 1.5 billion barrels of diesel fuel per year with a value of $60 billion.
—Reduction of the trade deficit due to oil imports by up to $30 billion per year.
—Reduction of U.S. emissions of carbon dioxide, a greenhouse gas, by up to 400 million tons per year or approximately 10 percent.
—Reduction of U.S. emissions of fine particulate matter and sulfur and nitrogen oxides by approximately 10 percent.

The CFFLS is requesting $1.5 million from DOE Fossil Energy in fiscal year 2000, with an aggregate of $0.75 million in cost-sharing to be provided by the five consortium universities. Your support for this important program is requested.

PREPARED STATEMENT OF GERALD HOLDER, DEAN; JOHN W. TIERNEY, PROFESSOR; AND IRVING WENDER, DISTINGUISHED UNIVERSITY RESEARCH PROFESSOR, UNIVERSITY OF PITTSBURGH

Because of new environmental standards now being promulgated and in the interest of increased efficiency, the Consortium For Fossil Fuel Liquefaction Science (CFFLS), consisting of participants from the Universities of Pittsburgh, Kentucky, Utah, West Virginia and Auburn have, after thorough study, been engaged in a basic research program on C1 chemistry. C1 chemistry involves the conversion of simple molecules such as natural gas, carbon dioxide, synthesis gas (a mixture of hydrogen and carbon monoxide) and methanol into environmentally clean, efficient transportation fuels as well as chemicals and polymers.

There is currently no coherent national research program on innovative aspects of this expanding technology. Although DOE has a program on the conversion of synthesis gas to transportation fuels by the Fischer-Tropsch process, no such plants will be built in the lower 48 states; instead, advantage is being taken of cheap natural gas converted to synthesis gas in distant countries. Indeed, to meet diesel fuel standards in California, Fischer-Tropsch diesel has been imported from a Royal Dutch Shell plant built in Malaysia.

The CFFLS has developed a program on C1 chemistry that deals with the most important needs and aspects of this country. The program involves cheaper ways of converting natural gas, biomass or coal into synthesis gas, the conversion of two global warming gases, methane and carbon dioxide, into synthesis gas and the conversion of methane and hydrocarbons into pure hydrogen gas for use in fuel cells. Synthesis gas is the source of essentially all the hydrogen produced in the U. S. This country has a large capacity for the production of methanol, all produced from synthesis gas; diesel fuel of the highest quality, meeting environmental and efficiency requirements can be made directly from synthesis gas via the Fischer-Tropsch process or from methanol, and the CFFLS has a program to do this. The U.S. may look to the conversion of natural gas in turnkey plants to methanol which can then be used to meet our needs for the production of gasoline, diesel, jet fuels, lubricating oils, chemicals and polymers.

While acknowledging the realities of the present budget austerity, the undersigned recommend and request your strong support for the much-needed program and budget proposed for the Consortium.

PREPARED STATEMENT OF JOHN M. OWENS, ASSOCIATE DEAN FOR RESEARCH, AUBURN UNIVERSITY

In the course of your deliberations for fiscal year 2000 appropriations please be aware of the importance of current federal funding for research now under way at Auburn University through the Consortium for Fossil Fuel Liquefaction Science.

This program is insuring the continuation of research on the conversion of domestic fossil fuel and wastes into transportation fuel and chemicals. The research is being carried out by an experienced team of faculty that has more than 50 years of collective experience with this technology. Reduced Federal and private funding has threatened the existence of this team and similar ones in the United States. Although significant funds are being provided by the State of Alabama for our work, they are insufficient to maintain a high quality program over the long term.

Probably the most important products of academic research are the students produced for industry and government. Dramatic decreases in federal funding for such research are threatening the production of the next generation of scientists and engineers that will conduct essential research programs on the conversion of domestic fossil fuels into transportation fuels and chemicals.

Research initiatives at Auburn are coordinated with other members of the Consortium (University of Kentucky, University of Utah, University of Pittsburgh, and West Virginia University) and focus on C1 chemistry. C1 chemistry encompasses the conversion of feed stocks such as natural gas, carbon dioxide, and synthesis gas into clean transportation fuels, hydrogen and chemicals. It is likely that C1 chemistry will be a major source of transportation fuel in the country early in the next century. We strongly support funding of this program in order to develop an important option in the solution of a national problem.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS

Mr. Chairman and members of the Subcommittee, this testimony is submitted on behalf of the National Association of State Energy Officials (NASEO). The National

Association of State Energy Officials is comprised of energy officials from 53 of the 56 State and Territory Energy Offices.. We are testifying in support of funding for the State Energy Program administered by the U.S. Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy.

Specifically, NASEO supports funding levels of no less than the request contained in the President's fiscal year 2000 budget for State Grant programs, including, $37 million for the State Energy Program (SEP), $154 million for the Weatherization Assistance Program (WAP), and the budget request levels for the competitive energy partnerships.

In addition, we support the administration's request for the buildings sector to implement the building code provisions of the Energy Policy Act of 1992 through state grants, and we support the proposed budget for the Energy Information Administration (EIA). Within EIA's budget, we support the continuation of the State Heating Oil and Propane Program. We also urge the Subcommittee to support at least level funding for the Municipal Energy Management Program.

Mr. Chairman, it has been more than a year since the House Interior Appropriations Subcommittee held a hearing in which my colleagues from Ohio, New York, and California testified on what they believed the Subcommittee needs to make a priority for research, development, and deployment funding. NASEO members agree that in order for our nation to remain competitive in the global marketplace, we must have a balanced approach to energy policy, an approach that includes government support for both R&D and deployment activities. Consequently, we have established six working groups whose mission it is to develop Memoranda of Understanding between DOE and the states.

In order to have successful R&D initiatives we must ensure that the research is necessary, information is shared, markets are prepared, and that technologies are viable. Market preparation and deployment are the linkages that provide feedback to guide R&D and increase its relevance to businesses and consumers. State Energy Offices should be involved early in this process, along with state research institutions, in order to improve the use of DOE- and laboratory-developed programs.

You have received testimony from a number of individuals and companies who will tell you of the wonderful successes that they have accomplished as a result of funding from this Subcommittee. We would add that many of these individuals and companies either received direct financial assistance or technical assistance from their State Energy Offices as well. The assistance that they received from their State Energy Office was more than likely funded by federal appropriations, state appropriations, or remnants of oil overcharge refunds that are perpetuated through revolving loan programs. Without a strong network of State Energy Offices, the funding requests to this Subcommittee might see a dramatic rise. Moreover, the assistance provided by the states provides greater value and greater local relevance to these national efforts.

Like the Subcommittee, requests for assistance to the State Energy Offices continues to increase. Many of the efficiency initiatives, and corporate R&D programs that have historically been funded by utilities and industry have all but evaporated due to electric utility restructuring, and State Energy Offices are feeling the pressure to support the continuation of these activities.

To date, 15 states have passed electricity restructuring legislation, while five others have acted through their public service commissions. Most other states are considering electric utility industry changes. These changes began with Energy Policy Act of 1992, which permitted wide expansion in the number of market participants. The Federal Energy Regulatory Commission accelerated these changes through Order 888, opening the transmission grid.

As part of this change, traditional franchised utilities attempt to compete on the basis of price with non-utility generators, while public benefits programs, such as energy R&D, energy efficiency, renewable energy, fossil energy R&D, and low-income programs have all suffered. This is a gap that must be filled in order to meet national, state, and local needs. The State Energy Offices, such as my own, have been filling that gap, albeit with diminished resources. In a restructured environment, energy efficiency and fossil energy R&D programs must adapt to the changing reality of the new electric utility industry in which franchised utilities are no longer major technology deployment partners. A long-term strategic plan—of the type you seek to build by prioritizing research, development, and deployment appropriations—must include provisions for this changing industry structure.

At the state level, the types of activities we are planning must also take into consideration these new trends. We hope to work with you, Mr. Chairman, to recognize the importance of coordinating energy R&D with energy deployment activities. The type of programs we have successfully implemented, include linking DOE's industrial programs with our state activities and those of our industries.

For example, the State of Ohio worked with Alumitech, Inc., in Cleveland (through a NICE3 grant, state assistance, and Alumitech commitments) to develop and install facilities that would separate aluminum, salt, and other useful aluminum recycling by-products. Alumitech is now able to prevent energy losses and resource losses from by-products of the aluminum industry through the utilization of all components in the manufacturing process.

In the state of Washington, the energy office coordinated and provided financial assistance to the City of Seattle and Boeing Corporation for a joint waste-to-energy project whereby effluent from Seattle's Renton treatment facility is used to heat and cool Boeing's Customer Services Training Center. This project has reduced the need for new generation capacity by 20 megawatts.

States are also a great source for financing of school and hospital efficiency retrofits. A number of state and territory energy offices operate their own revolving loan programs for schools and hospitals including: Wyoming, Alabama, Tennessee, Maine, Indiana, Louisiana, the U.S. Virgin Islands, Maryland, Oklahoma, South Carolina, and Iowa. In Vermont, my office works with the state Superintendents Association to address energy efficiency problems in the public schools. The objective is to attain long-term benefits and develop sound management practices. By working through the Superintendents Association we are able to gain quick and widespread approval for the program and ensure that it is responsive to local needs.

In addition to schools and hospitals retrofit programs, State Energy Offices operate a number of other buildings programs. The buildings industry represents 8 percent of our GNP, 36 percent of our energy consumption, with over $232 billion in energy bills annually. However, the diverse and local nature of the buildings industry, makes this a challenging sector to impact on a national level. Thus, it is critical to maintain the state-based delivery mechanisms for national buildings programs. Fortunately, many states have excellent track records in delivering results in this area.

Iowa, Montana, Alabama, Louisiana, Florida, Idaho, Mississippi, and Wisconsin all operate state buildings programs designed to increase the efficiency facilities through the installation of energy efficient equipment. A number of states, including Iowa, Florida, Nebraska, North Carolina, West Virginia, Massachusetts, and Tennessee, partner with local governments to finance community-wide energy efficiency planning. The Department of Energy also provides technical assistance to this effort and, in some instances, federal appropriations are made available to assist.

Lighting is an area where DOE's research efforts have aided in developing a host of new, super efficient products. State Energy Offices are preparing the markets for these new products by conducting pilot programs that demonstrate the savings potential for new ballasts and lamps. Michigan, Guam, Puerto Rico, and Wisconsin have all conducted their own market transformation programs which incorporate the use of new lighting technologies in state buildings, commercial buildings, single-family homes, and in public areas such as parks.

In the past year, Minnesota, Delaware, Kansas, Nevada, Hawaii, and Louisiana have all utilized federal appropriations to update their state's building codes. The improvements in Louisiana alone will save $4 million in energy costs and reduce carbon emissions by 113 million pounds within 10 years.

While buildings activities are a focus of a great number of programs, I am sure that you are quite familiar with their transportation efforts as well. From alternative fuels programs in Indiana, West Virginia, and Nebraska to transportation management projects in California, Washington, and Oregon, states are very effective in reducing our dependency on imported oil. In Oregon alone, the state has reduced the number of miles traveled by participants in their pilot telecommuting program by 4.1 million miles.

NASEO also strongly supports the so-called Special Projects, known as competitive energy partnerships. These competitive programs, which provide matching funds to states in a variety of areas within buildings, transportation, and industry, allow State Energy Offices to conduct joint projects with industry and other partners. At your request, this is the first year that it is separately funded out of each division's accounts. It has been a dramatic success.

We are pleased that since the summer of 1998, State Energy Offices in California, Colorado, Wyoming, Utah, Kansas, New Mexico, and Texas have focused some of their attention on making oil production a more cost effective business. Energy related oil extraction costs for independent producers can exceed 50 percent of the total costs of production. This combined with recent low oil prices has resulted in extremely tough times for small producers. In response, NASEO and the states developed a project with DOE's Offices of Fossil Energy and Energy Efficiency and Renewable Energy to provide technical assistance, testing, and financing for cost-effective energy improvements in the oil fields. The technical assistance and testing is

being conducted utilizing federal and state appropriations and the financing utilizes private-sector capital. Our goal is to strengthen domestic producers and the associated service industry—providing both economic and energy security benefits.

In addition to the ongoing work with the Office in the oil and gas industry, a number of State Energy Offices are working with Fossil Energy's coal division on activities relating to domestic clean coal technologies and international opportunities for exports of U.S. coal technologies. This work includes the expansion of our successful Peer Exchange Program into the international arena for advanced coal technology development. This new direction for State Energy Offices and the Office of Fossil Energy appears to be quite successful, and we look forward to additional partnerships in the future.

Finally Mr. Chairman, it is important to recognize that both the energy R&D and deployment programs cannot operate effectively without accurate, sufficient, and timely energy data from the Energy Information Administration. This is especially true in light of electricity restructuring and the addition of an array of new market participants. Therefore, we encourage the Subcommittee to support funding for the Energy Information Administration. We have worked closely with EIA, and they are an effective partner providing real-time data and information.

CONCLUSION

In conclusion, we would like to remind the Subcommittee of the critical role that State Energy Offices play in the delivery of energy efficiency programs and a variety of other energy programs, in spite of the relatively small federal investment in the program. Our success is based upon our ability to directly meet the needs of taxpayers, small business people, farmers, and industry. We support at least the request of $37 million in funding for SEP for fiscal year 2000—a small price to pay for continued success.

PREPARED STATEMENT OF THE GENERAL ELECTRIC POWER SYSTEMS

This testimony is submitted on behalf of General Electric Power Systems (GE) for the information of the Committee during its review of the Department of Energy's fiscal year 2000 budget requests. GE strongly supports the Administration's request for $41.8 million for the Advanced Turbine Systems (ATS) program, including $32.590 million for major systems development, within the Fossil Energy budget account. DOE's funding request signifies the important contributions that ATS technology will make to the nation's energy security and environmental objectives. GE appreciates the strong Congressional support that has been so critical to the success of the ATS program, and welcomes this opportunity to update the Committee on the progress of the ATS research and development effort.

GE–DOE ATS COOPERATIVE AGREEMENT

In March 1998, GE and DOE executed a modified Cooperative Agreement providing for GE's continued, cost-shared participation in the ATS program. The modified Cooperative Agreement reflects the continuing commitment of GE and DOE to the ATS program. The central goal of the ATS program—producing technology by 2000 that is ready for commercial application—is unchanged. DOE's fiscal year 2000 funding request represents the last major increment of Federal funding for the ATS program.

The modified GE-DOE Cooperative Agreement, which extends through December 2000, eliminated the planned demonstration phase of the ATS program and extended the technology validation phase. Demonstration of the ATS technology will be the responsibility of industry at the end of the technology validation phase. Under the restructured ATS program, GE will manufacture and perform a full-speed, no-load test on a 60 Hertz machine by the end of 1999 at GE's Greenville, South Carolina facility. DOE cost sharing is critical to this aggressive schedule.

BENEFITS OF THE ATS PROGRAM

The ATS program occupies a key position in the DOE's fossil energy research and development portfolio, and is an integral part of the evolving "Vision 21" concept for future highly efficient, clean power generation. Through the government's partnership with industry, the ATS program is well on the way to supporting the commercial introduction of the world's most efficient gas turbine, securing U.S. technological leadership in this critical technology area and producing important benefits to the nation:

Energy Efficiency.—The goal of the ATS program is to achieve fuel-to-electricity efficiencies of 60 percent or greater, resulting in significant reductions in fuel consumption.

Lower electricity costs.—Fuel savings will, in turn, lower electricity costs, benefiting the competitiveness of U.S. industries in the world marketplace. The ATS program has had as its goal a 10 percent reduction in the cost of electricity produced relative to existing combined cycle power plants.

Emissions reductions.—Natural gas fired gas turbines produce no particulates, ash, heavy metals, toxins, or sulfur oxides. Additionally, the ATS will achieve a significant reduction in emissions of oxides of nitrogen, and will further reduce carbon monoxide and hydrocarbon emissions relative to the current fossil fueled power generation base.

Stimulating jobs retention and growth.—Tens of thousands of Americans already work to manufacture gas turbines and to provide key components. Manufacturing jobs in this industry already have been lost, and the remaining jobs are at risk because of stiff international competition. U.S. jobs depend on continued U.S. global leadership in turbine technology, which is supported by the ATS program.

THE TECHNICAL CHALLENGE

Existing gas turbine technology benefited from the knowledge gained from years of national investments in military aircraft engine technologies. The need to meet high efficiency and low emissions requirements simultaneously for power generation systems in 2000 and beyond has necessitated the development of a steam—cooled turbine generation system—the first time that the industry has been called upon to develop a new technology specifically for power generation applications. Government has shared the risks inherent in meeting this technical challenge through the ATS program.

GE's "H System" advanced turbine is an advanced combined-cycle system designed to break the 60 percent thermal-efficiency barrier while offering the lowest cost of electricity production with the lowest levels of emissions. Combined-cycle systems generate electricity from both a gas turbine and a steam turbine driven by steam generated from the gas turbine's exhaust. Where other gas turbines are air-cooled, ATS combined-cycle power blocks are based on a unique technology platform in which the gas turbine buckets and nozzles are steam-cooled by an integrated steam system. Steam cooling of the turbine airfoils enables higher turbine inlet temperatures to be achieved without increases in combustor exit temperatures, resulting in low levels of NO_X and significant improvements in efficiency. Efficiency gains also translate directly into reduced emissions of greenhouse gases. The ATS will also be a fuel flexible system; because of its higher thermal efficiency and output, the ATS is expected to substantially advance the economic viability of coal gas (IGCC) systems.

THE MARKET OPPORTUNITY

Industry and government working together can take on more risk, confront bigger technical challenges and speed the development and application of technologies which ultimately will gain market acceptance and provide potentially large energy, economic, environmental and strategic returns to the nation. The ATS program offers a prime example of how government technology leadership is helping to assure that advanced, efficient technologies are available to meet market demand.

Industry's R&D risk/reward window is often more focused on the short-term than government's, which can address broader, national priorities that may not yet be adequately valued in the marketplace. Despite the important benefits of ATS technology, because of the continuing technical risks, today the market alone is not sufficient to bring this technology to the point of commercial acceptance. The likely users of this technology in the U.S., both utilities and independent power producers, are not in a position today to make multi-hundred million dollar investments in technologies and systems that are not yet proven by actual, full-scale operation. Domestic electric industry restructuring makes potential investors in new technologies more risk averse. At the same time, the increasing pace of electric industry restructuring makes the need for advanced, competitive power generation technologies more urgent, and the completion of the ATS program more timely. According to the Energy Information Administration, 81 percent of new U.S. demand for electric generation will be met by gas turbines in 2010. The ATS program will assure the availability of more efficient, lower emission domestic technology to meet this demand.

The same key enabling technologies being developed through the ATS program are required for both international and domestic applications. With the support of the ATS Program, U.S. manufacturers will be better able to compete in the pro-

jected international market in electricity generating systems—a marketplace in which foreign competitors frequently receive significant assistance from their governments. Successful completion of the ATS program will position U.S. technology for immediate introduction into global markets, and will enable U.S. technology to surpass leading foreign competitors, solidifying U.S. market share in the worldwide market. U.S. success in the export of power generation technologies translates directly into jobs in the United States.

GE ATS PROGRAM ACCOMPLISHMENTS

GE's work during the initial phases of the ATS program focused on the technologies and component developments necessary for high temperature operation, and validation of the technically-innovative steam cooling concept. To date, GE has:

—Completed full-scale, steam-cooled, first stage nozzle cascade design validation testing at ATS turbine design operating conditions. The first stage nozzles and buckets are the most critical high temperature components in the ATS. Testing included combustion system mapping, as well as nozzle aerodynamic, heat transfer, and low cycle fatigue validation.

—Completed initial tests of the "H" series combustor design at the component level, and in a full-scale combustion test stand that permitted testing at full pressure, temperature, and flow design conditions. GE's design for the gas turbine combustion system permits its ATS to achieve high firing temperatures while minimizing oxides of nitrogen, a key objective of the ATS program.

—Developed, with suppliers, single crystal casting technology to provide the high temperature strength required for the very large ATS machine turbine buckets and nozzles.

—Completed tests of two builds of the ⅓ scale H compressor, which allowed operation of the compressor over its entire speed/flow range, and validated the fundamental design of the compressor.

—Completed tests of elements of the steam cooling system, in both component rigs and under utility field test conditions, along with design of a particulate filter which has been fully validated in testing at an operating combined cycle power plant to resolve concerns about the effects of impurities in the steam on the operation of the cooling system.

—Developed manufacturing technologies essential for the success of the ATS, including extensive development in thermal barrier coatings (TBCs), which are critical to the steam cooling design. Performed separately-funded tests to validate the performance of TBCs in utility customers' current gas turbines under actual conditions. Designed a robot to assure proper application of TBCs. Improved the forging process to allow for production of the largest gas turbine Inconel wheels ever made.

—Developed testing processes to permit product quality to be confirmed without necessitating destruction of expensive parts, including nondestructive inspection techniques for single crystal airfoil production, and new analytical tools to model the startup and shutdown of the gas turbine component of the combined cycle unit in greater detail than previously required.

RECENT ACCOMPLISHMENTS

With fiscal year 1998 and 1999 funds, GE has continued development activity on its ATS engine, which remains on schedule for a full-speed, no-load demonstration test in December 1999, and has continued full-scale combustion system development, with test results meeting ATS design goals. The initial 9H (50 Hz) full-speed, no-load test was run in the second quarter of 1998 at GE's Greenville, SC, manufacturing facility. The testing validated rotor dynamics and vibration levels; compressor airfoil aeromechanics; compressor airflow and efficiency; scale-up effects from the compressor rig testing; compressor and turbine running clearances; and the Mark VI control system. GE also has initiated the 7H (60 Hz) ATS design and manufacturing programs, using information derived from the 9H component and full scale testing programs. It is anticipated that fiscal year 2000 funding will be used to continue testing of full scale components and sub-systems. The manufacturing capability for the first test engines will be completed, and full-speed, no-load testing of H series engines will continue, setting the stage for the completion of the program in the fourth quarter of calendar year 2000.

CONCLUSION

Through R&D investments in programs like the ATS, the Federal government assists industry in taking on high risk, high payoff opportunities that challenge ac-

cepted technological limits. GE urges the Committee to continue to provide the resources necessary to complete the ATS program.

PREPARED STATEMENT OF THE COAL UTILIZATION RESEARCH COUNCIL

These written comments are submitted on behalf of the members of Coal Utilization Research Council (CURC). The CURC is an ad hoc group of electric utilities, coal producers, equipment suppliers, architect, engineering and consulting firms, state government offices and universities interested in the utilization of coal in a cost-effective and environmentally acceptable manner.

INTRODUCTION AND SUMMARY OF RECOMMENDATIONS:

These comments are derived from a strategic research and development (R&D) program—drafted and recommended by the CURC—for ensuring the utilization of our Nation's coal resources. The coal-based R&D program is described in a CURC technology "roadmap" by which R&D activities supported by the Department of Energy (DOE), as well as other private and government sectors, might be guided. (A copy of the roadmap is available upon request.)

As the Congress considers the fiscal year 2000 budget request for the DOE's fossil energy program, it is requested that priority in funding be provided to those activities that directly further the R&D goals set forth in the roadmap. Consideration of future year programs and accompanying funding requirements should be guided by the roadmap as well.

The CURC endorses the goals of DOE's Vision 21 program and supports the Department's efforts to establish programs in pursuit of those goals. In examining those goals, we have concluded that additional amounts of time—a minimum of five years—will be required to achieve the Vision 21 goals. Additional federal R&D funding might accelerate those development efforts. The CURC and DOE are actively engaged in collaborative discussions to develop consensus on implementation strategies and specific program content in order to achieve the Vision 21 goals. The DOE has been very receptive in our mutual interests to insure that Vision 21 is consistent with CURC's technology roadmap.

The DOE's coal R&D program should be structured and funded so as not to prematurely limit the number of technology options pursued. Because the future practical, economic and environmental viability of technologies cannot be assured today, the CURC recommends DOE pursue an aggressive, collaborative R&D program, focusing increased funding on a portfolio of technology options, as outlined in the roadmap, to increase the probability of success of DOE's overall investment. Emphasis on the need to sequester CO_2 and to develop technology solutions to address the risks of anthropogenic climate change is but one basis upon which to build technology options. Other important reasons to pursue a variety of options include the recognition that coal is among our most cost-effective fuels used to produce electricity. We will use coal well into the future to generate electricity-only from central station powerplants. We should also recognize the need to pursue development of highly efficient advanced coal combustion systems for use in domestic or overseas applications. These systems will achieve CO_2 reductions, or avoidance, through greatly improved conversion efficiency.

The CURC also recognizes that the Offices of Fossil Energy and Energy Efficiency are each engaged in R&D that could benefit coal use. To ensure that government and industry resources are targeted effectively and managed coherently, the CURC encourages the DOE to ensure that programs supported by the Office of Energy Efficiency are managed in consultation with and supportive of the mission of Fossil Energy.

The CURC makes the following specific recommendations with respect to the DOE's fiscal year 2000 budget request:

1. The CURC advocates priority funding in R&D support for high-efficiency coal-based generation technologies, including integrated gasification combined cycle, pressurized fluid bed combustion (PFBC), and fuel cells based on syngas. By focusing on technologies such as these with the potential for the highest efficiency, the nation can capture the greatest possible reductions in CO_2 emissions (and the smallest requirement for sequestration) while maintaining the ability to use its strategically important coal resource.

As a general observation, the DOE's research program should focus on the following areas in which breakthroughs in performance and cost are achievable: In particular, near-term, high risk technologies which have significant increased performance or reduced cost potential; and longer-term, high risk technologies that might achieve significant efficiency improvements and cost reductions. As the CURC

roadmap suggests, emphasis upon incremental improvements in the current state of the art should be secondary unless such improvements are part of the critical technology path for the advanced technologies identified in the roadmap.

2. The CURC suggests that DOE insure coordinated attention is given to the technology needs for advancing the use of supercritical boilers, PFBC and other advanced coal combustion systems. In particular, it appears that DOE-supported work on steel alloys, ceramics and other materials needed to operate in high temperature, high pressure and changing combustion chemistry regimes should be better focused upon the needs of the electric power generation industry. The DOE-supported work on advanced materials should be specifically directed towards large power generation applications, particularly with reference to boilers, turbines and heaters, with special attention being given to the materials research needs for gasification, PFBCs and fuel cells. Industry's aim is to improve cost-competitiveness, efficiency and reliability.

3. In addition, it has become increasingly clear over the last several months that countries like China and India have developed a renewed interest in advanced supercritical units and other advanced coal combustion systems, including PFBCs. The U.S. possesses a technology know-how advantage in this area and every effort should be made to assure that these more advanced technologies are made available to developing country markets. To this end, the CURC suggests that the DOE host a workshop to which a large cross section of industry, academia and the national laboratories should be invited. At this workshop, the technology requirements and opportunities offered by advanced pulverized coal systems need to be explained and explored. Workshop attendees should be invited to make recommendations to the DOE regarding various technology needs for these advanced direct combustion systems.

4. With respect to the proposed Vision 21 program, the CURC is aware that the DOE has under consideration a proposed set of activities based upon the Department's fiscal year 2000 budget request as well as an additional set of activities that may need to be undertaken at a later point in time as funds are made available. If certain activities on the critical path of a technology's development are delayed, that critical path item could easily prohibit a technology from being considered for use or application when the market requires new or replacement power generation. In particular, it is important to determine that certain postponed or delayed activities will not adversely impact the timely development of hardware or know-how that may be key to success of a particular technology. It is imperative not to foreclose any promising clean coal technology options in the short term that are consistent with the Vision 21 program and CURC's technology roadmap.

5. The CURC continues its support for technology development that will permit the cost-effective conversion of coal to cleaner fuels and chemical feedstocks. Successful technology development will permit the use of one of the world's most abundant fossil fuels in a manner that could provide useful products from coal to regions of the world that are in need of clean fuels and chemical feedstocks for industrial growth. In this regard, the CURC suggests increased investment in the Indirect Liquefaction program. Given the long-term importance of developing technologies to convert coal to other useful forms of energy and chemical feedstocks, increased funding in the Indirect Liquefaction program would be justified. Such additional funds should be targeted to developing two or three alternative co-production technologies that can be readied for possible commercialization by 2010. Specific areas for investment include basic research in catalysis and process research, reactor modeling, and scale-up and fuels testing.

BACKGROUND

U.S. economic growth and worldwide sustainable development depend upon the availability of plentiful and relatively low cost supplies of energy and industrial feedstocks. Stable, affordable energy supplies can be best achieved and maintained if the marketplace has a variety of reasonable options from which to choose. A fuel-diversified economy provides a balanced approach to energy and the environment and practical, cost-effective protection against supply disruptions and price spikes resulting from domestic infrastructure problems or international crises.

Coal is a critical component of the global energy portfolio and a cornerstone of U.S. energy and economic strength. Further, coal likely will play a growing role in the transportation and industrial sectors as technological advances make it economically possible to convert coal into high-grade, low polluting fuels and chemical feedstocks. Given these factors, coal is projected to remain vitally important to the global economy. Technology is the key to assuring that expanding coal use throughout

the world can be achieved economically and with only a minimal impact upon the environment.

Government and industry must work together to support an appropriate balance of short and long-term activities required to develop and commercialize technology which will permit the economic, efficient and environmentally compatible use of coal.

DEVELOPMENT OF A COAL-BASED TECHNOLOGY ROADMAP TO INSURE THE CONTINUED USE OF COAL

The CURC has developed a coal-related set of technology roadmaps for continued funding of research to preserve the coal-based option in the United States. The objective of this industry-led collaboration has been to determine which technologies would be needed to maintain the viability of coal as a contributor to the U.S. energy generation portfolio as well as to the transportation and chemical feedstock sectors of our economy.

CURC identified the following as examples of the types of technologies that need to be developed for coal to maintain an important role in supplying energy in the future:

For advanced pressurized fluidized bed combustion designs, meeting these performance targets will require improvements in hot gas cleanup, in improved high-temperature gas turbines and associated combustors, and in the creation of higher efficiency steam cycles.

For advance integrated gasification combined cycle, improvements will be needed in gas cleanup and turbine performance. Also, development will be needed on new turbines that eliminate the need for the steam cycle and on reducing the cost and improving the performance of air separation systems.

Fuel cell development can greatly improve the performance of gasification approaches and while approaches based on the combustion of a solid fuel alone do not appear capable of meeting CURC-established performance targets for the year 2020, a fuel cell, gasification system could achieve significant environmental performance over standard, conventional pulverized coal units and thus be tremendously useful in applications abroad (e.g., India and China).

CONCLUSION

In the next century, for coal to remain a competitive source of energy for power generation and become a viable source of transportation fuels or chemical feedstocks, targeted and sustained R&D is essential. If technology is the key to coal's competitiveness, then coal research and development is the key to available technology. Technology that enables cost-competitive use of coal while assuring compliance with environmental standards will assure a maintenance of low cost power for the economy.

PREPARED STATEMENT OF JAMES D. MOSMAN, CHIEF EXECUTIVE OFFICER, STATE TEACHERS' RETIREMENT SYSTEM, STATE OF CALIFORNIA

Congress Should Appropriate the Funds Necessary to Fulfill the Federal Government's Settlement Obligation to Provide Compensation for the State of California's Interest in the Elk Hills Naval Petroleum Reserve

SUMMARY

Acting pursuant to Congressional mandate, and in order to maximize the revenues for the Federal taxpayer from the sale of the Elk Hills Naval Petroleum Reserve by removing the cloud of the State of California's claims, the Administration reached a settlement with the State in advance of the sale. The State waived its rights to the Reserve in exchange for fair compensation in installments stretched out over an extended period of time.

Following the settlement, the sale of the Elk Hills Reserve went forward without the cloud of the State's claims and produced a winning bid of $3.65 billion, far beyond most expectations. Last year, Congress appropriated the $36 million necessary to satisfy the Federal Government's obligation to make the first annual installment payment of compensation due in fiscal year 1999 to the State for its interest in the Elk Hills Reserve.

The President's fiscal year 2000 Budget includes a request for an appropriation of the $36 million necessary to make the second annual installment of compensation due to the State under the settlement agreement. Congress should appropriate the $36 million to fulfill the Federal Government's obligation to make the second install-

ment payment of compensation due under the settlement that Congress directed the Administration to achieve.

BACKGROUND

Upon admission to the Union, States beginning with Ohio and those westward were granted by Congress certain sections of public land located within the State's borders. This was done to compensate these States having large amounts of public lands within their borders for revenues lost from the inability to tax public lands as well as to support public education.

Two of the tracts of State school lands granted by Congress to California at the time of its admission to the Union were located in what later became the Elk Hills Naval Petroleum Reserve.

The State of California applies the revenues from its State school lands to assist retired teachers whose pensions have been most seriously eroded by inflation. California teachers are ineligible for Social Security and often must rely on this State pension as the principal source of retirement income. Typically the retirees receiving these State school lands revenues are single women more than 75 years old whose relatively modest pensions have lost as much as half or more of their original value to inflation.

CONGRESSIONAL DIRECTION TO SETTLE THE STATE'S CLAIMS

In the National Defense Authorization Act for fiscal year 1996 (Public Law 104–106) that mandated the sale of the Elk Hills Reserve to private industry, Congress reserved 9 percent of the net sales proceeds in an escrow fund to provide compensation to California for its claims to the State school lands located in the Reserve.

In addition, in the Act Congress directed the Secretary of Energy on behalf of the Federal Government to "offer to settle all claims of the State of California . . . in order to provide proper compensation for the State's claims." (Public Law 104–106, § 3415). The Secretary was required by Congress to "base the amount of the offered settlement payment from the contingent fund on the fair value for the State's claims, including the mineral estate, not to exceed the amount reserved in the contingent fund." (Id.)

SETTLEMENT REACHED THAT IS FAIR TO BOTH SIDES

Over the course of the year that followed enactment of the Defense Authorization Act mandating the sale of Elk Hills, the Administration and the State engaged in vigorous and extended negotiations over a possible settlement. Finally, on October 10, 1996 a settlement was reached, and a written Settlement Agreement was entered into between the United States and the State, signed by the Secretary of Energy and the Governor of California.

The Settlement Agreement is fair to both sides, providing proper compensation to the State and its teachers for their State school lands and enabling the Federal Government to maximize the sales revenues realized for the Federal taxpayer by removing the threat of the State's claims in advance of the sale.

Federal revenues maximized by removing cloud of state's claim in advance of the sale

The State entered into a binding waiver of rights against the purchaser in advance of the bidding for Elk Hills by private purchasers, thereby removing the cloud over title being offered to the purchaser, prohibiting the State from enjoining or otherwise interfering with the sale, and removing the purchaser's exposure to treble damages for conversion under State law. In addition, the State waived equitable claims to revenues from production for periods prior to the sale.

The Reserve thereafter was sold for a winning bid of $3.65 billion in cash, a sales price that substantially exceeded earlier estimates.

Proper compensation for the state's claims as congress directed

In exchange for the State's waiver of rights to Elk Hills to permit the sale to proceed, the Settlement Agreement provides the State and its teachers with proper compensation for the fair value of the State's claims, as Congress had directed in the Defense Authorization Act.

While the Federal Government received the Elk Hills sales proceeds in a cash lump sum at closing of the sale in February, 1998, the State agreed to accept compensation in installments stretched out over an extended period of 7 years without interest. This represented a substantial concession by the State. Congress had reserved 9 percent of sales proceeds for compensating the State. The State school lands' share had been estimated by the Federal Government to constitute 8.2 to 9.2 percent of the total value of the Reserve. By comparison, the present value of the

stretched out compensation payments to the State has been determined by the Federal Government to represent only 6.4 percent of the sales proceeds, since the State agreed to defer receipt of the compensation over a 7-year period and will receive no interest on the deferred payments.

Accordingly, under the Settlement Agreement the Federal Government is obligated to pay to the State as compensation, subject to an appropriation, annual installments of $36 million in each of the first 5 years (FY 1999–2003) and the balance of the amount due split evenly between years 6 and 7 (FY 2004–2005). The State's compensation will be adjusted to reflect the Federal Government's final share of revenues once the determination of equity interests with the Federal Government's co-owner Chevron is finally made.

THE MONEY IS THERE TO PAY THE STATE

The funds necessary to compensate the State have been collected from the sales proceeds remitted by the private purchaser of Elk Hills and are now being held in escrow for the express purpose of compensating the State.

THE PRESIDENT HAS REQUESTED AN APPROPRIATION OF $36 MILLION TO FULFILL THE FEDERAL GOVERNMENT'S OBLIGATION TO PAY THE SECOND INSTALLMENT OF COMPENSATION DUE UNDER THE SETTLEMENT AGREEMENT

In the Administration's Budget for fiscal year 2000, the President has requested an appropriation of $36 million to fund the second installment of compensation due to the State under the Settlement Agreement.

CONGRESS SHOULD APPROPRIATE THE FUNDS DUE UNDER THE SETTLEMENT THAT CONGRESS DIRECTED THE ADMINISTRATION TO ACHIEVE

Congress should appropriate the $36 million requested by the Administration for fiscal year 2000 from the special Elk Hills compensation fund to fulfill the Federal Government's obligation to make the second installment payment of compensation due under the settlement that Congress directed the Administration to achieve.

PREPARED STATEMENT OF DR. DONALD L. KLASS, PRESIDENT, BIOMASS ENERGY RESEARCH ASSOCIATION

This testimony pertains to the fiscal year 2000 (FY00) request for appropriations by the Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy (EERE), for the mission-oriented Agriculture Vision under the Industries of the Future (Specific) program within the Energy Conservation budget. This portion of DOE's request deals with research, development, and deployment (RD&D) for the production of chemicals from biomass feedstocks. The program is carried out by EERE's Office of Industrial Technologies (OIT).

Specifically, BERA recommends that $10 million be appropriated for the Agriculture Vision program in FY00. The high priority activities and the dollar allocations recommended for each activity by BERA in FY00 are:

—In-depth assessments of biomass feedstock production and needs for the Agriculture Vision in collaboration with the U.S. Department of Agriculture (USDA), and with independent contractors if needed. $1,000,000.

—Finalization and clear definition of the structure of the Agriculture Vision and the critical pathway that meets the overall objective of the program. $1,000,000.

—Selection and initiation of the mission-oriented projects that have the highest probability of contributing to the overall program objective. $8,000,000.

—Internal coordination and joint management of all DOE biomass programs at DOE.

The Biomass Energy Research Association (BERA) is a non-profit association in Washington, DC, founded in 1982 by researchers and private organizations that conduct biomass research. Our objectives are to promote education and research on the conversion of renewable virgin and waste biomass to energy, fuels, and chemicals that can be economically utilized by the public, and to serve as a source of information on biomass policies and programs.

I would like to thank you, Mr. Chairman, on behalf of BERA's members for the opportunity to present the position of BERA's Board of Directors on the federal funding of the Agriculture Vision. Continued support of this program is essential to provide the stimulus to develop environmentally clean, indigenous resources that can displace fossil feedstocks and fuels, stimulate regional and national economic development and employment, reduce our dependence on imported oil, and help to reduce adverse climate and environmental changes.

BACKGROUND

I have examined several reports on the Agriculture Vision program and the information presented by DOE in the request for appropriations. The overall goal of the Agriculture Vision is to develop the technologies necessary to displace 10 percent of the U.S. market for industrial chemical feedstocks with biomass for the production of organic commodity chemicals and chemical products by the year 2020.

Two million dollars were appropriated in the Interior and Related Agencies Bill in fiscal year 1999 to start this program, and $4 million are requested by DOE for its continuation in fiscal year 2000. The "roadmap" developed by OIT's Executive Steering Group (A Technology Roadmap for Plant/Crop-Based Renewable Resources 2020, February 1999) is expected to identify the major barriers to progress and to prioritize research areas. The selection of competitively awarded research contracts is in progress.

BRIEF COMMENTARY

The BERA Board believes that this program is very worthwhile. Successful implementation of the Agriculture Vision is expected to result in many regional and national benefits. Virtually all basic organic chemicals—including petroleum-and natural gas-derived chemicals and plastics—can be manufactured from biomass feedstocks. Utilization of agricultural and forest lands for production of renewable fossil feedstock substitutes will significantly improve economic growth and the environment. New markets will be opened for farmers and foresters, rural development and employment will increase, about 80 cents of every dollar spent on biomass in a given region will stay in that region, and biomass feedstock usage will help reduce federal farm subsidy payments and trade deficits. The use of biomass feedstocks will also help to reduce atmospheric pollutants such as sulfur oxides and unburned hydrocarbons that are emitted by conventional manufacturing plants.

RECOMMENDATIONS

The total fossil feedstock converted to organic chemicals in the United States today, in terms of barrels of oil equivalent (BOE), is roughly 1.26 million BOE/day. Ten percent of this value is 126,000 BOE/day, while the corresponding process energy consumption is about 136,000 BOE/day. BERA therefore recommends that the overall goal of the Agriculture Vision program be expanded to include the use of biomass energy, biofuels, and other renewable energy resources for process energy. In addition, reductions in process energy consumption through higher efficiency unit operations and process energy conservation should be part of this goal.

The potential amounts of fossil feedstock and process energy displaced by biomass feedstock and biomass energy and biofuels should be estimated for each technology contract considered for the Agriculture Vision program before an award is made. This is essential to predict how large a contribution can be made by a given project toward achievement of the overall program goal, presuming the project is successfully completed and the technology is implemented by industry. This assessment, along with preliminary economic analyses, when applied to development of the Agriculture Vision, will help ensure the success of the program.

In-depth assessments of the availability, logistics, chemical and physical properties, growth requirements and characteristics, and competitive uses and economics of existing biomass resources, including specific biomass species and agricultural residues, are required to properly structure the Agriculture Vision program and to select optimum biomass feedstocks. These assessments should include the energy and feedstock potential of new additions to biomass feedstock "reserves." Note that the maximum economic transport distance of biomass to processing plants for conversion is about 50 to 75 miles. Note also that a one-quad block (489,000 BOE/day) of biomass energy (gross) produced by hypothetical biomass plantations, exclusive of the energy inputs needed for planting, growing, harvesting, and transporting the feedstock to the conversion plant gate, and converting it to organic commodity chemicals, requires about 10,000 square miles of biomass growth area, the equivalent of a square 100 miles on each edge. This assumes average biomass yields of 10 dry ton per acre per year, a yield level that is generally on the optimistic side in moderate climates. The in-depth assessments must therefore be concerned with the parameters outlined here and the design and net energy production efficiencies of integrated biomass feedstock production-transport-conversion systems. DOE's EERE and its predecessor groups in DOE, the USDA, and others have performed such assessments. The results of this work should be incorporated into the assessment of the Agriculture Vision.

In BERA's separate statement in support of EERE's mission-oriented biomass energy and fuels programs funded under the Energy and Water Bill, it is emphasized that all of DOE's biomass-related projects should be internally coordinated by joint management at DOE Headquarters. This includes EERE's power, transportation fuels, and biomass-related hydrogen programs, the basic academic biomass research program funded by DOE's Office of Science (formerly the Office of Energy Research), the biomass-related portion of OIT's Chemical Technology Vision 2020 program, and OIT's Agriculture Vision program.

PREPARED STATEMENT OF MAJ. GEN. SCOTT B. SMITH (U.S. ARMY RET.), CHIEF EXECUTIVE OFFICER, WESTERN RESEARCH INSTITUTE

On behalf of Western Research Institute (WRI), I request that the following statement be submitted as part of the record of proceedings for the Subcommittee's considerations of the Department of Energy's fiscal year 2000 fossil energy research and development budget request. The Cooperative Agreement Program represents a successful collaborative partnership between the U.S. Department of Energy, industry and WRI and has consistently and repeatedly met and exceeded the goals placed upon it by the Congress. Technologies developed at WRI during the past eight years will add measurably to the nation's energy reserves while providing a cleaner, healthier and safer environment. For the reasons explained below, we strongly urge that the Cooperative Agreement Program be supported at an annual level of $7.7 million, split evenly between Western Research Institute and the Energy and Environmental Research Center at the University of North Dakota.

SUCCESSFUL LEVERAGING OF FEDERAL FUNDING WITH PRIVATE COST SHARING

The Jointly Sponsored Research (JSR) Program emphasizes technology commercialization and continues to be successful and supported enthusiastically by WRI's industrial clientele. Since entering into a new JSR cooperative agreement with the Department of Energy on March 26, 1993, WRI has put in place projects utilizing a total of $15,166,860 in USDOE funds. These funds have been combined with $21,047,823 in industrial funds to produce a $36,214,683 program. The use of fiscal year 1999 funds will produce a program valued at or above $40 million while using less than $18 million in USDOE funds.

While it is always desirable to acquire an asset worth more than $35 million for a price of less than $16 million, these numbers substantially understate the true value of the program. What price does one put on the value of new technology that improves regional economies and enhances our quality of life?

As this report illustrates, the technology developed during the past four years makes accessible billions of dollars of increased or enhanced energy reserves, as well as offers the possibility of a cleaner, healthier and safer environment. This means a safer and more secure energy and environmental future for us, our families and for future generations.

TECHNOLOGY MEETING NATIONAL NEEDS

The Cooperative Agreement Program emphasizes technology commercialization consistent with the USDOE's mission to enhance the nation's energy security through increased efficiencies in exploration, production and utilization with minimal or no adverse environmental consequences. Technologies emerging from the program are consistent with this goal and include:

CLEAN FUELS FROM COAL

Thermo Ecotek announced in August 1995 the signing of an agreement to construct a 500,000 ton per year coal upgrading plant in the Powder River Basin of Wyoming. The plant cost $42 million and uses the Koppelman Series C Process. This process was successfully demonstrated by WRI and KFx Inc. in early 1994 using a pilot plant funded by matching funds from the USDOE JSR Program. WRI is presently working with KFx Inc. on projects to increase the throughput and reduce the cost of second generation plants that will use the improved version of the Koppelman Series C Process and to test foreign coals as feedstocks for the process.

REDUCED ENVIRONMENTAL IMPACT ASSOCIATED WITH OIL PRODUCTION

Tank bottom wastes from petroleum production are estimated to exceed 27,000,000 barrels in the U.S. alone with an accumulation rate of 2,800,000 barrels per year. Resource Conservation and Recovery Act (RCRA) regulations currently allow storage in permitted pits or tanks, but fewer and fewer permits are being ap-

proved. WRI developed and patented (US Patent No. 5,259,945) the Tank Bottom Recovery and Remediation (TaBoRR) process to address this problem. The method results in separation of water, a light hydrocarbon stream, a heavy hydrocarbon stream, and an inert, non-leaching, liquid-free solid. The process is currently undergoing testing in a 300-barrel-per-day process development unit, and negotiations are under way with a number of domestic and international companies for extended testing and deployment within operating fields.

REMEDIATION OF HYDROCARBON-CONTAMINATED SITES

Thousands of sites in the US have subsurface hydrocarbon contamination, and many are contaminated with heavy oils. WRI developed the CROW process to mitigate such sites. JSR funding has supported field demonstrations of the technology at the Bell Lumber site in New Brighton, Minnesota, and the Pennsylvania Power and Light site in Stroudsburg, Pennsylvania. Installation and shakedown of all field equipment at both sites are complete. The PPL system has been fully operational for more than two years and has produced more than 42,000 gallons of recovered oil. The owner estimates that the CROW process has reduced the cost of remediation by more than $1.3 million.

IMPROVED ENVIRONMENTAL MONITORS

The determination or screening of environmental contaminants in the field using portable analytical methodologies or downhole real-time measurements is an area of great interest in the environmental industry. The TROLL (SP4000), which became commercially available in fiscal year 1996, is a fully submersible intelligent probe designed for monitoring water level and temperature. Using Windows-based software, the TROLL can be easily programmed in the office, car or field and connected either to a PC, which is used for programming and receiving stored data, or to other units via separately supplied wiring or telemetry.

INCREASED HEALTH AND SAFETY

PEAC is a hand-held computer system that provides first responders with fast, easy-to-use information for chemical spills and emergencies. The size of an emergency response area often dictates how limited resources are allocated. Evacuation distances vary greatly with spill and weather conditions. PEAC gives emergency responders the ability to determine protective action distances using actual conditions, which is crucial to resource allocation. Commercial PEAC units are being produced and sold. Discussions are ongoing regarding possible spin-offs of the technology and its possible modification to include chemical warfare agents.

SOLVING ENERGY AND ENVIRONMENTAL PROBLEMS TO IMPROVE OUR ECONOMY AND ENHANCE OUR QUALITY OF LIFE

Each of the five technologies brought to commercialization with the funds provided by the Cooperative Agreement Program contributes to the overall goals of the U.S. Department of Energy and the Nation. Each has broad applicability both within the United States and abroad, thereby helping to enhance the competitiveness of U.S. and western energy technologies in international markets and assisting in technology transfer. The Koppelman Series C Process is expected to generate markets for as much as 20 millions tons annually of low-sulfur coal and contribute substantially to the goal of increased production of U.S. energy resources and reducing the Nation's dependence on foreign energy supplies. The TaBoRR technology helps to minimize the impact of energy production and utilization on the environment while simultaneously recovering an estimated ten million barrels of usable oil. This technology is joined by the TROLL smart probe, CROW and PEAC technologies, all of which contribute measurably and substantially to a cleaner, healthier and safer environment. The total funding to bring these technologies to this stage of development was more than $35 million, with the government's share of this being less than $16 million. We certainly feel that these funds were well spent in solving energy and environmental problems to improve our economy and enhance our quality of life.

In a high-technology global economy, technology development is crucial to the preservation and growth of the American economy and standard of living. Much of this technology and growth will come from companies that were small or nonexistent just a decade earlier. These emerging companies must rely on creative and innovative organizations such as Western Research Institute to assist them with their process and product development activities. It is a tribute to the wisdom and the foresight of the United States Department of Energy and the Congress that ac-

tivities such as the Cooperative Agreement Programs exist to meet these crucial national needs.

As we enter the second year of our present Cooperative Agreements, we have a sense of pride and accomplishment regarding what has been achieved during the program. We hope that as you read the enclosed materials you share our pride and spirit of accomplishment. Certainly, much has been done and done well. Technologies developed at WRI will add measurably to the nation's energy reserves, while providing a cleaner, healthier and safer environment. Yet much still remains to be done. Increasingly, the demonstration and commercialization of technology requires strong, coordinated and focused activities, often spanning several years. Accordingly, we find our industrial partners requiring multi-year commitments of time and funding. In turn, if meaningful projects are to be undertaken and technologies commercialized, there must be some assurance of long-term and dependable support. Ensuring that this support is available and put to good use in fueling our domestic economy is the challenge facing us all. We at Western Research Institute look forward to working with members of Congress to accomplish this extremely important and necessary task.

PREPARED STATEMENT OF GARY A. STYLES, MANAGER, PLANNING AND ANALYSIS POWER SYSTEMS DEVELOPMENT FACILITY, SOUTHERN COMPANY SERVICES, INC.

INTRODUCTION

Mr. Chairman and Members of the Committee: This statement of Southern Company Services, Inc., (SCS) is in support of $20 million for the Wilsonville Power Systems Development Facility (PSDF) in the Advanced Clean and Efficient Power Systems Program in the U.S. Department of Energy (DOE) Fossil Energy R&D program for FY'2000. Specifically, the request is for $12 million in the high efficiency—integrated gasification combined cycle (DOE Key 7) activities and $8 million in the high efficiency—pressurized fluidized bed (DOE Key 6) combustion activities. This request is a $0.670 million increase above the Administration's FY'2000 budget request for these two activities. However, the $20 million total request is consistent with prior PSDF budget projections and SCS's negotiations with DOE.

Southern Company, through SCS and its operating companies, supports and conducts research that will help the nation utilize its abundant coal resources while minimizing its environmental effects. As a result, SCS has participated in projects in both DOE Clean Coal Technology (CCT) program and the DOE Fossil Energy Research and Development program.

The purpose of this testimony is thank this subcommittee for its past support for the PSDF and to request continued support for the PSDF for advanced coal gasification and pressurized combustion research.

OBJECTIVES OF THE PSDF RESEARCH PROGRAM

The objectives of the PSDF research program, in conjunction with other DOE research projects and programs, are to reduce technical risk, improve environmental performance (including a 25 percent reduction in CO_2 emissions), and reduce the cost of producing electricity from coal, our nation's most abundant fossil fuel resource. For many reasons, natural gas fired combustion turbines and combined cycle power plants are currently the most cost-effective electric power generating technologies in many areas of the United States. Natural gas fired power plants are projected to capture over 50 percent of new electric generation capacity over the next 10 to 15 years. This rapid expansion of usage will result in upward pressure on the price of natural gas. Also, many may remember that less than 15 years ago, electric utilities were prohibited by federal law from burning natural gas to produce electricity due to shortages of natural gas and its importance to domestic heating. During the current period of energy stability, we must not, as a nation, become complacent as we may face another energy crisis in the future. Our nation needs competitive, cost effective, clean, and efficient coal-based technologies to meet our future electric energy needs.

The fundamental purpose of the PSDF is to support the national program to assure competition between energy resources and, thereby, keep electricity prices low. By identifying and resolving important technology integration issues at the PSDF, the reliability of first-of-a-kind plants can be significantly improved prior to commercial applications.

The Wilsonville PSDF is the only facility in the world where all the components of an advanced coal-fired power plant can be tested in an integrated system at a practical engineering scale prior to assuming the risk and cost of commercial appli-

cations. It has already provided vital support information to two CCT projects (Pinon Pine in Nevada and City of Lakeland in Florida) which should increase the likelihood of the success of these projects. The PSDF and other DOE fossil energy programs will allow U.S. electric utilities to maintain reasonable domestic energy prices and U.S. equipment suppliers to gain a technological advantage in electric power production that help increase competitiveness in foreign electricity markets. Maintaining low-cost electricity also helps constrain inflation and increase the competitiveness of U.S. goods.

The PSDF will also play a key role in DOE's "Vision 21" program. Technology modules developed in the Vision 21 program, such as high-temperature ceramic membrane air separation, can be tested in the integrated power generation system at PSDF prior to scale-up to commercial size.

Coal currently accounts for over 90 percent of the U.S. combined energy reserves and supplies over 56 percent of the energy for electric power generation. Coal is still our nation's lowest cost fossil fuel. However, for coal to remain competitive, we must reduce the capital cost of new coal fired power plants by at least 20 percent while simultaneously increasing efficiency and improving environmental performance. Recent economic studies completed by the Electric Power Research Institute (EPRI), DOE, and SCS show that if advanced coal research projects and programs are successful, the capital cost for these plants can be reduced to less than $900/kWe. Based on the Energy Information Administration's (EIA) latest fuel cost estimates, coal can regain its competitive advantage by as early as 2007 if the $900/kWe capital cost is achieved.

To accomplish these objectives, we must improve the reliability of individual plant components and optimize system integration and performance. Research to help these objectives can be accomplished most cost effectively at the PSDF. The PSDF is designed to be the U.S test facility to support the Clean Coal Technology program and advanced coal-based power generation development for the next five to 15 years.

ACCOMPLISHMENTS OF THE PSDF PROJECT DURING THE FIRST 30 MONTHS OF OPERATION

Some of the PSDF project's most significant accomplishments through the end of 1998 include:

—construction of the Kellogg, Brown and Root transport reactor train was completed in May 1996 and the first coal fire in the combustion mode began in August, 1996.
—completed construction of the Foster Wheeler circulating PFBC system in March 1998.
—over 5,300 hours of fluid mechanical testing for the transport reactor have been successfully completed including over 4,000 hours of operation on coal.
—99.95 percent combustion efficiency at relatively low operating temperatures.
—over 99 percent sulfur removal with low limestone use.
—insignificant erosion of refractory and pipes.
—over 4,000 hours of testing and life assessment of high-temperature, high-pressure filter elements including over 3,000 hours at full operating temperature.
—demonstrated easy startup and operation of the transport reactor. Most early operating problems have been due to coal feed and ash letdown systems but these have been essentially eliminated.
—developed theoretical and practical solutions to the fluid mechanics of the transport reactor system that will benefit future power plant designs and current fluid-bed cracking technology in the petroleum industry.
—transferred operating experiences to the Pinon Pine CCT project.
—completed initial commissioning and startup of the advanced low NO_X burner and combustion turbine system for the Foster Wheeler train. Results have lead to better understanding and redesign of this City of Lakeland burner.

FUTURE PLANS

In 1999, the transport reactor will be operated in both the combustion and gasification modes and tests on improved particulate control devices will continue. Testing and development of improved solids feed and handling systems will also continue. Continued operation of the Foster Wheeler train is scheduled to begin in the second quarter of 1999 after return of the redesigned burner.

DESCRIPTION OF POWER SYSTEMS DEVELOPMENT FACILITY

The Wilsonville PSDF is a joint industry/DOE facility for engineering-scale testing and development of devices to remove particulates and other contaminants from hot

gas in high-efficiency coal gasification and pressurized fluidized-bed combustion power plants. SCS and our industrial partners are supplying over $40 million in cost sharing to the PSDF project. The industrial partners, which represent a major portion of domestic electric power generation, power generation design and manufacturing, construction, and coal mining include: Kellogg, Brown & Root, Inc., Peabody Coal Company, Foster Wheeler Corporation, Southern Company, Rolls-Royce Allison, Southern Research Institute, Siemens-Westinghouse, Combustion Power Corporation, and the Electric Power Research Institute. Three of the industrial partners, Foster Wheeler, Kellogg, Brown & Root, and Siemens-Westinghouse are also actively involved in CCT demonstration projects (Pinon Pine and City of Lakeland) that will enhance commercialization opportunities for technologies being developed at the PSDF. Southern Company, and its industrial partners in the PSDF, have financial incentives to see that technologies successfully developed at Wilsonville and other sites are effectively implemented in the market place.

In addition to the Wilsonville, Alabama plant site, components for the facility are being developed at the following locations: Grand Forks, North Dakota (gasifier testing), Houston, Texas (gasifier development); Indianapolis, Indiana (combustion turbine development); Livingston, New Jersey (combustor development and testing); Menlo Park, California (filter fabrication); Orlando, Florida (gas turbine low-NO_X burner), and Pittsburgh, Pennsylvania (filter fabrication).

To use new high-performance gas turbines in coal-based power plants, high-temperature, high-pressure gas cleanup must be perfected. When fully developed, these technologies will:

—improve the efficiency of power generation from coal by over 25 percent compared to pulverized-coal power plants.

—CO_2 emissions will be reduced by 25 percent as a result of the increased efficiency.

—lower the cost of electricity by over 20 percent;

—be more acceptable to coal-based utilities than today's oxygen-blown coal-gasification combined-cycle designs; and

—reduce pollutants by over 95 percent.

The PSDF is the focal point for much of America's advanced electric power generation technology development and will continue to supply important technology into the twenty-first century. The PSDF currently contains four modules:

—an advanced pressurized fluidized-bed combustor ("PFBC"), an extremely clean method for burning coal;

—a transport reactor gas source, an advanced type of coal gasifier and pressurized combustor;

—a hot gas cleanup module to test filters for removing fine particles and other contaminates from coal-derived gases;

—an advanced low-NO_X burner-gas turbine module

A fifth module, an advanced fuel cell, may be added to the project at a later date.

At the PSDF, private developers are able to test innovative electric power system components—new combustors, improved cleanup systems, and advanced turbines and fuel cells—at a central location, saving the time and expense of building separate test facilities.

The Wilsonville PSDF offers a number of advantages to the utility industry and to the nation by being able to address issues for the near-(five years), middle-(ten years), and long-term (fifteen years) management of technology risk:

—The testing of hot gas cleanup systems addresses near-term developmental needs, and the schedule of the PSDF is geared towards providing support to CCT projects for advanced power generation as these projects enter the design and operational phases.

—The advanced pressurized combustion process offers the potential of a high-efficiency system for the mid-term that may be widely used in repowering applications or in greenfield plants.

—The transport gasifier/combustor has significant commercial potential due to its compact size and resulting lower capital cost.

—The integrated gasification/fuel cell concept is a system that has the potential to become the most efficient and environmentally superior coal-based system available over the long-term.

CONCLUSION

The United States has always been a leader in energy research. Current DOE fossil energy research and development programs for coal will assure that a wide range of technology options continues to be available for future needs. We recognize the difficult choices that confront Congress when it examines the near-term effects of

research programs on the Federal budget. We believe, however, that supporting advanced coal-based energy research today, in programs like the PSDF, will be a net plus for the economy, the federal government, and the American people in the future. For the foregoing reasons, SCS requests your continued support for the Power Systems Development Facility by including $20 million in funding in the Department of Energy's Fossil Energy Budget.

PREPARED STATEMENT OF ANDREW G. SHARKEY, III, PRESIDENT AND CEO; AND LAWRENCE W. KAVANAGH, VICE PRESIDENT, MANUFACTURING AND TECHNOLOGY, AMERICAN IRON AND STEEL INSTITUTE

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to contribute to the Subcommittee's hearing record again this year and to deliver the support of the American Iron and Steel Institute for continued funding of steel-related collaborative research programs. In previous years, these have been conducted under the auspices of the Office of Industrial Technologies (OIT) of the U.S. Department of Energy (DOE). In 1998, we began working with the Office of Building Technology (OBT), on the energy efficiency of steel framing, and this year we hope to expand our collaborative work to include the Office of Transportation Technologies (OTT), on the application of our safe, energy-efficient, lightweighting technology to trucks and sport-utility vehicles.

OFFICE OF INDUSTRIAL TECHNOLOGIES

The technology roadmap project: building on past successes under the metals initiative

The steel industry has long made collaborative research an integral part of its business strategies. A prime manifestation of that way of thinking has been our longstanding relationship with DOE and specifically the Office of Industrial Technologies.

Our most recent success is the Advanced Process Control (APC) Program. Since 1993, APC participants—steel companies, other research organizations and a number of the national laboratories—working together have developed sensors which see, hear and feel steelmaking processes. The common goal of the APC projects is to reduce waste of time and energy by employing advanced measurement techniques and controls to assure that our steel products meet our customers specifications the first time, every time. Important discoveries have been made under the Advanced Process Control Program and these breakthroughs in "smart steelmaking" are now being applied in domestic steel plants. Detailed reports on each of the APC projects have been prepared regularly over the life of the program and we would be happy to provide the Subcommittee with any additional information it might desire.

Building upon APC, AISI and OIT launched the Technology Roadmap Research Program in 1997. Through careful cooperation between the steel industry and DOE, we first developed the Technology Roadmap, a document that defines the breakthroughs necessary for steel to remain on the leading edge of technology application and therefore able to compete effectively in our global economy. The Technology Roadmap is divided into four critical areas:

1. Process development,
2. Product properties,
3. Environmental performance and
4. Recycling.

The document has been translated into a five-year research program that is refocused annually on different sections of the Roadmap. In 1999, we elected to focus on steel properties, environmental advances, joining technologies and process development and we look forward to the new challenges and opportunities this research will address.

In closing this section of my statement, I wish to thank you, Mr. Chairman, and the entire Subcommittee for your faithful and yearly support for these programs. We strongly endorse this Subcommittee's funding of the DOE's Office of Industrial Technologies at the levels requested in the President's budget. Our industry remains committed to shouldering our share of the research funding and we look forward to continuing the fruitful partnership your steadfast support has made possible.

OFFICE OF TRANSPORTATION TECHNOLOGIES

Partnership for a new generation of vehicles (PNGV) and the consideration of steel

There is a widely held but false belief that to reduce weight in auto bodies, other materials must be substituted for steel. This was clearly disproved in 1998 when

the steel industry demonstrated a 36 percent weight reduction using conventional steels and automotive manufacturing practices under its Ultra-Light Steel Auto Body (ULSAB) program (described in detail in our 1998 testimony).

Despite steel's accomplishments in designing lightweight steel vehicles, last year steel was again excluded from consideration by PNGV as a viable material for the car of the future. This is evidenced by PNGV Report Number 4 (April 1998) which was dismissive of steel. We have now been informed by PNGV officials that it is also unlikely that Report Number 5 (due second quarter 1999) will recognize steel, the incumbent automotive material, as a solution for the future.

Our concern that alternate materials have been pre-ordained as the only viable materials for future auto bodies cannot be overstated. However, recent events might compel PNGV to consider steel. AISI has recently announced the ULSAB-AVC (Advanced Vehicle Concept) Program whose goal is the design of an auto body that meets the PNGV goals for weight reduction, recycling, safety, affordability and performance. ULSAB-AVC will explore new steels and technologies to bridge the gap between the 36 percent weight reduction of ULSAB and the PNGV goal of 50 percent weight reduction, without sacrificing recycling, safety, affordability or performance.

Mr. Chairman, we ask for the Subcommittee's careful oversight of PNGV to ensure that steel's case is heard and that we have a fair chance to compete with other materials in the market where steel remains—and with good reason—the material of choice.

Energy efficiency through downweighting of trucks: steel is ready to help

On the general topic of collaborative research on vehicles, we have worked on dozens of major engineering challenges with the Big Three U. S. automakers in the prototype supplier-customer collaboration known as the Auto/Steel Partnership, dating back to 1987. More recently, we have been deeply involved with the automakers and other materials industries—under the auspices of the United States Automotive Materials Partnership (USAMP)—in compiling a comprehensive "lifecycle inventory" of materials used in autos. Completion of this painstaking task will make new and important information available to the auto sector, enabling it to weigh as never before the environmental impacts of competing materials across their full life of mining, manufacturing, production, use, recycling and disposal.

With respect to downweighting light trucks specifically, it has long been a priority of AISI to develop a lightweight steel design for this market of make-or-break importance to U. S. auto manufacturers. Our original Auto Weight Reduction Program (AWRP) included $1 million to conduct a light truck study with one of the automobile companies. A proprietary project was initiated with Ford in 1995 to achieve the weight target set for the MY 2000 Explorer. Preliminary analysis conducted by Porsche Engineering demonstrated that the weight goal could be met with a steel structure, at which time Ford took the research inside the company for completion.

Building on that experience, the Auto Weight Reduction Program task force developed the Light Truck Structure (LTS) project. Under the LTS project, Porsche Engineering developed a conceptual design for a lightweight steel body for the light truck market that includes a modular body-in-white, a flexible-design modular frame and related chassis elements. The concept demonstrated the capability to modify both sport utility and heavy duty/extended cab options using steel. The total cost of the LTS study was over two million dollars. The design concept study took approximately fifteen months to complete and the results were presented to the auto companies and OEM suppliers in 1997.

With our considerable experience and motivation toward downweighting trucks (and sport utility vehicles), we fully support the OTT's intended programs in this area beginning in fiscal year 2000. We ask that the Subcommittee set aside funds for this important research which the steel industry stands ready to cost-share.

OFFICE OF BUILDING TECHNOLOGY

Thermal Efficiency of Homes Framed in Steel; A Promising Beginning to a new Partnership

One Technology Roadmap project organized under our partnership with OIT has permitted us, for the first time, to work with the Office of Building Technology. AISI (in the form of its North American Steel Framing Alliance (NASFA)) has teamed with OIT, OBT, Oak Ridge National Laboratory and the National Association of Homebuilders Research Center to explore the thermal energy efficiency of homes framed in steel. The 3-year project is comprehensive, including such things as air infiltration (steel houses are "tighter") and other heating efficiency factors.

We hope that this new partnership with DOE, the national labs, the NAHB-RC and other federal agencies will not only yield results useful to the American homeowner but will inform the international homebuilding community as well. Other governments, including housing officials of the Peoples Republic of China, have shown strong interest in steel framed housing. We also hope there will be additional opportunities for this partnership and other partnerships to pursue other common goals together. For example, we are actively looking into the Office's new initiative in improving the energy efficiency of schools. School construction is yet another instance in which steel—especially highly reflective roofing steel—offers outstanding qualities as a material responsive to the energy efficiency needs of the nation.

Again, AISI urges careful and favorable consideration of the Department's requests for funds to pursue this legitimate line of public-private inquiry in building technologies.

In summary, let us say that AISI and its member companies have had a very positive experience in working with the Office of Energy Efficiency and Renewable Energy (EERE) under Assistant Secretary Dan Reicher. EERE is a highly motivated and effective government agency. The OIT/AISI relationship came first and has matured into a productive collaboration and led to the additional opportunities represented by OTT and OBT projects. We strongly urge the Subcommittee's favorable response to the Department's request for additional funds to be matched and multiplied into additional achievements in the national interest.

Thank you again, Mr. Chairman, for this opportunity to offer these comments. We stand ready to supply any additional information you, Subcommittee members, or Subcommittee staff might wish to have.

PREPARED STATEMENT OF THE PETROLEUM TECHNOLOGY TRANSFER COUNCIL

The Petroleum Technology Transfer Council (PTTC) appreciates this opportunity to submit testimony on behalf of the fiscal year 2000 appropriations for the U.S Department of Energy (DOE). PTTC strongly supports Congressional funding for DOE's Office of Fossil Energy at the level requested in the Administration's budget or higher.

PTTC is a national not-for-profit organization formed in 1994 by the independent oil and natural gas producing industry to accelerate the dissemination of exploration and production (E&P) technologies and help identify the highest-priority technical needs of industry. PTTC receives funding under a cost-shared grant from DOE's Office of Fossil Energy. These funds are matched by support from several state governments, universities, state geological surveys, and industry donations. Although PTTC's grant is administered through the National Petroleum Technology Office, funding comes from both the oil and natural gas programs of DOE. The Federal Energy Technology Center also provides multi-faceted support for PTTC activities related to natural gas resources.

PTTC would like to make several key points in support of DOE's oil and gas programs under the Office of Fossil Energy:

INDUSTRY CRISIS HEIGHTENS THE NEED FOR ACCESS TO TECHNOLOGIES

The U.S. petroleum industry is trying to survive its worst crisis in history—one that has had devastating effects on employment, production, and the basic infrastructure of this vital business. The following quotes from testimony presented by Steve Layton, President/CEO of Equinox Oil Company, on behalf of the Independent Petroleum Association of America (IPAA) on January 28, 1999, before the U.S. Senate Committee on Energy and Natural Resources, summarize the importance of independent producers and the serious implications of today's crisis:

"The onshore lower 48 states account for about 60 percent of total domestic oil production. The Energy Information Agency has released a recent report that over 60 percent of this onshore lower 48 production comes from independents, a percentage that has increased by ten percent over the past decade. It reflects an irreversible trend. Major oil companies are leaving the onshore lower 48 states. . . . Consequently, the onshore is now the principal province of independent producers. In contrast to the majors, independents do not have the capital and other resources to carry them through protracted lean time. . . . At current prices, most—if not all—of the onshore lower 48 production is at risk of loss.

"The vital infrastructure of our industry is being shattered. . . . This loss of activity reflects the serious impact low oil prices will have on future production. . . . If we lose our onshore lower 48 production, our reliance on foreign oil will increase from about 55 percent to over 70 percent—Behind these numbers is a realization that jobs are being lost by the tens of thousands, skills that will not be recovered

by the industry in the future. . . . IPAA analyzed the domestic oil industry based on economic multiplier factors associated with lost revenues. This analysis concludes that the domestic oil industry has lost 50,000 jobs or more from the current price crisis.

"Without this infrastructure it is not only the nation's oil industry at risk but its future natural gas use as well. This country has a vision of building a future on expanded use of clean burning natural gas. . . . It cannot happen without a healthy oil industry. Oil and gas are found together. They rely on the same tools, the same science, the same skills, and the same financial resources."

In response to the seriousness of the industry crisis, DOE formed an Oil Emergency Task Force last year that resulted in many initiatives that are proving beneficial to independents in the technology arena—especially DOE's commitment to provide millions more in cost-shared programs to assist small independents with specific production problems. In addition, its pilot program to showcase new energy-efficient technologies and motor replacements is showing promising results in several regions. Starting with a prototype in Texas, DOE's program to help move industry toward online permitting could save millions in administrative costs. PTTC also supports the other important programs in the fiscal year 2000 budget for DOE's Office of Fossil Energy.

In trying to survive the crisis, the nation's small independent operating companies are also turning more and more toward PTTC's information network and local, inter-disciplinary referral system. In this way, independents are able to gain access to the results of DOE's research and development (R&D) programs to recover more domestic petroleum resources and slow the abandonment of marginal wells. An estimated 40 percent of U.S. marginal wells have already been shut down, and more are in jeopardy.

INDUSTRY AND GOVERNMENT SHOULD SHARE IN R&D INVESTMENTS

At the same time that the major companies are moving overseas and independents are trying to weather the crisis conditions, industry investment in petroleum technology and R&D is being cut to the bone. Therefore, it is critical for DOE's Office of Fossil Energy to continue its important work in R&D and technology transfer activities. The focus on these programs should continue on advances in geosciences that can achieve the greatest return in deferring premature well abandonments and maximizing incremental oil and natural gas production.

Public and private research projects continue to achieve advances in petroleum E&P technology that could yield significant national benefits in the form of increased domestic production, reduced oil imports, and increased public sector revenues. Both industry and the public sector gain from the development and application of advanced E&P technologies; thus, both should share in the investments. Government also has an essential stewardship role—to ensure that domestic resources are produced efficiently and with respect for the environment. To achieve these goals, industry and government must work together. PTTC is proud to be a prime example of how the federal government can work with industry and state governments in a successful partnership.

EFFECTIVE TECHNOLOGY TRANSFER IS ESSENTIAL TO REALIZE R&D BENEFITS

The full economic potential of new and existing technologies will not be achieved if producers are not aware of the technology, understand its economic potential, or feel comfortable with applying it. Nor will it be achieved if known resources are abandoned in the reservoir before the technology can be applied. Effective technology transfer is essential to achieve the full benefits of this potential and to sustain a viable domestic petroleum industry.

Investments in research and technology are worth little if the results are not aggressively transferred and applied to produce more oil and natural gas. Some 80 percent of the potential benefits of improved technologies could be foregone without technology transfer. The government has already invested vast sums through the years in federally funded research at national laboratories, DOE laboratories, universities, and other R&D providers. To truly obtain value from this investment, it is critical to continue funding the technology transfer and related programs of DOE's Office of Fossil Energy.

IDENTIFYING INDUSTRY'S TECHNOLOGICAL NEEDS

PTTC performs various technology transfer functions to inform producers of potential solutions to economically address their problems. Where answers are not available, PTTC reports the technology gaps and their relative urgency to the R&D community to help guide and focus the direction and priorities of public and private

research. PTTC has helped DOE in targeting upstream R&D efforts on practical, short-term projects with immediate applications in the field. As a result, informing users of new and on-going research projects accelerates the public and private R&D process. PTTC distributed a technology needs survey to industry in 1998, and will be releasing the results in an updated report by June 1999.

Further, PTTC technology workshops serve as catalysts for bringing new partners into R&D consortia and other industry groups. An important benefit is that small independent operating companies (those without sufficient staff or budget for R&D) have new access to cost-efficient technologies to maximize the recovery of oil and natural gas reserves.

TECHNOLOGY TRANSFER PROGRAMS SHOWING RESULTS

In less than five years, PTTC has achieved its original goals—and gained the widespread credibility within the upstream petroleum industry that is vital to success. PTTC programs are set up to disseminate cost-effective technological solutions addressing a wide range of problems—exploration, drilling and completion, operations and production, reservoir and development, as well as environmental compliance. . . . Following are the most important accomplishments in expanding industry awareness and technology usage at the national and regional level:

—*Industry Crisis Action Plan*.—PTTC initiated a crisis action plan in Dec. 1998. Nearly 20 survival-oriented workshops, addressing the economic margin, were held in early 1999, with more coming.

—*Technology workshops*.—PTTC held 100 workshops last year and is on track to hold just as many this year. Nearly 4,500 individuals attended PTTC workshops in fiscal year 1998, with nearly 75 percent of those from industry. These workshops are held in throughout the oil and gas producing areas to provide real-world information and solutions to address E&P challenges on a variety of topics from 3–D seismic applications to produced water disposal. To leverage limited resources, most PTTC events are held with other organizations such as professional societies and state/regional producers associations.

—*Workshops with DOE*.—PTTC has sponsored many workshops to transfer the results of DOE programs to independents, including DOE's Reservoir Class Demonstration Project. In upcoming events, PTTC will be releasing the outcome of DOE-funded research in microbial enhanced recovery projects, and underground natural gas storage, as well as a new coiled tubing field manual.

—*Distance Learning*.—Some regions are exploring new technology transfer mechanisms for disseminating workshops to those who cannot attend, including on-line training resources and webcasting—full audio and video transmission of workshops via the Internet.

—*Regional resource centers*.—Independents contact their local PTTC resource center for a variety of services: (1) access to information/data resources, (2) expert response to inquiries, (3) demonstration and training for E&P software, (4) information products, (5) help with understanding technological problems and opportunities, (6) access to special purpose databases, and (7) special outreach efforts.

—*E&P Software Training*.—PTTC issued a Petroleum E&P Software Sampler on CD-ROM last year that contains overview information on 50 PC-based upstream software programs that have been generously donated to PTTC resource centers by c ommercial software vendors.

—*Internet websites*.—With a national website plus 10 regional sites, PTTC's electronic network is a key delivery system for oil and gas information, data, case studies, calendars of events, and technical summaries. Industry usage is increasing as the on-line technical content and search capabilities grow.

—*Newsletters*.—The 16-page, quarterly national newsletter, PTTC Network News, reaches nearly 6,000 readers (about half are independent E&P companies). Regional newsletters also inform thousands of local producers about technology transfer activities and the results of DOE technical programs.

—*Case Studies/Reports*.—PTTC has developed many producer-vendor case studies and is releasing a new digest this summer with more articles. In addition, an updated report is expected in June 1999 summarizing the technical information conveyed during the best workshops held in the past two years.

—*Region-Specific Products*.—Several regions have developed products specific to local needs, such as the Louisiana Desktop Well Reference on CD-ROM, which provides lease and production data. The West Coast Region is developing a reservoir/field CD-ROM with Lawrence Livermore National Laboratory and the state of California. There are many similar examples in other regions.

CONCLUSION

Congress should continue to support an active DOE role in petroleum-related R&D and technology transfer through the Office of Fossil Energy, especially in light of the devastating effects of the recent industry crisis. Through technology transfer efforts, the value of DOE programs in these areas extends far beyond geoscience research. The results of federally funded research will reach operators in the field, where it can be used to preserve and expand our national resource base. The investment by DOE in technology transfer programs will be returned in multiples through incremental federal revenues from new projects and additional energy production that will be stimulated by effective technology transfer.

As one successful example, PTTC delivers demonstrable and measurable benefits to the producing industry and to the nation. Additional information can be provided for the record from independent producers who have learned about new technological solutions through PTTC.

Thank you for this opportunity to testify, and please let us know if PTTC can supply any additional information for the record.

PREPARED STATEMENT OF THE HYDROCARBON TECHNOLOGIES, INC.

FOREWARD

Mr. Chairman and members of the Sub-Committee, Hydrocarbon Technologies, Inc. (HTI) appreciates your prior support and invitation to testify with respect to the Fossil Energy Research and Development Programs and, in particular, restoring the appropriation for Hydroconversion (Direct Liquefaction) of carbon-based feedstocks to $3 million.

Today, we find our country entering the 21st century with major concerns for the environment with a focus on global warming but also an awareness that liquid hydrocarbons will continue as a major source of transportation fuels. As a nation of high-energy consumers, we must study and address these forecasts. Hydroconversion of coal, wastes, and renewables answers both the environmental concerns of global warming and reduces the potential for ground water pollution from landfills, while producing clean, high-mileage, and specialty transportation fuels and high value by-products.

Direct Liquefaction (hydroconversion) is a high-efficiency (>75 percent) process that adds hydrogen to low-value carbon feedstocks (coal, heavy oil, MSW, biomass) and removes sulfur, nitrogen, and other heteroatoms to directly produce ultra-clean fuels and chemicals. The overall energy consumed is a third that of other indirect conversion technologies. The Administration, in its subtle efforts to de-emphasize the use of coal, is reducing and closing down many of the programs that rely on coal. Coal is the most abundant and lowest-cost energy form in the United States; it can be utilized in an environmentally acceptable manner if the emissions reduction accomplishments of the last two decades can be improved and extended. High efficiency and low-cost emissions control can significantly reduce environmental concerns over the use of coal. This work needs to be given a higher priority over the support now going to existing, commercially proven energy sources.

HTI, working with the United States Department of Energy (US DOE), is planning to improve the current coal/oil technology and expand its scope to include wastes and biomass leading to a more environmentally-friendly, higher efficiency, lower cost technology. We are using the vast knowledge base attained through direct liquefaction (hydroconversion) R&D over the last 30 years and recent advances that can leapfrog the technology into the 21st century as a more environmentally responsive industry based on domestic raw materials.

The area in which HTI will concentrate its efforts will be to develop this highly efficient, versatile technology to produce high-value carbon products, specialty chemicals, and alternate fuels at a lower cost and smaller scale for wider application using diverse carbon-based feedstocks with coal in balance with the environmental objectives of the US DOE and the Environmental Protection Agency (EPA).

Our vision is to create an energy industry based on technologies focused on zero emissions and the reduction and stabilization of harmful atmospheric gases, an industry that will protect the public interest while maintaining social progress.

PROGRAM OBJECTIVES

—To provide a versatile, high-efficiency, variable feed, co-processing process for integration into a Vision 21 Concept Modular Plant that will produce clean opportunity fuels at zero emissions

—To study and develop processes based on co-processing for the conversion of renewable and waste energy sources into hydrogen, clean fuels, and chemicals
—To further the development of waste/coal/oil co-processing and hydroconversion processes for refinery integration and for the production of specialty fuels, carbon products, and chemicals in an environmentally-benign manner

Help is requested to provide sufficient funding to carry on R&D on the following concepts nurtured at HTI and DOE:

—The Co-Processing (Hydroconversion) of Municipal Solid Waste (MSW), waste plastics, and renewables with fossil fuels to produce clean transportation and specialty jet fuels, chemicals, and carbon products
—The preparation of carbon products from fossil fuels—Ultra high strength carbon fibers are produced from coal-derived liquids and are used to produce durable, light-weight, structural materials for automobiles and for military transport
—R&D on breakthrough mass transfer reaction technology that will result in more than a twofold performance improvement in Co-Processing (Hydroconversion) making it more competitive and more environmentally responsive
—A new technology for easily converting MSW and renewables to hydrogen and synthesis gas for inclusion in a Vision 21 Modular Plant
—Carbon Dioxide, available in concentrated form from hydroconversion processes, can be reduced and used in steel making, can also be used for conversion to hydrogen and syngas and for conversion to carbon and carbon monoxide for reforming

HTI is requesting support for a budget of $3 million to be allocated for obtaining commercialization data and for work in the foregoing areas that transcend from hydroconversion to programs much wider in scope and programs that will provide solutions and direction to solve the environmental challenges of the 21st century. Help us to realize this vision of a new energy industry for the United States that does not compromise the environment.

PREPARED STATEMENT OF THE FUEL CELL COMMERCIALIZATION GROUP

The FCCG is an association of utilities and other energy users interested in the business potential of the Direct Fuel Cell Energy Plant for electric generation and customer service. The FCCG supports the development of this technology by providing market and operations experience and demonstration support to Energy Research Corporation's (ERC) technology development program. This technology was chosen in 1988 as a result of ERC's outstanding response to a utility industry Notice of Market Opportunity.

DIRECT FUEL CELL ENERGY PLANT

Fuel cells represent a superior option for FCCG members' compliance with all existing and anticipated environmental control legislation, including the Clean Air Act of 1990 and its mandates on acid rain pollutants. Since fuel is not combusted in ERC's Direct Fuel Cell Energy Plant, there are virtually no acid rain gases such as nitrogen oxide or sulfuric oxide exhausted. In fact, ERC's use of natural gas and unmatched high efficiency results in carbon dioxide emissions 22 to 36 percent lower than any other fossil-fueled alternatives. Compared with coal-fueled power plants, whose efficiency can be an average of 37 percent, stationary fuel cell power plants have demonstrated a 55 percent performance efficiency in power production. This efficiency rating can be increased to 80 percent or higher through the use of its byproduct heat, which itself has many applications. Fuel cells combine these possible savings with lower maintenance needs due to the lack of moving parts. This clean, quiet, and efficient technology will be an excellent resource for distributed generation sited close to electrical customers. Only ERC has demonstrated its dedication by using a continuously operational advanced fuel cell energy plant to supply 250kW of electricity to its company headquarters in Danbury, Connecticut.

INDUSTRY REQUESTS

Constituents in the utility and energy industries have seen distressing trends in previous appropriations of Congress for the Department of Energy's stationary fuel cell programs. The aggregate need for stationary fuel cell programs in fiscal year 1999 was underfunded by over $15 million. This affects the timeliness of industry access to fuel cell technology. Already, three FCCG members are negotiating for procurement of the Direct Fuel Cell Energy Plant. With constituents queuing up to purchase and commencing field trials, Congressional support of DOE stationary fuel

cell programs is critical to enhancing market confidence and keeping the program on track.

The DOE is currently supporting three fuel cell development programs contained in the line item for Fossil Energy natural gas budget line. The fiscal year 2000 aggregate need approaches $65 million.

We commend you and the Appropriations Committee for your past support. We ask that you recognize the growing importance of the DOE stationary fuel cell initiatives and appropriate the necessary $65 million in fiscal year 2000.

The completion of the Direct Fuel Cell Energy Plant will have major economic and environmental benefits, not only for utilities and electricity consumers in the U.S., but for the global energy marketplace.

PREPARED STATEMENT OF THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association (APPA) is the service organization representing the interests of over 2,000 municipal and other state and locally owned utilities throughout the U.S. Collectively, public power utilities deliver electric energy to one of seven electric consumers (about 40 million people) serving some of our nation's largest cities. The majority of APPA's member systems are located in small and medium-sized communities in every state except Hawaii. We appreciate the opportunity to submit this statement concerning fiscal year 2000 appropriations. The focus of our testimony will be on U.S. Department of Energy (DOE) programs within this Subcommittee's jurisdiction.

DOE ENERGY EFFICIENCY PROGRAMS

APPA supports the Administration's emphasis on DOE energy efficiency programs in its funding request for fiscal year 2000. We ask that this Subcommittee ensure these important programs continue to be among the options available to our nation's electric utilities as they strive to meet the increased competitive and environmental demands placed on them by the marketplace and society. While we realize the budget constraints you face, we ask for favorable action on the Administration's request in this area. DOE's energy efficiency programs received funding of $717 million in fiscal year 1995. Appropriations were cut 25 percent in fiscal year 1996 and were increased by nearly 9 percent in fiscal year 1998. The Administration is proposing to further increase funding in fiscal year 2000 to approximately $838 million, 34 percent above the fiscal year 1999 enacted level. Such increased expenditures are warranted because energy efficiency is becoming even more important in the context of changes occurring as a result of electric utility industry restructuring. Due to these changes, many utilities already have downsized or terminated some energy efficiency programs in order to reduce costs. Yet these programs can be very helpful in maximizing the overall progress made toward achieving a competitive, high-growth economy for our nation while maintaining the kind of environmental quality we all desire for the future.

Partnership for a New Generation Vehicle—We urge the Subcommittee to fund DOE's PNGV program at the $143 million level requested by the President. It is important that these advanced technologies be available for application to both mobile and stationary sources. The availability of fuel cell technology for transportation is critical for cities and states that must achieve mandated federal air quality standards. The fuel cell vehicle is virtually pollution free and highly efficient. Even a 10 percent market penetration could reduce regulated air pollutants by more than one million tons a year and emissions of carbon dioxide by 60 million tons a year. (This would fulfill the U.S. commitment to bring its CO2 emissions back to 1990 levels.) It also would save 800,000 barrels of oil a day. One of APPA's members, the Sacramento Municipal Utilities District (SMUD), has done extensive research in this field because of the outstanding environmental and energy efficiency attributes of the technology.

Community and Building Technologies.—APPA supports the Administration's request of $335.9 million to restore previous reductions to these energy partnership programs. Among them are #T3Rebuild America, designed to accelerate energy efficiency improvements in existing commercial and multi-family buildings, and DOE's Energy Partnerships for Affordable Homes Program, a collaboration of public and non-public groups working to make public and private housing more energy efficient and affordable. DOE can play a facilitating role in helping bring new technologies and standards to market. Examples of valuable DOE efforts in this regard include the Technology Introduction Partnerships (TIPS) program and Motor Challenge. TIPS, in particular, has been an important one for APPA member systems. Motor Challenge is a voluntary partnership between DOE and industry designed to pro-

mote adoption of motors and motor-driven equipment that increase energy efficiency, enhance productivity and improve environmental quality. By the year 2000 it is estimated Motor Challenge will generate energy cost savings of $1.2 billion and electricity savings of 25 billion kWh.

Building Codes and Standards.—EPAct also requires each state to certify that it has reviewed its residential and commercial building codes to determine whether they meet energy efficiency targets. DOE is providing important technical assistance to encourage states to adopt such codes. We support the Administration's request that $26.7 million be provided to continue this program.

Community Energy Systems.—District heating and cooling systems act as community energy systems by transporting waste energy (from local power plants, industrial processes and natural resources) to buildings to provide heating and/or cooling. In addition to reducing emissions of carbon dioxide and other pollutants, these systems enhance energy security and cost stability, stimulate community development and facilitate phase-out of ozone-destroying refrigerants. APPA member systems that receive information and technical assistance from this program include those located in Burlington, VT; Fairbanks, AK; San Antonio, TX; Holyoke, MA, and Lansing, MI. APPA recommends $5 million to provide: (1) an integrated information campaign to local and state governments and the private sector on the benefits of district energy, and technical assistance and cost-shared funding for community energy resource assessments and feasibility studies, and (2) research, development and demonstration in partnership with ongoing cooperative international efforts to reduce costs and improve efficiencies of district energy technologies.

Municipal and Community Energy Management.—This program, within the Office of Building Technology, provides funding to municipalities for conducting a variety of projects that address energy-related areas of greatest concern to local governments. APPA recommends this program, operated by the Urban Consortium Energy Task Force (UCETF), receive $1.6 million, funding level to that provided in fiscal year 1998. UCETF is a program of Public Technology, Inc. (PTI), the non-profit technology organization of the National League of Cities, the National Association of Counties and the International City/County Management Association. Currently 22 jurisdictions, including many public power communities, are represented on UCETF: Albuquerque, NM; Austin, TX; Chicago, IL; Columbus, OH; Dade County, FL; Denver, CO; Greensboro, NC; Hennepin County, MN; Kansas City, MO; Long Beach, CA; Memphis, TN; Monroe County, NY; Montgomery County, MD; Orange County, FL; Philadelphia, PA; Phoenix, AZ; Portland, OR; San Diego, CA; San Francisco, CA; San Jose, CA; Seattle, WA, and Washington, D.C.

Weatherization Assistance Program.—APPA wholeheartedly supports the Administration's budget request of $154 million for weatherization assistance, especially important to the working poor, elderly and disabled. The program helps more than 100,000 residents annually. Weatherization programs have the additional benefit of stimulating economic growth by increasing disposable income and creating jobs in the service sector. The DOE Weatherization Assistance Program has been especially effective at helping low income citizens afford their energy bills and at the same time reduce their energy usage. The funding increases requested for fiscal year 2000 should be provided to this valuable program to help alleviate the multi-year backlog of weatherization work requested locally.

State Energy Conservation Program.—State energy offices work on nearly every energy efficiency issue. They encourage technology development, renewable energy, alternative fuels, energy emergency preparedness, energy facility siting, recycling, transportation efficiency programs, energy conservation and economic development, among other activities. State energy offices have been extremely successful in identifying the needs of local communities, businesses and consumers, and funding appropriate efforts to effectively transfer technology to constituents. With increased devolution of responsibilities to the states, this program offers the ideal combination of state-level implementation on a flexible basis with federal support. We ask that this Subcommittee favorably consider the Administration's request of $37 million for the State Energy Conservation Program. The program suffered a 50 percent cut in fiscal year 1996. The spending level requested for fiscal year 2000 represents an increase of nearly $4 million above the fiscal year 1999 enacted level.

DOE FOSSIL ENERGY RESEARCH AND DEVELOPMENT PROGRAMS

Fuel Cells.—Fuel cells have captured the interest of government and industry alike. Their modularity, high efficiency and negligible emissions of smog and acid rain precursors make fuel cells an important growth area deserving national priority. A consortium, including APPA member systems, along with the National Rural Electric Cooperative Association (NRECA), the Electric Power Research Insti-

tute (EPRI) and DOE, is co-sponsoring carbonate fuel cell research, testing and the first utility-scale demonstration of a carbonate fuel cell power plant. The direct fuel cell program consists of two major efforts—the Santa Clara Demonstration Project and the ongoing Product Design Improvement (PDI) cost-shared initiative.

The first demonstration of an U.S.-developed fuel cell power plant has now begun operation in Santa Clara, CA. This 2-MW fuel cell unit has achieved a 44 percent efficiency level, a record for a fossil fueled power plant of this size, has recorded emissions below conventional detection limits and is providing valuable information on fuel cell power plant operations. APPA member systems participating in the consortium include the City of Santa Clara, Los Angeles Department of Water & Power, Sacramento Municipal Utility District, the City of Vernon, CA, the Salt River Project and Northern California Power Agency. The final phase of the development effort, the design and fielding of a pre-commercial unit has now begun. The 21 members of the Fuel Cell Commercialization Group (FCCG) support performance and cost targets for this final phase. In addition to those named as supporters of the Santa Clara project, APPA member systems comprising FCCG include Alabama Municipal Electric Authority, City of Anaheim (CA) Public Utilities Department, Florida Municipal Power Agency, City of Manassas (VA) Electric Department, City of Tallahassee (FL) Electric Department and Wisconsin Public Service Corporation. In fiscal year 2000, the cost-shared contract calls for DOE support in the amount of $41.4 million. We urge Congress to fully fund this project so that progress can continue toward full commercialization.

"Industries of the Future—Specific."—APPA strongly supports the fiscal year 2000 request of $74 million for this public-private partnership efforts which focus on developing technologies that cut energy use, emissions, and waste in multiple industries and provide cost-effective solutions to reduce greenhouse gas emissions. fiscal year 2000 efforts concentrate on a new biogasification initiative and accelerated development of a new electrode system for aluminum production. In addition, efforts with the Petroleum industry are revitalized after a period of reorientation to develop technology road map for future joint R&D.

Energy Information Administration (EIA).—APPA supports the Administration request of $72.6 million to enable EIA to continue its important role in data collection and dissemination. With increasing competitiveness in the electric utility industry, it is critical that utilities, government, regulators and the public all have access to reliable data from EIA in order to monitor pricing and structural changes in the electric utility industry and their effects on competition.

PREPARED STATEMENT OF DR. FRANK DERBYSHIRE, DIRECTOR, UNIVERSITY OF KENTUCKY, CENTER FOR APPLIED ENERGY RESEARCH

INTRODUCTION

In 1994, the Kentucky Coal Council and the University of Kentucky Center for Applied Energy Research began to work with the Department of Energy to develop a mechanism for accelerating the deployment of advanced coal-fired power generation plants. The basic concept involves using coal gasification as the cornerstone technology of a multiplex facility that will co-produce added-value products together with electrical power from coal. In this way, chemical and materials production can be integrated with power generation, attracting investment by a range of industries, and reducing the risks associated with the construction of a first of a kind plant. The scheme now forms an important component of the Department of Energy's Vision 21 strategy.

In testimony that I have provided over the last few years, I have asked this committee to support this initiative in order to facilitate the commercialization of advanced technologies for the production of environmentally friendly, efficient coal-fired power generation that have matured under the DoE Clean Coal Technology program. Today, I would like to update the committee on the status of our efforts to develop and advance the concept, and to request continued appropriations to the Department of Energy in order to sustain relevant programs over the next few years.

COAL AND THE NATIONAL ECONOMY

Every credible forecast of future energy use indicates that coal will continue to remain the backbone of the American economy. The Energy Information Administration (EIA) projects that coal use in the United States (US) will increase by about 20 percent between 1996 and 2015, while energy from non-fossil sources is predicted to decline over this period as a result of the retirement of nuclear plants. On a glob-

al basis, EIA projections forecast that coal use will increase by almost 50 percent from the current level of 5122 million tons annually to 7495 million tons in 2015. Only 10 percent of this increase is expected to occur in OECD countries and the former Soviet Union. In the developing world, coal use is forecast to increase by 100 percent.

The annual coal production in the United States is around 1 billion tons per year and most of it is used to generate 56 percent of our electricity. While coal production levels over the last 20 years have increased, the number of people involved in coal mining has decreased by almost two-thirds and productivity has increased by almost the same proportion. Due to this increase in productivity, we have actually experienced declining energy costs. The cost of coal is the same now as in 1979, without correction for inflation. The low cost of coal-derived energy has had a buffering influence on the cost of competing forms of energy generation, and has helped to stabilize the cost of electric power.

Although we must continue to emphasize the use of coal in the future, we also face environmental challenges. There are serious concerns over emissions from coal-fired power plants: oxides of sulfur and nitrogen; air toxics; fine particulates; and carbon dioxide. These emissions may have an adverse influence on human and animal health, and upon our environment, and the production of greenhouse gases, notably CO_2, CH_4, and N_2, may potentially affect our climate.

The solution to these regional and global problems lies in the development of new technologies, their implementation, and their export to developing countries. In this regard we fully support the principles that the Department of Energy has put forth in the Vision 21 Program. That is, "the integration of emerging concepts for high-efficiency power production and pollution controls into a new class of fuel flexible electric generation facilities". Vision 21 also offers market entry strategy for new concepts to co-produce high value fuels and chemicals from coal or other feedstocks.

THE CO-PRODUCTION CONCEPT

Research and development fostered by the DoE's Clean Coal Technology Program has clearly demonstrated that integrated gasification combined cycle (IGCC) power generation can allow the production of clean electrical power from coal. The advantages of IGCC include: flexibility in fuel selection; advanced emissions control; improved thermal efficiency; and waste minimization. Low grade coals and/or waste materials can be utilized with up to 99 percent sulfur removal. NO_X emissions are reduced relative to combustion processes, and the thermal efficiency is increased by as much as 35 percent over conventional plants, with a concomitant reduction in CO_2 emissions per unit of power produced.

To date, there has only been limited implementation of these technologies. Numerous studies have found that utilities recognize the potential advantages of advanced power generation technologies. However, they are unwilling to incur costs that adversely affect their competitive position, and with any emerging technology there is some technical risk associated with a "first-of-a-kind" plant. IGCC represents a fundamentally new technology, and there is limited experience of economics and operation at the commercial scale. As a consequence, decisions to build new base-load capacity, and the type of technology that will be employed, are being deferred as long as possible. The life of existing plants is being extended, and comparatively low cost natural gas turbines are being used to meet peaking power needs.

The co-production concept is based upon the principle that coal gasification can be a common denominator in the production of electric power and the synthesis of chemicals and liquid fuels from coal. The ability of the gasifier to accept a range of feeds of varying quality, and to generate of a clean synthesis gas, creates the prospect of being able to produce a range of high-value chemicals and alternate fuels as well as electric power in the same plant. Technical and economic advantages can be realized through the development of such an integrated, multiplex operation. Available technologies allow considerable latitude in selecting the desired end product or range of end products. These include: methanol, acetic acid, and acetic anhydride; pure hydrogen and CO; a spectrum of fuels and chemicals that is attainable through Fischer-Tropsch synthesis; and carbon materials.

We believe that this concept will facilitate the commercial implementation of both IGCC and chemical synthesis, and it is fully congruent with the programs and policies of Vision 21.

THE KENTUCKY PIONEER ENERGY PROJECT

As a direct result of our endeavors in the Commonwealth of Kentucky, an Independent Power Producer, Global Energy, has decided to pursue the construction of

a 400MW IGCC power plant, known as the Kentucky Pioneer Project. In a landmark agreement that was announced in February by the Governor Paul Patton, Global Energy has contracted with East Kentucky Power Cooperative (EKPC) for the lease of a site and for the sale of electric power. Thus EKPC, an established utility, has integrated a flexibly-fueled IGCC plant into its future power production planning needs. These developments move the Kentucky Pioneer Project from a working concept into the next phase of financing and permitting.

The plant is intended to be the most efficient and environmentally advanced coal-based power plant in the United States. The three main components of the plant involve fuel preparation, gasification and gas clean-up, and power generation. The plant will be fuelled by a mixture of coal and municipal solid waste (MSW), although other recyclable fuels may also be considered for co-firing with coal. The use of MSW further lowers the amount of fossil fuel CO_2 emissions by up to 60 percent over that of a conventional coal fired power plant. The plant will convert over 1 million tons/year of MSW into clean gas.

The gasifier was developed by British-Gas/Lurgi (BGL). It is a slagging gasifier that is the product of years of intensive development effort. Using the same technology, a coal/MSW-fed IGCC plant is in the latter stages of development in Scotland, and another is scheduled to go online in Germany this summer. The fuel versatility of the gasifier allows the production of clean energy while providing a solution to the environmental problems caused by the accumulation of solid wastes. The emissions from the plant will be close to zero: the gasifier byproduct is a hard, high density vitreous material that is inert and has attractive properties for different forms of construction.

An important provision in Global Energy's plans is for the coupling of the power plant with a unit to use a slipstream of the synthesis gas to co-produce chemicals by Fischer-Tropsch synthesis. The eventual integration of Fischer-Tropsch (F-T) synthesis with the Kentucky Pioneer Energy Plant will be pursued as a second stage of development. In addition to low cost power, co-products would then include high-value, high-purity chemicals, as well as ultra clean transportation fuels.

FUTURE NEEDS

The construction of the Kentucky Pioneer Energy Plant represents a major step forward in the development of a fully integrated, environmentally acceptable, energy-efficient power complex for the next millennium as described under Vision 21. It presents a unique opportunity to demonstrate the feasibility of the co-production approach as an incentive to the extensive commercialization of advanced technologies, and to providing solutions to other pressing environmental issues.

At this critical stage, the continued involvement of the DoE and the sustainment of the Vision 21 program are pivotal to ensuring that this promising beginning translates into the realization of the long term goals. While IGCC and Fischer-Tropsch synthesis are proven technologies, the integration of these and other processes into flexible efficient systems have yet to be achieved. Supporting research and development on pertinent issues is essential to provide the assurances that the projected environmental and economic benefits that are promised by ventures such as the Kentucky Pioneer Plant can be brought to fruition.

In this regard, we request that the Department of Energy's fossil fuel budget be strengthened in the areas of coal-based fuel preparation, gasifier byproduct management and utilization, synthesis gas clean-up, the production of added value materials from coal by synthesis gas conversion (specifically Fischer-Tropsch synthesis), and the use of heavy coal liquids for carbon materials synthesis in relation to the application and integration of these technologies in the co-production concept.

PREPARED STATEMENT OF THE ENERGY COMMITTEE OF THE COUNCIL ON ENGINEERING, AMERICAN SOCIETY OF MECHANICAL ENGINEERS

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the views of the Energy Committee of the Council on Engineering, American Society of Mechanical Engineers (ASME International) regarding national energy needs, and to offer comments on appropriations for Fossil Energy and Energy Conservation programs at the Department of Energy.

The 125,000-member ASME is an international engineering society focused on technical, educational, and research issues. The Energy Committee consists primarily of members representing eight technical divisions whose activities address energy technologies and energy resources.

ROLE OF TECHNOLOGY IN MEETING OUR ENERGY NEEDS

Increased national and international concerns about the environment are placing higher demands on the performance of our energy systems. These demands force us to make choices that balance economic growth and environmental quality. Investments in science and technology, particularly basic research, are essential for enabling our nation to meet our needs for inexpensive energy that is produced and consumed in an environmentally friendly manner. Such investments stimulate the development of innovative technologies, conquer major science and technology challenges, and maintain our educational pipeline to ensure a supply of human capital to address future energy needs.

RECOMMENDATIONS CONCERNING ENERGY POLICY

Energy R&D is one of ASME's three most important topics of concern according to a recent survey of our membership on public policy issues. Energy Committee members recommend support for an energy policy that:

—maintains US competitiveness in the international marketplace and preserves jobs in our energy extraction and manufacturing industries;
—ensures against energy disruptions due to external threats of interrupted supplies or infrastructure failure;
—provides low cost energy to maintain our economic growth;
—includes strong programs to improve the efficiency of our electricity generating systems and increase the efficiency of energy use in the buildings, industrial, and transportation sectors;
—seeks technological solutions to concerns about global climate change and the emission of pollutants associated with energy use; and
—protects the environment in all phases of the energy cycle from the extraction of fuels to the ultimate disposal of the byproducts.

PROJECTED USE OF FOSSIL FUELS

Fossil fuels have been the mainstay of the world's energy supplies for the past 150 years. It is well established that carbon dioxide concentrations have increased by 30 percent since pre-industrial times and that the energy industry contributes 80 percent of the anthropogenic emissions of carbon dioxide. Less well established is the cause and effect relationship between CO_2 emissions and global climate change and also the timing and magnitude of these changes with respect to our increased use of fossil fuels.

Globally, energy use is likely to triple or quadruple in the next 100 years to meet a growing world population and associated economic aspirations. Fossil fuels will provide the bulk of this new energy. Even with a 30-fold increase in the use of renewable energy technologies by 2050, fossil fuels will dominate the energy supply and demand well into the next century.

ASME issued a general position paper on Technology Implications for the U.S. of the Kyoto Protocol Carbon Emission Goals in February 1999. Among the paper's conclusions was that the development and deployment of a broad suite of conversion and utilization technologies must be dramatically accelerated to meet the Kyoto goals. We also concluded that a time scale longer than that proposed by the Kyoto Protocol would be needed to achieve these goals, even with accelerated programs.

To mitigate the potential consequences of increased carbon dioxide concentrations in the atmosphere, we believe it is prudent to look at ways to reduce CO_2 emissions by:

—improving the efficiency of energy production and utilization;
—moving to less carbon-intensive fuels; and,
—capturing or sequestering carbon dioxide emissions

Any climate change strategy will fail unless longer-term, advanced fossil energy technologies are part of the solution. Our fossil fuel programs must take a longer-term view, perhaps as far out as 2050. A shorter-term focus prohibits the development of effective technologies for the long-term use of fossil fuels. The Department of Energy's Comprehensive National Energy Strategy must include recognition of the inevitable increased use of fossil fuels by our international neighbors, such as China and India. We therefore urge your support for fossil fuel technologies which we can export internationally, thereby ensuring the vitality of our national energy industries while acting as responsible global citizens in promoting overall reductions in carbon dioxide emissions. We also note that meeting our future energy needs in a manner consistent with national and global well-being will require development of a broad suite of technologies ranging from renewables to nuclear energy, in addi-

tion to fossil energy. We advocate fuel diversity, both with respect to different types of fossil fuels and with respect to other energy generation technologies.

We also support legislation such as S. 296, which would authorize the doubling of federal investments in civilian energy R&D over the next 11 years.

FOSSIL ENERGY PROGRAMS

We are disappointed that the Administration has recommended less fossil energy funding research this year compared to last year's appropriations. The Administration's budget is also $31 million less than recommended by the PCAST study on Federal Energy R& D for the Challenges of the 21st Century. ASME's Energy Committee last year issued a position paper analyzing the PCAST study, concluding that significant funding increases above the PCAST recommendations are required for fossil energy R&D.

Given the current and projected dominance of fossil energy use compared to other fuels, small improvements in fossil energy technology can yield large environmental and economic benefits. We therefore recommend increased funding for the following fossil energy programs in excess of the Administration's budget request:

Vision 21

We urge your continued support for this integrative program that makes efficient use of a wide range of fuel feedstocks to produce electricity, steam, chemicals, hydrogen, transportation fuels, and useful byproducts. With carbon sequestration, these Vision 21 plants can have virtually zero discharges, and thus eliminate concerns about increased carbon dioxide emissions. We recommend fiscal year 2000 funding in the range of $50—$100 million for Vision 21 programs, with levels approaching $150 million in the out years. Funding for carbon sequestration should be increased to $25 million for fiscal year 2000 with levels of $50 million per year in the out years.

Advanced research

We also recommend advanced research to develop better materials, to develop newer advanced cycles using natural gas, coal, or syngas for energy production, and to produce liquid transportation fuels, which have fewer emissions.

Clean coal technologies

We advocate the deployment of Clean Coal Technologies and urge consideration for programs which provide incentives for deployment of these technologies both nationally and abroad. We recommend investments in developing intermediate range turbines to increase the competitiveness of US manufacturers in this area.

Fuel cell R&D

We are particularly disappointed in the Administration's proposed reduction in fuel cell R&D. These advanced technologies have the potential for providing major new power generation alternatives for the US and abroad. We recommend an additional $10 million for fiscal year 2000.

Methane hydrates and oil R&D

We recommend that research on methane hydrates be emphasized since these vast energy resources could provide a major source of natural gas, a less carbon-intensive fuel. We also recommend support for oil technology programs to assist our smaller producers to increase their production capability, thereby maintaining domestic employment and increasing our national energy security through enhanced recovery programs.

Climate change initiatives

We recommend that government-wide initiatives in addressing climate change and carbon sequestration be coordinated under the Office of Fossil Energy.

PROGRAMS IN ENERGY CONSERVATION

Emissions of carbon dioxide are projected to increase in several energy sectors in the future, particularly the transportation sector, whose emissions are expected to increase nearly 50 percent over the next fifty years. At a strategic level, we recommend:

—continued emphasis on developing more energy efficient transportation vehicles and the increased use of alternative fuels lower in carbon intensity which emit fewer pollutants;

—research in new materials and vehicle designs to increase fuel efficiency; and

—continued cooperation of the Office of Transportation Technologies, the Office of Industrial Technologies, and the Office of Fossil Energy in developing new fuels and chemicals.

We support for the Administration's funding request for the Office of Transportation Technologies.

Energy Conservation R&D funding levels proposed by the Administration generally remain below those recommended by PCAST. The Energy Committee believes the potential for systemic efficiency improvement in the industrial sector is neglected in the DOE's Energy Conservation budget request, which proposes only a 3.1 percent increase compared to the 25–50 percent increases proposed for the other sectors. The Industries of the Future Program offers much promise in developing energy efficient processes which are also environmentally friendly. We support continued funding for these programs, especially in crosscutting areas such as advanced materials, combustion, and reduced carbon emissions. We recommend increased funding to a minimum of $180 million for fiscal year 2000 for programs administered by the Office of Industrial Technologies.

While the Energy Committee believes substantial increases in funding are necessary for the buildings sector, we are concerned that the proposed increases for building technology may invite expenditures that would be more prudently allocated by budget growth over a more extended period.

PREPARED STATEMENT OF THE NATIONAL CORN GROWERS ASSOCIATION

Mr. Chairman and members of the Subcommittee, the National Corn Growers Association representing 30,000 corn growers in 48 states, appreciates this opportunity to provide the Subcommittee with our recommendations regarding the fiscal year (FY) 2000 Interior appropriations bill. Thank you for your leadership in ensuring that start-up funding for the agriculture vision, the "Renewables Vision", was included in the fiscal year 1999 Interior appropriations bill. This year, we, strongly, urge you to provide $10 million for the Department of Energy's PlanVCrop-Based Renewable Resources Vision 2020 research program (Renewables Vision) that is funded under the Industries of the Future (Specific) program within the Energy Conservation budget.

The fiscal year 1999 Interior appropriations bill provided, approximately, $2 million to execute research in bio-based renewable feedstocks to support the Renewables Vision. The Administration includes $4 million for the program in the fiscal year 2000 budget request. While we appreciate the Administration's recognition of the importance of this program, we believe that $4 million is insufficient to accomplish the minimum objectives of the Renewables Vision.

BACKGROUND ON THE RENEWABLES VISION

To increase energy efficiency and boost long-term competitiveness, the U.S. agricultural, forestry, and chemical communities began working, in 1996, with the Office of Industrial Technology (OIT) at the Department of Energy (DOE) to develop a long-term, strategic vision based on increased utilization of renewable inputs for basic, chemical building blocks. In February 1998, the unique, broad-based coalition of growers, manufacturers, environmentalists, academicians, and state and Federal governmental agencies unveiled a long-term, strategic vision called the "PlanVCrop-based Renewable Resources 2020" (Renewables Vision). The coalition agreed to work towards achieving significant increases in the use of crops, trees, and agricultural wastes as feedstocks to produce a wide range of everyday consumer goods and industrial products.

The vision is to provide continued economic growth, healthy standards of living, and strong national security through the development of planVcrop-based (often referred to as "big-based") renewable resources that are a viable supplement to nonrenewable, diminishing fossil fuels. The principal goal of the Renewables Vision is for renewable big-products to capture 10 percent of the basic chemical building blocks market by 2020 and to achieve 50 percent of that market by 2050. Gaining 10 percent of the market would represent a five-fold increase from today's tiny market share of these basic, chemical building blocks. The Renewables Vision envisages supplementing petroleum with big-based renewables as sources of material inputs that can be used as industrial building blocks to create a wide range of consumer products.

In addition to the principal goal stated above, vision goals include:

—Establishing plant-based (i.e., crop, forestry, and processing) systems with efficient conversion processes that allow an economically viable and environmentally sensitive manufacturing platform for selected products by 2020; and

—Building collaborative partnerships among industrial stakeholders, growers, producers, academia, and federal and state governments to develop small-to large-scale commercial applications that improve integration along the value-added processing and manufacturing chain.

Accomplishing these goals will help to cut costs, decrease our dependence on oil imports, reduce greenhouse gas emissions, increase recycling opportunities, and create world-class industries here at home and revitalize our rural economies.

Due to the volatility in oil prices, the power of unstable oil exporting countries affects the price of gasoline and many consumer goods, such as plastics, given our ever-increasing reliance on imported oil. The U.S., currently, imports more than 50 percent of domestic petroleum consumption, and, by 2020, net imports are expected to grow to over 65 percent. To ensure sustainable economic growth, the U.S. needs a secure, long-term supply of durable, high-performance raw material inputs. Both renewable resources and non-renewable basic building block resources for industrial production will be needed in the future.

While we have a finite supply of fossil fuels, we have abundant planVcrop-based resources, in the U.S., that are renewable over short periods of time (e.g., annual and perennial crops). Renewable materials, from American-grown crops, trees, and agricultural wastes can provide many of the same basic, chemical building blocks as petrochemicals, and can provide others that petrochemicals cannot. Using historical, average prices for corn and oil, the cost of carbon from corn approaches the cost of carbon from oil.

To achieve the bold vision, we must begin laying the research foundation today. If we are to realize, fully, the potential for big-based resources as a supplement to fossil fuels, we need new routes for more efficient processing and utilization as well as a whole range of plant-derived building blocks. New technologies require time to develop and implement. Now is the time for significant research and development on what renewable sources and novel processes might be available, and for beginning to develop selection criteria among the possible alternatives.

After the Renewables Vision was unveiled in 1998, work on a technology roadmap began. Inputs were gathered from two workshops with scientific and marketing experts from a broad range of disciplines. The roadmap, published in February 1999, identifies performance goals and establishes a focused research and development agenda for developing the technologies needed to make the industry vision a reality. The technology roadmap identified research needs in four major research categories. For each of these categories, the top priority is—

—Plant Science—understand gene regulation and control of plant metabolic pathways;

—Production—alter plants to produce components of interest rather than heterogeneous seeds;

—Processing—develop new separations methods—membranes, distillation, etc.; and

—Utilization—understand structure function relationships for plant constituents (protein, starch, etc).

We do not expect all of this research to be funded under the Interior appropriations bill. OIT funds will be for projects that address its mission of improving energy efficiency and environmental performance. Fulfilling the vision of a big-based economy will require vast resources from numerous public and private organizations. A coordinated, industry-led effort, operating under the auspices of the Industries of the Future program will help us achieve the goals of the Renewables Vision.

STATUS OF FISCAL YEAR 1999 AWARDS

The OIT, working with the industry partners, is in the process of distributing the fiscal year 1999 funds through a competitive solicitation. Industry executives have created an executive steering group to help guide the process and review potential areas of research. A request for proposals was issued in early February 1999. The deadline for submitting proposals is April 23, 1999.

For fiscal year 1999, the focus will be on a few, selected priorities in the processing and utilization categories identified in the Technology Roadmap. All proposals must be "multi-institutional" (i.e., at least two organizations must be involved in the proposed research) and a 50 percent cost-share is required. It is anticipated that the DOE will award 3 to 6 cooperative agreements with total funding per project ranging between $200,000 to $600,000 per year for a two or three year period.

CONCLUSION

Increased population, coupled with rising demands for consumer products and finite fossil fuels, will require us to increase, substantially, the amount of bio-based feedstocks for industrial production if we are to meet these needs and demands. At the same time, we must decrease our reliance on unstable foreign oil supplies. We are at a unique place in history in that the tools are beginning to be available that will revolutionize the American and global economies and ensure that future demand is met with the increasing use of renewable resources as basic, chemical building blocks. Today, the 21St Century is referred to often as the "Biology Century" because genomics (i.e., the science of identifying the location and function of genes), coupled with biotechnology, is ushering in a new age of innovation in plant-based technologies that will revolutionize the American and world economies. We will be able to meet the challenges of the 21St century much sooner if we focus our efforts towards the ambitious Renewables Vision and act now to fund much needed research.

Multi-disciplinary research, along several different pathways, will be necessary to improve the performance of plant resources as raw materials. For the long-term success of the program, it is critical that research in the broad, major research categories, identified in the roadmap, be coordinated and integrated to ensure that progress is made on all fronts. With a significant increase in appropriations for the OIT Renewables Vision, funding could be provided for projects that address the highest priorities in each of the four major research categories listed in the roadmap, not just in plant utilization and processing. Support could begin for projects that show clear linkages across all of the major research categories in the roadmap.

We, strongly, urge you to provide a minimum of $10 million for fiscal year 2000 for OIT to implement, more fully, the technology roadmap. The agriculture team at OIT has a unique research and development focus and a decision-making process that relies heavily on funding high priority research targets developed by industry partners. This funding will help to ensure that we can meet the ever-increasing world demand for basic, chemical building blocks by using plant and crop-based feedstocks. We look forward to working with you as we lay the foundation for renewable chemical building blocks.

PREPARED STATEMENT OF CONN ABNEE, EXECUTIVE DIRECTOR, GEOTHERMAL HEAT PUMP CONSORTIUM

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to present my testimony to you today. My name is Conn Abnee and I am the executive director of the Geothermal Heat Pump Consortium (GHPC). The Geothermal Heat Pump Consortium is a non-profit, public-private partnership between the Department of Energy, electric utilities serving over one-half the residential meters in the United States, geothermal heat pump manufacturers, energy service companies, drillers and mechanical contracto rs. Well over 800 organizations are part of this effort, which is a central feature of the Administration's Climate Challenge Program.

Under Climate Challenge, DOE and the private partners, pledged to move forward on a comprehensive program to dramatically boost consumer acceptance and installations of geothermal heat pumps in recognition of the tremendous energy savings to consumers and environmental benefits through reductions in greenhouse gas emissions. The private partners agreed to match DOE contributions on a two for one basis.

To date, GHPC's program under its grant from DOE has focused on numerous activities designed to strengthen the industry=s infrastructure and jumpstart the technology into the marketplace. We've supported short-term R&D to generate better information about the benefits of geothermal heat pumps and to ensure more successful and cost-effective applications. For example, research on products used in the installation process resulted in an enhanced product that will lead to more cost-effective installations. We've co-funded market mobilization demonstration programs to help utilities and their subsidiary energy service companies learn how to deploy the technology during a period of rapid electric industry restructuring. Over 30 projects have been successfully implemented throughout the United States. We've supported a training and technology transfer program to ensure a growing infrastructure of trained designers and installers. In 1997, GHPC established six centers that have already trained over 1,000 technicians. We also implemented a design assistance program to help customers, particularly schools and owners of commercial facilities, understand that geothermal heat pump systems are the most cost-effective pollution prevention technology for their facilities. To date, over 80 percent of the projects

that have chosen a heating and cooling system will use GeoExchange technology. Through these approaches, GHPC has played a lead role in increasing market deployment of geothermal heat pump technology.

GEOTHERMAL HEAT PUMPS: A UNIQUE RENEWABLE TECHNOLOGY

Geothermal heat pump technology, also known as GeoExchange, is a renewable technology that uses the Earth as a source and sink for energy to heat and cool buildings, and to heat water. GeoExchange systems do this through the use of direct connections to the ground or surface waters—usually closed water/antifreeze loops that transfer heat back and forth between the ground and a building without depleting or affecting groundwater resources. The loops consist of polyethylene piping, which are laid out in shallow vertical wells, horizontal trenches, or in ponds. GeoExchange systems can operate in virtually all climates and soils—tapping a resource that is right under our feet in our own backyards and parking lots.

There are over 400,000 GeoExchange installations in North America to date. GeoExchange systems are used in homes and commercial applications, bringing economic benefits to businesses ranging from hotels and resorts, to large and small office buildings, to schools, and to restaurants and convenience stores.

The GHPC and the DOE are beginning a new phase of the partnership with many of the fundamental building blocks necessary for market acceptance of this new technology being established and fundamental R&D having been completed. Over the last three years, the GeoExchange industry has shown remarkable growth, largely due to the programs put in place by the Consortium. Though GeoExchange technology represents less than one percent of the overall heating and cooling market, installations have increased by 20 percent in each of the three years. Through that success, the focus of DOE and the Consortium is shifting toward a more market segment specific program.

ENERGY SMART SCHOOLS

The Consortium's focused approach would target specific market segments in the commercial sector that can lead to continued growth in the industry and increased economic, energy and environmental benefits for the nation. Last fall, the Secretary of Energy announced the Energy Smart Schools program, an initiative to reduce school energy costs and redirect savings towards children's education. There is no heating and cooling technology in the market today that can demonstrate such significant energy cost savings and other benefits than GeoExchange. Even before this initiative was announced, the Consortium had been focused on working with school systems to show them how energy costs can be reduced with this technology. We have had remarkable success in gaining school system acceptance of our technology. There are now more than 500 school installations across the country using GeoExchange.

We believe that the Energy Smart Schools program can have true success at achieving dramatic reductions in energy costs. Schools using GeoExchange are realizing savings of 25–40 percent annually on their heating and cooling bills. At Kittitas Middle School in Kittitas, Washington their GeoExchange system has led to a significant reduction in energy consumption and maintenance costs. In addition, the school is able to maintain constant temperatures in both the classrooms and the gymnasium, creating a pleasant environment for both staff and students. And the science and administration buildings at Whitman College in Walla, Walla both use GeoExchange systems.

While we do not believe we are the only solution to reducing school energy costs, we do believe that the Consortium is ideally qualified to play a major role in the Energy Smart Schools program. Working with DOE to advance the Energy Smart Schools initiative is the logical outgrowth of our work over the past three years. But to be successful, it will require a well constructed, concentrated program with dedicated funding. To accomplish those goals, we are seeking an appropriation of $6.5 million in energy conservation building technology funds.

With those funds, we will be able to build on our existing infrastructure and conduct a more comprehensive program to boost acceptance of this new technology and to increase installations in the commercial market, and especially the school market by conducting the following activities:

—Market education
—Strategic outreach to commercial customers, such as school superintendents and school board officials
—Design assistance and feasibility analysis
—Training for engineers and architects
—Design conferences and workshops with DOE

—Business planning assistance for utilities and energy service companies to promote GeoExchange without expensive rebates or other subsidies.

You may be interested to know that there is alot of GeoExchange activity in Washington. Other facilities that are saving significantly on their energy bills are the county jail and the Tower building in Yakima, Grant County Courthouse in Ephrata, the city hall in North Bonneville, the City Light building in Tacoma, and Prairie Electric's office building in Vancouver. In addition, there are numerous installation companies in the state that have increased their bottom line by incorporating GeoExchange technology into their business.

Mr. Chairman, at the Consortium, we have gained valuable experience and demonstrated real success at moving toward the Administration's goals of dramatic reductions in greenhouse gas emissions. We look forward to helping school systems improve classroom comfort, make significant reductions in their utility costs related to heating and cooling and enabling them to redirect their investments into books and computers. Thank you for considering our request. We hope you will direct DOE's support for phase 2 of our program.

PREPARED STATEMENT OF THE COUNCIL FOR CHEMICAL RESEARCH

ISSUE

The mission of the U.S. Department of Energy's Office of Industrial Technologies (OIT) is to help U.S. industries realize substantial improvements in energy efficiency, waste reduction, and productivity. OIT acts as a leading federal interface for the Nation's major process industries (chemicals, agriculture, aluminum, mining, forest products, steel, metal casting, glass, and petroleum refining). Focused by key technology roadmaps, OIT funds high-risk, cost-shared, industry-driven cooperative R&D through the partnerships of the "Industries of the Future" program. The leveraging of resources represented by this program is an important element to ensure the competitiveness of these industries in global markets.

POSITION

The Council for Chemical Research (CCR) believes that the full potential of the "Industries of the Future" program can be realized through appropriate funding levels deployed in ways that recognize the different nature of all the industries involved. In all cases, substantial leverage is obtained by catalyzing productive interactions between industrial, academic, and government laboratories. Leveraging may be accomplished by the development of technology roadmaps, investment in precompetitive and crosscutting technologies, and the development and demonstration of advanced technologies beyond the normal risk profile of industrial companies themselves.

CCR reaffirms its conviction that improved industrial technologies are critical to the Nation's future, that R&D aimed at long-term goals is essential, and that the chemical sciences and engineering play a key role in a broad range of new technologies for the Nation's major process industries. As a high-leverage contribution to these goals, the Council for Chemical Research fully supports the Administration's fiscal year 2000 request of $171 million for the Office of Industrial Technologies.

Because of the complexity, size, and diversity of the chemical industry (more than 7,300 companies in SIC Code 28), CCR believes that additional and continuing activities to develop and renew the research agenda of Vision 2020 should be funded within the fiscal year 2000 request. Specific research programs should be funded in areas where technology roadmaps have been developed, including polymers and other materials, catalysis, separations, bioprocessing, computational techniques, and advanced measurement and control.

RATIONALE

Industry uses more than a third of the energy delivered in the U.S. and spends tens of billions of dollars annually for pollution abatement and control. Seven industries account for 82 percent of the energy used in manufacturing: pulp and paper; steel; aluminum; metal casting; chemicals; petroleum refining; and stone, clay and glass. These industries also account for more than 80 percent of the air emissions and 90 percent of the waste produced by U.S. manufacturing. The Office of Industrial Technologies focuses on developing innovative technologies to assist major industry sectors in becoming more resource efficient and, by that, more productive and competitive, and less polluting.

Despite its modest funding, the "Industries of the Future" framework plays a key role and exerts high leverage for the development of needed technologies. OIT's initiatives bring different perspectives together on the appropriate research agenda, stimulate collaborative programs, and help develop and demonstrate innovative technologies beyond the risk tolerance and horizons of the chemical industry today, but needed for Vision 2020. At the same time, ownership of the fully developed technologies will reside appropriately in the private sector, which will make the necessary investment when it is economically attractive.

PREPARED STATEMENT OF THE ELECTRIC VEHICLE ASSOCIATION OF THE AMERICAS

INTRODUCTION AND OVERVIEW

This testimony is presented on behalf of the Electric Vehicle Association of the Americas (EVAA), a national non-profit organization of electric utilities, automobile manufacturers, state and local governments and other entities that have joined together to advocate greater use of electricity as a transportation fuel. Recently, the EVAA consolidated with the Electric Transportation Coalition (ETC), and our new organization, headquartered in Washington, D.C., is now the single, united voice for the use of electricity in the transportation sector. A membership list of the newly combined EVAA and ETC is attached.

A principal activity of the EVAA is to encourage the adoption of incentive-based policies and programs to support the development of a widespread and sustainable market for electric modes of transportation for use in on-road and off-road applications. Electric vehicles (EVs) provide significant environmental, energy security and energy efficiency benefits. For example, EVs offer significant reductions in VOCs and NO_X, the major precursors to ozone. In addition, widespread use of energy efficient EVs would help to reduce transportation-related greenhouse gas emissions. Finally, EVs can be domestically produced from a wide variety of fuel feedstocks. This domestic orientation offers an important energy security advantage at a time when the U.S. is importing more than one-half the oil it consumes.

After many years of research and development, all of the world's major automobile manufacturers, as well as several independent small businesses, have EVs available to the marketplace. Not surprisingly, these vehicles are expensive. Until greater volumes are achieved, the price of EVs is likely to remain high. The EVAA urges the Congress to assist industry by helping to reduce the cost to the early purchasers of EVs. By increasing the number of vehicles sold or used, the price of these emissions-free modes of transportation will decrease. In addition to federal government assistance to Agrow the numbers@ of EVs on the road, the EVAA also supports current DOE programs that will result in the testing and demonstration of products, the improvement of components for EVs, particularly batteries, and the cost reductions attained by these R&D activities.

More specifically, the EVAA believes the role of the federal government is essentially four-fold: to continue to participate with industry in efforts to advance electric transportation technologies through programs like the United States Advanced Battery Consortium (USABC); to join industry in the test and evaluation of the latest EV technologies through programs like the Department of Energy (DOE) Field Test and Evaluation Program; to work with communities and industry to facilitate deployment of the infrastructure required to support the convenient and safe operation of EV; and, to use the purchasing power of the federal government to initiate the market for EVs by acquiring commercially-available products for federal agency fleets.

The EVAA urges the Subcommittee to provide funding to a number of DOE programs essential to the development of EVs. The partnership of the federal government will help industry successfully introduce clean transportation technologies to the market, and will further the national policy objective of increasing clean, domestic and alternative fuel use.

INDUSTRY GOALS AND OBJECTIVES

Four years ago, the ETC adopted a strategic business plan to assure the successful commercial launch of electric vehicles. The "EV Ready Market Launch Framework" calls for the building of a partnership among the automobile industry, the electric utility industry, the federal government, and several key communities around the U.S. to establish the basis for a long-term and sustainable market for EVs. The goal of the plan is to demonstrate the viability of EVs through the successful deployment of up to 5000 EVs in eleven urban areas. To achieve this goal, the Framework focuses on insuring the purchase and placement of vehicles and pre-

paring the infrastructure systems in eleven target communities to support EVs. Under the plan, "infrastructure" is defined to encompass not only charging systems, but also financial and non-financial incentives, training, code and standard modifications, and public awareness. The six principal elements of the Framework are:

—Initiation of a commercial demonstration of up to 5000 electric vehicles in up to eleven urban jurisdictions;
—Government (federal, state and local) purchase agreed-upon number of vehicles in each urban area;
—Utilities in selected areas purchase agreed-upon number of vehicles and secure investment of up to $2,000 per vehicle for charging infrastructure;
—Vehicle manufacturers make available, and support the sale of, electric vehicles;
—Seek to ensure that one-half of the vehicles placed into the eleven urban areas are equipped with advanced batteries and/or other enabling technologies; and,
—Seek a $10,000 per vehicle government incentive for EV purchases.

ROLE OF DOE IN MEETING INDUSTRY GOALS AND OBJECTIVES

A number of the on-going DOE EV-related programs are providing critical support to the success of this efficient and clean transportation technology. These DOE programs complement and augment other work that is being undertaken by industry separately or in partnership with other federal agencies. If fiscal year 2000 appropriations for these DOE programs are significantly reduced or eliminated, the requirements for funding would fall to other parties who may not be able to increase investments even further in order to move this technology into the marketplace. The important DOE programs supporting EV development include the following:

THE UNITED STATES ADVANCED BATTERY CONSORTIUM

The Coalition supports funding for the USABC at the $11 million level requested by the Administration. The USABC is a battery research and development program critical to the advancement of EVs. Full-size battery packs and their components, such as cells and modules, are being developed through research contracts and then tested by the developers, U.S. automobile companies, and national laboratories. Battery packs also have been installed in prototype EVs being operated at electric utilities and testing facilities of U.S. automobile companies. It is important to note that without the limited federal assistance already invested, the advancements in battery technology accomplished to date through the USABC probably would not have been achieved. Individually, companies cannot, or are unwilling to, make the significant investment required to conduct advanced battery research. Largely as a result of the USABC partnership, all of the major automobile manufacturers have announced that nickel metal-hydride batteries will be offered in 1999 EV models.

An increase in FY2000 funding for the Electric Vehicle R&D program will fund research, development and validation testing of lithium-based batteries and initiate a third phase development with the USABC. An important goal for the Electric Vehicle R&D program in FY2000 is to complete extended testing of USABC long-term, lithium-polymer batteries to determine battery life and safety under accident conditions.

FUNDING FOR THE HYBRID PROPULSION SYSTEMS DEVELOPMENT PROGRAM

The EVAA supports the efforts of industry and the federal government to develop affordable hybrid vehicles with high fuel economy and ultra-low emissions. DOE's Hybrid Systems R&D fiscal year 2000 goals include testing to meet high power energy storage requirements, demonstration of improvements in fuel efficiency, and reductions in particulate and oxides of nitrogen emissions. The long-term goal of the hybrid propulsion systems development program continues to be development of a production prototype hybrid electric vehicle that will meet the PNGV goal of 80 miles per gallon in 2004.

FUNDING FOR THE VEHICLE FIELD TEST AND EVALUATION PROGRAM

The Electric Vehicle Association of the Americas adopted specific, targeted goals in 1998 to assure adequate penetration of EVs in key target markets throughout the United States. One key sector targeted for EV acquisitions is federal agency fleets. The U.S. Department of Energy, through the Secretary of Energy Federico Pena, committed to facilitate the purchase and use of up to 500 EVs in these federal fleets. With assistance from EVAA and the Edison Electric Institute, the DOE has initiated a Federal Electric Vehicle Acquisition (FEVA) Program as a means to assure that the federal government reaches its commitment to acquire 500 EVs. The FEVA Program is targeted to the placement of EVs in federal agency fleets oper-

ating in key Market Launch communities. To achieve this end, electric utilities have stepped forward to "manage" EVs that have been acquired by the DOE. Each participating utility is managing up to 5 EVs that are being placed into the fleets of participating government agencies. In 1998, awards were issued to six electric utilities that are participating in the program: the Potomac Electric Power Company, Southern California Edison, San Diego Gas and Electric Company, Virginia Power, Georgia Power, and Boston Edison. The electric utilities in these areas are providing the service and supporting infrastructure for the vehicles. Some of the Vehicle Field Test and Evaluation Program monies are used to fund the costs associated with the lease or purchase of the EVs used in the program, or to fund the administrative costs associated with each electric utility's program. The vehicles are managed by the local utility and are loaned B free of charge B to interested federal agencies. Once those federal agencies use the vehicles they are then encouraged to place orders to acquire their own EVs. The Department of Energy will assist those federal agencies by supporting the difference in costs to the agency associated with the EV.

The FEVA Program is bringing results. For example, 20 federal agencies in Washington, D.C. have been loaned Ford Electric Rangers, including the Departments of Energy and the Interior, the Environmental Protection Agency, the Smithsonian, the Architect of the Capitol. As a direct result of the FEVA program, federal agencies in the Washington, D.C. area are procuring EVs for use in their fleets.

Importantly, the Vehicle Field Test and Evaluation Program also provides funding to federal agencies to cover the incremental cost for purchase or lease of an electric vehicle. As of this writing, federal agencies throughout the U.S. have requested funding from the Department of Energy to cover the incremental cost of approximately 150 EVs that the agencies are seeking to place in their fleets. While these orders are encouraging, much more should be done. Indeed, federal law (Public Law 102–486) requires federal fleets to transition to alternative fuels and these fleet conversions have been far short of statutory requirements. Department of Energy must be encouraged to do more.

With 500 EVs as the target, the EVAA urges the Congress to insure that the Vehicle Field Test and Evaluation Program has sufficient funding to accomplish the following:

—adequate financial resources to support federal agency requests to provide funding to cover the incremental cost differences for as many as 350 EVs purchased or leased by these federal agencies, with contracts for these vehicles to be made before the end of this calendar year;

—appropriations to support up to 5 additional Market Launch communities to participate in the on-going FEVA program, which includes the acquisition of up to 30 EVs for use by the participating utilities, as well as support of those utilities for the costs incurred in administering the program; and,

—appropriations adequate to support the efforts of the U.S. Postal Service as more fully described below.

Earlier this year, the United States Postal Service (USPS) issued a solicitation for 500 electric powered carrier route vehicles in 1999, with options for another 5,500 additional vehicles. The contract for the first 500 EVs is valued at approximately $17 million, or $34,000 per unit. The USPS represents an important guaranteed market for EVs and the Department of Energy should be encouraged to provide adequate funding to cover the incremental costs for these vehicles.

The Administration's fiscal year 2000 budget request includes $4 million for the Vehicle Field Test and Evaluation Program. The key to successful deployment of this new technology is now widespread use. The greater the number of vehicles, or use of EV components, the more likely we will be able to reduce costs and increase consumer confidence. Therefore, EVAA requests an increase of $2.5 million to the Vehicle Field Test and Evaluation Program to fund the incremental costs of EV acquisitions like those planned by the United States Postal Service. Further, DOE should consider supporting large scale demonstrations of electric bikes and scooters in municipal government operations (e.g., police departments.) Not only will this improve air quality, and increase exposure of the technology to potential new customers, these types of programs assist in bringing down the cost of batteries—a major barrier to the successful commercial launch of electric modes of transportation. Whereas the Vehicle Field Test and Evaluation Program is slated to fund a variety of EV-related activities at the Department of Energy, EVAA believes the funds could be best utilized by meeting the goals and commitments that industry and government agreed to under the EV Market Launch Framework (i.e., the placement of a significant number of electric vehicles in the federal fleet.)

Further, to expedite the acquisition of EVs by federal agencies, innovative leasing arrangements should be encouraged. For example, EVAA applauds General Services Administration (GSA) efforts to provide a "pass through" lease program with the

federal agencies. Through this program, GSA signs a lease with the participating automobile manufacturer, and the federal agency interested in leasing an EV then signs a lease with GSA. This allows the federal agencies to continue their relationship with GSA, an agency the federal agencies have worked with for many years.

OTHER DEPARTMENT OF ENERGY PROGRAMS OF INTEREST

In addition to the programs outlined above, the Association also supports funding to a number of other AFV programs administered by the DOE.

To assure that the marketplace is prepared and receptive to new forms of transportation like EVs, the Association encourages full funding, at the levels requested by the Administration, of DOE's programs designed to create an infrastructure for alternative fuel vehicles, including EVs, and to build public awareness and confidence in these new modes of transportation. These funds include $10.7 million for the Clean Cities program to support the demonstration of alternative fuel and advanced vehicle technologies and $2 million for the EPACT Replacement Fuels Program to track and improve compliance with EPACT alternative fuel vehicle programs. Further, EVAA supports the $41.4 million in funding being requested by the Administration for continuation of research and development on fuel cell technologies that can be incorporated into advanced transportation technologies. These various activities by DOE encourage investment by industry and help to build market acceptance for alternative fuel vehicles.

CONCLUSION

Recent highly publicized examples of successful AFV models have highlighted the possibilities associated with these DOE programs. While these recent successes demonstrate the progress being made with regard to AFV technologies, now is the critical time to use partnerships with the federal government to develop markets for these products and reduce the costs associated with these cutting edge technologies. The DOE programs mentioned in this testimony are essential to bringing affordable EVs to the public, and the EVAA strongly urges the Subcommittee's support.

PREPARED STATEMENT OF THE BUSINESS COUNCIL FOR SUSTAINABLE ENERGY

INTRODUCTION

The Business Council for Sustainable Energy (BCSE) is pleased to offer its views on the role of government in support of energy research, development, and deployment (RD&D) as it relates to energy efficiency programs at the U.S. Department of Energy (DOE). The BCSE is a diverse group of companies and industry trade associations; our members include manufacturers, energy producers, suppliers, distributors, and energy service companies. The Council supports energy policies and programs that enhance the nation's economic, environmental, and national security goals through the rapid development and deployment of clean and efficient energy technologies.

The Council supports the Administration's fiscal year 2000 request for energy efficiency programs. The BCSE believes that the least intrusive and most efficient means of addressing environmental challenges is to promote cost-shared government-industry partnerships to develop clean energy technological solutions. Expanded reliance on natural gas, energy efficiency, and renewable energy are the three pillars of a more secure and sustainable energy strategy that will help strengthen the U.S. economy and clean up the environment.

The federal government's energy efficiency programs are as diverse as the activities that consume energy. Given their breadth, the BCSE will not attempt to address all of DOE's energy efficiency programs. Rather, we would like to focus on several programs that the BCSE believes illustrate the value of the federal government's energy efficiency effort.

GAS TURBINE & ENGINE TECHNOLOGIES

Microturbines are small (25 to 300 kilowatt) gas turbines derived from automotive and truck turbochargers, auxiliary power units for aircraft or tanks, and small jet engines. They are designed for distributed generation, combined heat, and power (CHP) and mechanical drive prime mover applications. Improvements in materials, ceramic components, and aerodynamic design can potentially increase efficiency to 35 to 45 percent. This is more efficient than power generated at a distant, central-station power plant which suffers losses as it is delivered through the electric transmission and distribution grid. By recovering exhaust heat, energy consumers can

utilize microturbines in a CHP application and raise total fuel utilization efficiency to greater than 75 percent.

Microturbines today can contribute to reducing emissions (NO_X and CO_2) associated with electric power generation. When fueled by natural gas from our domestic resource base, they currently emit NO_X at 9 to 40 ppm, which is an improvement over the existing U.S. generation fleet. Emissions reductions technologies, such as catalytic combustion, offer the potential of near zero emissions levels. To achieve the environmental, efficiency, and cost-reduction goals of the program, the BCSE specifically seeks $2.5 million above DOE's current request of $2.5 million for microturbine engine development research.

Advanced reciprocating engine systems (ARES) are the leading customer choice for distributed generation and CHP applications in the 300 to 3000 kilowatt size range and provide significant advances in efficient use of natural gas resources while minimizing environmental impact levels. This will result in annual NO_X emissions reductions of 40,000 to 60,000 tons per year and CO_2 emissions reductions of 7.6 to 11.5 million tons. Estimated annual savings in unburned natural gas (from improved efficiency) are approximately 110 to170 billion cubic feet, which equals the annual energy consumption of approximately 1.4 million homes.

The ARES program will position domestic natural gas engine manufacturers to compete effectively against foreign engine producers looking to enter the U.S. market as well as further promote and expand export markets for high-technology. The BCSE seeks $2 million for this research. DOE has not requested funding for this program.

ALTERNATIVE FUEL VEHICLES

Transportation is the fastest growing energy consuming sector. In 1998, DOE reported that approximately two-thirds of all U.S. petroleum consumption was directly attributable to the transportation sector. The recent popularity of low fuel economy sport utility vehicles, pickup trucks, and vans used for personal transportation, coupled with an expanding economy, low fuel prices, increasing numbers of drivers, and increasing miles traveled by each vehicle continues to raise the nation's overall fuel consumption. Spurred by this increase in demand, total domestic petroleum use is expected to increase from approximately 35 quadrillion btu in 1997 to approximately 48 quadrillion btu in 2020. Alternative fuel vehicles (AFVs)—including natural gas and electric vehicles—promise to reduce U.S. reliance on imported oil while virtually eliminating emissions of criteria air pollutants. The Administration has been very active in promoting its Partnership for a New Generation of Vehicles (PNGV).

BATTERIES

Advanced batteries are critical to the success of electric vehicles (EVs) and other alternative fueled vehicles. DOE has conducted research, in cooperation with the U.S. Advanced Battery Consortium that has led to significant improvements in battery performance for EVs. One of its singular accomplishments was the Ovonic Nickel-Metal Hydride (NiMH) electric vehicle battery developed by Ovonic Battery Co., a subsidiary of Council member Energy Conversion Devices. The Ovonic EV battery has met or exceeded the mid-term performance goals set by the Consortium, affirming the future market viability of EV technologies. Numerous cars powered by the batteries have far exceeded 200 miles in range in on-the-road test drives. The absence of highly toxic battery materials is another advantage of this technology. High volume production coupled with additional improvements in battery technology will enable the batteries to further improve performance as well as reach the Consortium cost goals.

Notwithstanding the success of the NiMH EV battery program, DOE is focusing its battery research exclusively on lithium based battery technologies. We believe this to be a mistake. NiMH batteries have been developed which demonstrate excellent properties for hybrid electric vehicles. Yet another application of NiMH batteries is for high performance starting, lighting, and ignition (SLI) batteries. Increased use of power electronics coupled with the need to reduce vehicle weight and increase fuel efficiencies in conventional vehicles is creating demand for a low weight higher performing SLI battery. NiMH battery technology shows great promise in this application. Accordingly, the Council recommends that the battery R&D program be expanded to build upon the successful NiMH EV battery development program by including advanced research for NiMH batteries for EV and other vehicle applications.

NATURAL GAS VEHICLES

Natural gas vehicles (NGVs) are certified to be up to 99 percent cleaner than traditionally fueled vehicles and can reduce emissions of carbon monoxide (CO) by 70 percent, non-methane organic gas by 89 percent, nitrogen oxides (NO_X) by 87 percent, and can produce 20 percent fewer greenhouse gases than traditionally fueled vehicles. In 1992, no original equipment manufacturers offered NGVs for sale and few NGV fueling stations were available. Today, over 50 NGV models are available and there are over 1300 NGV fueling stations open nationwide. Despite this impressive growth, the actual number of NGVs on the road is less than one-half of one percent of all registered vehicles. Additional research is required to reduce the initial cost of NGVs, which will encourage their widespread acceptance by the general public.

While DOE has submitted substantial requests for the Partnership for a New Generation of Vehicles program over the past several years, the agency has continued to depart from its commitment to a joint five-year research plan, developed in response to this Subcommittee's request in fiscal year 1997. Accordingly, the BCSE seeks to restore funding levels for priorities identified by the industry and DOE's five-year plan. DOE requested no funds for the light-duty vehicle portion of the plan. $2 million is needed for this program. The plan requested $11.1 million for medium and heavy-duty vehicle research, but the agency has requested only $8.9 million. The Council requests an additional $2.2 million for the program in fiscal year 2000.

FUEL CELL TECHNOLOGIES

Ballard Generation Systems, a BCSE member, will begin field trials on a 250 kilowatt natural gas Proton Exchange Membrane (PEM) at selected sites in the U.S. and internationally in 1999 and 2000. More fuel cell power plants of various power sizes will be available in the future to fill diverse power generation requirements. High-temperature, natural gas fuel cell systems that are presently under development may ultimately be able to achieve a 60 percent fuel-to-electricity conversion efficiency. This is extremely favorable compared with the average of 35 percent fuel-to-electric efficiency for the mix of generating equipment currently used to supply the nation's electricity.

Another key to the successful commercialization of the PEM fuel cell vehicle will be the availability of a safe on-board hydrogen storage device. Energy Conversion Devices has been developing metal hydride alloys to provide a safe solid-state means of on-board storage of hydrogen in PEM fuel cell vehicles. Currently, DOE's support for on-board storage devices for the PEM fuel cell is negligible. Given the importance of this component of the fuel cell system, we would urge greater funding levels for metal hydride storage systems for PEM fuel cell vehicles. These devices would also be the safest means of storing hydrogen in hydrogen powered internal combustion engine or hybrid vehicles as well as for use in fuel cells for stationary applications and or portable power.

Further development of all fuel cell types must focus on refining system designs to reduce costs, improve performance, and minimize maintenance requirements while developing the manufacturing technology needed to achieve market pricing. In order for PEM fuel cell power plants to achieve full commercial status, the aforementioned challenges will need to be overcome. The lessons learned will make U.S. technology more competitive in the global marketplace.

The Council supports the Office of Energy Efficiency and Renewable Energy's fiscal year 2000 request for PEM fuel cells and the Office of Fossil Energy's work on Molten Carbonate fuel cells (MCFC) and Solid Oxide fuel cells (SOFC). However, the BCSE opposes DOE's proposal to shift $4.95 million from the two MCFC teams and the SOFC program and move these funds to its new "Vision 21" Internal Gasification Combined Cycle (IGCC) program. Similarly, $5.1 million which the Department proposes to shift to "Vision 21" support activities within the Fuel Cell Development Program should be restored to the three principal contracts. Without separate funds, the MCFC and SOFC programs will, in DOE's own words, be "stretched out." Additionally, the core fuel cell research underway is fundamental to any new applications in these technologies. Initiating new "Vision 21" fuel cell applications, while diminishing support for core fuel cell research, would appear to be imprudent. Consequently, the Council would like to see the funding returned to the original programs so that existing schedules can be honored and fundamental research can continue.

HEAT PUMPS, GAS COOLING & APPLIANCES

Natural gas cooling technologies are especially energy efficient when measured on a life-cycle and/or full-cycle basis. The societal benefits of natural gas cooling accrue during the hours of the day and months of the year that correspond to the peak demand for electricity. The GAX heat pump, based on a generator-absorber heat exchange (GAX) cycle, is envisioned as the residential space conditioning technology of the future due to its energy efficiency (as much as a 40 percent improvement over existing technologies) and low maintenance costs. DOE is working with industry to develop commercially feasible GAX heat pumps, and a complete prototype was put into full operation at Oak Ridge National Laboratory in 1998. By investing in advanced gas cooling technologies, U.S. industries will be able to capture the growing domestic and global market for clean, efficient technologies. The BCSE supports these programs and places great emphasis on robust research for the GAX and large commercial chiller programs and systems integration of heating, ventilation, and air conditioning.

The Council supports DOE's research and training programs on desiccant dehumidification devices. Desiccants offer the option of decoupling temperature from humidity loads on a building, thus applying exactly the amount of energy needed to satisfy each load independently. DOE is participating in the improvement of this potential new market by studying the properties of newly developed desiccant materials. Further materials characterization, combined with analysis of the effects of desiccant wheel structure and mass on desiccant equipment performance, offer the potential to improve desiccant system economic effectiveness.

DOE should also continue its research and development of energy efficient appliances in residential and commercial buildings, particularly those that utilize alternative fuels. There is an inherent conflict between national increased efficiency requirements and consumers' desire for lower first-cost equipment. Increased-efficiency systems, while offering lower energy costs and (usually) lower life-cycle costs, are increasingly more complex and more expensive than lower-efficiency equipment. Increased research is needed to solve this paradox between efficiency requirements and consumer desires.

In addition to balancing the energy efficiency needs of new appliances with consumers' demands, DOE should educate consumers about the benefits of purchasing high-efficiency appliances, both to themselves and the nation as a whole through reduced energy consumption. Major appliance manufacturers such as Maytag have worked with DOE to help promote efforts to encourage consumers to replace older appliances with newer and more energy efficient models.

INDUSTRIAL TECHNOLOGIES

The BCSE supports DOE's Industries of the Future program and the agency's combustion research efforts. However, the Council believes that DOE should do more to develop advanced industrial boilers and heaters that increase efficiency and reduce emissions. Boilers and steam systems consume over 6.0 quads of energy with approximately half of that consumption represented by natural gas. A recent study by the Gas Research Institute, a Council member, documented that over 80 percent of the Nation's boilers were purchased prior to 1978, with the bulk of the purchases made in the 1960s. The majority of these aging boilers are due for replacement during the next 15 years.

The Super Boilers program (SBP), DOE's effort to replace these technologies, seeks to provide a 50 percent improvement in boiler efficiency over today's models. The Super Boiler will be 50 percent smaller, cost 25 percent less to manufacture and maintain, and will have emissions which meet regulations beyond 2025. The focus of the program is to develop a suite of enabling boiler and combustion technologies under a standardized, common technology platform that will allow low-cost manufacturing of packaged boilers that provide significant benefits over presently available technologies. From an environmental and equipment replacement standpoint, industry and DOE should coordinate their efforts to develop new steam generation technologies in the next 15 to 25 years and beyond. To meet this need, the BCSE seeks $2 million for SBP research. DOE has not requested any funding for this activity.

The BCSE supports OIT's $1 million request for technical assistance activities for combined heat and power (CHP) technologies within the Crosscutting Industries of the Future (IOF) program. This initiative can address barriers and provide technical tools and expertise which demonstrate the successful industrial application of CHP technologies, strengthening awareness of and confidence in their development and deployment. Furthermore, in recognition of the value of CHP applications across in-

dustries, the Council supports the increased adoption and use of CHP within Industrial Distributed Generation activities in the Crosscutting IOF program.

UTILITY PROGRAMS

DOE also has worked effectively with utilities and power authorities to promote energy efficiency. Through voluntary programs such as Climate Wise, DOE has obtained the commitment of utilities to reduce their emissions of greenhouse gases. Generally, activities that reduce emissions also reduce energy use. Climate Wise participants—such as Council member Sacramento Municipal Utility District (SMUD)—have premised their programs on sound economic principles. In fact, SMUD attributes its aggressive support for energy efficiency as a primary reason it has been able to stabilize its electricity rates.

STANDARDS AND INSULATION

DOE has played a constructive role in providing educational and technical support of building codes and standards such as the Model Energy Code and ASHRAE 90.1. These codes and standards—promulgated by private-sector organizations—ensure that our nation's housing reflects good building construction practices and is reasonably energy efficient. In addition, DOE is currently providing educational and technical support to help industry implement the guidelines. DOE also has provided valuable technical assistance to the polyurethane foam insulation industry, helping the industry to find substitutes for some blowing agents used in insulation installation. The new polyisocyanurate insulation performs as efficiently as the prior product.

FEDERAL ENERGY MANAGEMENT

Finally, the BCSE is extremely supportive of the Federal Energy Management program (FEMP) efforts at reducing federal energy usage through the use of energy service performance contracting, reducing energy usage while minimizing up front capital outlays. The federal government spends over $3.0 billion annually to light, heat and cool the interior of buildings it owns and operates. FEMP's progressive program is a model of public/private partnership. Federal facilities, like those occupied by private industry, often can be economically upgraded and retrofitted, reducing the energy required to provide essential building energy services. The BCSE is proud that two of its members, Honeywell and Sempra Energy, won DOE competitive regional solicitations to perform this important work. We believe every agency of the federal government should increase its utilization of energy service performance contracts to take advantage of this approach for upgrading facilities and reducing energy expenditures.

CONCLUSION

The Council recognizes that the Administration's fiscal year 2000 request for energy efficiency programs represent an increase over fiscal year 1999. However, the BCSE believes that the federal government's participation in cost-shared public/private partnerships aimed at developing cost-effective non and low-polluting technologies is the best and least intrusive manner for the government to address our environmental challenges.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES

The National Association of Energy Service Companies (NAESCO) appreciates the opportunity to submit the following written testimony in support of the U.S. Department of Energy's (DOE) fiscal year 2000 budget request for energy efficiency contracting and other energy efficiency project support services.

NAESCO is a trade association of energy service companies (ESCOs) and their trade allies, including utility and manufacturing companies. NAESCO's current membership of over 140 organizations includes firms involved in the design, manufacture, financing and installation of energy efficiency equipment and services in the private and public sectors, including Federal buildings.

The thousands of energy efficiency retrofits installed by NAESCO member companies to date enable energy consumers to save an average of 25 percent of their previous building energy costs. Energy Service Company projects can include non-energy renovations as well as measures to improve efficiency. These projects can be customized for each facility's particular needs. In addition, ESCOs assume the performance and technical risk so that repayment for project costs comes only from measured and verified energy savings generated by a successful, ongoing project. In

this way, the cost of an energy efficiency project is paid entirely from energy savings, requiring no additional budget outlay to support the capital investment.

The Federal Government is the single largest energy consumer in the world. In 1994, the Federal Government spent about $3.8 billion of taxpayer money for the energy it used in the buildings that it owns and leases. Competitively procured energy efficiency improvements, financed by the private sector, can reduce these energy costs by as much as $1 billion per year through the use of Energy Savings Performance Contracts (ESPCs). The capital upgrades and energy cost savings offered to federal facilities through Energy Savings Performance Contracts come at no additional cost to the federal budget, or to American taxpayers.

In line with the reasons and comments set forth below, NAESCO fully supports the DOE's budget requests for the Federal Energy Management Program (FEMP) and for the Rebuild America Program to promote and support competitive energy efficiency contracting in federal facilities.

NAESCO SUPPORTS DOE'S FULL BUDGET REQUESTS FOR ITS FEDERAL ENERGY MANAGEMENT PROGRAM AND ITS REBUILD AMERICA PROGRAM

NAESCO believes that the budget requests for DOE's energy efficiency initiatives through the FEMP and the Rebuild America Program are relatively negligible when compared to the potential for savings to the Federal Treasury and the Treasury of each state and local government. The impact of DOE's efforts in these areas has been significant and deserves the continued support of the Committee.

NAESCO SUPPORTS THE DEPARTMENT OF ENERGY'S CREATION OF THE FEMP SERVICE NETWORK FOR THE PURPOSE OF FACILITATING FEDERAL BUDGET SAVINGS THROUGH ENERGY SAVINGS PERFORMANCE CONTRACTING

The DOE awards delivery orders for private sector energy efficiency investments in federal facilities under its Regional Energy Savings Performance Contracts (also referred to as "Super ESPCs"), that have been awarded as a result of multiple competitive solicitations. In addition, federal agencies may procure private sector energy efficiency services for their facilities through individual Energy Savings Performance Contracts under the procedures set forth in the 1992 Energy Policy Act.

Under the Regional ESPCs, the DOE's approval of a delivery order is required for the Energy Service Company to undertake actual implementation of the energy efficiency project. One of the most difficult issues faced by the Federal Energy Management Program in its efforts to facilitate private sector energy efficiency investments in federal facilities, has been the often significant delay between the initial Energy Savings Performance Contract award and the award of the delivery order itself. In general, the principal cause of delay has been the lack of trained contracting personnel.

To address this problem, DOE's Federal Energy Management Program, during the past year, launched the "FEMP Service Network." Through this program, which operates on a fee-for-service basis, FEMP technical and contracting experts provide support for individual Energy Savings Performance Contracts and for task orders under the Regional Energy Savings Performance Contracts. In launching these services, DOE's Federal Energy Management Program has made expeditious contracting support for energy efficiency projects for federal facilities a priority activity.

The creation of coordinated fee-for-service technical and contracting support, such as that offered by DOE's FEMP Service Network, is a key step in the Federal Government's development of programs to facilitate the installation of energy efficiency upgrades in federal facilities. Therefore, NAESCO strongly recommends that the reimbursable methods authorized by Congress for the FEMP program be authorized immediately for all other agency ESPC contracting offices.

NAESCO also notes that any language referring to "the Economy Act provisions"—such as the language that the Air Force has interpreted to mean that they cannot use DOE contracts—in fact should not be considered germane to the use of one agency's ESPCs by any other agency. NAESCO encourages the Committee to support all efforts to expedite the award of delivery orders once the competitive solicitations have been concluded.

IN ADDITION TO THE FEMP SERVICE NETWORK, DOE'S FEDERAL ENERGY MANAGEMENT PROGRAM PROVIDES CRITICAL TRAINING AND OTHER SUPPORT FOR COMPETITIVE ENERGY EFFICIENCY CONTRACTING IN FEDERAL FACILITIES

The DOE Office of Energy Efficiency, Conservation and Renewable Energy, where the Federal Energy Management Program is located, has demonstrated leadership and initiative on a number of important federal energy efficiency fronts, most importantly:

(1) the ongoing technical guidance and training of Federal energy managers with respect to the development of energy efficiency projects;

(2) the formulation of standardized guidelines and procedures for quantifying the measured and verified energy savings resulting from the installation of energy efficiency measures; and

(3) the development and dissemination of materials designed to educate both the public and private sectors regarding the availability and benefit of energy efficiency measures.

In addition to the above, FEMP provides ongoing training for the over 3,000 energy managers and contracting officers in the Federal Government.

The DOE's support in each of the above areas is essential to ensuring that individual facility Energy Savings Performance Contracts and the Regional Energy Savings Performance Contracts already awarded result in actual energy efficiency projects in federal facilities.

NAESCO SUPPORTS THE DEPARTMENT OF ENERGY'S REBUILD AMERICA PROGRAM, DESIGNED TO INCREASE ENERGY CONSERVATION IN THE STATE GOVERNMENT, LOCAL GOVERNMENT, AND PRIVATE SECTORS

In keeping with its commitment to energy efficiency, the DOE's Office of Energy Efficiency, Conservation and Renewable Energy also has created the Rebuild America Program, which is removing the barriers to increased delivery of energy efficiency in the state government, local government, and private sectors by:

(1) the ongoing technical guidance and training of state and local government organization representatives, as well as schools colleges, universities, and hospitals about how performance contracting works and how to acquire performance contracting services in order to achieve the building upgrades they need, and to have those upgrades paid for out of energy cost savings;

(2) the development of multi-sector energy efficiency project case studies to help customers understand how they can use performance contracting to upgrade their buildings;

(3) the identification of direct actions that can be taken to increase the implementation of energy efficiency measures by ESCOs and other providers, with or without the existence of utility industry restructuring; and

(4) participating in inter-agency and inter-jurisdictional efforts involving DOE, EPA, State Energy offices and State Air offices to develop the necessary guidelines and authorities to allow energy efficiency to be a fully recognized compliance mechanism for air emissions reductions required by the U.S. Environmental Protection Agency under the Clean Air Act.

The use of energy efficiency as an air quality compliance mechanism lowers the cost of achieving environmental objectives, while increasing the market based incentives for energy efficiency investments. DOE's efforts in this regard are especially timely now, since the ongoing restructuring in the electric utility industry is creating a situation where energy efficiency is becoming an ever more important vehicle for addressing energy demand and environmental issues.

CONCLUSION

NAESCO supports full funding for the DOE's Federal Energy Management Program and Rebuild America Program. These programs pay for themselves many times over by generating public budget savings through the promotion and implementation of competitive, performance-based energy efficiency contracting. FEMP program benefits accrue directly to the Federal Government and U.S. taxpayers. Rebuild America program benefits accrue to state and local governments and to U.S. taxpayers at the state and local levels.

Thank you for the opportunity to provide these comments.

PREPARED STATEMENT OF GLENN COONTZ, VICE CHAIR, DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES, URBAN CONSORTIUM ENERGY TASK FORCE

This testimony is submitted for the information of the Subcommittee during the consideration of the fiscal year 2000 budget requests for the Department of Energy (DOE). The Urban Consortium Energy Task Force (UCETF) appreciates this opportunity to update the Subcommittee on the progress of the applied energy research and development activities being undertaken through the DOE's Municipal Energy Management Program (MEMP).

The UCETF is made up of local government energy policy makers and administrators from major urban areas around the United States. Currently, 24 jurisdictions

are represented on the UCETF: Albuquerque, NM; Austin, TX; Chicago, IL; Columbus, OH; Dade County, FL; Denver, CO; Greensboro, NC; Hennepin County, MN; Kansas City, MO; Little Rock, AR; Long Beach, CA; Memphis, TN; Monroe County, NY; Montgomery County, MD; Orange County, FL; Philadelphia, PA; Phoenix, AZ; Portland, OR; San Diego, CA; San Francisco, CA; San Jose, CA; Santa Fe County, NM; Seattle, WA; and Washington, D.C. The UCETF is a subgroup of the Urban Consortium, an organization of the nation's largest cities and counties joined together to identify, develop, apply and transfer innovative approaches and technological solutions to common issues. The Urban Consortium is a program of Public Technology, Inc. (PTI), which is the non-profit technology organization of the National League of Cities, the National Association of Counties, and the International City/County Management Association.

The goal of the UCETF is to act as the premier technology research, development and deployment organization dealing directly with the energy problems and needs of local government. The UCETF meets this objective, in part, by managing a competitive energy program with funding provided by the Department of Energy, Municipal Energy Management Program. The UCETF also undertakes a variety of technology transfer and solution deployment activities designed to widely disseminate the knowledge gained through the performance of local government energy projects to jurisdictions throughout the United States.

THE ROLE OF MEMP IN MEETING LOCAL ENERGY NEEDS

Local governments are in the forefront of the nation's response to interrelated energy supply, clean air and climate change issues. Local governments have assumed leadership roles in energy efficiency programs, ranging from the introduction of advanced energy building retrofit and "green building" practices; to encouraging the use of alternative fuels to cut dependency on imported oil and reduce air emissions from the transportation sector; to developing and implementing local strategies to reduce emissions of greenhouse gases; to recognizing the importance of reducing energy usage, and creating local energy industries, for local economic growth and sustainable development. Larger urban governments in particular have been able to use energy policy and programs as tools to help reduce the cost of government and stimulate the local economy to produce more revenues that can be used to deliver priority services to local populations. The Municipal Energy Management Program directly increases the ability of local governments to identify, design and implement energy policies that support local economic objectives, including jobs growth and retention.

MEMP creates a direct relationship between the Federal government and local governments on energy issues. It is the only Federal energy efficiency research, development and technology application and transfer program directed by local governments, which responds to the specific energy-related needs of local governments.

As administered by the UCETF, MEMP leverages federal, state and local funds for the conduct of competitively-selected energy research and technology transfer projects. The UCETF develops an annual request for proposals for projects that will address the energy-related topics of the greatest common concern among local governments. The RFP is widely circulated through direct mailing and on the Internet to cities and counties across the nation. Between 50 and 60 proposals are typically submitted by jurisdictions around the United States in response to the annual competitive solicitation. Submissions are peer reviewed by local energy officials, and evaluated on the basis of their energy and dollar savings, innovation, job creation and economic development benefits, partnerships and cost-sharing, benefits to the environment, and overall benefit to the community. Selections are based on merit. Projects are conducted by local government staff, in furtherance of the UCETF/MEMP mission to improve the energy management capabilities of local governments. To encourage technology transfer, results are documented and disseminated broadly among state, city and county energy professionals. Although per-project funding is modest, MEMP funding frequently permits communities to undertake projects that would not otherwise have been conducted and to leverage other resources to address key energy issues. Project results are applied in communities to cut energy use and reduce costs.

MEMP is cross-cutting, permitting local governments to address priorities in a variety of energy efficiency areas, including buildings, transportation, business and industrial energy efficiency, solar and renewable energy technologies and other energy use/power supply technologies. As energy concerns have evolved, so has MEMP. From its early focus on energy emergency response and creating an energy management capability in local governments, the program has grown to emphasize cutting edge technology advances that can save energy and money, assure environmental

quality and enhance prospects for local economic growth. Today, the UCETF/MEMP program serves as a source of information and technical assistance to enable local government to address current issues, such as restructuring and change in the electricity industry, local responses to climate change, possible local government alternative/replacement fuel requirements, energy-related aspects of congestion mitigation and air quality improvement programs, and energy considerations in programs to combat sprawl and encourage smart growth.

The MEMP program is a proven successful method to deliver and apply energy technologies to address community issues and to share energy information among communities around the country, thereby preparing local officials to respond to the energy and energy-related environmental issues in their own communities. More than 400 projects in over 60 different jurisdictions across the United States have been conducted through the UCETF/MEMP program over the years.

THE UCETF'S 1998–1999 APPLIED ENERGY PROGRAM

The 1998–1999 UCETF program is supporting projects addressing energy and economic development; issues and opportunities for local governments in electric industry restructuring; and strategies for environmentally responsible local energy production and usage. All programs must demonstrate strong partnerships, which in many cases include cost-sharing, from the private sector and other government agencies, in order to maximize the successful application of project results. In addition, the program includes three projects to further develop and apply the results of prior UCETF projects. A summary of the energy technology development/application or technology transfer projects selected for inclusion in the 1998–1999 program is presented below:

Energy and Economic Development.—Energy efficiency activities and the use of new energy technologies can contribute to creation of a sustainable urban environment. The UCETF 1998–1999 economic development unit is focusing on developing and sharing information on the benefits of energy efficiency/new energy technologies in communities, and on means of preserving the economic benefits of demand side management programs as the electricity market becomes more competitive. Clark County, NV, will conduct research to support new hydrogen transportation technologies, by studying a "transition" hydrogen technology—a hydrogen enriched lean burn modification to a standard compressed natural gas vehicle. The popular Denver, CO, cable television program, Earth Cafe, will be used to share the knowledge and experience gained through UCETF projects among more than 18 million potential viewers in communities across the nation. Barnstable County, MA, will examine the local government role in assuring that the economic benefits of demand side management energy efficiency programs remain available as competition is introduced into the electricity market. Seattle, WA, will promote and support market transformation in building practices in three communities in Washington state, to lead to greater implementation of sustainable building construction design.

Utility Restructuring.—Again this year, significant attention is being devoted to issues involved in the introduction of increased competition in the electricity industry. This issue has the potential to significantly influence—for better or for worse—all local governments. But because of the breadth and complexity of the issues involved, many local governments are ill-prepared to deal with the demands of the changing marketplace. Through research projects in jurisdictions around the nation, and technology transfer activities, the UCETF is a leading national resource for communities on approaches to, and the implications for local governments of, coming changes in the structure of the electricity industry. San Francisco, CA, will evaluate the energy efficiency services being offered in the restructuring electric utility industry. The City will also develop guidance for local governments in evaluating the increasingly complex offerings of energy service companies and other energy service providers. Juneau County, WI, will assist Wisconsin counties in preparing for utility restructuring in the state by helping them aggregate electricity loads to reduce power prices. St. Louis County, MO, will determine the effects of utility restructuring on power prices, on-site electricity generation and new technology development.

Energy Usage and Supply.—Local governments face continuing requirements to cut energy usage and costs, and search for opportunities to apply new technologies expressly suited to local climatic conditions that use local energy resources. Albuquerque, NM, will produce a guide book—based on the city's extensive experience with solar technology—to assist other communities in developing and deploying solar applications at typical public facilities and public housing projects. This project will contribute directly to achieving the goals of the President's Million Solar Roofs Initiative. Thousand Palms, CA, will undertake a project to deploy renewable energy

in municipal transit buses by producing hydrogen using photovoltaic and wind generated electricity. Philadelphia, PA,was selected to build on its ground-breaking work to achieve energy savings through light emitting diode (LED) technology. The project would investigate the feasibility of integrating LEDs and photovoltaics in outdoor lighting applications. Chicago, IL, will analyze opportunities for obtaining electricity for use in multiple facilities from renewable energy applications rather than the local utility.

Technology Transfer.—The UCETF is conducting three projects specifically designed to document and transfer lessons learned through local government energy programs. Portland, OR, will document its work in determining the most economic and efficient uses of surplus digester gas. This work will provide guidance to other communities investigating options for the use of methane fuel cells to produce electricity. Austin, TX, will develop an Internet and CD Rom course based on Austin's pioneering work in developing the "green building" concept. The course will explain the principles of green building, their application to design and construction, and how to demonstrate the benefits of green building to building occupants. Memphis, TN, will develop a communications protocol to link building electronic monitoring and control systems of different manufacturers, in order to maximize the effectiveness of the city's building automation network. The Memphis approach should be highly transferable to other communities facing similar needs.

As part of the 1998–1999 core technology transfer program, the UCETF is continuing distribution of publications designed to address issues facing communities in electricity restructuring. In addition, the UCETF is developing new tools to transfer lessons learned in the areas of alternative transportation fuels and solar technology applications.

CONCLUSION

Local governments are a crucial component of the effort to maintain the United States as the world's leader in developing, applying and exporting sustainable, environmentally benign and economically competitive energy technologies. Through its participation in MEMP, the UCETF provides important opportunities for hands-on applied energy research in local communities, serving as an urban laboratory for the development and testing of new technology. The program is an effective means of delivering energy efficiency and renewable energy technologies to jurisdictions across the country. Efforts in recent years to broaden and diversify the UCETF/MEMP program have met with success, as the UCETF has built on its strengths in identifying and addressing the specific energy challenges facing the nation's communities.

PREPARED STATEMENT OF THE NATURAL GAS INDUSTRY

Mr. Chairman and Members of the Subcommittee: The Natural Gas Industry's Research, Development & Demonstration (RD&D) Initiative (hereinafter the "Initiative") is comprised of producers, pipelines, distributors, and research and trade organizations. We appreciate this opportunity to present our views on natural gas-related RD&D sponsored by the U.S. Department of Energy (DOE).

The Initiative has worked closely with DOE and this Subcommittee over the years with the objective of advancing cost-shared projects that serve the national interest. Within the Interior Subcommittee's jurisdiction, DOE's fiscal year 2000 budget request for natural gas RD&D programs in the Office of Energy Efficiency and Renewable Energy (EERE) and Office of Fossil Energy (FE) totals $205 million. While this is only slightly lower than last year's request of $207 million it represents a 13 percent decrease from the fiscal year 1999 appropriation approved by Congress. Yet, in stark contrast to these reductions, EERE's fiscal year 2000 overall budget request for RD&D represents a 23 percent increase over the fiscal year 1999 appropriation. The Initiative is disappointed that DOE, and EERE specifically, continues to give greater emphasis in its budget requests to other programs, inconsistent with the levels approved by Congress. Thus, the Initiative has identified several natural gas RD&D programs that deserve additional attention.

Consistent with the past, and our published Blue Book, listing RD&D rationales for the next five years, our top priorities for fiscal year 2000 include: microturbines (seeking $2.5 million above DOE's request); advanced reciprocating engine systems (seeking $2 million above DOE's request); industrial combustion systems (seeking $2 million above DOE's request); fuel cells (seeking a shift of funds from Fossil Energy's various "Vision 21" activities back to the three existing research projects and agreed upon schedules); natural gas cooling and combined cooling-heating & power (seeking $2 million above DOE's request); natural gas vehicles (seeking $4.2 million

above DOE's request); and natural gas supply (seeking $1 million above DOE's request). The specifics of each of these requests are presented below.

GAS TURBINE & ENGINE TECHNOLOGIES

Due to regulatory restructuring coupled with technology innovation, electric power in the U.S. will likely experience more change in the next decade than throughout its history. Microturbine (MT) technologies will emerge as one of the leaders in power production. Valuable attributes of MT's are modularity, the ability to be remotely operated, high reliability, and excellent power quality. This translates to maximum flexibility to consumers and opportunities in markets that require premium power.

MTs are small (25–300 kW) gas turbines derived from automotive and truck turbochargers, auxiliary power units for aircraft or tanks, and small jet engines for drone aircraft. They are designed for distributed generation (DG), combined heat and power (CHP), and mechanical drive prime mover applications. Technology improvements in materials, ceramic components, and aerodynamic design can potentially increase efficiency to 35–45 percent. This is more efficient than power generated at a distant, central-station power plant which suffers losses as it is delivered through the electric transmission and distribution grid. By recovering exhaust heat, energy consumers can utilize MTs in a CHP application and raise total fuel utilization efficiency to greater than 75 percent.

MT's today can contribute to reducing emissions (NO_X and CO_2) associated with electric power generation. When fueled by natural gas from our domestic resource base, they currently emit NO_X at 9–40 ppm, this is an improvement over the existing U.S. generation fleet. Emissions reduction technologies, such as catalytic combustion, offer the potential of near zero emissions levels. To achieve the environmental, efficiency and cost-reduction goals of the program, the Initiative specifically seeks $2.5 million above DOE's current request of $2.5 million for microturbine engine development research.

Advanced Reciprocating Engine Systems (ARES) are another important technology for DG applications in a deregulating electric marketplace. Natural gas engines are the leading customer choice for DG and CHP in the 300 kW—3000 kW size range. These products offer significant benefits for small to medium-sized industrial customers, commercial building and retail customers, institutional customers (hospital and education), federal government and military facilities, as well as municipal, cooperative, and public electric utility companies. ARES provide significant advances in efficient use of natural gas resources while minimizing environmental impact levels. This will result in future avoided annual emissions for NOx of 40,000–60,000 tons per year and 7.6–11.5 million tons for CO_{32}. Estimated annual savings in unburned natural gas (from improved efficiency) are approximately 110–170 billion cubic feet. This equals the energy consumed annually in about 1.4 million homes.

The ARES program will position domestic natural gas engine manufacturers to compete effectively against foreign engine producers looking to enter the U.S market as well as further promote an expanding export market for high-technology. The Initiative seeks $2 million for this research, DOE's has not requested anything for reciprocating engines.

INDUSTRIAL TECHNOLOGIES

The Initiative remains supportive of DOE's Industries of the Future program and DOE's on-going combustion research effort. The Initiative, however, again believes that DOE must do more to develop advanced industrial boilers and heaters that both increase efficiency and lower emissions. Boilers and steam systems consume over 6.0 quads of energy with about half of the fuel consumption represented by natural gas. The nation is faced with an aging boiler population. A recent GRI study documents that over 80 percent of these boilers were purchased prior to 1978, with the bulk of the purchases in the 1960s. The majority of these aging boilers are due for replacement within the next 15 years.

This effort, known as the Super Boilers program (SBP), seeks to provide 50 percent improvement in efficiency over today's installed boilers. The Super Boiler will be 50 percent smaller, cost 25 percent less to manufacture and maintain, and will have extremely low emissions that meet the ever-stringent emission regulations beyond 2025. The boiler marketplace is very diverse, with multiple manufacturers and designs; one technology concept will not fit all needs. It is the focus of this program to develop a suite of enabling boiler and combustion technologies under a standardized, common technology platform that will allow low-cost manufacture of packaged boilers that provide significant benefits over the currently available boilers. The tim-

ing is ripe, both from the environmental and equipment replacement standpoint, for DOE and industry to join forces on a crosscutting approach to develop new, leapfrog steam generation technologies to meet the competitive needs of the U.S. industry in the next 15 to 25 years and beyond. To this end, the Initiative seeks $2 million for SBP research. DOE has not requested any funding for this activity.

FUEL CELLS TECHNOLOGIES

The Initiative is highly supportive of EERE's fiscal year 2000 request for Proton Exchange Membrane fuel cells and Fossil Energy's work to date on Molten Carbonate Fuel Cells (MCFC) and Solid Oxide Fuel Cells (SOFC). The Initiative, however, opposes DOE's proposal to shift $4.95 million from the two MCFC teams and the SOFC program and moving those funds to its new "Vision 21" IGCC program. Similarly, $5.1 million which the Department proposes to shift to "Vision 21" support activities within the Fuel Cell Development Program should be restored to the three principal contracts. Without both these funds, the molten carbonate and solid oxide programs will, in DOE's own words, be "stretched out." Moreover, DOE should not be permitted to rush into new fuel cell applications related to "Vision 21" while shortchanging the very core fuel cell research which is fundamental to any subsequent applications of either technology. Consequently, the Initiative specifically seeks to have the funding shifted (keeping the program whole at $40 million) back so that the existing schedules can be honored.

GAS COOLING, HEAT PUMPS & APPLIANCE TECHNOLOGIES

The Initiative is supportive of DOE's fiscal year 2000 request for natural gas cooling technologies. However, there is a distinct opportunity to significantly conserve resources and reduce greenhouse gas by accelerating the use of combined cooling, heating and power (CCHP) systems in commercial buildings.

Historically, research, development and commercialization efforts have been focused on individual equipment (e.g. cooling, thermal storage, ventilation air systems, power generation and cooling). CCHP for buildings now focuses on on-site fuel conversion making it possible to combine power generation and HVAC system optimization and integration with other innovation building technologies. This yields remarkable building-level energy efficiency gains and emission reduction achievements. The CCHP initiative goal is an additional 40 percent efficiency improvement over and above improvements projected in other elements of the Buildings Program. To this end, the Initiative seeks $2 million for CCHP research. DOE has not sought funding for these activities. Specifically, we seek $1 million for design tools to optimize selection for new and retrofit CCHP systems, and $1 million for associated materials and manufacturing technology.

Finally, DOE should place a greater emphasis on the direct use of natural gas for appliances in residential and commercial buildings. There is an inherent conflict between national increased efficiency requirements and the gas consumer's desire for lower first-cost equipment. RD&D is needed to reduce the high first-cost hurdle between efficiency requirements and consumer needs. However, the Initiative seeks no additional funding above DOE's request.

NATURAL GAS VEHICLES

The United States remains critically dependent on petroleum as a transportation fuel. This dependence has contributed to significant air quality and energy security concerns. Natural gas vehicles (NGVs) offer proven, cost-effective solutions to both of these problems. NGVs are certified to be up to 99 percent cleaner than traditionally fueled vehicles and, when compared to average petroleum vehicles, reduce exhaust emissions of carbon monoxide (CO) by 70 percent, non-methane organic gas by 89 percent and nitrogen oxides (NO_X) by 87 percent, and produce 20 percent fewer greenhouse gases.

While the availability of NGVs has grown dramatically over the past ten years, the number of actual sales has not. In 1992, no Original Equipment Manufacturers (OEMs) offered NGVs for sale, today there are over 50 models available. In 1992, there were a few NGV fueling stations, today there are over 1300 NGV fueling stations open for business nationwide. Despite the impressive growth in available NGVs and fueling infrastructure, the actual number of vehicles on the road today remains well under one-half of one percent of all registered vehicles (70,000). Research is still required, aimed at reducing the NGV's first cost, before the public will accept them as mainstream.

Over the past few years, DOE continues to submit robust requests for the transportation sector, specifically the Partnership for a New Generation Vehicle program. However, DOE continues to depart from its commitment to the Comprehensive Pro-

gram Plan for NGV research, which was developed in response to this Subcommittee's directive in fiscal year 1997. Accordingly, the Initiative must once again seek to restore funding levels for priorities identified by the DOE and industry 5-year plan. Specifically, no funds were requested for the Light Duty portion of the Plan. $2 million is needed there. The Plan calls for $11.1 million for Medium and Heavy-Duty vehicle research, but DOE has requested only $8.9 million that is consistent with the Plan in this area. Thus, we are requesting an additional $2.2 million for Heavy Duty Vehicles.

NATURAL GAS SUPPLY

Natural gas is domestically abundant today, and real gas prices are only half of what they were in the mid-1980's. Continuing gas supply technology advances are key to meeting projected levels and sustained, affordable prices for gas supply. These advanced supply technologies are of paramount importance to more than 8,000 independent producers, who drill 85 percent of the wells and produce 66 percent of the gas in the lower 48 states.

The Initiative continues to support DOE's request for natural gas supply research. In fiscal year 2000, the Initiative particularly seeks $1 million for research on laser drilling technology. DOE sought no funding for this activity. Current estimates of future natural gas use indicate that drilling will take place in increasingly more difficult environments. Therefore, DOE should assess the opportunities to develop revolutionary drilling concepts such as the use of lasers. The benefits of laser drilling technology are penetration rates that are 10–100 times faster than those achieved with conventional rotary drilling techniques.

CONCLUSION

The Initiative is giving great emphasis to developing comprehensive programs across end-use sectors that compliment each other and compliment electric deregulation efforts to provide cheaper energy to the end-user while reducing emissions, improving energy efficiency, quality, and reliability. We are striving to coordinate our efforts with federal and state research initiatives to enhance the benefits for each party and the natural gas consumer. Our combined efforts to advance natural gas technologies will create high paying American jobs and boost US competitiveness in the global marketplace. The Initiative greatly appreciates your past support and consideration of these proposals.

PREPARED STATEMENT OF GENERAL ELECTRIC POWER SYSTEMS

This testimony is submitted on behalf of General Electric Power Systems (GE) for the information of the Committee during its review of the Department of Energy's fiscal year 2000 budget requests. GE strongly supports the Administration's request for $41.8 million for the Advanced Turbine Systems (ATS) program, including $32.590 million for major systems development, within the Fossil Energy budget account. DOE's funding request signifies the important contributions that ATS technology will make to the nation's energy security and environmental objectives. GE appreciates the strong Congressional support that has been so critical to the success of the ATS program, and welcomes this opportunity to update the Committee on the progress of the ATS research and development effort.

GE-DOE ATS COOPERATIVE AGREEMENT

In March 1998, GE and DOE executed a modified Cooperative Agreement providing for GE's continued, cost-shared participation in the ATS program. The modified Cooperative Agreement reflects the continuing commitment of GE and DOE to the ATS program. The central goal of the ATS program—producing technology by 2000 that is ready for commercial application—is unchanged. DOE's fiscal year 2000 funding request represents the last major increment of Federal funding for the ATS program.

The modified GE-DOE Cooperative Agreement, which extends through December 2000, eliminated the planned demonstration phase of the ATS program and extended the technology validation phase. Demonstration of the ATS technology will be the responsibility of industry at the end of the technology validation phase. Under the restructured ATS program, GE will manufacture and perform a full-speed, no-load test on a 60 Hertz machine by the end of 1999 at GE's Greenville, South Carolina facility. DOE cost sharing is critical to this aggressive schedule.

BENEFITS OF THE ATS PROGRAM

The ATS program occupies a key position in the DOE's fossil energy research and development portfolio, and is an integral part of the evolving "Vision 21" concept for future highly efficient, clean power generation. Through the government's partnership with industry, the ATS program is well on the way to supporting the commercial introduction of the world's most efficient gas turbine, securing U.S. technological leadership in this critical technology area and producing important benefits to the nation:

Energy efficiency

The goal of the ATS program is to achieve fuel-to-electricity efficiencies of 60 percent or greater, resulting in significant reductions in fuel consumption.

Lower electricity costs

Fuel savings will, in turn, lower electricity costs, benefitting the competitiveness of U.S. industries in the world marketplace. The ATS program has had as its goal a 10 percent reduction in the cost of electricity produced relative to existing combined cycle power plants.

Emissions reductions

Natural gas fired gas turbines produce no particulates, ash, heavy metals, toxins, or sulfur oxides. Additionally, the ATS will achieve a significant reduction in emissions of oxides of nitrogen, and will further reduce carbon monoxide and hydrocarbon emissions relative to the current fossil fueled power generation base.

Stimulating jobs retention and growth

Tens of thousands of Americans already work to manufacture gas turbines and to provide key components. Manufacturing jobs in this industry already have been lost, and the remaining jobs are at risk because of stiff international competition. U.S. jobs depend on continued U.S. global leadership in turbine technology, which is supported by the ATS program.

THE TECHNICAL CHALLENGE

Existing gas turbine technology benefited from the knowledge gained from years of national investments in military aircraft engine technologies. The need to meet high efficiency and low emissions requirements simultaneously for power generation systems in 2000 and beyond has necessitated the development of a steam-cooled turbine generation system—the first time that the industry has been called upon to develop a new technology specifically for power generation applications. Government has shared the risks inherent in meeting this technical challenge through the ATS program.

GE's "H System" advanced turbine is an advanced combined-cycle system designed to break the 60 percent thermal-efficiency barrier while offering the lowest cost of electricity production with the lowest levels of emissions. Combined-cycle systems generate electricity from both a gas turbine and a steam turbine driven by steam generated from the gas turbine's exhaust. Where other gas turbines are air-cooled, ATS combined-cycle power blocks are based on a unique technology platform in which the gas turbine buckets and nozzles are steam-cooled by an integrated steam system. Steam cooling of the turbine airfoils enables higher turbine inlet temperatures to be achieved without increases in combustor exit temperatures, resulting in low levels of NO_X and significant improvements in efficiency. Efficiency gains also translate directly into reduced emissions of greenhouse gases. The ATS will also be a fuel flexible system; because of its higher thermal efficiency and output, the ATS is expected to substantially advance the economic viability of coal gas (IGCC) systems.

THE MARKET OPPORTUNITY

Industry and government working together can take on more risk, confront bigger technical challenges and speed the development and application of technologies which ultimately will gain market acceptance and provide potentially large energy, economic, environmental and strategic returns to the nation. The ATS program offers a prime example of how government technology leadership is helping to assure that advanced, efficient technologies are available to meet market demand.

Industry's R&D risk/reward window is often more focused on the short-term than government's, which can address broader, national priorities that may not yet be adequately valued in the marketplace. Despite the important benefits of ATS technology, because of the continuing technical risks, today the market alone is not suf-

ficient to bring this technology to the point of commercial acceptance. The likely users of this technology in the U.S., both utilities and independent power producers, are not in a position today to make multi-hundred million dollar investments in technologies and systems that are not yet proven by actual, full-scale operation. Domestic electric industry restructuring makes potential investors in new technologies more risk averse. At the same time, the increasing pace of electric industry restructuring makes the need for advanced, competitive power generation technologies more urgent, and the completion of the ATS program more timely. According to the Energy Information Administration, 81 percent of new U.S. demand for electric generation will be met by gas turbines in 2010. The ATS program will assure the availability of more efficient, lower emission domestic technology to meet this demand.

The same key enabling technologies being developed through the ATS program are required for both international and domestic applications. With the support of the ATS Program, U.S. manufacturers will be better able to compete in the projected international market in electricity generating systems—a marketplace in which foreign competitors frequently receive significant assistance from their governments. Successful completion of the ATS program will position U.S. technology for immediate introduction into global markets, and will enable U.S. technology to surpass leading foreign competitors, solidifying U.S. market share in the worldwide market. U.S. success in the export of power generation technologies translates directly into jobs in the United States.

GE ATS PROGRAM ACCOMPLISHMENTS

GE's work during the initial phases of the ATS program focused on the technologies and component developments necessary for high temperature operation, and validation of the technically-innovative steam cooling concept. To date, GE has:

—Completed full-scale, steam-cooled, first stage nozzle cascade design validation testing at ATS turbine design operating conditions. The first stage nozzles and buckets are the most critical high temperature components in the ATS. Testing included combustion system mapping, as well as nozzle aerodynamic, heat transfer, and low cycle fatigue validation.

—Completed initial tests of the "H" series combustor design at the component level, and in a full-scale combustion test stand that permitted testing at full pressure, temperature, and flow design conditions. GE's design for the gas turbine combustion system permits its ATS to achieve high firing temperatures while minimizing oxides of nitrogen, a key objective of the ATS program.

—Developed, with suppliers, single crystal casting technology to provide the high temperature strength required for the very large ATS machine turbine buckets and nozzles.

—Completed tests of two builds of the ⅓ scale H compressor, which allowed operation of the compressor over its entire speed/flow range, and validated the fundamental design of the compressor.

—Completed tests of elements of the steam cooling system, in both component rigs and under utility field test conditions, along with design of a particulate filter which has been fully validated in testing at an operating combined cycle power plant to resolve concerns about the effects of impurities in the steam on the operation of the cooling system.

—Developed manufacturing technologies essential for the success of the ATS, including extensive development in thermal barrier coatings (TBCs), which are critical to the steam cooling design. Performed separately-funded tests to validate the performance of TBCs in utility customers' current gas turbines under actual conditions. Designed a robot to assure proper application of TBCs. Improved the forging process to allow for production of the largest gas turbine Inconel wheels ever made.

—Developed testing processes to permit product quality to be confirmed without necessitating destruction of expensive parts, including nondestructive inspection techniques for single crystal airfoil production, and new analytical tools to model the startup and shutdown of the gas turbine component of the combined cycle unit in greater detail than previously required.

RECENT ACCOMPLISHMENTS

With fiscal year 1998 and 1999 funds, GE has continued development activity on its ATS engine, which remains on schedule for a full-speed, no-load demonstration test in December 1999, and has continued full-scale combustion system development, with test results meeting ATS design goals. The initial 9H (50 Hz) full-speed, no-load test was run in the second quarter of 1998 at GE's Greenville, SC, manufacturing facility. The testing validated rotor dynamics and vibration levels; compressor

airfoil aeromechanics; compressor airflow and efficiency; scale-up effects from the compressor rig testing; compressor and turbine running clearances; and the Mark VI control system. GE also has initiated the 7H (60 Hz) ATS design and manufacturing programs, using information derived from the 9H component and full scale testing programs. It is anticipated that fiscal year 2000 funding will be used to continue testing of full scale components and sub-systems. The manufacturing capability for the first test engines will be completed, and full-speed, no-load testing of H series engines will continue, setting the stage for the completion of the program in the fourth quarter of calendar year 2000.

CONCLUSION

Through R&D investments in programs like the ATS, the Federal government assists industry in taking on high risk, high payoff opportunities that challenge accepted technological limits. GE urges the Committee to continue to provide the resources necessary to complete the ATS program.

PREPARED STATEMENT OF DAVID O. WEBB, VICE PRESIDENT, GOVERNMENT PROGRAMS SERVICES CCENTER, GAS RESEARCH INSTITUTE

The Gas Research Institute (GRI) appreciates the opportunity to submit testimony to the Interior and Related Agencies Subcommittee to present GRI's views and recommendations for fiscal year 2000 funding of gas-related research and development (R&D) programs within the Department of Energy's (DOE) Fossil Energy and Energy Efficiency programs. GRI generally supports the Administration's request for these programs. However, we are concerned that the gas-related request is $21 million less than appropriated last year. GRI has recommended an increase of $7.5 million in four specific areas to strengthen the natural gas related research.

GRI manages a comprehensive research, development and commercialization (RD&C) program for the natural gas industry. GRI has over 330 member companies representing producer, pipeline, and local distribution companies. GRI jointly plans and cofunds approximately $15-$20 million annually with DOE Fossil Energy and Energy Efficiency programs. Therefore, Congressional action on the DOE budget can impact these joint programs.

For the past twenty years, GRI has been funded principally through a FERC-approved pipeline surcharge on interstate natural gas transactions. However, in recognition of the changing gas industry business environment, GRI will become a fully voluntarily-funded organization during the next six years. During that time, and thereafter, GRI will be seeking funding outside of the traditional FERC-approved surcharges in order to maintain and continue a viable R&D program for the gas industry and its customers. While GRI's methods of funding will change, GRI will continue to focus it research program on developing widely dispersed benefits to gas consumers through the development of new and improved technologies. In addition, GRI will continue to address the specific needs of the gas industry, our member companies and the interests of our new voluntary investors.

FEDERAL ENERGY R&D POLICY

The role of the federal government in funding energy R&D is critical as a basis for decision-making by industry as it competes in an ever increasingly competitive world market. Our technical world is becoming increasingly complex and as the cost of R&D grows, no single company or group of companies can afford the cost and risk associated with the development of many of the new energy technologies whose broad benefits flow predominately to the gas users, not the companies. Therefore, in times of declining budgets, government funds should be used primarily for investment that are expected to yield broad public benefits and, therefore, not likely to be undertaken by the industry unless government is a major participant in the funding.

The government must continue to have the primary role and responsibility for funding and managing fundamental long-term basic research in energy because private companies are market driven and cannot capture the economic benefits of much of this research. Society receives large and continuing benefits from fundamental research, and since industry alone cannot fund the level of basic research necessary to achieve national goals and objectives, the government role in funding is critical.

On the other hand, both government and industry have a joint responsibility to plan, conduct, and fund applied R&D to meet the nation's energy goals. Industry should be brought in early to assist in the planning, financing, and management of

the applied research. The partnership of private industry in federally sponsored R&D accomplishes several goals:

—Industry will use rigorous cost-benefit analysis to prioritize the R&D.

—If the federal research is aimed at top industry priorities, industry will provide cofunding. If industry is not willing to support a specific applied energy research program, government should reevaluate its own role in that research.

—Once industry participates financially and managerially in the research, the commercialization path will be shorter because industry will be committed to bringing the product or process to the marketplace in order to benefit from the research.

—When the project is ready for commercialization, industry is already on board and has a vested interest in ensuring the technology reaches the marketplace, thus ensuring success from the government/industry investment.

—Finally, costly duplication of research is eliminated.

DOE FISCAL YEAR 2000 GAS-RELATED BUDGET

The DOE fiscal year 2000 gas-related R&D budget request is generally supported by the gas industry acting through the Natural Gas RD&D Initiative. Industry support of this budget is evidenced through significant cost-sharing from the private sector. The research proposals set out by DOE will result in completion and commercialization of technologies which will contribute significantly to the nation's goals as we pursue all of our energy options. In addition, many of the products which result from this R&D are excellent candidates for export to other countries, thereby increasing the U.S. position in global competitiveness.

Congress has recognized and needs to continue to recognize the role of government and industry in cofunding applied energy R&D and should give priority to those DOE research programs that are jointly funded with industry.

RECOMMENDED ADJUSTMENTS TO THE DOE FISCAL YEAR 2000 BUDGET REQUEST

While GRI and the Natural Gas RD&D Initiative are supportive of the DOE fiscal year 2000 budget request for gas-related research and development, there are several adjustments GRI would recommend in order to further strengthen the natural gas-related R&D program and to address the important issues in the gas industry. These adjustments, if incorporated in the fiscal year 2000 budget, would receive the support and cofunding of GRI and the natural gas industry. The following recommendations are requested:

Development of laser drilling technology (fossil energy)—+$1 million

Much of the technology developed for the drilling industry in the past few decades has focused on reducing cost primarily by drilling wells faster to minimize rig time. Laser drilling has the potential to revolutionize gas drilling in the 21st century. It offers the potential to increase the rate of penetration more than 10 times that of conventional rotary drilling techniques. It would ultimately reduce time and cost. This proposed joint industry/government initiative is a two-year program to investigate the potential of laser drilling systems.

Microturbine power generation (energy efficiency)—+$2.5 million

Microturbines are small (25–300 kW) gas turbines which can significantly increase energy efficiency and reduce emissions. The potential worldwide market for microturbines is very large. Due to regulatory restructuring coupled with technology innovation, the electric power industry in the U.S. will likely experience more change in the next decade than throughout its entire history. Energy customers in their own search for improved energy service are recognizing that electricity can be produced and delivered more cost-effectively and cleaner than it is today. One of the emerging technologies that can help the U.S. realize this is the natural gas-fueled microturbines.

Advanced reciprocating engine systems (energy efficiency)—+$2 million

The U. S. energy industry, natural gas reciprocating engine manufacturers, and other committed partners have participated in and are recommending expanding a joint industry-government partnership to develop breakthrough advancements in natural gas reciprocating engine technology. This challenging R&D effort will result in significant societal and economic benefits for the United States. Natural gas reciprocating engines are internal combustion piston engines which with breakthrough advancements would provide a clean, energy efficient system for use in the emerging distributed generation, combined heat and power, and combined cooling, heat, and power markets.

Superboilers (energy efficiency)—+$2 million

The nation's commercial and industrial boilers are aging. Over 80 percent of these boilers were purchased prior to 1978, with the bulk of the purchases in the 1960s. A major "Super Boiler" effort by the industry and federal government will seek to provide over 50 percent improvement in efficiency over today's installed units. In addition, this effort would result in units that will be up to 50 percent smaller, cost 25 percent less to manufacture and maintain, and will have extremely low emissions that meet the stringent emission regulations beyond the year 2025.

SUMMARY

GRI encourages the Subcommittee to support the Administration's total request for gas-related R&D of approximately $224.5 million plus the above recommendations for additions of $7.5 Million. These recommended increases fill a need in the gas production industry as well as the distributed power generating market through the development of more efficient, clean options for the consuming public. The fiscal year 2000 DOE budget request for gas-related research is approximately $21 million lower than the fiscal year 1999 appropriation. The additions recommended will still result in lower gas-related funding in fiscal year 2000 than approved by Congress for fiscal year 1999, but will provide the much needed research in order to address the needs for a secure, efficient, and clean energy future. GRI strongly urges the Subcommittee to support the Administration's fiscal year 2000 gas-related budget as well as the recommendations of the gas industry.

DOE GAS-RELATED FUNDING UNDER THE JURISDICTION OF THE INTERIOR AND RELATED AGENCIES SUBCOMMITTEE

[In millions of dollars]

	Fiscal year—	
	1999 appropriation	2000 request
Fossil Energy:		
Natural Gas Supply	27.0	25.8
Fuel Cells	44.2	37.7
Gas Turbines (ATS Utility Scale)	44.5	41.8
Subtotal Gas-Related Fossil Energy	115.7	105.3
Energy Efficiency:		
Industrial	67.9	48.7
Transportation	34.4	31.2
Buildings Technologies	12.2	20.5
Power Technologies	3.0	5.5
Subtotal Gas-Related Energy Efficiency	117.5	105.9
Total Gas-Related (Subcommittee Jurisdiction)	233.2	211.2

PREPARED STATEMENT OF RICHARD MORROW, VICE PRESIDENT, SOUTHERN CALIFORNIA GAS COMPANY, AND CHAIRMAN OF THE AMERICAN GAS COOLING CENTER

I am Rick Morrow, Vice President of Southern California Gas Company, a division of Sempra Energy. I am hear today to testify on behalf of the American Gas Cooling Center, an association of natural gas utilities, manufacturers and others interested in promoting natural gas cooling as an alternative or enhancement to other air conditioning and refrigeration choices. The Center, of which I serve as Vice Chairman, is comprised of over 150 utilities, 50 equipment manufacturers, and almost 100 other national and international organizations.

Our association has a long history of successful cooperative research, development and demonstration projects with the Department of Energy. More importantly, we believe the need is greater now than ever to develop and commercialize gas cooling technology that saves energy, reduces emissions and provides lower cost options to consumers and businesses.

In response to that critical need, we are specifically requesting the Subcommittee to provide a total of $12.0 million to the Department of Energy's Building, State and

Community Programs to co-fund natural gas cooling research, development and demonstration with our industry partners. This request represents a $1 million increase over the President's budget.

Our request for increased funding is being driven by the many changes facing today's residential and business energy consumers. Deregulation of the energy industry is increasing customer choice for energy services, while environmental regulations banning CFC production, reducing greenhouse gas emissions and tightening indoor air quality standards will potentially increase their energy costs. Specifically, we expect that electric rates during summer electric peaks will remain high, and may even grow, while off peak electric rates may decrease.

As the American energy industry becomes more horizontally integrated, utilities are no longer either gas OR electric. By way of example, my company recently merged with San Diego Gas and Electric and has a merger pending with KN Energy. Our company's interests have broadened, but our focus remains on providing the customer with the best energy solution.

Fortunately, natural gas cooling technologies can often provide the most efficient and economical option for both our customers and for ourselves. Moreover, the latest generation of high efficiency turbines, micro-turbines, fuel cells, and other types of distributed generation can work in combination with these gas cooling technologies to dramatically increase overall energy efficiency. We are working with the Department of Energy's Roadmapping process to incorporate these combined cooling, heat and power (CCHP) systems into new and existing buildings resulting in potential energy efficiency improvements of up to 40 percent.

For the residential consumer, the American Gas Cooling Center is working cooperatively with DOE to complete development of a natural gas fired heat pump, the generator absorber exchange cycle (GAX). DOE has been conducting research for almost a decade and private industry has become very involved in the past couple years. In fact, two consortia of gas companies now exist to bring GAX to the market. As in a previous gas heat pump commercialization effort (engine driven) for which the gas industry committed over $14 million, we are willing to do the same for the GAX, should it prove as efficient and cost effective as preliminary DOE estimates. This technology, when commercialized, will provide consumers with a lower cost, high efficiency alternative to provide heating and cooling in their home. Current priorities in the cost shared program include field test of multiple units and continued component cost reduction and efficiency improvements.

We have numerous other projects that are either under development or yet to be funded that will provide similar benefits to those I have already mentioned. However, additional funding is needed to bring these technologies to the consumer and to integrate them into the design process for residences and commercial buildings.

We are very involved in cost shared research on desiccant technology. Moisture removal has long been an issue for modern space conditioning systems. When U.S. standards increased efficiency of building envelopes, they negatively impacted indoor air quality, thereby increasing air conditioning loads. New ASHRAE standards require more outside air, thereby bringing in more humidity. Desiccants' ability to remove moisture introduced by increased ventilation, can provide a comfortable indoor environment more efficiently and economically than conventional means. The gas industry views desiccant technology as a real energy efficiency opportunity and is supporting research and development jointly funded by industry partners, the Gas Research Institute and the DOE. In fiscal year 2000 our priorities include testing the performance of liquid desiccant prototypes and field test of a desiccant air pre-conditioner that can be fully integrated with electric air conditioning, as well as continued R&D into indoor air quality implications.

In addition to these two programs, the industry continues to support demonstration of the triple effect absorption chiller at the Clark County Municipal Center in Las Vegas, Nevada. This technology, aimed at the large commercial market, is approximately 20 percent more efficient than the best available technology. In 1999 funding was provided to finish prototype fabrication and fiscal year 2000 funds will be sued to cost share installation and evaluation.

Our final priority is in line with our recent roadmapping activities at DOE that incorporate combined cooling, heat and power in building applications. Our activities in that capacity have already produced one early need-design guidelines and criteria for integrating on site power generation in buildings. Current building design tools, such as DOEII and Energy 10, do not include on site power generation. Effectively utilizing waste heat can increase efficiency of our buildings' systems by 40 percent. We would like to see the current design tools enhanced or new tools developed to address combined cooling, heat and power. This activity, obviously, reaches beyond natural gas cooling; however, we see systems integration as a key to increased use of natural gas in space conditioning.

In conclusion, we are very excited about the many economic and environmental benefits that will accrue from the continued development and commercialization of natural gas cooling technologies for both the residential and business customer. To achieve these benefits, the American Gas Cooling Center encourages the Subcommittee to provide a total of $12.0 million to the Department of Energy's Building, State and Community Programs to co-fund natural gas cooling research, development and demonstration projects.

Thank you for the opportunity to testify.

PREPARED STATEMENT OF MICHAEL DICKENS, CHIEF EXECUTIVE OFFICER, INTEGRATED BUILDING AND CONSTRUCTION SOLUTIONS

My name is Michael Dickens. I am the CEO of IBACOS (Integrated Building And Construction Solutions), a founding partner in the Department of Energy's Building America Program.

IBACOS is made up of more than thirty leading companies from the homebuilding industry, including equipment manufacturers, builders, design firms, and other parties interested in improving the overall quality, affordability and efficiency of our nation's homes and communities. Although we are located in Pittsburgh, PA, our membership is derived from across the country and our associated building product manufacturers include Carrier Corporation of Indianapolis, IN, GE Appliances of Louisville, KY, USG Corporation of Chicago, IL, Kohler Company of Kohler, WI, GE Plastics of Pittsfield, MA, Owens Corning of Toledo, OH, and IBM of Raleigh, NC Our Builder Network includes such large builders and developers as Pulte Homes of Bloomfield Hills, MI RGC of Newport Beach, CA, Classic Homes of Colorado Springs, CO and Case Enterprises of Tucson, AZ. Other builders and developers in PA, IN, CA, GA, and MD, also participate.

We have been working with the Department of Energy's Office of Building Systems since the start of the Building America Program in 1993 (?). Along with three other consortia, we represent over 70 residential builders, developers, designers, equipment suppliers and community planners, who have a common interest of improving the energy efficiency and livability of America's housing stock, while avoiding any increase in home costs. In pursuit of this goal the four partners in Building America pursue common activities that will ultimately assist all home builders, such as systems integration R&D to improve energy efficiency, indoor air quality and durability of housing, thermal distribution R&D, incorporation of passive and active solar techniques, techniques that reduce material waste at building sites, use of recycled and recyclable materials, and building materials improvements.

We at IBACOS are excited about preliminary research results on systems integration. One of the major hurdles in homebuilding has been the issue of putting the home together on the building site in a way that maximizes integration of the various components and equipment within a house. Systems integration allows an airtight house in which subsystems are used together to optimize the home's engineering and otherwise increase the overall energy efficiency and rationality of the home. There have been a number of concrete and encouraging results from research, development and demonstration activities in cooperation with the Federal government. In fact, IBACOS, as a part of the Building America Program, has been able to demonstrate to production builders such as RGC Homes of California that they can build homes that save more than 40 percent in energy costs while avoiding any increase in initial builder costs. The rate of technology transfer from the national laboratories and the industry to the marketplace requires additional demonstration opportunities and we are glad to be working with DOE towards this end.

We view one of our most important functions, however, as creating a resource of proven homebuilding methods for the tens of thousands of small home builders across the country. Because the home building industry consists of almost one hundred thousand small builders, some of whom build only a few houses a year, it is very difficult to bring innovations to this community. Building America partners, such as IBACOS have the ability to diffuse information throughout the building community. We are working to significantly expand the active team membership of Building America, but, perhaps more importantly, we are diffusing information to hundreds of builders through participation in national conferences, technical committees and the internet. We are working towards directly transferring systems innovations for homes to over 100,000 production homes in the next four years, which could save consumers approximately $50,000,000 in annual energy costs.

Our understanding is that the Department's Office of Building, State and Community Programs has reorganized the Residential Buildings program. We are encouraged by this reorganization and, as such, are supporting the entire residential budg-

et area. We are glad to see the Department join programs that rightly belong together: Building America, with industrialized and manufactured housing energy efforts and the new Partnership for Advancing Technologies in Housing (PATH).

As an interested stakeholder in PATH, I think it is important to understand the relationship that program has with the Building America Program. PATH is a government-wide effort to improve the way America builds housing stock and takes into consideration all aspects of homebuilding. For this reason, HUD, DOE, NIST, EPA, NIOSH, OSHA, Commerce and a number of other government entities are involved. DOE's role is specific: improve the energy efficiency and livability of America's residential buildings while incurring no additional first cost. We have had no small measure of success and are working with PATH on demonstration communities that incorporate the Building America principles.

IBACOS is supporting all of these efforts for the simple reason that they belong together. We in Building America are using several types of industrialized housing in some of our test homes and field developmental programs, and we are working with PATH communities as a part of Building America.

One of the PATH communities is in Tucson, AZ. IBACOS, through the Building America program is working with the developer and builders on a 2600-home sustainable new town called Civano. The first test homes in this community are proving to be at least 60 percent more efficient than comparable homes and are costing only $150 per home more up front, while saving hundreds of dollars annually on energy bills for each home owner. Other communities in which Building America is serving as a partner with developers, builders and PATH are Village Green in California, Playa Vista in California, Summerset in Pittsburgh, and emerging communities in Denver, CO and in Florida.

IBACOS intends to fully participate in any "housing of the 21st century" road mapping activities. We feel very strongly that the integration of the systems into a home is as important, or even more important, than the individual pieces of equipment that are installed. We have proven the ability to work with builders to build single pilot homes and support them through early adoption in their production lines. Now, we are very excited about our work with community planning and larger scale projects. We look forward to continuing to work with DOE to try to bring energy efficiency to housing at no incremental first cost, while building markets for efficient equipment.

DOE plays a critical role in bringing this research, development and deployment agenda to the marketplace. Because the home building industry is made up of so many builders, suppliers, and equipment manufacturers, it is virtually impossible for them to come together to perform common research without a third party such as the DOE. Additionally, there has been little incentive in the building area for builders to improve on energy efficiency for a number of reasons. First, energy and resource efficiency does not necessarily contribute to the bottom line of the builder; instead, it benefits the homeowner and the nation. Because the builder cannot directly recoup costs for up front investments through energy savings (since he does not own the home), he has little reason to spend more initially. For this reason, we are working to make a better home for no incremental costs with the belief that, eventually, energy and resource efficiency, durability and affordability will be business as usual in the homebuilding industry. DOE's role in bringing together the right entities and cost sharing common research is therefore invaluable in fulfilling the social goods aspect of improving our nation's building stock, while we work to reduce up front builder costs.

We at IBACOS urge you to approve the DOE fiscal year 2000 budget request for the Residential Buildings Program. Along with the industry cost share in the program of at least one hundred percent, this program can significantly catalyze improvements in what has traditionally been a very fractionalized homebuilding industry.

Thank you for your attention today.

PREPARED STATEMENT OF ERIC L. SIMPKINS, ENERGY RESEARCH CORPORATION

This testimony requests $19.5 million for the Energy Research Corporations portion of the U.S. Department of Energy's stationary fuel cell program within a $65 million budget for the overall stationary fuel cell program.

This statement is provided in support of the U.S. Department of Energy's (DOE) Fossil Energy Fuel Cell Program. The DOE/ERC Cooperative Agreement (DE-FC21–95MC31184) defines that $19.5 million is needed in fiscal year 2000. Key activities for this period are to organize sub-megawatt and megawatt field trials, conduct sub-

megawatt field trials at customer sites, and realize continued progress in reducing the cost of producing and installing Direct Fuel Cell—energy plants.

ERC expresses its appreciation to the Subcommittee for its support of the stationary fuel cell program and the U.S. developers during the fiscal year 1999 appropriations and conference process. Federal support for the program makes the impressive accomplishments of the DOE program possible.

SUMMARY

Enduring support for the Direct Fuel Cell program by the Congress, the Administration, and the electric utility community is paying off. The final activities necessary to validate the technology, and complete the designs for a family of Direct Fuel Cell energy plants, are being completed. In 1997, the 2-megawatt Santa Clara proof-of-concept test was completed, providing the confidence to proceed, and the engineering information necessary for designing and building market-ready energy plants. ERC is proud to report another key milestone—the commissioning of a 250-kilowatt Direct Fuel Cell stack. The largest Direct Fuel Cell ever operated, it represents the building block for a family of energy plants that will begin entry into domestic markets late next year. We can also report that our German partner's fuel cell plant (containing the Direct Fuel Cell stack) will be made available for U.S. markets while, conversely, ERC's plant will be sold in Europe. Early adopters are queuing for acquisition of the first plants, and negotiations for field trials are underway in the U.S. and Europe. And significant progress has been made in rendering the Direct Fuel Cell energy plant affordable; the Direct Fuel Cell cost has been cut in half, and under the field trials initiative will be cut in half again.

EVOLVING MARKETS FOR FUEL CELLS

The process of restructuring of the electric utility industry is accelerating, making the case for completing the stationary fuel cell program promptly even more compelling. Over time this it is expected to lead to lower but more volatile electricity prices for larger customers, and potentially higher prices for smaller customers. Both volatility and higher prices for some consumers reflect continued dependence on the established grid, regardless of what entities generate, transmit and distribute electricity. Also, traditional and even newer central generation systems promulgate existing issues such as costly maintenance, environmental emissions, and lower than needed reliability. Dwindling capacity margins, from nearly 30 percent in the mid-1980's to less than 15 percent today, threatens power availability for everyone. This scenario bodes well for stationary fuel cell energy because fuel cells aggressively respond to each of these issues.

Fuel cell energy plants are not large central generating systems. Because they are sited at the load center, dependence on the transmission & distribution grid is retired. Fuel cells are fuel flexible. Should the price of one fuel rise dramatically, another available fuel may be readily substituted until primary fuel prices again become affordable. Because fuel cells are a combustionless process, there is no rotating machinery. Consequently, operation and maintenance processes are vastly simplified and reduced in number, hence reliability will be greater than conventional systems. Lastly, smog producing emissions are at or below the limit of delectability, while greenhouse gas emissions are less than half those of traditional generation systems.

The markets for stationary fuel cell energy plants are becoming increasingly stronger. New applications for distributed generation are being identified by user/buyers, accompanying a growing demand for field trials to gain operational familiarity and experience. ERC and its partners are conducting two projects that demonstrate the innovative applications for fuel cell generation developing in domestic markets:

—An ethanol production facility in Nebraska, production-limited because of the quantity of its process waste effluent, will be employing an integrated high tech digester/fuel cell plant to pre-treat the effluent. The methane by-product will be consumed by the fuel cell to generate electricity and thermal energy needed for the ethanol production facility. This enables production capacity growth and increased competitiveness for the ethanol producer, while realizing the benefits of on-site fuel cell energy production.

—An experimental greenhouse co-located with a county landfill in New Jersey will use the fuel cell and landfill gas to generate electricity and heat, as well as carbon dioxide needed for more rapid plant growth. This reduces energy costs for the grower, readies his produce for market faster, and productively uses otherwise environmentally damaging landfill gas.

ACHIEVING PLANNED OBJECTIVES

ERC is committed to completing the DOE/ERC Cooperative Agreement while establishing field trials that will validate the commercial viability of these highly efficient and affordable energy plants. This is the last pre-commercialization effort necessary to validate plant designs, manufacturing processes, on-site installation procedures and fuel cell operations. Toward this objective, several milestones have been achieved and reported to this Subcommittee. In 1997, we described in testimony the completion of the 2-MW Santa Clara (CA) proof-of-concept test, which validated the carbonate fuel cell technology at a utility scale. Since that watershed event, design changes dictated by that test have been incorporated to optimize fuel cell performance and reduce cost. Last month, the pre-commercial version of a 250 kW Direct Fuel Cell stack (Figure 1) was commissioned at ERC's headquarters. Providing, virtually, an endless supply of electricity for corporate offices and engineering laboratories, this stack is the building block for a family of Direct Fuel Cell energy plants that will be available for domestic markets beginning in late 2000. A decade's investment in the Direct Fuel Cell by the Congress and our country is paying off as hoped, a testament to the enduring support of the Appropriations Committee, the Administration, and the electric utility industry.

Optimizing the Direct Fuel Cell energy plant design to reduce cost is the thrust of our endeavors today. ERC believes the plant will achieve below market clearing prices of $1500 per kilowatt, established by the electric utility industry, upon reaching product maturity. This is a realistic expectation, validated through an independent audit by the DOE, in consideration of the progress since the Santa Clara proof-of-concept test. The power output from a single Direct Fuel Cell stack has been doubled, while its durability has increased several-fold. The engineered improvements coupled with the development of integral relationships with our suppliers have reduced Direct Fuel Cell cost by half. It is anticipated that the cost will be halved again through completion of field trials that will begin later this year.

In the effort to condition markets worldwide for the Direct Fuel Cell energy plant, ERC is aggressively developing strategic partnerships and alliances. The Fuel Cell Commercialization Group, a utility consortium established in the early 1990's for buying the first energy plants, has supported ERC's efforts with market education and systems level requirements definition. More recently, ERC have established a cross-licensing relationship with the MTU division of Daimler Chrysler, our strategic partner in Europe. Under this arrangement MTU will provide 200-kilowatt class fuel cell plant, that employs the Direct Fuel Cell, for U.S. markets, while ERC will make available its megawatt-class Direct Fuel Cell energy plants to MTU for sales in European markets.

With the partnerships and alliances being developed, Direct Fuel Cell energy plants such as, nominally, the 3-megawatt plant (Figure 2), as developed by ERC, will be sold worldwide. Additional members of the family of Direct Fuel Cell products will include a 200-kilowatt, and, nominally, 1.5 megawatt plants.

PLANS FOR COMPLETION

ERC is committed to completing the DOE/ERC Cooperative Agreement on the existing schedule. This is dependent upon receiving the Department's share of funding to support this schedule. ERC has exceeded its cost share commitment, and will continue to meet or exceed its share. We remain eager to launch the family of proven Direct Fuel Cell energy plants into markets worldwide.

To meet this ambitious goal, ERC is conducting the tasks necessary to complete the work defined in the Cooperative Agreement. The 250-kilowatt Direct Fuel Cell energy plant, generating electricity for our corporate headquarters facility, will continue operations throughout the summer. This unit is the largest operational advanced fuel cell energy plant in the U.S. today, representing the cooperative efforts of the Congress, Administration, and the electric utility industry in preparing the first advanced fuel cell for commercial markets. It validates the design of the prototypic commercial fuel cell stack that launches sub-megawatt and megawatt-class field trials.

Field trials are being developed with U.S. and European utilities to showcase the Direct Fuel Cell, build user confidence in the multi-level benefits of fuel cells, and attract the investment needed to establish a broad manufacturing capability. The first of these field trials will be conducted in Bielefeld, Germany beginning later this year, while negotiations are underway for the first domestic projects.

Concurrently, ERC is focused on reducing the production cost of the Direct Fuel Cell, and simplifying overall energy plant design. As the Direct Fuel Cell approaches product maturity following field trials, the plant cost will cross the market clearing price line. Highly efficient electricity and heat generation, combined with

super clean emissions, will offer users remarkable value. These flexible energy plants will engender a wide variety of uses including electric and gas utilities, reliability and power quality applications, rural and on-farm generation, electric service for ships, landfill sites, industrial cogeneration, and environmentally sensitive areas.

CONCLUSION

The many changes in the electric utility industry are driving customer interest in new generation technologies. The Direct Fuel Cell technology has been proven in hundreds of thousands of hours of testing worldwide to meet specifications and the expectations of those interests that will use them to solve problems of cost, power reliability and availability. Early adopters are eager to apply fuel cells to solve existing challenges or preclude the impacts of electric utility industry deregulation. Its many benefits invite innovators to study applications never before considered.

Bipartisan support has propelled the stationary fuel cell program through the many years of study, experimentation and testing. Today, at the threshold of market entry, continued support is needed to complete the task. ERC sincerely appreciates the work of the Subcommittee and the Department of Energy in behalf of the stationary fuel cell program. We request that the Direct Fuel Cell program be funded in fiscal year 2000 at $19.5 million within a $65 million stationary fuel cell budget that represents the aggregate need of the U.S. developers.

OTHER RELATED AGENCIES

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

PREPARED STATEMENT OF THE MAXWELL MUSEUM OF ANTHROPOLOGY, UNIVERSITY OF NEW MEXICO

Request: A one-time $3 million appropriation from the National Park Service to the University of New Mexico that will match private funds for the construction of a facility for the storage and research of archeological holdings located at UNM. These include the estimated 1.5 million artifacts from the Chaco Culture National Historic Park, a UNESCO World Heritage Site also listed on the National Register of Historic Places. This research collection is held jointly by NPS and UNM.

Background: The Maxwell Museum of Anthropology at the University of New Mexico houses and interprets a world-renowned and priceless collection of cultural materials from around the world. More than half of this collection focuses on the Anasazi (Early Pueblo) culture of the American Southwest centered in world-renowned Chaco Canyon, one of only two UNESCO World Heritage Sites in North America, which is managed by NPS.

The Chaco holdings at Maxwell include archeological artifacts as well as the extensive archival inventory of field notes, reports, architectural descriptions and photographs that gives the artifacts cultural meaning and preserves their original locations of use. Since the 1930s, UNM and NPS have worked collaboratively on the archeological research, education, publication and curation of collections from this site. Significantly, it has been this long archeological collaboration that has provided much of the expertise and information that enabled the stabilization and long-term preservation of the unique architecture of Chaco Canyon, thus enabling it to become an important part of the nation's cultural heritage.

In addition, under a regularly renewed Cooperative Agreement between NPS and UNM, the curatorial staffs of the Maxwell Museum and the Chaco Culture National Historic Park jointly curate the collections. In this regard, the missions of the agencies coincide and include the long-recognized need to store the collections in a facility that is adequately equipped to house them and to ensure their use by scholars and availability to the general public. The 1995 Cooperative Agreements states that "The University and the Service will continue to work collaboratively towards the planning and implementation of long-range goals for the Collection e.g. the Inter-Agency/University Research facility."

The Maxwell Museum also houses major collections from all of the other prominent archeological cultures of the Southwest region as well as many other parts of the world, all of which will be consolidated in the proposed facility. The best known of these is the collection of Mimbres material of southwestern New Mexico that was recovered during the 1960s and 1970s by the Mimbres Project of the Maxwell Museum. This decade-long archeological salvage program excavated many of the surviving Mimbres sites during a time of rapid land development and looting, and in so doing, it added immeasurably to the understanding of this brilliant culture.

The Maxwell holds many of the rare remains of the earliest human occupation of the Western United States, including artifacts of Clovis and Folsom hunters recovered from such famous early sites as Blackwater Draw, the Folsom site and Sandia Cave. These are accompanied by equally important paleolithic collections from the Old World that include some of the best documented collections from Western Europe and East Africa. Finally, the Maxwell holds major collections from the important Mogollon civilization of present-day Arizona and the Casas Grandes culture of Chihuahua, Mexico.

Need: The UNM/NPS Chaco project and several others that have contributed to UNM's prominence in the fields of anthropology and archeology continue to grow. Given the growth over the past 70 years, the available space for storage and laboratory research has become increasingly inadequate both in quantity and quality. The more than five million artifacts currently held by the Maxwell are housed in five different buildings, none that entirely meets the stringent standards demanded by museum professionals and the NPS or by general federal (36 CFR 79) guidelines. Environmental and climatic controls, fire detection and suppression, and security are less than optimal. Serious overcrowding has limited the access of scholars intent on research and of the general public seeking to view the remains of one of the world's great prehistoric civilizations. Thus the collection and its educational value are underutilized.

New Building Project: The Maxwell Museum and the Chaco Culture National Historic Park, with the backing of their parent institutions, have jointly developed a plan to address these urgent needs by building a new curatorial and research facility adjacent to the Maxwell on the University of New Mexico campus. The goals of this project are to curate and preserve the archeological holdings; to make them available for study, interpretation and public exhibition; and to generate research and informational programs in accordance with the university's education mission and that of NPS to bring national heritage to the general public.

In support of these goals, UNM has received a commitment of $3 million toward the construction costs from a private donor. A further $3 million is required to complete the storage/research facility in accordance with preliminary plans completed by UNM-sponsored architects. Architectural plans and estimated costs accompany this document.

The new facility will house the Maxwell Museum and Chaco Culture National Historic Park archeological artifacts, archives and related photographic documentation, thereby consolidating components stored in several different areas and benefiting users by having all materials related to Chaco Canyon stored in one location. The facility will conform fully to federal standards of curation required by 36 CFR 79 and will accommodate the current collection as well as anticipated growth for the next fifty years. In addition to the collection storage areas, the facility will include research laboratories and work space for the curatorial staff from UNM and NPS; a teaching area, a research library and archive containing the Chaco Canyon-related materials; on-line access to catalog data and Internet access at all workstations; and a conservation laboratory, visible storage for the most popular component of the collection (Southwestern pottery and basketry) and space dedicated for the use and study of the collections by Native Americans.

Impact: The educational potential is almost unlimited, with the facility serving as a dynamic laboratory for archeological and cultural preservation training by NPS and UNM conservators and curators as well as a center for innovative public education, outreach and interpretation programs. K–12 students and the general public will benefit from the increased use of the collections in the Maxwell Museum's outreach, public and exhibition programs, which now reach more than forty thousand children, adults and senior citizens each year. The increased work space and laboratory facilities will encourage University students and professional scholars to conduct research on the artifacts and in the archives, thereby increasing the understanding of the history of Southwestern cultures and enhancing the public appreciation of the rich cultural resources of New Mexico and the Southwest.

Because of its integral participation in the development of the research facility, the NPS will be able to expand its existing relationships with other federal agencies and with Native American tribes. For instance, the NPS has long maintained a close working relationship with the Navajo Nation Historic Preservation Division with regard to the examination and care of archeological sites located near Chaco Canyon on Navajo lands. This work is essential to the full understanding of the Chaco people in their regional context during the Anasazi period. This collaboration has been severely hampered by the inability of the NPS to store, analyze and curate the materials resulting from the work. The new facilities will resolve this problem. The central location of the facility in Albuquerque will also enhance the NPS ability to consult with its many affiliated tribes on collection use and NAGPRA compliance

issues. Moreover, a major goal of the Maxwell Museum is to open its doors for training and participation of Native American people in museum management activities. The NPS is fully supportive of this goal and feels that the new center will further its ability to incorporate native views, perspectives and concerns into the planning of its collections management strategies.

The presence of a major archeological research center on the UNM campus in close proximity to related disciplinary centers such as Biology, Earth and Planetary Sciences, Native American Studies and the Center for Southwest Research will facilitate interdisciplinary research. In the past eight decades, research on the Chaco Canyon collections has generated 45 graduate dissertations and theses. With an increased potential for inter-disciplinary education, even greater productivity is expected in the coming decades as the collection catalog (now at 90 percent) is completed and computerized information is made accessible. This increased research will greatly expand UNM's ability to develop innovative public programming, enhancing interpretive programs and exhibits in the Maxwell Museum and the Chaco Culture National Historic Park.

In recognition of the importance of these collections for such future work, the Society for American Archaeology, which is the national professional body for archeology, solidly supports this project. The new research facility represents a rare example of a university—federal—private partnership in the vital area of collections care and management. It also pioneers the full integration of curation and education in a comprehensive mission that will provide unusual opportunities for both the academic community and the general public to expand their knowledge of the past and develop greater awareness of the richness and diversity of our national heritage.

SUMMARY BUDGET

	Cost	Federal grant funds	Matching funds	Total
Consultant Fees: Architecture/Engineering	.....	$202,366.50	$202,366.50	$404,733
Equipment:				
Furnishings	$225,000	112,500.00	112,500.00	225,000
Data/Telecommunications	200,000	100,000.00	100,000.00	200,000
Subtotal	.....	212,500.00	212,500.00	425,000
Construction	4,761,563	2,380,781.50	2,380,781.50	4,761,563
Other:				
Project Contingency	101,205	50,602.50	50,602.50	101,205
Project Administration [1]	307,500	153,750.00	153,750.00	307,500
Subtotal	.....	204,352.50	204,352.50	408,705
Total Budget Costs	.....	3,000,000.00	3,000,000.00	6,000,000

[1] Includes UNM Utility Charges of $240,000 (4 percent of budget) to bring utilities to the site and to pay for increase in power supply.

PREPARED STATEMENT OF EDWARD H. ABLE, JR., PRESIDENT AND CEO, AMERICAN ASSOCIATION OF MUSEUMS

My name is Edward H. Able, Jr. I am President and C.E.O. of the American Association of Museums (AAM), the national museum organization that has helped America's museums and their staffs serve communities and families since 1906.

For over 30 years, the Federal cultural agencies have provided invaluable financial assistance to museums of every kind, from art museums and aquariums to youth museums and zoos, in their mission to serve and educate the public. I urge you to bolster this effort in fiscal year 2000 by funding the National Endowment for the Humanities (NEH) and the National Endowment for the Arts (NEA) at the levels requested in the President's budget. In addition, I encourage you to substantially increase the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) to $40 million. This increase would accommodate both the president's budget request of $10.45 million for new technology and leadership initiatives as well as the museum community's request of $6 million for a much needed boost for major programs, such as General Operating Support (GOS) grants, which have been level funded for several years. As my time is very limited, I will simply underscore the critical support the NEH and NEA provide museums, and will focus my attention on the importance to museums of OMS General Operating

Support (GOS) funds. General operating support funds for museums, though fundamental, are very difficult to obtain from foundations or corporations, which generally prefer to fund higher profile programs. A museum's ability to serve its community well stems from the health of the museum's most basic operations. Funding for such operations are the most difficult to obtain.

THE MUSEUM BOOM

Over the past ten years museums have witnessed a huge increase in attendance. For evidence, we do not have to look further than down the street to the National Gallery of Art, which during the Van Gogh exhibition accommodated 5,339 visitors a day for a total of 480,496 visitors. The new California Science Center had over 2 million visitors in the last year. There are more examples from 1998: An exhibition of Leonardo da Vinci's "Codex Leicester" at the Seattle Art Museum had 2,916 visitors a day; "Titanic: The Exhibition," drew approximately 5,000 visitors a day for a total of about 830,000 visitors to The Florida International Museum in Saint Petersburg, Florida; and The New York Historical Society during "Treasures from Mount Vernon: George Washington Revealed" served 45,264 visitors in a three month period.

This is not simply a blockbuster phenomenon. According to a recent and conservative AAM estimate, museums get 865 million visits per year compared with around 600 million only a decade ago. That's an impressive 2.3 million visits to American museums per day. More people visit American museums today than in any time in history. And this trend shows no sign of slowing down.

This attendance boom is not just at our nation's biggest institutions. The Telfair Museum of Art, Savannah, Georgia, the oldest art museum in the South, has seen its attendance double over the last four years to 146,000 per year. And this increase in popularity is not just for art museums—museums of all types and sizes are being built, expanded, or renovated to serve the needs of children, families, and life-long learners. We estimate that $4.3 billion will be spent on museum construction between 1998 and 2000 and that more than 150 museums will be built or expanded during the same period.

So what are the reasons for this boom? While no doubt our healthy economy is a major contributor, the real reason for museums' popularity goes much deeper. Museums are now benefiting from the results of their efforts to reach out to communities and families, which was key among recommendations put forth to the field six years ago in AAM's landmark report Excellence and Equity: Education and the Public Dimension of Museums. This report urged museums to become social and community centers and to ensure that "they are an integral part of the multifaceted human experience."

Museums have become what a recent supplement in the Washington Post dubbed "The New Town Square," "offering everything from jazz concerts to education forums" while remaining places of learning for children, families and adults; of scholarly research; and quiet contemplation of beauty, our cultural heritage, and civilizations past and present. No doubt museums are succeeding because they invest tremendous resources to ensure that they are both intellectually understandable and that they meet real community needs.

To demonstrate the impact of the Office of Museum Services at IMLS, I turn back to the Telfair Museum. The museum was awarded a 1998 OMS General Operating Support grant of $112,500 (GOS grants span two years) to help support market research to determine what Savannah wants from the museum and incorporate the findings into its new building and mission. According to the museum, this GOS grant will help take its service to the community "to another dimension."

NEEDS RESULTING FROM THE BOOM

1. *Infrastructure Stress*.—More than ever, museums are being asked to be many things to many people. They greet this call with enthusiasm and a strong sense of responsibility. However, all this success places tremendous demands on infrastructure. With regard to art museums, for example, it costs an average of $38 per visitor while the average admission charge per visitor is $1.46. With the huge increases in attendance, the main reason for establishing the OMS in 1976—"to ease the financial burden borne by museums as a result by their increasing use by the public" (Public Law 94–462, Title II, Museum Services Act)—has never been more true than today. According to a recent AAM survey, almost 90 percent of museums believe that "funding to meet basic commitments" is a critical need for the coming years, with 70 percent ranking this issue first among their needs. Only 8 percent believe that the museum community has adequate resources to cope with the critical issues in the near future—especially funding issues.

One of the hallmarks of GOS grants is their flexibility. While these awards cannot be used for construction or renovation, they can be used for a multitude of purposes from education programs, to collections care, to providing increased access to collections via technology. For example, the Utah Museum of Natural History in Salt Lake City received $112,500 that it will use in part to hire additional security guards to meet the demands of increased attendance. The museum had received state operating support funds, which allowed it to extend its hours, which in turn had led to increased use by the public. The museum also has an insect infestation problem, which threatens a very important ethnographic collection. The funds will be used to rent very large cold storage trailers to freeze the artifacts and eliminate the infestation. In addition, the collections storage room will be sealed and fumigated to ensure the long-term safety of the collection.

Another example of GOS being used for critical collections care is the Bisbee Mining and Historical Museum in Bisbee, Arizona. This museum will use its $39,140 GOS grant in part to help preserve its highly regarded collection of 25,000 historic photographs, which are in need of proper archiving and storage. According to the museum, archival supplies are very expensive and it is especially difficult for small museums to find the resources to care for collections at the level of current professional standards. GOS is the only funding they can find for collections care.

2. *Education*.—While education has long been critical to museums, in recent years it has moved to the forefront of their public service missions. Museums are a tool of learning for us all. They put us in touch with the past. They bring us information about history's successes and failures. Museums help us make real choices today as we learn to value who we are, where we came from, and what we have. For children, museums open new and wonderful doors to the universe. They broaden our children's horizons, enrich their lives and introduce them to new opportunities and experiences. Museums help young people to learn and grow for the future.

We know from a recent OMS survey that museums in the U.S. spend $193 million annually on K–12 programs and provide nearly 4 million hours on educational programs such as guided field trips, staff visits to schools, and traveling exhibits in schools. 88 percent of America's museums now provide K–12 educational programming. Seventy percent of museums have at least one full-time paid staff who offers K–12 educational programming. More schools everywhere recognize the value of museum resources and are taking advantage of them. Museums' commitment to education programs for schools is increasing: Over 70 percent of museums surveyed report an increase in numbers of students, teachers and schools served in the last five years.

Museums use GOS funds to support their education missions, including expanding geographic outreach.—For example, the Museum of New Mexico in Santa Fe will use its $112,500 GOS grant to continue circulating its "education van" throughout the state. In this program, museum staff go through intensive planning (working with community leaders) to meet community needs. For example, staff worked with Navajo elders of Crownpoint who were concerned that their weaving traditions were not being passed on to future generations. Museum staff brought artifacts to study and held weaving, tutoring, and mentoring classes with the elders, to ensure this important tradition will continue. The "education van" has been to 30 communities in its first fourteen months of operation. According to the museum, this program would not have happened without IMLS funding, which attracted funding from five additional sources—giving yet another example of how relatively small amounts of Federal funding leverages significant public and private support at the state and local levels.

For the Green Mountain Audubon Nature Center in Huntington, Vermont, which has an island sanctuary for endangered species on Lake Champlain, a GOS grant of $42,700 was "a shot of whole blood." The museum was able to keep the educator it employed on a seasonal basis and work him into all of its on-site and outreach education programs throughout the year. The museum hopes to use this grant to build a constituency for their outreach program so it can stand on its own when the grant runs out—as happened at the Arizona State Museum, which received ESEA Title I funding from local schools to sustain a program begun with GOS funds.

3. *Technology*.—Our country's museums house an enormous wealth of information for scholarly research and public education—more than 700 million objects and associated documentation of our cultural, artistic, and scientific heritage. However, a museum at any one time has only approximately five to ten percent of its collection on exhibition, and access to objects in storage is necessarily restricted.

Before the advent of the digital age, museums were only able to share their collections with the public in teaspoon amounts to on-site visitors. Now, however, museums are leaders in developing interactive exhibits and applying new technologies to increase their accessibility through distance education. "Virtual visits" and school

programming via satellite, one and two-way video, over the Internet, or with a combination of these and other communications technologies, can supplement the more than 865 million actual visits each year to America's museums.

A $60,439 GOS grant will allow the Sheldon Museum and Cultural Center in Haines, Alaska to hire a specialist curator to enter their entire collection, including local pioneer-transportation, mining, local industries, Tlingit and other northwest coast Native American artifacts, on computer for access by the public. For part of the grant's matching requirement, the museum was able to leverage a digital camera so they can sustain the process of providing the public on-line access to their collection.

Similarly, the Hood Museum of Art in Hanover, New Hampshire is using part of its $112,500 GOS grant to fund full time staff for data collection and digitizing of their collection. The grant has enabled the museum to provide an impressive level of detail about its collection so that any student or faculty member at any time can access the collection for meaningful study. This effort has brought the museum into a closer relationship with students who are increasingly taking advantage of all of the museum's resources. The museum would not have been able to serve the students and faculty so well without this funding.

But such examples are too few, too sporadic, and have only begun to scratch the surface—fewer than ten percent of the nation's museums have websites at this time. While 90 percent of the nation's teachers believe that using the Internet boosts student achievement and prepares students for a future requiring technological literacy, 60 percent of the teachers are concerned about the quality of on-line content. The president's budget calls for $5 million to make museum resources part of a National Digital Library for Education. This funding is part of a $30 million initiative to create a digital library that could be used in American classrooms and throughout the world. The library will include special collections from the Park Service and Smithsonian, math and science resources from the National Science Foundation, and through IMLS, books and museum collections.

In addition, the president's budget calls for $7.6 million for OMS National Leadership Grants for Museums, such as Museums Online to help museums use technology to create regional electronic networks, support networked museums through training and technical assistance, share best practices in the development of educational resources and implement and upgrade Internet access at museums. These well-timed initiatives would provide much needed coordination and focus facilitating museums' efforts to provide distance education and increased access to their collections. We have made great strides in U.S. libraries in terms of information access and navigation. To be effective partners with our library colleagues, it's critical to make the same advances for museum collections, if we are to maximize their potential impact on the education of our youth.

4. *Other GOS Statistics*.—While need has increased, the OMS has shrunk, despite an exemplary record. Funding has dropped dramatically since fiscal year 1995, when it was $28.7 million, to today's level of $23.4 million. This has meant that the General Operating Support program was able to fund only 20 percent of applications in fiscal year 1998 versus 26 percent in fiscal year 1995, and down from a high of 46.3 percent in fiscal year 1981. The 20 percent figure is very low when you consider outside peer reviewers determining that 59 percent were worthy of funding. While GOS grants can be used for multiple purposes, 88 percent of grantees use their awards to improve visitor services, while 94 percent enhance their educational programs.

The proposed $40 million is modest relative to the demonstrated need. Funding all of the recommended applications would cost nearly $65 million. Nevertheless, $40 million would significantly increase the ability of the agency to help a broader range of museums across the country to reach out to their publics and use the OMS award to leverage more private funding. The number of awards would increase significantly and while most of those additional awards would be small grants, they would have a strong multiplier effect on private and state funds for the recipient museums, given past experience. Additional funding would also help museums increase and enhance services to local school systems and other community organizations.

In closing, the OMS is of enormous support to the museum field beyond providing GOS grants. OMS provides much needed funding for conservation, professional development, important leadership initiatives and awards which "shine a spotlight" on best practices and replicable programs, and also funds a critical program to improve individual museums' standards and performance—the Museum Assessment Program, which is produced by AAM. Let me just end by applauding the OMS as an incredibly efficient and effective agency. With its staff of 20, OMS's total non-pro-

gram costs—including research—are 6.3 percent of requested funding, less than its authorized cap of 10 percent. Over 93 percent of all dollars go directly to museums.

The public's expectations of museums are higher today than ever before, and they are likely to continue to rise. Museums are facing the challenge to meet and exceed these expectations. I urge you to answer this challenge in partnership with us and ask that you recommend funding for the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) at $40 million and recommend funding for the National Endowment for the Humanities (NEH) and the National Endowment for the Arts (NEA) at the levels requested in the President's budget.

Thank you for the opportunity to submit this testimony.

PREPARED STATEMENT OF THE AMERICAN SYMPHONY ORCHESTRA LEAGUE

On behalf of America's orchestras, the American Symphony Orchestra League urges the subcommittee to approve fiscal year 2000 funding for the National Endowment for the Arts at the level of $150 million, as requested in the President's fiscal year 2000 budget.

Grants from the National Endowment for the Arts (NEA) play a key role in orchestras' efforts to bring musical performances of the highest quality to the largest possible number of Americans. Supported by a network of musicians, volunteers, administrators and community leaders, America's adult, youth, and college orchestras total more than 1,800 and exist in every state and territory, in cities and rural areas alike. They engage more than 76,000 instrumentalists in playing positions, employ (with and without pay) more than 11,000 administrative staff, attract more than 250,000 volunteers, and annually perform nearly 30,000 concerts to total audiences nearing 31 million. The federal commitment to the arts, as embodied by the NEA, is irreplaceable to this multitude of individuals involved in the orchestra field.

While the fiscal year 2000 request for the NEA represents a substantial increase in funding over the current level of $98 million, the President's request for $150 million is still well below the $167.4 million in 1995 funding that preceded the drastic 40 percent cuts to the NEA in 1996. The NEA has since significantly restructured its grant-making process to make the most of the limited resources available to serve the cultural needs of our country, and has now further defined a method for serving those needs with additional funding, embodied in a proposal titled Challenge America.

CHALLENGE AMERICA

Challenge America will provide support to state arts agencies and arts organizations for activities in five specific areas: Access to the Arts, Arts Education, Cultural/Heritage Preservation, Youth-At-Risk, and Community Arts Partnerships. Through these areas, the NEA seeks to reinforce its commitment to make the arts more central to American families and to strengthen the arts infrastructure in communities that are underserved by the arts.

ACCESS TO THE ARTS

The NEA currently supports programs at the national, state, and local level that serve to increase access to the arts throughout the country. In response to concerns about the distribution of NEA funds, the agency created a new program, titled ArtsREACH, which is designed to encourage grant applications from arts organizations and community-based coalitions in 20 states considered underrepresented by direct NEA grants. After a representative from the Sioux City Symphony Orchestra attended an ArtsREACH grants seminar, the Orchestra successfully applied for an fiscal year 1999 grant through the NEA's Creation & Presentation category.

The $7,500 grant enables the Sioux City Symphony Orchestra to bring musicians to small communities whose residents are unable to travel to Sioux City for performances. The Orchestra is currently implementing the grant, which supports outreach concerts and educational residencies in neighboring communities in Iowa, Nebraska, and South Dakota.

Through collaborations with local community centers, schools, churches, and educational institutions, the orchestra will perform four specialized concerts in rural areas. In one such collaboration, an unprecedented partnership between chamber players and the nearby Winnebago tribe will culminate in a performance that reflects Winnebago traditions. The outreach programs of the orchestra also focus on sending string musicians to schools for interactive sessions called Informances. Students in classrooms in rural Iowa, many of whom have never heard a stringed in-

strument performed in-person, can listen, learn, and test out the instruments of Sioux City musicians.

Thanks to the recent grant, the Orchestra will expand education programs to reach a larger number of schools that have requested to participate in the Informances program. Likewise, the collaboration with the Winnebago tribe would not be possible without the support provided by the NEA and the additional community support the grant leverages. The Orchestra is currently attracting new funding through publicizing its NEA grant award in requests for contributions from corporate sponsors, individual donors, and subscribers, and through press releases and newspaper coverage.

ARTS EDUCATION

Results from the NEA-supported 1997 National Assessment of Educational Progress in the Arts demonstrate that arts literacy provides the creative and communications skills necessary for today's students to succeed in tomorrow's workplace. In its 34-year history, the NEA has maintained a strong commitment to promoting the benefits of early childhood learning in the arts, establishing arts education as a core subject in the K–12 curriculum, and supporting the lifelong learning opportunities offered by arts organizations.

An fiscal year 1998 Education & Access NEA grant currently supports Arts in Community Education (ACE), an interdisciplinary education program of the Milwaukee Symphony Orchestra. In addition to requiring that participating schools employ at least one full-time music specialist, ACE integrates the arts into all subject matters, offering in-service training and a summer curriculum workshop to all participating teachers. Teachers then tailor the ACE curriculum for use in their own classrooms.

CULTURAL HERITAGE/PRESERVATION

In order to preserve the rich traditions of our cultural heritage, the NEA supports projects that increase public awareness of and participation in uniquely American arts forms. Creative music and performance traditions are supported through the NEA's American Jazz Fellowships and National Heritage Fellowships, and through direct grants to arts organizations.

An fiscal year 1998 Heritage & Preservation grant to the Atlanta Symphony Orchestra supported a showcase of works by African-American composers in a Martin Luther King, Jr. celebration. NEA-sponsored activities included: a January 1998 concert by the Atlanta Symphony with the Glee Clubs of Morehouse College and Spellman College; national and European broadcasts of the concert; production of compact discs of works by African-American composers; and performances and master classes for area college students.

YOUTH-AT-RISK

An NEA-supported publication, Art Works!: Prevention Programs for Youth & Communities, confirms that students who participate in organized arts activities are significantly less likely to abuse drugs or alcohol. Orchestra's programs for at-risk youth have further demonstrated that arts participants develop higher self-esteem, are more likely to remain in school, and are more likely to attend college.

Orchestras across the country, in small rural communities and large urban centers, collaborate with teachers and community service organizations to identify students that may be at risk of substance abuse or gang activity, and offer learning opportunities for at-risk youth during the school day and afterschool, weekends, and summers. At-risk youth who participate in music programs experience the joy of creativity, the discipline required to learn new skills, and the satisfaction of participating in a safe community of peers and mentors.

COMMUNITY ARTS PARTNERSHIPS

Challenge America would support a collaborative effort to assist community renewal through the arts. These projects range from developing arts-related solutions for economic and social issues, to increasing public awareness of the importance of the arts. Long-term community arts partnerships have proven to stabilize arts organizations in their communities and, particularly in the case of orchestras, been key to audience development efforts.

An NEA grant created a new community partnership in support of the Billings Symphony Orchestra. The Orchestra's outreach program for residents of rural, tribal, and urban southeast Montana and northeast Wyoming includes the Annual Free Youth Concert. An fiscal year 1998 NEA grant of $5,000 leveraged matching support

from the Stillwater Mining Company, a first-time contributor to the Orchestra, and a significant employer in Montana. While the Annual Free Youth Concert is typically limited to one free performance by the full orchestra, the Stillwater Mining Company's contribution made possible a second free concert in January, raising the combined attendance to number more than 2,300.

One audience member expressed his appreciation for the performance opportunity and for the Mining Company's support: "Since my limited income does not allow me to attend concerts more regularly, I especially appreciate the efforts of the Stillwater Mining Company and other sponsors who make it possible for the community at large to attend the fine programs produced by the Symphony. Groups like the SMC who sponsor such things show that they care for the Billings community, and by so doing gain much support for what they desire to accomplish in their business."

The Symphony's outreach program also includes, Rural Rhythms, a partnership with four rural counties, through which the Billings Symphony Orchestra sends musicians as individuals and in pairs to perform in informal settings. After front-page promotion and coverage in the Rosebud County Press, one such performance attracted 15 percent of the Colstrip population, which numbers near 500. One Colstrip resident expressed her thanks: "I just wanted to commend the Billings Symphony on their program that allows those of us who live in rural communities the opportunity to see and hear such wonderful musicians and ambassadors of the Billings Symphony." Another audience member commented, "I believe you will have a few more Colstrip people attend the Billings Symphony after Tuesday night's performance . . ."

In sum, the NEA grant to the Billings Symphony Orchestra has sparked a new partnership between art and industry, increased access to live performances, and helped the orchestra to build future audiences.

The Challenge America initiative will devote $50 million in funding to provide crucial opportunities for community arts programs, such as those described above. In conceiving this initiative, the NEA consulted with the state arts agencies and other government agencies, representatives from arts organizations, and the private sector to forge an agenda that will further increase investments in the arts, ensure access to the arts, promote individual creative endeavors, and advance learning. On behalf of America's orchestras, we urge the Senate to approve $150 million in fiscal year 2000 support for the National Endowment for the Arts.

PREPARED STATEMENT OF B. LESTER ABBERGER, III ON BEHALF OF THE FEDERATION OF STATE HUMANITIES COUNCILS

Mr. Chairman, members of the subcommittee, thank you for the privilege of speaking to you today on behalf of the state humanities councils. My name is Lester Abberger. I serve on the board of directors of the Florida Humanities Council and the Federation of State Humanities Councils. I live in Tallahassee, Florida where I work as the senior vice president of the Florida Water Services Corporation.

I am here today on behalf of the National Endowment for the Humanities and more specifically the state humanities councils to advocate funding as requested in the fiscal year 2000 budget in the amount of $150 million for the NEH and $39.13 million for the Federal-State Partnership.

My involvement in the Florida Humanities Council began in 1989 when I was asked to participate in an ambitious experiment in participatory democracy called the "Governor's Challenge Conference." Each year the governor of Florida and the Florida Humanities Council chose a topic to be discussed by regional and statewide citizens' groups throughout the state in a process that would culminate in a list of recommendations presented to the Governor and the state legislature. The year that I participated the topic was "Medical Ethics: The Have and Have Knots of Health Care." Our group, composed of civic activists, medical professionals and business leaders, explored and debated the choices we face in the allocation of health care resources, terminal illness, long-term care for the elderly and health care education.

The Governor's Challenge Conferences provided political leadership with thoughtful recommendations, rooted in the informed concerns of the various constituencies of the state and enlightened by the perspectives of the humanities. These public discussions allowed us to not only examine options in thoughtful ways but to inquire about the values implicit in the choices. The most distinctive aspect of these programs, however, was that they were rooted in the humanities. With the help of humanities scholars we looked at what philosophy, history, religious studies and literature tell us about the things that really matter most to us as individuals and as a society. In the medical community, where we often look to science and tech-

nology for solutions, we found that the perspectives of the humanities challenged our assumptions and opened our minds to entirely new possibilities.

My story is not unlike those of Americans in every state who have been educated and enriched by the public humanities. For nearly 30 years humanities councils in all 50 states have sponsored and funded programs that bring citizens together to discuss history, literature, ethics, culture and public policy. In my state, the Florida Humanities Council sponsored more than 900 public humanities programs last year—programs for school teachers, business leaders, elected officials, senior citizens and families—all with a total budget of only $1.5 million. I want to repeat this because I believe it is impressive and important. With a total budget of only $1.5 million—about one-third of which comes from the federal government—the FHC sponsored more than 900 programs throughout the state in a single year.

Many of these programs play a vital role in reaching out to the small rural towns, which often have no cultural or educational institutions of their own. In such areas, these programs may be the only opportunity residents have to participate in live programs that offer insight into their own history, to join a reading and discussion group, or to discuss issues of common concern. Last February, for example, more than 300 residents of Bartow, Florida turned out to hear two prominent Florida writers, one black and one white, talk about growing up in the segregated world of 1950's Florida. The discussion after the program was every bit as enlightening as the program itself, as the black and white residents talked about race relations in their community over the past 40 years.

Such discussions are taking place in communities large and small throughout the country. Mississippi's "Hometown Initiative" has residents of Booneville, Clarksdale and Aberdeen researching and documenting their local histories. The Washington Humanities Commission's "Inquiring Minds" speakers bureau sent speakers to 400 presentations to schools, libraries and community centers in 35 of that state's 39 counties. The Pennsylvania Humanities Council's Speaker Bureau requests have doubled in three years.

Education is integral to the mission of all state humanities councils, and each council has carved out a niche in the educational system of its state, striving to ensure the highest possible quality in classroom teaching. School programs and teacher seminars bring a wealth of humanities resources into the classroom. In Louisiana, Summer Teacher Institutes have reached a quarter of the state's middle and high school humanities teachers, who in turn teach 300,000 students annually. These 4–6 week intensive training session are taught by college professors in humanities subjects identified by teachers. Programs in Florida, Illinois and Minnesota provide week-long residential seminars designed to provide outstanding teachers with the opportunity to recharge intellectually, network with other excellent teachers and study with distinguished humanities professors.

Responding to mandates from the Georgia legislature and the state board of education that public schools provide character education, the Georgia Humanities Council has a new character education initiative. They have developed a resource center, sponsored a statewide conference and conducted two summer teachers academies designed to help teachers to use the great stories found in literature and history as a way of looking at the virtues and values passed down from generation to generation and which form the foundation of a civil society. The New Mexico Endowment for the Humanities provides an annual history teachers institute and also sponsors that state's National History Day celebration and competition.

Several state councils have developed innovative interactive humanities websites and cd roms, and many are working with teachers in their states to help them integrate this technology into their humanities curricula. Programs such as the Texas Council's "Teaching Humanities with Technology," are making certain that humanities teachers are not left out of the information age.

At the heart of many humanities programs are children and families, and nowhere is this more evident than in the expanding number of literacy and family reading programs undertaken by state humanities councils. In several states, including California, Minnesota, North Carolina, Utah, Washington and Alabama, a program known as Motheread/Fatheread is helping parents improve reading skills, build critical thinking ability and talk about literary themes and family issues. Through Motheread/Fatheread parents and children learn to appreciate reading, good books, and the questions and discussion that good books generate.

The Vermont Humanities Council has been a pioneer in that state's efforts to combat illiteracy through "Connections," a program that offers adult literacy students an opportunity to gather with their peers to discuss timeless themes and to make connections between the books they read and their own lives. This year the Vermont Humanities Council in partnership with the American Library Association and 27 state humanities councils will offer "Connections" in 40 sites throughout the

U.S. Through these exemplary programs and others elsewhere across the nation, humanities councils are helping parents improve reading skills while also providing opportunities for parents and children to examine their values, their relationship with each other, and their role in society.

An effective way to extend the reach of limited resources is to develop productive partnerships, and this is an area in which state humanities councils are particularly skilled. An outstanding example is the partnership between the councils and the Smithsonian Institution Traveling Exhibition Service (SITES), which resulted in a program called Museum on Main Street, designed specifically to serve rural communities. This seven-year-old collaboration has made it possible for small towns in 22 states, including Alabama, Arizona, Georgia, Ohio and Washington, to host high quality, portable Smithsonian exhibits and build humanities programs around them. Typically the exhibit is displayed in a community historical society or museum, and a local planning committee, working with the humanities councils, plans activities that explore the culture and history of the community and surrounding area. In a number of participating sites, the audience for the exhibit has exceeded the population of the town itself, and participants in almost all cases report that the effects of the program on the host institution and the community far outlast the few weeks that the exhibit is displayed.

Rural museums are just one of many settings in which councils have made it possible for citizens who would otherwise not have this opportunity to participate in substantive humanities programs. The Minnesota Humanities Commission, to cite another example, designed a program for the elderly in nursing homes. Using an anthology of readings they compiled, the council trains volunteers to read aloud to those who can no longer read on their own. The New Hampshire Humanities Council has conducted a program called "A Backward Glance," which involved scholars also working with nursing home residents to read memoirs and then write their own, assisted by the scholars and also local high school students who were enlisted to help with compiling production of the written product. In South Dakota, humanities programs on reservations help Native Americans to record and preserve their native culture.

Other programs use the humanities to help citizens cope with the often bewildering and rapidly changing world around them. The Pennsylvania Humanities Council recently conducted a program involving non-traditional audiences in the inner cities and rural districts of southwestern Pennsylvania in exploring, through community forums and discussions both face-to-face and on-line, the impact of communications technology on their lives and American society as a whole. Of the 1,200 people who participated in this very successful program, more than half did not have college degrees; three-quarters had never before attended a public humanities

The board of directors of the Florida Humanities Council and our counterparts in state councils are keenly aware of the changing nature of the non-profit sector. We know that a secure financial future relies on our ability to diversify and strengthen our funding base. Over the past several years councils have been systematically analyzing programs to make certain they fit our mission, exploring new markets and investigating areas of potential profitability. All of us are engaged in an organization-changing process that has helped us to generate earned income, to attract new partners and to renew our confidence in the vital role that the public humanities plays in clarifying issues, building connections and creating a sense of community.

Our efforts are producing results, as nearly two-thirds of the councils are receiving state funding, with several receiving appropriations of more than $500,000. Over 90 percent of the councils have received funds from foundations, corporations and individuals. While all councils are working hard to build their resources through state appropriations, membership support, corporate and foundation grants and entrepreneurial ventures, the demand for our programs and services far exceed what we can supply, and the federal support is critical to all other fund-raising efforts.

Community grants programs, which enable local communities to plan and fund their own local programs, have been seriously affected by budget cuts, and most councils have reduced both the size and number of grants they are making. Literacy and family reading programs are substantially under funded in most states.

Speakers Bureau programs, through which citizens are able to engage with high-quality scholars on a wide variety of ideas, are often the only live humanities programs available to residents of small communities in remote areas. And yet, many states report that they spend their entire Speakers Bureau budget in the first half of their fiscal year. Kentucky is only able to fulfill 20 percent of the requests for speakers it receives. Minnesota has eliminated its Speakers Bureau program entirely because they could not adequately sustain it.

Consequently, I am here today to ask youno, to implore you—to increase funding for the state humanities councils through the Federal-State Partnership. Funding for the councils has been level for much of this decade; indeed, our purchasing power has eroded, yet, as I have tried to illustrate, our activities, demands and opportunities are great. We are meeting needs not only in public programming but also in education, teacher training, literacy and reading. Every dollar put into the Federal-State Partnership goes directly and expeditiously into the states and into programs that directly serve people. Even an additional $100,000 for the Florida Humanities Council, for example, could translate into 1,000 or perhaps even 1,100 programs rather than 900, which would greatly benefit the civic and cultural life of Florida. It would allow us to expand the scope, breadth and geographic range of our efforts within each state. It would allow us to reach more of our people directly and personally with the programs that truly affect our values and our humanity.

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