S. HRG. 106–887

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

ON

H.R. 4578

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2001, AND FOR OTHER PURPOSES

Department of Agriculture
Department of Energy
Department of Health and Human Services
Department of the Interior
Nondepartmental Witnesses

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

WEDNESDAY, MARCH 1, 2000

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, Stevens, and Dorgan.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

STATEMENT OF MICHAEL H. TRUJILLO, M.D., M.P.H., M.S., ASSISTANT SURGEON GENERAL, DIRECTOR

ACCOMPANIED BY:

MICHEL E. LINCOLN, DEPUTY DIRECTOR
KERMIT SMITH, CHIEF MEDICAL OFFICER
GARY J. HARTZ, ACTING DIRECTOR, OFFICE OF PUBLIC HEALTH

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. This subcommittee hearing will come to order.

We have here today Dr. Michael Trujillo, Executive Director of the Indian Health Service, and his colleagues, who I assume are prepared to testify on behalf of the Service's fiscal year 2001 budget proposal. You are all welcome.

The Indian Health Service for fiscal year 2001 is proposed at a level of $2.6 billion, an increase of $230 million, or ten percent above the current funding level. Of that amount, $125 million is designated for maintaining current services, and $105 million is targeted for the improvement of the existing levels of health care and services.

Many of the statistics on the state of Indian health are devastating compared to those of the U.S. population in general. To cite a few examples, the rate of alcoholism is 627 percent greater, tuberculosis is 533 percent greater, and diabetes is 249 percent greater. A recent Harvard School of Public Health/Centers for Disease Control and Prevention study found that the lowest life expectancies in the United States for both men and women exist in the Indian communities. These rates are the lowest of any nation in this hemisphere except for Haiti.

At the same time, the Service has a positive record of achievement. Gains have been made. The mortality rates for many diseases have decreased significantly. The IHS itself serves as a model public health organization for other countries around the world.

This subcommittee will consider the Indian Health Service's request for increased funding carefully, recognizing that the needs are great. I have to tell you, however, Dr. Trujillo, that larger budget decisions must be made before this subcommittee begins its work, and those decisions will in large measure determine the degree to which we can provide additional assistance.

We may very well in the Senate be dealing with a budget resolution in committee as early as next week, but the budget resolution must go through both the committee, the Senate, the House, and a conference committee before we get our allocation for this subcommittee and begin setting our own priorities.

With that, we do have Senator Dorgan here, and I will defer to him for his opening statement.

OPENING STATEMENT OF SENATOR BYRON DORGAN

Senator DORGAN. Mr. Chairman, thank you. I will be mercifully brief. I wanted to thank you for the timely hearing, and to say that I really think we face a crisis in health care, housing, and education on Indian reservations in this country, and we must address all three.

Last year, I convened a meeting with the Indian tribal Chairs from the Northern Great Plains with President Clinton and five Cabinet officers in the White House and talked about these issues, but we must do better.

I know that the President's budget request includes a $1.2 billion increase over the 2000 levels in a range of areas, but frankly, we still are not going to meet the needs that exist on Indian reservations, even with that budget request.

If you go to an Indian reservation—I know, Mr. Chairman, you visit them, and other members of the subcommittee do—and take a look at housing, health care, and education needs, you cannot but conclude that we have a full-blown emergency and a full-blown crisis in these areas, especially in health service.

The Indian Health Service, in my judgment, does an awfully good job with limited resources, but we do not come anywhere near having the opportunity to provide the kind of health care that other Americans have come to expect in many areas of the country.

If you are ill or your child is ill, and you are living on an Indian reservation, and you go to some of the health facilities that I have seen, they do not have the resources to provide the kind of health care those families should be able to expect.

I have talked on the floor of the Senate about Sarah Swift Hawk, who was a grandmother on a reservation in South Dakota, and on January 21 last year went to bed sleeping on a cot in a house with plastic over where windows should have been. Sarah had only a thin blanket and the only cot. The other two adults and two children huddled on the floor, and at 45 degrees below zero, that was the way they spent the evening. The next morning, regrettably, Sarah Swift Hawk, was found frozen to death in a house on an Indian reservation.

Is this a crisis? Darn right, it is. In a range of areas, and that is in housing, but it is equally true in health care. I am trying to get some information, Mr. Chairman, about the formularies that are used to determine which drugs are available for use on Indian reservations for those people who have the need for prescription drugs.

Are the latest and best prescription drugs available, or are they not, and if not, why not? Cost? Does it mean that it is too expensive to provide a drug that is the latest and best drug available for someone on an Indian reservation, some Indian child, or someone who has difficulty?

I will not go on, but I just want to say that I view Indian health care as a crisis that must be addressed on an urgent basis, and it requires money. I know you cannot throw money at things, but it requires more resources than we have been willing to devote, more resources than the President has been willing to request, and we just must do better, Mr. Chairman.

Senator GORTON. Thank you, Senator.

SUMMARY STATEMENT OF HON. MICHAEL H. TRUJILLO

Dr. Trujillo.

Dr. TRUJILLO. Thank you.

Senator GORTON. Your entire written statement, of course, will be put into the record.

Dr. TRUJILLO. Yes. Good morning. Thank you very much for your opening comments, Mr. Chairman.

Thank you for your comments, Senator Dorgan.

I certainly concur with your assessments and your views, especially of the Aberdeen area, where I also used to live. Unfortunately, your description is sometimes the case with regard to housing. Economic opportunities and education play a major role in communities, individuals, and families.

This morning, I am accompanied by three of my staff members. On your far left is Mr. Gary Hartz, who is in charge of environmental, sanitation, and also our health care programs; Mr. Mike Lincoln, who is the deputy director of our agency; and Dr. Kermit Smith, who is our chief medical officer for the agency. All of us have had field time, have come up through the ranks, and know the field, hospitals, tribal, and urban programs well.

ORAL STATEMENT

We have submitted a written statement for the record, which you have, and to summarize our budget, as you had stated earlier, we have proposed a $229 million increase, which is approximately a 9.25 percent increase over the fiscal year appropriations of last year. Our budget authority is about $2.6 billion.

To put it in perspective, the Department of Health and Human Services budget authority is $421.4 billion. Its discretionary portion of that budget for the Department is $48.5 billion. That discretionary budget is about 10.8 percent.

The Agency, the Indian Health Service, represents 0.6 percent of the Department's overall budget authority, and 5.3 percent of its discretionary budget, so we are a small portion of the entire Department of Health and Human Services budget.

In our proposed budget, we also estimate collections from Medicare, Medicaid, and insurance——

Senator GORTON. I would like to interrupt——

Dr. TRUJILLO. Yes.

Senator GORTON [continuing]. With a question right now. You are sort of an odd part of our appropriations bill here for the Department of the Interior, and we have a quote here that you are competing against the moose and the deer, parks, and all kinds of items that are very, very different.

Do you, just as a personal opinion, think you might be better off with the Department of Health and Human Services budget, where you would be treated along with other health care activities in the United States? Would that be an advantage to you, or are you better off here with us?

Dr. TRUJILLO. Well, sometimes it is advantageous that we know the moose and the deer well. We live with them on our reservations.

There are pros and cons, of course, for remaining within the Interior side of the House or going with Labor, Health and Human Services and Education. In Labor, Health and Human Services and Education, we would certainly be with other health care and social programs within the Department; however, we also would be competing against perhaps an elephant and a rhinoceros when we are competing against NIH and CDC. They are, respectfully, large animals within the Department.

They do assist Indian programs nationwide, and we are making inroads to assure that some of their funds will also go to American Indian and Alaska Native programs.

But we also need to look at the committee members. Many of you who sit on the Interior Subcommittee are very familiar with Indian programs and Indian affairs. Whether that is true on the Labor, Health and Human Services and Education Subcommittee, I am not sure. I think some of you also sit on that subcommittee, too. But there are pros and cons.

From my personal position, I feel quite comfortable with the relationships we have established over the years with both the House and the Senate subcommittees of the Interior. You know the budget well. You know us. You know the country. Tribes and urban groups also know you, and are respectful of that relationship. One thing that we can always build upon, is the positive aspect of our existing relationship.

Senator GORTON. Senator Dorgan and I are flattered by that comment. Please go ahead with your statement.

HIGHLIGHTS OF THE PRESIDENT'S BUDGET

Dr. TRUJILLO. I would like to highlight a few items in our proposed budget. In our clinical and preventive environmental programs, we are proposing a 7 percent increase, which is about $160 million.

Our contract health services proposal, which pays for services that we obtain outside the Indian health program or tribal programs, is for a $41 million increase. Also, new staffing for some of our facilities is $12 million that will go primarily towards the Hopi health care program in Arizona and Talihina in Oklahoma.

We have a category called health disparities, in which we have categorized a number of health diseases that we unfortunately have to contend with, such as cardiac, diabetes, cancer, and other diseases. We have made a proposal for a $35 million increase in that particular large group of disease categories.

The fund we utilize to help bring up health care programs which have not achieved all their services in the highest level is called a health equity or an Indian Health Care Improvement Fund. We proposed an $8 million increase in that particular category.

We have to assess the salaries we pay our employees and employees in our tribal programs, because of inflation as well as the pay raises that come in the Federal programs. We attempt to keep salary parity with the other sectors of health care.

We are also trying to assure that we have appropriate data systems, patient management information systems, and epidemiology data programs within our services, and we are proposing a $64 million increase. We also have authorization to fund and work with urban Indian health program centers, and in that category we are proposing a $3 million increase.

In sanitation and health care facilities construction, we are proposing a $20 million increase, for a total of $162 million. Most of that increase will be going toward several facilities: Fort Defiance, Winnebago, and Parker, Arizona. Hopefully there will be some grants to tribes to begin some small out-patient ambulatory care facilities.

We also will be looking at some modular dental clinics, which we really need in the field, in Indian country, since our dental program is in great need of better facilities. This also includes some construction of sanitation systems.

As Senator Dorgan pointed out, our health care facilities sometimes do not meet appropriate modern-day standards. In fact, the average age of Indian Health Service facilities across the Nation is 32 years old.

Last, to help support those tribes who are taking over, managing, and administering their own health care programs through the self-determination effort, we are requesting an increase in our contract support cost funding. This fund is subject to appropriated and available funds within the budget and within the Congress for appropriation.

We are proposing a $40 million increase in contract support cost funding to assist tribes who are taking over and managing their own health care programs.

We have developed a new contract support costs policy with tribes this past fiscal year, which was published in January of this year. Now, all tribes will be able to benefit from this increase in contract support costs when they take over their health care programs under the Self-Determination Act.

PER-CAPITA FUNDING, POPULATION GROWTH, FIXED COSTS

Unfortunately, despite the increases that we see across-the-board and those that you and I mentioned, our per-capita funding for American Indians and Alaska Natives across the Nation remains relatively low compared to other populations.

In 1994 dollars, the per-capita was $1,093, and in today's dollars it is $1,254. That is quite a difference from what the average American throughout the Nation receives for health care costs and expenditures.

Also, in spite of the increase in our budget and our present proposed budget, there is still a necessity for having some funding for population growth. We have a rapidly growing population, as well as new tribes coming into our system. In that category, we had originally proposed a $44.5 million budget for Population Growth.

Inflation has really made substantial inroads in our programs, and the programs of tribes and urban Indians. Senator Dorgan mentioned the problem with pharmaceutical costs. In some cases, some of our pharmacy supplies have increased 25 percent over the past year-and-half, because of inflation and the increase costs for drugs necessary to treat very complex diseases that chronic patients have. We estimate, to come back to parity, would require approximately $64.5 million.

Over the past several years, because of population growth, inflation, and pay costs that were not fully funded, we have had to absorb within the agency, tribes, and urban programs close to three-quarters of $1 billion. Funds to maintain the existing programs had to come from somewhere, and they came primarily out of health services, since we did not get those funding increases.

This year we are faced, of course, with the rescissions of fiscal years 2000 and 2001, which impact upon all our programs across our budgetary scene.

PARTNERSHIP WITH TRIBES AND URBAN GROUPS

The budget, for your information, has been developed in partnership with tribal and urban programs. In fact, we have done that for the past 3 years. The budget that you see before you is based on many of the health priorities that were developed by the tribes and urban programs. Those priorities are alcohol and substance abuse, diabetes, and end-stage renal disease and its complications.

There are also priorities in cancer, mental health, elder care, heart disease, injuries, and dental health. All those were considered in laying out the budgetary priorities, on where to concentrate to maintain services, and where to increase services in some areas.

I personally have made numerous trips to the field. In fact, I spend about a third of my time in the field. Recently, I returned from visiting tribes in Louisiana and Mississippi, and I just returned this past Sunday night from a trip to the Northwest.

In each of my trips, I continue to see pride from the staff, their creativity, and advances and what they are doing to deliver quality care and improve access to their population, despite the lack of resources, which has not come through time and time again.

As you said earlier, unfortunately, we still face major problems in morbidity and mortality. We also face the remoteness at many of our sites and a lack of access to health services. The difficulty of just providing basic services on limited resources can sometimes severely impact individual patient care and families who come for services.

As Senator Dorgan and you mentioned, I also see in my travels, the impact of poverty, the lack of employment and educational op-

portunities, poor housing, the lack of roads and transportation services, especially in the Aberdeen, Navajo, and Alaska areas. In addition, I also see individuals who do not see a productive life in their future.

Finally, many times American Indians and Alaska Natives across the Nation unfortunately face discrimination and the negative effects of racism.

What do our young American Indians and Alaska Natives see in the future? What is in the future for them and their children, and their children's children?

Mr. Chairman, I am extremely respectful of the budgetary process and what has gone on prior to sitting here before this committee today, and the negotiations that will occur in the near future; however, I still am accountable as a health professional. I have spent most of my career in the field and I have seen the effects of a lack of resources.

Earlier this year, the leaderships of tribal and urban programs presented a budget to the Secretary, as well as the Assistant Secretary for Management and Budget, Mr. John Callahan. In their budget, to bring parity to our American Indians and Alaska Natives health care programs across the Nation, it would take approximately $15.1 billion today. Today, we are proposing a budget of $2.6 billion. There is a slight gap between the two figures.

I think, we and the Department and tribes have to fill the significant gap that will still exist, despite the increases that we may see from the budgetary process.

We are trying to minimize the negative effects of the gap on Indian Health Service, tribal and urban programs by reaching out to foundations, universities, and other organizations to see how they may assist us in our efforts, and leveraging the relationship and funding from other Federal agencies, so that they also see the necessity and the responsibility to provide funding in programs for American Indians and Alaska Natives across the Nation.

We are also working in any way we can with States and State Governors to make sure that we are all working in concert to provide American Indians and Alaska Natives appropriate resources and access to care that they are rightfully entitled to and to strengthen, collaboratively, the infrastructure of Indian communities so that they have a better economic base and better educational and social service systems, that they have better housing and judicial systems, and that we work towards continuity, consistency, and efficiency of their programs.

I look forward to working with you and your staff this year, and in the next several months, to see what we all can do to bring immediate resources to American Indian and Alaska Native health care programs.

I think we all need to correct the great disparities that exist in Indian country, as compared to the rest of the Nation. In this new millennium and in this new century we must work together to do things better than we have in the last century, and certainly the one previous to that.

PREPARED STATEMENT

The Congress, the administration, and American Indian and Alaska Native tribes must work together in a meaningful manner so that Indian youth and all Indian people may look forward to a more fruitful and productive life, instead of poor economic conditions, poor education, the lack of other opportunities, and to see that they can also be healthy, productive citizens, not only for their communities in their Indian Nations, but to their States and to the Nation as a whole.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. MICHAEL H. TRUJILLO

Mr. Chairman and Members of the Committee: Good morning. I am Dr. Michael H. Trujillo, Director of the Indian Health Service (IHS). Today, I am accompanied by Michel E. Lincoln, Deputy Director, Dr. Kermit C. Smith, Chief Medical Officer, Gary J. Hartz, Acting Director of Office of Public Health, and Dr. W. Craig Vanderwagen, Director, Division of Clinical and Preventive Services, Office of Public Health. We are also accompanied by Dennis P. Williams, Assistant Secretary for Budget, Department of Health and Human Services. We are pleased to have this opportunity to testify on the fiscal year 2001 President's budget request for the Indian Health Service.

As you know, the IHS has the responsibility for the delivery of health services to Federally-recognized American Indians and Alaska Natives (AI/AN's) through a system of IHS, tribal, and urban (I/T/U) operated facilities and programs based on treaties, judicial determinations, and Acts of Congress. The mission of the agency is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level, in partnership with the population served. The agency goal is to assure that comprehensive, culturally acceptable personal and public health services are available and accessible to the service population. The mission and goal are addressed through four agency strategic objectives, which are to (1) improve health status; (2) provide health services; (3) assure partnerships and consultation with IHS, Tribal, and Urban programs; and (4) perform core functions and advocacy.

For the third year now, development of the IHS budget request originated at the health services delivery level. As full partners with the IHS in delivering needed health care to AI/AN's, Tribal and Urban programs participate at all levels of formulating the budget request and annual performance plan. The combined expertise of the IHS, Tribal, and Urban Program health providers, administrators, technicians, and elected officials, as well as the public health professionals at the Area and Headquarters offices, has resulted in a powerful statement of the health care funding needs for AI/AN people. The mission to address the disparities in health in the AI/AN population is tremendous and overwhelming at times. Comparing the 1994–1996 Indian (IHS Service Area) age-adjusted death rates with the U.S. All Races population in 1995, the death rates in the AI/AN population is 7 times greater for alcoholism, 6 times greater for tuberculosis, 3.5 times greater for diabetes, and 3 times greater for unintentional injuries.

The fiscal year 2001 President's budget request and performance plan represents a significant investment reducing the health disparities that prevail in the American Indian and Alaska Native population. It is consistent with the President's fiscal year 2001 Native American Budget Initiative, the Agency's mission, the Department's strategic plan, and the Department of Health and Human Services' (DHHS) Initiative to Eliminate Racial and Ethnic Disparities in Health.

The President proposes a total net increase of $230 million to the IHS budget in fiscal year 2001 above the fiscal year 2000 appropriation. This request provides an additional $178 million for current service items including contract support costs, pay related increases and health care facilities construction. There are $104 million in program increases for services and facilities. In addition, this request includes a $52 million decrease in non-recurring funds for health care facilities construction and a reduction in funding for medical equipment associated with non-recurring Y2K funding. These significant investments will continue to improve the IHS, Tribal, and Urban programs' capacity and infrastructure to provide access to high quality primary and secondary medical services, and basic preventive services, and begin to slow down recent declines in certain health status indicators.

From a policy perspective, this budget request is perhaps the most strongly supported proposal in the Agency's history; it is based on both new and longstanding Federal policy and commitment for improving health status by assuring the availability of basic health care services for members of Federally recognized Indian tribes. The request supports the following four policy initiatives:

—President's fiscal year 2001 Native American Budget Initiative, which represents the largest Native American Budget Initiative ever. In order to better serve Native American communities and to honor the Federal government's trust responsibility to tribes, the President's budget includes a total of $9.4 billion for key new and existing programs that assist Native Americans and Indian reservations. This total is an increase of $1.2 billion over fiscal year 2000—the largest increase ever. This initiative brings together several agencies in order to address the needs of Native American communities comprehensively, including $2.6 billion for the Indian Health Service.

—President's Race Initiative, specifically the HHS Initiative to Eliminate Racial and Ethnic Disparities in Health,

—Proposed Healthy People 2010 and its goal of achieving equivalent and improved health status for all Americans over the next decade,

—DHHS Strategic Plan with goals to reduce major threats to health and productivity of all Americans; improve the economic and social well-being of individuals and families, and communities in the United States; improve access to health services and ensure the integrity of the Nation's health entitlement and safety net program; improve the quality of health care and human services; and improve public health systems.

In addition, the Indian Health Care Improvement Act also reflects the reaffirmation of the U.S. government's commitment to Indian tribes to improve the health of their people. The Act states:

"The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligations to the American Indian people to assure the highest possible health status for Indians and urban Indians and to provide all the resources necessary to affect that policy."

Furthermore, the President of the United States reaffirmed the significance of the "government to government" relationship between tribes and the Federal government in his Executive memorandum of April 1994, concerning consultation with American Indian and Alaska Native tribal leadership.

The primary policy basis for this budget request is eliminating health disparities between the AI/AN population and the general U.S. population. The request supports this intent by continuing to invest in access to the basic health services, including assuring that there are adequate facilities and medical equipment for the provision of health services, providing adequate support services to the tribal health delivery system, and holding the line against further loss of health status improvements or actual declines in health status.

A major priority in the budget proposal is to restore access to basic health services. The IHS has demonstrated the ability to effectively utilize available resources to provide effective services and improve the health status of AI/AN people. However, this record of achievement has eroded in recent years in the face of competing priorities, including an increase in patient demand to provide more acute and urgent care treatment. Thus, to redress the declining access to essential individual and community health services, the Area IHS, Tribal, and Urban programs identified funding of personnel-related costs and increases associated with on-going services as their first priority for budget increases for fiscal year 2001. In an effort to maintain the current level of services, the budget request includes $60.675 million for pay cost increases which meets 100 percent of the projected costs; $11.720 million to fund the staffing and operating costs of those facilities that will open in fiscal year 2001 or have recently opened; a total of $65.237 million to fund the design and construction of replacement health care facilities including $2.513 million for the Small Ambulatory Grant Program; and $40 million for Contract Support Costs.

The replacement of existing clinics and hospitals is an essential component of supporting access to services and improving health status. In the long run this assures that there are functional facilities and medical equipment for the effective and efficient provision of health services. The average age of IHS facilities is 32 years. The budget request includes a total of $65.237 million for replacement of existing health care facilities. This amount will fully-fund the third and final phase of construction of the hospital at Fort Defiance, Arizona; the design of the Fort Defiance, AZ staff quarters; the second phase construction of the hospital at Winnebago, Nebraska in fiscal year 2001 with final funding to complete construction in fiscal year 2002 through advance appropriations; the final phase of the construction of a health cen-

ter at Parker, Arizona; the design of a health center at Pawnee, Oklahoma; and 3 modular dental units.

Also critical is the provision of adequate contract supports costs necessary to support the health services provided by tribal health programs. These requested funds are necessary for tribal communities to assure that there are utilities, training, clerical staff, administrative and financial services needed to operate health programs. Without this contract support funding, these support services are either not available or must be funded from resources that would otherwise fund health service activities. This investment is consistent with the Administration's commitment to expand tribal participation in the management of Federally funded programs, and reinforces the principles of the Indian Self-Determination Act.

The fiscal year 2001 budget includes an increase of $40 million over the fiscal year 2000 enacted level for contract support costs (CSC). This amounts to a 17.5 percent increase over the fiscal year 2000 level. The increase is necessary to provide CSC funding for new and expanded tribal programs to be contracted in fiscal year 2001. The $40 million increase will first be used to provide CSC for new assumptions of IHS programs under self-determination agreements. No new contracts will be funded at a higher funding level than the minimum percentage funded for existing contracts in fiscal year 2001. To the extent the $40 million is not needed for new assumptions, it will be used to increase contract support cost funding for existing contracts.

In fiscal year 2000, the IHS, in conjunction with the National Congress of American Indians and the Contract Support Cost Workgroup, consulted with Tribal leaders on solutions to the critical issues surrounding CSC funding. This effort involved in excess of 10 meetings with Tribal leaders and resulted in development of joint Federal/tribal recommendations that were incorporated into a new IHS policy on contract support costs. I formally adopted the new policy in January and will be implemented fiscal year 2000.

The requests that I have just described provide a continued investment required to maintain and support the IHS, Tribal, and Urban Indian public health system to provide access to high quality medical and preventive services as a means of improving health status. The following proposals are intended to restore access to basic health services.

The request includes $85.589 million to address health disparities by targeting the specific disease entities identified as priority areas by the IHS, Tribal, and Urban programs and responsible for much of the disparity in health status for the AI/AN population. Alcohol & substance abuse, diabetes, cancer, mental health, elder health, heart disease, injuries, dental health, maternal & child health, domestic/community violence, infectious diseases, and emergency medical services are the specific health problems addressed with the funding proposed for health disparities. Proposed increases of $40.9 million for Contract Health Services, $3.961 million for Sanitation Facilities Construction, $2.027 million for Public Health Nurses, $3.339 million for Community Health Representatives, and $2.974 million for the Urban health program are also included in the health disparities funding request.

Public health infrastructure is fundamental to these proposals. $18.974 million is requested for information/telecommunication systems-tribal epidemiology centers, the Indian Health Care Improvement Fund, Maintenance & Improvement, and Facilities & Environmental Health Support as part of the overall program increases proposed by this budget. This request also includes a $2.1 million reduction in funding for medical equipment associated with non-recurring Y2K funding.

The proposed approach to addressing the health disparities supported by this budget request strongly promotes the integration of clinical expertise from medical, behavioral health, and community health staff in order to address the top I/T/U health problems. The community-based public health model is strengthened by emphasizing prevention strategies throughout the clinical services activities as well as by expanding the community health programs and supporting partnerships with community resources such as public safety programs, schools, and other community-based organizations.

The disparity in health status that the I/T/U's must address is formidable, particularly in terms of death rates. Comparing the 1994–1996 Indian age-adjusted death rates with the U.S. all races population in 1995 reveals greater death rates, as much as 7 times greater, in the AI/AN population for alcoholism, tuberculosis, diabetes, unintentional injuries, suicide, pneumonia and influenza, homicide, gastrointestinal disease, infant mortality, and heart disease. Even more alarming, the most recent data documents that the mortality disparities for AI/AN people are actually worsening.

Given these formidable challenges, the IHS and its partners are pleased to present this budget request for fiscal year 2001 as one that will improve access to

basic health services and address the multiple health issues affecting AI/AN people. The request and associated performance plan represent a cost-effective public health approach to assure improvements in the health of AI/AN people. The request reflects the continued Federal commitment to enhance the IHS, Tribal, and Urban public health system so that it can again continue to make significant improvements in the health status of American Indian and Alaska Native people.

Thank you for this opportunity to discuss the fiscal year 2001 President's budget request for the IHS. We are pleased to answer any questions that you may have.

Senator GORTON. Thank you for an eloquent statement, Dr. Trujillo.

This is one of those typical days in the session. We are going to have a vote in just a very few minutes, and I have to leave for that. Senator Dorgan had to go to another meeting, and has left some questions that we will submit to you in writing. Senator Campbell has also asked for the same privilege, and I will have some as well——

Dr. TRUJILLO. Yes.

CONTRACT SUPPORT COSTS

Senator GORTON [continuing]. But there are a few that I would like to submit to you right now before we leave, and just get your thoughts on them.

One has to do with the distribution of contract support dollars. We asked you in the current year's appropriations bill to continue to work with the tribes to come up with a fair distribution system, and you have issued new guidelines on that. Your response has been very, very prompt.

Tell me a little bit about, within the constraints of our time, how you arrived at it, whether or not it is an ongoing process, and did you get both OMB and the Department of Health and Human Services to support you?

Dr. TRUJILLO. Ever since last year's congressional language, we worked diligently with tribes on the contract support cost issue. We met with individual tribes and tribal organizations throughout the year, both in individual forums and in large national meetings.

We also had a joint task force, a group of primarily tribal leadership and those who are very knowledgeable about the contract support cost issues, and we worked specifically with them and came up with proposed drafts of the new policy. The draft policy was then discussed in various forums and meetings with tribal leadership across the Nation.

This took us approximately 9 to 10 months to do. I signed off in January on a new policy that both the tribes and the Indian Health Service agreed upon through compromise and working in all the aspects that we could. Now, tribes who are in the contracting and compacting process can receive distribution of the contract support cost dollars, and no tribe is above 100 percent. Each tribe can share in some of the distribution. At the present time, if they do not receive contract support costs or the full amount of their contract support costs, their health program dollars go toward the administrative and non-covered costs.

We certainly understand that that funding is limited to appropriated funds, and that it is allocated on a year-to-year basis. However, as we go forward in our operations, approximately 41 percent

of the Indian Health Service total budget is now managed and administered directly by tribes——

Senator GORTON. And that percentage is increasing——

Dr. TRUJILLO [continuing]. And that percentage is increasing. The increase is not specifically because of the changing rates or anything, but it is because of the increasing number of tribes who wish to take advantage of the self-determination process.

Senator GORTON. How many tribes have gone into new contracts?

Dr. TRUJILLO. Over half of the 558 tribes have now entered into the self-determination process through contracting and compacting. Of course, it is the tribe's decision as to what they wish to do, whether to contract or remain within the Federal system.

Senator GORTON. Are you going to work yourself out of a job?

Dr. TRUJILLO. I believe we have come to consensus that we all need to work together in self-determination.

The necessity of having a Federal representative in Washington and an agency to assist with advocacy of the budget, making sure that the process of self-determination is adhered to, and to have people at the table is critically important in the Federal program and within the Administration. If we are not there, we can be lost and be forgotten.

Mr. Lincoln, would you like to add anything on the contract support costs policy?

Mr. LINCOLN. Mr. Chairman, I think it is critical to know that over this past year we had 10 Contract Support Cost meetings with various tribal groups. And as a result of those meetings, the National Congress for American Indians, who also had a contract support cost policy group, has endorsed the policy that Dr. Trujillo signed in January. We believe that it is a sound policy.

Certainly, our general counsel, as we have had a number of lawyers work the words from every side one can think of, we find it is a policy that can be defended. As we allocate the fiscal year 2000 increase of $25 million, we will obviously gain more experience relative to the impact of the policy.

Senator GORTON. Has the OMB signed off on it?

Dr. TRUJILLO. Mr. Chairman, the OMB has expressed some concerns about the policy, but the policy is in effect at this moment.

Senator GORTON. Thank you. I must say, I think your progress on this is exemplary. I get very few groups that sit before me when we have given them instructions 4 or 5 months ago and can tell me about any results. You have done very well on it.

Dr. TRUJILLO. Well, thank you. It has also come with a great deal of effort from the tribes and those representatives who were part of the work group.

IMPACT OF RESCISSION

Senator GORTON. You mentioned in passing the impact of the rescissions. Give me a little more detail on that. Has there been a real impact on operations from those rescissions? Did you just have the straight 0.38 percent, three-eighths of 1 percent?

Dr. TRUJILLO. We made a proposal and worked with the Secretary and the Assistant Secretary for Management and Budget in regard to the need in Indian country. They were receptive, in that

we did not receive the full 0.38 percent, but rather a 0.28 percent——

Senator GORTON. 0.28 percent.

Dr. TRUJILLO. Yes, 0.28 percent—versus other agencies within the Department. So we were looked upon a little bit more favorably in that respect.

However, the effect of the rescission also was towards congressional earmarks and some specific increases; and some of those congressional earmarks are of necessity, and some facilities, sanitation and engineering projects were eliminated, as well as decreases in some of our clinical programs.

Mr. Lincoln, would you like to mention a little bit more on that?

Mr. LINCOLN. Mr. Chairman, the amount of the rescission was $6.9 million. That equaled a 0.28 percent rescission. The instructions that were given from the White House and from the Office of Management and Budget caused some restrictions in how we would actually take those rescissions.

So we do have information on a line-by-line item, on a subcategory item that we can make available to the committee, if you would like to see those.

Senator GORTON. Well, we had dual concerns. We thought that the appropriation we made was important for you. We had to balance the budget, and cannot work with the President on that.

I am really interested not so much in the accounting, as to whether or not there was any genuine suffering from the point of the view of the health services that you are providing.

Dr. TRUJILLO. There are two persons who I would like to call on, Mr. Gary Hartz, who could mention a couple areas in facilities and engineering, and Dr. Smith, on some of the clinical effects that happened through the rescission.

Mr. HARTZ. The facilities got hit for about $1.6 million. In some of the projects that are set up for phased funding, our intent would be to catch up the differential in subsequent years to finish the phased funding for facilities. There were some places where the 8 percent was targeted at projects where funding in fiscal year 2000 was expected to be the end of the funding cycle.

An example that quickly comes to mind would be the support for the Hopi quarters project, where the tribe was financing their construction costs. The Congress came to their support by helping them offset part of their loan, which then got hit by an 8 percent reduction.

Dr. SMITH. As far as the health services program is concerned, any decrease, of course, is always significant, in my mind, because of the current funding. We are particularly concerned about the Community Health Representatives program.

This is the program for primary health care providers in each of our communities. As you are probably aware, over the years this program has been on the firing line, and yet I consider it very instrumental in the entire health care team that we have in our service areas.

One of the other areas is diabetes, specifically the Joslin Clinic with whom we have established a relationship, took a minor cut. However, we had allotted money last year to start a program, so

since we are just in the process of developing it, we will make some modifications in that program.

Senator GORTON. Well, I have a parochial part of the question. There was a modest $23,000 reduction, an amount dedicated to the Shoalwater, in Washington State, for infant mortality research.

Does that affect the study, or do you feel that you could do the study with a little bit less money?

Dr. TRUJILLO. We thought that we can do the study with this amount of funding. The study was getting under way. We are still developing plans with the Shoalwater Tribe to address this, so we feel that we will be able to continue investigating this tragedy on the Shoalwater Reservation.

ELEVATION TO ASSISTANT SECRETARY

Senator GORTON. One more thing, Dr. Trujillo, your own personal status as to whether or not the House ever gets through with making your position that of Assistant Secretary for Indian Health: Would that create a substantive improvement in your relationships with the Department and the administration in general, particularly on the budget?

Dr. TRUJILLO. Mr. Chairman, I do believe it will. The administration, from the President to the Secretary, is supportive of this particular elevation of the Agency to the Assistant Secretary level.

The ability to be at the table, as I mentioned earlier, is critically important. Especially when there are budgetary and priority issues to be set within the Department or in other Federal agencies, where only Assistant Secretaries are able to attend.

I remember one time when I first arrived in Washington, there was a meeting of the tribal leadership with President Clinton at the White House. Assistant Secretaries were able to enter into the White House.

The Assistant Secretary for the Bureau of Indian Affairs was able to enter onto the lawn of the White House and be a part of the meeting. But I was relegated to the theater to watch the program on TV. Unfortunately, I did not see all the proceedings because the TV died.

So there are sometimes critical meetings that, unfortunately, I cannot attend. In this political atmosphere and in Washington, the title does make a difference. I believe the Assistant Secretary position will be a benefit nationwide to American Indians and Alaska Natives to give them a voice in very critical and important budgetary and priority decision meetings of the administration.

Senator GORTON. Thank you. Thank you very much.

I have other questions. I will submit them in writing.

We now have the chairman of the full committee, who has a great deal to say. I do not know how much time is available, but at least a few more minutes longer. I defer to Senator Stevens.

Senator STEVENS. I am not sure that I can fulfill that obligation in the time we have available with the time we have left. Is the vote on now?

Senator GORTON. Well, I guess the vote has started.

Senator STEVENS. I do welcome you here, Dr. Trujillo.

Senator GORTON. I will let Senator Stevens complete the hearing.

Thank you very much, Dr. Trujillo. I appreciate your help.

Dr. TRUJILLO. Thank you.

Senator STEVENS [presiding]. I do have some concerns that I would like to express about the budget. The President's budget does call for a substantial increase, $229 million, in the Health Service.

Of this amount, only $2.8 million as requested for alcohol and substance abuse, which I consider still to be the worst scourge that has hit our Native and Indian people, and I am painfully aware of the extent of that in my State.

I am sure you know we have the dubious honor of having the highest per capita rate of fetal alcohol syndrome and fetal alcohol effect in the Nation. We have the highest rates of suicide for young native men now in the country, at seven times the national average. More than 70 percent, I am told, of those suicides are related to alcohol and perhaps the percentage may be even higher.

I think we are at risk now of losing a whole generation of young Native leaders because of alcohol, and we have really not been able to get together on this. I have been talking to the attorney general's people about this for some time.

When I was out in the West Coast last year, one of the leaders of a small village told me that when he leaves my town, as he called it, of Anchorage, he has to go through a metal detector, subject to being searched, to see whether he is a danger to other people on the aircraft.

He said, "We cannot search your people when they come into my town to find out if they are carrying drugs or alcohol."

The Constitution prevents unreasonable search and seizures. This morning on the television it was indicated that some people think if there is a suspicion that someone has a gun, that is enough to have the right to search that individual. They are asserting that, I believe, in one of the Supreme Court cases today.

When we look at it, I think that the incidence of drugs that come from Colombia all the way out in the little villages in the West Coast of Alaska makes us suspect that people from outside of the village are bringing it in. We have to find some way to search for drugs and alcohol, and really clamp down on this.

Our State gave those villages the right to vote to go dry. Thus, we have one State where you can actually, by local option, prohibit the possession of alcohol, but there is no authority to search the boxes, and the freight, and the suitcases that come into these dry villages, and that is from where it is coming. The Postal Service has cooperated on it, absolutely, but we have not been able to find the answer.

I do hope that there will be some further appreciation of the real importance of alcohol and drug abuse as we look at your budget. I hope you will not be surprised if we reallocate some of that money to make certain that there is an emphasis in that area that should be there.

I am also concerned over the President's budget request that the funding for new school construction under BIA be more than doubled to over $300 million, while at the same time he requests only a $14.8 million increase in Indian Health Service funding for hospital and health facility construction.

I understand the need for more schools, but the backlog that you have in the IHS for hospitals and clinics is so severe now that I do not think we will have the ability to catch up if we do not do something about it now, and start. I hope also that the subcommittee will agree with me that we have to pay some attention to that.

In my State, we took over the BIA schools, as you know——

Dr. TRUJILLO. Yes.

Senator STEVENS [continuing]. And the allocation of so much money to BIA schools misses the fact that the State of Alaska took over the Alaska BIA schools, and left the health responsibilities to the Federal Government. We were assured at the time that funding for Native health would be maintained, and it has not been.

So I hope to have the subcommittee's understanding for more equitable distribution of requested construction increases to help Alaska, which now has more tribes in it than the whole country put together, as a result of the decision by Ada Deer at BIA, to classify Alaska Native villages as tribes.

There is a rising level of expectation among my Native people because of that action that is not met by this budget. As a matter of fact, the budget is a severe blow to those people who thought that they were going to have more recognition and funding when they were classified as tribes.

I do think that there are also some problems about the IHS cost estimates and the backlog of construction. I do not want to get the GAO involved in this yet, but it does seem to me that IHS cost-to-construct estimates in Alaska are much higher than they need to be.

We have another problem: because of the designation of all of our villages as tribes, there is now a growing feeling that each tribe should have its own hospital.

In the south 48 that is probably pretty close to being true, but we have 227 to 247 villages that are now tribes, and it is just beyond our financial capability to do that. So we have already regionalized the State-wide service with the Native Medical Center in Anchorage, and I do believe that we have to get down to a point where we coordinate the delivery of health services on a regional basis in our State so it will be fair.

I want to work with you on that, but this concept of dealing with almost 250 tribes in one State just will not work, as far as this budget is concerned.

Dr. TRUJILLO. Yes.

Senator STEVENS. You cannot do it, and we cannot do it, and we have to find somebody to make that decision, as unpopular as it might be in my State.

Three years ago I authored a provision that prohibits the villages from pulling out of regional health systems. It was required in order that there be stability in those regional facilities; otherwise, we would have faced the small clinics that had no capability in the modern sense, and isolated the regional hospitals that had the capability to deliver modern health care.

I do think that there is some flexibility that is required in that legislation, and we all are going to be asked to think about that.

I urge you to use caution on it, and I want the Congress to use caution on it.

I want to thank you in your service for what you are doing to work with us. I do not think any area in which you work has unique isolation, the weather conditions, the geography, or really the isolation for some of your people, that we have in Alaska.

Last, since we are so far behind in construction, I want to ask you to take a look at the concept of having a period of time in which we would authorize private construction of health facilities, and have IHS lease them back.

I think we could get several hospitals and clinics done in a very short period of time if it was possible to use the funds of the various regional organizations, and to lease those facilities to provide health services that are the responsibility of IHS. Instead of waiting for the Federal dollars to become available for the construction, we would have them go ahead and construct and lease them the way we did post offices for several years when we were just so far behind we could not replace them.

It is going to be an interesting year for us in reviewing your budget, because I have had a lot of people, and that is a long way to come, fly in here just to talk about the problems of health care in one or two villages, and there has been a whole series of people who have come in from the State to talk to me about what to do about this budget. I look forward to working with you.

I promise you that I will not try to surprise you in any way, but I will have a lot of questions. I may give you a couple for the record, but I do not have them with me here today.

The next committee meeting is scheduled for Wednesday, March 22nd, at 9:30, when we will hear from the Forest Service.

Thank you very much.

Dr. TRUJILLO. Thank you, Senator Stevens. I appreciate your comments very much, and I look forward to working with you and your staff. In fact, I hope to get up to Alaska in July and pay my annual visit for sure, to go to some of the areas that I have not been to yet, and I fully understand the problems that——

Senator STEVENS. I look forward to welcoming you, and I look forward to you having the classification of Assistant Secretary. I served in the administration for about 5 years in days gone by, and it makes a lot of difference.

Dr. TRUJILLO. Thank you, Senator.

ADDITIONAL COMMITTEE QUESTIONS

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

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

DISTRIBUTION OF CONTRACT SUPPORT FUNDS

The distribution of contract support dollars to tribes has been the single most debated issue for Congress and the IHS in recent years. In the conference report that accompanied the fiscal year 2000 appropriations bill, IHS was directed to continue its work with the tribes in an effort to produce a distribution policy that would correct the wide disparities in the funding of existing contracts. In recent months, IHS has issued new guidelines for determining how contract support funds are to be distributed.

Question. Please give us a brief overview of the new policy and what it will achieve in terms of greater equity among tribes?

Answer. The current IHS contract support cost policy is titled IHS CSC Circular No. 2000–01. Under this policy CSC appropriations are divided into three separate pools of funding before it is allocated to tribes. Any funds appropriated for CSC associated with new or expanded contracts and compacts are placed into "Pool No. 1." These funds are then allocated to all eligible awardees with new or expanded programs who have submitted a request for CSC prior to July 3rd of the current fiscal year. The pre-award and startup costs of all tribes with new or expanded programs are paid first, then the remaining funds are allocated to those tribes with new or expanded programs based on their overall level of CSC need funded. Those tribes with the greatest unfunded CSC estimates are funded first, up to the total of the need associated with their new or expanded programs, before funding is provided to other tribes. The goal is to raise the overall level of CSC funded to the highest possible level given the level of CSC funding appropriated for new or expanded programs.

Funding for inflation and other salary-related and operating cost increases is placed in "Pool No. 2." When appropriated by Congress. These funds are provided as an increase to all tribes with direct CSC funding based an inflationary factor. All tribes will receive an increase proportionate to their current direct CSC funding.

Finally, "Pool No. 3" is intended to contain any funds appropriated by the Congress for existing contractors and compactors, for CSC for which tribes are eligible, based on indirect cost rates and other negotiated costs, which has not been funded. These funds are provided to all tribes on a pro-rata basis. Those tribes with the greatest "CSC shortfalls" receive proportionately greater increases than do those tribes with lesser "shortfalls."

Question. This policy was adopted after lengthy consultation with tribes. What criteria did the tribes consider important in drafting a new policy? Is there consensus among the tribes in support of the revisions that have been made?

Answer. The single most important factor to tribes was their recognition that full CSC funding is authorized by the Indian Self-Determination and Education Assistance Act and the IHS policy should work toward that as a goal. Tribes who are not yet funded at 100 percent of their CSC need should not have their funding reduced in order to provide that funding to other tribes.

There was general consensus among tribes that this version of the IHS CSC policy reflected a vast improvement over prior policies. While there was general consensus that the policy represented a fair and equitable approach to allocating CSC in an environment where the Congress has failed to appropriate sufficient funds, this was not a unanimous consensus. Tribal Governments are as unique as states or individuals and total consensus among them is rare.

Question. Is there are specific process for tribal consultation that you can describe to us? Did tribal consultation provide the opportunity for all tribes to contribute to the process?

Answer. The process for tribal consultation on the IHS CSC Policy may be somewhat unique to this policy. The IHS maintains a relationship with tribal leaders, administrators, and technicians as a part of our standing "CSC Workgroup." This workgroup has been in existence for over 10 years. The membership on this workgroup is open and voluntary. Therefore, it has been somewhat fluid and changing over the years. The IHS uses this workgroup as a means of discussion and advice concerning CSC issues. Drafts of the current IHS CSC Circular were first developed by this workgroup. It, and even a more technical sub-workgroup of this group, met some 10 times over the course of a year and a half to develop the final draft of the policy.

The true government to government consultation process commenced at this point in that the final draft of the Circular was mailed to all elected tribal leaders and tribal health directors and IHS Area offices for comment and recommendations. The IHS also presented the draft Circular at regional and national meetings looking for tribal input. All tribes were given an opportunity for input. The comment period was even extended in order to provide additional time for tribes to comment. At the close of the extended comment period, the IHS CSC Workgroup convened again to recommend adoption or rejection of specific comments received. Subsequent to that meeting, a revised draft of the Circular was presented to the Director, IHS for signature.

Question. Does the Department of Health and Human Services support the new policy?

Answer. The Department expressed support for the implementation of the new policy in a letter, dated August 1, 2000, to Congressman Regula, Chairman of the Interior Appropriations Subcommittee.

MORATORIUM LIFTED ON NEW CONTRACTS/COMPACTS

Following a court ruling this past summer, which held that contract support funds are subject to appropriation, the two-year moratorium on entering into new contracts was dropped for fiscal year 2000. In addition, $12.5 million was included in a fund designated specifically to support the costs associated with new and expanded contracts and compacts.

Question. To date, how many tribes have sought to enter into new contracts and compacts in fiscal year 2000?

Answer. The Indian Health Service has received 50 requests from 39 separate tribes or tribal organizations for new contracts and compacts in fiscal year 2000 and is now processing these requests for the purpose of funding contract support costs. Some tribes have multiple requests encompassing different programs or activities for which they have contracted.

Question. What portion of the funds associated with new contracts do you expect to use in this fiscal year?

Answer. It is projected that the full $12.5 million will be used to fund the 50 new contracted or compacted programs.

Question. Looking toward the next few years, what can we expect in terms of numbers of tribes seeking new contracts and compacts and the amount of additional funds that will be required to support them? Do you expect a steady expansion of tribally operated programs or do you foresee a leveling off of activity?

Answer. Generally, there should be a leveling off of tribal contracting and compacting activities. However, the Navajo Nation's plan to contract all of their health activities from IHS can and would increase CSC estimates for new contracts dramatically.

REQUEST FOR CONTRACT SUPPORT LANGUAGE

The fiscal year 2001 IHS budget estimate includes a request for bill language specifying that the appropriation for contract support is available first for new and expanded contracts/compacts, which would receive contract support costs at the minimum percentage of need funded for existing contracts/compacts in fiscal year 2001. Any remaining portion of the total sum appropriated would be used for contract support costs of existing contracts/compacts.

Question. Does this request support the policy that IHS has recently implemented? Please explain why this language is necessary.

Answer. The language was included to ensure that sufficient funding was available to accommodate a major increase in new contracting (e.g., a proposal from the Navajo Nation) while leaving funding not needed for new contracts available to increase CSC funding for existing contracts. One of the difficulties of budgeting for CSC is uncertainty over the amount that will be needed to fund new contract proposals. The requested language would provide different levels of CSC funding for new and existing contracts. By contrast, the new policy funds tribes according to their total CSC need from both new and existing contracts.

FISCAL YEAR 2000 RESCISSIONS

As part of the final agreement during last year's budget negotiations, a .38 percent across-the-board reduction was included in the fiscal year 2000 appropriations bill. The amount by which IHS activities were reduced was $6.8 million.

Question. Are there activities that will feel an immediate impact from these reductions? Or can these decreases be absorbed with relatively little disruption to ongoing activities?

Answer. In general, disruption of services had a more immediate impact in ongoing activities and the least impact on new activities. There were some programs that felt an immediate impact. The most immediate impact was felt in the lease package for the Anchorage outpatient facility and in the Epidemiology Center at Northwest Portland Area Indian Health Board. New programs, such as the pharmacy residency program, were less dramatically impacted since there were no ongoing obligations adversely impacted in the way that the two activities above were impacted.

Question. The 3 percent reduction of $1.5 million from the funding for community health representatives is the largest that IHS sustained for any one line item. This activity had been targeted earlier by the Administration for a proposed $5 million reduction in its fiscal year 2000 budget. Congress restored that proposed reduction following numerous protests from tribes who consider these employees a vital link in their health care services. What impact, if any, will this rescission have on current operations?

Answer. The rescission of $1,466,000 reduced the increase for the CHR program from $1,886,000 to $420,000. Approximately 1,600 CHR positions were supported in fiscal year 1999 and we estimate that the rescission will reduce this number by about 25.

Question. Earmarked construction funds for projects such as the Hopi Health Care Center were also subject to reduction. This subcommittee would hope to restore some of those reductions in the coming budget cycle. Nevertheless, that will mean a delay in the availability of those funds for approximately one year. What impact, if any, will the delay have on these projects?

Answer. For those construction projects that were reduced and are funded in phases, the fiscal year 2001 President's request includes the amounts to continue or complete the projects. There would be no significant impact expected for these projects if the rescission amount was restored after a 1-year delay. The rescissions to the Congressional earmarks would result in one less staff quarter constructed at the Zuni, NM location and $240,000 less for debt service for the Hopi tribe for providing staff quarters.

NEEDS-BASED BUDGET

While the IHS request to Congress for fiscal year 2001 is $2.6 billion, the needs-based budget assembled in conjunction with tribes at the beginning of the budget process totaled $15.1 billion.

Question. Please describe the process that IHS uses to develop its needs-based budget?

Answer. IHS utilizes area IHS/Tribal/Urban budget teams to develop and submit budget recommendations tied to specific area health and program priorities. These recommendations are used to develop proposed national needs-based budget by representatives of the area I/T/U budget teams. The National Indian Health Board, Tribal Self Governance Advisory Committee, National Council on Urban Indian Health and National Congress of American Indians formally adopt the national needs-based proposed budget. The IHS uses the budget recommendations as a basis for the submission of the formal budget request.

Question. What particular issues of concern to tribes are not reflected in the budget proposal forwarded to Congress?

Answer. The fiscal year 2001 budget request for Indian Health Service reflects the most important priorities identified by the tribes within the overall context of the proposed national budget.

MEDICAL INFLATION

The consumer price index for medical care increased 3.6 percent between 1999 and 1998. While recent IHS figures point to a higher overall inflation rate of 5.26 percent for the same period, additional statistics demonstrate that the cost of professional care rose by 8.79 percent; other professional care rose by 27.48 percent; and the cost of drugs rose by 7.95 percent.

Question. Using the 3.9 percent figure authorized by OMB for the calculation of medical inflation, approximately what amount did IHS determine it would need to offset medical inflation in fiscal year 2001 and prevent the erosion of current funding levels for its programs?

Answer. Using the 3.9 percent factor, the total amount needed for medical inflation in fiscal year 2001 is $46,326,000. The fiscal year 2001 request for IHS is $3.1 billion, a +$230 million increase over fiscal year 2000, including an increase of $125 million to maintain and restore access to basic health care services.

Question. Was any portion of this amount factored into the final IHS budget request for fiscal year 2001 or will the agency expected to absorb the entire amount?

Answer. The fiscal year 2001 President's budget request did not include any funds specifically to address inflationary cost increases although it did include $61 million for increased pay costs. Our budget request was formulated based on the goal of restoring access to health services, which addresses fixed costs such as inflation and pay, and on the goal of reducing the gap in health disparities between American Indians and Alaska Natives and other Americans. It is really the combination of this 2-pronged approach that allows us to improve health status. If the increase entirely covered fixed costs, increase funding would have come at the expense of needed program increases to address health disparities. Given the amount of additional funding requested (+9.6 percent over fiscal year 2000) we believe the distribution between fixed costs and program increases is appropriate.

Question. On a related note, some of the fiscal year 2001 agency budgets received by this subcommittee propose to include amounts to meet the estimated 10 percent increase in health insurance coverage for federal employees, underscoring the esca-

lating costs of providing health care. Was IHS able to include this calculation in its increase for staff benefits?

Answer. Salary amounts were calculated on projected pay increases and benefits were calculated at fiscal year 2000 levels.

POPULATION GROWTH

The Native American and Alaska Native population is growing at the rate of 2.2 percent annually. The budget request for fiscal year 2001 makes no provision for a corresponding adjustment in health services funding to meet this additional demand and, in fact, the IHS has been absorbing these increases annually since fiscal year 1995.

Question. Approximately how much would IHS require to meet the additional demands placed on the system? Have you had to refuse treatment to new patients?

Answer. While the fiscal year 2001 Budget does not provide a specific earmark for population growth, it does provide an additional $125 million over the fiscal year 2000 enacted level to restore and maintain access to basic health care and an additional $105 million in program increases to help reduce health disparities. IHS estimates that its service population (i.e., American Indian and Alaska Native living on or near reservations) has been growing by 2 percent per year. Based on this growth rate, we estimate that IHS, tribal, and urban (I/T/U) health programs would require $44,543,000 to address natural population growth in fiscal year 2001. The I/T/U programs have not refused treatment to any eligible patients.

Question. Does this calculation also take into account newly recognized tribes that enter the IHS system? If not, where are those needs factored in to the budget?

Answer. This calculation only addresses the natural growth in the American Indian and Alaska Native population, i.e., births minus deaths. Health care for members of newly recognized tribes has historically been addressed with the appropriation for contract health services. The budget requests an additional $41 million (+10 percent) for contract health services including funding for newly recognized tribes.

Question. When coupled with unfunded medical inflation, how much have IHS and tribal health programs declined in their ability to maintain a baseline of needed services?

Answer. The total budget request for IHS is $3.1 billion, an increase of $1.0 billion (+51 percent) since fiscal year 1993. Much of this increased funding has covered the cost of medical inflation and increases in the population eligible for services. Since the number of outpatient visits provided by IHS and tribal health programs has increased steadily, the increasing demand for urgent care has taken priority over non-urgent primary services (e.g., well-child visits). The $230 million increase requested for fiscal year 2001 includes $105 million to provide additional health services to Indian people, for example: continuing to increase the percentage of diabetes with good glycemic control; increasing water fluoridation compliance in the Southwest; and increasing the number of hospital emergency departments which identify and treat victims of family violence and neglect.

JOINT VENTURE PROGRAM

Section 818 of the Indian Health Care Improvement Act authorizes the IHS to establish joint venture demonstration programs whereby tribes would acquire or construct a health facility and lease it back to the IHS at no cost for at least 20 years. The IHS would then take responsibility for providing the equipment, staff, operating and maintenance costs.

Question. Three tribes were selected to participate in a demonstration program in fiscal year 1991, but no funding has been provided since that time to initiate additional projects. How successful have these first projects been?

Answer. Three tribes were selected originally for the joint venture demonstration program of 1991, prior to the creation of the authorization under the Indian Health Care Improvement Act. Two tribes participated while the third tribe was unable to obtain financing. Funding appropriated in fiscal years 1991 and 1993, totaling $2,552,000, were used to equip the two joint venture demonstration projects; one in Poteau, Oklahoma, for the Choctaw Nation of Oklahoma, and one in Warm Springs, Oregon, for the Confederated Tribes of Warm Springs. These two projects achieved the following:

a. The new additional spaces met the specifications of the tribes and the IHS at the time of construction. The constructed facilities are still fully accredited. Each new facility increased their capacity, so each health center was able to increase their services by 100 percent. The operating efficiency was improved. Waiting times were reduced significantly.

b. The partnership in 1991 led to two new facilities, with minimal Federal Government outlay for construction. The new facilities operate with approximately the same level of staffing as if the government had constructed them.

However, equipment funding in year 1 is only a small piece of the long-term financial commitment associated with Joint Venture. For instance, if Congress initially funds $15 million for equipment for Joint Venture projects in year 1, subsequent additional appropriations of about $22 million per year, to the total cost of $440 million for 20 years, will have to be available to address the IHS responsibilities to staff and operate these facilities.

Question. To what extent do you believe that cooperative programs of this kind would permit us to accelerate the construction schedule for much needed health facilities? Are tribes interested in exploring alternative options for constructing and operating facilities?

Answer. Depending on how a Joint Venture program is administered, Joint Venture projects have the potential to complement the IHS Health Facilities Construction Priority System (HFCPS) by allowing the construction of more health facilities than could be built by using only IHS appropriations. The IHS understands that a number of tribes, including some on the current priority list, could feasibly commit their own resources for the JVCP. Likewise, it is envisioned that Small Ambulatory Grants would be for construction of health care facilities smaller than those eligible under the IHS HFCPS.

Question. What annual amount does IHS estimate it would need to implement and sustain a joint venture program?

Answer. A minimum of $2.5 million per year, under the facilities appropriation, would be required to provide equipment for selected tribally constructed health care facilities. Facilities funding is only a small piece of the long-term financial commitment associated with the Joint Venture Construction Program. Once the facility is built, IHS is responsible for its staffing and operating costs. If the Congress initially funds $15 million for equipment for Joint Venture projects, subsequent year appropriations of up to about $22 million per year would have to be available for the IHS to carry out its responsibilities to staff, operate and maintain the new facilities.

Question. Both this year and last, IHS proposed to include funds for joint venture projects, but a request was not forwarded for the subcommittee's consideration. What were the reasons were given for not moving forward with this initiative?

Answer. The President's fiscal year 2001 budget request is committed to supporting access to health care services and improving the health status of American Indian and Alaska Native people. This budget request provides a total of $65 million for Health Care Facilities Construction and includes investments for the ongoing construction of the replacement Fort Defiance Hospital and the Parker Health Center. In addition, the budget request includes funding for the second-phase construction of the Winnebago Hospital, the design of the Fort Defiance Staff Quarters, the design of the Pawnee Health Center, replacement dental units, and the Small Ambulatory Health Care Facility Construction Grants Program. Before moving ahead on any Joint Venture projects, IHS will need to examine the following issues:

(a) Find a way to integrate and prioritize Joint Venture projects with the IHS Facilities Construction Priority List.

(b) Ensure that long-term costs associated with staffing and operations are consistent with IHS standards for providing health care facilities and services to Federally-recognized American Indians and Alaska Natives and can be accommodated by future funding levels.

(c) Assure that funding committed to Joint Venture projects addresses priority needs for health care facilities and the delivery of health care services with the highest relative need.

FACILITIES ROUNDTABLE

The fiscal year 2000 conference report included a directive to revise the policy system that determines priorities for construction funding. This past August, IHS convened a working group to examine alternative methods for financing health care facilities that might give tribes options that are not available to them now.

Question. Has there been any further consideration of how the current priority system for funding facilities construction might be redesigned to be of greater benefit to tribes? Please explain.

Answer. The IHS is in the process of establishing a tribal workgroup that will review the current health care facilities construction priority system methodology. This workgroup will make recommendations to the IHS regarding changes necessary so that the prioritization process provides a greater benefit to all tribes. The Workgroup will also make recommendations, as well as develop standards and cri-

teria, for evaluating health care facilities needs and developing a comprehensive inventory of needs for all IHS, tribal, and urban health care facilities in Indian Country.

Question. Are there authorities that the IHS has in addition to the joint venture program that would permit the agency to widen its scope of construction projects?

Answer. The Indian Health Care Improvement Act (IHCIA) provides several authorities, including the Joint Venture Program that permits the Agency and tribes to widen the scope of the construction program. Under Section 305, IHS is authorized to accept renovations and modernizations that a tribe makes to an IHS facility. This program is limited to IHS facilities operated under a 638 contract. Under Section 306, the IHS may make grants to tribes for the construction, renovation, or modernization of small ambulatory health centers. In addition to these Authorities in the IHCIA, Congress last year gave IHS the authority to use the Indian Health Care Improvement Fund under the Services Appropriation for construction and acquisition of space for expanding programs.

CONTRACT HEALTH SERVICES

Contract Health Service dollars enable IHS and tribal health programs to purchase from hospitals and private health care providers medical care and services that are not available within the IHS-supported direct care system. In fiscal year 2000, $407 million was appropriated to support this activity. A $41 million increase is requested in fiscal year 2001.

Question. The Contract Health Services program is especially critical in areas such as the Northwest, where there are no IHS hospitals. Do calculations for the distribution of CHS funds take into consideration the additional financial burden placed on CHS-dependent areas as opposed to those areas who do have IHS hospitals available for referral?

Answer. The CHS Program uses a distribution methodology that is designed to provide equitable funding. The CHS distribution methodology was revised in fiscal year 1993 through a Resource Allocation Work Group (RAWG) that included tribal representatives to provide an allocation process that is more equitable and beneficial to its recipients. The RAWG CHS formula considers such factors as Workload, Years of Productive Life Loss (YPLL) and CHS dependency. The CHS dependency factor favors those Areas such as the Northwest that have no IHS direct care facilities and are more dependent on CHS to provide the needed medical care and is based on the percent of total inpatient admissions in the private sector. As an internal agency policy, funding is made to Areas on a recurring historical basis. Therefore, the revised CHS distribution methodology is only applied to new funding increases.

The CHS methodology not only has prior approval and tribal sanction, but also has the capability to provide equity considerations by significantly structuring the formula drivers to support health indicators. Although this model is not perfect it begins to address the issues of funding inequity between Areas and gives additional support to those Areas that are highly dependent on CHS versus those that have direct services and comprehensive services.

Question. The medical inflation rate experienced by IHS in making CHS payments is significantly higher than in the private sector. Was medical inflation a consideration in determining the funding increase requested for this program?

Answer. The fiscal year 2001 budget request includes an increase of 10 percent for contract health services approximately double the 5.3 percent average annual cost increase reported for this program by the fiscal intermediary. Funding above the rate of inflation was requested to provide higher levels of care to Indian people and to address medical inflation and population increases which have not been fully covered in previous years.

HEADQUARTERS

Question. How do you respond to those who see the role of IHS as evolving into that of a technical assistance agency for tribal operations?

Answer. In 1996, the IHS Director adopted the recommendations of the IHS Indian Health Design Team (comprised of Tribal leaders and senior IHS officials) that provided a framework for the direction of the IHS, particular its headquarters operations and that of the area offices. The core functions are leadership, advocacy, broad health policy, networking with other governmental entities, Tribal consultation, budget formulation, and system performance evaluation. As Tribes have assumed management and operations of Indian health programs, the IHS will move to more of these core functions and for those Tribes that have elected to have the IHS to continue provide health care services, the IHS will balance the core functions with health care delivery.

Question. Close to half of the IHS budget is now passed through directly to the tribes for programs that are contracted or compacted. What if any impact has this had on headquarters operations?

Answer. The IHS headquarters operations have changed considerably over the past 6 years due to both the need to streamline to meet government-wide reinvention activities and the requirement to make resources available to Tribes contracting or compacting. In 1993 the total number of positions in headquarters was 893 and now, some 6 years later, headquarters staffing is at 460. In 1997, the Director, IHS, approved a headquarters reorganization plan that reduced the number of headquarters' offices from nine to three. These changes will continue as more Tribes opt to self-determine.

HEALTH DISPARITIES

An increase of $85,589,000 is proposed to be spread among over more than 20 different programs in an effort to improve health services and access to health care in fiscal year 2001.

Question. What are the agency's highest priorities for funding among these proposals?

Answer. The increase of $85,589,000 is requested to address the most pressing health disparities between American Indian and Alaska Native people and other Americans. The priority areas included in the request were identified by IHS, Tribal, and urban health program representatives as being the appropriate blend of programs and disciplines (prevention, treatment, and health professional development) required to make any progress towards reducing the health status disparities.

Question. Where could additional funds make the most significant difference in the provision of health care?

Answer. The health problems addressed by the budget request were consistently identified as significant health problems across the IHS Areas. At the local health delivery level, however, the top health problems vary from community to community. For this reason, limited funding increases would have the most impact in those budget activities that provide the most flexibility for use and from which more communities would benefit. For example, contract health services funding addresses all of the health problems and all IHS and tribal programs would benefit.

Question. The budget proposal appears to put an emphasis on further funding for diseases with a distinct behavioral component: diabetes, alcoholism and substance abuse, and mental health issues that are reflected in domestic violence, suicide and child abuse. What can you accomplish with the requested funding that you have been unable to achieve at current levels?

Answer. Significant impacts have been documented in communities that have employed specific types of interventions in both prevention and treatment. In alcohol and mental health treatment, communities that have employed a continuum of care approach to the management of patients have had much greater measurable success. In these communities, there is a balance of services (including community prevention, ambulatory treatment, as well as inpatient treatment) available that can be tailored to patient needs with concise case management to assure that patients are able to maintain health functioning after treatment. The prevention programs with the greatest documented success are those which address youth and are built upon tribal values. The best documented example is the K'e project in Navajo. This program utilized family members, traditional medicine men, schools, and others in the community to nurture the embrace of traditional Navajo values in "at-risk" youth. The increase in funds will allow the agency to support these successes, many of which were developed under a limited term "demonstration" grant funding arrangement. In addition, increases in funds will allow the dissemination of these programs to other communities will require funding.

HIV/AIDS

Last year, language was included in the fiscal year 2000 conference report regarding the need for increased surveillance and monitoring of HIV/AIDS among the Native American and Alaskan Native populations. Since that time, concerns continue to be expressed to the subcommittee that the extent of this disease may be far more widespread among Native Americans than current statistics might demonstrate.

Question. Do you share the concerns that have been expressed to the subcommittee regarding the prevalence of AIDS within the tribal communities? Please describe what steps IHS intends to take to address the need for additional surveillance.

Answer. The true prevalence of HIV infections in American Indian and Alaska Native communities is unknown at this time. There has been no comprehensive

availability of screening surveillance since 1993. While many are concerned that the prevalence may indeed by greater than we are aware of, there is no evidence to support that assertion. During the last year, the IHS has been able to acquire additional funding support for HIV surveillance efforts from CDC and other Federal entities with Ryan White and other specific funds for HIV. The agency has recently acquired an HIV surveillance specialist from CDC and this expertise has been put to work examining the most effective means to re-establish screening surveillance activities in Indian Country. Other funds received from our Federal partners has allowed for more extensive outreach and education for populations at risk. There is significant risk factor cross-over with Hepatitis C (which may in fact be much more prevalent and lethal than HIV in American Indian and Alaska Native communities) education and prevention efforts and funding support from CDC in Hepatitis prevention will also assist in HIV prevention efforts. Increasing HIV awareness among tribal leaders has also benefited the agency's efforts at outreach and education.

MEDICARE/MEDICAID FUNDS

Question. An adjustment in the rate structure in January 1999 increased Medicare and Medicaid returns by 15 percent. How were these funds used to supplement IHS and tribal programs?

Answer. These funds (+13 percent) are used to maintain facility safety and program standards to comply with Joint Commission on Accreditation of Hospitals and Organizations (JCAHO). Accounting records indicate that about 85 percent of the funds are used for personnel, medical and facility contracts addressing areas of concern identified by JCAHO and maintaining compliance. These funds have resulted in 100 percent of IHS and Tribal hospital facilities being accredited by JCAHO.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. Dr. Trujillo, I have long been concerned with the devastating impact of alcohol on American citizens generally, and American children specifically. Unfortunately, the American Indian and Alaska Natives (AI/AN) population served by the Indian Health Service (IHS) has been particularly hard hit. Indeed, as the budget justification for the Service indicates, mortality rates attributable to alcohol abuse among American Indians and Alaska Natives is 7.3 times that of the overall U.S. population, and alcohol abuse has been singled out by 11 of the 12 IHS Areas as a top health problem. Even more disturbing, though, is the effect of alcohol on American Indian youth. As your agency states, the "severity and intensity of the problems in AI/AN youth appear to be more treatment intensive than in the general U.S. population," while "most completed suicides are highly correlated with alcohol abuse." Yet, despite this conclusion, I note that, while the Alcoholism and Substance Abuse program contains a specific line item for "Adult Treatment," no such line item exits for children.

Please tell this subcommittee what efforts the Indian Health Service is taking to strengthen alcohol abuse programs directed at minors, and, more specifically, how much of the $2.8 million increase being requested for fiscal year 2001 for Alcoholism and Substance Abuse will be allocated directly to youth?

Answer. The Indian Health Service expends funds for chemical abuse treatment and prevention youth programs in a variety of its budget categories not limited to alcohol and substance abuse including expenditures from hospitals and clinics and contract health service. However, within the alcohol budget activity there are identified funds for youth regional treatment centers and community based prevention targeting youth as well as outpatient treatment for youth. These investments in youth are itemized in the table on page IHS–61 of the President's budget submission. Specifically, there is $15,727,000 invested in youth regional treatment centers. An additional $16,875,000 is requested for community rehabilitation and aftercare for youth. There is approximately $4,000,000 proposed for community-based education for prevention from the alcohol activity. (There is an additional $11,000,000 investment in the health education activity, significant components of which will fund preventive measures targeting youth.) The IHS also has developed partnerships with the Department of Justice and the Substance Abuse and Mental Health Services Administration for programs targeting youth in detention or at risk youth that will increase available funding by an additional $5,000,000 in 2001. The targeting of the funds requested has not been finalized since tribal programs will manage over 95 percent of the funds and consultation has not been completed on this matter.

Question. The Indian Health Service has presented a very ambitious budget request with increases totaling $229 million. Within that request, you have identified

over 20 different health disparities to be addressed with $85 million in program increases. These cover a very broad range of problems—from child health to elder health, from dental health to cancer research, and from health education to construction. While this subcommittee shares your concern about the health problems facing the American Indian and Alaska Natives community, the fact remains that there may not be enough funding to address all of the budget requests before us. Consequently, would you please share your thoughts on what the Indian Health Service considers the most urgent problems today, and which of those represent the highest priorities of the IHS?

Answer. During the formulation process of this budget request, the local IHS, Tribal, and Urban Indian health program representatives focused on the need to restore access to basic health services and to reduce the health disparities that prevail between the AI/AN people and the rest of the U.S. This budget request represents the integrated clinical and public health [package] needed to address the needs identified as most critical in those areas by the I/T/U. Each component is equally critical in restoring and enhancing the clinical and public health capacity of the IHS/tribal/urban health delivery system. Even though small amounts are requested in many categories (e.g., cancer), the small amount provided allows the Agency and tribes to "leverage" resources in partnership with other entities. For example, the IHS has developed a youth and alcohol initiative with Department of Justice that has tripled the amount that IHS contributed to addressing this critical problem.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

CLOSURE OF THE SIPI DENTAL CLINIC IN ALBUQUERQUE

In September 1999, the IHS closed the dental clinic at the Southwest Indian Polytechnic Institute (SIPI).

This dental clinic had been in operation since 1971, when the BIA and IHS jointly established a training facility for the dental assistant and laboratory technician training programs at SIPI, and to serve the Indian population of the Albuquerque area.

Sometime in the mid 1980's there was a redesignation of this dental clinic, basically placing its funding under the authority of the Albuquerque Servicing Unit (ASU) of the IHS under the terms and conditions of the Public Law 93–638 Self-Determination Act. While a seemingly harmless move, the consequences of this new designation have now been made dramatically clear. Some 33,000 American Indians (24,000 of them classified as "urban Indians" in Albuquerque) have lost a vital health service due to the recent reduction of available IHS funding as a direct result of the Self-Determination contracting by Jemez and Isleta Pueblos.

The IHS has simply determined that the SIPI dental clinic would have to be sacrificed to meet the conditions of the new Self-Determination contracts whereby Jemez and Isleta Pueblos would operate their own health services. I am not objecting to these contracts under the "638" program, but I am very concerned that so many American Indians in the Albuquerque area have lost this important service.

Question. Do you have the authority to reverse the "638" decision made more than a decade ago, so that the SIPI Dental Clinic would not be subject to a loss of funds when more Pueblos decide to operate their own health programs?

Answer. After a self-determination contract is awarded, there are only a very limited number of circumstances in which the Indian Health Service can "reassume" control or operation of a contracted program without the consent of the contractor (i.e., the Indian tribe or tribal organization). There are two types of reassumptions. A reassumption is considered an emergency reassumption if an Indian tribe or organization fails to fulfill the requirements of the contract and this failure poses, as an example, "an immediate threat of imminent harm to the safety of any person . . ." A reassumption is considered a non-emergency reassumption if there has been, as an example, "gross negligence or mismanagement in the handling or use of contract funds . . ." Rules concerning reassumption can be found in part 900.246 to 900.256 in chapter V of title 25 of the Code of Federal Regulations.

Question. If this designation as a training facility cannot be reestablished, I would like to know why the large IHS Dental program increase of last year ($8 million) and the pending increase for fiscal year 2001 (another $8 million) could not be used to fund about $750,000 necessary to keep the SIPI Dental Clinic open.

Answer. The program increase for fiscal year 2000 has already been allocated to tribal and direct programs. The fiscal year 2001 dental program budget increase of $8 million that is in the President's budget was developed and agreed upon by IHS tribal and urban representatives. Of the $8 million dollar increase, $4.147 million

will be used to pay for increases associated with on-going program operations such as salaries for tribal and direct programs. The remaining $3.257 million will be used to support the Secretary's fiscal year 2001 Health Promotion/Disease Prevention Initiative. Of those funds, $1 million will be used to hire new employees across all Areas. The share of the Albuquerque Area base budget is approximately 7.3 percent; therefore, $73,000 will be distributed to the Albuquerque Area for staff increases. The Area will determine what portion of these funds will go toward support of the SIPI dental clinic.

Currently, the level of need funded in the Indian Health Service is approximately 60 percent. Hence, virtually all programs have significant portions of their population that go without dental services. While we agree that there is great need for dental care in Albuquerque, to single out that community at the expense of others is not equitable.

I am well aware of the large effort made by a coalition of Albuquerque area urban Indians to inform you of this situation, and I am very disappointed in the seeming lack of interest from IHS headquarters in helping to provide the minimal dental services for over 30,000 eligible Indian people in the Albuquerque area. They, in fact, could easily use about $2.2 million for the service level they once enjoyed. For example, in 1994, there were 5,240 dental patients served with 9 full-time dentists, 2 dental hygienists, and 27 assistants who supplied full lab support for partials, dentures, and bridges. By 1998, there were only 3 full-time dentists, no hygienists, and 9 assistants.

Question. I will expect a plan of action from you in ample time for inclusion in this year's Interior Appropriations bill. Please include at least $750,000 to reopen the SIPI Dental Clinic, and a detailed explanation of how the IHS plans to continue dental care for current and expected dental patients.

Answer. The IHS has no plans to close the SIPI dental clinic. IHS is currently forming a consortium to assure that dental services remain available to the Indian population that resides in Albuquerque. Dental services will be provided through the following network:

1. A 3-chair clinic at University of New Mexico, which opened last month and has a sliding fee schedule.
2. A 3-chair dental clinic at the First Nations Urban Indian Health Facility that will open in 4 months. First Nations has received state funds for clinic renovation and equipment installation and are currently seeking start up costs of approximately $250,000 to fund dental staff. Their plans include billing 3rd party providers as well as providing services on a sliding fee schedule.
3. Two dentists providing care in the SIPI facility after May 1st.

It is estimated that the shift dental care delivery will occur in May after Jemez and Isleta Pueblos contract for their share of the Albuquerque Service Unit Dental Program. Two IHS dentists will remain at SIPI to provide walk in services 3 days per week and services to children 18 yrs of age and below—5 days per week. IHS will contract with a local dentist to provide walk in services for the remaining 2 days per week. As revenue increases, the services at SIPI will increase. Services for the urban Indians in Albuquerque will be reduced temporarily during this transition period; however, it is expected that they will exceed current levels in approximately 3 years.

We have identified annual services costs at SIPI in these areas:

Current General Dentists/Orthodontic Personnel Costs	$469,570
Current Dental Assistants Personnel Costs	277,674
Current Support Staff Personnel Costs	93,370
Current Operational Support Costs	133,003
Total	973,617

FORT DEFIANCE HOSPITAL, NAVAJO NATION

The fiscal year 2001 request for replacement of the hospital portion of the project is $40.115 million, including $1.4 million for design of the much needed staff quarters. Critical health service from gynecological and general ambulatory surgery, to adolescent psychiatric nursing and intensive care will be available in this new facility. The acute care program will have 36 beds, and 20 beds will be used by the adolescent psychiatric nursing unit.

The original 1938 structure is functionally inadequate, and I am glad to see this funding in the President's IHS construction budget for 2001.

SANITATION FACILITIES

The most recent request in my office for major water system improvements came from Laguna Pueblo at an estimated cost of $2.5 million. Zuni Pueblo and Acoma Pueblo have continuing water and waste water needs, as do many other New Mexico Indian reservations, including the Navajo Nation, Jicarilla Apache Tribe, Santo Domingo Pueblo, and many others.

Question. Given an estimated backlog of about $1.2 billion for these types of water and waste water projects on Indian lands across this country, I would like to know why this year's increase is only about $4.5 million over last year's amount of $89.3 million?

Answer. Although much has been done in terms of providing sanitation facilities (water supply, sewage disposal, establishment of operation and maintenance organizations, and solid waste disposal), an unmet need of approximately $1.753 billion still existed at the end of fiscal year 1999. This unmet need includes approximately 20,000 existing Indian homes that do not have potable water in the home. A majority of funding to address the backlog goes to serve deficiency level 4 and 5 homes (homes without water, sewer or both). Over $29.1 million of the $45.2 million appropriated for regular projects to serve existing homes in fiscal year 1999 went toward projects to serve homes at these levels. In fiscal year 2000, IHS plans to fund over $30 million to serve homes in these same levels. The most recent cost estimate to address feasible deficiency level 4 and 5 needs is approximately $375 million. In 1999 the funding level for new and like new housing is at a level of need of approximately 70 percent. The funding for the backlog of facilities for existing homes has been historically funded at approximately 60 percent of the need, based on the goal of meeting all current feasible sanitation facilities needs for existing homes in 10 years (the need is approximately $70 million per year), with the proposed funding for the year 2000 it is expected that these levels of need will remain approximately the same. In the initial IHS request a $30 million increase for fiscal year 2001 was recommended but other budget priorities required that this be reduced to the present level.

Question. Is there any attention given in IHS to the deteriorating conditions of so many water and waste water systems that are, in many cases, over 50 years old? I would like to know more about how IHS decides to set priorities for the sanitation facilities funds.

Answer. The Indian Health Care Amendments of 1988 (Public Law 100–713, Title III) require the IHS, starting in fiscal year 1990, to develop and begin implementation of a 10-year funding plan to provide safe water supply and sewage and solid waste disposal facilities to existing American Indian and Alaska Native homes and communities, and to new and renovated homes. In accordance with these requirements, the SFC Program annually estimates the total need to provide safe and adequate sanitation facilities for all Indian and Alaska Native homes and communities. Sanitation deficiencies are reported as proposed projects, or project phases. Each IHS Area develops priority lists in consultation with the tribes for projects to serve new and like-new homes and regular projects to serve existing homes. These projects represent the universe of need for existing homes eligible for IHS funding. Regular projects on the Area priority list are scored based in part on health risk, economic feasibility, tribal priority and the ability of the Tribe to operate and maintain the proposed facilities. However, some projects are prohibitively expensive to construct and/or operate, and therefore are considered to be economically infeasible and are not considered on the priority lists.

Question. I would also like to ask if IHS participates in any economic development efforts that stress the importance of adequate sanitation infrastructure?

Answer. IHS is authorized to serve Indian homes. While IHS does not provide funding for infrastructure serving economic development projects, at their request, IHS does work closely with the tribes in the review of water and sewer design plans for economic development infrastructure projects. When funds are provided by a Tribe for a system expansion to support economic development in a location with an active IHS sanitation facilities project, the agency can and has provided engineering and project management support to construct those additional facilities. IHS continues to work with the Tribes to seek contributions from other agencies such as the Department of Housing and Urban Development's (HUD) Community Development Block Grants and in acquiring loans and grants through the Rural Utility Service of the Department of Agriculture. The IHS recognizes that the provision of sanitation facilities also has other far-reaching, positive effects. The availability of such facilities is of fundamental importance to social and economic development. In turn, such development leads to an improved quality of life and an improved sense of well-being. IHS can participate in any project on a pro rata basis if eligible homes

are to be served. IHS does not provide sanitation facilities for future homes, or unused excess capacity, unless there is a funding commitment to build the homes within the next year. In the course of designing a new facility, some future demand can be considered in the design and sizing requirements. IHS will mostly build flexibility into the design to accommodate future growth rather than build excess capacity.

Question. Has the IHS become aware of its vital role in helping or hindering economic development plans that require minimal and standard capacities for handling water and waste water?

Answer. Under the authority of Indian Sanitation Facilities Act (Public Law 86–121), the IHS provides essential sanitation facilities for Indian homes. The IHS sanitation facilities appropriations from Congress are predicated upon the number of Indian homes to be served. The IHS works with other agencies (HUD, Economic Development Administration (EDA)) in jointly funded projects where constructed sanitation facilities will serve Indian homes as well as non-residential units. Those other agencies have the authority to provide tribes with funding to enhance or improve their economic development, which includes sanitation facilities. The IHS is currently discussing with EDA potential areas where both agencies may cooperate to the benefit of Indian tribes (see preceding question).

DIABETES INITIATIVES

Dr. Trujillo, for the past three years, the Department of Health and Human Services has received a total of $60 million annually pursuant to the Balanced Budget Act of 1997 for diabetes initiatives. These funds will be available through fiscal year 2002 with the Indian Health Service receiving half the funding or $30 million per year for five years.

I remain very concerned about the high incidence of diabetes in the nation, especially among Native Americans, Hispanics and other minorities.

Question. Would you please provide the Subcommittee with an assessment of how the $30 million in annual funding has been utilized by the Indian Health Service for diabetes prevention and treatment?

Answer. Using a non-competitive grant process, based on extensive tribal consultation, 333 tribal, IHS and urban programs have received funds through the 1997 Balanced Budget Act (BBA). These funds have been used by the Indian health care system for data improvement, direct clinical services, community prevention activities, the development and provision of diabetes education to patients, their families, their providers and communities. The funds have enhanced infrastructure and community capacity for diabetes care and education. A complete assessment of these activities is included in the Interim Report to Congress submitted to DHHS for approval in January 2000.

Question. As I recall, Congress directed the IHS to do an interim evaluation of the program and provide a report this year. Will such a report be coming to Congress soon? Could you give me an anticipated date for it to be transmitted to Congress?

Answer. The interim Report to Congress on the Special Diabetes Program for Indians has been completed. It was submitted to Congress in April 2000.

Question. These issues may be addressed in the evaluation of the program, but how has IHS determined to best utilize the $30 million in annual funding?

Answer. The IHS has conducted ongoing, extensive, nationwide tribal consultation activities in relation to the $30 million in funding. The IHS is committed to the belief that the answers to diabetes prevention and management lie within American Indian and Alaska Native communities. Prior to distribution of the funds, discussions began at the National Indian Health Board Consumer's Conference, and the Diabetes Advisory Workgroup was formed consisting of tribal leadership, American Indian physicians, and nationally recognized diabetes experts. Regional tribal consultations then occurred in every IHS Area. Results were compiled by the National Indian Health Board and reviewed by the Diabetes Workgroup, culminating in a set of recommendations to the IHS Director for grant funds distribution by Area. The IHS Director approved the Workgroup's recommendations with minor adjustments. The IHS Diabetes Program crafted a Request for Application (RFA) document, incorporating the basic public health principles of primary, secondary and tertiary prevention.

The $30 million from the 1997 BBA has provided an opportunity for IHS, tribal and urban sites to implement innovative programs to address diabetes in AI/AN communities. Much good has come from this effort, yet it is only a start. Managed care organizations have published data in the diabetes literature indicating that the annual costs for caring for a person with diabetes are estimated at $5,000–$9,000.

In contrast, IHS receives approximately $1,300 per capita to care for its patients. This is clearly not enough. Diabetes experts tell us that, on average, patients with diabetes are on 10–12 medications at one time. Many of these medications are expensive, as much as $5 per day. Pharmaceutical costs in IHS last year increased 25 percent. IHS simply cannot afford to provide the recommended standard of diabetes care at this level of funding.

Question. Is the model diabetes program model being replicated among Native American Tribes? One of the earliest model programs was carried out by the Zuni Tribe as I recall.

Answer. For 20 years, the IHS has relied on Model Diabetes Programs to demonstrate effective approaches to diabetes care, education and prevention in Native American communities. As IHS has expanded its programs through the 1997 BBA funds, the 19 Model Diabetes Programs have led the way in shaping the development of these new diabetes programs nationwide. The Model Diabetes Programs experiences, successes and "lessons learned" have been adapted by communities to fit their unique situations. These include clinical guidelines; program curriculums; training programs to providers, patients, families, and communities; diabetes tracking systems; materials; community capacity building; and technical expertise. The Zuni Diabetes Program was one of the first and most successful Model Diabetes Programs.

Question. With the concern about diabetes being diagnosed more frequently in children, has IHS focused its prevention activities on this age group? What is the most effective way to reach children with prevention information?

Answer. The IHS has collaborated with the CDC Division of Diabetes Translation to more clearly define the epidemiology of the problem of type 2 diabetes in children. Thirty six percent of the BBA grant programs indicate that they are placing a special emphasis on type 2 diabetes prevention in adolescents, 27 percent are focusing on elementary school age children, and 19 percent are addressing the preschool age population. The IHS has also partnered with the Head Start Program on a Childhood Obesity Project; partnered with the Committee on Native American Child Health of the American Pediatric Association to develop diagnosis and treatment guidelines; serves on committees of the American Diabetes Association on type 2 diabetes in children; and has approached the Juvenile Diabetes Foundation regarding this problem. While we recognize the need to allow diabetes experts to nationally address these issues, IHS has aggressively pushed for this problem to remain at the forefront of diabetes agendas within many settings. The problem of type 2 diabetes in children is still too new to have learned what methods are best used for delivering prevention information to children and their families. The IHS Diabetes Program has recently hired an expert in children's issues to lead this prevention effort for the agency.

Question. At this time with three years of funding, does IHS have a comprehensive program in place to assist all age groups affected by diabetes? What are the components of the program?

Answer. The IHS maintains a comprehensive, global approach to diabetes, incorporating both clinical and public health approaches for prevention and treatment in all age groups. This approach includes surveillance activities, collection and analysis of quality process and outcomes data, complications tracking, all levels of prevention screening and treatment, family education, innovative approaches to nutrition education, clinical care, family interventions, promotion of physical activity programs, community activities and school based activities.

For example, components of the program as a result of the 1997 BBA funds:

—80 percent of grant sites are focusing on overweight people with diabetes
—50 percent of sites are emphasizing tobacco cessation programs
—79 percent of programs concentrate on people with diabetes who have high blood pressure (and thus are at higher risk for complications)
—76 percent of sites report more emphasis on patients with newly diagnosed diabetes
—68 percent of programs are targeting family members of people with diabetes
—37 percent of grant programs now focus on pregnant women and their offspring
—56 percent of sites are placing emphasis on overweight children
—Nutrition counseling is provided in one-on-one sessions at 73 percent of programs, group sessions at 66 percent of programs, and 43 percent of sites provide cooking classes. Over 50 percent offer nutrition classes to family members of people with diabetes.
—Grant sites offer physical activity programs in the form of walking clubs (53 percent), aerobics classes (48 percent), sports teams (30 percent), training of fitness leaders (31 percent) and traditional games & activities (30 percent)

—Diabetes teams were newly established (42 percent) or improved upon (29 percent), diabetes registries were newly established (42 percent) and existing registries improved upon (48 percent), and diabetes clinics were newly established (21 percent) or improved upon (43 percent) as a result of the grant funds

Many programs are demonstrating success in addressing certain problems within their own communities. Resources are lacking for replicating these successful strategies in AI/AN communities throughout the nation.

Question. What is the Administration's proposed budget for diabetes prevention and treatment for the Indian Health Service in fiscal year 2001, excluding the $30 million annual appropriation pursuant to the 1997 Balanced Budget Act? How does that compare to fiscal year 2000?

Answer. As described in our Congressional Justification on page IHS–34, the increase for fiscal year 2001 over fiscal year 2000 is $3,880,000.

Question. Within the additional $7 million proposed for priority diseases, how much does IHS propose to devote to diabetes?

Answer. Again as on page IHS–34, the increase is $3,880,000.

Question. Have the Balanced Budget Act funds complimented existing agency budgets, or have they supplanted existing resources being devoted to this dangerous disease?

Answer. The Balanced Budget Act funds have most certainly been used to complement existing activities. Over 85 percent of the 333 programs funded through the BBA are tribally operated programs, most of who were unable to fund diabetes-related activities prior to 1997. The same is true for the 34 funded urban Indian health programs who had no funds specifically earmarked for diabetes prior to the 1997 BBA. The BBA funds have not supplanted existing resources; rather, they have been used to enhance existing programs and/or develop new, innovative community-driven approaches to diabetes. However, our existing recurring resources devoted to diabetes are quite limited and the BBA funds have allowed for a significant expansion of access to prevention and treatment services. The need for these services will only increase as the diabetes epidemic continues.

Question. What are the Department's plans to utilize the remaining funding in fiscal year 2001 and fiscal year 2002 in a comprehensive and coordinated fashion to prevent and treat diabetes?

Answer. Five years is a very short time in the course of any chronic disease. The epidemic of diabetes in AI/AN tribes will not be contained or eradicated in the near future. The science of diabetes prevention is an emerging science, especially at the primary and secondary prevention levels. In the year 2002, the results of the large, NIH-funded, multi-center research trial of diabetes prevention, called the Diabetes Prevention Program (DPP), will be released. The DPP, which includes 4 American Indian study sites in Arizona and New Mexico, is designed to answer the question "can type 2 diabetes be prevented in high risk individuals?" If the results of this study suggest that pharmaceuticals or intensive lifestyle changes can prevent diabetes, then the IHS must be ready to launch a massive diabetes prevention program in all AI/AN communities. The impact of these results will be far-reaching, affecting the direction of all diabetes-related clinical and community programming, including staffing and financial aspects. The cost will be prohibitive, even in an ideal setting. The infrastructure built, the community capacity developed, and the lessons learned from the 333 BBA grant programs will serve as a basis for implementing a comprehensive prevention strategy within IHS, tribal and urban programs. Thus, the final 2 years of the BBA grant process will be spent solidifying, strengthening, and expanding program infrastructure and community capacity.

Over the next 2 years IHS will continue to:

—bring grantees together to share and learn from each others successes and mistakes at regional meetings;
—facilitate the building of clinical and educational infrastructure;
—promote the sharing of resources (particularly technical expertise);
—encourage the development of regional diabetes coalitions;
—identify other outside funding resources;
—promote the expansion of clinical and educational services, partnering with tribal leadership, and incorporating technological advances.

Question. Within the Centers for Disease Control, an effort is underway to establish a National Diabetes Prevention Center, which will be located in Gallup, New Mexico. How is IHS partnering with CDC in the National Diabetes Prevention Center? I expect this program to make a significant contribution to the prevention and treatment of diabetes among the Navajo Tribe, Zuni Pueblo, and other Native American tribes.

Answer. The IHS has served as an active participant thus far in the development of the National Diabetes Prevention Center (NDPC).

—The IHS National Diabetes Program serves as a partner on the NDPC Steering Committee
—The Tribal Leaders Diabetes Committee, formed by IHS, advises the NDPC and oversees the national expansion plan
—The Zuni IHS, the Zuni Model Diabetes Program, and Gallup Indian Medical Center are integral parts of the local partnership
—The IHS National Diabetes Program has partnered with CDC and its contractor to host regional meetings across the US to obtain tribal input and guidance on the national direction and expansion of the NDPC
—The IHS provided nominations for the Center Advisory Board and reviewed them with the other partners
—The fully participated in providing input in the Forecast process and evaluation of the NDPC structure (another CDC contract)
—The IHS Diabetes Program has provided direct expertise to the education and training proposal currently being designed by NDPC. In fact, the IHS Diabetes Program's training curriculum for health professionals will be used by NDPC to conduct this training
—The IHS is working closely and is in regular contact with the CDC on the development and future direction of the NDPC.

MENTAL HEALTH SERVICES

Dr. Trujillo, it's been awhile since last we were able to speak about the need in Indian country for mental health services. I am pleased to see the President's requested increase of $6.2 million for mental health services and that these resources will build on some important initiatives already underway at IHS.

Question. Would you please tell the Subcommittee what progress IHS has made over the past three years on providing mental health services to Native American tribes and pueblos?

Answer. Funding for mental health budget has increased by about 4 percent annually between fiscal year 1997 and fiscal year 2000. Most improvements which have occurred are related to local innovations. Perhaps the activity with the most wide-ranging impact has been the suicide prevention activity emanating from the Jicarilla Apache Tribe of New Mexico. Because of a local outbreak of youth suicides a few years ago, the tribe initiated a program of prevention aimed at youth. The program quickly demonstrated a successful approach. This model was then disseminated to other AI/AN communities and is now in operation in over 80 tribal communities nation-wide.

Question. What are the highest priority areas for IHS within the mental health program?

Answer. The tribal budget formulation priorities within mental health include youth suicide prevention, domestic violence treatment and prevention, and the mental health needs of elders. The GPRA Objectives described on page IHS–51 of the President's Budget submission reflect these priorities.

Question. How does IHS propose to allocate the proposed $6.2 million increase to meet these priority needs?

Answer. The IHS will allocate on the basis of equity and utilize an approach that has the support of tribal programs to support screening programs and comprehensive community based mental health care system.

Question. The provision of health services is difficult at best in rural areas, such as on many Indian reservations. How is IHS delivering mental health services in rural areas? Within the budget request for information technology resources, will any be devoted to improving the delivery of mental health services in rural areas, such as through telehealth activities?

Answer. The agency currently uses a range of approaches and providers to deliver mental health services. There are community mental health technicians who are often local people with limited specialized training that can provide many of the primary mental health counseling services in remote locations. These paraprofessionals are supported by counseling social workers and primary care medical providers who have skills and aptitudes in behavioral health. Specialized mental health providers such as clinical psychologists and psychiatrists are used in more complex cases as needed. The use of telehealth technologies is just beginning to emerge in rural environments. The availability of transmission media (broad band phone lines and satellite links) has limited the availability in many locations. The initial uses for these technologies in behavioral health includes teletherapy, but are more commonly used for training support in behavioral disciplines. The investments in information technology include small investments in telecommunications support.

Question. This Administration has focused attention on interagency cooperation on many fronts. How is IHS working with other federal agencies, such as the Department of Justice, to help in the provision of health care and related support services?

Answer. The agency has formed coalitions with a variety of Federal agencies both within DHHS and in other Departments. Within DHHS the Substance Abuse and Mental Health Services Administration has provided funding to many Native communities through its three centers. The Center for Substance Abuse Treatment has awarded almost $10M to states through block grants and directly to tribes for programs that address chemical abuse. This is critical support in the mental health arena since many AI/AN youth are dually diagnosed with both chemical abuse and a mental health diagnosis. The Center for Mental Health Services has developed an AI/AN specific program called Circles of Care that has brought an additional $10M to Native communities for mental health services. In addition, the Headstart programs and IHS work together to address prevention efforts with young parents. The agency has partnerships with other Departments such as DOJ that link funds for youth in detention with treatment services for the behavioral health problems that often contribute to the reason they are in detention (e.g., violent behaviors). Such arrangements have also been developed with the Department of Interior in its detention environments. The agency also works with BIA-Education to support prevention efforts. There are other smaller examples of partnerships with the Department of Education, and with the Department of HUD.

Question. Is this a successful way to leverage federal resources to meet program needs? Are there additional partnerships that IHS is considering, especially in the mental health area?

Answer. The service capabilities for mental health reside primarily in the agencies identified in the previous question (i.e., SAMHSA, DOEd and DOI), however, the scope of relations with DOJ may well expand in the next two or three years. Partnerships in researching mental illness and other behavioral concerns in AI/AN communities need to be developed further. Accordingly, the agency is pursuing partnerships with the National Institutes of Health who have research responsibilities and resources. Since economic health is so influential in determining mental health status, partnerships with the Department of Commerce are being developed.

FISCAL YEAR 2000 ACROSS-THE-BOARD REDUCTION

Dr. Trujillo, in last year's Consolidated Appropriations Act for fiscal year 2000 (Public Law 106–113), the President and the Congress agreed to an across-the-board reduction of 0.38 percent in discretionary programs as part of an effort to ensure that spending in fiscal year 2000 did not dip into the Social Security surplus. We were successful in that effort, but in the process the Department of Health and Human Services had to reduce program spending by $166.8 million in fiscal year 2000.

It appears from the Administration's report on the implementation of the across-the-board reduction that most offices and programs within the Department took a part of the reduction with $6.8 million coming from the Indian Health Service—$4.8 million from Indian Health Services, and $2.0 million from Indian Health Facilities.

Question. Dr. Trujillo, would you please provide the Subcommittee with the program, project, and activity details underlying the across-the-board reductions in each program area for IHS?

Answer. The fiscal year 2000 Interior Appropriations included a rescission of 0.38 percent across the board government-wide. The IHS' share is $6.8 million, or 0.28 percent, from the appropriation of $2.4 billion and detailed in the table that follows.

FISCAL YEAR 2000 RESCISSION

[Dollars in millions]

Program	Fiscal year 2000 enacted	Rescission	Percent reduction
Services:			
Hospital/Health Clinics	$1,007.140	−$1.728	−0.17
Dental Health	80.283	−0.221	−0.28
Mental Health	43.294	−0.049	−0.11
Alcohol/Substance Abuse	97.024	−0.200	−0.21
Contract Health Services	407.290	−0.534	−0.13
Public Health Nursing	34.556	−0.104	−0.30
Health Education	9.654	−0.029	−0.30

FISCAL YEAR 2000 RESCISSION—Continued

[Dollars in millions]

Program	Fiscal year 2000 enacted	Rescission	Percent reduction
Community Health Reps	47.826	−1.446	−3.02
Immunization AK	1.407	−0.005	−0.36
Urban Health	27.849	−0.036	−0.13
Indian Health Professions	30.728	−0.237	−0.77
Tribal Management	2.418	−0.007	−0.29
Direct Operations	51.145	−0.157	−0.31
Self Governance	9.572	−0.041	−0.43
Contract Support Costs	228.781		
Subtotal, Services	2,078.967	−4.794	−0.23
Facilities:			
Maintenance & Improvement	43.504	−$0.071	−0.16
Sanitation Facilities	92.188	−0.071	−0.08
Health Care Fac. Construction	52.000	−1.607	−3.09
Fac. & Environmental Hlth Support	116.501	−0.219	−0.19
Equipment	14.387	−0.057	−0.40
Subtotal, Facilities:	318.580	−2.025	−0.64
Total IHS:	2,397.547	−6.819	−0.28

Question. Did the Department follow the provisions of the Consolidated Appropriations Act that no program, project, or activity could be reduced by more than 15 percent?

Answer. Yes. The IHS was treated fairly.

Question. What was the maximum reduction taken from any program, project or activity?

Answer. Funding for Community Health Representatives was reduced by 3 percent, the largest percent reduction in IHS, because Congress provided 17 percent more funds for this program than the Administration requested.

Question. Did the Department follow the guidance of OMB that:

—reductions should be taken from the least critical funding available to the agency;

—reductions should be considered from funding above the President's request;

—no reductions should be taken that would require reductions-in-force (RIF); and

—agencies should make targeted recommendations rather than across-the-board funding cuts?

Answer. The broad breakdown of the $6.8 million reduction is as follows:

$0.7 million was taken from Congressional earmarked projects:

—Hospitals/Clinics was reduced by $346,000 for projects which would benefit a specific Tribe, IHS Region or area of concern.

—Facility Construction was reduced by $320,000 for specific construction projects.

$6.1 million was taken from all line items, except for Contract Support Costs which was a high priority project and exempted from this reduction. The rescission was isolated, to the extent possible, to funds provided for inflationary cost increases.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

I continue to be concerned about unpaid balances owed by the IHS for Priority I contract health services provided by private health care providers. In particular, I am aware that the Lake Region Clinic in Devils Lake, ND, is still owed $44,000 by the IHS for services dating back as far as fiscal year 1996. These are services that the IHS authorized for Priority I medical services and the local Service Unit agrees that the federal government owes this money. Yet the Lake Region Clinic is being told the funds don't exist to pay them. In addition, the Lake Region Clinic is owed another $39,000 for fiscal year 1999 claims that have been authorized and for which purchase orders have been obtained, but the IHS Fiscal Intermediary in New Mexico says that the funding hasn't been released. This may not be a lot of money for large health care providers, but for a relatively small clinic like the one in Devils Lake, this creates a serious financial burden.

Question. Dr. Trujillo, in May of last year, you sent me a letter indicating that it would take about 60 days to reconcile the claims owed the Lake Region Clinic. You also stated that, "The IHS has sufficient money available to pay the Lake Region Clinic." Can you explain to me why, nine months later, this money still hasn't been paid? Can I get your personal commitment that these claims will be paid as promptly as possible?

Answer. The IHS met with the Lake Region Clinic to review claims and resolved the claims that were presented at that time for fiscal years 1996 through 1998. For the Lake Region Clinic, the total billed amount for 1,493 claims submitted for FYs 1996–1998 was $590,320. The IHS has paid or authorized payment for $452,229; the remainder was disallowed or paid by a third party. This information is reported by the IHS Fiscal Intermediary and includes all claims through February 25, 2000.

Very recently, the Clinic presented the additional claims totaling $44,000. The IHS has the funds to provide payment for the new claims from the Lake Region Clinic submitted for FYs 1996–98. However, since the staff at the Fort Totten Service Unit were not aware of the new bills until recently, sufficient time is needed to review and determine if they meet the IHS eligibility requirements relating to referrals, notification, and availability of third party resources.

In past years, the Fort Totten Service Unit has held regular meetings with the health care providers including Lake Region Clinic to monitor the payment process. The Area Office has implemented a "Standards of Practice" plan whereby the Service Unit assesses the amount that it is responsible for and develops a payment plan for any outstanding claims. Unfortunately, some payments have been affected by the recent conversion to a new accounting system. The IHS is working to ensure that any problems arising from the conversion are resolved in order to make payments in a timely manner.

Question. I am also concerned that this is not an isolated problem. I am aware of another North Dakota IHS Service Unit that has $3 million in backlogged unpaid Priority I claims owed to a range of private health care providers. Does the IHS budget for fiscal year 2001 include funding specifically to pay these outstanding debts? How much does the IHS owe nationally for prior-year, authorized, Priority I contract health services?

Answer. Currently, there is no backlog of priority one claims for the Ft. Totten facility. All bills submitted by Devils Lake vendors have been either approved for payment or denied.

The IHS budget for fiscal year 2001 does not include any new funding that is specific for any prior year outstanding debts. All claims are paid through the IHS Area offices and the IHS fiscal intermediary contract with Blue Cross and Blue Shield and not segregated by the established priority levels.

It is not unusual for claims to pend. In many cases, additional data is required before payment can be made. The information reviewed, such as diagnosis codes, patient/provider data, availability of third party resources, implementation of contractual requirements as well as any provider rate agreements, needs to be fully analyzed to assure that the most responsible use of the limited resources is achieved. By following these review practices the IHS is able to discount its payments by about 50 percent below the billed charges. At any given time there are a number of claims pending for all reasons in all locations for all priorities.

Question. While I am glad that the fiscal year 2001 IHS budget includes a $41 million increase for contract health services, is this funding sufficient to pay for all anticipated Priority I contract health services in order to prevent future shortfalls?

Answer. The increase is not sufficient to pay for all anticipated priority I claims. The increase will reduce the shortfalls in CHS funding experienced by IHS and tribal programs but services will still be deferred, and denials will still be issued for care not within medical priorities to eligible patients.

Question. As I understand it, once sufficient documentation has been provided to the Service Unit by a private health care provider, the Service Unit has 5 days to either issue a denial or a purchase order. If the health care provider doesn't receive that decision within the required timeframe, is the IHS responsible for paying that claim? Is there any deadline imposed on the Service Unit for notifying the health care provider if sufficient documentation has not been received?

Answer. For a claim to be considered viable all the necessary medical and demographic information must be at the service unit before the 5 day rule applies. Once the claim is determined viable, then a medical purchase order or denial must be issued for each bill received. The IHS will respond to a notification of a correct claim by a provider of a contract care service with either an individual purchase order or a denial of the claim within 5 working days after the receipt of such notification. If the SU fails to respond to a notification of a claim the IHS will accept as valid the claim submitted by the provider. In the case of the Fort Totten Service Unit,

the interval from provision of service to the time the agency receives a bill has been significantly longer then the average across the system as has the time from service provision to issuance of a purchase order. In fiscal year 1999, these intervals improved significantly and in fact are now shorter than the system wide intervals.

Question. I also noted that, in the IHS' budget justification for fiscal year 2001, the number of reported deferred services has increased 42 percent from fiscal year 1994 to fiscal year 1998. As you know, when a patient waits to receive care on a deferred basis, the nature of the illness or injury is likely to worsen, and the cost of treating the condition increases. For instance, in 1993, the cost per case for deferred services was $176, and in 1997, this had risen to $257 per case. How much funding would be required to eliminate the deferral of contract care services? Is this amount incorporated in the fiscal year 2001 budget request?

Answer. In fiscal year 1999 the reported number of deferred services was 85,025 cases, which totaled approximately $31.4 million. Deferred services are services for care that are lower in priority and not emergent or urgent that can be delayed until funds become available. The definition of urgent and emergent has also become increasingly rigorous as the resources have become more constrained. With the increasing demand for contract health services there are generally no funds available at the end of the year to meet this need. Refractions, routine mammogram, orthodontics, ultrasound examinations, arthroscopies, physical therapy, dental hygiene, organ transplants, and orthopedic services are some examples of cases that are deferred.

Question. I am also concerned that Native Americans living in the Aberdeen Area are not receiving an equitable amount of IHS funding. Over the last decade, the service population of the Aberdeen Area has increased by 25,000 people, but it doesn't appear that the funding allocated to the Area or to local Service Units has kept pace with that growth. What method does the IHS use to allocate funding for Area Offices? For individual Service Units? Does that method take into account current needs and reliance on contract health services or is it based on historical costs?

Answer. The CHS funding has not kept pace with the cost of medical inflation and population growth. The IHS distributes recurring funds using a methodology based on each Area's historical base. New funds or non-recurring funds are distributed according to an approved CHS distribution formula developed to provide equitable funding. The formula factors in elements that consider Workload, Years of Productive Life Loss and CHS dependency. The dependency factor is based on the percent of total inpatient admissions in the private sector and benefits CHS programs that have no direct care facilities and are totally dependent on CHS to provide the needed medical care. Each year, the methodology is reviewed and consideration given to adjusting the weights of each factor in the methodology. Since these factors are based on national averages Areas have the authority to use local averages and distribute funds according to Area need.

The distribution at each Area for funding to the service units varies. The Aberdeen Area has a 3-tiered Formula approved by the Aberdeen Area Tribes. The formula multiplies user population times the amount designated for the type of facility:

Type of Facility:	
Large facility with extensive service available	$327.00
Medium facility with less services available	377.00
Ambulatory facility (8am–5pm availability)	427.00

The IHS just completed a Level of Need Funded (LNF) study as a means to address some of the funding deficiencies. The IHS is currently consulting with tribes on the study. If the LNF is accepted, it may be our source document for funding levels and a tool for working toward funding equity for all programs.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

JOINT-VENTURE DEMONSTRATION PROGRAM

There is tremendous backlog estimated at nearly $900 million on the IHS construction priority list. The fiscal year 2001 budget request addresses just 7 percent of this need. According to an IHS report issued last August, a tribe fortunate enough to get on the health care facilities construction priority list right now will have an estimated wait of 70 years before a facility is built. We can do better.

Section 818 of the Indian Health Care Improvement Act (Public Law 94–437) provides the authority for a Joint Venture Health Facilities demonstration program, an innovative program to leverage tribal funds to provide health care to Indian tribes. To date, two tribes funded the building of facilities through this program in the

early 1990's. In addition to accelerating improved access to health care for the two tribes, reports indicate that these projects were built more quickly and at less cost than comparable federally-funded construction. Three Wisconsin tribes—the St. Croix Chippewa, the Oneida and the Ho-Chunk are now in a position to make one-time expenditures to build health facilities, but they need IHS to provide equipment and staffing. The Joint-Venture program could help them meet that need.

Two years ago, the House report to the Interior bill included language directing that the fiscal year 2000 budget should address the advisability of re-instituting the Joint Venture Health Facilities program. That didn't happen last year and I am doubly disappointed that the Administration chose not to include this request in its budget submission this year. It is my hope that our Subcommittee will revisit this issue.

Question. The last time IHS funded joint-venture health facilities was in 1993 in Oregon and 1994 in Oklahoma. In your view, were these projects successful? What is IHS' position on the Joint-Venture program? Don't you think it makes sense to be leveraging federal dollars with tribal funds, if they are fortunate to have funds?

Answer. Previous joint venture demonstration appropriations in fiscal year 1991 and 1993, totaling $2,552,000 in the facilities appropriations, were used to equip two joint venture demonstration projects; one in Poteau, Oklahoma, for the Choctaw Nation of Oklahoma, and one in Warm Springs, Oregon, for the Confederated Tribes of Warm Springs. These two projects achieved the following:

(a) The new additional space met the needs of the Tribes and the IHS at the time of construction. The constructed facilities are still fully accredited. Each new facility increased their capacity, so each health center was able to increase their services by 100 percent. The operating efficiency was improved. Waiting times were reduced significantly.

(b) The partnership of this program allowed the new facilities to be provided more quickly and before they were on a priority list. This resulted in less Federal Government outlay for the construction of these facilities although the staffing and operating costs for these facilities would still be the same if IHS funded the construction. Involving the tribes in this manner, helps the development of long term health plans and infrastructure.

Before moving ahead on any new administering a Joint Venture Program projects in the future, IHS will need to examine the following issues:

(a) Find a way to integrate and prioritize joint ventures with the IHS Facilities Construction Priority Lists.

(b) Ensure that long term costs associated with staffing and operations are consistent with IHS standards for providing health care facilities and services to Federally Recognized American Indians and Alaska Natives, and can be accommodated by future funding levels.

(c) Assure that funding committed to Joint Venture projects must addresses priority needs for health care facilities and the delivery of health care services with the highest relative need.

IHS will continue to work with Congress and the Tribes on how to best balance projects currently on the IHS priority lists and the potential of a Joint Venture Program.

Question. Can you explain to me why we have seen no funding for this program?

Answer. The fiscal year 2001 Budget is committed to supporting access to health care services and improving the health status of Native Americans. The Budget provides a total of $65.237 million for Health Care Facilities Construction and includes investments to fund the final phase of construction for the Fort Defiance, Arizona Hospital ($38.715 million) and design of the staff quarters ($1.4 million), complete construction of the Parker, Arizona Health Center ($7.578 million), second-phase construction of the Winnebago, Nebraska Hospital ($12.286 million), design of the Pawnee, Oklahoma Health Center ($1.745 million), modular dental units ($1 million), and Small Ambulatory Construction Grants ($2.513 million). These and other budget priorities precluded the inclusion of the Joint Venture Program in the President's fiscal year 2001 budget request.

Question. What do you recommend to those tribes that are in a position to build facilities but do not have the funds to equip and staff them?

Answer. We encourage tribes to continue addressing the health care needs of their communities. The IHS recommends for tribes to seek alternative financing through other agencies like the Department of Agriculture, Housing and Urban Development grants, and private foundations or to wait until funding is appropriated to IHS for equipment and staffing. Last year IHS held a Roundtable discussion where tribes shared information on how they were able to finance construction of their health care facility. The results of the Roundtable were documented and this valuable information is available to all tribes contemplating obtaining their own health care

facility. We will continue to work with tribes and Congress on how to best balance projects currently on the IHS priority lists and the potential of a Joint Venture Program.

SUBCOMMITTEE RECESS

Senator STEVENS. So the subcommittee will stand in recess until 9:30 a.m., Wednesday, March 22, when we will receive testimony on the fiscal year 2001 budget requests for the U.S. Forest Service; Hon. Mike Dombeck, Chief, U.S. Forest Service and Hon. Jim Lyons, Under Secretary for Natural Resources and Environment, Department of Agriculture.

[Whereupon, at 10:20 a.m., Wednesday, March 1, the subcommittee was recessed, to reconvene at 9:30 a.m., Wednesday, March 22.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

WEDNESDAY, MARCH 22, 2000

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, Stevens, Domenici, Burns, Bennett, Byrd, Leahy, Dorgan, Kohl, and Craig.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENT OF:

JAMES LYONS, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT
MIKE DOMBECK, CHIEF

ACCOMPANIED BY:

VINCETTE L. GOERL, CHIEF FINANCIAL OFFICER, DEPUTY CHIEF, OFFICE OF FINANCE
RANDLE PHILLIPS, DEPUTY CHIEF, PROGRAMS AND LEGISLATION
JAMES R. FURNISH, DEPUTY CHIEF, NATIONAL FOREST SYSTEM
JANICE McDOUGAL, DEPUTY CHIEF, STATE AND PRIVATE FORESTRY
ROBERT LEWIS, DEPUTY CHIEF, RESEARCH AND DEVELOPMENT

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. This hearing will come to order.

I am pleased to recognize our witnesses, Jim Lyons, Under Secretary for Natural Resources and Environment, of the USDA, and Mike Dombeck, Chief of the Forest Service, both of whom are familiar with this subcommittee, and have testified frequently in the past.

Before we take up the Forest Service budget request for fiscal year 2001 let me make a few observations about the current fiscal climate in which the subcommittee must do its work.

We are close, I think, to a debate over a budget resolution for 2001. That resolution is likely to recommend a non-defense discretionary spending level that is similar to this year's level, or has perhaps an inflationary increase, and is perhaps as much as $30 billion less than the administration's overall budget authority re-

quest. As a consequence, this subcommittee can expect that its allocation will be considerably less than what the President requested.

I do not see how Congress is going to be able to provide more than $1 billion in increases proposed by the President for this year's Interior and related agencies bill. It is in this context that we look at the Forest Service budget today, as well as the budgets of all of the other entities that go within our jurisdiction.

The President proposes to increase the agency's budget by about $230 million, or 8½ percent. I must tell you that I find the priorities in the budget troubling. The most significant increases, for example, are for research, $13 million, the purchase of conservation easements, $30 million, land acquisition, $51 million, recreation, $49 million, and planning and monitoring, $65 million.

I can and will support additional funds for public recreation on our national forests. I am also personally intrigued by the purchase of conservation easements, the retention of the property in private ownership, and its preservation in its present form which is often highly desirable.

I do find it difficult, however, to support large increases for the Forest Service to do seemingly endless amounts of planning and to count various fungi and mollusks, while critical programs like fire preparedness, reconstruction and maintenance, and timber sales are slated for decreases. I hope that we will get an explanation for these priorities today.

Perhaps the most significant aspect of this year's request is a massive restructuring of the budget. This proposed restructuring would reduce the number of line items in the National Forest System appropriation from 20 to 3. The need for this restructuring is suggested not only by the Agency, but also by the National Academy of Public Administration, which prepared a report on the Forest Service budget pursuant to congressional direction last year.

According to both the Academy and the Forest Service, the current budget structure does not reflect the integrated nature of the agency's work. Indeed, agency personnel must often decide how to charge the total cost of a project with multiple benefits across 15 or more line items.

The way the cost of a project is charged can become quite arbitrary, and the number of entries required in the agency's books overwhelms the agency's accounting system. The simplified budget structure and a new accounting principle advocated by the agency, called Primary Purpose, would mean that most projects would be funded from a single line item. Clearly, a simpler budget would make the accounting tasks much easier.

I am sympathetic to attempts to improve the fiscal accountability of the Forest Service, and I have been encouraged by recent statements by the General Accounting Office that indicate that the agency is making progress on getting its fiscal house in order. There are, however, a number of aspects of the proposed restructuring proposal that I find questionable. Let me give a bit of detail on that subject.

We have had great difficulty in agreeing to on-the-ground management objectives with the administration. In fact, I believe that many of my colleagues feel that the agency frequently ignores congressional direction or oversight. For example, the agency is now

engaged in a major new rulemaking on roadless areas for which money was never requested in any budget.

We are still trying to determine how much this effort will cost and what other critical activities are being neglected while personnel are diverted. It seems to me that in this environment providing the Forest Service with more discretion with respect to how it spends appropriated dollars may give Congress even less control over how the Service spends money and what is being accomplished.

Another problem I see with changing the budget structure is that the NAPA report, which forms the basis for the proposal, contains other important recommendations that the Forest Service has not addressed.

These other recommendations include the development of criteria that would do a better job of basing field allocations on agency priorities and establishing better links between annual performance and the agency's strategic goals and objectives. Since these issues have yet to be addressed, I am concerned about whether it is prudent to go forward on a piecemeal basis.

Finally, I believe that the Agency's performance-based budgeting philosophy needs more work. As I understand it, the agency is asking the Congress to worry less about what pot of money funds are put into and more about what is being accomplished with the dollars. Accomplishments would be judged by performance measures developed by the Forest Service. The performance measures, however, that we have seen are seriously deficient.

As the General Accounting Office found, most of them confused quantity with quality. For example, the performance measure for the hazardous fuels program is the number of acres treated. This measure encourages the agency's field offices to focus on the easiest and least costly areas to maximize the number of areas treated, and, thus, show high performance. Many of the top priority areas for fuel reductions, however, are in the urban interface where the cost of treatment is the greatest. Performance measures should be developed that show not only what the agency is doing, but also whether it is doing it well.

Another problem with the performance measures is that there are many groups that measure their satisfaction with the Forest Service budget based on how much funding is included in the budget line items associated with their particular programs. The Forest Service has encouraged this approach.

Many groups are not certain that the specific measures that are being proposed will provide them with the same quality of information they feel they currently get from the existing budget structure. It may be appropriate to establish a collaborative framework in which interested stakeholders can provide input on the development of performance measures.

I hope the witnesses can address the concerns that I have raised today with respect to the budget restructuring proposal. I know we have struggled over differences on policy issues. As I said last year, however, we should all be able to work together to create a better budget structure that enhances the ability of the Service to account for appropriated dollars and to get work done on the ground.

Now, my partner in this effort, Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. I am going to be your partner, also, in sharing the concerns you have expressed. I will be very interested in hearing the explanations of the witnesses to those concerns.

I will have some questions of my own dealing with those same concerns, but I would like to take the opportunity to say how much I look forward to working with you again, Mr. Chairman, this year on the Interior bill. It has been a pleasure thus far to do so.

Again, I salute the chairman, who I think is as good as any chairman. He is effective, well prepared, and is as knowledgeable as any chairman with whom I have served, and I have been on this committee longer than anybody who has ever served. I am in my 42d year on this committee.

So I thank you for the many courtesies that you always extend to me, and for the courtesies extended by your staff to my staff.

These are all the hallmarks of the close relationships that we on the Appropriations Committee have developed. This bill could not become a reality without a commitment to work together, and the dedication of members like you. I thank you for that.

Now, to the witnesses: Let me welcome Under Secretary Lyons and Chief Dombeck. You are here first and foremost, of course, to present the administration's fiscal year 2001 budget request for the Forest Service.

At more than $3.1 billion, an increase of nearly 10 percent over fiscal year 2000 enacted levels, this budget presents an ambitious, some might say unrealistic, agenda for your agency. Beyond merely providing this committee with copies of the request, you are here to answer some questions on a range of topics that are important to the American people as a whole, and to our respective constituents, in particular.

There are, as there have been in the past, some rather contentious issues facing the Forest Service today. Timber harvest, grazing on Forest Service lands, roadless areas, backlogs of watershed maintenance, and basic matters of agency accountability. Let me say that again—basic matters of agency accountability and efficiency, all of these and more bear looking into.

As we proceed, I will have several questions of my own related to the Forest Service facilities located in West Virginia. I will be interested in knowing, for example, why the administration has chosen to stop funding the ongoing work of upgrading the antiquated radio systems at the Monongahela National Forest. I think a good argument can be made, and I fully intend to make it, that this project is not some frivolous pie-in-the-sky endeavor. On the contrary, a modern communication system is absolutely central to the safety and well-being of not only Forest Service personnel, but also the nearly 2 million Americans who will visit the Monongahela National Forest this year.

As is customary, I will reserve my specific questions until after the witnesses have had an opportunity to offer their testimony. I look forward to hearing your statements. I trust that you are prepared to provide the American taxpayers with a full accounting of the activities of the Forest Service. Thank you.

Senator GORTON. The chairman of the full committee, Senator Stevens.

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Mr. Chairman, it is with great sadness that once again I come to this subcommittee as a former solicitor of the Interior Department to make the statement that I am going to make.

I will try to get back, but we are having battles on the budget, as you well know, all of you, and I may not be able to get back. But I will say to our friends from the Forest Service that when I came here the cut from the Tongass was a billion-and-a-half board feet a year, on a 100-year cutting cycle, a scientifically created one by your predecessors.

We then entered into the Tongass Timber Reform Act, carried through by Congressman Udall, which cut that down to 450 million board feet. This administration has now, through a series of actions, including the resolution of 30 administrative appeals without public review, removed another 100,000 acres from the timber base, and cut the allowable sale quantity by a third.

With the roadless areas being proposed now for the Tongass, contrary to the provisions of the Jackson amendment to the 1980 act that said there would be no more withdrawals of any kind in Alaska without congressional approval, there will be less than 400,000 acres available out of a 17-million-acre forest for harvesting timber.

We believe that the net result will be that the total amount available for sale in Alaska will be under 100 million board feet.

Now, I cannot think of any time when an agency has been so derelict in its duty to maintain the concepts of the national forest. Mr. Chairman, I will oppose any increase of any kind for the Tongass this year.

The proposal in the budget is to increase the number of people that come to Alaska to determine how much more of it should be set aside, not to determine what should be made available for those who make their livelihood off harvesting that timber.

I would invite you sometime to come up to the Admiralty Island. Most people who came to Alaska in the seventies did not know that Admiralty Island was cut over in the sixties, and today it is a wilderness area.

The regrowth capability of this forest is enormous, but this administration has now completely turned the Tongass National Forest into a national park, and I see no reason why we should continue to hire people from the Forest Service to run a national park.

I cannot tell you the number of times I have been here before and complained about this or that, but this time we are at the bottom. You just cannot run a timber industry with 100 million board feet out of a 17-million-acre forest, and I think you have been duplicitous, you have not followed the law, and as a matter of fact, if I was Solicitor of the Interior Department, I would proceed to somehow or another bring some action against you for invading their jurisdiction with your actions.

You really have made Southeastern Alaska a national park, and I think there are a few people in Alaska that might welcome that, but very few, I am sorry to tell you.

I will have some other suggestions about this budget as a whole. I do not believe that the Forest Service should continue to keep people on the payroll who are there to manage harvesting timber and overlay them with people who tell them they cannot harvest timber.

It is going on all over the country, and this budget is way out of whack. Before we are through this year, I hope it is substantially lower than the request.

Thank you very much.

Senator GORTON. Senator Kohl.

OPENING STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Let me say that the atmosphere in Northern Wisconsin, when it comes to forest issues, is not nearly as charged as it is in the West. I wish the Forest Service paid more attention to the differences between the East, when it comes to forest issues in Wisconsin, and the West, especially when you formulate policy.

Unlike Western States, although Wisconsin is heavily forested, 46 percent of our State, only 10 percent of our forest land is federally owned. In this context, imagine my surprise when representatives of Wisconsin's 72 counties came to me several weeks ago, and their number one issue of concern was the Roadless Initiative, even though only 8 to 10 counties may be directly affected by the proposals.

If these counties are so vehement, I am concerned that relations with the Forest Service are seriously deteriorating, despite a good history of working together, even when there were disagreements. The counties have even considered suing the Forest Service.

I believe that many of the concerns are a result of a lack of information about how this proposal will be implemented. I share the administration's desires to protect sensitive forestland, but we must do so in a way that is respectful of those who live in forest communities, recreational users, and those who rely on the forest for their livelihood. I will have questions at a later time.

Thank you, Mr. Chairman.

Senator GORTON. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman.

Let me start by saying that my personal relationships with the witnesses here have been very good. I have found them to be responsive when we have had specific kinds of problems in Utah, and very anxious to answer my phone calls and talk through the issues, and I have to make sure the record reflects that, but I have no personal animosity. Indeed, I have personal gratitude to both Mr. Dombeck and Mr. Lyons and their staff for their willingness to work with us.

I do have some of the same problems with the general policies of this administration with respect to the Forest Service that my colleagues have. I would not be responsive to the cries of anguish that have come out of Utah if I did not have those concerns.

The only comment that I would make to add to those that have already been made with respect to the Roadless Initiative, and other comments, is this general philosophic comment that I want

to get on the table. There is an assumption that if an area goes roadless, it is, therefore, protected, that if an area walls out human beings it is, therefore, protected, and the next assumption is, if it is protected, things get better.

So behind that assumption is that man is a predator, and that man destroys wherever he goes, and that pure nature is benefitted if human beings can be walled away from it forever.

We have an example in Utah, which Mr. Dombeck is familiar with, but which I need to get on the record before the subcommittee, which I think flies in the face of that. Because of certain management procedures during this administration with respect to certain portions of the Dixie National Forest, because of the 32-cent appeals, I guess it is now a 33-cent appeal, that have been honored as a group with nothing more than a letterhead and a stamp, puts in an appeal that stops everything until the appeal is handled, and thereby shuts down any kind of intelligent activity, from my point of view, we have beetle infestation in large parts of the Dixie National Forest, which infestation is killing the forest.

If the Forest Service were managing the forest, it would be in better shape. Human beings do not destroy the forest when they enter it. Human beings do not interfere with benign nature.

Nature many times can be anything but benign. Nature causes earthquakes. Nature causes avalanches. Nature causes eruptions of volcanoes, and nature causes beetle infestation that kills trees, and we have trees that are being killed because of the philosophy that says that human beings should not be allowed into the Dixie Forest to in any way interfere with nature, and then we are being told we cannot harvest those trees that are already dead, but still useable as timber.

I think the whole rethinking of this notion that somehow protection means ignoring what is going on in nature is wrong, and the ultimate responsibility of the Forest Service, it seems to me, is to see to it that when you are through things are better than they were when you started, and there are certain portions of the National Forest in Utah where I have to look at it and say, when this administration is through, the forest will be in worse shape than it was when this administration started, and I find that very difficult.

Now, I do not call up the kind of anger and excitement that my chairman from Alaska does, but I do think this is a philosophical point that could be applied in Alaska as well, and I would hope that this administration would think about that for a while.

Again, as I say, the legacy that I would hope any management of the Forest Service would leave would be that at the end of its term the forests are in better shape than they were at the beginning of the term, and I can take you to places in my State where that is not true.

With that, Mr. Chairman, thank you, and, again, I close as I began, I have no personal animosity towards either of these witnesses, because I have found them very approachable and helpful, but I do have that general philosophical point of view that I think ought to be on the record.

Thank you, Mr. Chairman.

Senator GORTON. Senator Leahy.

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman, and Secretary Lyons, Chief Dombeck, and your colleagues. I am happy to see you are here, probably happier than you are to be here, but thank you for coming up. I, too, have found that I have had calls or questions that have been answered very quickly. We are trying to give you the white-haired, bald-headed compliments here from both sides of the table.

Chief, I want to single out one particular thing, because I may have to be at another hearing, and that is to commend your support in this year's budget for the Forest Legacy program.

In my own State of Vermont, that is considered over 35,000 acres, and it has created some very valuable partnerships between local, State, and Federal agencies, and in a little State like Vermont, 35,000 acres is a great deal, but the land conservation, as you know, is only one part of the picture if you are going to maintain viable continuing forested communities.

I think you have to add economic assistance to those communities. That is an essential component to maintain the vitality of these royal areas.

So I am concerned that the budget does not include a comparable level of support for economic development programs, such as the economic action programs, and the forest stewardship programs. In fact, the administration's request is a lot less than last year's.

On one hand we have the Forest Legacy program, support for that, a very good thing, but we need more support for the economic action programs and the forest stewardship programs; otherwise, you do not have a balanced effort to preserve, not just the rural landscape, but a sustainable landscape in rural America.

I want Chairman Gorton, Senator Byrd, and you, and others to know that a number of us are working on a letter, with Senator Bond, Senator Lugar, and Senator Murray. This is a letter that is going to have 40 signatures in support of increasing these economic development programs.

The question I would have for you at some point in your testimony is whether you agree that the committee should continue to support these economic development programs, and what they do for the economic vitality. It is a careful balance that you have to work out, but unfortunately it is a balance that cannot be sustained without enough money into the community. So Slade and Bob, we will have this letter. We will be encouraging more in that area.

I thank you for having this hearing.

Senator GORTON. Senator Craig.

OPENING STATEMENT OF SENATOR LARRY CRAIG

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

Senator Kohl, let me address first of all the question and the comments you have just made, because they are so paramount in all that we are doing now with the Forest Service. I chair both of the forestry subcommittees of this Senate, and I must tell you that the roads initiative that your counties are concerned about is one that the West is all but ready to revolt over.

The irony of this in the hearings that we have had with all of these gentlemen here is that when our States ask to be participants, and I believe now five or six State Governors have asked these gentlemen to become involved as cooperating agencies in trying to sort out these new relationships and potentially new designations of this roadless land, they were told no, even though this administration, over a good number of years has talked about the concept of cooperating agencies, and bringing States into the decision-making process.

My State of Idaho has 8.2 million acres of this land that is being considered now. It is, without question, key to my State's future in so many ways, and yet my State is being told, stand back and stand down.

Our State filed a lawsuit sometime ago, dismissed by a Federal judge, because the issue had not ripened enough, but the Federal judge at that time admonished the Forest Service to involve the States and the Federal—these gentlemen right here said no. The reason is they have a time schedule they must stay to. It is an agenda that has a great deal of politics tied to it, sadly enough.

New lawsuits have been filed as this issue ripens, and more lawsuits will be filed, and we will look at a variety of aspects, and I will probably have to become a participant in most of those, because they are ignoring the impact of States out west.

We have State lands that are tied up inside these Federal lands that could be locked away, and, of course, those lands directly involve State funding, State agencies, mostly schools, education, or denied access to them, or management of them. It could damage the economy.

So that is one issue that I would very much like to visit with you about in detail, because it has neared a crisis situation in the West and in large public land States, but it affects all States that have U.S. forestlands, as the right of the State to somehow participate to some degree in the future land designations and uses of these forests.

Mr. Chairman, my comments today will probably come mostly in questions, so I will spend most of the morning with you here, because there are some key questions. I have some of the very similar concerns that the Senator from West Virginia has expressed about this budget, and its priorities, and the accountability of this agency and their commitment to that accountability, and somehow their inability to get to that point. I think that is very important for us.

There are a lot of other issues that I will be dealing with as we move through these questions, but thank you very much. We ought to hear from these gentlemen and get on with the questions.

Senator GORTON. Senator Domenici.

OPENING STATEMENT OF SENATOR PETE V. DOMENICI

Senator DOMENICI. Mr. Chairman, I am struggling to get a budget that has enough money in it for you to have something to appropriate.

Senator GORTON. I hear you talking.

Senator DOMENICI. I am not very preoccupied with this hearing, except on some drought issues and emergency issues, and in my turn I will ask about issues.

Senator CRAIG. Mr. Chairman, I just wanted to correct the record, especially for Senator Kohl. His Governor has asked for cooperating agency status, and that has been denied. Thank you.

Senator GORTON. We are going to have a vote fairly soon. We have a large number of members here, and with Senator Byrd's permission I am going to ask members like Senator Domenici and Senator Kohl, if you have a relatively small number of questions, we will let you go now, and then you will not have to come back after the vote is over.

So I will start with you, and if it is all right with my colleagues, with Senator Domenici, who has this whole budget to do. We will hear your full statements, but it will be after we come back from the vote.

So, Senator Kohl, please go ahead.

Senator KOHL. Thank you, Mr. Chairman.

My questions are on the Roadless Initiative. For the State of Wisconsin, of course, there are reports that 69,000 acres in the Chequamegon Forest are inventoried roadless areas, which will be affected by the Roadless Initiative. There seems to be some confusion about where these acres are actually located. When will we know exactly where these 69,000 areas are located?

Mr. DOMBECK. Senator, we have that information. In fact, after the hearing is over, I am traveling to Milwaukee to meet with the regional leadership team. So that information is on the Web. We have that mapped. Those areas have been inventoried. I think there is much confusion over where they are, and knowing where they are is not the issue, I do not believe.

Senator KOHL. Thank you. Can you clarify what is meant by inventoried roadless areas? Are these areas truly roadless? For example, in phase one, one option identified is to prohibit road construction or reconstruction in roadless areas. If these areas are truly roadless, why would you need to prohibit reconstruction?

Mr. DOMBECK. The 69,000 acres on the Chequamegon and Nicholet National Forests were inventoried under the RARE I and RARE II exercises that occurred in, I believe, the late seventies. Some of those areas may have trails, other kinds of things that had never been classified, and have never been inventoried in any way.

Senator KOHL. Will more forestlands beyond the 69,000 acres in Wisconsin be set aside when phase two of the Roadless Initiative is implemented? How many acres will be included in phase two? I know you may not have the exact numbers, but does anyone in the Forest Service have even an estimate?

Mr. DOMBECK. Let me point out that on the roadless proposal now, the proposals are in the process of being developed based upon the scoping meetings that we have had around the country.

The current thinking, as this evolves, is that part two would basically be a local decisionmaking process. We would ask the local communities to take a look at what is important to them with regard to values, and then make that determination. It is just like the decision as to whether something is officially a road or needs to be decommissioned, or whatever. Those decisions all need to be made at the local level.

There are some interesting facts with the Chequamegon and Nicolet, however, and that is that there is virtually no impact on

timber volume. Essentially, these forests are roaded. In the Chequamegon and Nicolet we have—79 percent of these national forests are within a ¼ mile of an existing road. So it is an area of concern. We really have limited impact.

Senator KOHL. I have heard from a number of people who are concerned that they were unable to attend meetings on the Roadless Initiative because they were too far away. Why were so many of the public comment sessions that were held during the scoping period located far from the affected forest communities, and will you make an effort to hold future meetings closer to the affected forest communities?

Mr. DOMBECK. Yes, we will. Of the 185 meetings that we had—and I believe we did have one on or very near every national forest—we are planning a two-staged approach.

When the proposal is out there and all the information is available, there will be a round of public meetings—with a meeting on every national forest as well—to make sure people understand where the data are, the maps that are available. They can take a look at that information, take it back and digest it, and understand what it really means. Then, after a period of time, they can come back and comment on that information. So we are looking at extensive public involvement on an issue that has been very, very challenging for the Forest Service and, I think, for everyone here for a long, long time.

If we can get this issue behind us, so we can dedicate more energy to areas of agreement, I think it will be to everybody's benefit.

Senator KOHL. Last question. I have been following with interest the Path Initiative and Partnership for Advanced Technology for Housing Act. This initiative to speed the creation and use of advanced housing technologies will help make housing more affordable and attractive, while conserving our wood fiber resources.

Since it was launched in 1998, PATH has earned the support of the major wood industry associations and the housing industry. The Forest Products Lab is taking the lead in this initiative, with its research in woodframe housing. More than 30 universities across the country are poised to participate in PATH.

The funding required to fully implement and maintain the Advanced Housing Research Center at the Forest Products Lab, so that all of the partner universities can participate is $10 million annually.

Does the Forest Service support PATH? Can you tell me why there is only $1 million in the budget for the PATH Initiative?

Mr. DOMBECK. We are very, very supportive of the PATH program. In fact, the part of the equation that we also need to spend more time on when we talk about supply and demand with timber is the efficiency of use. We currently now recycle about 40 percent of our paper. Well, there is 60 percent more that we can focus on as we deal with the supply and demand issues.

I am really proud of the work that is going on with the Forest Products Lab in Madison. Robert Lewis, our Deputy Chief for Research, is here, and is intimately familiar with that, and I will have him give you the details.

Mr. LEWIS. Thank you, Senator. The PATH program, we believe, is an outstanding one, and at the Forest Products Lab, as well as

here in the Washington office, we have been working to develop that initiative.

As you pointed out, we have been working with our partners, who are very much interested in advancing this. We have a request of $1 million of new money in the administration's budget.

This is the first year of the initiative that we hope will pay good dividends down the line. You can be assured that we will continue to support it in out-year budget planning.

Senator KOHL. Thank you, Mr. Chairman.

Senator GORTON. Senator Domenici, we will let you have your questions, so that you can go on to other work, and at that point we will take a recess while we vote.

Senator DOMENICI. I just have a question that relates to two things. It may be irrelevant, because Mexico may have received an onslaught of moisture in the last 2 days. If we got 2 or 3 days, these questions will not be terribly relevant. But certainly last Friday, if you would have been here, they would have been very relevant, so I think they remain so.

As you know, we are in a big drought in the Southwest. New Mexico and Arizona, in particular, are predicted to have very, very significant difficulties this year.

You are behind schedule with reference to some of the mitigation activities regarding fire danger in the national forests, and I discussed this with you last year, but could you tell me what specific measures are being taken to mitigate fire danger in New Mexico, and in particular, Arizona and related States, and do you need some reserve money, if we do an urgent supplemental for such a thing as a drought emergency in this area?

Mr. DOMBECK. We will be taking a look at that. The drought situation is severe in the Southwest, and, in fact, the band of drought goes across Texas and into Florida. We have a tough situation. Thank goodness, just recently, Idaho and other places north have gotten more precipitation following the pattern as we had last year.

We are allocating more fire prevention dollars. We have had continual increases from 1998, 1999, to 2000, and we are going to continue to do that. I might ask Janice McDougal, from our State and Private Forestry program who manages the fire effort, to give us some more details.

Ms. MCDOUGAL. Senator, we have been paying very close attention to the drought conditions in the Southwest. We have not yet received a severity request from the region. This money would allow them to bring on the people they need just in case there is a severe outbreak of fire.

We also understand that $150 million could be included in the supplemental package that is being developed for that.

Senator DOMENICI. Has there been a request for that money?

Ms. MCDOUGAL. Yes.

Senator DOMENICI. Were you aware of that, Mr. Dombeck?

Mr. DOMBECK. Yes.

Senator DOMENICI. Thank you. With reference to a National Drought Policy Commission, are you familiar with that——

Mr. DOMBECK. I am, Senator.

Senator DOMENICI [continuing]. Do you represent the Secretary on that?

Mr. DOMBECK. Actually Deputy Secretary Rominger co-chairs that effort.

Senator DOMENICI. Could I ask you, is your department concerned about what ought to be in that report, in terms of Forest Service emergencies that are caused by drought? As we look at the Federal law, drought as an emergency is one of the incidents of severe damage that has no real assistance provisions.

You can run out of rural water wells, and it could be the equivalent of losing a sewer system or a water system, but we do not have any way of helping these people in a severe drought. Are you participating as a Department to get specifics in the National Commission's recommendations?

Secretary LYONS. I will have to visit with Deputy Secretary Rominger on that specific point——

Senator DOMENICI. Would you?

Secretary LYONS [continuing]. Mr. Chairman. I will be glad to do that. I know Rich and I have talked both about the wildfire issues, as well as the potential impacts on agriculture.

Senator DOMENICI. Would you put that in the record after you have consulted as to what you-all are thinking about in that regard?

Mr. DOMBECK. We will be pleased to do that, and we will send you a letter as well.

Senator DOMENICI. I thank you. Thank you very much.

Senator GORTON. We apologize, but as you know, we have a vote now. We will recess. When we come back we will allow both of you, invite both of you, to make your opening statements, and then go on with questions. Thank you.

Senator BENNETT [presiding]. The subcommittee will come to order. Senator Gorton has asked that we get started as he votes, and Senator Craig has a series of questions prepared.

So, Senator Craig, we will recognize you.

Senator CRAIG. Thank you very much, Senator Bennett.

Jim and Mike, we are going to wait for your opening statements until the chairman and the ranking member return. I have a series of questions that I will ask for the record up until that time.

First of all, Chief Dombeck, we have just sent down to you, as of yesterday, I believe, some revising efforts on our part. When I say ours, Senator Ron Wyden and myself, as it relates to the issue of the timber-dependent school district. We would hope to do markup by next Wednesday, and would like to have your comments back or reactions to that prior to that if we could. Is that something that we could expect you could respond to?

Mr. DOMBECK. Well, we hope to. We will sure make that a priority. As I have said in the past, I think that of all the issues that we are working on, that is one that I think that we are all hopeful that we can resolve some of the differences and move forward with. It is a very high priority for us.

Senator CRAIG. Well, we are working from your language, so we hope that that is an effort to accommodate, so we can move this thing forward. I have a sense that we may be closer than some would like to have us at this moment, and if that is true, maybe some good policy could occur.

Let me go on to ask questions. As you know, for the last several years, the Forest Service and the Idaho delegation has worked together to purchase conservation easements in the Sawtooth National Recreation Area.

This program has worked well to protect the traditional ranching industry of the area, recognizing the private property rights, and conserving the beauty of the area, perhaps one of the crown jewels of the national forest system.

It was unique when it was originally created, in that it was a combination of a natural area, and an alpine ranching valley, in an effort to maintain the pastoral setting that had become so well known in Idaho in that part of the West.

This year, the administration requests $5 million for these easements; however, according to a March 13 letter by your forest supervisor, Bill Levere, $12.5 million in additional money is needed to purchase the easements for the current willing sellers. I guess, Jim, this is a question of you, because you and I have visited about this issue.

I think we are all concerned of the bidding war that goes on out there over scenic easements, when we cannot keep current and respond to them, and get them acquired, as was the intent of the law and the original legislation that created the Sawtooth National Recreation area. I know that you had talked about a desire, as is mine, to try to get this problem out of the way sooner rather than later.

I am not sure that we can do that this year, or are prepared to do it. Senator Crapo and I request that the $12.5 million be included in the fiscal year 2001 budget. Is the Forest Service prepared to support that amount?

Secretary LYONS. Well, Senator, let me take one step back and revisit our conversation, because I, too, share a desire to resolve these issues, and have worked very closely with you, your colleague, Senator Crapo, with the Sawtooth Society, Bethene Church, Senator Church's widow, and former Governor Andrews to try to pull these pieces together.

I know Bill has made this estimate of $12.4 million. I cannot give you a point-blank estimate of what we are willing to support. I think the way to address this—and this is what I proposed to you previously and would like to pursue—would be for all of us to sit down at a certain time. I have actually asked my staff to look into a possible meeting in early May to get a handle of where willing sellers remain, the estimated property or, in this case, easement values, and the best way to get at that, whether it is $12.4 million, whether it is something less or more, whether we can do it in 1 year or 2 years.

My understanding is that not all the properties have been lined up, that is, not all the agreements have been reached.

Senator CRAIG. That is correct.

Secretary LYONS. My goal, and I know you share this, given our conversations, is to try and avoid the value-creep that comes of each last parcel awaiting its turn to come in line for acquisition easement. So I would suggest we sit down with the appropriate officials. I have talked to the lands staff at the Forest Service, if you are willing to do that with Senator Crapo——

Senator CRAIG. Sure.

Secretary LYONS [continuing]. And the colleagues in the Sawtooth Society. We figure out what it is going to take. Then I commit to work with you to try and secure the resources to make sure we can finish this once and for all. I know you, and Senator McClure, and others who were instrumental in the legislation, would like to see it completed.

Senator CRAIG. Well, I am very willing to accept that initiative. I would like to get our hands around the issue and the values. We have already had phenomenal creep in values compared to what the original easements were purchased for, but then, of course, values have changed, in a real sense. So let me say, yes. Let us work on a date——

Secretary LYONS. Very good.

Senator CRAIG [continuing]. And see that we can come together to get that done. Of course, I would suggest sooner rather than later, as we work on this budget and the priorities. Hopefully, we can get more achieved this year than less, even if it is a 2-year cycle, and our effort to resolve takes that kind of time.

On February 14, President Clinton asked Secretary Glickman to present his recommendations regarding whether appropriate stewardship of the giant sequoia groves warrants exercise of, quote, "My authority under the Antiquities Act." I do not think it is any secret of my opposition to the way this President has used that act. It is no small coincidence that these designations come, in my opinion, in a prime election year. I think they are as political as they are conservation driven, and I have always viewed that as pretty shameful, in a misuse of the act itself.

My colleague to my right had his State trampled in the last electoral process by that kind of an initiative, and there is a great apprehension out in the West, as it relates to our lands, and how that act might get used.

The Secretary has received a request recently to appoint an independent panel of experts in giant sequoia matters to provide an unbiased review of the available scientific information. Does the Secretary plan to appoint such a panel prior to forwarding his recommendation to the President? Do either of you know of that?

Mr. DOMBECK. What I can tell you—I do not know the specific answer to that question—but I do know that I have asked the forest supervisor of the Sequoia National Forest, the regional forester, and a local team to take a look at this whole effort.

They have had a couple of public meetings to make their recommendations to us, which we will then forward to the Secretary. I know that they are keen on the need for a scientific panel.

Secretary LYONS. Senator, if I could just amplify one thing, and that is to recognize your concern about process. I think you also recognize the public concern, the fact that half of the giant sequoia groves that remain are part of the Sequoia National Forest, and a strong belief that through proper stewardship they should obviously be retained as a unique legacy to this country. That is the reason we are proceeding with this initiative, and the Secretary directed Mike to proceed with the analysis.

Of course, we had two rather vociferous hearings recently in another part of the world. I think it is clear that there are concerns

that need to be addressed. We seek to do this in a way that not only invites public participation, but ensures the best scientific guidance in the management of those groves, and also close coordination with the Park Service for the groves that they have under their jurisdiction, should a recommendation move forward to create a monument.

Senator CRAIG. Well, Jim, it would be a bit of a precedent to involve the public in an antiquities move. You have not done that in the past. In fact, in the past you have not even consulted Members of Congress.

The President directed the Secretary to consult with the appropriate Members of Congress during his review process. Do you know if he has, and whom that might be.

Secretary LYONS. I would have to follow up on that, Senator.

Senator CRAIG. OK. Do all of the area Members of Congress support the new national monument concept there?

Secretary LYONS. Again, from some conversations, I know there is interest. I think it depends on who you are referring to specifically.

I do not want to characterize particular Members' views on this, but there have been some concerns expressed about local impacts, obviously. There are others who have been very supportive and concerned about retention of the groves.

Senator CRAIG. Sure. Well, I think all of us recognize the tremendous value of the giant sequoias. One last question in that realm, the chairman is here, and I know he wants me to move on.

Senator GORTON [presiding]. You can finish your questions, Senator.

Senator CRAIG. OK. Thank you, Mr. Chairman.

In the last few days I have been contacted by a group of people who use Hume Lake Christian Camp. The camp is private property, and from what I understand, is located entirely within the boundaries of a proposed national monument. These people are scared.

I think that is the only way I can express the emotion I sensed from conversations with them. They are scared that the Forest Service will attempt to control what they do with their private property, all in the name of protecting these magnificent sequoias.

I realize that the monument does not exist yet, therefore, no management plan is in place. However, Secretary Glickman will be making recommendations to the President soon, and I would hope that this administration would be sensitive to these private property needs.

I think any private property that would find itself located within a national monument would all of a sudden find itself having a different kind of relationship than it had in a non-national monument setting, access, restrictions, that kind of thing, and I think that the Hume Lake Christian Camp has expressed that to me.

They are very frustrated, and bluntly put, they are frightened, because they have seen what has happened with this agency and these kinds of dictates in the past.

Secretary LYONS. Well, Senator, obviously, uncertainty breeds fear and concern. I want to emphasize two things. This administra-

tion is committed to protecting the property rights of individuals and entities such as the church that you identified.

Under ANILCA, of course, we are required to provide access to in-holders and private individuals. We intend to respect those private property rights, both in the context of what we are reviewing here—the presidential direction to consider the creation of the national monument for the giant sequoias—and also in the context of our discussions on the future of roadless areas.

Senator CRAIG. Well, I appreciate you saying that. I have seen some very ill-thought-out processes rushed on by politics, where private property rights were not recognized until after the fact.

Senator BENNETT. Senator, would you yield?

Senator CRAIG. I would be happy to yield.

Senator BENNETT. When the national monument was created in Utah, I decided somewhat facetiously that it was drawn with a soft crayon somewhere in the bowels of the Interior Department, because some of my constituents woke up the next morning to find that portions of their driveways were in the national monument.

I would hope that you would be a little more exact in drawing the boundaries of this one than of the last one.

Secretary LYONS. We will use a fine-point pen, I can assure you, Senator.

Senator CRAIG. That is why I bring it up now. Well-worn, folks, let me put it that way. Do your homework and do it well, and do it publicly. This closed door politics has got to stop when it comes to re-designation of the public lands. It is a public process, that this policy-making body requires.

The Supreme Court spoke yesterday to an over-extension of agency authority, and this Congress is going to react. So please do it right.

Secretary LYONS. Thank you, Senator.

SUMMARY STATEMENT OF HON. JAMES LYONS

Senator GORTON. It might be appropriate now to let the two of you make your opening statements.

Secretary LYONS. I am not quite sure where to begin, Mr. Chairman.

Senator GORTON. They will, of course, be included in the record, and perhaps a summary would be appropriate, but it is your turn to say what you would like to say.

Secretary LYONS. I appreciate that, Mr. Chairman, and I appreciate Senator Dorgan joining us, and certainly Senator Bennett and Senator Craig. We are honored to have had the chairman of the Budget Committee and the chairman of the full Appropriations Committee join us as well for a while.

In light of your opening comments about priorities in the budget situation we face, or the ongoing debate about a budget resolution, I will try to make things easier for you and focus in on priorities, at least as far as I think we see them. Then Mike will address some issues certainly related to our efforts to deal with accountability and, obviously, some of the other particular concerns he is addressing now.

Let me start out by saying, Mr. Chairman, that I appreciate certainly your kind words, Senator Bennett's kind words, and the

working relationship we have had with all the members of the subcommittee. At times, we have had some very strong disagreements about policy. But I believe we have been able to work through some very difficult issues in the past. This budget will be a difficult one as well.

But I really appreciate your personal commitment and those of the other members of the subcommittee to try and do the right thing. I think that is the best guide we can all follow in trying to resolve the issues that we face and trying to work together in a collaborative way to best help the people we serve.

You represent particular States and particular interests. Unfortunately, Mike and I are put in the position of trying to represent all interests in the United States and a very diverse set of interests. When it comes to the management of the national forests, public lands complicate things immeasurably. We really do appreciate the extent to which you continue to work with us to try and move forward in making progress for the future years in the national forests and our conservation legacy.

What I would like to focus on, Mr. Chairman, is just a few items. Some of these have already been alluded to and questions raised. We have put a great deal of emphasis, certainly during my tenure in office and certainly during Mike's tenure as chief, on the issue of roads, and road management, and road access. We have a number of initiatives underway to attempt to deal with issues associated with roads.

There is a reason for this, and that is, not only do we have an extensive road system in the national forests—I will not go into the numbers, but we know they are huge, they are around 380,000 miles—we have a tremendous backlog in maintenance and management of that road system.

It seems prudent, as managers of this public estate, to try and do a better job of managing the infrastructure that we have. One key to ensuring continued access to the national forests—whether it is for management or recreation use, to protect resources, or to provide access to utilize those resources—we need to make sure we have better management of the existing road system.

Obviously, we have proposed a significant initiative with regard to roadless areas. The issue of roadless areas has tied up the Forest Service in knots for two decades. It was not resolved in the late seventies with RARE I and RARE II.

It was not resolved, unfortunately, in the process we followed in the early eighties by working through the State-wide wilderness bills. There was still concern about the future years of inventoried roadless areas.

So with certainly encouragement and strong direction from the President, we have attempted to take this issue on. We have attempted to take it on not, in my mind, because of any political agenda—more because we need to resolve this issue to try and simplify the lives of those who are responsible for managing those resources—to provide more certainty to those communities that are impacted—to try and put this issue behind us so that we can get on with the business of being stewards of the landscapes that we are entrusted to manage.

The roadless issue, in my mind—and I think the numbers would back us up—is not a matter of timber supply. Less than 5 percent of what we project would be harvested from the national forests over the next 5 years would come from roadless areas; less than 5 percent.

There are five forests, though, where more than 25 percent of their volume would come from roadless areas and, unfortunately, Senator Bennett has four of those. So I understand Senator Bennett's concerns, because some of the localized impacts would be significant.

The fifth is the Tongass, where more than 50 percent of the program would come from roadless areas. For those of you who have had a chance to look at the Notice of Intent that was issued, we gave deference to that in not recommending or suggesting that the Tongass not be addressed. At least in part one of our Roadless Initiative—that is—to how we would deal with the inventory of roadless areas initially.

I do not believe that this is an issue of wildfire risk. We have done an extensive job of mapping wildfire risk across the United States. We find that only 3 million acres of the roadless areas coincide with areas of high wildfire risk in the United States.

We believe we should focus our efforts in managing wildfire risks in those areas where there is a high threat to public safety and property. That is why we are focusing our efforts in areas in closer proximity to urban areas and communities that might be impacted by wildfire.

Given the resources we have been able to obtain—the resources you have provided to us for fuel treatment, and the like—we have made considerable progress in that regard. We still are woefully short of the dollars that we need to address this issue. We appreciate the support you have provided. What you will find is that if we were simply to—under an assumption that we will continue to be funded at the current levels for fuel treatment, if we continue to treat those areas that are roaded, it would take upwards of 15 to 17 years just to catch up with the backlog of work we have on the already roaded estate.

So I do not believe the roadless issue impacts our efforts to deal with fuel treatment with regard to wildfire risk.

Finally, I do not think this is really an issue of access. The real issue affecting access is going to be determined by how we manage that existing infrastructure—that road and trail infrastructure, so the chart that was first put up I think illustrates—these are numbers adjusted for fiscal year 2000 in constant dollars, and what they show is, construction and reconstruction has declined over time. We have not placed as much emphasis on building new roads, though we are trying to put more money into reconstruction.

Road maintenance dollars, where we put most of our effort, have increased slightly; though, as adjusted for inflation, you can see, Mr. Chairman, we are not quite keeping up. In fact, our engineering staff tells us that each year the backlog of maintenance needs increases by $120 million on just that portion of the road system that is highly trafficked for recreation, for management purposes, for simply rural commerce.

The larger portion of the system, which is about 300,000 miles, which is largely natural cover, is simply not maintained, and it is eroding in a rapid rate.

So we think dealing with roads, dealing with road management—another proposal that is currently pending, out for public consideration, and dealing with road maintenance—is a critical need that we need to address.

We also have placed a great deal of emphasis in recent years in trying to increase funding for recreation. We appreciate that tools that have been provided to us by the Congress to charge fees to the Rec Fee Demo Program—and I know, Senator Craig, we have had our problems with rec fee demo, but I hope I can convince you at some point in time that it warrants your continued support, because I think it is critical to securing the additional resources to deal with the infrastructure needs—the improvements that are critical to ensure better customer service on the national forest estate.

Recreation demand continues to skyrocket. We are close to a billion visitor-days a year. We have a difficult time keeping up with and managing for that system. One of the reasons is, we have always viewed recreation as fun, not really a critical management issue, and more and more we find it is.

It is from the standpoint of ensuring that the public has a chance to enjoy recreation; it is from the standpoint of minimizing the impacts of excessive recreation use in certain places, on natural resources; and it is from the standpoint of maintaining the quality of the experience.

More and more we are finding, for example, in wilderness areas, we have to go through a permitting system—I think Alpine Lakes Wilderness is now under a permit system—simply to try and ensure that those who can get a chance to get in the back country can enjoy the experience they anticipated, as a part of that system. The budget includes increased funding, 27.5 percent increase for recreation, and I think that is a critical need.

I also want to address the issue of land acquisition because this is an issue that comes up in most of these hearings. Unfortunately, there is a perception that some Federal agencies—and I do not think we are as guilty perhaps as some—but some Federal agencies are aggressively seeking funds to increase land acquisition and bring more lands into the Federal estate.

The truth of the matter is, Mr. Chairman—these are actual dollars. The truth of the matter is, we had relatively high levels of funding for land acquisition back during the Bush administration.

The fiscal years 1991 and 1992 budgets there, you will see reflected, were, of course, Bush budgets. Then funding levels declined as we attempted to deal with budget deficits and the like.

We are now requesting additional funds for land acquisition. The chart you have in front of you, gentlemen, shows how those numbers will be adjusted for constant dollars. I think if you drew a line across from fiscal year 1991 over to 2000, 2001, you would see we are just now getting back to slight increases above the funding levels we had, in real terms, earlier in this decade.

I want to emphasize that we do not acquire lands other than on a willing-seller basis. I cannot think of, during my 7 years in office,

more than one time in which we used condemnation authority, and that was a friendly condemnation. The landowner asked us to go through that process.

We are trying to use new tools. Mr. Chairman, you emphasized the use of conservation easements. We found the public reaction and concern about the tax rules was such that we needed to come up with new approaches of doing business.

The Forest Legacy program has helped tremendously. We appreciate the support you gave us last year. We seek to double that program this year to $60 million as part of the President's Lands Legacy Initiative. In fact, our goal is to permanently fund not only land acquisition, but Forest Legacy, and another important program, the Urban and Community Forestry Program, in the context of the Kara bill, whatever form it takes, when it eventually passes the House and the Senate.

Other initiatives in the budget that I would just emphasize briefly—because I think they reflect, I know they reflect our efforts to try and deal with some of the issues that we have discussed in this room before, Mr. Chairman—one is the payments to States initiative that Senator Craig and Senator Wyden have worked with us on.

We initiated efforts to try and reform payments to States 2 years ago. We appreciate, certainly, the engagement and leadership in the Congress that they have provided. We still have some concerns about the legislation.

We have not had a chance to review what has been presented by Senator Craig most recently. Those concerns, Senator, are around identifying a funding source, how we handle the advisory committees that are a part of that package, and also the issue of flexibility.

We believe that the counties ought to have the right to choose whether or not they want the 25 percent of the funds that are currently committed to projects—whether or not those funds should go to education and roads, as the counties would normally have them do—or whether they should go to projects.

I do not think anyone in Washington, DC, should dictate to the counties how they want their money used. In fact, I have heard this said to me many times in this room, I would emphasize.

So we suggest that rule of thumb should apply here as well; although, we are anxious, I would suggest to you, to develop joint projects with communities on the ground. I think there is a tremendous opportunity to do good stewardship work and develop a closer working relationship with those communities. So we would hope the communities would exercise that authority, but we want to give them that choice.

Another initiative in the budget, we call HIRE, Healthy Investments in Rural Environments. This is an attempt, Mr. Chairman, a creative attempt to reform the existing trust funds—salvage, Knutson-Vandenberg, reforestation, and timber sales pipeline fund—to create a pool of resources that we could then use to work with local communities to provide local employment to deal with some of the infrastructure issues we have, such as road maintenance and road reconstruction, timber salvage, trail maintenance work, work on recreation facilities, and the like.

One of the things that has always thwarted us in providing opportunities for local employment is the certainty of having that funding available. No community can make an investment—no State is willing to partner up with an entity who has money this year, but not next year. It is not worth the investment. We have learned this through the Northwest Forest Plan and in other efforts.

So we have proposed to generate a pool of funds that would provide some certainty. In this next year, we provide $300 million to begin the process of providing local employment and dealing with the infrastructure issues that face us. So we are trying to be creative in how we deal with these issues, Mr. Chairman.

Let me emphasize one other thing that is ongoing that I think is significant. Reference was made in your opening comments, Mr. Chairman, to monies requested for forest planning. We are in the process of reforming our forest planning process.

Actually, it has been a process that has been underway for 11 years. It is one I would like to wrap up this year. We are seeking to revolutionize, if you will, how we do forest planning, to place more emphasis on collaboration and up-front involvement from communities of interest, from individuals in communities that are affected by forest planning.

We are seeking to enhance the linkage between the research we do in research and development, and what guides us in terms of management. We are trying to deal with some of the thorny issues that have really hurt us in terms of past management—issues associated with viability—and what viability standards should apply—issues associated with monitoring—so that if we, in fact, are able to come up with a system of accountability that measures performance by what they do on the ground, we can actually monitor that and determine that.

I think that will help us as managers and it will help us build public trust. All too often we make commitments to do things on the ground, never gone back to check, and lo and behold, the public has and said: "Wait a minute, you did not do what you said you were going to do," or the outcome was not what we anticipated, and maybe you need to readjust.

When Jack Ward Thomas was Chief, Jack would often come up and talk about ecosystem management and adaptive management. Our whole budget is built on this framework of adaptive management, and Mike and I have tried to carry that forward.

It is critical that we are able to make changes in the forest planning process and secure the additional resources to put that planning process in place—to do the monitoring, to develop better linkage to the science, and better improve public involvement in this process—so we can start to build partnerships for the management of the national forests instead of the adversarial relationships that exist all too often in places that all you gentlemen know.

Let me sum up, Mr. Chairman, by suggesting to you, as you might anticipate, that I think this budget is on track. We may not have the money to do what we have proposed to do. We will have to work with you to deal within the constraints that we operate. In this last budget—at least, that I will be presenting to you—I thought that it was important that we made a statement about

where we want to head—a statement that reflected what we believe is a continuing trend towards improving resource stewardship—of improving service to the public, of trying to tackle and resolve some of the difficult issues—and of trying to strike a balance that is called for in the Multiple-Use, Sustained Act.

I think for too many years we have placed focus on commodity production. Senator Bennett, I really appreciated your bringing up the issues associated with forest health and the concern.

Our challenge is to manage the health of the forest in its broadest sense. That means to improve watersheds and watershed health. It means to improve recreation access and facilities. It means to clean up roads and deal with road construction. It means to be a friend and an ally, working with private landowners. It means to protect critical lands on a willing-seller basis. And to use new tools to provide protections for those lands with conservation easements.

It means serving rural communities. It means serving urban communities as well, particularly communities like Seattle, which are surrounded by national forests and have a big impact on our forests—and depend on their forests for recreation and tourism—and a quality of life that attracts more and more people to that part of the world—and that is true in other parts of the world. Salt Lake is an excellent example, as well, as you know, Senator Bennett.

I think we are on the right track. Are the forests in better shape? In some places, they may not be; in other places, I think we are moving in a direction so that they will be, and we are trying to lay a foundation to achieve that.

I certainly am proud of what we have been able to accomplish, Mr. Chairman. I am very pleased and proud of the working relationship we have had with you; in our ability to try and move forward and deal with the tough issues—and leave a legacy that we are all going to be proud of. I believe this budget is a critical part of moving in the direction that will assure that we can, in fact, do that.

Now, I would like to yield to Chief Dombeck.

[The statement follows:]

PREPARED STATEMENT OF HON. JAMES LYONS

Chairman gorton, Senator Byrd, amd 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 2001.

I would like to present a brief overview of our budget request and highlight some of the priorities we've identified in three broad areas. Chief Dombeck will address these and other areas in greater detail. The three areas I want to highlight are: (1) the major Presidential initiatives, as reflected in the fiscal year 2001 Budget, to promote the long-term sustainability and productivity of the Nation's forests and grasslands; (2) the strides that have been made in restoring program and financial accountability within the Forest Service; and (3) our ongoing efforts to resolve issues of long-standing concern to the public and the Forest Service as we better prepare the agency to meet the challenges it will face this next century.

Today more than ever, we are involved in important debates about the future of America's forests. Underlying all of these debates is a common thread: what we do today will ensure that our forests, grasslands and river systems retain their health, diversity, resilience and productivity for future generations. While there are differing approaches, I think that we would all agree that it is in the best interests of the Forest Service and the Congress to work together to ensure that we have sus-

tainable communities that thrive and prosper in ways that promote land health and community well-being.

First, a brief overview. Overall, we are requesting $3.1 billion for Forest Service discretionary spending in fiscal year 2001. This is a 14 percent increase over the fiscal year 2000 appropriation and includes the funding to do such things as institutionalize accountability and provide the quality service that the American public expects the Forest Service to provide.

The budget requests a $138.6 million increase in funding for the National Forest System. This is a 12 percent increase from fiscal year 2000. In addition, the budget proposes an increase of $13.3 million to enhance the agency's widely recognized role in forest and rangeland research, including increased research for better utilization of small diameter timber and woody material and the relationship of soil productivity to the carbon cycle. The budget also proposes an increase of over 22 percent in the State and Private Forestry appropriation that now also includes International Programs.

BUDGET PRIORITIES OF THE PRESIDENT

Lands Legacy Initiative.—Again President Clinton proposed funding for the Lands Legacy Initiative in the fiscal year 2001 budget to help protect environmentally sensitive lands from development, preserve great places, and provide more open, green space for Americans in suburban and urban areas. The Forest Service has three programs that play a role in this initiative: its land acquisition program; the Forest Legacy program; and the Urban and Community Forestry programs. While many in Congress are very familiar with the agency's valuable land acquisition program for which the President has requested $130 million, the Forest Legacy and Urban and Community Forestry programs are just getting the attention and recognition they deserve from the public as two additional valuable conservations programs.

The Urban and Community Forestry program provides grants and technical assistance to thousands of communities and major cites across America helping them to maintain or expand their "green infrastructure." The program helps them plant trees along city streets, abandoned lots, parks, as well as understand all of the different ways trees can help solve environmental problems such as reducing storm water run off. While many are focused on providing money to build parks, Urban and Community Forestry funding actually provides the technical assistance to help decide how and what is planted in those parks. It is a program that complements such state-side programs like the Urban Parks and Recreation Recovery program. Because the demand for this program has grown so strongly over the last five years, the President has again requested $40 million for this program.

The Forest Legacy program is unique in that it provides States money to acquire easements on private forested lands that are under pressure from development. Over twenty States are now participating in the Forest Legacy Program and are requesting nearly $100 million in assistance to purchase easements. The States utilize these lands for a number of purposes, including providing public recreation opportunities as well as preserving habitat for critical wildlife. As a result of this increase in demand, the President has requested $60 million for fiscal year 2001.

HIRE Proposal.—The President's 2001 budget includes the Healthy Investments in Rural Environments (HIRE) initiative that accomplishes a number of important goals for the Forest Service including:

—Creating new private-sector jobs in rural and forest dependent communities, where jobs for skilled workers continue to be in dire need;

—Providing the Forest Service more management flexibility to address the growing forest and rangeland health, ecosystem restoration, and facility, trail, and road maintenance challenges facing the national forests;

—Improving the accountability and manageability of the Forest Service's trust fund system;

—Continuing work currently performed by the Forest Service under the trusts, to address both the priority work funded by the existing trust funds and support a wide-scale jobs creation program.

To achieve these goals, the Forest Service proposes replacing four permanent and trust fund accounts (the Salvage Sale, Knutson-Vandenberg (K-V), Reforestation, and Timber Sale Pipeline Restoration (USDA-only) funds) with a new mandatory appropriation called HIRE.

Under the HIRE proposal, all timber sale receipts would return to the Treasury. At the same time, the Forest Service would receive a new mandatory appropriation of more than $300 million a year. The Forest Service would allocate this money to the field through the same allocation criteria methods it uses for discretionary funds and would display its allocations to Congress for greater accountability.

Payments to States.—The Administration has also been working diligently to stabilize county payments for education and road maintenance that have previously been linked to timber sale levels. Faced with declining timber sales on our National Forests, we have put forth proposals that would instead provide a more reliable stream of funding. Our proposal has evolved a great deal and we are now working with Congress to craft legislation that would stabilize payments, maintain healthy ecosystems, and restore a closer working relationship between rural counties and the Forest Service.

Clean Water Action Plan.—The President's Clean Water Action Plan emphasizes targeting priority watersheds to improve water quality. Several actions in the plan are related to management of national forests and grasslands, including restoration of stream corridors and riparian areas, inventory and monitoring, cleanup of abandoned mine lands and hazardous material sites, decommissioning/maintenance of roads; and improved rangeland vegetation and grazing management. The fiscal year 2001 budget includes an increase of $84 million for this initiative compared to fiscal year 2000. This funding is critical to meeting the requirements of the Clean Water Act, among other State and Federal laws.

Watershed Health and Restoration.—Forest Service lands also serve as the headwaters for many major river systems and aquifers that are essential for the nation's water supply, and contain valuable riparian, wetland, and coastal areas. Although there have been significant improvements in water quality since the Clean Water Act of 1972, 40 to 50 percent of our watersheds are still in need of restoration and protection. For this reason, the President is requesting $487.7 million for fiscal year 2001 for these activities, which is a 9 percent increase over fiscal year 2000.

With this money, the Forest Service hopes to continue investing in twelve large-scale watershed restoration projects begun in fiscal year 2000. The main purpose of this effort is to develop an agency-wide strategy that focuses resource actions on significant portions of land to enhance its clean water, wetlands, migratory birds, fisheries, riparian areas, and watersheds as well as provide other goods and services to communities.

Recreation.—Americans cherish the national forests and grasslands for the values they provide—clean water, clean air, natural scenic beauty, important natural resources, protection of rare species, majestic forests, wilderness, a connection with their history, and opportunities for unparalleled outdoor adventure. In an increasingly urbanized society, outdoor recreation provides most Americans with an opportunity to reconnect to the lands and waters that sustain them. Recreation visitors expect a great deal from the Forest Service in terms of settings, experiences, facilities and services; and they will expect even more in the future. Recreation is the fastest growing use on the national forests and grasslands.

The Forest Service will finalize its new recreation strategy this year with the help and input of the public. Our recreation strategy will be founded more on quality customer service, based on a complete understanding of customers' wants and needs. The strategy will help sustain ecosystems, highlight special places and stimulate rural economies. We pride ourselves in innovative partnerships and collaborative relationships to accomplish the recreation job, all while ensuring that recreation opportunities take place within the ecological sideboards necessary to maintain land health. We strive to serve new constituencies, urban populations, the underserved and low-income people to maintain the relevancy of national forests for future generations.

The fiscal year 2001 funding request includes $30 million proposed for developing tourism; reengineering the special use permitting process; and developing trails, recreational facilities and attractions targeted toward lower income and resource-dependent areas adjacent to National Forests, where there are excellent tourism opportunities. The fiscal year 2001 proposed funding for the recreation component of the Natural Resource Agenda totals $397.4 million, a 13 percent increase over fiscal year 2000.

OTHER ADMINISTRATION PRIORITIES

Mr. Chairman, I would also like to make you aware of a few other initiatives that are being undertaken by the Administration:

Roadless Area Initiative.—In October 1999, President Clinton asked the Forest Service to begin an open public process to address how roadless areas within the national forest system would be managed in the future. Roadless areas have typically remained without roads because of inaccessibility, rugged terrain, low timber values, environmental concerns and high costs associated with litigation. In fact, historically, Forest Service entry into roadless areas has a fifty percent failure rate due to the reasons stated above.

Understandably, Forest Service managers often choose to invest resources in projects that have broader public support, less cost, and fewer environmental impacts than building roads in roadless areas.

So, in response to the President's announcement, the Forest Service released a notice of intent (NOI) to prepare an environmental impact statement (EIS) on October 19, 1999, and proposed a two part process to determine how the public would prefer.

—Part one would address restriction of certain activities, such as new road construction, in inventoried roadless areas.

—Part two would establish national direction for managing inventoried roadless areas, and for determining whether and to what extent similar protections should be extended to un-inventoried roadless areas. Part two would be implemented through local forest planning.

—Both part one and part two would be implemented with extensive public involvement.

On December 20, 1999, the Forest Service concluded a comment period on the scope of the proposal. During this comment period, the agency:

—Hosted an unprecedented 190 regional and local public meetings;

—Received more than 500,000 comments.

The Forest Service is now preparing a draft environmental impact statement (DEIS) that will detail the agency's proposed action and its likely effects. The agency plans to conduct another comment period and an equal number of public meetings when it releases the draft environmental impact statement and a proposed rule in spring 2000. The agency plans to release a final environmental impact statement and regulation before the end of 2000.

Forest Service Roads Policy.—On the other side of the coin, the proposed Forest Service Roads Policy would revise how the Forest Service manages the more than 380,000 miles of existing roads already in the national forest transportation system.

The Forest Service currently has a deferred maintenance backlog of more than $8.4 billion dollars and only receives about 20 percent of the funding it needs annually to maintain its existing road system to safety and environmental standards.

The proposed policy is an attempt to:

—Make the existing forest road system more safe, responsive to public needs, environmentally sound, affordable, and efficient to manage;

—Implement a public involvement process and scientific analysis procedure at the local level to:

Help land managers and the public identify heavily used roads that the agency should prioritize in terms of its limited maintenance and reconstruction spending;

Help land managers and the public identify roads that are unused or environmentally damaging that can be decommissioned; and

—Place a new emphasis on maintaining and reconstructing existing roads rather than building new roads.

A draft rule and procedures were released for public review on March 2, 2000.

Forest Service Planning Regulations.—All of these proposals would be implemented in the context of the new forest planning regulations. The proposed planning rule would rewrite the existing Forest Service regulations implementing the National Forest Management Act of 1976. The proposed rule is based on the recommendations of a Committee of Scientists and 20 years of experience implementing forest planning.

The proposed rule would:

—Base forest and grassland planning on the principles of ecological, economic, and social sustainability;

—Require the Forest Service to actively engage the public and our other federal, state, local, and tribal partners in the management of our national forests and grasslands;

—Integrate science and scientists into the planning process and requires the Forest Service to focus on managing entire ecosystems rather than single species or outcomes; and,

—Integrate planning and management activities more closely so that the Forest Service can respond to new information and opportunities in a timely manner.

Last fall the Forest Service hosted a series of 23 town meetings across the country to discuss the proposed planning rule. The planning rule would provide the overarching framework for implementing the roadless area and road management initiatives, if the three initiatives are adopted. All of these initiatives seek to provide for long-term sustainability, ensure collaboration with the public, integrate science more effectively in the planning process, and incorporate new information and opportunities.

ACCOUNTABILTY ACTIONS

I think that we would all agree that the debate about the management of our national forests has been clouded in recent years with issues of accountability. In the past ten years the Forest Service has been the subject of more than 315 audits by the General Accounting Office and the Office of the Inspector General. And the agency as well as the Department of Agriculture has yet to receive a clean financial opinion since they were first required of governmental agencies.

Under the capable direction of Chief Dombeck, the agency has worked very closely with my office, other parts of the Department of Agriculture and the Secretary to implement the needed financial and programmatic reforms.

These changes were made to position the Forest Service to achieve an unqualified audit opinion on its fiscal year 2000 financial statements. The agency knows, however, a clean audit opinion by itself will not restore the agency's credibility with Congress and the American people. A change in agency culture must occur—a change based on the knowledge that the Forest Service cannot be effective resource managers if they are not first accountable for the taxpayers' money and for their own actions on the landscape. The Forest Service has presented its fiscal year 2001 budget in a performance-based manner that allows it to accomplish its conservation mission based upon performance measures that fully display on-the-ground outcomes of its management practices and services to the public.

This budget presents a program that is not simply based on a set of funding requests. Rather, the budget justification presents the President's budget in terms of direct on-the-ground accomplishment of work. Mr. Chairman, with the implementation of significantly improved accountability measures, we can refocus the debate about the Forest Service where it should be, on natural resource management policy.

I can vouch for the fact that Chief Dombeck is committed to making the necessary changes. Some of the more significant accomplishments include implementing a new accounting system, developing a simplified budget structure for the National Forest System, submitting a performance-based fiscal year 2001 budget, developing an integrated set of land health and service to people performance measures, and publishing its draft Strategic Plan (2000 Revision).

In addition, for the first time in many years, all leadership positions have been filled. Chief Dombeck has established the offices of the Chief Operating Officer and the Chief Financial Officer to take leadership responsibility for improved program analysis and the linking of budget processes to agency performance and strategic planning.

Mr. Chairman, I do not think that there should be any doubt that these bold, decisive actions demonstrate leadership commitment to correct the Forest Service's program and financial accountability deficiencies.

CONCLUSION

I am proud to say that during my tenure, the Forest Service has made significant progress in restoring accountability while refocusing the agency's attention to its multiple use mandate. In so doing, we have placed a new priority on maintaining and restoring the health of the land while ensuring the sustainability of goods and services produced on our National Forests. We have renewed our commitment to regreening our communities—both urban and rural—and sought ways to improve the economies of forest dependent communities by broadening their economic base. We are emphasizing collaboration in working with our public and private partners, and encouraging innovative solutions to our resource management challenges.

I'm proud of the progress we've made and look forward to the opportunities ahead. Thank you. I would be pleased to answer any questions that you may have.

Senator GORTON. Chief, if you would wait for a moment. Senator Dorgan has only a couple of moments. He simply would like to make a short statement, and I am going to let him do that, so he can go on to his other——

OPENING STATEMENT OF SENATOR BYRON DORGAN

Senator DORGAN. Mr. Chairman, I am going to be very brief. I have been over in the Commerce Committee. I did not make an opening statement, because I was late, but I wanted to make just a comment.

Mr. Lyons and Mr. Dombeck, I appreciate your being here and your testimony.

I have been working, particularly with Mr. Dombeck, on the issue of the Chadron planning that had preceded the grasslands management plan in Western North Dakota, and I am very concerned where all this is taking us. The planning process was designed to bring people together and to involve people.

In fact, what has happened is radical division and the potential, according to a North Dakota State University study, of up to 30 and 40 percent reductions in grazing in Western North Dakota.

Now, my colleague, Senator Burns, over there, he understands Western North Dakota. It is almost a wilderness out there. We get calls for wilderness. We do not need wilderness. It is happening. We do not need the wilderness designation. You can drive out there and not find anybody for a long while. We have ranchers trying to make a living, and if they are hit with a 40-percent reduction in grazing on these grasslands——

Senator KOHL. Well, if it were wilderness, Senator, you could not drive out there.

Senator DORGAN. I understand.

Senator KOHL. You would have to walk.

Senator DORGAN. That is why I have opposed the wilderness designation, because people have left. My home county out there has shrunk from 5,000 to 3,000 people, and the county next to it is now 900 people.

We have real serious economic troubles in Western North Dakota, and a plan that could potentially reduce grazing up to 40 percent would be devastating. Now, those numbers don't come from the Forest Service, because the Forest Service people cannot tell us exactly what the impact will be, but they come from studies by Dr. Leistretch, North Dakota State University, and others.

I just wanted to say this: Mr. Dombeck, you have been very open and we have had good discussions, and I have told you all of this. You are working through some of these issues.

The comment period was long and extensive. You have had a lot of comments from a lot of different sides on this. It is very important that this be done right, and the right way to do this is to go back historically and look at the conditions under which the Federal Government acquired these lands in Western North Dakota from farmers who were forced to sell in most cases, and the Bankhead-Jones Act described the circumstances, that they wanted these lands to remain in agriculture, and they are multiple use, to be sure, and we want to be sensitive to all of those issues.

I just wanted to make a point of how important this is. There are such passions out there that I am very concerned about. There is such anger and polarization, and that is not the way the Chadron planning process was designed to end.

The process was designed to bring everybody together, and everybody have a voice in this. That really did not happen, and I am not blaming anybody. I am just saying that we need to take a fresh look, have some mediation, and review all those circumstances.

Mr. Chairman, I took a little longer than I intended, but I am going to submit a series of questions, if I might, to Mr. Dombeck and Mr. Lyons.

Thank you for your courtesy, Mr. Chairman.

Senator GORTON. Let me inform the other members of the committee here that if we are going to hear from you now, then I am going to defer my questions for last, because I have a lot of them, and I do not particularly—you, Senator Bennett, have been extremely patient.

SUMMARY STATEMENT OF MIKE DOMBECK

You will be next, as soon as Chief Dombeck has finished his statement, and then we will hear from Senator Burns, and then we will take the chairman and ranking member.

Chief, go ahead.

Mr. DOMBECK. Mr. Chairman, thank you, Senator Byrd, committee members.

I would like to introduce some guests that we have here. Chuck Meyers is the Forest Supervisor of the Monongahela National Forest, and Kate Goodrich is with him. Kate is the Public Affairs Officer on the Monongahela. They perhaps could offer a forest supervisor's perspective on budgets, and some things like that, that I think might be helpful.

I also have with me Randy Phillips, who is Deputy Chief for Programs and Legislation. Our Chief Financial Officer, Vincette Goerl, Jim Furnish, National Forest System, and sitting in the first row we have Janice McDougal, from State and Private Forestry, and Dr. Robert Lewis, who heads our research programs. So hopefully, we will be able to deal with most of the issues of interest to the committee.

You alluded to the debate about natural resources in your opening statement. I think we have all been part of that. Sometimes we get more of that than we would like. The debate is not new to this era.

It was here in Gifford Pinchot's time, it was here in the thirties, the seventies, and I presume it will be here for a while. What we are really talking about is balance and the changing needs of society, changing economies, and our sensitivities to that. I always think about how wonderful it is that we live in a country where we have choices, because balance is about choices, and when we have choices to make, there are differences of opinion.

I am pleased with some of the issues, and I always like to step back and think about what had gone on 10 years ago, and 20 years ago, 30 years ago.

In the mid-nineties, the dialogue was that the Forest Service had lost its way. It had a muddled mission. I am proud of the leadership of the Forest Service in crafting the Natural Resources Agenda to better articulate where we were going—to focus on roads and infrastructure; to focus on sustainable forest and grassland management; to focus on recreation; to focus on watershed health and restoration; to focus on things like urban forestry and education. We have made progress there.

The Forest Service is perhaps one of the more complex agencies—with a complex and really challenging mission almost—with expectations that we would be all things to all people, from the preservation side or the commodity side. One area that I really appreciate your support on and the committee's support is the area

of business management and accountability. As Congress, in the nineties, began to demand more accountability from agencies—and the Chief Financial Officer Act was passed, and others—the Forest Service was slow to adapt.

It is decentralized by its nature. West Virginia decisions ought to be made in West Virginia; likewise, Washington, Idaho, Utah, Alaska. Our business management side was also decentralized.

We had, for example, 40 systems, data management systems, that really did not communicate with one another—that were not linked with 800 data entry points, and some hundred-million transactions a month. I think I have had more hearings on this issue of accountability and financial management than all the other chiefs put together. We have made that our highest priority. We have made significant progress.

It is a big job. It took Jack Welsh 10 years with General Electric, and General Electric did not have all the constraints that come with bureaucracies and the Federal Government.

I am pleased that we have our first-ever Chief Financial Officer. We have the foundation financial information system in place and running. We have our first-ever real-property inventory complete—and employees struggle to understand even why that is important as resource issues go on. I say to them, would they invest in a company that did not know what its assets are? Yet, it is important, I believe, that we be able to tell the American public and you what our assets are. We have made progress on that front.

I am pleased with the response of the National Academy of Public Administration. They gave us the first framework to tie a simplified budget structure with an organizational structure and performance measures that are important. I am pleased with your willingness and Senator Byrd's willingness to want to explore further how we can make progress on that front.

We are moving forward with business plans for the organization and our recreational units. We put 1,300 employees through business management training last year. Lots going on in that area. We ask for your continued support. Keep the pressure on. This is something that we drifted into over time, decades. We need the support, the prodding, the constructive criticism of Congress to get there. So we are making good progress.

It is also important—as we talk about the national issues that are somewhat heated at times—to think about the accomplishments of an organization the size of the Forest Service and what we do. We have the best science in the world in the United States.

Some of the best resource managers in the world work for the Forest Service—and the other agencies, local, State, and Federal—in the United States. We put out 98.5 percent of the fires in initial attack in the United States. We provide drinking water for 60 million Americans from the national forests.

We have 133,000 miles of trails, 380,000 miles of roads—that was mentioned earlier. There is more visitation to the national forests today than there has ever been.

When we talk about access, and the concerns with access, our challenge is to provide the infrastructure, maintain that infrastructure, and the services that people expect. So we have more people

visiting the national forests than ever, and all the projections are up.

Eighty percent of the big-horn sheep habitat in the United States—half of the blue ribbon trout streams—and hunting and fishing alone generate about $21 billion to the gross domestic product. Multiple-use is alive and well. We issued over a 1,000 energy and mineral permits last year and 9.3 million animal-unit-months of grazing. We have 5.2 billion board feet of timber currently under contract.

We assisted 9,600 urban communities with their natural resource programs. We assisted 146,000 private woodland owners to be better stewards of their land with technical and scientific information. Our research program produced more than 2,700 scientific and technical documents and textbooks. We did all this with about 10,000 fewer employees that we had in the early nineties. So I am proud of the Forest Service workforce.

PREPARED STATEMENT

No matter what our natural resource philosophy is, I certainly share the concern of this committee that our common objective is that we have an organization that functions well—that is efficient—that is responsive—that is accountable for the monies that you allocate to us, and to the taxpayers. I hope that we can focus on that common goal and appreciate your support.

Jim and I, and the staff, would be happy to answer any questions you have on any of the issues that we can.

Thank you.

[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 today to discuss the Forest Service's proposed budget for fiscal year 2001.

Performance and financial accountability will be key to building agency credibility, without which we will be unable to obtain the necessary resources to accomplish the agency's mission. As I testified before the House Interior and Related Agencies Subcommittee on February 16, 2000, the Forest Service is implementing a variety of actions to enhance its financial management, fully integrate strategic planning and budgeting, and demonstrate organizational effectiveness through the application of sound business practices.

In my testimony today, I want to discuss four key areas: (1) sustainable communities; (2) funding and objectives for the Natural Resource Agenda program areas; (3) actions the Forest Service is taking to ensure it improves program and financial accountability; and (4) other highlights from of the President's budget.

The President's budget supports the Forest Service Natural Resource Agenda and is directly tied to the Government Performance and Results Act (Results Act). The budget proposes a simplified budget structure for the National Forest System appropriation to improve both financial and program accountability while ensuring the long-term health, diversity, and productivity of the land to meet the needs of present and future generations.

Overall, the President's budget is requesting $3.1 billion for Forest Service discretionary spending in fiscal year 2001. This is a 14 percent increase over fiscal year 2000 that is necessary to ensure the Forest Service accomplishes its multiple-use mission of caring for the land and serving people.

The budget requests a $138.6 million increase in funding for the National Forest System. This is a 12 percent increase from fiscal year 2000. The budget proposes an increase of $13.3 million to enhance the agency's role in forest and rangeland research. It includes funding for such priorities as the use of agricultural products for energy and fiber, the role of carbon in productivity cycles, applications of new technology in resource management and coordination of the Forest Inventory and

Analysis (FIA) program. The budget also proposes an increase of over 22 percent in the State and Private Forestry appropriation that now includes funding for International Programs. This increase will help State and private land managers practice sustainable forestry and conservation of their lands.

LAND HEALTH AND SUSTAINABLE COMMUNITIES

Let me first share some thoughts with you about how we can work together to ensure we have sustainable communities that thrive, prosper and promote land health and community well-being. To accommodate these goals the Forest Service is shifting its focus to pay greater attention to what we leave behind on the land, as reflected in the following major policy initiatives.

Roadless Initiative.—Our roadless initiative recognizes the unique role that public lands play in maintaining large blocks of unfragmented forest. In an increasingly developed landscape, the ecological and social values of roadless areas are essential for protecting drinking water supplies, providing habitat for rare and vanishing fish and wildlife species, hunting and fishing and other recreation opportunities, bulwarks against the spread of invasive species, and reference areas for research. Less than 2.5 percent of our planned timber harvest in the lower 48 states is projected from these areas.

Roads Policy.—We proposed a new road management policy on March 2, 2000. The proposed policy will help us better manage more than 380,000 miles of roads to ensure safe public access while stemming erosion and protecting water quality. Providing sufficient access is especially important considering that we soon expect to see one billion visits made to our National Forests in a year.

Land Management Planning Regulations.—Our draft planning regulations will ensure the protection of ecological sustainability through a framework of collaborative stewardship and better integration of science and management. To meet the social and economic needs of local communities, I believe the Forest Service should operate in an open and transparent manner, so the American people have every opportunity to influence and shape the way their land legacy is managed; these new regulations will help accomplish that objective.

Mr. Chairman, I pledge to you today that we will keep the Congress fully informed as these policy initiatives mature and develop and invite you to be a part of the public process.

NATURAL RESOURCE AGENDA

When I became Chief, many people, including members of Congress, complained that the Forest Service had lost sense of its mission. In response, I outlined a Forest Service "Natural Resource Agenda for the 21st Century." The Natural Resource Agenda makes clear that land and watershed health is the agency's highest priority. This is based on the simple premise that we cannot meet the social and economic needs of the people without first securing our goal of healthy, diverse, and productive ecosystems.

The Natural Resource Agenda sets agency priorities and gives strategic focus to Forest Service programs, emphasizing watershed health and restoration, sustainable forest ecosystem management, the National Forest road system, and recreation.

Watershed Health and Restoration.—The Forest Service is the Nation's largest and most important water provider. National Forest lands are the largest single source of water in the continental United States. Over 3,400 communities rely on National Forest lands in 33 states for their drinking water, serving over 60 million people. We recently determined the water on National Forest lands to be valued, at a minimum, of more than $3.7 billion per year. This $3.7 billion does not include the value of maintaining fish species, recreation values, nor the savings to municipalities who have low filtration costs because water from National Forests is so clean.

Although there have been significant improvements in water quality since the Clean Water Act of 1972, 40 to 50 percent of our watersheds still need restoration and protection. The Forest Service is a full partner in carrying out the President's Clean Water Action Plan that aims to protect public health and restore our Nation's precious waterways by setting strong goals and providing States, communities, farmers, and landowners with the tools and resources to meet these goals. The fiscal year 2001 budget includes an increase of $84 million for continued implementation of the Clean Water Action Plan.

The Forest Service will use cooperative strategies built around watersheds and the communities they sustain to implement the Clean Water Action Plan, including restoring stream corridors and riparian areas, cleaning abandoned mine lands and

hazardous material sites, decommissioning and maintaining roads, and improving rangeland vegetation and grazing management.

In fiscal year 2001, the Forest Service will focus on twelve large-scale watershed restoration projects begun in fiscal year 2000, investing more than $18 million to accelerate implementation of the projects. The Forest Service expects partner organizations such as conservation, wildlife and forest management groups, American Indian tribes, State and local governments, and community organizations to match its funding commitment. The 12 projects include:

—Research and development in New York City's municipal watersheds and the Chesapeake Bay;

—River restoration on the Chattooga, Conasauga, Rio Penasco, Upper Sevier, Upper South Platte, Warner Mountain/Hackamore, and White Rivers; and

—Pacific Costal watersheds, the Blue Mountains of Oregon, and the Lower Mississippi Valley.

In carrying out these projects and the agency-wide focus on watershed health, the Forest Service will draw upon many disciplines, including State, Private and International Forestry, the National Forest System, and Research.

An important aspect of restoring and improving watershed health addresses the lands at risk. Traditionally, risk has meant fire danger and insect and disease infestation. Over 58 million acres of the nation's forest lands are at risk due to mortality from insects and disease and 40 million acres within the National Forests are at risk of catastrophic wildfire due to past management practices and fire suppression. The Forest Service fully intends to use active management to treat these stands to restore forest health and in the process, provide jobs and wood fiber to local communities.

We need to look at risk with a different perspective, thinking of risk in terms of the 40 to 50 percent of agency managed lands that require attention on a broad scale for a variety of reasons. For example, recreation facilities, trails, and roads that are poorly maintained result in national forest lands being at risk due to degraded water quality which harms fisheries, wetlands and riparian areas. Further, we need to expand the discussion of risk beyond National Forest System lands to the non-federal forest lands at risk not only due to watershed quality problems, but also due to conversion from open space. The Administration has proposed several strategies to address this broad risk issue including a $9.5 million effort to research and implement new methods for economical use of small diameter trees to meet national wood fiber demands.

This expanded concept of risk is also portrayed in the agency's performance-based budget request for fiscal year 2001. For example, we are requesting an additional $19.2 million for the performance measure acres of forest, rangeland and lakes improved. With this additional funding, we propose to improve 430,000 acres of habitat for inland and anadromous fisheries, threatened and endangered species, and wildlife, which is an increase of 135,000 acres from fiscal year 2000 enacted.

Watershed restoration and protection will also serve as the focus of future forest plan revisions. The fiscal year 2001 funding request for the watershed health and restoration component of the Natural Resource Agenda totals $487.7 million, a 9 percent increase over fiscal year 2000.

Sustainable Forest Ecosystem Management.—The Forest Service and its partners are using a comprehensive criteria and indicator framework to achieve sustainable forest and range management in the Untied States. In 1999, the agency released new draft planning regulations that provide a framework for implementing collaborative stewardship. When completed, these regulations will govern administration of 192 million acres of National Forest System lands.

Sustainable management of all of the Nation's forest and rangelands requires collaboration among many interests and coordination across the landscape. The United States has adopted the Sustainable Forest Management Criteria and Indicators developed through the international Montreal Process. They provide a common framework allowing the Forest Service to work with interested State and private landowners to evaluate the health, diversity, and resiliency of our nation's forests. The Forest Service is leading a national effort to gather and report on the state of the Nation's forests in 2003.

The fiscal year 2001 requested funding for the Sustainable Forest Ecosystem Management component of the Natural Resource Agenda totals $406.7 million, a 16 percent increase over fiscal year 2000.

National Forest Road System.—Mr. Chairman, I know there is significant interest about our roadless initiative. We must put the 30-year controversy over roadless areas to rest. One of the reasons I think it is so important to resolve the roadless issue is so we can begin to address other pressing demands, such as forest health.

The National Forest System has more than 380,000 miles of classified roads and more than 60,000 miles of unclassified roads. However, the agency only receives about 20 percent of the funding it needs annually to maintain these roads to Federal safety and environmental standards. As a result, the deferred maintenance backlog is in the billions of dollars.

One of the 47 performance measures within the agency's performance-based budget addresses Forest Service roads and is an example of how performance measures will be used. The road condition index performance measure displays year-to-year changes in the condition of the road system based upon five attributes. The proposed index for fiscal year 2001 is constant with the prior year, based upon a relatively static fiscal year 2001 funding request. In out years, the index will likely decline year to year without significant increases in funding.

Last fall the President asked the Forest Service to begin developing a proposal to conserve and protect National Forest roadless areas that have remained unroaded for a variety of reasons including inaccessibility, rugged terrain, or environmental sensitivity. These areas also serve as the headwaters to many watersheds and provide clean water and wildlife habitat as well as aesthetic values.

The proposal we are developing has two parts. First, we are considering restricting certain activities, such as road construction and reconstruction in the unroaded portions of inventoried roadless areas, the areas inventoried in the 1970's during two Roadless Area Reviews (RARE I and RARE II) and through the forest planning efforts of the 1980's and 1990's. Today, a large number of these areas remain roadless.

Second, we will consider establishing procedures for local forests to consider as they plan activities in roadless areas. More than 500,000 people have already participated in the rulemaking. To accommodate this level of interest, we have taken the unprecedented step of holding public meetings on every National Forest to discuss the issue.

We released the proposed road management policy and draft environmental assessment for public comment on March 2, 2000. The policy outlines a process by which the Forest Service and local people can work together to determine the best way to manage local forest transportation systems, to make the existing forest road system safe, responsive to public needs, environmentally sound, affordable, and efficient to manage. It would:

1. Be implemented through extensive public involvement and analysis at the local level;
2. Require use of a scientific analysis procedure to help land managers and the public identify both heavily used roads that need to be maintained or upgraded, and roads that are unused or environmentally damaging that can be decommissioned; and
3. Place a new emphasis on maintaining and reconstructing existing roads rather than building new roads, given the extensive road system that is already in place in most National Forests.

Before the Forest Service builds news roads in roadless areas, it should invest its limited resources on projects that have broader support, cost less, and have fewer environmental effects. Our fiscal year 2001 funding request for the National Forest Road System of the Natural Resource Agenda totals $129.5 million, an 11 percent increase over fiscal year 2000.

Recreation.—Recreation is the fastest growing use of the National Forests and Grasslands. The Forest Service is the Nation's largest supplier of public outdoor recreation opportunities, providing more that 2.5 million jobs and contributing more than $100 billion to the Nation's gross national product.

The Natural Resource Agenda seeks to provide recreation opportunities that do not compromise land health and that increase customer satisfaction, educate Americans about their public lands, build community partnerships, and develop new business relationships with partners to expand recreation opportunities. Some of the recreation assets on our National Forests include:

—31 National recreation areas, scenic areas and monuments;
—133 scenic byways;
—56 major visitor centers;
—Over 133,000 miles of trails;
—Over 4,000 miles of wild and scenic rivers;
—More than 18,000 campgrounds, picnic areas and visitor facilities;
—50 percent of the habitat for salmon and trout in the lower 48 States;
—80 percent of the habitat for elk, bighorn sheep and mountain goat in the lower 48 States;
—63 percent of the designated wilderness in the lower 48 States;
—2.3 million acres of fishable lakes, ponds and reservoirs;

—200,000 miles of fishable streams; and

—Hundreds of thousands of listings on the National Register of Historic Places.

In an urbanized society, outdoor recreation provides most Americans with an opportunity to connect to the lands and waters that sustain them. The Forest Service has a unique brand of nature-based recreation to offer, including undeveloped settings and an array of services that complement the enjoyment of these special places. Recreation visitors expect a great deal from the Forest Service and they will expect even more in the future.

The fiscal year 2001 funding request includes $30 million proposed for developing tourism, reengineering the special use permitting process, developing trails, and improving operations at recreational facilities and attractions, many of which will be targeted toward lower income or resource-dependent areas adjacent to National Forests.

The recreation component of the Natural Resource Agenda has developed a 6-point action plan to serve better the American public, including:

1. Conduct market research to get to better understand what people want;
2. Invest in special places, especially those being—loved to death—by visitation exceeding the capacity of the site;
3. Reduce deferred maintenance through the application of techniques that assuring long-term sustainability of the site;
4. Invest in natural resource conservation education and interpretive services;
5. Take advantage of new business opportunities and provide services for underserved and low-income people; and
6. Aggressively secure, provide, and maintain a forest road system that is ecologically sound and available to all Americans.

Among the most valuable products of the National Forests are the experiences that live on a roll of film, or live as childhood memories of family hiking or camping experiences, or in the exhilaration one feels while running a wild river or seeing the crystal clear waters of Lake Tahoe. There is something for everyone to enjoy on the National Forests. We strive to serve new constituencies, urban populations, underserved and low-income people, and to maintain the relevancy of National Forests for future generations. The fiscal year 2001 proposed funding for the recreation component of the Natural Resource Agenda totals $397.4 million, a 13 percent increase over fiscal year 2000.

PROGRAM AND FINANCIAL ACCOUNTABILITY

I would like to now discuss our progress in restoring program and financial accountability to the Forest Service. With the dedicated help of Secretary Dan Glickman, we have worked very closely with other parts of the Department of Agriculture to implement the needed financial and programmatic reforms.

As I have said many times, if the Forest Service were in the private sector, with our 30,000-person workforce and 3.3 billion dollar budget, we would rival any Fortune 500 company. At the same time, due to persistent management weaknesses, financial accounting deficiencies, weak data, and poor strategic planning, I doubt very much we would last long in that environment.

The Forest Service has not yet received a clean financial audit. When I arrived here, I had more than 35 individuals directly reporting to me. Our complex and cumbersome accounting system was staggering under the weight of 100 million individual financial transactions per month. Our Byzantine budget structure made it common that a district ranger interested in accomplishing 15 projects on the ground might have to make 250 budget entries simply to establish the projects in the accounting system. Meanwhile, because we have not sufficiently focused on strategic planning, appropriated budgets rarely, if ever, track expected outcomes described in agency forest plans.

The fiscal year 2001 President's budget proposes significant reform of the agency's budget structure. As noted by the National Academy of Public Administration, the current budget structure does not reflect the nature of agency work performed on the ground and forces our district rangers to spend too much time balancing the books and too little time focusing on the natural resources for which they are responsible. The new proposed structure is performance-based. It presents the budget directly linked to 47 performance measures, that are in turn, directly linked to the agency's strategic plan, the Results Act, and the Natural Resource Agenda.

The budget simplification and performance measures proposals are a cornerstone of our financial and accountability reform efforts. I am confident that with implementation, we will be able to clearly show how the Forest Service is using the taxpayers' money to conserve and restore the health, diversity, and resiliency of our lands and waters, and provide services to the American public.

No Chief of the Forest Service in recent history has had to address the issue of accountability more than I have. I know that a clean audit by itself will not restore the agency's credibility with Congress and the American people; the agency must change its culture based on the knowledge we cannot be effective resource managers if we are not first accountable for the taxpayers' money and for our own actions on the landscape. We are making significant progress.

I am happy to report to you that the Forest Service has:

—Successfully implemented a new accounting system;

—Developed an integrated set of land health and service to people performance measures, that link land health and other outcomes on the land to its strategic plan and budget information;

—Published its draft Strategic Plan (2000 Revision) for comment that shifts the focus of agency management away from inputs, outputs and process to outcomes on the landscape;

—For the first time in many years, filled all leadership positions and also established the offices of the Chief Operating Officer and the Chief Financial Officer to take responsibility for improved program analysis and the linking of budget processes to agency performance and strategic planning;

—Conducted the first thorough real property inventory in the agency's history that is critical for our financial audit;

—Developed and implemented standard definitions for indirect costs;

—Eliminated the backlog of over 1,000 civil rights complaints;

—Replaced its crumbling technology infrastructure with a totally new platform for management of information technology; and

—Implemented controls on trust fund expenditures to assure compliance with Congressional direction regarding indirect expenses.

A key component of our accountability reform effort involves the implementation of the Primary Purpose method of expenditures. Beginning in August of last year, we began informing appropriations and authorizing staff from both the House and Senate of our intent to implement this program in fiscal year 2000. Our request for realignment of funds is a result of that implementation. Operating under the Primary Purpose principle, the agency is now able to provide an accurate accounting of its expenditures, which it was unable to do in the past.

Mr. Chairman, I do not think there should be any doubt that these actions demonstrate Forest Service leadership is committed to fix program and financial accountability deficiencies.

OTHER HIGHLIGHTS OF THE PRESIDENT'S BUDGET

I want to emphasize some other important aspects of the President's budget.

President's Lands Legacy Initiative.—This initiative highlights the Administration's continued commitment to protect public open space by acquiring lands for conservation and recreation.

By working with States, tribes, local governments and private partners, the Forest Service acquires lands to protect cultural and historic treasures, conserve open space for recreation and wildlife habitat, protect clean water supplies and wilderness areas and preserve forests, farmlands, and coastal areas. The fiscal year 2001 budget includes $236 million for the programs within the Lands Legacy Initiative.

The land acquisition portion of the initiative is funded through the Land and Water Conservation Fund. Many of the acquired lands are located in congressionally designated areas such as Wilderness, National Recreation Areas, Wild and Scenic Rivers and National Scenic Trails. Acquisitions also improve forest management through consolidation of boundaries and providing access to existing National Forests and Grasslands.

Forest Legacy, Urban and Community Forestry and Economic Action Programs also provide an avenue for the Forest Service to work with States and willing private landowners to provide jobs while conserving important forest economic, ecological-environmental and social values that represent national priorities.

Legislative Proposals.—The Administration will advance several new legislative proposals including Payments to States Stabilization, Healthy Investments in Rural Environments (HIRE), Land Acquisition Reinvestment Fund, and Facilities Acquisition and Enhancement Fund. Mr. Chairman, I am especially excited about our payments to states legislation that we will transmit shortly. It focuses on providing States with stable and permanent education funding, while allowing more money to be spent on forest health restoration and restoring a closer working relationship between rural counties and the Forest Service.

The President's budget includes special emphasis on employing rural workers and enhancing the skills of America's youth. The Administration is proposing the HIRE

program in conjunction with a comprehensive proposal to reform four of our trust funds. This proposal eliminates the trust funds that have historically been dependent on timber receipts and proposes establishing a new permanent mandatory appropriation. All the work conducted under the existing trust fund authorities would be authorized under this new mandatory appropriation, but with preference for local contracting and employing of skilled rural workers to accomplish the work. With this expanded authority and appropriate funding levels, attention will be focused on addressing our critical facility, road, and watershed restoration backlog.

The fiscal year 2001 budget also reflects a number of legislative proposals that would reform selected programs to initiate or increase fee collections and expand the involvement of the private sector where appropriate.

IN CONCLUSION

Mr. Chairman, this budget effectively provides the resources necessary to implement our programs consistent with the Forest Service's Natural Resource Agenda, Presidential Initiatives and other priority funding areas. More importantly, the proposed new budget structure and performance-based approach shows the ecosystem conservation activities and public services that will benefit ours and future generations.

This concludes my written statement. I would be pleased to answer any questions that you may have.

Senator GORTON. Well, I think with all the patience that he has shown, I will give that first opportunity to Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

Mr. Dombeck and Mr. Lyons, both, you have talked about collaboration on the local level, and local involvement, and how much that is needed, and how important it is. The State of Utah formally asked to be a participant and has been denied. Can you square those two for me?

Secretary LYONS. I will be pleased to address that, Senator. We received requests from a number of States for cooperating status in this rulemaking related to roadless areas. We met with a number of the Western governors.

Governor Leavitt, unfortunately, was not a part of that, but several others were there, and we discussed ways in which we could, in essence, provide the functional equivalent of cooperating status without the formal designation.

Our reason for that, to be candid, was that we are concerned with the large number of entities that seek cooperating status—a large number of States, Tribes, community groups, and the like—who would like to secure that status. The difficulty is trying to manage a process with all those cooperators, and, frankly, the potential for someone monkey-wrenching the system. In fact, it was interesting to have one of the Governors acknowledge that that could be a cause for concern with all those entities wanting cooperating status.

Mike and I sent a letter to Governor Cayetano, who chairs the Western Governors' Association currently, and I ask, Mr. Chairman, if this could be made a part of the record.

Senator GORTON. Certainly. Without objection.

[The letter follows:]

LETTER FROM UNDER SECRETARY JAMES R. LYONS AND CHIEF MIKE DOMBECK

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, March 14, 2000.

Hon. BENJAMIN J. CAYETANO,
Chairman, Western Governors' Association,
Denver, CO.

DEAR GOVERNOR CAYETANO: We appreciated meeting with Governors Geringer, Kempthorne, Racicot, Knowles, and the staffs of the other western Governors on Saturday, February 25, 2000, to discuss the participation of the western Governors in our roadless area rulemaking. We agree that the State agencies possess important information that may be of use to the Forest Service in conducting its social and environmental analyses associated with the roadless rulemaking.

Working together in a collaborative manner can help to expedite and improve our environmental analysis. We would like to improve the information flow and exchange of ideas between the States and the Forest Service relative to roadless areas. To that end, we propose the following procedures to maximize cooperation with interested western Governors' offices and State agencies:

—The Governors of the western States could designate representatives to serve as a conduit to solicit, collect, and syntnesize input from those Governors' offices and State agencies and to serve as a forum for communication between the States and the Forest Service. The Forest Service will, in turn, use the Governors' designees as their principal communications vehicle for seeking information, asking questions, or communicating updated progress reports to the western States and State agencies. The Governors or their representatives will assist in expediting and making this communication more efficient and effective, running both ways.

—Randy Phillips, Deputy Chief for Programs and Legislation, will serve as our liaison to the Governors and with other intergovernmental organizations to ensure open communication and coordination on this and other issues. Jim Furnish, Deputy Chief of the National Forest System, and Chris Wood, Chief's Office, will meet, with the western Governors and their designated representatives specifically on this issue, to be scheduled by mutual agreement.

—The States will assist the Forest Service in identifying locations and other potential forums for public involvement during the public comment phase of the rulemaking.

—Forest Service can be available to answer technical questions at one or two coordinated State work session(s) as the States develop input on the DEIS and proposed rule.

To give you a sense of our public involvement process, when the proposed rule and draft EIS are published, we are contemplating distribution of 100,000 executive summaries and up to 50,000 full copies of the DEIS, making available 10,000 CD–Roms containing the DEIS, and making it available on our website. The printed copies, CD–Roms, and website will all contain (as the website does now) complete detailed maps of every inventoried roadless area. Over 200 additional community meetings are anticipated. In addition, we foresee distributing copies to every public library in the country; around 16,000 in total. We would welcome additional suggestions for communicating directly with the public.

As you know, we believe very strongly in the tenets of collaborative stewardship. We also believe that given the thousands of comments we have received and the years of debate surrounding the roadless area issue, it is clear that this is an issue of both national and local significance. In the Notice of Intent, we outlined a strategy to deal with the issue at both national and local scales. We would like very much to work with you in the manner described above as we address the national aspects of this issue. In addition, there will be a variety of opportunities for the States and their many agencies to participate in future planning efforts that address the significant local aspects of the roadless area issue.

We value our partnership very much and look forward to working with you on the roadless area rulemaking and other pressing problems such as water quality, forest health, rural jobs, and our growing maintenance backlog. I am sending copies of this to the other western Governors.

Thank you for your continued interest in national forests and grasslands.

Sincerely,

JAMES R. LYONS,
Under Secretary, NRE.
MIKE DOMBECK,
Chief.

Secretary LYONS. It outlines the steps that we are very interested in taking in working with the Western governors. We have extended similar offers to the National Association of Counties and to the National Governors' Association, to work with them in facilitating the transfer of information, sharing of data, in the development of public meetings, and in the process of providing answers to the technical questions and concerns that are likely to be raised as we go through this NEPA process.

Senator BENNETT. In other words, you will be happy to share information with them and tell them what you are doing, but you will not be interested in their ultimate opinion as to what you ought to be doing. In other words, you reserve to yourselves the right to make a decision basically without any more than just receiving input from them.

Secretary LYONS. No, sir. I want to be clear. I was not suggesting one-way communication. In fact, the letter says:

> The Governors of the Western States could designate representatives to serve as a conduit to solicit, collect, and synthesize input from those governors, offices, and State agencies, and to serve as a forum for communication between the States and the Forest Service.

Senator BENNETT. Senator Craig, you had a comment on that. Do you want to——

Senator CRAIG. I am frustrated. When we held the hearing I asked both of you, are you going to allow this, and the answer was no, no lead-on, no follow, no. When you met with the Governors, no. Now that it is a national issue, and the heat is on, you are changing your story.

Secretary LYONS. That is not true, Senator.

Senator CRAIG. Well, it is true, and that is what the record shows. I am sorry.

Secretary LYONS. Senator, I hate to disagree with you, but——

Senator CRAIG. Please go ahead. You do often.

Secretary LYONS. Thank you, sir. What we said in the hearing was, we were not going to grant formal cooperating status, and we have not offered that to the Governors. We are recommending to them a process that will grant them the functional equivalent of that status, and, in essence, the rights and privileges that come with that.

Senator CRAIG. Cover thy tail. Thank you.

Secretary LYONS. Well, more emphasis on process, I think, in trying to satisfy their concerns than the formal legal issues that could come of a potential granting of the status, and concern about monkey-wrenching the system.

Senator BENNETT. The proposed rule with respect to the transportation policy says that there must be a compelling need for a new road in a roadless area. What is a compelling need? Can you give me an example of something that might be a compelling need?

Mr. DOMBECK. Yes. Forest health—level of forest health issues—other kinds of things that the forest supervisor—and I believe, is at the discretion of the regional forester to make that decision. I think there could be a variety of——

Senator BENNETT. Is mitigating insect damage a compelling need? It comes under the heading of forest health.

Mr. DOMBECK. I guess I cannot—we are not providing that level of direction at the national level. That is something that a local community, perhaps, that is dealing with fire risk concerns of the wildland/urban interface—I assume that we would have a scientific analysis and recommendations that would be made at the local level.

Senator BENNETT. Well, again, not to be too parochial about it, the local people in Utah are very concerned about the beetle infestation in the Dixie, and have been unable for years to do anything about it, and the beetle infestation grows to the point where a portion of the Dixie Forest now is considered by some who have knowledge in this area as being basically dead. The forest has died.

Now, some of my colleagues have said the whole Dixie Forest has been killed by the Clinton administration, and that is overstatement, and I do not endorse that, but significant portions of the Dixie Forest have been killed by the beetle infestation, and every attempt, coming out of local participation, local concern, to get something done about it has been stymied at the national level.

Now, some of this happened before your watch, so I am not putting it at your feet, Mr. Dombeck, but you have words in here that say "compelling need will allow the need for a new road in a roadless area."

We are not talking about roadless areas now. We are talking about areas you are trying to turn into roadless areas by saying that the roads that have been used cannot be, but the continual battle in the Dixie Forest to keep people out in the name of environmental preservation has produced devastation within the forest, and I do not understand that. I do not understand why that is good for the environment.

Now, maybe it is a natural process to let the beetle come along and destroy the trees, but that is not your challenge. Your challenge is to keep the trees healthy, and there have been other places where the Forest Service has been able to keep the trees healthy.

We have a problem in the Dixie Forest, it is very serious, it is not getting any better, and I would hope that this language in the proposed rule would be interpreted in such a way at the national level that local people could be encouraged to say the health of the forest is in jeopardy here.

Now, this is separate and apart from the timber issue. The timber issue is an emotional one that we get into. This is separate and apart. This is forest health issue, and it is one where a particular stakeholder, and I grant the environmental community that status, absolutely, they have every bit as much right to be concerned about this as any other stakeholder, but this is a particular stakeholder that has been dominating for years the management practices in this area, and the forest is paying the price, not the local community. The local community has their price that they have paid. The forest is paying the price as trees are being killed.

Now, one last comment. You talk about roadless issue not being an access issue. There are those who will disagree with that, who insist that the roadless position taken by this Administration is, indeed, an attempt to restrict access. I would like to suggest to you and have you comment on, as a national policy, no net loss of access.

Our population is growing rapidly. Our open spaces are not. Our open spaces are finite, whether they are in national forests, or in BLM land, or wherever they may be. National forests are a unique asset. I think it is counterproductive to have a policy that says as the population goes up, access to public lands will come down, and I would like you to address what would happen if we adopted as a national policy no net loss of public access to public lands.

What would that do to you and your attitude about roadless areas?

Mr. DOMBECK. First, the reality is—as we look at the infrastructure and the road system—we are losing access because of lack of maintenance. In our arterial and collector systems, which are the systems that a two-wheel-drive vehicle can drive down, we are losing somewhere in the neighborhood of a 1,000 to 1,200 miles every year because of bridges that are no longer safe, because of washouts, and other kinds of things as the backlog grows.

I commend this committee and others for having provided us increases in road maintenance. I think we have had significant increases there. Our request this year is $129 million; again, an increase, I believe, of 11 percent. So I would encourage your support for that.

I think the reality is that Americans have greater access today than they have ever had with a much wider variety of everything—from motorized, to non-motorized kinds of equipment—to not only national forests, but all lands, as we look at the increasing use of mountain bikes, which, in fact, I think is one of the fastest growing recreational activities in the United States. We have the four-wheelers and hikers getting into more places.

I think that you are going to see more people in the national forests. Just on the Wasatch Front, with the number of people that live in Salt Lake City. We have literally thousands of people every day that go out and enjoy the national forests.

Senator BENNETT. That is not necessarily my question. Yes, we are seeing more and more people trying to access the forests, and I take your point about the maintenance of roads. I think that is a legitimate point. I am talking about total acreage, no net loss of total acreage available for public access to public lands.

At least the efforts that I have seen out of this Administration have been going in the other direction. They have been trying to reduce the amount of acres of public lands to which the public will have access. Certainly, that step was taken with respect to the creation of the national monument in my State, shut down public access to lands.

Would you endorse a position that says no net loss, measured in acreage, of public access to public land, in exchange for our helping you with maintaining the roads and maintaining the access that is there?

Mr. DOMBECK. I guess I am not sure I am in the position to give you an answer right now. What I would like to do is really take a look at the data. One of the things that is coming out of this roadless exercise is probably the best data that we have had, or will have, on the relationship of roadless areas to forest health issues, to fire risk issues, to population density, and to a wide vari-

ety of things. I think that will really give us a picture. I would be happy to have that conversation with the data at hand.

Senator GORTON. I do not think you are going to get an answer to your question, Senator.

Secretary LYONS. I will take a shot at it, Senator. I think the answer to that is: I do not think we can commit to that because we do not know, as Mike just suggested, what access we currently have. We know we are losing access.

We have just completed, through a two percent sample, an inventory of our road system. We discover roads that we did not know we had as we go through these inventories. That is why we need to go through a process to understand what is out there, what access is available, and go through a public process at the local level—to work with communities to determine what roads should be improved—what access is required—and what roads the community might desire be set aside, be closed off for periods of time, or even put to bed.

So I will commit to you to a process to attempt to do that with the road system and work with communities in that regard. I cannot commit to net access, although it has a lot of appeal. It is a difficult question to address until you know what you have out there.

Senator BENNETT. I appreciate that, and I will accept your commitment to help us get the necessary data, but I will tell you and representatives of the Interior Department, who may come before us, that I have decided that is going to be my goal, that we have no net loss of public access to public lands.

Some of the public lands are under your stewardship, some are under the Interior Department's stewardship, but I am frightened by the trend that I see, and data you develop may demonstrate that my data is wrong, but at least the data that I see tell me that this administration is committed to reducing public access to public lands, in the name of protecting those lands. I do not buy the argument that that is protection, and I feel to take the argument that we hear often on this committee, and elsewhere, that the public lands belong to the public, and not to the people of Utah.

I hear that a lot: "This is public land, this does not belong to the people of Utah. You are a Senator from Utah, you should not have anything to say about this. These are public lands. They belong to all the people."

In the spirit of that argument, I think we should say, all of the people should be able to maintain at least the current access they have to public lands, and we should, as a Nation, adopt a policy that says no net loss of public access to public land.

So any data you can give me will be much appreciated, and I hope I have stimulated you to start looking in a direction that you may not have looked in before.

Secretary LYONS. Well, I would enjoy the opportunity to explore that more with you, Senator, but I just wanted to make one point, and that is: All of us acknowledge that the public lives in Utah, too; we are all part of the public, and——

Senator BENNETT. You have not necessarily made that argument, but a lot of folks have.

Secretary LYONS. OK. But just one other point, because this is critical. You have helped us tremendously in providing resources for road maintenance, but one thing gets lost in the shuffle: All the burden has fallen to the subcommittee to provide us the funds to deal with this issue.

When the T–21 bill was passed, the Forest Service got no money for maintenance of national forest system roads at all. That is why I am confident in sharing with you the figure that every year we lose about 1,100 miles of road access. That backlog of maintenance increases by $120 million annually.

So just to address the concern of no net loss of access, we need at least another $120 million a year to keep up with what we are losing. So I would enjoy the dialogue with you.

Senator BENNETT. Thank you. I happen to sit on that subcommittee, too.

Secretary LYONS. That is why I mentioned that.

Senator BENNETT. Yes.

Thank you.

Senator GORTON. Senator Byrd, I will defer to you at this point.

Senator BYRD. Last year the Senate and House appropriations committees advised the Forest Service to heed the management conclusions of the National Academy of Public Administration's report. The conference report for the fiscal year 2000 appropriations specifically focused on the lack of sufficient linkage between the budget processes and beyond the groundwork of the Forest Service.

This year, the Forest Service has presented a budget request, according to a budget structure, that has not been approved by the Congress. I have some reservations about the proposed budget structure.

What happens if Congress does not approve the budget structure that you presented? Do you have a fallback position, or is it too late in the process?

Mr. DOMBECK. Well, Senator, I hope that we can make progress on simplifying the budget structure of the Forest Service.

You will also note in the explanatory notes that we have a crosswalk that compares the present budget structure with the proposed budget structure. We can see at each juncture what it would have been and where it was. I think the common goal that we share in this is that we need to simplify the process, simplify the accounting processes, and we would hope that you would help us with that.

Senator BYRD. You did not answer my question. What happens if Congress does not approve the budget structure you have presented? It might not, you know, you know, you know, you know. I am going to use that inanity of inanities, you know. What happens?

Mr. DOMBECK. Well, my assumption is that we have the current budget structure, and we move forward with that. I want to ask our Chief Financial Officer, who knows this inside-out in immense detail, if she has a comment.

Ms. GOERL. Well, Senator, we would, of course, proceed with whatever budget structure that is appropriated by the Appropriations Committee. We would proceed in that regard.

I would like to point out, though, that we very purposefully—in the interest of gaining support and interest, and involvement of the

appropriations committees—included the staff in a meeting that we had with GAO and NAPA, shortly after the report was produced in August, for a 2-day meeting to review the NAPA recommendations. We looked at proposals for the future so that we could have that dialogue with both the appropriations staff from the House and from the Senate and, along with GAO and NAPA, other members of our staff, to take that and see what we would do with that. We had very good discussions. The budget structure that is presented here today is what evolved out of that discussion.

Senator BYRD. That is all well and good, but I am interested in knowing what you would do in case the Congress does not accept the structure that you have presented. It is a possibility, you know.

Ms. GOERL. Absolutely.

Senator BYRD. The Congress may not approve the proposed budget structure.

Mr. DOMBECK. Senator, I think that what we would continue with is continue with some of the burden of the complexities that we have.

I have an example that I would like to describe of the current budget structure, with the future budget structure that is proposed, that I think can shed some light on the importance of this.

This is a—if the staff would put up a chart—typical Forest Service project. This one happens to be from the Willamette National Forest——

Senator BYRD. How much time is this going to take?

Mr. DOMBECK. Pardon?

Senator BYRD. I guess I have a limited amount of time, do I not?

Senator GORTON. No, Senator, you have as much as you need.

Mr. DOMBECK. I will make it as quick as I can. This is a $97,000 project. Under the current benefitting function approach that we use now, an individual employee would charge 15 accounts for this project.

So, then, if we take a look at the accounting procedures associated with this, and then the payroll processing, we have: salary; retirement; life insurance; Social Security deductions; health benefits; and so on. We basically end up with 90 transactions with these 15 line items. Using the primary purpose principle, we end up with one transaction in our financial system.

Now, typically, an employee would work on several projects in a pay period, not just one. This would be multiplied, 90 transactions times the number of projects they worked on.

Then if we take a look at the agency, with 30,000 employees, it is—I hope this points out the complexity that we are trying to get out from underneath. All of this energy that goes into the accounting procedures really does not improve the project on the ground. It relegates more field employees doing more work on the budget rather than on the natural resources.

We hope together that we can simplify the process so we can deliver more resources to the ground.

Senator BYRD. It is commendable that the Forest Service has acknowledged the over-complexity of its budget, and is proposing to do something about it, but I am concerned that the proposal goes too far. For example, the proposal before us combines, as you have

indicated, dissimilar activities into a single category titled National Forest System.

You include recreation, grazing, wildlife habitat management, timber sales management, and law enforcement operations in the same budget line item. Is this not a rather radical solution? Have you considered anything less radical than this?

Mr. DOMBECK. We have backed off in the discussion with the Appropriations Committee staff, NAPA, and others—to provide a little bit more detail than the simplification that NAPA recommended—and I would ask Vincette to give us those details.

Ms. GOERL. Well, in the presentation of the budget, we looked at presenting the information along the lines of ecosystem health and conservation, public service, and uses. We also looked at program components. We presented performance measures and program components within each of those particular areas.

For instance, looking at wilderness areas and other kinds of ecosystem health areas—underneath ecosystems health—and then looking at timber management as a program component under public uses and services—so that we could support those particular line items—but also we presented 23 performance measures—and we very purposefully looked at this as a performance-based budget—and to look at the measures and the dollars associated with those measures underneath each of those budget line items in our effort to move toward looking at the results of what we wanted to achieve with the investment rather than just the amount of dollars that would be invested in that line item.

We have addressed some of the issues where appropriations committees and others have questioned whether those performance measures need more work. In fact, in recreation we believe they do. We are working within the agencies to come back with some additional measures in those areas to support better just exactly what we expect to achieve in those particular program components.

Senator BYRD. I am concerned that accountability for the monies that are being given to your control for various items may suffer. How will you be able to account for many different activities, if you have only one budget category titled, National Forest System?

How will the Congress, which has constitutional oversight over your program and all the other programs in this Government, although some people in the executive branch tend to forget it, be assured that there will be accountability for these monies, if everything is going to be categorized under one single item?

Mr. DOMBECK. The place that I think that we are headed, as required by the Government Performance and Results Act, is to move to an accountability and outcome-based performance system, to really track what gets done, rather than tracking the dollars through the system.

Now, we will continue to be tracking dollars through systems like the amounts of money that go to—whether it is Princeton, or the Monongahela National Forest, or to Idaho, or to individual units—but we really want to look at the endpoint of what we are delivering to the public.

Senator BYRD. How are we going to know whether that end point is justified? How are we going to know whether it was achieved with the utmost efficiency? How are we going to know if the monies

that were appropriated to your agency have been spent wisely? How can you assure the Senate that you will be spending appropriations according to the will of Congress?

We may not know that now, but soon we are going to be in a greater fog if we go down that road of diminishing line items. How can you assure the Senate you will be spending appropriations according to the will of Congress?

I am not saying we are perfect in our oversight. We are unfortunately pretty lacking ourselves. We need to sharpen up our oversight. It seems to me that you are going to make it more difficult for us.

Mr. DOMBECK. Well, an important piece of this is the accounting system, and having the general ledger in place that tracks the transactions. This is something in which we have been woefully lacking. Part of it is because of the complexity, and I think Vincette can explain that system.

Ms. GOERL. With the implementation of our new financial system on October 1, we have, really, the foundation for much better accountability that we have had for the last 10 or 15 years, certainly, because we did not have a standard general ledger.

At the same time, we set up a structure in the current year with the current budget structure to ensure that accounting for that down to the unit and such was tracked and had audit trails, which we did not have before. So I can assure you—as a base level, under any new budget, the current budget structure or the future—we are going to have a better accountability with regard to that.

With the new budget structure, we are looking at some of the issues that Mr. Dombeck mentioned with regard to the simplicity of our programs. Many of our programs have moved toward multiple projects with multiple outcomes. The accounting for those, because of the numerous line items, very quickly gets lost in terms of accountability because of the number of transactions. It causes a tremendous amount of work that goes through the system that can easily be confused. Less accountability can come about that even with the simplified structure.

There are a couple of things that come into play that NAPA encouraged us to do. We are implementing—along with a new budget structure and a new financial system—a performance-based, outcome-associated measurement system. We have proposed it in this budget. We need to work on it, but we intend to provide accountability through those outcomes and results measures. Finally, program review and monitoring—which I think we have been woefully inadequate in supporting—is to review what has actually happened as we move through the year. We were not doing that. We did not have the systems. We did not have the structure to go about doing that on a more orderly basis. We fully expect to do that this year—with any new budget structure—should the appropriations committee agree with our request.

Mr. DOMBECK. Senator, I have also asked our Chief Operating Officer to really revitalize our program review function within the Forest Service. I think if you talk to many retirees of the Forest Service, and others, we spend more and more time dealing with tough issues.

As the size of the agency has been reduced now in the nineties, we are spending less and less time on field level program reviews—to actually take a look at that slide on the Highland Scenic Highway and see if it has been taken care of appropriately—or the standards of the Hiawatha Trail—or whatever the project may be—and really bolster that side of it so that we have a connection between the bookkeeping system of the Agency as well as the quality of work that is taking place on the land. The part of monitoring of our many, many programs is also an area that—in the desire to do more projects, there is the tendency to invest less time and energy into the monitoring of those that is very important and then making adjustments as we need to in dealing with situations. It is a multifaceted effort.

Senator BYRD. I am just as concerned about funds intended for on-the-ground operations being diverted for administrative uses in Washington, DC. How would you be able to control spending for administration, when it is combined with the programs?

Mr. DOMBECK. Again, I will ask Vincette, our Chief Financial Officer, who has been the architect of much of this, to provide you with the details.

Senator BYRD. Why can you not provide them?

Mr. DOMBECK. Well, I can, and I will ask Vincette to fill in the details. With regard to the dollars that have gone to the field, some data that I have are that there have been increasing allocations out of the Washington office. Now, let me ask you, is your concern the increase of money at the Washington level?

Senator BYRD. Let me ask you the question again. I do not think it needs an explanation. Congress is concerned about funds intended for on-the-ground operations being diverted for administrative uses in Washington.

How would you be able to control spending for administration when it is combined with the program? What level of accountability can you provide this committee?

Mr. DOMBECK. I think there are two ways we will accomplish that. One is through using the Federal Accounting Standards Board definition of indirect costs, and we have asked for—some changes are occurring now, associated with the General Administration account. The data tells us that about less than 50 percent of the actual indirect costs come from GA. So, therefore, the remainder of that is charged to the individual programs.

The advantage of having the kind of data system that the Chief Financial Officer described—well, that will give us a clearer picture of exactly where the money is going through the system and what it is being used for.

Senator BYRD. Well, Mr. Chairman, I would say I am less than impressed. Perhaps, it is not too important, whether I am impressed or not.

What is your situation? I do not want to overdo my——

Senator GORTON. Well, if you would not mind, I would like to ask a few questions, and then we can come back to you——

Senator BYRD. Move on. Let us do that.

Senator GORTON [continuing]. Particularly since I want to ask one or two on the subject that you have just covered.

Senator BYRD. OK.

Senator GORTON. I will try to simplify it. Obviously, there is an advantage to the Forest Service itself in being able to dramatically reduce this number of categories. Obviously, you will save money and can use it programmatically, if you do not have to go through all of these details, with every minor project, with literally dozens of employees, but Senator Byrd's question is quite an appropriate one.

We, as Members of Congress, have a great deal of interest in how much money you will spend on recreation, timber programs, habitat management, law enforcement. If we give you these three categories only, how in the world are we ever going to know how much money you have spent on recreation?

Mr. DOMBECK. Again, I think if we look at the way a field employee does a job on a typical day or a typical week—of a field employee—that may work on several aspects of a major project—that has influences on vegetation management—something perhaps associated with fuel treatment—has influences or impacts on the fisheries program—on the watershed program—what we are essentially doing is, through the accounting system, asking that unit to go through and charge these various hours or days—with a lot of resolution—that adds tremendous complexity. I think what we are looking for is an outcome-based system where we can take a look at the endpoint of the project.

Senator GORTON. Mike, that does not answer my question, unless what you are saying is, we do not know how much you are spending on recreation now, and we are not going to know it after you change the accounting system. Is that what you are telling me?

Secretary LYONS. Mr. Chairman, I think this is getting infinitely complex. I think the answer is that we would report back to you what we spent in recreation and accomplishments in that regard.

Senator GORTON. OK. Then, Jim, that is good, but is that not going to require you to keep the same kind of time charts on this employee out there who is doing five different kinds of jobs a day as you are doing now?

Secretary LYONS. I am venturing into areas that I do not spend a lot of time on. I think Mike and his staff have invested a lot here.

I would be honest, Mr. Chairman, in telling you that the direction I have gotten from the Secretary is that the Department of Agriculture will have a clean audit at some point in time. The Forest Service is the problem, so fix it, and we are fixing it.

With regard with how we work with you—to share that information—I know Vincette has been spending time in trying to design a system that would allow us—perhaps through project planning, I think that is what NAPA recommended—to add up that information—but try and limit the number of transactions, so we could report outcomes, and tie that back to investments, whether it is for recreation, or whatever categories we agree we are going to add that information up in.

Ms. GOERL. If I might add to the discussion, one of the things that occurs after—obviously, when we develop project plans through the year, then we get very specific about whether it is a recreation project or otherwise. The expectation is that we would be able to, to some extent in the system, track large projects at the

higher levels. We would be able to look at categorizing in such ways that you could come up with those particular investments.

But more importantly, with the performance measures that we have proposed in there, we expect to be able to account for the funds that are associated with delivering those performance measures. The system that we have put in place and that we expect to implement—if you would give us the new budget structure—would be able to look at the investment and be able to track the investment on what the dollars were to accomplish under those measures.

There are 27 of them that we have presented. We have said that we agree with the staff's comments to date. Recreation probably needs to have better performance measures. We expect, in the next 3 to 4 weeks, to be back with you on those measures.

Senator GORTON. Perhaps we have beaten this subject as far as we can in this connection, but you know from Senator Byrd's questions and from mine our deep apprehension about the proposition that we know too little now about how the money we are appropriating is spent. I have a couple of parochial questions on that, matters that we went through just in the course of the last couple of weeks.

I think you must understand, there is a deep distress on the part of members of the subcommittee as to whether or not we will better be able to make those determinations if we give you this broad grant of authority. It has many appealing features, obviously, from the point of view of your accounting.

The question that we have to ask ourselves is, does it have any appealing features, as far as we are concerned in understanding where these billions of dollars that we are appropriating are actually going, and to reach your goal you are going to have to satisfy that connection.

It is safe to say both for me and for Senator Byrd, if you are going to have some of those measures in three or four weeks, that will be in plenty of time, but I think you need to be warned that if you want to get something that is greatly desirable to you, we are going to have to feel comfortable with it, comfortable with the way you account for the money.

Ms. GOERL. Senator, I would be willing to work with you and your staff to do anything that we can to move us forward and to satisfy your concerns.

Secretary LYONS. Senator, I know we would be pleased to sit down with you, and Senator Byrd as well, to walk through these things. I think one thing I want to emphasize, in addition to my comments about the direction I have gotten from the Secretary, is, you know, for years, the handle the subcommittee has had to track performance and how we spent appropriations—where those dollars went—frankly, as a manager, I do not know that that is an adequate handle—because we ought to be concerned about—and I know you have this concern—is the efficiency with which we spend those resources.

Part of what we are trying to do here, in reforming the system, is to come up with a better way to track accomplishments and actually provided incentives to do work, as opposed to simply track dollars by managers. Hopefully, in that regard, the flexibility that will

come with this new system will give managers the incentive to spend more wisely and more efficiently.

Now, if we can design a system that satisfies your needs and the management needs we have described, I think that would be wonderful. We will work as best as we can to try and do that, and to address your concerns.

Mr. DOMBECK. The key that I think we are all interested in is linking the budget process outcome-based performance—and have as simple a budget process as we can have to meet your needs—and to meet our management needs—and link that then to what happens on the land.

Senator GORTON. Well, we all share those goals. What has not been proven to us yet is whether or not this will help us reach those goals.

Senator Byrd, I had an 11:45 meeting that is waiting for me outside now. I think I will defer back to you for a few more questions at least, while I go meet with this group, and you can share the time with Senator Craig, but he has already had a fair amount of questions. So go ahead.

Senator BYRD. I will not be long. Thank you very much. The administration is proposing a $30 million tourism initiative for the Forest Service. Your budget states that the Forest Service intends to focus on 20 priority locations around the country. Do you have a list of these priority locations?

Mr. DOMBECK. The development of that list is occurring now, and we will provide that list to you. There is no current list finalized at this time.

Senator BYRD. Well, how are you able to focus on the number 20 if there is no current list? Do you have any ideas as to where these locations would be? I would be interested in knowing if West Virginia is on that list.

Mr. DOMBECK. Well, the regions have been asked to develop proposals for this within the next few weeks. I can assure you that we will be working with West Virginia, and other States as well, as we focus on those goals.

Senator BYRD. Well, I am going to want to see that list, and I am sure that other senators will also be interested. When do you think you would be able to do that, by what date?

Mr. DOMBECK. Let me ask the staff how far along we are in that. We would assume within a couple of weeks.

Senator BYRD. There is a very real chance that this subcommittee may mark up its fiscal year 2001 appropriations bills as early as late May.

Mr. DOMBECK. We will have it to you before then, Senator.

Senator BYRD. You will. OK.

Mr. DOMBECK. Yes, sir.

Senator BYRD. Very well. The Forest Service is also requesting a $40 million increase for recreation special use permit activities to private companies, allowing them to provide services on Forest Service lands.

This is an increase of more than 25 percent; yet, there is no corresponding increase expected in the number of special use concession permits in 2001.

According to your budget justification, the number of permits issued will actually decline from 23,700 in fiscal year 2000, to 23,000 in fiscal 2001. Why do you need the additional $40 million?

Mr. DOMBECK. Senator, this is a perfect example of the dialogue that we had earlier about the performance measures. What I have done in this area—because of the way the budget was structured—I have asked the deputy chiefs to go back to the drawing board on this one.

As we develop performance measures—the concern that both you and Senator Gorton expressed—this is our first year in that effort. We want to be able to continue to refine them. This is something that we will be refining very shortly and providing the staff here with the information.

Senator BYRD. You are requesting that the Congress eliminate the administrative provision that requires consent of the House and Senate appropriations committees before obligating any funds to close or move any regional office for National Forest System administration.

I understand there is not an agency in this Nation that does not want more latitude when it comes to conducting its affairs. I also understand that control of the purse strings was placed in the legislative branch of the Government by the Founding Fathers for good reason. Thank God for the Supreme Court for knocking down the Line Item Veto Act. Would you please tell us why you want this provision to be deleted?

Mr. DOMBECK. Well, I can assure you that even the modifications within district offices is something that we discussed in detail with the appropriate delegation and the Members of Congress. I would not consider closing a regional office without significant dialogue with Members of Congress. I believe if I tried, I would not get away with it.

Senator BYRD. I am asking the question with respect to the consent that is required, not with: "Members of Congress," and the Senate and House Appropriations Committees. Do you think we are going to go along with that?

Mr. DOMBECK. I would say we do not feel strongly about that request. As I said, we defer to your wisdom, Senator.

Senator BYRD. Well, it is the wisdom of the Forefathers. Let me read it to you: "No money shall be drawn from the treasury but in consequence of appropriations made by law." This is from the ninth section of Article I of the Constitution of the United States of America.

So I just want to be sure, Mr. Chairman, that we do not go along with this idea. As long as I have lungs of brass and can stand on my feet on the Senate floor, I will be opposed to that.

Senator GORTON. Well, we know that that is true, Senator Byrd. You have not lost that ability.

Senator BYRD. Well, you have completely disarmed me. I think I will yield.

Senator GORTON. I want to take up the subject that Senator Craig took up with you I think some considerable time ago. Tell me what the goals are of the Roadless Area Initiative.

Do you plan, before the end of this administration, to put into place, without an act of Congress, a set of rules and regulations

with respect to some 40 million to 60 million acres of our national forest lands that are thereafter essentially irreversible?

Secretary LYONS. Mr. Chairman, as you know, we are going through a rulemaking process. We published a Notice of Intent, and received public comment, a huge volume of public comment. We are in the process of developing a draft EIS and a proposed rule that would be issued in May for public comment.

So our proposal would be—depending on the outcome of the EIS and public response—to finalize a rule that would provide direction for future use or disposition of inventoried roadless areas and perhaps other issues associated with the roadless area debate. That will be a function of what we issue as a draft and the kind of comments we receive. Yes, this is a rulemaking process that is intended to try and deal with this issue.

Senator GORTON. At what time do you plan to issue a final rule?

Secretary LYONS. Hopefully, by the end of the year.

Senator GORTON. Do you think it is wise or appropriate for this administration to issue a final rule on a matter of such profound importance to so many people, or would it not be better public policy to make all of the necessary preparations and allow an administration, whatever administration it is, to be elected in November to make that final decision?

Secretary LYONS. Well, Mr. Chairman, I will offer my personal view, and that is: I was appointed to this position and confirmed by the Senate to do a job. That job does not end until either we leave office or I resign. I think I feel an obligation to follow through with the President's direction to try and bring closure to this issue. As I discussed in my opening statement, this issue has plagued the Forest Service, and the community of interest related to the national forests, for several decades.

I think it is wise to try and bring this issue to closure by going through a process that will involve relevant stakeholders in the public in an open dialogue about an issue that never really has gotten that kind of a national dialogue before. I think that is an appropriate thing to do, to invite the public to participate in that, and to try to bring it to closure, yes.

Senator GORTON. It is your view that this is an appropriate executive function, without the intervention of Congress.

Secretary LYONS. It is fully consistent with our legal authority, that is correct. We are certainly proceeding consistent with NEPA, the Administrative Procedures Act, and all relevant statutes.

Senator GORTON. You use the word "closure," and yet you do know that these matters are matters that are of intense public interest and, to a considerable degree, will be debated between the two candidates for president this fall, but you do not believe that the outcome of that election should affect this process.

Secretary LYONS. I do not see this as a political issue, Senator. I see this as a management issue of some significance that needs to be brought to closure.

Senator GORTON. Well, that is a very interesting definition, but at least your answers are clear.

In doing so, however, you have diverted a massive amount of manpower, and the National Federation of Federal Employees, that represents half of the people who work for you, recently issued a

letter condemning the initiatives as "More massive Washington mandates that are hampering work in the field and inflating the Washington office bureaucracy." I think that was implicit in some of Senator Byrd's questions.

No word of this was given to us when we were making appropriations last year. From what other functions does—is all of the work on this rule making being taken, that otherwise would have been accomplished?

Secretary LYONS. If I could, I would ask the Chief to talk about the specifics, in terms of the funding that has been provided to support this initiative.

Mr. DOMBECK. This is largely a planning effort. It is currently being supported from the Land Management Planning line item. As you know—as we move forward with the realignment request—as we focus on the budget structure—that will also be reflected there.

Senator GORTON. Well, again, I am not sure that that is much of an answer. What is not being done because of this that would otherwise have been done, had the President not come up with this directive after the time at which you submitted, and for that matter, received your budget for the current year?

Mr. DOMBECK. The amount of money that has been spent on the roadless effort, or is estimated for this fiscal year, this current fiscal year, is $8.6 million, headquarters costs. About $1.2 million has been spent at the field level. The estimated cost for 2001 is about $2.1 million. We are looking at this as a planning function.

Senator GORTON. Now, my staff says, how can you tell us that the cost in the field is a little over a million dollars, with the huge number of public hearings that you have boasted about holding in connection with it, and the obvious amount of work that must go on in the field to inform you of what you want to do?

Mr. DOMBECK. Well, this is the information on the money spent thus far that we have received from the regions and the forests, with about 185 public meetings that have been conducted. All but 10 of those have been at the forest level.

Senator GORTON. I am not sure that I can go much further in this, but you see, that answer, which seems so obviously phony, is one of the reasons you have so much difficulty with us in changing an accounting system, to give you even more authority.

It is doubtful that the Forest Service has done anything more important in the last 4 to 6 years, from the point of view of its actual impact, not only on the forest, but of the people who live in the States in which there are national forests, and yet, you have engaged in this entire activity without ever asking for a dime from the Congress in an appropriation with which to carry it out.

That does not instill confidence in members of this committee in the Forest Service or in wanting to grant you a broader authority, even when it seems logical to do so. That is an answer which destroys itself, it seems to me, Mr. Dombeck. It just obviously is not the case, however creatively you account for your money.

Mr. DOMBECK. Well, I might ask either Jim Furnish or Vincette to talk about some details. We will get, with the Foundation Financial Information System, clarity in the transactions, so all of us will know exactly what those transactions were. Then I think the picture that we will have will be much clearer. We may not agree with

that picture, but at least that will give us the information base that is needed to really have the kind of information that we are not getting from our current accounting system.

Mr. FURNISH. Senator, if I could, I would like to address particularly your concerns about the apparently relative low cost associated with the field effort. This is a national issue which is being handled primarily by a national analysis team.

The reason the costs are so low in the field is that, basically, each of our national forests has been asked to do one meeting to date. The costs attributed to conducting one meeting, with no full-time effort, are remarkably low. So even though we have a large number of these, there is not a large aggregate cost associated with these field meetings.

Senator GORTON. Well, about 20 minutes ago, in answer to someone else's questions, we were told that you were constantly discovering new roads that you did not even know were out there in the field, and yet, apparently, national headquarters, for almost nothing, can decide the fate of areas in which there are roads that you do not know about.

There is a certain degree of inconsistency in those answers. I am going to go on to another question, another subject, one with I hope a happier result.

Tell me, either one of you, about the recreation fee demonstration program, how well it is working, how much you are collecting, what kind of critiques you are getting from the public on the ground, and whether or not we are really getting the money spent on the ground, rather than just substituted for money that you would otherwise have spent on exactly the same projects.

Secretary LYONS. I am going to ask somebody to give you the specific numbers, Mr. Chairman. I want to talk, though, about what I think we are getting from Rec Fee Demo.

As you know, I have testified before to the extent to which recreation funding has been inadequate to meet the growing demand—from the standpoint of maintaining facilities and access, improving signage, and public health and safety at certain facilities. I think the Rec Fee Demo Program has afforded us an opportunity to put money back into projects on the ground and in the places in which those fees have been collected. That has certainly helped improve customer satisfaction. It has helped to improve our ability to meet growing recreation demand. I think it has developed a stronger partnership with the recreation community. It is going to be critical, since we provide the resources but, in many respects, do not provide the recreation opportunities that others partner with us do.

In order to evaluate the program—aside from the reviews that have been conducted by GAO, which have been rather favorable to date—we do have a consultant who has been looking at the issues associated with: Rec Fee Demo and some of the particular concerns that have been raised with regard to the public's concern that they are being asked to pay a fee to use public lands that they feel should be open and fairly available. The consultant is particularly looking at ways in which we could improve delivery of services to recreation users in the national forests. That study is underway and we expect some feedback from that later this year.

But, in general, I think the response has been positive. We feel, certainly, from going out and looking at sites, and visiting the accomplishments, that a great deal has been accomplished.

Senator GORTON. What kind of public objections are you getting to it, Mike?

Mr. DOMBECK. The issues that remain to be worked out on this vary in different parts of the country, like interactions with other agencies.

For example, if somebody is on a vacation, they might visit a national park, a national forest, Bureau of Land Management lands, or a national wildlife refuge. I do not think we want to evolve into a system where they have to get four different pieces of paper, or stop at four different places to do something. I think that is an important issue to address.

Another one, I think, is the interaction of local publics and someone who is on vacation. I am one who grew up in the national forests. When we went out in the woods, we were out in the national forest. So it is those kinds of issues that need to be determined, the equity in the fees from one unit to another.

There are examples of where it is working well. In the Pacific Northwest, we are working through some issues with the Park Service now, as you know. In Southern California, we are looking at a system where the four national forests have a pass that seems to be generating quite a bit of money. So we have some bugs to work out of the system, but I think that is the purpose of a pilot.

I can give you some examples of some things that are happening on the ground. As a result of a Fee Demo Project on the White Mountain National Forest, for example, that generated about $785,000, and what was done with that money—two new public toilet facilities—we hired 39 seasonal employees to perform maintenance on the facilities, and improve the facilities.

We initiated some community partnerships to the tune of over $100,000 to deal with projects like a bridge replacement, turn outs on scenic highways, snowmobile trail repairs, a variety of things like that. The neat thing about this program—and we have been judicious about—that money is returned to that site for work on the land.

Senator GORTON. That is, of course, I think absolutely key to it. But how much money total? Do you have that answer?

Mr. FURNISH. We are generating about $28 million annually. We ramped up initially from figures in the low teens, and we are at about that $28 million to $30 million figure.

I wanted to add, Senator, that at least our survey data shows that we probably have 10 percent of the, quote, "paying public," who are unalterably, philosophically, adamantly opposed to any institution of fees under any circumstance.

Most of our survey data, though—that shows from meeting customers on the ground—is that the vast majority are supportive of fees, provided that they see evidence of those fees at work for their recreational use.

Senator GORTON. We hear some from the 90 percent. We hear a lot from the 10 percent.

Secretary LYONS. Senator, if I could just make one point. I know we are aware of the Northwest Forest pass that was issued in

March. That was in direct response to concerns that were raised by the public about the need for paying multiple fees. We are trying to fix these problems as we go along.

This is a new and very entrepreneurial way of doing business for us. Our managers are learning as they go. We have hired some consultants to help us through this.

One issue that has come up is trying to cooperate or collaborate with the Park Service. I know you have an interest in the Park Service as well, given the important parks there. I think we would appreciate your encouragement to the agencies in trying to work out any differences that exist. I think we owe it to the public to make it simple for them to pay their fees, to get access, and to ensure that they are going to get good service, and a high-quality experience, whether they are on national park or national forest system lands.

Senator GORTON. Mike, one parochial question. Do I have your commitment that the Mount St. Helen's visitor center will remain open at its historic staffing levels through the end of the fiscal year?

Mr. DOMBECK. I do not know what the staffing levels were, but, yes, we are going to keep it open. As I mentioned to you, we are working with the local community and the series of the five visitors' centers—all the way from Silver Lake to Johnson Ridge—to really take a look at how they complement one another and the role that each can play—and then asking, at least on the part of the Forest Service, that we have business plans for the operation of those. Then, as we take a look at Silver Lake—the one that has been at issue this year, that you and I visited about last week—that we really take a look to see what options there are for partnerships, for, perhaps, concessionaires, or others. What we have there is, we have a Forest Service facility on State lands. So what kinds of partnerships can increase the efficiency and make sure that, of the five centers, that they all complement one another?

Senator GORTON. I certainly got gratifyingly prompt action on my request, and I appreciate that. I suspect the fact that I have this gavel had something to do with how promptly it took place, but I want to ask whether or not there are other places in the country where the same kind of thing has happened.

Have you closed down other visitor centers elsewhere, where the local reaction will be as negative as it was near Mount St. Helen's?

Mr. DOMBECK. Not that I am aware of. I might ask Jim Furnish. I was at, for example, Seneca Rocks, in Cranberry Mountain, on the Monongahela, just a couple of weeks ago. I think the thing that pleased me there was that I got briefed by the staff on other ways—for example, authorities that we might need to explore to utilize the Monongahela Institute, for example, in helping through partnerships, keep those centers open longer hours, better services to the public that come there—in ways that we utilize everything, from volunteers, to profits realized from partners that do business there.

Mr. FURNISH. I would like to add that the Forest Service has a large number of these interpretative sites throughout the United States. Having been a manager of those myself, I would safely predict that there is not a manager alive today that is not struggling

mightily to cobble together the resources to keep those operating at good efficiency every year.

At the Cape Perpetual Visitor Center that I managed on the Oregon Coast, we could not keep the facility open year-round. We had to regulate it and keep it open during peak seasons, peak holidays, during the wintertime, and during whale watching, and that type of thing. It would have been my dream to have the facility open 365 days a year. It was simply impossible.

I think that is why you see the funding requests that the agency is making, to try and improve our recreation capacity through increased funding. Even though we are trying to maintain a fairly flat budget, this is an area of importance that we think the public has spoken loud and clear about. Recreation on public lands is important. We are trying to enhance our posture.

Senator GORTON. OK. I want to thank you for being here, even in connection with explaining some of our differences and some of our frustrations. You now know, at least in connection with your major requests, what you have to do in order to have any chances of succeeding.

I know that Senator Craig has a few more questions, and it may very well that Senator Byrd does. I have another engagement.

And, Senator Craig, you have the gavel again, but I hope you will take the time you need and allow Senator Byrd that he needs to finish any questions that you have.

Senator CRAIG [presiding]. Mr. Chairman, thank you very much.

I have one additional question, and then some others that I will probably submit for the record. Jim, I do not mean us to sound like a broken record today, but clearly I am growing increasingly curious of what you have presented to us this morning in relation to the letter now that you have proposed to the governors as to how you might associate them with this rulemaking process you are under.

How do you view, as an agency, the CEQ July 28th guidance as a part of your responsibility in fulfilling that?

Secretary LYONS. You are talking about the specific guidance with regard to the cooperating agencies.

Senator CRAIG. That is the July 28, 1999, guidance. Yes.

Secretary LYONS. Well, as with all directives from the Executive, we do our best to comply and——

Senator CRAIG. In a legal way, Jim, if you found yourself in a lawsuit and alleged to be in violation of NEPA, and it became apparent that you had ignored or denied the guidance directive, would that not weaken your case?

Secretary LYONS. Oh, I would not speculate on the legal arguments, Senator.

Senator CRAIG. I do not think any of us would. I think that, clearly, a question would come up then, why, and you understand the legal guidance.

You probably understand it better than I do, but it is very clear, when it says: "No later than the scoping process, to identify States and other agencies to become cooperators, and to routinely solicit cooperating agencies."

Now, at our February 22 hearing, long after the close of your scoping process, you told us that cooperating agency status was in-

appropriate, due to the national scope of the rulemaking, and at an earlier March meeting, you mentioned, and your Deputy Chief here, Jim Furnish, that the State's role was no different than the timber industry's role in the rulemaking. Subsequently, the governors wrote the letter you mentioned, and now seven governors have asked for cooperating agency status.

Today, you have given us another story, that is when we will give the States what I think you call a functional equivalent of the status. It sounds to me like a backfilling to cover the NEPA problem that we exposed you had found yourself in, and I think it is very important that I say it just exactly that way.

It is very difficult for me to understand why you do this when this is a national rulemaking. I think that is the conflict you are going to find yourselves in, and probably in court.

You have the obligation to do it at a scope to meet the responsibility of the effort, that is the whole intent, and you are basically trying to redefine the effort; although, you have just told us you cannot do it, because it is national in scope.

You have inherently put yourself in a major conflict, in my opinion. Now, I know a little bit about the law, and I try to work with it on a regular basis. Explain to me where I am wrong.

Secretary LYONS. Senator, first of all, I would not agree with the characterization that you offered.

Senator CRAIG. I did not expect you would, but tell me where I might be wrong here.

Secretary LYONS. Well, we are aware of the guidance that we have, not legal requirement, but guidance we have under NEPA to deal with these issues of cooperators, and trying to facilitate the process.

I think the key is—if granting cooperating status would facilitate the process, that is one thing. But in this instance, we are trying to come up with a mechanism that is going to facilitate a dialogue between the States and ourselves, and other entities—since, as you point out, seven States have an interest in this status—while ensuring that it does not—given the broad degree of interests and the extent to which other entities might want to participate as cooperators—that it does not, in fact, hamper the process.

We are very supportive of a collaborative effort, very interested in sharing information with the States, and receiving information from the States, and in working with the entities that represent them, such as WGA. That was the vein in which George Frampton, and Mike, and I met with several of the Western Governors. It is in that vein that we presented them with a proposal to engage in a dialogue with us in a number of ways that we have outlined in the letter that we have made a part of the record.

So we think we are operating consistent with the guidance we have, and in a manner that hopefully will encourage collaboration and facilitate this rulemaking.

Senator CRAIG. Well, I was just reminded to go back and look at the RARE II process and the way the courts treated it. They threw a hell of a lot of it out for the very reason that I think you found yourselves in the problem you are in today.

Secretary LYONS. Well, I think this is very different than the RARE II process.

Senator CRAIG. I think there is clear precedent here that you cannot argue your way out of. I am not a lawyer, and we will cease here. You have obviously established your position for the record, and I think that is important, but when you are dealing with a national scope, you have a certain responsibility, and that is clear, and the courts have argued that. You can deal with this on a State-by-State basis, and a forest-by-forest basis, and that is a different story.

Let me ask one other question, and then I will move on. I know Senator Byrd has others. I am, like the Senators who just expressed themselves, the chairman our ranking member, tremendously frustrated over where we are with budgets, and staff, and how we develop a level of accountability, and I remember, Chief, you coming here and talking about the Forest Service comparable to a Fortune 500 company, and you were working, striving to get us to a level of accountability so that we could objectively review what you were doing, and you could objectively review what your people were doing, and you could make this agency function better.

I have also looked at your budget as it relates to the size of the Washington office and its growth, and the argument of why you need that, and I understand that the Washington office has distributed the final advice out to the regions only last week. That means that the forests will be lucky to get their budgets by April Fool's Day.

Now, what is the point here? The process that takes until our cherry blossoms bloom here, or 5 months into a fiscal cycle, can only lead to phenomenal inefficiencies out on the ground, as it relates to the management of our forests, and I say that because you are going to have people, instead of having done their work and being ready when the snow melts, they are still going to be bound up and trying to figure out if they can do a project based on the money that will or will not be available.

And I must tell you, I have had some supervisors say, "We do not know. We are just going to go ahead, because we cannot spend all of our time inside, simply because the directives coming down are so late to truly understand where we are." Why is that happening now, at this point, or am I misinformed?

Mr. DOMBECK. The program and budget advice that goes out early in the fiscal year basically looks at the House and Senate marks—and within the bounds of where we think the appropriation will come out—and the field has that information.

I think some of the instances that you are referring to really focus on the fine-tuning of some of those appropriations, then, that are made as the process is finalized. I really do not see this—it may be a concern on a few specific projects, but for the most part, they know within the limits of what they have to deal with.

Senator CRAIG. And that is enough to proceed with projects already generally planned.

Mr. DOMBECK. For the most part, because they have the remainder of the fiscal year to go ahead and complete—and move forward with those. Essentially, we know what the earmarks are, if we have some, and focus on that. But I certainly agree, it is imperative to get a final budget out as quickly as possible. It is important.

Let me ask Vincette, who manages the system, to——

Ms. GOERL. One of the things I want to add is that we are changing this next year's process to get it out sooner. We did have an advice out on October 1, based on the lower of the Senate and the House recommendations at that point, so that people could—and they prepared their budget before that time. We sent them guidance out at that time: What the report language is, what the marks were. We did not have a bill until late November that was final, so that we could do the final PBA.

I think we call it the initial PBA, but it is not until we have a final bill that we then go back and make the adjustments for——

Senator CRAIG. The final advice did not go out last week?

Ms. GOERL. The final advice went out March—a couple of weeks ago, that incorporated—including—we did not get guidance on the across-the-board 0.38 percent cut until the end of December, from OMB, and so we had to go back and make some final adjustments on that.

Senator CRAIG. December, January, February, late March, mid-March——

Ms. GOERL. The first of March.

Senator CRAIG. The first of March. OK.

Ms. GOERL. In addition to that, we are looking to change the process. Again, because I think we always need to improve upon that, and to get our information out more quickly. With our new financial system, I think that will be much easier to do.

Senator CRAIG. I hope that is the result of it. I sense confusion in the field. One last question relates to the size of your national commitments that you displayed in this budget. Do you really need $83.5 million, and I will say it this way, cream off the top of a budget, and dribbled out to the forests that have already received their budgets?

It seems to me that managing all those little and not-so-little pots of money in the Washington office just add to your overhead costs. Would it not be easier just to give it to the forests and through their regular budgets?

Ms. GOERL. In many cases, I think one of the things that leads to confusion to many people is what is called Washington Office Budget.

In the last 3 years, about 73 percent, on average, went to the field, of that amount. It includes many of our nationwide programs—not just including the national commitments—but like our fire center and our Missoula Technology and Development Center, and other nationwide activities that we choose to account for centrally, that provide services across the country.

It also includes all of our basic infrastructure costs for our IBM architecture, our computer facilities. So a lot of the things that we find better—not only for accounting, but for management—that are included in one place—but do benefit the field, are included in the Washington Office budget, in that 75 percent of that Washington Office figure.

In fact, with the new financial system, we consolidated some rent charges. We were creating additional kinds of transactions by sending out the allocation for it, and then billing centrally, and having to do additional transactions for that.

So part of what we are trying to do in that particular area are national activities that provide benefits across the field that we are managing, in an accounting sense, centrally. The benefits go to the field. Then I believe, second, that as we are moving forward, I think you are going to find—as we are finding in some of our activities—that we can more efficiently reduce costs by providing some of those services centrally in the future. We are working through that, not only in the financial area, but in the human resources area. The fire area is one example where that has been in place for a number of years.

Senator CRAIG. Well, I am sitting here trying to develop an analysis. If Congress dribbled its money out to you the way it appears you are doing that to the regions, and in some instances—or to the regional forest offices—I mean we establish budgets and priorities within those budgets, and hand them over to you to execute, I cannot understand why you cannot earmark priorities within a budget, allow your regional foresters to run with them, instead of basically—I use the word dribble out, because that appears to be what is going on at this moment.

$83 million is a significant amount of money, unless I am misinterpreting it. Anyway, we will watch it. We are very anxious for your agency to become more efficient in justifying the way it proceeds with the monies that the taxpayers provide.

One last comment, as it relates to fees. I guess the way to say it is, I am less an advocate or a fan today of the fee demonstration projects than I was before. I have worked awfully hard at trying to justify them with my constituency, while consistently getting beat over the head.

I am trying to explain why an agency that was once in the black is now in the red, and we are trying to find new revenue sources for it, because of changes of priorities and attitudes in our country.

When someone from out of State either violates or is fined, or a failure to adhere, and the Justice Department says it is not worth pursuing, people in my State say, well then, why should we in-Staters be so royal to the rule, or loyal to the law, or loyal to the process. These are national forests.

In my State, I believe the lady was from Oregon, a precedent was established, sometimes they just are not worth chasing. That is why oftentimes States that administer traffic laws do not allow folks from out of State to escape without paying. They collect the fee at the point, or the fine at the point.

That really roughed up the feathers of the folks of Idaho. If you are a loyal citizen in State, you pay the fee; if you are out of State, you do not necessarily have to, or at least the Forest Service will not do due diligence in pursuing it. I only use that as an example.

That makes my job in trying to support what you are doing increasingly more difficult, and that happened this past year in the State, to a point where I have basically said to my constituents, I am probably going to have to not be an advocate of this fee demonstration project any longer. I will have to become one of its opponents.

Anyway, let me turn it back to you, Senator Byrd.

Senator BYRD [presiding]. Thank you. I will not be long.

I want to speak with you about the Wood Education Resource Center. The Forest Service is proposing to establish a distance learning center, a national center for collaborative decisionmaking at the Wood Education and Resource Center, in Princeton; not Princeton, NJ, but Princeton, WV.

Please tell the committee what these two centers are, and what benefits you expect to derive from them.

Mr. DOMBECK. The distance-learning component of the Wood Education and Resource Center is a partnership with the West Virginia Army National Guard to utilize some of their communications, to reduce costs, to provide communications and technologies across the State, I think, in a more cost-effective way, hopefully, delivering more services to individuals at a cheaper cost, and pulling in more partnerships within the State.

Senator BYRD. How much does the Forest Service expect to spend to establish the centers, and how much will be required on an annual basis to keep them operating?

Mr. DOMBECK. Let me ask Janice McDougal, who manages these, to give you the details.

Senator BYRD. Very well.

Ms. MCDOUGAL. I do not have the dollar figures on that particular thing, but I think that it is within the budget of the Northeastern Area Office. It is an electronic training opportunity for people in the industry. We think the costs for delivering those services will be minimal.

Senator BYRD. Well, can you not give us some estimate of the——

Mr. DOMBECK. The estimate, Senator, is $2.5 million.

Senator BYRD. That is what you expect to spend to establish the centers?

Mr. DOMBECK. No. That is the cost of operation of the entire center.

Senator BYRD. The annual cost.

Mr. DOMBECK. Yes.

Senator BYRD. The annual cost.

Ms. GOERL. Yes.

Mr. DOMBECK. Yes.

Senator BYRD. Now, what about the costs you expect to spend to establish the centers. You surely must have some idea.

Ms. GOERL. I am not sure I understand your question. It is part of the—at least, the collaboration effort is part of the Wood and Education Resource Center.

Mr. DOMBECK. Senator, it is established as part of the ongoing efforts at Princeton. The Distance-Learning Center has been part of the effort that is moving forward, as I understand it.

Senator BYRD. Are you going to establish one or two centers?

Ms. GOERL. One.

Senator BYRD. How much do you expect to spend to establish that one?

Mr. DOMBECK. I think we are not looking at a new physical facility or physical plant. I think what we are doing is—this could appropriately be described as a program, a cooperative program within the existing center, with partnership with the West Virginia National Guard.

Senator BYRD. OK. The Forest Service is also proposing a new research effort called Bio-based Products Bio-Energy, made up of two programs, one of which is called Small-Diameter Trees and Low-Valued Sources Research. This proposal merits serious consideration, because it would lead to better forest health, provide new jobs in the forest communities, and help reduce the risk of fire.

In explaining this particular project, the budget justification does not say where the research will be conducted.

As you may know, the Forest Sciences Research Center in Princeton, WV, has conducted product and market development for small-diameter tree products in the past, and remains equipped to resume this function. Based on its past experience, do you not think the Princeton lab would be a good location for this research program to be placed?

Mr. DOMBECK. Yes. I think the current plan is that about $100,000 will go to Princeton that will focus on the hardwood components of that. Other funding would go to collaborative efforts around the country that deal with softwoods and others, places like the Forest Products lab. Robert Lewis can give you more details on that, if you wish.

Mr. LEWIS. Yes. Thank you, Senator Byrd. We do plan to add $100,000 to the Princeton, WV, research. The work that we do at Princeton is based on the small-diameter hardwood. We have been experts in developing technology for small mill owners, and for processing small, undeveloped products into higher-value products.

But this particular initiative, building on the small-diameter valued material, will be much broader than that. We also have major problems in the conifer forests. We will deal with the forest health problems, where we have stands that are too dense. The Forest Products Laboratory, in Madison, WI, will be one of the key players in that particular research. They will collaborate with Princeton in this overall effort.

Senator BYRD. Very well. With respect to the Monongahela National Forest, especially the radio system, as you are aware, Chief, the forest-wide radio system at the Monongahela National Forest is inadequate. I touched upon that in my earlier statement.

The current low-band system is obsolete, unreliable, and requires high maintenance. Furthermore, many parts of the Monongahela are in radio dead spots.

This situation presents a serious safety issue for the Forest Service employees who may be required to travel to remote areas by themselves, and also for the public.

Since Forest Service personnel may not be able to communicate effectively in emergency situations, last year the Congress appropriated $250,000 for the first phase of a two-phase project aimed at upgrading the Monongahela's radio system.

This year, the budget for the Forest Service did not contain the final installment of $250,000. Has this item been overlooked by the Forest Service?

Mr. DOMBECK. No, it has not been overlooked. In fact, when I was on the Monongahela just a couple of weeks ago, I was briefed by Forest Supervisor Chuck Myers—who is here—and the staff about these concerns. I can assure you that the $250,000 to complete that is in the budget.

It is a concern on the part of the employees—and all employee safety things and public safety things. We have to take that very seriously, and I give that a high priority. I appreciate your support and concern over that issue. I know the employees do as well.

Senator BYRD. I am looking at a sheet from the fiscal year 2001 budget justification, and I see a zero down here under the congressional earmarks table labeled, "Preparedness, Monongahela National Forest, West Virginia. Acquire forest-wide high-band radio system, zero."

Mr. DOMBECK. That is an error, and it has already been corrected.

Senator BYRD. OK. Thank you. It will not come out of the Monongahela's base operating budget, will it?

Mr. DOMBECK. I believe not.

Senator BYRD. Will you provide the committee with a letter that states that the $250,000 will be provided? If it is on the basis of an error, you might want to state that the funding will not come out of the Monongahela's base operating budget.

Mr. DOMBECK. I will be happy to do that, Senator.

Senator BYRD. Very well. Well, I want to thank you, Chief Dombeck, for all your assistance today, and also, Secretary Lyons, and for all of your staff, and the people who work in the Forest Service. We are very proud of the Forest Service down in West Virginia.

Well, thank you. I thank all of you. Continue in your work, and we will meet again.

Mr. DOMBECK. Thank you, Senator.

Secretary LYONS. Thank you, Senator.

Senator BYRD. Can I have the gavel? Can we get a picture?

ADDITIONAL COMMITTEE QUESTIONS

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

The Forest Service claims that its budget restructuring proposal is based on the recommendations from the National Academy of Public Administration (NAPA). However, aside from the recommendation for a simplified budget structure, NAPA stated that Forest Service accountability also depends on developing ways to allocate funds to the field based on agency priorities and better links between annual performance and the agency's strategic goals and objectives.

Question. How are these important recommendations being implemented by the Forest Service?

Answer. The Forest Service agrees with NAPA recommendations that accountability is much more than a simplified budget structure. A whole series of integrated actions have been completed or are underway that will improve agency accountability by developing an integrated planning and budget process that is linked to land health performance measures. These performance measures will provide internal and external accountability for agency performance in restoring and maintaining land health and also for providing public services and benefits as detailed in the Natural Resource Agenda.

We have established a field-based team to develop a revised funding allocation and decision feedback process that is based upon national priorities, program analysis and the agency's strategic plan. It is our intention to pilot this new process for developing agency-wide funding requirements and allocating budget obligation au-

thority in fiscal year 2001. Based upon the outcome of the pilot, agency-wide implementation of this new process will occur in the following fiscal year.

The agency has also developed an integrated set of Land Health and Service to People performance measures that link to mission-orientated outcomes and financial information. It is these performance measures that were used to justify the fiscal year 2001 budget—utilizing the simplified budget structure.

The format for the fiscal year 2001 budget justifications was completely revised to reflect both the simplified budget structure and the presentation of a performance-based budget. The agency has proposed 47 performance measures that are linked to the draft Strategic Plan (2000 Revision) to justify its budget. Rather than evaluate our budget simply on the money we spend, for the first time Congress will be able to appropriate the agency's funding based on its performance.

In November of 1999, the Forest Service published its draft Strategic Plan (2000 revision) for internal and external comment. The revised plan: (1) is the keystone in the agency's management system; (2) provides the context and purpose for near-term actions; and (3) is the agency's focus for long-term land health and public service outcomes. The revised plan shifts agency management away from "inputs, outputs and process" to "outcomes" on the landscape The final plan is expected to be released in September of 2000.

Question. Why should the Committee go forward with the agency's budget restructuring proposal until we have a concrete plan from you in these areas as well?

Answer. On December 22, 1999, the Secretary of Agriculture sent a letter to Congressman Regula outlining all of the action items, with completion dates, that the USDA Forest Service plans to undertake relative to each recommendation contained in the NAPA report. Specific dates relative to your area of questioning are included in the answer to your previous question.

Question. The GAO has criticized many of the Forest Service's performance measures as confusing quantity with quality. Does the agency agree with this assessment?

Answer. The performance measures in the fiscal year 2001 Budget Justification can be placed in these categories as follows:

Category	*No. of measures*
Workload	33
Quality of Work	7
Changed conditions on the ground	.....
Public Use & Satisfaction	9
Total	49

Question. Is the agency working on improvements to its performance measures?

Answer. Yes, annual performance measures will be evaluated to determine if they relate directly to the objectives and long-term measures in the revised strategic plan. We will incorporate new measures that reflect quality and priority factors related to Land Health and Service To People into our planning and budgeting processes. To the extent possible, annual measures will reflect movement towards the end-results or outcomes identified in the revised strategic plan.

Development of a draft revision of the agency's strategic plan has resulted in the refinement of long-term outcome measures and the identification of milestones for achieving objectives. The agency used this information to identify a set of annual measures that link directly to the budget as well as tier more closely to the agency's strategic goals and objectives.

We recognize that additional work is needed in some areas. In particular, the agency will be making a concerted effort to identify the next generation of annual land health performance measures that reflect the quality and priority of treatments linked directly to conditions on the ground. These measures should replace many of the existing measures that merely count how much of certain types of work are accomplished. The agency will begin integrating these measures into its annual performance plans and budget documents beginning with fiscal year 2002. As a result, we would expect a continued evolution of performance measures that would not only tier to strategic goals and objectives, but would also justify funding requests in the agency's current or any proposed budget structures.

Question. When will new measures be available for the Congress and the public to review?

Answer. The Forest Service plans to implement improved performance measures with the fiscal year 2002 budget justification. These measures will closely link the Strategic Plan, Annual Performance Plan, and the on-the-ground program of work.

Question. With budget restructuring the Forest Service is promising greater accountability in exchange for increased flexibility with respect to how money is spent.

It is unclear to the Committee that this is the case. For example, the Forest Service missed the Congressionally directed timber offer level to be accomplished with timber sales management dollars by over 1.3 billion board feet last year. That's roughly one-third of the targeted volume. The agency proposes eliminating the timber sales budget line item for timber in fiscal year 2001. Since eliminating this line item will mean the Congress won't know what the agency is spending on this activity, wouldn't budget restructuring give the Congress even less certainty over whether the agency will accomplish the timber target?

Answer. The Forest Service will continue its timber sale reporting quarterly as it does now, which should provide the Congress the information it requires in regard to how we are progressing toward meeting the timber target.

Question. How will eliminating other line items in your budget lead to greater accountability?

Answer. The format for the fiscal year 2001 Budget Justification was completely revised to reflect both the simplified budget structure and the presentation of a performance-based budget. Rather than evaluate our budget simply on the money we spend, for the first time the Agency proposed that Congress appropriate funding based on performance.

The Forest Service's current budget structure contributes heavily to the agency's fiscal disarray. Much of the trouble comes from the numerous and overlapping budget line items that the agency must treat as an appropriation goal. For example, currently, there are about 23 funding sources (including forest health, timber sales management, timber salvage sales, wildlife management, hazardous fuels reductions, timber stand improvement, etc.) that could be used to restore or protect a forested ecosystem. Most individual's salaries, even when performing a single task, are funded from multiple accounts. 12 of the 23 potential funding sources for forested ecosystems also fund one or more objective, making it hard to determine the effects of different funding sources on outcomes. In general, most Forest Service activities overlap over multiple funding sources.

As an outcome of the NAPA report, and many, many other audits/reviews highly critical of accountability within the Forest Service, the Agency presented the fiscal year 2001 budget request in a format that supports a performance-based approach. The major changes in the budget are that the budget structure for the National Forest System has been simplified, reducing the budget and expanded budget line items from 33 to 3, and an integrated set of performance measures has been developed that link mission-orientated outcomes and financial information. These will:

—Focus debate on outputs and outcomes rather than budget line items;
—Reflect the nature of the real work being done by the Forest Service (ecosystem and multiple-use management), allowing the field staff to avoid artificially categorizing a task to match budget line items;
—Improve linkage of forest plans to the budget with the development of effective program analysis capability;
—Provide increased accountability in Agency program delivery;
—Simplify Agency accounting, allowing more field staff to do mission related work rather than accounting work; and
—Support of the goal of achieving a clean opinion for the Agency's financial books by dramatically simplifying the budget structure.

Question. Under your new budget structure how will the Congress be able to tell how much the agency is spending on recreation, habitat management, timber, or other various programs that are important to Congress and to its constituents?

Answer. In order to provide information relevant to the performance elements, the Forest Service plans to retain financial reporting to the program component level through the use of program codes. However, as discussed above, it is important to keep in mind that a major reason that we have proposed the new budget structure is to allow for the integrated management of forest resources.

Question. If the Forest Service is going to continue to track this information anyway then what is the point of reducing line items?

Answer. See answer to the previous question.

Question. Many groups, over time, have come to measure their satisfaction with the Forest Service budget based upon how much funding is included in the budget line-items associated with the programs they care about. How will the agency satisfy these various group's concerns about budget restructuring?

Answer. Our objective is appropriate outcomes on the land. The real interest of the group is best served by focusing our energy on results not inputs.

Question. Did the agency work with any outside groups in the creation of its performance measures? If not, why not?

Answer. No. The agency worked through a team comprised of senior Washington Office and field representatives to develop the performance measures proposed in

the fiscal year 2001 budget. The knowledge base and expertise of its own core of employees was deemed the best way to determine what performance measures best reflect the goals and work of the agency. There are no doubt areas that need improvement, and as we work to improve our measures, we may consider outside consultations if necessary.

Question. In 1987, and in 1995, the Forest Service promised to improve its performance accountability in exchange for a simplified budget structure. The Appropriations Committees provided this authority to the agency. The GAO recently testified that in both of these instances a simplified budget structure did not lead to improvements in performance or financial reporting. Why would a simplified budget structure would be any different this time?

Answer. The budget structure changes in 1987 and 1995 did not go far enough in simplifying the Forest Service budget structure. Many complex issues still remained. In regard to the question of why a simplified structure be different this time, the format for the fiscal year 2001 Budget Justification was completely revised to reflect both the simplified budget structure and the presentation of a performance-based budget. Rather than evaluate our budget simply on the money we spend, for the first time the Agency proposed that Congress appropriate funding based on performance.

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—Simplify Agency accounting, allowing more field staff to do mission related work rather than accounting work; and
—Support of the goal of achieving a clean opinion for the Agency's financial books by dramatically simplifying the budget structure.

Question. Some Congressional members have proposed that the Appropriations Committee should not approve your budget restructuring proposal in the fiscal year 2001 budget. Instead, they recommend that the Committee direct the agency to: (1) publish the proposal in the Federal Register; (2) solicit public comments on it; (3) meet with affected groups to discuss it, particularly the specific performance measures; (4) refine it in response to these comments; and (5) repropose it in the fiscal year 2002 budget request. Why, if at all, would this be a bad approach?

Answer. While this might not be a bad approach given an ideal budgeting environment, the reality of the situation is that going through all of the steps outlined above would be a costly and lengthy undertaking. The budget process for fiscal year 2002 is already underway. We simply do not have time to both develop a budget through all the necessary steps, as well as implement all the suggestions above. The budget must first be submitted to USDA, and the decisions they make on our agency request cannot simply be changed in midstream. The same applies to OMB. In addition, until the President's Budget is submitted on the first Tuesday in February, the supplemental information we provide in our budget justification is treated as privileged information within the Administration.

SURVEY/MANAGE

Many promises were made to the people of the Pacific Northwest by the Administration under the President's Northwest Forest Plan. Last year, because of a provision in the Forest Plan that the agency did not comply with related to the counting of individual members of various species like fungi and mollusks, a majority of the timber sales under the plan were enjoined or held up administratively for fear that they would violate the Court's injunction.

Question. What is the agency doing to fix this problem?

Answer. In August of 1999 District Court Judge William Dwyer ruled against the Forest Service's and Bureau of Land Management's implementation of survey requirements for little known species, as described in the Record of Decision (ROD) for the Northwest Forest Plan (NWFP). At the same time, the Judge supported the agencies' adaptive management approach in responding to new information as it becomes available. In order to clarify some of the management direction in the NWFP related to survey and manage species, and to address Judge Dwyer's decision, the Forest Service and Bureau of Land Management are in the process of amending the ROD with a narrowly focused Supplemental Environmental Impact Statement (SEIS).

As the agencies have implemented these surveys for the 400 survey and manage species named in the ROD, and as other information has become available, it has become apparent that some species are more abundant that previously believed, or for other reasons do not warrant continued coverage under the survey and manage measures. For others, survey and manage categories need to be refined, direction clarified, or processes need to be established for responding to new information more rapidly. To deal with those concerns the Draft Supplemental Environmental Impact Statement (DSEIS) that would amend the NWFP survey and manage provisions examines a "No Action" (current direction) alternative and three action alternatives. The action alternatives are similar in that they all refine categories for survey and manage species based on relative rarity, survey practicality, and level of knowledge about the species. They also all drop 63 species from survey and manage requirements. The alternatives rely on strategic surveys to answer specific questions about the needs of the remaining species. The three action alternatives vary in the number of species for which surveys would be required prior to ground disturbing activities. Two of the three action alternatives would require fewer species be surveyed compared to the "No Action" alternative, while the third action alternative differs from the others by combining more than one category of surveys such that the total number of required surveys would increase. A final decision on a selected alternative is expected this summer.

In fiscal year 2000 the Forest Service has allocated $2.4 million to accomplish strategic surveys. Those surveys are the first year of a multi-year project that will lay the foundations for future decisions relative to the management of rare and uncommon species across the landscape in the NWFP area. In fiscal year 2001 the Forest Service has requested $7.1 million for survey and manage extensive surveys. The fiscal year 2001 program is intended to accomplish about 10 percent of the total strategic survey program under the DEIS alternatives.

In addition to the extensive survey strategy, the agencies have put high priority on finishing pre-disturbance surveys on timber sales that were already awarded, but enjoined, and other timber sales that were delayed. The plan is for those surveys to be completed as soon as possible given the seasonal timing requirements of the surveys. Any additional, necessary rework of projects is also planned to start right after the surveys are finished. The Forest Service is funding this effort with the $7 million Congress provided as part of the fiscal year 2000 appropriation, plus existing program funds and carryover funds.

Question. What level of timber will the agency offer in fiscal year 2000 and fiscal year 2001?

Answer. The Forest Service has proposed to offer 3.6 billion board feet of timber in fiscal year 2000 and 3.0 billion board feet in fiscal year 2001. The fiscal year 2001 estimate has been reduced from the 3.2 billion board feet shown in the President's Budget because of the Administration's requirement to provide $10 million in timber sales management funds to cover survey and manage needs under the President's Plan for the Pacific Northwest.

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million Congress provided as part of the fiscal year 2000 appropriation, plus existing program funds and carryover funds.

Question. How much is it going to cost for the agency to comply with the onerous survey requirements of the Northwest Forest Plan in fiscal year 2000 and in fiscal year 2001?

Answer. In fiscal year 2000 the Forest Service has allocated $2.4 million to accomplish strategic surveys. Those surveys are the first year of a multi-year project that will lay the foundations for future decisions relative to the management of rare and uncommon species across the landscape in the NWFP area. In fiscal year 2001 the Forest Service has requested $7.1 million for survey and manage extensive surveys. The fiscal year 2001 program is intended to accomplish about 10 percent of the total strategic survey program under the DEIS alternatives.

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Question. What line items will be assessed to pay for these costs?

Answer. We anticipate that each of our three proposed budget line items (BLI) in the National Forest System appropriation would bear some costs associated with survey and manage activities. In addition, the Operations BLI (for hazardous fuels projects) in the Wildland Fire Management appropriation and each of the BLIs within the proposed Infrastructure appropriation would have survey and manage project related costs.

Question. What has happened in the wake of last year's *Sierra Club* v. *Martin* decision that held that the Forest Service had to count individual members of species pursuant to its viability regulations as opposed to monitoring their habitat?

Answer. The *Sierra Club* v. *Martin* decision did not hold that the Forest Service had to count individual members of species. Rather, the ruling in Sierra Club v. Martin, issued by the Eleventh Circuit Court of Appeals on February 18, 1999, held that the Chattahoochee-Oconee National Forests did not adequately monitor population trends of management indicator species (MIS), as required by NFMA regulations (36CFR 219.19). The ruling also held that the forest had not met a requirement in their forest plan to obtain population data for proposed, threatened, endangered or sensitive (PETS) species when such data are needed for evaluating effects of proposed actions and making management decisions.

The Chattahoochee-Oconee National Forests suspended major vegetation management activities until the Court's ruling could be complied with through the issuance of Forest Plan amendments. Amendment No. 18 to the Chattahoochee-Oconee National Forests Land and Resource Management Plan was recently issued to address the PETS species portion of the court's ruling and is presently under appeal before the agency. Amendment No. 19 is presently available for public notice and comment and it addresses the management indicator species portion of the ruling.

The Eleventh Circuit's interpretation of the regulatory language is binding throughout the Circuit, and thus applies to the national forests in Georgia, Alabama, and Florida. The Forest Service is complying with the Court's decision in a way that is consistent with current policy and regulations. Since the Court's ruling, the Southern Region Regional Forester has emphasized the need for Forests to monitor and evaluate MIS, and to ensure that regulations and agency procedures regarding MIS are followed. In June 1999, she issued a letter to Forest Supervisors to clarify MIS monitoring and evaluation expectations. It outlined various scientifically credible methods that can be used to monitor MIS populations, with the choice of method depending on various factors. The letter indicates that depending on the risk to species and the management questions that need to be addressed, it may be appropriate to directly monitor species populations rather than relying on making inferences about the population trends based only on habitat data. The National Forests in Alabama have also issued an amendment to the forest plan, which deals with the PETS species portion of the ruling. The recent revisions of the forest plans for the National Forests in Florida as well as the Kisatchie and Louisiana National Forests include language that addresses monitoring in light of the Eleventh Circuit decision.

Question. Has other litigation on this issue occurred?

Answer. There has been other litigation that, in part, has involved monitoring species. The outcomes of these cases have varied and some are still pending.

Question. How do the agency's new planning regulations address viability and monitoring issues?

Answer. Our response on these two issues is based upon the language of the proposed planning regulation as it was posted for public comment on October 5, 1999. The agency received over 9,000 comments that are currently being evaluated in preparation of the final rule text. Thus, final regulation language for these two sections is subject to change. Our responses are highlights only. We refer you to the cited sections of the proposed regulations for specifics.

Viability (219.20): The proposed regulation provides more specific guidelines for assessing viability that will help establish common expectations and reduce litigation. These include: an ecological systems approach that focuses on ecosystem integrity to complement the existing focus on species viability in assessment and management to achieve ecological sustainability, a clarified requirement to maintain well-distributed and interacting populations and a clarified objective for viability given different patterns of overlap between species range and the planning area. The proposed regulation also provides the basis for more realistic expectations for the role of National Forests land in the maintenance of species viability.

Monitoring (219.11): Under the proposed regulation, the Monitoring & Evaluation (M&E) emphasis is on provisions for adaptive management and achieving desired conditions as identified in planning decisions. We suggest you refer to Section 219.11 in the proposed rule for specifics. However, in brief, the proposed rule section requires the development of a written monitoring strategy for the land and resource management plan; coordination with and involvement of other agencies, constituent groups, the public, and scientists; project monitoring; an annual M&E report; and monitoring and evaluation of ecological, economic, and social sustainability.

Question. What is it going to cost the agency nationally to meet the elevated standards for inventorying and monitoring of various species established in recent litigation?

Answer. Recent litigation did not elevate standards for inventories or monitoring species. A ruling last year by the 11th Circuit Court of Appeals held that the Forest Service (the Chattahoochee-Oconee National Forests in Georgia) had not met the requirement to monitoring population trends of management indicator species (36 CFR 219.19). Funding needs for species monitoring consistent with 36 CFR 219.19 are developed by the individual national forests and are included as part of the total funding for the inventory and monitoring line item.

In separate litigation in the Pacific Northwest, the court held that the Forest Service and Bureau of Land Management did not appropriately interpret and implement two specific aspects of the "survey and manage" standards and guidelines that were adopted as part of the Northwest Forest Plan. The agencies are preparing a Supplemental EIS that clarifies and modifies the survey and manage standards and guidelines. Based on the alternatives analyzed in the Draft Supplemental EIS that was issued last Fall for public review and comment, the estimated costs for implementing the survey and manage program range from a low of $19.4 million/year (Alternative 2) to a high of $132 million/year ("No Action" alternative. A final decision on this SEIS is scheduled to be issued later this year.

FOREST PLANNING/MONITORING

The agency has asked for a 34 percent increase ($65 million) in planning and monitoring in the fiscal year 2001 budget. It seems like the Forest Service is endlessly planning while little money is left to actually do work on the ground.

Question. Why is there such a large increase requested for planning?

Answer. The Land Management Planning program is one of four basic components within the agency's Ecosystem Assessment and Planning budget line item proposed under the new budget structure for fiscal year 2001. However, we are assuming, with your specific reference to planning, that the increase you are referring to is that reflected by the $39.7 million appropriated in fiscal year 2000 versus the $65 million proposed in the fiscal year 2001 President's Budget under the current budget structure for the Land Management Planning budget line item.

This $25 million increase will focus on our continual emphasis on eliminating the Land and Resource Management Plan (commonly referred to as a forest plan) revision backlog. In fiscal year 2001, the budget proposes to increase the number of forest plan revisions being worked on to fifty compared to thirty-six in fiscal year 2000. In addition, all plans not under revision will be funded to keep their plans current as conditions change. In fiscal year 2000, there were insufficient funds to finance the maintenance of all plans not under revision. Finally, the agency will be directing funds in fiscal year 2001 toward implementing the revised planning regulations to be promulgated in fiscal year 2000.

Question. Many groups such as the Society of American Foresters believe that your proposed planning regulations will be much more expensive to administer than the current regulations. Is the large increase you have asked for in fiscal year 2001 indicate that this is the case?

Answer. The reasons for the fiscal year 2001 increase are identified in our answer to the previous question. Regarding the expense of administering the new rule, we do not expect it to be more expensive. There will be some initial and near-term costs associated with publishing the rule in fiscal year 2000 as well as subsequent implementation costs for training field staff and bringing some of the existing plans into compliance with the new rule. However, as for the expense of administering the new rule over the long run, our cost-benefit analysis determined both increased costs and costs savings associated with amending, revising, monitoring, and maintaining National Forest System plans under the proposed rule. For example, eliminating regional guides and reducing the length of the planning process will reduce costs. Increased costs would result from new requirements for FACA-type advisory boards, science advisory boards, and broad-scale assessments. Overall, our cost analysis showed that the proposed regulation would result in an estimated average annual cost savings of $2.3 million compared to the existing regulation.

Beyond the economic expense, however, it is the non-quantified benefits of the proposed planning rule, in the mid- to long-term, that are expected to be substantial and result in cost savings through an overall improvement in the public understanding, use of, and benefits from the National Forest System. Key among these expected benefits are better, more informed decisions and decreased costs for litigation and appeals; costs which as you know, are currently excessive in both staff time and budget. We anticipate that cost savings in the latter area will be realized through the regulation's planning framework that fosters collaborative stewardship of the National Forest System lands and improves the likelihood of achieving ecological, social, and economic sustainability. These improvements will come, in large part, through better collaboration with the public, improved monitoring and evaluation, integration of science into product and collaborative work, and a more flexible process that reduces the burden on both the public and the agency. The value of benefits accrued through these processes will lead, in the long run, toward the mutually desired health of the shared landscape.

Question. How much of this increase is for national initiatives like the roadless rule, and finalizing new planning regulations?

Answer. An estimated $1.2 million will be spent in fiscal year 2001 at the national level to finalize the Roadless Rule. We do anticipate some field level costs to be incurred in fiscal year 2001. An estimate of those costs can be made once the agency has determined specific field unit requirements for completing the Final Environmental Impact Statement.

With regard to the new planning regulations, we plan to publish the final rule during fiscal year 2000. Therefore, we have not budgeted any funds for this purpose in fiscal year 2001. However, we do expect to incur implementation costs for training field staff and bringing some of the existing plans into compliance with the new rule.

Question. What are you doing, if anything, to lower your unit costs for planning?

Answer. The cost/benefit analysis for the proposed rule estimates an annual cost savings of $2.3 million compared to the existing regulation. This estimate was determined by examining costs associated with amending, revising, monitoring, and maintaining National Forest System plans under the proposed rule compared to the existing regulation.

Question. Won't research funding have to be greatly increased under the new planning regulations given the emphasis on science-based planning? What are the agency's estimates in this regard?

Answer. Some increases will be necessary if recent history is projected forward. But experiences of the recent past need should not automatically be accepted as the most desirable way to staff future planning activities. Researchers from the Research & Development organization did make substantial contributions to recent planning efforts, including FEMAT, the Tongass Land Management Plan, Sierra Nevada Ecosystem Project, and the Southern Appalachian Assessment. Their expertise and skills were exceptionally valuable in these efforts. But the need to involve researchers in planning activities arose largely from inadequate funding and subsequent personnel attrition during the 1990s within the National Forest System. Large numbers of national forest technical staff—scientists in many disciplines, such as hydrology and silviculture—retired or left the agency and were not replaced. Thus, when the demand for special plans and projects came, national forests were understaffed in critical scientific skills. Because of the urgent nature of these planning efforts and the fact that researchers had the skills and expertise in short sup-

ply on national forests, researchers were pulled away from their studies and reassigned temporarily to planning activities. In many cases, ongoing research was disrupted. Consequently, Stations will not provide new knowledge and technology in the near future at normal rates because the research was interrupted. Augmenting the funding of the National Forest System so that they can hire new scientists into essential technical staff positions is an alternative to a massive increase in funding for the Research & Development program. But a significant infusion of funds somewhere within the agency will be required to redeem the planning functions embodied in existing legal authorities, such as the National Forest Management Act, and Endangered Species Act.

NATIONAL INITIATIVES

In the final year of this Administration, the Forest Service is attempting to finalize major rulemakings and initiatives all at once including forest planning regulations, roadless area policy, transportation policy, and a new strategic plan. These have all been presented to the public in a helter-skelter fashion, with little description of how the pieces fit together or an evaluation of their interaction.

Question. How do all of these major new policies fit together?

Answer. The strategic plan is intended to guide future agency actions in managing the national forest and grasslands resources. The plan does this by putting forth four strategic goals—ecosystem health, multiple benefits for people, scientific and technical assistance, and effective public service—which will establish the overall focus for agency programs for the next three to five years. This is the foundation for the development of future policies including the three of interest in your question.

The proposed planning rule provides the framework for land and resource planning. The planning rule and the draft strategic plan are designed to complement each other. The strategic plan provides the Forest Service's national goals and objectives. Land and resource management plans, developed under the planning rule, articulate regional and local goals and objectives the guide on the ground site-specific management actions. Provisions in the proposed planning rule ensure that the agency's national goals and objectives, articulated in the strategic plan, will be considered in the revision and amendment of land and resource management plans, the development of site-specific projects and ongoing monitoring efforts. The proposed rules for managing our road transportation system and for roadless area conservation are consistent with the proposed planning rule and add specificity for road and roadless area management planning.

The proposed rule for road management is designed to help us make the Forest Service road system safe, responsive to public and agency needs, environmentally sound and affordable to manage. This rule contains analysis requirements that will be incorporated into individual forest plans through the amendment or revision process, which would be guided by the sustainability, collaboration, science, and other requirements of the planning rule. The proposed road management policy will complement the proposed planning rule in achieving the several major goals of the strategic plan. The proposed road policy by requiring a hard look at its existing and future road system in order to better protect water quality, soil resources and watershed health will assist in meeting the Ecosystem Health goal in the strategic plan. Likewise, the proposed road management policy would make our road system safe and efficient to manage with its focus on maintaining needed roads will help attain the Effective Public Service goal in the strategic plan. Together, the proposed roads management rule and the roadless area conservation strategy form a cohesive strategy for moving the agency away from building new roads and towards maintaining and repairing its existing roads.

The third new policy in question is the roadless area conservation proposal. As mentioned previously this strategy works in concert with the roads management policy to add specificity and guidance for the management of roads and roadless areas within the scope of land and resource management plans. The proposed roadless area conservation rule also contributes to several of the goals proposed in the draft strategic plan. For example, by prohibiting road construction in inventoried roadless areas and then protecting roadless characteristics at the local level, the proposal would protect critical watersheds and promote water quality thereby accomplishing the strategic plan's Ecosystem Health goal.

We believe these policies are critical in moving the mission of the Forest Service forward. The proposed revision of the Forest Service's strategic plan will provide the framework and focus for future agency action over the next three to five years in caring for our National Forests. Within this framework, the proposed planning rule, proposed road management policy and the proposed roadless area conservation rule

will provide a comprehensive strategy for accomplishing long-term sustainability of our National Forests.

Question. Why does the agency need new initiatives dealing with roadless areas and the transportation network when new planning rules are about to be issued?

Answer. As mentioned in the previous questions response, all the proposed rules are complementary and work together to form a comprehensive strategy to address long-term sustainability of National Forests.

Question. It seems that these issues are appropriately addressed at the local level through the planning process. Is there a logical sequence in which you plan to issue these proposals?

If so, what is this order?

Answer. Given the interrelated and complementary nature of these proposals, they are being developed concurrently and will be issued upon their completion.

Question. How much do all these activities cost?

Answer. *Forest Planning Regulation.*—In the fiscal year 2000 final budget, $3.5 million is programmed for the agency to process and finalize planning regulations. This includes $2.4 million to be spent at the national level for analyzing public comments, completing final regulatory text, publishing in the Federal Register, completing manual and handbook direction and initiating training to help field staff implement the revised planning regulations. The remaining $1.1 million is programmed for regional level costs associated with beginning the conversion, where needed, of existing land and resource management plans to comply with the new regulations.

The fiscal year 2001 President's Budget includes an estimated $6 million for training associated with implementing the new planning regulations and conversion, where needed, of existing plans to meet the new regulation requirements.

Roadless.—The roadless initiative to address the need to conserve and enhance the social and economic values of roadless areas is estimated to cost $8.6 million for fiscal year 2000 at the national (i.e., headquarters) level. We have established a mechanism in our accounting system to track costs that are incurred by units below the national level, i.e., regional office and field level costs. As of March 31, 2000, regional office costs incurred total $.1 million and costs at the field level total $1.1 million. We expect some additional costs to be incurred at regional office and field levels during the remaining six months of this fiscal year.

Transportation Policy.—National efforts in the development of the Road Policy primarily impacted employees in the Chief's office and did not impact the field this fiscal year. Impacts to the employees in the Chief's Office were primarily part of the regular program of work. The final road policy is expected to be complete in September; subsequently, there should not be any major impacts to the field for the remainder of this fiscal year.

Strategic Plan.—In the fiscal year 2000 final budget, $1.5 million is programmed for the Agency to prepare and publish a draft and a final Forest service Strategic Plan (2000 Revision) under the Government Performance and Results Act of 1993 (GPRA). The strategic plan applies to all Agency programs, and thus it is financed from multiple budget line items, including Forest and Rangeland Research, state and Private Forestry, National Forest System, Wildland Fire Management, and Reconstruction and Maintenance. A draft strategic plan was published for public and employee review and comment on December 1, 1999, and a final plan is expected to be completed by September 30, 2000.

Question. What is going to be the impact on timber harvesting and recreational opportunities within the Forests of these various proposals?

Answer. *Forest Planning Regulation.*—Neither the existing nor the expected revised planning regulation, in and of itself, imposes impacts on timber harvest, recreation, or any other multiple resource use. Rather, the regulation stipulates a framework under which forest plans/revisions are developed and implemented. NEPA requires that environmental analysis be completed and disclosed to determine the impact of management activities on a given resource use at the site-specific level when a project is proposed to implement the plan.

Further, the proposed planning regulation is designed to more fully ensure, than does the existing regulation, that all uses of National Forest System lands are sustainable in the long-term. The goal of ecological sustainability is consistent with the Multiple-Use Sustained Yield Act direction to provide for "harmonious and coordinated management of the various resources—without impairment of the productivity of the land." Under the proposed regulation, the Forest Service approach for ensuring achievement of multiple use management in the context of environment, economic, and social sustainability will be one of more extensively engaging the public and other partners in an open, collaborative process that considers issues, alternatives, and environmental effects.

Roadless.—The total timber volume offered from inventoried roadless areas would drop from an estimated 220 MMBF per year to 140 MMBF until April 2004, when the prohibition takes effect on the Tongass National Forest. At that time, the amount of timber offer would be further reduced to an anticipated 32 MMBF per year, a total reduction of 85 percent from these lands. The Forest Service timber program currently offers approximately 3,300 MMBF per year. The total reduction in timber offer from National Forest System lands would be about 6 percent. The roadless policy should not have significant impact on recreation opportunities.

Transportation Policy.—No direct impact. Decisions on roads will be made at the local level.

Strategic Plan.—None.

Question. The National Federation of Federal Employees, which represents half of the Forest Service's employees, recently issued a letter condemning these initiatives as more massive Washington mandates that are hampering work in the field and inflating the Washington Office bureaucracy. How do you respond to these charges from your own employees?

Answer. We share the National Federation of Federal Employees (NFFE) concerns about downsizing, particularly as it impacts the "operational end" of the organization and its ability to complete its on-the-ground mission. As indicated in the NFFE letter, downsizing at the FS has been greater at the lower grades. It is important to note that in the short term the nature and volume of the work at the FS is changing while budgets remain more or less stagnant. For example, the early 1990's ushered in attention to resource restoration and improvement, which impacted timber harvest levels across the FS land base, particularly in the Pacific Northwest, and increased the Agency's attention to fish and wildlife management. Therefore, certain job classifications were reduced or even eliminated while others became more critical to the on-the-ground mission. Shifts in program workload necessitated change at the District level rather than at the Regional Offices, Station Headquarters, or Washington Office. For example, a reduction in the FS timber program had a direct adverse impact on the number of positions the FS could finance in the field. Nevertheless, today over 21,000 of the FS 28,000 permanent employees, and nearly all of the FS 14,000 non-permanent workforce are employed at national forest locations.

In addition, the roadless rule, transportation policy and planning regulations do not have a significant impact on performance of field work. Most of the field people involved in these initiatives are line officers, public information officers and other administrative personnel.

Question. Please provide the staff year dispersion charts for the last 5 years which show the number of Washington Office employees versus the number of employees in the field.

Answer. The information follows:

U.S. FOREST SERVICE STAFF-YEAR DISPERSION

	Fiscal year				
	1996 final	1997 final	1998 final	1999 final	2000 enacted to date
Field offices:					
Region and Station Headquarters	3,304	3,359	3,410	3,350	3,300
Forest HQ/Labs/S&PF/IITF	13,378	12,768	11,194	11,090	11,018
Ranger District Offices	17,863	17,472	17,472	17,119	18,451
Washington Office Detached Units	1,929	1,970	2,025	2,047	2,025
Subtotal—field	36,474	35,569	34,101	33,606	34,794
Washington office:					
Sidney R. Yates Federal Building	505	522	502	523	520
Buildings C and E, Rosslyn Plaza	194	193	168	210	273
Franklin Court	32	27	27	27	27
Subtotal—Washington Office	731	742	697	760	820
Total staff-years	37,205	36,311	34,798	34,366	35,614
End-of-year employment:					
Permanent Full-Time	28,885	28,542	27,010	27,245	27,518

U.S. FOREST SERVICE STAFF-YEAR DISPERSION—Continued

	Fiscal year				
	1996 final	1997 final	1998 final	1999 final	2000 enacted to date
Other Than Permanent Full-Time	8,320	7,769	7,788	7,121	8,096
Total E-O-Y employment	37,205	36,311	34,798	34,366	35,614

Question. We hear from many forests around the country that their personnel are tied up working on these proposals at the expense of performing needed field work. What work isn't being done as a result of Forest Service personnel being forced to spend much of their time on these rulemakings and initiatives?

Answer. The rulemakings are either substantially complete or will be completed by late fall. In either case, the majority of workload associated with the rulemakings was completed by Washington Office staff. Field review, public meetings and public comment opportunities presented the greatest impact of time on our personnel outside of the Washington Office; however, the vast majority of these individuals are not field going people, but are our Line Officers, Public Information Officers and other administrative types. Thus, the rulemakings and initiatives do not have any significant effect on performance of field work.

Question. Many of the western governors have asked that their states be granted cooperating agency status with respect to the proposed roadless area rulemaking. How is the agency going to respond to this request?

Answer. The Forest Service will work closely with the Western Governors, other interest groups, and local communities. It is not likely that individual states will be granted full cooperating agency status with respect to the proposed roadless area rulemaking. There are potentially hundreds of cooperating agencies, given the number of states, counties and tribal governments in the country. From a management perspective, allocating work assignments among these widespread agencies is not feasible or practical. However, we do very much recognize the importance of communication and consultation with our non-federal partners.

Question. Don't the existing CEQ regulations encourage this kind of collaborative process with interested stakeholders?

Answer. CEQ believes that a maximum effort to collaborate is important, and involvement of non-federal agencies is useful and appropriate

Question. The Forest Service claims it cannot afford to maintain the thousands of miles of roads on the National Forest System. The oil and gas industry, in full compliance with Forest Service standards and requirements, constructs, maintains and reclaims all roads required for exploration and development activities. Why shouldn't oil and gas roads be exempted for the construction ban?

Answer. Oil and gas road construction is permitted under the current moratorium if there is a pre-existing agreement. Future road building in roadless areas is being addressed in the draft environmental assessment now being completed.

Question. Given the new policies adopted by the Forest Service within the last 8 years, has the agency's policy become similar to that of the National Park Service or other single mission agencies?

Answer. No, the agency's policies are not single mission in nature. Recreation, watershed protection, and ecosystem management to preserve our national forests for future generations are very important aspects of the multiple-use mandate.

Question. How does the agency reconcile its congressionally mandated multiple-use mandate with the proposal to place an additional 55 million acres off limits to most multiple-use activities, including commodity and motorized recreational uses?

Answer. The agency believes that the roadless rule supports the multiple-use mandate. Roadless areas provide multiple opportunities for dispersed outdoor recreation. They serve as a bulwark against the spread of non-native invasive plant species. Roadless areas also contain all or portions of 354 municipal watersheds contributing drinking water to millions of citizens. Maintaining these areas in a relatively undisturbed condition saves downstream communities millions of dollars in water filtration costs. They also function as biological strongholds for imperiled wildlife, fish and plant species.

Question. What specific economic impacts to the economy are anticipated by the Forest Service's roadless proposal?

Answer. It is currently estimated that, over the next five years, up to 4,550 jobs nationwide could be impacted by the roadless rule. Prohibiting timber harvest in inventoried roadless areas could reduce total personal income by $36.2 million annu-

ally over the next five years. Prohibiting mining-related road construction in inventoried roadless areas could affect approximately $125 million of personal income annually.

Question. The Forest Service appears to believe its only option to protect wildlife and ecological values is to preclude activities that could intrude upon them. Has the Forest Service considered the many mitigation measures instituted on surface disturbing activities to protect just these resources? Isn't there some less drastic approach available to achieve the same goal while permitting multiple uses of the taxpayers' lands and resources?

Answer. Standards, guidelines, and mitigation measures are an integral part of Forest Plans and projects, providing the framework for managing multiple uses on National Forest System lands. This includes full consideration of various mitigation measures to help address the effects of surface disturbing activities on some species of wildlife, fish, and rare plants. In some cases, projects can be designed to avoid adverse impacts to species, and in other cases mitigation can be developed to offset or substantially reduce adverse impacts. In some instances, however, mitigation is not sufficient to avoid substantial adverse impacts, but even in those situations the projects often are allowed to occur with the acknowledgement that species populations and their habitat will decline.

In efforts to conserve species and their ecosystems, the Forest Service makes every effort to avoid any unnecessary preclusion of human activities. However, the status of some species and their habitat has declined to the point that their conservation depends on greater protection than they have been afforded in the past through various mitigation measures, and additional protections are needed including restrictions on certain types of surface disturbing activities.

Under certain circumstances, the restrictions placed on surface disturbing activities on Forest Service lands can become even more prohibitive due to the proximity, condition, and management on adjacent lands under other ownership. The Forest Service has an obligation under the Endangered Species Act to take an active role in the conservation of these species. In some instances involving species- at- risk, additional restrictions on activities on National Forest System lands are taken in order to allow continued management flexibility on adjacent non-federal lands. This clearly benefits private landowners.

MT. ST. HELEN'S NATIONAL VOLCANIC MONUMENT

Of particular concern to the Committee is an issue that came up with respect to a Forest Service visitor center at the Mt. St. Helen's National Volcanic Monument. This is the 20th anniversary of the eruption at Mt. St. Helen's. The allocation that the Monument gets for operations money has declined drastically in recent years, at the same time as more money was being collected through the Recreation Fee Demonstration program. When Fee collections decreased this past year due to a change in the collection policy, a visitor's center at the monument was slated for closure due to a lack of appropriated dollars.

Question. The Recreation Fee Demonstration program was never intended to be used as an offset for appropriated dollars, but isn't that what happened here?

Answer. The reduction in funding is not because of an offset. The allocation of recreation funds to the Pacific Northwest Region (Region 6), and all regions, is the result of applying a standard set of allocation criteria. Region 6 allocates recreation funds within the region using the national formula, modified to place additional emphasis on special areas, urban National Forests, visitor centers and facilities. This has resulted in a higher level of funding for the Gifford Pinchot National Forest, which administers the Mount St. Helens NVM, than what might otherwise have been allocated.

At all levels of the agency we have strived to reduce indirect costs and become more efficient and cost-effective in how we conduct our business. Still, many fixed costs remain. With timber funds substantially reduced compared to historic levels, the steady decline in General Administration (GA) funding, and legislative prohibitions against using special funds such as the fee demo revenues on fixed and indirect costs, the increased burden for covering these expenses falls on the remaining program allocations, including Recreation.

The agency, specifically, the Pacific NW Region, makes no adjustment or offset based on the Recreation Fee Demonstration Project and its revenue. While the revenues generated by the Recreation Fee Demonstration Project have been significant, they have been used only to enhance the recreation experience at Mount St. Helens NVM. Examples include increased interpretive staffing at Monument visitor centers, summer operation of the Woods Creek and Pine Creek Information Stations, expanded backcountry and climbing patrols, and the completion of several large-scale

backlog maintenance projects. Fee revenues do fluctuate based on changing visitor numbers, weather patterns, and broad policy changes in the fee program. This impacts the level of service enhancements that may be provided in any given year.

The decline in funding for the Monument is attributable to several, interconnected reasons occurring on the Gifford Pinchot National Forest. The funding dilemma we are currently dealing with would have presented itself regardless of the availability of Recreation Fee Demonstration revenues. It should also be noted that while we are focusing on Mount St. Helens visitor centers, other visitor centers throughout the agency face similar funding challenges to manage associated infrastructure.

We will continue at all levels to assist the Gifford Pinchot National Forest in reducing costs, seeking alternative funds, reviewing the user fee program, and expanding the use of volunteers and external partners. We will continue to work with partners and community leaders to develop long-term solutions for stability at the visitor centers.

Question. What is the agency doing to prevent this situation from happening elsewhere?

Answer. The Forest Service has been very specific that it is unacceptable for Agency field units to reduce (offset) locally available appropriated dollars as fee demonstration receipts have increased. While it is apparent that appropriated funds available for field use for direct program activities have declined in many locations, those declines are due to the need to use their appropriated funds for increased overhead, national commitments, earmarks etc. but are not due to offsets associated with recreation fee demonstration collections. Congress has not reduced or offset appropriated dollars as a result of fee demo collections, and it is the agency's full intent to assure that we also do not offset.

Question. It doesn't seem that any of the $10 million increase the Congress provided in the Recreation budget line item over and above the President's budget request for fiscal year 2000 made it to the ground for facilities like those at Mt. St. Helen's. How was this increase allocated to the field? How much went to Region 6?

Answer. The following information shows the funding change between fiscal year 1999 and fiscal year 2000 for Recreation Management:

[In millions of dollars]

	Fiscal year		Change
	1999	2000	
Appropriation	145	155.5	+10.5
Adjusted for Land Between The Lakes and the Congressional Reduction	.....	158.3	+13.3
Amount Distributed to Field	132	136.1	+4.1
Region 6 Allocation	17.3	18.8	+1.5

FIRE

Question. The Committee is very concerned about the fire risk on our national forests, particularly those in the West. Last year, the GAO prepared a report which stated that 39 million acres of national forest lands in the interior West are a "tinderbox." This year you have asked for less money for Fire Preparedness than last year. Is this a prudent allocation of resources given the high risk of fire on many of our national forests?

Answer. The Forest Service budget represents a balance between many priorities. The budget request for Fire Preparedness provides an adequate number of firefighting resources, within the scope of agency priorities.

Question. As I understand it, the agency's budget request represents only 71 percent of the optimal level of funding which you call MEL (Most Efficient Level). This is down from last year's level. The Department of the Interior is funding preparedness operations at 82 percent of MEL. Why does there continue to be such a discrepancy between the Forest Service and the Department of the Interior with respect to percentage of the MEL funded?

Answer. The seeming discrepancy represents a difference in program priorities and scale between Departments. Moving from 71 percent to 82 percent of MEL would increase protection capability. However, given other agency priorities, a 71 percent of MEL budget is within acceptable limits of risk. Moving from funding 71 percent of MEL to 82 percent of MEL represents a budget increase of $52 million.

Question. The GAO also stated in its report that "the Forest Service lacks a cohesive strategy for reducing fuels on our National Forests." What is the Forest Service doing to develop such a strategy?

Answer. In response to Congressional direction, the Forest Service undertook a project to develop a strategy to reduce wildfire risk and restore forest health in the interior West. The resulting document, "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems, A Cohesive Strategy," is currently under review by the Office of Management and Budget (OMB). While the OMB has not approved the document, the Forest Service has implemented key components of the strategy.

Question. When will this strategy be available to the Congress and the public?

Answer. The document will be available as soon as the necessary clearance processes are completed.

Question. How much money will it cost to deal with the fire hazard on our forests in the West?

Answer. The strategy calls for an investment of approximately $11.5 billion over 15 years. Once full implementation is reached, 4.2 million acres per year would be treated for fuel reduction, restoration of forest health, and maintenance of healthy ecosystems.

Question. What will be the impact of your new roadless area policy on the ability to reduce fuel loads on the national forests?

Answer. The agency anticipates that the final roadless policy will have little impact on the ability to reduce fuel loads on national forests. Most high priority treatment areas are accessible by road systems that will not be affected by the roadless policy.

Question. Doesn't the agency need access to these areas to do necessary treatments to avoid forest fires?

Answer. Closing some road systems will not eliminate access to forests. It is likely that areas requiring fuel treatment or forest health restoration work, that are also within an area of road closure consideration, are low priority treatment areas. Methods of transportation, other than vehicles, can be used to access treatment projects.

Question. Recently, the use of certain fire retardants was halted because of environmental concerns. What is the agency doing to replace the use of these retardants? To what extent will firefighting capability be jeopardized?

Answer. On April 20, 2000, following 2 weeks of consultation with the Department of the Interior wildland firefighting agencies, the Office of General Counsel, the Interior Office of the Solicitor, the Environmental Protection Agency, and affected States, the Forest Service issued a Resume Work Order for the use of the retardants in question. Along with the Resume Work Order, a revised set of "Operational Guidelines for Aerial Application of Retardant and Foam" was issued to all personnel involved with the use and delivery of these retardants. The impact of these revised guidelines to firefighting capability is expected to be negligible.

TIMBER

Question. For fiscal year 1999, the Congress provided the Forest Service with sufficient funds to offer 3.6 billion board feet of timber. The agency missed this target by over 1.3 billion board feet. Why did the agency miss this target by such a large amount?

Answer. The timber sale offer volumes planned each year can only be accomplished if there are no problems experienced during the year. Appeals and litigation on timber sales has delayed, and will continue to delay, our ability to achieve our planned offer of timber sales. In many cases, successful litigation results in further delay as sales are reworked to incorporate new standards and direction. In some cases timber sales have to be withdrawn, or are reworked such that the planned timber sale volume cannot be accomplished. All of these difficulties contribute to shortfalls in planned timber sale volume offer. Fiscal year 1999 was a particularly challenging year as the timber sale program was affected by the interim roads rule, survey and manage requirements, delays in the consultations required for listed fish species east of the Cascades in the Pacific Northwest Region, implementation of California spotted owl guidelines, old growth issues, litigation in the Eastern and Southern Regions, and low market demands for small diameter material that has caused the agency to reduce the offer of these products from what was originally planned.

Question. How will the agency fix the problems with the timber program so that specific Congressional directives are complied with?

Answer. Timber volume targets are based upon field capabilities for the timber sales management funding appropriated by the Congress. However, our timber sale capabilities are being affected by a host of issues surrounding the management of our National Forests, such as the proper procedures necessary to comply with the National Environmental Policy Act, the kinds of practices necessary to protect all species listed under the Endangered Species Act, and full implementation of new

procedures required by recent legal decisions. The new practices and procedures required from each new legal decision become the new standard upon which all other similar past and future management activities are also judged. The agency is working through the current issues affecting our ability to offer and sell timber sales, however there is no guarantee that new issues will be not be raised in the future.

Timber sales management funding is spent for a number of activities that contribute to the program, including silvicultural examination, environmental analysis, timber sale preparation, preparation of appraisals and contracts, the offer of sales, the qualification of bidders, timber sale award, harvest administration, record keeping and reporting, and other forest products sales. This work is done regardless of the amount of timber volume that is actually offered or sold. Evaluating performance based on the volume of timber offered for sale does not reflect the underlying work being performed to manage the National Forests for multiple benefits and uses.

Question. What harvest level will be accomplished in fiscal year 2000 and in fiscal year 2001?

Answer. For outyear planning estimates the agency assumes that the volume of timber offered will also be the volume of timber sold and harvested. The planned offer amounts are 3.6 billion board feet in fiscal year 2000 and 3.0 billion board feet in fiscal year 2001. However, this is not specifically accurate because the sales sold and harvested also include timber sales offered in previous years. It is not possible to provide an accurate estimate of what timber companies may bid on, actually purchase, or actually harvest in a given year.

Question. Does the agency expect similar problems in meeting timber targets in these years?

Answer. Yes.

Question. In light of the problems the agency has had with accomplishing timber targets why did the agency propose reducing the timber program by $15 million?

Answer. The Administration's budget proposal for fiscal year 2001 was formulated within existing budget constraints to balance various priorities among all discretionary programs.

Question. Does the timber program need additional funds to accomplish timber offer targets?

Answer. Accomplishing timber offer target depends on the number and kinds of issues the agency faces in managing the National Forests, particularly for timber production. We no not believe that these issues will disappear in the next few years. The regions have indicated that they have the capacity to increase timber volume offer in fiscal year 2001. Based upon data collected last year that has not been updated, the regions have indicated they could accomplish an additional 623 million board feet of timber offered for sale if provided with an additional $58.2 million for timber sales management and $13.1 in engineering support. The required units costs are $93 per MBF for timber sales and $21 per MBF for engineering support. Undoubtedly, some of today's issues would also apply to some of any additional timber sale volume that is planned.

GPRA

Question. How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Answer. The Strategic Plan of the Forest Service, 2000 Revision, provides the agency's goals and objectives to which regional, forest, and site specific plans will ultimately link. The 2000 Revision shifts the focus of agency management away from "inputs, outputs, and process" to "outcomes" on the landscape. The 2000 Revision refines agency strategic goals, objectives, and strategies for achieving the goals. With this guidance, national forests will develop Land and Resource Management Plans and annual work plans.

Question. Could you describe the process used to link your performance goals to your budget activities?

Answer. The 1997 Strategic Plan was constructed based on the old budget structure, which emphasized inputs and outputs. The compromise sought with the fiscal year 2000 Annual Performance Plan began the shift from output planning and reporting to a focus on landscape outcomes for management investments. The recent proposals to reform budget structure are based in part on the need to better align the budget with the 2000 Revision of the strategic plan and annual performance goals. The integration of these two systems has begun and will take a significant step forward in the fiscal year 2002 budget planning cycle as the agency continues to move toward a focus on outcomes and more fully implement the Results Act requirements.

Question. What difficulties, if any, did you encounter, and what lessons did you learn?

Answer. The process of linking the agency's revised strategic goals and objectives with annual performance goals and the agency's budget structure is continuing and we are experiencing many of the same difficulties we have had in the past. We are working to overcome difficulties associated with quantifying outcome measures, linking them to annual performance goals and measures, adjusting annual performance measures to reflect quality and priority of work as well as quantity, and linking the annual performance measures and budget structure to outcome-oriented goals and objectives that can only be achieved through work funded from multiple accounts. Lessons learned include:

—There is a distinct need for meaningful outcomes that can be quantified as well as qualified.

—The ability to ensure that the relationships among strategic goals, objectives, outcomes, and annual performance goals are worked out is necessary before a strong link to the budget process and structure is possible.

—We have difficulty making and communicating these relationships because our budget structure does not align well with our mission.

Question. Does the agency's Performance Plan link performance measures to its budget?

Answer. The agency's annual Performance Plan uses a set of performance measures that links directly to its budget structure. Each measure relates directly to a strategic objective and performance goal as well as a specific line item or program within our budget.

Question. Does each account have performance measures?

Answer. Each account in our budget is represented by at least one performance measure.

Question. To what extent does your performance planning structure differ from the account and activity structure in your budget justification?

Answer. The agency's performance planning structure, as defined by our strategic and performance plans prepared under the requirements of the Government Performance and Results Act (GPRA) of 1993, is quite different than our account and activity structure. The agency is funded through a series of discretionary and mandatory appropriations which consist of approximately 70 line items for which funds are either appropriated in or spending authorized from (permanent appropriations and trust funds) on an annual basis. The agency's budget structure reflects a Congressional focus on resource programs that has evolved over a long period of time based on constituency interest in various goods, services, outputs and outcomes.

In contrast, the agency's performance planning structure is defined by 15–20 objectives which aggregate or split elements of the agency's budget structure. Each objective has a series of performance measures that are linked to the programmatic budget structure.

The agency has proposed some significant changes to its budget structure for fiscal year 2001. Most of the changes reflect a consolidation of the 20 or so budget line items and expanded budget line items in the National Forest System appropriation. If approved, the agency would receive funding in three budget line items in fiscal year 2001: Ecosystem Planning and Inventory, Ecosystem Conservation, and Public Services and Uses. This structure would facilitate a better linkage to all goals and objectives focused solely around the National Forest System. There would be no change to objectives funded from multiple appropriations in that the agency is not proposing changes to these major accounts. The splitting or lumping of accounts for plan objectives will still occur.

Question. Do you plan to propose any changes to your account structure for fiscal year 2000?

Answer. The only changes we plan to propose to the account structure for fiscal year 2000 are those involved with primary purpose. This involves movement of funds but not an actual change in the account structure.

Question. Will you propose any changes to the program activities described under that account structure?

Answer. We will not propose any changes to the program activities during fiscal year 2000.

Question. How were performance measures chosen?

Answer. Performance measures were chosen by senior management and program managers to reflect the major activities, outputs, or outcomes related to the Forest Service mission and strategic objectives. New measures may be adopted as we improve our ability to collect data or measure more directly the intended results of our programs.

Question. How did the agency balance the cost of data collection and verification with the need for reliable and valid performance data?

Answer. Data for most annual performance measures used in the agency's performance plans and budget justification currently exist. Annual performance measures have been defined and data are being collected through a variety of systems. There was little or no additional cost to collect data for these measures. For some plan objectives, the agency is moving towards new or refined measures that will better reflect the quality of work and differentiate between work that is of higher priority due to risk, location or other factors. Efforts are underway to define these measures and develop protocols for collecting this information. We expect to begin using some of these measures in fiscal year 2001. As we develop these measures, one option that we continue to examine is whether proxy indicators or sampling will allow us to collect and validate data that will provide us with the necessary information at a lower cost.

Question. Does your 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. Our current performance plan includes some measures for which reliable data were not available in time for our fiscal year 1999 Performance Report. The agency's Performance Report was submitted in January 2000 to the Department of Agriculture for consolidation into a Departmental Report. Some of the data in our report were identified as "estimated" because of our inability to validate the data within the timeframe available to us. The agency is working to address the timeliness issue so that all or most data will be available when the fiscal year 2000 performance report is due.

Question. What are the key performance goals from your fiscal year 1999 Annual Performance Plan that you recommend this subcommittee use to track program results?

Answer. The fiscal year 2000 Annual Performance Plan for the USDA Forest Service is a comprehensive plan that defines performance goals and measures based on the 1997 Strategic Plan and represents the wide variety of Forest Service programs and activities. All of these goals are critical to tracking achievement of the agency's overall mission and all of the measures are used to hold resource managers accountable for their performance. However, special emphasis is placed on those goals directly related to the Forest Service's Natural Resource Agenda. In addition to the four emphasis areas that define the Natural Resource Agenda, the Forest Service also closely tracks performance measures associated with the production of forest-based commodities. The following table lists the four emphasis areas of the Natural Resource Agenda and their associated performance and outcome measures as well as two of the key measures associated with the production of goods and services. The table also lists whether the measure represents an output or an outcome and how it relates to the 2000 Revision of the strategic plan.

Measure	Type of measure	Relation to 2000 revision of the strategic plan (goal/objective)
Watershed Health and Restoration:[1]		
Stream miles restored or enhanced for fish habitat	Output	1.b
Lake acres restored or enhanced for fish habitat	Output	1.b
Hazardous fuels reduction—acres	Output	1.c
Land reforested—acres	Output	1.c
Sustainable Forest Management:[1]		
Forest health surveys and evaluations, Federal and Cooperative lands—acres	Output	1.a
Non-industrial private forest lands covered by Stewardship Management Plans—acres.	Output	1.a
Communities participating in the Urban Forestry program—number	Output	2.d
Forest legacy acquisition projects—acres	Outcome	1.b
Roads:[1]		
Roads decommissioned—miles	Output	1.a
Road condition index rating	Outcome	1.a
Recreation:[1]		
Seasonal capacity available—million persons at one time days	Output	2.a
Recreation special uses administered—number of permits	Output	2.a
Commodities:		
Timber volume offered—million cubic feet	Output	2.c
Minerals nonenergy/energy operations administered to standard—number	Outcome	2.c

[1] Natural Resource Agenda item.

Question. For each key annual goal, indicate whether you consider it to be an output measure ("how much") or an outcome measure ("how well").

Answer. This is shown in the second column in the chart above.

Question. State the long-term (fiscal year 2003) general goal and objective from the agency Strategic Plan to which the annual goal is linked.

Answer. This is shown in the third column in the chart above.

Question. In developing your Annual Performance Plan, what efforts did your agency undertake to ensure that the goals in the plan include a significant number of outcome measures?

Answer. The Forest Service has developed an integrated set of land health and service to the people performance measures. These measures link to outcomes in our existing (1997) strategic plan and support our budget request. These measures include areas of treatment (acres), quantities of products (million cubic feet), and other items that represent the annual outputs and outcomes of management activities and investments. The Forest Service is in the final stages of preparing the 2000 Revision of the Forest Service Strategic Plan. In developing this plan, the Forest Service emphasized outcome-based measures. The fiscal year 2002 Annual Performance Plan will incorporate annual outcome and performance measures that directly tie to the long-term outcomes in the 2000 Revision of the strategic plan.

Question. Do you believe your program managers understand the difference between goals that measure workload (output) and goals that measure effectiveness (outcome)?

Answer. Yes. The proof of this will be in the implementation of the 2000 Revision through subsequent annual plans, beginning with the fiscal year 2002 performance plan now being developed.

Question. What are some examples of customer satisfaction measures that you intend to use? Please include examples of both internal and external customers.

Answer. Starting in 1997, the USDA Forest Service began to implement a series of surveys to measure customer satisfaction across a wide range of programs and activities. The initial round of surveys will establish benchmarks, with subsequent surveys providing data to measure trends in customer satisfaction. Additionally, the Forest Service is one of 30 federal agencies participating in the American Customer Service Index (ACSI). The ACSI is a survey used to rate various organizations, including 170 private firms. By using the same survey instrument, ACSI allows comparisons across organizations and over time, providing a rich source of information related to customer satisfaction. The customer service indices that result from the agency's surveys as well as the ASCI results will be incorporated into the fiscal year 2002 Performance Plan as appropriate.

Question. How were the measurable goals of your fiscal year 2000 Annual Performance Plan used to develop your fiscal year 2001 budget?

Answer. Program and budget managers use performance reports from prior years to assess progress toward long-term goals. Prior year Performance Plans are also used to help allocate funds and annual performance targets to the field for each of the agency's program areas.

Question. If a proposed budget number is changed, up or down, by this committee, will you be able to indicate to us the likely impact the change would have on the level of program performance and the achievement of various goals?

Answer. In most cases, annual performance targets are budget-sensitive, allowing the Forest Service to discuss the impacts of budget changes on the achievement of annual goals.

Question. Do you have the technological capability of measuring and reporting program performance throughout the year on a regular basis, so that the agency can be properly managed to achieve the desired results?

Answer. The Financial Management and Information Management staffs have begun efforts to design and establish an agency data warehouse. The success in implementing the Foundation Financial Information System (FFIS) provides a key set of information for the warehouse. However, the design for the data warehouse is to integrate financial and other information (i.e. outcomes) about the agency's operations and performance, both annually and longer term. As the data warehouse is established, agency managers will increasingly have access to financial, program, and management performance information.

Some ecosystem management activities easily translate into outcome measures, others do not. The Strategic Plan, 2000 Revision recognizes where work needs to be accomplished to establish verifiable, auditable outcome measures. As measures are developed, they will be incorporated into data warehouse structures mentioned above. The needs for data collection and access are being designed into the warehouse. Integration of these efforts will permit the Forest Service to monitor annual outcome performance, and the long-term trends of the Strategic Plan.

Question. If so, who has access to the information—senior management only, or mid- and lower-level program managers, too?

Answer. Corporate access to performance data occurs through the annual performance report, published after the close of the fiscal year. As part of our data warehouse project, we are looking at ways to improve the timely dissemination of data throughout the organization, as well as improving public access to these data. Our goal is to get data into the hands of key decision makers at all levels of the organization to improve performance and track progress toward our strategic goals and objectives.

Question. Are you able to gain access easily to various performance-related data located throughout your various information systems?

Answer. We currently use several databases throughout the organization as well as end of year reports for performance measures. In many cases, we do have problems gaining timely access to performance-related data. We are currently working on several projects, such as the data warehouse, that should dramatically improve our ability to provide more timely access to higher quality data within the next several years.

Question. The Government Performance and Results Act requires that your agency's Annual Performance Plan establish performance goals to define the level of performance to be achieved by each program activity set forth in your budget. Many agencies have indicated that their present budget account structure makes it difficult to link dollars to results in a clear and meaningful way. Have you faced such difficulty?

Answer. As discussed previously, the Forest Service faces a good degree of difficulty in linking dollars to results. The agency is funded through a series of discretionary and mandatory appropriations that consist of approximately 70 line items on an annual basis. The agency's budget structure reflects a Congressional focus on resource programs based on constituency interest in various goods, services, outputs and outcomes. The agency's performance planning structure is defined by 15–20 objectives which aggregate or split elements of the agency's budget structure. Each objective has a series of performance measures that are linked to the programmatic budget structure.

Question. Would the linkages be clearer if your budget account structure were modified?

Answer. Yes, we believe that is the case. A more integrated approach to the budget structure would allow for clearer linkages between the dollars and the agency's broader goals and objectives.

Question. If so, how would you propose to modify it and why do you believe such modification would be more useful both to your agency and to this committee than the present structure?

Answer. The fiscal year 2001 budget justification represents the agency's approach to modifying the budget structure. Again, especially in the area of National Forest System, the programs we have proposed are more closely aligned with the broader ecosystem management and multiple use goals of the agency.

Question. How would such modification strengthen accountability for program performance in the use of budgeted dollars?

Answer. The Forest Service will finalize no later than January 31, 2001, a standardized set of activity/output measures that tier directly to performance goals in the fiscal year 2003 Annual Performance Plan. These activity/output measures will be an integral aspect of the agency's integrated program process, and will be used in budget formulation, will be the basis for presentation of the agency budget justification, tracking obligations in the accounting system, reporting accomplishment, and providing leadership information. With implementation of these measures the agency will be able to directly link financial and budget reporting with performance measures.

Question. Spending significant resources on performance measurement systems appears to be a wasteful exercise if this information is not linked to: (1) real data about what it costs to perform various government functions; and (2) how to allocate agency resources to perform these functions. Could you comment on your agency's cost accounting expertise and plans to link GPRA to the budget process?

Answer. The USDA Forest Service is operating under the Foundation Financial Information System (FFIS). FFIS is an integrated standard general ledger-compliant accounting system. The system uses a cost allocation method to allocate indirect costs by direct labor hours worked or by square footage to Forest Service programs.

The Forest Service has charged the Financial Analysis staff of accountants and financial analysts, with the responsibility of developing financial performance measures that draw on the cost history residing in FFIS. These measures are being linked back to the Strategic Plan of the agency

Question. Under one of the new accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB) and issued by OMB, this year for the first time all federal agencies are required to have a system of Managerial Cost Accounting. The clearly preferred methodology for such a system, as stated in that standard, is the one known as "Activity-Based Costing," whereby the full cost is calculated for each of the activities of an agency. What is the status of your agency's implementation of the Managerial Cost Accounting requirement, and are you using Activity-Based Costing?

Answer. The Financial Analysis staff of the USDA Forest Service is in the process of developing requirements and planning for the implementation of an Activity Based Costing System (ABC). We are planning to define our requirements in fiscal year 2001 and begin introducing the ABC methodology to our regions in fiscal year 2002.

Question. Will you be able in the future to show to this committee the full and accurate cost of each activity of each program, including in those calculations such items as administration, employee benefits, and depreciation?

Answer. When this system is fully implemented, we intend to report on the full and accurate costs for various activities in the Forest Service.

Question. By doing so, would we then be able to see more precisely the relationship between the dollars spent on a program, the true costs of the activities conducted by the program, and the results of these activities?

Answer. This should allow for a more precise relationship between the dollars spent on the program, the true costs of the activities conducted by the program, and the results of these activities.

Question. Will you be able to show us the per-unit cost of each activity and result?

Answer. We intend to be able to show a per-unit cost of each activity and result.

Question. To what extent do the dollars associated with any particular performance goal reflect the full cost of all associated activities performed in support of that goal? For example, are overhead costs fully allocated to goals.

Answer. Both direct and indirect costs associated with performance goals are included in the costs of associated activities performed in support of that goal.

Question. Please identify any significant regulatory reform measures that have been put in place by your agency in conjunction with the development of the agency's performance plan.

Answer. The Forest Service did not implement any significant regulatory reform measures as part of its performance plan development.

Question. Does your fiscal year 2001 performance plan—briefly or by reference to your strategic plan—identify any external factors that could influence goal achievement?

Answer. The fiscal year 2000 Performance Plan and the 1997 Strategic Plan specifically identify and describe external factors that affect program performance. External factors are also identified in the Strategic Plan, 2000 Revision.

Question. If so, what steps have you identified to prepare, anticipate and plan for such influences?

Answer. To the extent possible, resource and program managers are responsible for incorporating foreseeable external factors into the development of performance plans, annual targets, and budgets.

Question. What impact might external factors have on your resource estimates?

Answer. External factors often have profound impacts on the Forest Service's resource estimates. These are identified in the fiscal year 1999 Annual Program Performance Report.

Question. Through the development of the Performance Plan, has the agency identified overlapping functions or program duplication?

Answer. No. However, the development work for the 2000 Revision of the Forest Service Strategic Plan included the identification of "cross-cutting functions" being coordinated among 32 agencies.

Question. If so, does the Performance Plan identify the overlap or duplication?

Answer. Appendix B of the Draft 2000 Revision to the Strategic Plan details the functions that are cross cutting and what agencies have responsibilities for the identified functions.

Question. Should agencies address management challenges and potential duplication and overlapping functions in their GPRA plans, and if so, how?

Answer. Yes. As we identify external factors and develop means and strategies to achieve annual and long-term performance goals, we can identify and address any management challenges and duplication of or overlapping efforts.

Question. To what extent has GPRA been used by agency leadership to guide decision making?

Answer. Top managers in the Forest Service have been directly involved in the development of the draft 2000 Revision of the strategic plan and will be similarly involved in finalizing the 2000 Revision. The management system mandated by the Results Act requires the Forest Service to be more systematic in its planning and more disciplined in its approach to building budgets to implement its plans. Efforts continue to put key components of the Results Act management system in place, such as the strategic plan and annual performance plans linked to the strategic plan. Decision making will increasingly be guided through this system as the system components are put in place and the relationships between and among those components are understood.

The strategic plan is a keystone component of the management model mandated by the Results Act. As Chief Mike Dombeck stated in his testimony before the Resources Subcommittee, U.S. House of Representatives, "(w)e will implement the objectives of the Government Performance and Results Act (Results Act) through our strategic plan in 2000. The 2000 strategic plan will drive development of annual performance plans and budget proposals beginning in fiscal year 2002 . . ."

In addition, all Forest Service program and unit plans (Forest Plans, agency budget proposals, etc) must be linked to the goals, objectives, and measures of the 2000 Revision. The proposed planning regulations explicitly require Forest Plan goals, objectives, and measures be linked to the national strategic plan. The strategic plan sets the context for Agency actions, providing purpose for those near-term actions and setting expectations for how such actions affect progress toward long-term outcomes.

Question. Will this use increase in the future and if so in what ways?

Answer. The Forest Service believes the Results Act provides a unifying framework to achieve accountability for mission specific results. The national-level strategic plan will be linked to field-level activities through annual performance plans. These provide a direct link between the Agency's long-term goals and what managers and other employees do on a day-to-day basis. As stated before, this process is beginning with fiscal year 2002, and will be completed by fiscal year 2006. We believe this linkage will strengthen the Agency's overall effectiveness.

Question. Future funding decisions will take into consideration actual performance compared to expected or target performance. Given that: To what extent are your performance measures sufficiently mature to allow for these kinds of uses?

Answer. The Forest Service is using the GPRA process to undertake a rigorous review of how performance measures are defined and how data are collected, reported, and validated. The 1999 GPRA Annual Performance Report identified several weaknesses with current measures and reporting systems. Based on these findings, several measures are being modified or discontinued while others are being replaced with more appropriate measures. In addition, the Forest Service is exploring ways to improve the way data are collected from the field. The 2000 Revision of the Strategic Plan will drive development of the fiscal year 2002 Annual Performance Plan and we anticipate revision of the annual performance measures will be needed to ensure appropriate linkages to long-term goals and objectives.

Question. Are there any factors, such as inexperience in making estimates for certain activities or lack of data, that might affect the accuracy of resource estimates?

Answer. As we develop new performance measures, we will use the best information available to come up with estimates. In many cases, however, these estimates will represent the best guesses of capabilities, with performance estimates and targets improving as we gain more experience with the particular activities and outcomes we are attempting to measure. Furthermore, we also may change the methodology used to track existing measures as we implement more stringent data quality standards and requirements.

Question. Are you requesting any waivers of non-statutory administrative requirements?

Answer. No.

Question. Specifically, are you requesting any relaxation of transfer or reprogramming controls in return for specific accountability commitments?

Answer. No. Based on the budget structure we have proposed, we do not think that will be necessary.

Question. Based on your fiscal year 1999 performance plan, do you see any need for any substantive revisions in your strategic plan issued on September 30, 1997?

Answer. Yes, the USDA Forest Service 1997 Strategic Plan has been recognized as being insufficient in complying with the results focus of the Government Performance and Results Act of 1993 (Results Act). The fiscal year 2000 performance plan attempted to revise some objectives and measures contained in the 1997 Strategic Plan, but it still focused too much on the outputs associated with the historic budgeting processes instead of the results and outcomes required by the Results Act.

The recently completed draft 2000 Revision of the strategic plan largely overcomes deficiencies of the 1997 plan. The draft 2000 Revision successfully focuses the goals, objectives, and associated measures on those vital few results and other outcomes critical to the mission of the agency. The 2000 Revision provides the context and purpose for near-term actions and the focus for long-term land health and public service outcomes. The revised plan shifts the focus of agency management away from "inputs, outputs and process" to "outcomes" on the landscape. This revised focus will begin to be reflected in a significant way beginning with the fiscal year 2002 performance plan.

RESEARCH

Question. What level of funding has the Forest Service provided for silvicultural research in each of the last five years? Please provide this information for each research station.

Answer:

	Fiscal year					
	1996 conf.	1997 enacted	1998 appr.	1999 appr.	2000 appr.	2001 Pres. budget
PNW	2,135	2,204	2,508	2,611	2,965	3,392
PSW	1,317	1,015	1,129	1,148	1,148	1,298
RM	264	264	1,211	1,141	1,212	1,464
NC	1,236	1,519	1,651	1,668	1,381	2,662
NE	2,298	2,298	1,959	2,218	2,193	2,553
SRS	4,511	5,062	5,062	4,168	3,618	5,785
IITF	251	251	26	543	492	568
FPL	.....	.....	.....	.....	.....	325
WO	850	790	1,261	1,461	1,824	1,701
Total	12,862	13,403	15,042	14,958	14,833	19,748

Question. If funding for this form of research has trended downwards please explain why?

Answer. Between fiscal year 1996 and fiscal year 2000, Forest Service R&D appropriations increased by about 14 percent. During that time, program areas considered of high priority were increased more than that amount, which required cuts in other areas. As shown in the table, silviculture research went from $12.9 million to 15.0 million, then down to 14.8 million during that time, with an overall appropriation increase of about 15 percent

Question. What other activities have increased as a result?

Answer. In spite of major increases in some areas, such as Forest Inventory and Analysis, and Monitoring Methods, the silviculture program area has not trended downward. When fiscal year 1996 is compared to current levels, there is an increase of about 15 percent, which returns silviculture to slightly above the level of fiscal year 1995, just before major fiscal year 1996 Congressional cuts occurred.

The Agricultural Research, Extension, and Education Reform Act of 1998 mandated major enhancements in the FIA program. One of these was that the Forest Service needed to move to an annualized inventory of forest lands in all states. The FIA program provides the only continuous inventory that quantifies the status of forest ecosystems, including timber and non-timber information across all landownerships in the U.S. This information is very important to industry and state foresters, among others.

Question. What is the cost to perform inventories on an annualized basis?

Answer. The Agricultural Research, Extension, and Education Reform Act of 1998 mandated major enhancements in the FIA program. One of these was that the Forest Service needed to move to an annualized inventory of forest lands in all states. The FIA program provides the only continuous inventory that quantifies the status of forest ecosystems, including timber and non-timber information across all land ownerships in the U.S. This information is very important to industry and State foresters, among others.

In order to carry out the implementation of annualized inventory in accordance with the FIA Strategic Plan submitted to and amended by Congress to provide measurements of 15 percent of all FIA plots in the East and 10 percent of all FIA plots in the West annually. In order to maintain the quality and consistency of the program the Plan indicated a 3-year gear up of the program between 2001 and 2003 with $8 million annual increases in budget. Current funding from all sources for

FIA for fiscal year 2000 is $36.7 million and the President's budget provides no increase for fiscal year 2001.

Budget requirements to fully implement the annualized FIA program:

[In millions of dollars]

	Fiscal year				
	1999	2000	2001	2002	2003
Total needed FIA Budget	33.0	39.5	48.7	56.7	64.7
Actual	.....	36.7	.....	.....	.....

Question. Given the importance of the program, why hasn't research increased funding for it for fiscal year 2001?

Answer. The fiscal year 2001 Current Services level requested an additional $4.0 million, for a total increase of $12.0 million for FIA. In comparison, the 2001 Department Allowance provided $2.0 million for the FIA program.

Question. The Forest Service has entered into an Memorandum Of Understanding (MOU) with the National Association of State Foresters which states that if Congress does not provide certain levels of funding for this program as set out in the MOU, the agency will redirect other program funds to make up the difference. According to the MOU, the agency needs $48.7 million, yet according to your budget justification, the agency has only asked for about $40 million total. How can Congress provide the agency with sufficient money, if it doesn't bother to ask for it?

Answer. We place the FIA program as one of our highest priorities. The 2001 President's budget includes $31,687,000 in Research and Development funds for the FIA program (plus $5 million in NFS funds), which is the same as the level appropriated in fiscal year 2000. The FS Research and Development fiscal year 2001 Agency Request level recommended an $8.0 million increase for the FIA program. In addition, the fiscal year 2001 Current Services level recommended an additional $4.0 million, for a total increase of $12.0 million for FIA. In comparison, the 2001 Department Allowance provided $2.0 million for the FIA program.

Question. Isn't this MOU an admission that the agency's budget request is inadequate for the FIA program?

Answer. The MOU signed on February 15, 2000 by Chief Dombeck and the National Association of State Foresters establishes a mutual understanding about the importance of the FIA program in delivering scientifically reliable information about the condition, status, and trends of the nation's forests in a timely manner. And, the fiscal year 2001 Agency Request level recommended an $8.0 million increase for the FIA program.

Question. From what other sources does the agency plan to redirect funds if sufficient money is not appropriated to meet the levels in the MOU?

Answer. If sufficient appropriations to meet the need stated in the MOU are not approved, funding will have to be redirected from other priority programs within the Agency through reprogramming procedures.

Question. Will the agency submit this "redirection" for a reprogramming?

Answer. Yes.

Question. If money is redirected within research, from what program areas would it come?

Answer. The top funding priority within Forest Rangeland Research is to conduct research in support of maintaining and protecting healthy forest ecosystems. This requires simultaneous investment in many important subject matter areas including forest inventory and analysis, watershed restoration, global change, threatened and endangered species, and invasive species. The FIA program is among these top funding priorities.

Question. In previous years, the budget justification contained a display that indicated how much Research was spending on various areas like silviculture, wildlife habitat, plant science etc. The fiscal year 2001 budget doesn't have this information. Why not?

Answer. We continue to use our Research Budget Attainment and Information System (RBAIS) which allows us to track funding spent on various areas like silviculture, wildlife habitat, and plant science.

Question. How will Congress know what the agency is spending on these areas?

Answer. We track funding for various areas such as wildlife habitat, silviculture, and plant science through our Research Budget Attainment and Information System. In addition, we provide Congress specific information at the State and Research Work Unit levels in our Annual State Briefing Book.

Question. Your two performance measures are inadequate to inform Congress what your accomplishing with appropriated dollars. The measures consist of the number of books and reports Research has generated, and percentage of forest land covered by the FIA and Forest Health Monitoring program. How do these tell stakeholders about the quality of the work the Research program is doing (as opposed to quantity) and whether this work is actually leading to accomplishments on the ground?

Answer. The Forest Service is changing to a performance based budgeting system in order to link the Forest Service performance to the GPRA. In this new system, ojur performance measure will be: (1) Research products, tools and technologies transferred to users (number), and (2) Percent of Forest Land Covered. The Forest Service GPRA Strategic and Performance Plan uses a common set of goals or outcomes and to focus agencies priorities over a 5-year period. Like other natural research organizations within government, FS R&D is having extreme difficulty measuring what we do. In addition to the Budget Justification, we also produce State Briefing Books for Congress that list, by State, the kind of research our Research Work Units are involved in and scientific products they produce.

Percent of Forest Land Covered is a measure of the extent to which the FIA program, which includes FHM detection monitoring plots, is fully implemented in terms of the program envisioned by the Strategic Plan and by the Agriculture Research, Extension, and Education Reform Act of 1998. As such, it is a measure of the quality, effectiveness, and efficiency of our ability to deliver the required program with the resources available. If we deliver is less than 100 percent of what we promise when the FIA program is funded at the level identified in the Strategic Plan, then program quality, effectiveness, and efficiency are below par.

A full assessment of the FIA program, however, requires several indicators for inputs, outputs, and outcomes. Our Annual Business Report, as required by the Strategic Plan, identifies the following performance measures, which we believe collectively give a more complete and more detailed measure of the overall performance of the FIA program than is possible with any single measure:

Inputs

Percent of necessary federal base budget available (goal = 100 percent)

Outputs

Percent of country covered by FIA in a given year (goal = 100 percent)

Percent of base grid sample plots measured per year (goal = 10 percent west/15 percent east)

Average interval (years) between state reports (goal = 5 years)

Number of publications produced by type, peer reviewed/other (goal = 120/year)

Published methodology and statistical reliability of information in resource reports (goal = 3–5 percent per million acres of forest area, 5–8 percent per billion cubic feet of volume/biomass)

Outcome

Customer satisfaction (performance measure in development) (goal = 100 percent)

This report may be viewed at [www.srsfia.usfs.msstate.edu/wo/Annual____Report____1999.pdf].

Question. Is the agency working on better measures?

Answer. Yes. We are in the process of reevaluating our performance measures so that we can address the quality as well as report on the quantity of what we produce.

Question. When will these be available to the Committee?

Answer. In the fall of fiscal year 2001.

Question. The National Academy of Public Administration (NAPA) found that the Forest Service Research program did not interact with land managers enough when establishing research priorities. How are research priorities established?

Answer. We prioritize research according to the nature and magnitude of current and anticipated problems and information required by managers for effective national resources management now and into the future. The scale of the problems and management needs differ between and among local, State, regional, national and even global levels.

Each of the items mentioned in the question is high priority for a particular set of clients. The exact nature of the specific need, the sensitivity and resiliency of the affected ecosystems, the level of support from external groups, and the ongoing research programs at the other institutions are all factors that influence the decision. There is no single or discrete process by which decisions are made. Experience, sensitivity to customers, and professionalism, all play roles that are impossible to quantify.

Question. Shouldn't land managers be integrally involved in establishing priorities since presumably they will be the ones who use the research?

Answer. Land managers are an important category of research users. Whether they manage public lands or private lands, they are already involved in setting research priorities. National forest land managers already participate in the formal process of reviewing and rechartering of individual research work units. During those reviews, topics for future research studies are solicited and relative priorities among all the research clients are evaluated. From the standpoint of establishing research priorities at the regional level, Regional Foresters and Forest Supervisors participate in the development and review of Station strategic plans. These formal processes have been in place for over 20 years.

Question. What specific actions is the agency taking to address NAPA's criticisms?

Answer. As Endnote 30 to the NAPA Report correctly indicates, the authorizing legislation for the Research & Development program clearly envisions a research organization that is to provide services to a broad array of customers, not just the National Forest System. To help provide more coordination within the Washington Office, a Staff Director for the R&D Deputy area has begun attending the daily NFS staff meeting and a Staff Director for the NFS Deputy area has begun attending the bi-weekly R&D staff meeting. The Associate Chief for Natural Resources has reviewed ongoing collaboration between individual Regional Foresters and Station Directors and directed the development of additional proposals for joint collaboration for consideration during the fiscal year 2002 budget development process. In some cases, NFS is proposing work to help R&D accomplish its research mission and in some cases R&D is proposing work to help NFS accomplish its mission.

MISCELLANEOUS

Question. What is the current status of the agency's efforts to complete the inventorying of its real property assets through the INFRA database system?

Answer. In fiscal year 1999 Forest Service completed the most thorough inventory in Forest Service history. All real property assets have been recorded in the Infra database, and their existence was physically verified within the last two years, except for the following asset types:

—Roads—Level 1 and 2: These are Forest Service 19high clearance' and closed roads and constitute over 300,000 of Forest Service's 380,000 miles of road. We are requiring the field to accomplish a physical verification of 25 percent of these roads per year, in fiscal year 2000 through fiscal year 2003. Also, any changes found must be recorded in Infra.

—Trails: We required the field to physically verify, and enter any changes found into Infra, 20 percent of trails in fiscal year 1999, and are requiring the field to physically verify 20 percent of trails in each subsequent year through fiscal year 2003.

—Range Fences: Forest Service physically verified, and entered into Infra, 33 percent of range fences in fiscal year 1999. Forest Service is requiring the field to physically verify the remaining 67 percent of range fences into Infra in fiscal year 2000.

While the above assets were not 100 percent physically verified, we believe that 100 percent of the assets are individually recorded in Infra.

Also, Infra modules for the following physical assets categories are still under development:

—Wildlife Habitat Improvements
—Threatened, Endangered Species Improvements
—Fish Habitat Improvements
—Watershed Improvements
—Timber Resource Improvements
—Fire Control Improvements
—Communication Sites

The majority of the individual assets for these categories are valued at less than $5000 and would not be recorded in our Financial Report's capitalized values. While these assets are not yet in Infra, the field offices have manually controlled, collected and recorded the inventory data.

We are requiring the forest supervisors to certify that the Physical Inventory was as required in Forest Service direction.

Question. Will the INFRA database be capable of interfacing with the agency's new FFIS accounting software? Have any compatibility problems arisen? If so, what is the agency doing to resolve these problems?

Answer. Two modules of INFRA already interface with FFIS: the INFRA-SUDS module that manages special use permits and the INFRA-Range module that man-

ages grazing permits. Both of these interfaces provide billing information from INFRA to FFIS to create billing documents in FFIS. This records the amounts to be collected from permit holders in the accounting system. A third module of INFRA, Real Property, is currently being prepared for interfacing with FFIS. FFIS will provide INFRA with the costs of real property assets. INFRA will provide FFIS with depreciation expenses from capitalized real property assets. No compatibility issues exist with any of these interfaces. Files are simply formatted in a layout and structure that FFIS can use. Likewise, when providing real property costs to INFRA, FFIS will create and provide a file format that INFRA can use.

Question. What is the status of the agency's efforts to resolve issues surrounding the application of the Service Contract Act (SCA) to Forest Service concessionaires?

Answer. Over the past few years, the Forest Service, the U.S. Department of Labor, and the concession industry have discussed the applicability of the Service Contract Act (SCA) wage scales to government-owned campground concessions. Since October of 1999, these discussions have centered on whether the public service exemption (29 CFR, 4.133 (b)) to the SCA applies to the Forest Service campground concession program. When the SCA public service exemption applies, wage rates of concessionaire employees are subject to the requirements of the Fair Labor Standards Act (FLSA), rather than the more stringent requirements of the SCA.

The applicability of the SCA public service exemption to Forest Service campground concessions depends on whether the concession predominantly provides a benefit to the public. The SCA public service exemption does not apply where the concession predominantly provides a benefit to the government.

Since October, the Forest Service has been working on reworking both the bid prospectuses and the Special Use permits to insure as many concessionaire campgrounds as possible would come under the SCA public service exemption.

Question. Has application of the SCA to concessionaires increased operating cost to the point where concessionaires have not re-bid on their contracts?

Answer. The Forest Service is reworking the concessionaire Special Use permits so that the new permits will be appropriately included under the FLSA and not the SCA. A major component of the reworking is the requirement that the Forests would need to drop non-fee sites from the Special Use permits. Historically, many of these non-fee sites have been included in a concessionaires permit as a way for the Forests to reduce their cost to manage these individual sites. By removing the non-fee sites from the Special Use permit, the operational cost of maintaining these sites will again come back to the Forest Service to manage with appropriated funds.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

Question. In the fiscal year 1999 Interior Appropriations legislation, Congress provided the authority to enter into 28 Stewardship Pilot Projects. In the fiscal year 2000 budget, I attempted to add another 9 projects for Region One of the Forest Service, but these projects were rejected by the administration. Why was that?

Answer. The Administration is not categorically opposed to the idea of adding more pilots. The main reasons that the Administration opposed the nine additional projects in Region 1 in fiscal year 2000 were: (1) the belief that 28 pilots are adequate to test the new authorities granted by section 347; and (2) the belief that, if more pilots were to be added, the agency should be free to add them wherever it feels they would be most beneficial. A third factor that influenced the decision relates to funding. The agency was committed to implementing the original pilots without any supplemental funding. Were more pilots to be added it would have become much harder to implement all of the pilots, without adversely affecting program delivery in other areas, because of the lack of funding.

One additional consideration is the impact on payments to states and counties. Under the terms of section 347, revenues derived from the stewardship pilots are not counted as "monies received" for purposes of determining 25 percent payments. While this provision appears to make sense given that these projects are pilots, and given that little revenue may actually be received because of the ability to trade goods for services or retain receipts, the exemption would unquestionably become more controversial as the number of pilots increases.

Question. In this year's justification you mention in your goals for fiscal year 2000 that you aim to complete the 28 pilot projects, yet your budget does not mention the need for additional projects. Additionally, your fiscal year 2001 goals state that the Service will "continue working on the original projects." Are you presuming failure in meeting your fiscal year 2000 goals or was this an oversight in preparing your justification?

Answer. Before section 347 was enacted, the agency had already identified 22 pilot projects that it desired to implement—but many of these projects could not be implemented, as proposed, without additional authorities. Section 347 provided the needed authorities, so after it was enacted the agency brought some its original pilots under the scope of the legislation and selected additional pilots to reach the legal limit of 28—including 9 in Region 1. There has never been any expectation that these projects would be completed during fiscal year 2000. Several projects are still going through the NEPA process, and in all likelihood many will take as long as 3 to 5 years to complete. At present the agency is implementing 37 pilot projects. This total includes: 28 projects that are being implemented under section 347; 8 projects that are doing something new and innovative, but totally within the scope of our existing authorities; and 1 project that has stand-alone authority to experiment with trading goods for services. The latter undertaking is the Granite Watershed Project on the Stanislaus NF in Region 5. This project is being implemented under the terms of the Granite Watershed Enhancement and Protection Act of 1998. The agency's goal is to complete all of these projects as expeditiously as possible, but in all likelihood this process will take several years.

Categorical Exclusion ruling: My office has been told repeatedly that I should expect the Forest Service to publish a change to the handbook that will reinstate the use of Categorical Exclusions for small timber sales.

Question. When can I expect this announcement in the Federal Register?

Answer. The Forest Service agrees with the need to quickly move forward with the small timber sales that do not pose significant environmental impacts. However, at this time we do not believe this will require revising our categorical exclusions. We believe that a simple, straightforward environmental analysis process, for projects of similar scope to those previously authorized as categorical exclusions, can be done efficiently without compromising timely implementation.

Question. Will this publication include a public comment period?

Answer. See response to previous question.

Question. How long will this comment period be?

Answer. See response to previous question.

Question. How long should my rural communities expect to wait until the Service can actually being to use this management tool again?

Answer. We will monitor the results of this approach over the next year and determine whether additional steps are needed, including the possible need for a revised categorical exclusion for small timber sales.

NEPA Analysis.—Much has been made about the inability of the Forest Service to produce enough timber from areas that quite obviously need active vegetation management. Throughout my state, and the rest of Region One, it has been suggested by your agency employees that roving NEPA ID teams and more money for non-contentious NEPA analysis would help the Service provide an adequate timber supply while meeting forest health goals.

Question. Does the fiscal year 2001 budget reflect this need and can you show me specific funding increases in Region One to address this problem?

Answer. No additional funds have been allocated for this specific purpose. There should be adequate funding in the current budget allocation to the Region to achieve the objective of adequate NEPA analysis either with teams or being done by individual units.

TMDLs.—Clearly the EPA's work on Total Maximum Daily Loads has an impact on forestry activity.

Question. Should EPA forge ahead with TMDL rules impacting forestry, despite the concerns of Congress, what impact will this have on cooperative agreements the Forest Service has with private landowners?

Answer. The EPA's proposed revisions to rules governing TMDLs and National Pollutant Discharge Elimination System (NPDES) permits would affect the Forest Service's management of federal land. The Department of Agriculture and EPA have formed an interagency work group to address concerns that have been raised by the Forest Service and Natural Resources Conservation Service. That work group has been meeting regularly and progress is being made in resolving the concerns of the Department of Agriculture.

The extent to which the proposed rules would cause an economic impact or increase in workload of the Forest Service is currently under review and difficult to estimate at this time. It is important to recognize the Forest Service provides technical assistance in the development and implementation of TMDLs in response to existing EPA regulation and State TMDL programs. These responsibilities exist regardless of whether the revised rules are adopted. State water quality agencies are given the lead in developing TMDLs. Cooperative forestry assistance to private landowners is provided through agreements between the Forest Service and State

forestry agencies. State forestry agencies often work with the State water quality agencies to help develop TMDLs. The obligation of States to develop TMDLs, however, preceded the rules currently under consideration.

Question. What impact could it have on forestry activities on federal land?

Answer. See response to previous question.

Question. Will this increase costs in any of the Forest Service's programs or require a shift of resources from other needs?

Answer. The proposed rules do create new responsibilities, for example, a new requirement of public participation in the States' development of TMDLs. Such activities may increase our costs. Since many TMDLs are being developed on National Forest System lands, we expect the Forest Service will devote staff time to the public participation process. To the extent the new rules impose these kinds of additional incremental costs on the Forest Service, we want to identify and plan for those costs. Our interagency work group has discussed cost issues as well as the silvicultural aspects of the proposed rules.

Question. Timber Projects.—What laws prevent the Forest Service from entering into long-term sustainable yield contracts with independent forestry companies? Why has the Forest Service abandoned this land management tool?

Answer. NFMA requires us to advertise sales over $10,000 in value. The Multiple-Use Sustained Yield Act recognized two types of sustained yield units. One type required companies to provide private lands to be included with National Forests in a sustained yield unit. For example, the Shelton Unit on the Olympic NF provides the Simpson company an opportunity to obtain National Forest timber while waiting for its private land to grow into merchantable size. The other type was to provide mills in local communities with preference over other timber purchasers for national forest timber in the sustained yield unit. No additional sustained-yield units are contemplated, because this approach discourages modernization of mills, and limits competition.

Special Use Fees.—The Forest Service, despite comments in support of recreational economies, continues to increase fees to Outfitters, ski areas, and virtually all other recreational uses of federal lands.

Question. Considering these industries must operate in the notorious "service" industry and generally provide lower incomes than natural resource based jobs, why does the Forest Service continue increasing these costs.

Answer. There are over 74,000 special use permits, spread over 140 different types of uses for which there is only one fee charged by the Forest Service. This fee is the land rental fee charged for the rights and privilege of operating on National Forest System lands. By law and regulation the amount of the fee must be based on the fair market value of the rights and privileges given. Fair market value, by regulation is based on appraisals or other sound business management principles

Since 1984 the Forest Service or Congress, in order to obtain Fair Market Value has adjusted the following fee schedules. They are: Outfitter/Guide, 1984 (with an update in 1995); Lineal Rights of Ways, 1985, annual index to inflation; Recreation Residence, 1988, annual index to inflation (updated schedule currently undergoing congressional oversight); Communication Sites, 1990, annual index to inflation; and ski areas (congressional action), 1996, annual index to inflation. The remaining use types have been under the same fee schedule. Their fees have not changed unless the permit is subject to adjustments on a previously determined schedule.

Question. Are they all congressionally mandated?

Answer. See response to previous question.

Question. Why then when we attempt to decrease these fees, cabin fees for example, does the Forest Service object?

Answer. See response to previous question.

Question. I would also like a full breakdown of all fees charged on federal lands within Region One. For example, what fees must an outfitter operating on federal land pay each year?

Answer. The fees paid for an Outfitter/guide permit is either 3 percent of gross revenue or average client-day charge to determine their fee. Additional charges are levied for grazing of livestock or assigned campsites.

The breakdown for payments due to Region One in fiscal year 1999 is shown below:

Type of use—code and name	*Payments due*
111—Boat Dock And Wharf	$323.00
112—Club	255.00
113—Organization Camp	95,452.00
114—Shelter	459.00
115—Private Camp	354.00

Type of use—code and name	*Payments due*
121—Isolated Cabin	5,950.00
123—Recreation Residence	132,913.00
133—Resort	6,012.50
134—Recreation Lodging, Govt-Owned Bldg	17,445.00
141—Campground And Picnic	18,577.10
146—Target Range	204.00
149—Recreation Event	9,125.35
152—Marina	1,611.00
153—Outfitter And Guide	557,524.52
157—Store, Shop, Office	51.00
158—Vendor, Peddler	51.00
161—Winter Recreation Resort	28,678.33
162—Ski Lift, Tow	14,767.79
163—Ski Slope, Trail	356.81
164—Ski Activity	102.00
165—Snow Play	1,542.27
211—Cultivation	6,679.40
212—Nursery	51.00
214—Apiary	760.00
215—Livestock Area	11,413.21
221—Barn, Shed	306.00
222—Fence	153.00
223—Agriculture Residence	231.00
231—Building	55.00
232—Corral, Pen And Livestock Area	2,002.00
241—Convenience Enclosure	1,643.80
311—Group Event	51.00
332—Monument	51.00
333—Sign	561.00
342—Liquid Waste Disposal Area	449.00
343—Sewage Transmission Line	102.00
351—Residence, Privately-Owned Building	3,518.00
361—School	20.00
362—Service Building	7,674.37
367—Visitor Center, Museum	5,315.00
373—Other Improvement	255.00
411—Site Survey And Testing	51.00
421—Experimental And Demonstration	1,795.00
422—Research Study	306.00
432—Education Center	153.00
442—Nondisturbing Use	1,107.00
443—Disturbing Use, 1979 Act	51.00
511—Construction Camp And Residence	809.00
521—Warehouse And Storage Yard	1,704.00
522—Stockpile Site	231.00
532—Truck And Equipment Depot	51.00
551—Commercial Still Photography	10,388.88
552—Motion Picture And TV Location	9,000.00
561—Geological And Geophysical Explor	4,550.00
562—Mineral Material Sale	18,128.75
571—Occupancy Permit, Reserved Mineral Right	50.00
594—Yarding Corridor	102.00
612—Hydroelectric Project, FERC Exempted	51.00
631—Oil And Gas Pipeline	30,532.93
632—Oil And Gas Pipeline Related Facility	8,384.96
642—Other Utility Improvement, REA Financed	51.00
643—Powerline	36,378.49
711—Airport, Heliport	51.00
731—Railroads Right-Of-Way	51.00
751—Forest Road & Trail Act Easement	332.00
752—Federal Land Policy & Mgmt Act Permit	2,855.00
753—Federal Land Policy & Mgmt Act Permit	28,728.13
801—Amateur Radio	1,436.73
802—Personal/Private Receive Only	125.29
803—Microwave-Common Carrier	17,213.40
804—Microwave-Industrial	22,494.13
805—Local Exchange Network	1,711.83

Type of use—code and name	*Payments due*
806—Private Mobile Radio Service	7,647.67
807—Passive Reflector	2,727.72
808—Broadcast Trans/Low Power TV & Fm	578.12
809—Cable Television	2,614.86
810—Cellular	18,696.72
815—Commercial Mobile Radio Service	18,724.38
816—Am And Fm Radio Broadcast	7,654.47
817—Television Broadcast	12,387.78
818—Facility Manager	3,211.67
821—Telephone And Telegraph Line	20,523.87
831—Other Comm. Improvement, Not REA	102.00
911—Irrigation Water Ditch	2,428.14
912—Irrigation Water Trans Pipeline>=12″D	899.00
913—Irrigation Water Trans <12″D	2,898.00
914—Water Trans Pipeline >=12″D	204.00
915—Water Trans Pipeline < 12″D	14,399.00
921—Debris And Situation Impoundment	51.00
922—Dam, Reservoir	10,697.05
923—Water Diversion, Weir	459.00
931—Well, Spring Or Windmill	329.75
932—Stock Water	166.50
941—Stream Gauging Station	51.00
942—Water Quality Monitoring Station	306.00
951—Water Treatment Plant	352.00
Grand Total	1,260,029.67

Fiscal year 2000 Forest Level Appropriations.—Following an overall increase in the fiscal year 2000 budget, my local forest supervisors have responded to some of my questions regarding their funding levels in a very disheartening way. Despite an overall increase, the amount of money distributed to the forest level is actually decreasing this year.

Question. Can you provide me with a breakdown of the budget distribution to each of Region One's forests over the last three years, adjusted for inflation?

Answer. The following displays the requested information for fiscal years 1997, 1998 and 1999. The Regional Offices were provided final allocations for fiscal year 2000 in the March 1 Planning and Budgeting Advice (PB&A), and allocations at the forest level are in the process of being finalized. Fiscal year 1997 and fiscal year 1998 were adjusted to fiscal year 1999 dollars.

[In thousands of dollars]

Forest	Fiscal year		
	1997	1998	1999
Beaverhead/Deerlodge	15,527	14,543	13,950
Bitterroot	8,727	9,332	9,038
Idaho Panhandle	29,539	31,697	30,126
Clearwater	17,128	18,071	16,123
Custer	9,331	9,045	8,828
Flathead	17,023	15,381	14,662
Gallatin	10,249	9,954	9,832
Helena	7,126	7,878	8,047
Kootenai	28,847	24,701	23,877
Lewis & Clark	6,988	8,821	8,066
Lolo	18,808	18,105	16,945
Nez Perce	16,776	17,668	15,738
AFD	5,456	6,520	6,393
Total	191,525	191,716	181,625

Question. Why is it that we gave an increase of funding to the FS of $40 million this year, yet $20 million less actually ended up at the forest level. Where did the money go?

Answer. Allocations to the Regions (provided in the March 1, 2000 PB&A) increased by $34 million from fiscal year 1999 to fiscal year 2000. The forest level fiscal year 2000 allocation from the Regional Offices are now being finalized. Preliminary targets for the fiscal year 2000 budget were provided to Regional Offices Octo-

ber 1, 1999. Using a preliminary target may account for the apparent decrease at the forest level.

Question. Additionally, how will this change under the new budget envisioned by the Forest Service?

Answer. Other than the savings attributable to improved efficiency, the total funding levels available to any unit or level of the organization will not change as a result of the new budget structure. The proposed structure will simply realign funds into a new, smaller set of accounts within the National Forest System appropriation. This structure will facilitate improved financial and performance accountability by simplifying the agency's accounting structure, providing a better linkage to the integrated goals, objectives and performance measures of the agency, and improving on-the-ground management. The agency has also taken the first step towards performance-based budgeting by constructing its fiscal year 2001 Budget Justification around a series of performance measures within this new budget structure. Our intent is to focus attention on what the Congress and the American public can expect from the agency in terms of performance if proposed funding is approved.

Question. Will the shift of administrative costs to the forest result in a net decrease of dollars available for actual work at the forest level?

Answer. As part of its fiscal year 2001 budget structure reform, the agency is proposing to eliminate the General Administration line item. By definition, this line item funds some of the indirect costs associated with managing the agency. These funds are distributed among the appropriate accounts within the proposed budget structure. All indirect costs, including those previously funded by this account, will continue to be paid for out of the appropriate remaining accounts. To ensure that proper accounting for these costs occur, the agency has implemented the cost definitions and methodology that meet standards established by the Federal Accounting Standards Advisory Board (FASAB). This proposal reflects an adjustment that will provide more financial accountability and eliminate an unneeded budget line item. This will not result in a decrease of funds available for actual work at the forest level.

Question. Seasonal employees are responsible for doing much of the work on the national forests such as maintenance, campgrounds, trail work and fire suppression. Budgets in fiscal year 2000 are down 50 percent on some forests for funding of seasonal positions. Does the fiscal year 2001 budget rectify this problem?

Answer. The Forest Service hired 16,842 temporary and 556 term employees during fiscal year 1999. Compared to fiscal year 1998, these hires reflect an increase of 5 percent (16,079 temporary employees) and 8 percent (514 term employees) respectively. The Agency expects equivalent temporary and term employees to be hired in fiscal year 2000. Nothing in the Forest Service budget submission would preclude similar hiring levels in fiscal year 2001.

Question. Currently the Region 1 office and the Supervisors' offices have not received the budget for fiscal year 2000. They are still running under an interim budget and do not know what positions they can or cannot fill, what projects can be funded, etc. How long must our land managers wait while the national Forest Service plays political games with a budget appropriated over 4 months ago?

Answer. The Regional Offices and the Supervisors' offices were provided preliminary targets and estimated funding for their BY 2000 budget on October 1, 1999. Final allocations were provided to the Regional Offices in the March 1, 2000 Planning and Budgeting Advice. Public Law 106–113 (dated November 29, 1999) requiring a rescission of 0.38 percent of discretionary budget authority complicated Administration decision making and played a significant role in delay of final allocations. Final determination of the 0.38 percent reduction was not accomplished until December 30, 1999.

Question. I have been told there have been 300 new positions created in Washington DC just to take care of the budget and keep the finance house in order. Is this correct? If not, how many positions have been created over the last two years within the Forest Service at the national headquarters level?

Answer. The CFO intends to add a total of 70 new positions in the Washington Office to address financial reform and program accountability issues. We are not aware of the figure of 300 new positions mentioned in your question. The 70 positions are in the process of being filled. The recruitment and staffing of these positions has been ongoing over the past 18 months. This increase of 70 positions in the CFO Deputy Area is part of a total increase of approximately 150 positions in the Washington Office. It is important to note that the Forest Service has one of the lowest levels of headquarters staffing in government. Headquarters staffing comprises 3 percent of the total workforce, compared to 33 percent for some other agencies.

Question. How is it that we have all these new folks in Washington DC to get the finances in order but the still haven't sent an official budget out to the states?

Answer. A program budget was sent to the field on March 3. This was a final budget. Field units had a tentative budget by the end of September. This was accomplished in spite of the fact that Congress did not enact the Appropriations Act until November 18 and the required across-the-board reductions were not finalized until December 30.

Question. You cite in your budget "increased time dedicated to national initiatives by Forest Service personnel." Overhead costs increase significantly, workload increases from national initiatives, information collection, ESA consultations, etc. every year but money for overhead is not given to the on the ground folks to complete the analysis. In your reprogramming requests coming before the Appropriations Chairmen this year, is any of this money going to be sent to the region's to replenish money spent on political initiatives?

Answer. The overall majority of funding (appropriated funds) is allocated to the field. In fiscal year 2000 4.8 percent of available funding is allocated to cover headquarters costs. An additional 13.5 percent of the total available funds are distributed as "national priorities." The vast majority of this funding is provided to field units. The remaining 81.7 percent is directly allocated to the field.

Question. Finally, the interagency smokejumper base at West Yellowstone is an important protective entity for wildland fire, urban interface and protection of our natural resources in Yellowstone National Park and the Greater Yellowstone area. What are the funding levels for this facility in fiscal year 2000 and fiscal year 2001?

Answer. The Interagency Smokejumper Base at West Yellowstone, Montana is part of the National Shared Resources (NSR) program, which protects and provides initial attack for wildland fire, urban interface and protection of our national resources across public and other lands.

In fiscal year 1999 the West Yellowstone Smokejumper Base (including the air tanker base) received a budget of $439,000; in fiscal year 2000 the Base is scheduled to receive about $480,000. A final amount will be provided in the Northern Region's final program budget advice that is scheduled for release April 5, 2000. (checking on whether or not this happened already) This budget level funds 100 percent of MEL (most efficient level).

In the fiscal year 2001 President's Budget the planned funding for the West Yellowstone Smokejumper Base (including the air tanker base) will be at the fiscal year 2000 level of $480,000.

Question. When can we expect the facility to finally receive the money included in the fiscal year 2000 budget as passed last fall?

Answer. See response to previous question.

QUESTION SUBMITTED BY SENATOR BYRON L. DORGAN

For quite some time, I have been concerned about the potential impact of the U.S. Forest Service's proposal to change the management of the grasslands on Western North Dakota. I've heard from more than 20,000 North Dakotans about this issue and I've tried to work with you, Chief Dombeck, and others to ensure that public comments are heard and duly considered before any new management plan is implemented. However, I have grown deeply concerned about the lack of consensus that has been created around this plan. If anything, this new plan has driven a huge wedge between ranchers and environmental groups on the grasslands. Based on this and past experience in the process, I am concerned that a simple review of the comments will not produce measurable results or build acceptance of the plan.

Question. What is the Forest Service doing to create a more cooperative environment in which win-win solutions can be reached for both sides currently debating the plan?

Answer. First, let me assure you that our agency takes very seriously, all our proposals to make changes in management direction of our forest and grassland units of National Forest Systems lands. We are committed to expand and improve upon our collaborative efforts to more fully engage others in our planning processes—early on and all along the way. This means taking on the acknowledged challenge of listening to, more fully engaging, and working through differences with those who share our positions and those who do not. The process is not perfected, but that is the goal toward which we strive and will hold ourselves accountable. In the case of the North Dakota effort, the review of comments is anything but simple; it is extensive and thorough. Plans and plan revisions are always controversial. Considerable effort has been made in this current effort to achieve a more cooperative environment for win-win solutions.

Please bear in mind that a Land and Resource Management Plan (LRMP) is a programmatic decision document that allows the flexibility to achieve the desired direction at the local level through engaging local and regional groups such as the North Dakota Consensus Group and others in making site-specific decisions. The Forest Service anticipated the Dakota Prairie Grasslands controversy and attempted to bring interest groups together to find solutions at a time when it would have been effective in the planning process. One key interest was the livestock groups. Over three years ago it was proposed that the Forest Service and North Dakota Grazing Associations join the Bureau of Land Management Resource Advisory Council (RAC) to address key issues that we knew would be controversial. The North Dakota Grazing Associations rejected this offer. Without this key interest group, the Forest Service elected not to formally join the RAC, but instead maintains an hoc role. Again in pursuit of a win-win solution, over two years ago the agency asked many of the grazing associations to sponsor collaborative groups that included all interests to develop an alternative for our draft plan. Only the Little Missouri Grazing Association accepted this offer.

However, as the process proceeds between the Draft and Final Environmental Impact Statement, we are committed to continuing our efforts to involve all partners in working to achieve common ground solutions to the issues surrounding the management direction for the North Dakota grasslands.

Question. The Forest Service recently canceled the permits of the McKenzie and Medora Grazing Associations. Why didn't the Forest Service enter into mediation of the disagreements surrounding this cancellation when that option was clearly available to them and was obviously the intent of Congress according to the law?

Answer. For many years, the Forest Service has been a party to grazing agreements with the McKenzie County Grazing Association and the Medora Grazing Association. Under these agreements, the Forest Service authorizes a certain amount of grazing on National Forest System lands in western North Dakota and delegate's authority to the associations for the administration of livestock grazing on these lands. The Forest Service is responsible for ensuring that the associations' administration of livestock grazing is carried out in conformance with federal law, regulation, and the terms and conditions of the grazing agreement. The most recent agreements with the associations were executed in 1999 for a ten-year term. However, each agreement contains an "escape" or "opt-out" clause, which enables either party to terminate the agreement six months after providing written notice to the other party.

For more than a year, the Forest Service has attempted to obtain copies of certain classes of grazing administration documents held by the associations. The documents sought by the Forest Service contain specific information necessary to determine whether an individual is eligible and qualified to graze livestock on National Forest System lands and whether grazing is being conducted in compliance with the terms and conditions of the agreements. This is information that the Forest Service routinely maintains in its records when the agency directly administers the grazing permit. The associations have refused to provide the Forest Service with these documents.

On February 8, 2000, the Forest Service "terminated" the grazing agreements with the associations in accordance with the escape clause of the agreements. It is important to note that the Forest Service did not "cancel" the grazing agreements under Forest Service regulations at 36 CFR 222. In announcing its decision, the Forest Service explained that upon the effective date of the termination, the agency would issue permits directly to the affected permittees in order to prevent any unnecessary disruption to their ongoing business operations.

The Forest Service did not initially agree to enter into mediation with the associations simply because such a course of action was not available to the agency under its regulations at 36 CFR 251, Subpart C. These regulations, which were promulgated last year pursuant to the provisions of Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, limit mediation to specific types of disputes which result in a decision to suspend or cancel a grazing permit. Since the decision in this case was to terminate a grazing agreement, not to cancel a grazing permit, mediation under the Forest Service regulations was not an option.

However, we are pleased to report that the Forest Service has recently agreed to engage in court-sponsored mediation with the associations in an attempt to resolve this dispute that resulted in the initiation of litigation by the associations on February 23, 2000. While hopeful that the court-sponsored mediation will be successful, the Forest Service has emphasized that any resolution must include the right of the agency to free and unfettered access to grazing administration documents held by the grazing associations (including obtaining copies of same) which are necessary to determine whether the associations' administration of grazing on National Forest

System lands is being conducted in conformance with federal law, regulation, and the terms and conditions of the grazing agreement.

Question. Recently, mountain biking the "Teddy Roosevelt Connect" in North Dakota was ranked 24th of 100 of the National Geographic's Adventure 100 Trips. This is a trail that is owned and operated by the Forest Service and the ranking is a wonderful example of ecologically responsible development that has taken place. Even with this attention, North Dakota's grasslands remain one of the least visited locations in the U.S. What is the Forest Service doing to ensure that recreational activities on the grasslands continue to be developed?

Answer. In the National Geographic article, the "Maah Daah Hey Trail" was mistakenly called the "Teddy Roosevelt Connect." As you are probably aware, the Forest Service provided much of the impetus for its development. This 97 mile long trail was completed in 1998, and has already ignited a surge of tourism in western North Dakota. The Forest Service is also working with state agencies and other federal agencies to continue to improve the trail and market its virtues. The agency and the North Dakota Tourism Department just received confirmation from a television production company from Calgary, Alberta to film a mountain biking show on the Maah Daah Hey Trail on the Little Missouri National Grassland. It will be aired later this summer on the Outdoor Life Channel, which reaches 25 million households in the U.S. and 30 million in Canada. In addition, six overnight campsites are proposed for the Maah Daah Hey Trail and construction is planned to begin in fiscal year 2000. Loop trails and interpretive facilities are also planned for this year. The CCC Campground underwent a substantial upgrade and expansion in 1998/1999. And the Buffalo Gap Campground is scheduled for renovation and further development in fiscal year 2001.

On April 20th, the Forest Service hosted a Recreation Summit Workshop in Bismarck, North Dakota. Various federal, state and private recreational interests were represented at this workshop. Issues included tourist advertising, business opportunities, access routes, historical tourism and interpretation.

Last summer, the Forest Service and the North Dakota Tourism Department initiated a major effort aimed at enhancing and promoting trail and birding opportunities on the Grasslands in North Dakota. Ten state and federal agencies have joined the Forest Service in this effort. Products which will come out of this include: a Birding North Dakota state map, an integrated web site highlighting the trail and birding opportunities and birding festivals.

To attract visitors to North Dakota, the Forest Service has proposed issuing special-use permits for horseback riding, mountain biking and interpretive tours on the Little Missouri National Grassland. This will provide outstanding opportunities for tourism related businesses in western North Dakota. The Forest Service is currently receiving public comment regarding the issuance of these public permits.

The Forest Service has recently funded a multi-partnership project to interpret and showcase the trail taken by Custer and the 7th Cavalry on their way to the Little Bighorn, as well as by General Sulley and the Indian "Battle of the Badlands." For the Lewis and Clark Bicentennial, the Forest Service has funded the planning portion of a joint project for an interpretive trail in the Tobacco Gardens Area. Visitors will be able to experience the grasslands in a manner similar to when the Corps of Discovery traveled down the Missouri River in the early 1800s. A joint Forest Service/Corps of Engineers campsite and boat launch is also being contemplated for the Lake Sacajawea/Missouri River.

Question. The Forest Service has of 230 million acres of lands to supervise and manage. One of the mandates of current law, as interpreted by the courts and the agency itself, is the practice of developing National Environmental Policy Act documentation for every permit issuance, renewal, and transfer related to grazing. While at times this is a proper and efficient use of Forest Service resources, in a substantial number of instances this is simply a waste of time and resources. When the Dakota Prairie Grasslands Administrative Unit was established, I received assurances that this process would be streamlined. What proposals has the Forest Service developed since that time, either administratively, or in the form of recommended legislative changes, to help alleviate this burden?

Answer. Forest Service does not interpret current law to require National Environmental Policy Act (NEPA) documentation for every permit issuance. Rather current law merely requires that site specific impacts of federal action be considered before the action is taken. In the context of grazing permits, the Forest Service will, on occasion, address site specific impacts when looking at decisions involving individual permits. More common, however, is the practice where the agency may conduct its site specific analysis during the development of an allotment management plan (or plans) which may encompass many permits. Especially where resource con-

ditions in an allotment (or on multiple allotments) are similar, this provides for an efficient use of agency resources in satisfying its NEPA obligations.

Additionally, with the passage of the Rescission Act of 1995 (Public Law 104–19, Section 504), permits may be issued with the same terms and conditions pending completion of NEPA review and documentation. This law also provided for development of a schedule on each National Forest to complete NEPA review and documentation where needed.

A schedule for accomplishing the necessary NEPA analysis and decisions was established for all allotments within the Dakota Prairie Grasslands Administrative Unit pursuant to Section 504. The schedule was developed based on the traditional perspective of focusing NEPA analysis and decision on individual allotments. The Dakota Prairie Grasslands is currently gathering and analyzing baseline information that will allow the NEPA process to be completed on groupings of allotments in a much more efficient manner. This strategy will minimize time requirements and maximize the use of resources.

QUESTION SUBMITTED BY SENATOR ERNEST F. HOLLINGS

I want to thank Mr. Lyons and Chief Dombeck for coming and explaining their budget request to this Subcommittee. As you know, the U.S. Forest Service has been very instrumental in South Carolina's attempt to acquire and preserve land in my state. In reviewing the U.S. Forest Service's fiscal year 2001 budget request, I am pleased to see that the Forest Service has included three projects in South Carolina under their Land Acquisitions program. These land acquisitions are crucial to our conservation efforts and are for the benefit of, not only South Carolina, but the entire nation.

The Tibwin Area, listed as the Forest Service's number three priority, spans a region from the Charleston-Berkeley County line to the Intracoastal Waterway. This area, along with the Cape Romain National Wildlife Refuge and the Santee Coastal Reserve, support enormous biological diversity. This diversity includes: habitat for 5 federally listed animals, 2 federally listed plants, more than 30 natural plant communities and critical habitat for neotropical migratory songbirds, waterfowl and shorebirds. It is my understanding that negotiations with property owners in this area are producing good results and that money appropriated will immediately be turned around for land purchases.

I also want to thank the Forest Service for including the Chattooga headwaters and the Broad River Corridor in their Land Acquisition budget request. These are extremely vital projects for South Carolina as well.

I do have a couple of questions though. Last year, as a part of the fiscal year 2000 Department of the Interior and Related Agencies Appropriations Act, an additional $5 million was appropriated for the Forest Legacy Program. On February 1, 2000, the USDA sent a list to this Subcommittee identifying three projects for these funds. These projects included the Edge Phase I located in Washington, the Shooting Tree located in South Carolina and an undetermined project in Maine. Representatives Dicks and Regula sent a letter back to the USDA on February 16, 2000, saying that they could not evaluate the USDA request until the project in Maine were identified.

Question. What is the status of this request?

Answer. We expect the State of Maine will provide details regarding the $3 million proposed for projects in the very near future. Secretary Glickman will forward that information to the Appropriations Committees as soon as possible.

Question. Is there anyway to divide these projects to allow the Edge Phase I and Shooting Tree projects to move forward while decisions on the Maine project are settled?

Answer. The Edge Phase I and Shooting Tree projects could be approved separately from the Maine to-be-determined projects if the Committee so chooses. The Forest Service would have no objections to that approach.

Question. Also, it is my understanding that the USFS does not allow funds appropriated for land acquisition to be used for direct costs such as closings and surveys. Why is that?

Answer. With respect to the Forest Legacy Program, the Forest Service applies funds appropriated to the Forest Legacy Program Expanded Budget Line Item for all Forest Legacy program implementation purposes. The agency goal is to maximize the amount available for payments to landowners for projects and to minimize administrative expenses. Forest Legacy funds are available for direct costs related to closings and surveys. Specific expenditures are described in the grant agreement between the Forest Service and the State lead agency for Forest Legacy.

Question. Is there a specific rule that precludes the USFS from allowing these funds to be used for direct costs?

Answer. The Forest Legacy authority and program implementation guidelines do not prohibit payment of direct costs with Forest Legacy Program appropriated funds.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

I want to commend your support in this year's budget for the Forest Legacy program—a program where my own state of Vermont has conserved over 35,000 acres and created valuable partnerships between local, state, and federal agencies. But, as you well know, land conservation is only one part of the picture to maintaining sustainable, working forested communities. Economic assistance to communities is an essential component to maintaining the vitality of rural areas. That is why I am concerned that the budget does not include a comparable level of support for economic development programs such as the Economic Action Programs and the Forest Stewardship Program. In fact, the Administration request for these programs is less than last year's level.

That to me is not a balanced effort to preserve the working sustainable landscapes in rural America. I want to alert the Chairman, Ranking Member and you Chief Dombeck that I have been working with Senators Lugar, Murray and Bond on a letter that will have over forty signatures in support of increasing these economic development programs.

Question. Chief, do you agree that this committee should continue to strongly support these economic development programs to assist communities and preserve their economic vitality?

Answer. Yes, I agree that the committee should continue to strongly support the Forest Service Economic Action Programs. While the Administration request for the Economic Action Program is lower than the fiscal year 2000 enacted level, it does not include the $6.6 million of Congressional earmarks that were specified in the fiscal year 2000 enacted level. Thus, the amount of funds available for program delivery is comparable to last year's level.

Question. As you know, I have been a long-time supporter of conservation and the Forest Service. I am also eager to see that the land that is managed and maintained for its thousands of public visitors. This costs operational dollars. I have heard repeatedly that Forest Service staff in Vermont is stretched to its limits, trying year after year to keep some of this country's most beautiful lands cared for and preserved. It is my understanding that the criteria used to allocate each year's Forest Service operational budget tends to put the Northeast at a disadvantage. This may be because our lands have minimal on-site "capital"—such as on-site buildings and facilities. Ironically, it is this pristine, minimally-developed nature of Northeastern lands that has made them so popular for the 70 million people who live within half a day's drive and who flock to the Northeast for hiking, fishing, mountain biking, skiing, and other recreational pursuits year-round.

I would like to work with the Forest Service to ensure that operational budgets in the Northeast reflect the needs of Forest Service personnel in the region. To this end, would you please outline the criteria that is used to allocate operational budgets to the Forest Service regions?

Answer. We have established a field-based team to develop a revised funding allocation and decision feedback process that is based upon national priorities, program analysis and the agency's strategic plan. It is our intention to pilot this new process for developing agency-wide funding requirements and allocating budget obligation authority in fiscal year 2001. Based upon the outcome of the pilot, agency-wide implementation of this new process will occur in the following fiscal year. This information will be provided as soon as it is finalized.

Question. Also, would you agree to re-evaluate current operational budget allocation formula to better serve Northeastern forest lands?

Answer. As discussed above, it is our intention to re-evaluate budget allocation criteria across all regions of the Forest Service.

QUESTIONS SUBMITTED BY SENATOR HARRY REID

Executive Order 13057, signed by the President on July 26, 1997, was issued to ensure that Federal agency actions protect the extraordinary natural, recreational, and ecological resources in the Lake Tahoe Region. The States of California and Nevada, local governments and the private sector at Lake Tahoe have already committed millions of dollars toward their share of project funding under the Tahoe En-

vironmental Improvement Program (EIP) as adopted by the bi-state Tahoe Regional Planning Agency. The Lake Tahoe Presidential Forum set forth deliverables that included federal commitments to this effort of approximately $36 million dollars annually. The Forest Service share of this commitment should be roughly $30 million. The fiscal year 2001 Budget justification seems to overlook specific funding for these Lake Tahoe projects beyond administrative operations for the Forest.

Question. Are you allocating funds for these projects within your proposed budget for fiscal year 2001? If not, why not?

The Agency budget presentation does not reflect funding below the regional levels. However within the Agency there has been an emphasis placed on increasing funding for work in the Lake Tahoe Basin. The fiscal year 2001 budget request included $6 million for increasing efforts at Lake Tahoe. We will consider including a special exhibit with the budget presentation for fiscal year 2002.

Funding estimates for these projects in the fiscal year 2001 budget included:

Watershed assessment	$190,000
Watershed restoration	420,000
Road improvements and decommissioning	1,240,000
Land acquisition and acquisition management	2,450,000
Prescribed fire and mechanical treatments	1,650,000
Recreation and transportation	65,000
Total	6,015,000

Question. If so, why weren't these items set forth as specific funding initiatives as presented and suggested by the Lake Tahoe Transportation and Water Quality Coalition?

The recommendations by the Lake Tahoe Transportation and Water Quality Coalition have not been incorporated into budget presentations as specific funding initiatives. In part, this is because, with few exceptions, the Agency budget presentation does not reflect funding below the regional levels. Oftentimes interest groups and coalitions such as this do not present their recommendations to the agencies in the budget formulation stage so that they can even be included in exhibits. Through capability statements and other means we do respond to these requests from the Appropriations Committees thus providing the Congress with the information to make appropriation decisions.

Forest Service is currently reviewing alternatives for the repair and/or construction of 1.5 miles of the South Canyon Forest Service road. Simultaneously, Elko County and Forest Service are involved in litigation that includes, but is not limited to, the ownership of the road. Forest Service also appears to be working cooperatively with the US FWS, Nevada State Fish and Game, Elko County officials, and the public for road design and location alternatives.

Question. Is the current status of litigation impacting or delaying the final decision for the road repair?

Answer. The Regional Forester is currently negotiating with Elko County to resolve the litigation in a timely manner. In order to comply with the confidentiality agreement with Elko County, the Regional Forester cannot comment further at this time.

Question. Please provide a brief, concise statement on the status of the negotiations and provide a comprehensive list of road design alternatives for South Canyon Road including associated costs.

Answer. The Regional Forester is currently negotiating with Elko County to resolve the litigation in a timely manner. In order to comply with the confidentiality agreement with Elko County, the Regional Forester cannot comment further at this time.

According to your testimony, the draft EIS for the Forest Service Roadless Initiative is to be completed this spring. A complete roadless area inventory should be included as an assessment of the current management situation. As you know, the Humboldt-Toyabe National Forest, including the Lake Tahoe Basin Management Unit, is of particular interest to me. Unfortunately, the digital maps for Nevada posted on the Forest Service WEB page, do not include current data for those areas that have not been inventoried. In light of this situation:

Question. When can we expect the data from current inventory activities of roadless areas to be available for public review?

Answer. The draft environmental impact statement and proposed roadless rule will be available for public review in the spring of 2001.

Question. When will the roadless inventories from older forest plans and RARE II be verified and updated?

Answer. The Forest Service began identifying roadless areas through RARE I in 1972. In 1979, the agency completed RARE II, a more extensive national inventory of roadless areas. RARE II built on the data in RARE I, and in most cases forest plans and other assessments were built on RARE II. In the limited circumstances where a forest plan or other assessment did not have a more recent inventory of roadless areas, the Forest Service used the RARE II inventory

Question. Will a separate existing road inventory project be required to establish an accurate, complete, and up-to-date road inventory prior to completion of the proposed Roadless Area analysis and Record of Decision?

Answer. The national forests and grasslands are currently conducting inventories and condition surveys; however, it is the Roads Policy that addresses requirements for road inventories, including the requirement to inventory existing classified, unclassified, and temporary roads. Some historic roads may be included if they are currently open for use and are classified.

SUBCOMMITTEE RECESS

Senator BYRD. So the subcommittee will stand in recess untill 9:30 a.m., Tuesday, April 4, when we will receive testimony on the fiscal year 2001 budget requests for the Bureau of Indian Affairs and the Office of the Special Trustee for American Indians. Hon. Kevin Gover, Assistant Secretary for Indian Affairs, Department of the Interior; Hon Thomas Thompson, Principle Deputy, Special Trustee for American Indians.

[Whereupon, at 12:55 p.m., Wednesday, March 22, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, April 4.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, APRIL 4, 2000

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

The subcommittee met at 9:34 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Burns, Campbell, and Dorgan.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SPECIAL TRUSTEE

STATEMENT OF THOMAS M. THOMPSON, PRINCIPAL DEPUTY SPECIAL TRUSTEE FOR AMERICAN INDIANS

BUREAU OF INDIAN AFFAIRS

STATEMENT OF KEVIN GOVER, ASSISTANT SECRETARY

ACCOMPANIED BY:

JOE CHRISTIE, ACTING DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS

HILDA A. MANUEL, DEPUTY COMMISSIONER, INDIAN AFFAIRS

DAVID A. GILBERT, BUDGET OFFICER, OFFICE OF THE SPECIAL TRUSTEE

PAMELA K. HAZE, DEPUTY DIRECTOR, OFFICE OF BUDGET, OFFICE OF THE SECRETARY

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Good morning. This is the Subcommittee on Interior's third hearing with respect to the fiscal year 2001 budget for agencies funded through the subcommittee. And today, of course, we are going to hear testimony from the Bureau of Indian Affairs and the Office of the Special Trustee for American Indians.

At the outset, I want, once again, to welcome you, Mr. Gover. It is a real pleasure to see you. And it has been both a pleasure and productive to have worked with you over the course of the last several years. You are both highly professional and extremely candid.

At the same time, I want to welcome Principal Deputy Trustee for American Indians, Mr. Thompson, who has been acting as Acting Special Trustee. Thanks for your willingness to take on that very difficult challenge that has a great deal of stress and I am

sure takes a tremendous amount of your time. Your work in that connection is very much appreciated.

I think we will start with you, Mr. Thompson. And after we direct questions to both you and to Mr. Gover on the special trustee's budget, we will then move on to the BIA budget itself. The budget request for BIA is about $2.2 billion, which is more than a $300 million increase over the year 2000.

This is a very substantial increase and is distributed primarily to trust fund management, law enforcement, education operations, backlog maintenance and school construction. The largest of those increases is for school construction, a field which is in dire need.

The administration is looking for more than $300 million for the construction of the schools, more than double that for the year 2000. I am pleased to see that education, construction and school repair emerged as high priorities for the administration. My colleague from New Mexico, Senator Domenici, has been persistent on this subject for as long as I have chaired this subcommittee. And obviously, his efforts have been rewarded in this budget request.

Because the Senate is beginning debate on the budget resolution, I doubt that we will see Senator Domenici here this morning, but I know he has a very high degree of interest in the subject.

The Office of Special Trustee, about $95 million is requested, about the same amount for the fiscal year 2000, $12.5 million for Indian land consolidation and an effort to address the ever-expanding problem of fractional interest in Indian lands. A land consolidation request is $7.5 million more than the 2000.

Next, about $82.6 million is requested for the Office of Special Trustee to operate the various trust programs for Indians. This request is a bit of a decrease under the fiscal year 2000 funding.

Last year, Secretary of the Interior Babbitt was forthright in identifying the Office of Special Trustee as his number one priority for appropriations. This subcommittee responded by providing the full amount of his request, which was a large increase over the previous year. We will have an opportunity to hear from Secretary Babbitt tomorrow, but I suspect that trust management reform will remain a high priority.

I expect the subcommittee will continue to be responsive to this pressing need, but that will depend in large part on what you tell us here today. We are most interested to hear about your progress.

I have made a concerted effort to increase funding for American Indians and Alaska Natives throughout my term as chairman of this subcommittee, and I will continue to do so. It is imperative that we ensure adequate education and safe communities for all Americans.

In addition, it is certainly important that this country live up to its trust responsibilities in a respectable and professional manner.

As we proceed with this year's appropriations process, it will be increasingly necessary for us to work together in order to target the most crucial areas and to focus on the top priorities. It is highly doubtful that the total allocation to this subcommittee will be equal to what the President has requested.

And Mr. Gover is well aware of our work in each of these years in attempting to work within what we have and to direct our funding at the most emergent needs.

PREPARED STATEMENT

And I think that the Office of Special Trustee will do the same thing, if you give us the proper insight into your opportunities.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SLADE GORTON

Good morning. This is the Subcommittee on Interior's third hearing regarding the fiscal year 2001 budget requests for agencies funded by the subcommittee. Today we will receive testimony from the Bureau of Indian Affairs and the Office of the Special Trustee for American Indians.

At the outset, the subcommittee welcomes the Assistant Secretary for Indian Affairs, Mr. Gover. It's been a pleasure working with you over the past several years. I have appreciated your high level of professionalism and your candor. Also, on behalf of the subcommittee, I welcome the Principal Deputy Trustee for American Indians, Mr. Thompson, who has been serving as Acting Special Trustee. Thank you for your willingness to serve as Acting Special Trustee—a stressful position that has demanded much time and energy. Your hard work has been appreciated.

The subcommittee will first have Mr. Thompson present the budget on behalf of the Office of the Special Trustee. After questions are directed to both Mr. Gover and Mr. Thompson regarding the Office of the Special Trustee's budget and the trust management improvement project, we will then move on to the Bureau of Indian Affairs' budget.

In total, the budget request for BIA is approximately $2.2 billion which is a $331.9 million increase over fiscal year 2000. This is a rather large increase over fiscal year 2000—almost 18 percent—and is distributed primarily to trust fund management, law enforcement, education operations, backlog maintenance, and school construction. The largest increase requested within BIA's fiscal year 2001 budget is for school construction, an area which is in dire need of funding. The administration seeks $300.5 million for construction of schools, an amount that is approximately $167 million over the fiscal year 2000. I am pleased to see that education construction and school repair have emerged as high priorities for the administration. My colleague from New Mexico—Senator Domenici—has been particularly persistent on this issue for as long as I have chaired this subcommittee, and I am pleased to see that his efforts have been rewarded in this budget request. We will do our best to be responsive within the constraints that are placed upon us.

For the Office of Special Trustee for American Indians, approximately $95 million is requested for fiscal year 2001. This is at about the same level as the amount enacted for fiscal year 2000 for the Office of Special Trustee accounts. This request is broken down as follows: Approximately $12.5 million for the Indian Land Consolidation in an effort to address the ever expanding problem of fractional interests in Indian lands. The land consolidation request is $7.5 million more than the enacted fiscal year 2000 amount. Second, approximately $82.6 million is requested for the Office of Special Trustee to operate the various trust programs for Indians. This request for the Special Trustee is about a $7.4 million decrease below the fiscal year 2000 funding.

Last year, Secretary Babbitt was forthright in identifying the Office of Special Trustee as his number one priority for appropriations. This Committee responded by providing the full amount of the request, which was a large increase over the previous year. We will have an opportunity to hear from the Secretary tomorrow, but I suspect that trust management reform will remain a top priority. I expect this Committee will continue to be responsive to this pressing need, but that will depend in large part on what you tell us here today. We are most interested to hear of what progress you are making.

I have made a concerted effort to increase funding for the American Indians and Alaska Natives throughout my term as chairman of this subcommittee and will continue to do so. It is, of course, imperative that we ensure adequate education and safe communities for all Americans. In addition, it is certainly important that this country live up to its trust responsibilities to the American Indians and the Alaska Natives in a respectable and professional manner.

As we proceed with this year's appropriations process, it will become increasingly necessary for us to work together in order to target the most crucial areas and to focus on the top priorities. I encourage both the Bureau and the Office of Special Trustee to offer insight throughout this process to ensure that we find ways to effectively and efficiently provide funding for the most critical areas.

I thank you for your participation in this hearing today, and, I look forward to working with both of you throughout this appropriations cycle.

Senator GORTON. Senator Byrd is not here this morning.

Senator Campbell, do you have an opening statement?

Senator CAMPBELL. Mr. Chairman, I have no opening statement. I will just ask some questions.

Senator GORTON. Senator Burns.

Senator BURNS. I have no statement. I am looking forward to the witnesses.

Senator GORTON. Well, that is very kind for you to sit here and listen to speeches without making a statement at all.

SUMMARY STATEMENT OF THOMAS M. THOMPSON

And so with that, and under those circumstances, Mr. Thompson, we would like to hear from you.

Mr. THOMPSON. Thank you, Mr. Chairman, members of the subcommittee. I appreciate the opportunity to present the President's fiscal year 2001 budget for the Office of the Special Trustee.

The sum of money we request, as the chairman pointed out, is about $95 million. Substantial amounts of this money are, of course, shared with the BIA and other line agencies in Interior. All the money is directed towards trust reform.

The major differences in the budget are about a $7.4 million reduction in OST's operations. These are nonrecurring or funds that have been shifted to BIA and are offset by about a $7.5 million increase for Indian Land Consolidation, basically a push in the budget. It reflects the fact that OST has concluded some of the work that we had promised you last year. I will talk about that briefly in a moment here.

I would say also that in addition, the Office of the Special Trustee supports the critically needed request in BIA's budget, trust operations budget, for about $35 million, which are needed for additional staff and to institutionalize and maintain the trust improvements we have accomplished to date. This is basically a restoration or a reflection of the reductions suffered by BIA in past years in the field for these operations.

Again, these requests reflect the continued emphasis the administration and the Secretary place on Indian trust reform. Let me highlight some of the accomplishments of the past year.

In line with the commitment I made to you last year, OST has completed its installation of the new Trust Funds Accounting System. It is a modern, off-the-shelf, commercial accounting system used by about 60 percent of the banks that manage trust funds across the country.

The system covers all trust accounts, both tribal and IIM, and also all the trust investment money. We have something on the order of about 270,000 accounts on that system now. All of them are transferred off the old legacy, the old system, now. That was step one in our effort to improve trust.

In addition, as a complement to this, BIA has piloted its TAAMS system. This is the land management system that replaced two antiquated systems in BIA. They expect to begin deployment of this system this summer. And we will roll that out over the next year,

year-and-a-half time frame. The two systems together will give us the foundation for trust reform into the future.

In addition to this work, we have also had to do significant trust data cleanup both in OST and BIA. We have done substantial amounts of that work, and that work will continue. In the case of OST, we brought the records into a centralized location and set up file jackets for each individual account holder. We have a paper file now behind each of the account holders.

We did note a significant shortage of paperwork. We are looking for that paperwork now. In BIA's case, they are using a contractor to go out to their field operations at about 9 of their 12 regional locations now doing data cleanup in preparation for the TAAMS implementation.

We also this year initiated a major effort to improve records management across the Interior Department, establishing a specialized staff that supports both Mr. Gover and myself on records management in Albuquerque.

It is being shepherded, I would say, closely by the court, who has an intense interest in our management of records. We do not have everything fixed yet, but we have a plan. And we have the staff to make that work over the next three years.

In addition, BIA is well on its way to eliminating the appraisal backlog that we had discovered during the course of this cleanup and bringing that work on line.

I guess lastly I would mention that the Department just in the last month published a revised High-Level Implementation Plan, which is our road map to the reform effort. In this effort, we have reviewed the work we have done.

We have learned from the work in the past. We have improved upon this plan, making it more robust and increasing the number of milestones, critical milestones, that must be accomplished, laying them out in specific detail so they can be tracked both in staff, budget and accomplishment-wise.

I would have to tell you that while much work has been done, there is still much work that remains to be done. One of the things that hit us this last year would be the amount of effort that the people involved in trust reform have had to spend with regard to the Cobell litigation.

I can tell you myself personally, in the last three months probably 95 percent of my time has been involved with litigation activities, not directly on trust reform. That is a rough estimate, obviously.

PREPARED STATEMENT

And one final note, as you are aware, Mr. Chairman, the President has nominated Mr. Thomas Slonaker as Special Trustee. The Senate confirmation hearing was held March 22. I particularly hope the Senate will move promptly to confirm him, so he can join us in this trust reform effort.

Thank you, Mr. Chairman. I am pleased to answer any questions. And I will turn it over to Kevin to discuss some of the budget for BIA operations activities.

[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 2001 budget request for the Office of the Special Trustee for American Indians (OST). The total fiscal year 2001 request for the OST accounts is $95 million, about the same level as fiscal year 2000 enacted. This request includes an increase of $7.5 million for Indian Land Consolidation that is offset by a $7.4 million reduction in OST operations that are non-recurring or shifted to the Bureau of Indian Affairs (BIA). The combined OST and BIA budget requests reflect the continued emphasis the Administration and the Secretary place on implementation of Indian Trust Asset Reform efforts and the resources needed to sustain the operational and organizational improvements initiated in previous years. Improvements in systems, operations and policies are critically needed to ensure the Federal Government meets its fiduciary obligations to Indian tribes and individual American Indians. New systems linking the management of underlying trust assets and the financial accounts are expected to begin operations in late 2000 to ensure that collections and payments are accurate.

The BIA requests a $35.1 million increase for trust management functions, including real estate services, probate, cadastral surveys, and land titles and records programs. These increases are absolutely crucial to ensure that the trust management improvements we are implementing are institutionalized and maintained in the long term.

Eliminating Indian trust management deficiencies continues to be the highest management priority for the Department. Secretary Babbitt has testified repeatedly to our commitment to resolve the decades-old trust fund management issues. This Committee provided significant help in solving this problem by fully funding our fiscal year 2000 budget request. As a result, the Department has been able to make progress in implementing much-needed reform efforts.

INDIAN TRUST MANAGEMENT REFORM PROGRESS

In line with the commitment we made to you last year, conversion of individual Indian accounts to the new Trust Fund Accounting System (TFAS) will be completed by May. Implementation of TFAS, suitable for both Tribal and IIM accounts, will be operational nationwide in all BIA and OST Regional locations by that date. The BIA has piloted the Trust Asset and Accounting Management System in one location and expects to begin deploying the land title functions of the system to other locations late this spring. Some additional accomplishments include:

—Publishing a revision to the High Level Implementation Plan (HLIP), which outlines progress made toward completing improvements in trust management and lays out additional steps that must be taken to reach the goals and objectives that we have established. Significant headway has been made in establishing new trust management and financial systems that will handle the hundreds of thousands of records that are the foundation of a reliable trust management program.

—Significant data clean up activities have been completed in OST. Similar efforts are underway in BIA. Both OST and BIA will continue data clean-up in support of the new systems.

—BIA is well on the way to eliminating appraisal backlogs this year.

—Probate backlogs will be addressed through probate re-invention efforts and additional staffing in both the BIA and the Office of Hearings and Appeals (OHA).

—Additional Records Management staff has been hired, records management training is ongoing, and assessments of BIA records storage locations will begin this year.

—Additional staff is being hired to address internal control issues and manage the overall training programs.

—Joint efforts are also underway to address policies and procedures.

It should be noted that Department-wide, staff who are responsible for these accomplishments continue to be heavily involved in providing support to the Cobell v Babbitt litigation, while also carrying on their day-to-day responsibilities. Many of the initiatives are supported or accomplished by contractors. We estimate that approximately 65 percent of the funds provided for trust management improvements will be obligated through contracts.

FISCAL YEAR 2001 BUDGET REQUEST

The 2001 budget includes a comprehensive proposal to continue ongoing trust management improvements, institute permanent and lasting changes in trust man-

agement functions in BIA, and resolve land ownership fractionation, which is one of the root causes of trust management problems.

For Program Operations, Support and Improvements, $80.4 million is requested, which includes $58.4 million needed for continued implementation of the trust management improvement activities of OST, BIA, and OHA. These funds will be used to operate the trust fund and trust asset and accounting management systems, address account data problems, and further reduce backlogs in trust asset processing functions. The Department has installed and is operating a Trust Funds Accounting System (TFAS), suitable for both Tribal and IIM accounts. The Department also is piloting and will begin installation of a standardized, commercial off-the-shelf land management system technology, referred to as Trust Asset and Accounting Management System (TAAMS), which will replace the aging BIA trust asset management systems and land title and records and minerals royalty systems.

Another $19.6 million is required to support day-to-day financial trust activities at the Office of Trust Funds Management, including the field staff and support services. Included in the request is an additional $726,000 for increased staffing and support costs to sustain improvements in various trust operations activities within OST, $580,000 for Office-wide fixed costs such as pay raises and increased space costs paid to the General Services Administration, and $423,000 for increases in other administrative support contract costs.

A total of $2.5 million is requested to fund the Office of Trust Litigation Support, a net decrease of $2.7 million from fiscal year 2000 due to a decrease in requirements for funding tribal settlement support activities and ongoing litigations efforts.

EXECUTIVE DIRECTION

For Executive Direction, $2.2 million is requested, an increase of $496,000 above fiscal year 2000. The immediate Office of the Special Trustee will need additional staff to oversee and coordinate trust improvements Department-wide as the pace and scope of improvements accelerate. This request 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.

LAND CONSOLIDATION

Our fiscal year 2001 budget requests $12.5 million for the Indian Land Consolidation Program, an increase of $7.5 million above the fiscal year 2000 enacted level. We need to expand the pilot land acquisition program to consolidate fractional interests and support the reopening and acquisition of "Youpee" interests in allotted Indian lands. In 1999, BIA implemented a pilot program on three reservations in Wisconsin and by the end of 2000 will have acquired over 36,000 fractional interests in allotted Indian lands. The 2001 request will allow us to acquire up to 40,000 additional fractional interests. Resolving land ownership fractionation is key to trust reform efforts. We are pleased that the Committee on Indian Affairs has approved S. 1586, which will provide permanent authority for the Indian Land Consolidation Program. We hope the Senate will approve this bill soon.

One final note Mr. Chairman, as you are aware, the President has nominated Mr. Thomas N. Slonaker to serve as Special Trustee for American Indians. The Committee on Indian Affairs held the confirmation hearing on his nomination on Wednesday, March 22, 2000 . We hope the Senate will confirm Mr. Slonaker quickly, so he can join the Departmental effort to address Indian trust management reform.

This concludes my opening statement, Mr. Chairman. I will be pleased to answer questions of the Subcommittee.

TRUST FUND ACCOUNTING

Senator GORTON. We have set this up so that we would ask questions of your office first and then go to the general BIA.

And do either of my colleagues have questions for the Deputy? I have several, but I defer to you.

Senator Campbell.

Senator CAMPBELL. Thank you, Mr. Chairman.

Mr. Thompson, you mentioned, I think you said, 270,000 accounts you have set up.

Mr. THOMPSON. That is right. There are 270,000 accounts that are on the new trust funding accounting system, both tribal and——

Senator CAMPBELL. When you say set up those accounts, what does that entail? Do you have names, addresses, activities, actual money that has not been—or has occurred but has not been given to the tribes or——

Mr. THOMPSON. Let me see if I can break it down a little bit for you. You are right. We do have a significant number of accounts where we have a name and we have a sum of money, but we do not have a current address on the individual. We have—part of our data cleanup work is to go out and search for those.

For example, we can go to Indian gatherings, to Indian meetings, to meetings of tribes, to pow-wows with a team from the OST office with the database on a computer and ask people to come and identify, self-identify. That has some success for us.

The other thing that we are doing that is generating more success is working with information bureaus, a credit bureau, where we supply a name and a social security number. They are able to match and provide a current address on many of these individuals.

Our success rate is on the order of 70 to 75 percent. So we are working towards locating those people who we do not have a current address on.

60 MINUTES SPECIAL

Senator CAMPBELL. OK. Did you see that 60 Minutes special that was on Sunday night about the trust fund mismanagement?

Mr. THOMPSON. Yes, I did, Senator Campbell.

Senator CAMPBELL. I just happened to see it this morning. And I found it very interesting, but not anything particularly new on it.

NATIONAL ARCHIVES FIRE

You talked about some of the methods that you are doing some of the research. I understand in March there was a fire at the National Archives, which reportedly destroyed some of the Indian trust documents.

Mr. THOMPSON. Our information—actually, our information is that there was water damage to some of the boxes. I think this involved some 1,900 boxes of records that were being staged to be shipped to Albuquerque for processing and cleanup in response to the court's request. There was a fire in the local warehouse. Water damaged some of the boxes.

But the review in the final report was that there was no damage that was not recoverable. While records got wet, we were able to dry and clean them.

TAAMS

Senator CAMPBELL. Well, that is good. The GAO has told us that there are functions of TAAMS, the lease function and the title function, that they are being split and that only the title function will be implemented as part of TAAMS. Would you comment on that?

Mr. THOMPSON. I would be happy to. I would point out that when we first made the plans for the work to improve the systems in

BIA, I had recommended and conceived that we would do two systems, one a title function, one a land management function. The decision was made by the BIA, and the Department to combine that effort.

In the development stages, that is exactly what they did. And it turns out to have been a pretty successful effort. What we have now is a title module within the TAAMS system that is ready to go. It involves about nine sites across BIA to deal with land title.

The people are being trained. They are anxious to get their hands on the system, if you will. It is an easily severable action. And I support the move to run the title piece out first while we finish the work on the rest of the system and bring our two systems together.

Senator CAMPBELL. Well, I am glad you have employees looking forward to getting their hands on the system, because I know there are a lot of Indians out there that are looking forward to getting their hands on their money.

Mr. THOMPSON. We share that.

Senator CAMPBELL. So I wish you luck and hope you have some speedy success in straightening out that mess.

Thank you, Mr. Chairman.

CROW RESERVATION LEASE PAYMENTS

Senator GORTON. Senator Burns, do you have any questions.

Senator BURNS. Thank you, Mr. Chairman. I have just a couple of questions.

I know you have had all kinds of trouble with your computers and things like this. And I was going to suggest to you, for $47, buy a Quicken program and maybe start working on that.

I have a specific question with regard to the Crow reservation. It has been required by BIA now that payments to leaseholders be made through the BIA rather than to the specific tribal members that hold those allotments. And in light of the situation, it is causing quite a lot of problems down there with both the tribal and non-tribal members who lease those from the lessee.

Could you comment on that, where this issue stands, and why that has to be? This is a change in policy that has happened just this year.

Mr. THOMPSON. May I confer with Mr. Gover just——

Senator BURNS. That will be fine.

Mr. GOVER. If I might, Mr. Chairman.

Senator Burns, we have not yet made that change. We are considering making such a change and have begun to consult with the tribes. The issue applies not just to Crow but at a number of reservations where we have historically allowed what we call direct pay from the lessee to the Indian lessor.

The problem with it is that the Trust Reform Act requires us to do an accounting of the income, the proceeds, from the land that these Indian people own. And we are struggling with how we can do an accounting when we never see that money. We do not know for a fact that the lease payments are being made.

We are not anxious, frankly, to make the change, because the people on reservations have come to rely on that direct pay, both the Indian owners and the lessees. Nevertheless—and this is an

issue that came up in the Cobell litigation—we are analyzing whether we must require them to make the payments to the BIA and allow us to forward them to OTFM, to pass it on to the Indian owners.

So it is a dilemma and one that we have not resolved yet, that we are struggling with.

Senator BURNS. Do we need to change some legislation?

Mr. GOVER. Certainly if the Congress made clear that direct pay is authorized, then we would abide by that and allow the tribes the option. It is the old dilemma. The tribes want, and should have, more control of their property, less involvement by the Bureau of Indian Affairs. At the same time, the Congress has not yet released us from our responsibilities for the management of these assets.

And so to the extent control is taken from the Bureau, there must be a corresponding adjustment in our responsibility for the resource.

Senator BURNS. Thank you very much. This situation has come up down there. And I thank you for your explanation. And maybe we should take a look at that, Mr. Chairman, because I guess it is not only just in the case of the Crow, but there are other situations, too.

Thank you, Mr. Chairman.

COBELL LITIGATION

Senator GORTON. I think I would like to follow up on—you made a reference, Mr. Gover, to the Cobell decision or litigation. Would both of you explain how it affects your priorities, your choices, the transfer of some responsibilities at Albuquerque, and when you expect them to be concluded, or whether there is legislation or anything on an appropriations bill that could help you resolve that issue? Just give us generally an explanation of how it has affected you.

Mr. GOVER. It has delayed matters, hopefully not by very much, but hopefully by weeks instead of months. But the fact that the judge chose to prevent us, I think out of an abundance of caution, from completing the transfer that we had underway and, more importantly, requiring us to take contractors out of the effort in order to protect the trust data, really has slowed us down. In the end, I do not think it will slow us down by much.

The committee has already been very helpful to us in the appropriations bill last year by acknowledging what the NAPA report said and by providing funds, one of the purposes of which was to accomplish this transfer of function from Albuquerque to the District of Columbia

So we continue to appear before the court. We are very hopeful that the judge will lift the injunction so that we can complete the transfer of the data. The people have already moved. The people who were going to move from Albuquerque to Reston have already made the move. But our systems and our data remain in Albuquerque. And so obviously, we are not through yet.

Senator GORTON. Do you have any comment, Mr. Thompson?

Mr. THOMPSON. Just a brief one. As Kevin said, it has been a matter of delay of weeks. We had a close call as we tried to get ready to do the conversion of the last three regions to the new trust

fund accounting system. That is scheduled—it was set for the 31st of March.

In early March, the temporary restraining order was extended to apply to us. And so we had to tell our contractors to back away. And it was touch and go as we got ready.

But by working through the weekends and some extra hours, the Albuquerque staff was able to make the conversion. It just puts a lot of pressure on people. There is a lot of paper involved in litigation and finding——

Senator GORTON. OK. If this continues and begins to significantly impact what you are doing, I hope you will keep in contact both with Senator Campbell and with me to see whether there is some of that red tape that we could help you cut, if we are still at it by the time we get to this appropriations bill.

CREDIT CARD MISUSE

Senator BURNS. Mr. Chairman, I have one other question here that was just brought to my attention.

How widespread is this misuse of these credit cards for BIA employees? We know there have been 13 people in the Montana/Wyoming region that have been disciplined, and one of them is under Federal indictment for misusing a credit card. How widespread is this?

Mr. GOVER. I am not familiar with a lot of misuse of the credit card. What we are having trouble with is making sure people pay their bills on time. And we have just instituted a system by which, if payments are not timely, we will begin taking the money out of their paychecks.

And I cannot imagine exactly what leads someone to think it is okay not to pay their credit card bill, because they are being reimbursed by the Government for the appropriate uses of the card. But it seems to be a Department-wide problem and one that management is being very aggressive about remedying.

Senator BURNS. Well, these cards, are they held by the individual, as an individual account, rather than by the BIA?

Mr. GOVER. Yes, that is right. It is a little complicated. Each of us is issued a credit card. I have one in my pocket right now. We are supposed to use it only for Government purchases, most often for travel. But there are other purchases that are authorized. And we are encouraged to use the card because it produces a prompter payment to the vendors from whom we are purchasing office supplies, for example.

One of the problems is that we never—the way the system works, certain aspects of the travel, airline fares and rental cards, are paid directly by the Department. And so that has created a problem in how we are processing the reimbursements and how people are paying on their cards. But there is a problem, and it is one that we will not tolerate from the employees.

Senator BURNS. Is there a credit check prior to the issuance of that card?

Mr. GOVER. Senator Burns, I do not know whether there is or not.

Mr. THOMPSON. Senator Burns, I believe the individual card company does do a routine check. But if there is nothing in the file,

then they will automatically or routinely issue it. And I would have to say OST discovered a similar problem to what Kevin mentioned.

And when I found that out, I called for a very strict accounting. And we did take action on people who were not paying their bills. And it did result in disciplinary actions and some removals.

Senator BURNS. Mr. Chairman, that is—I think it is a situation——

Senator CAMPBELL. Do you have a way of recovering that money, if it was an unauthorized expenditure?

Mr. THOMPSON. The first attempt we made was to garnish wages, retirement funds and things. We lacked that authority, we were told. We have had instances where people actually quit the position.

Senator CAMPBELL. Once they leave the Government, we cannot garnish their wages. While they remain with the Government, we can.

Mr. THOMPSON. We actually cannot, is my understanding. We may not. We tried to do that.

Senator CAMPBELL. You cannot?

Mr. THOMPSON. We changed the policy yesterday in order to be able to do that.

Senator CAMPBELL. That is not garnishing wages.

Mr. THOMPSON. That is right.

Senator CAMPBELL. But if you leave the Government, you are out of luck, we are out of luck.

Mr. THOMPSON. If they leave the Government, our option is to sue them to get it back.

Senator CAMPBELL. Have you done that? Have you initiated any lawsuits to do that?

Mr. THOMPSON. Right. And we will also deduct it from their final paycheck. But remember, with these cards what they end up owing follows them out of the Government. They still owe that credit card company money. And the credit card company will pursue them.

Mr. GOVER. It is a personal debt, but it——

Senator BURNS. Does the credit card have any—let me ask another question now. That would be pretty tough to collect, if the credit card companies are put in the same position as any other financial institution off reservation.

Mr. GOVER. Well, Senator, you can collect that sort of debt. A debt incurred off of a reservation is subject to State court jurisdiction. And these debts in general are incurred off the reservations.

Senator BURNS. OK. But if they stay on reservation——

Mr. GOVER. Well, I suppose someone could stay on the reservation indefinitely, but that is really not a viable option. We all have to leave at some point.

Senator BURNS. All right. Well, I just wonder how widespread this is, because it is concerning. By the way, this story just came across the wires this morning.

Mr. GOVER. I was not aware of that. We have been aware of the problem, and we are——

Senator BURNS. It was just released this morning. And 13 people in 1 region were in trouble. I just do not know how widespread this would be. But I think it warrants your attention.

Mr. GOVER. It has our attention. We discovered the problem, and we are very aggressively pursuing the employees who have not paid what they owe.

Senator BURNS. Thank you, Mr. Chairman.

Senator GORTON. Senator Dorgan had a question on this.

Senator DORGAN. Mr. Chairman, I was not aware of this. And I appreciate the actions you are taking. But it seems to me like it is not a good policy to issue a credit card.

It sounds to me like this was a credit card sanction by the Government, that an employee can use for official purposes, such as airline ticket, hotel bill, car rental agency, and then also apply personal charges to that card. Is that right?

Mr. GOVER. That is not authorized.

Senator DORGAN. It is not authorized. So——

Mr. GOVER. We may not use it for personal purposes.

Senator DORGAN. I see. And so the discipline that you are taking against folks is not for charges that were personal. It was in the form of cash advances. Is that right? Tell me——

Mr. GOVER. It would be a combination of things, failure to pay promptly, cash——

Senator DORGAN. But pay what promptly? My understanding is that if that employee charges the airline ticket, you pay the credit card directly from your agency.

Mr. GOVER. That is correct.

Senator DORGAN. So what is left on the credit card?

Mr. GOVER. You will have per diem charges and personal charges, restaurant——

Senator DORGAN. Personal charges.

Mr. GOVER. Excuse me. Restaurant charges, not personal for clothing, things like that, but items in the line of official business.

The way they come to light, though, is that we will note that somebody is not paying on time, that we are getting monthly reports in each bureau of anyone who is delinquent in paying them. And then it is considered our responsibility to follow up.

And what we are discovering is that from time to time there will be personal charges on these cards, and that can lead to discipline.

Senator DORGAN. It sounds to me like not a good policy to have a card out there in the hands of folks who are using it for an airline ticket on the one hand, but then dinner somewhere on the other hand. And you reimburse directly for the airline ticket, not for the dinner.

And then you have a circumstance where you have a debt owed on a credit card that was effectively authorized to be issued by the Federal Government to an employee. That is a messy policy, I think.

Mr. GOVER. It is good intentions gone awry, Senator. We try to give the employees the capability to ensure prompt payment. In the Government, for example, if I went and purchased a box of paper with my card, it would be quickly reimbursed. The vendor is paid.

The problem is at the back end in making sure, one, it was a legitimate charge and, two, that the individual employee is reimbursed and promptly pays the credit card.

Senator DORGAN. A fair point. I think you should review, however, the credit card program itself and evaluate is this a program that really makes sense.

And second, I hope you would provide for the committee your list with specifics of the enforcement actions you have taken, how many, where, when, how and so on. I think that would be helpful to us.

Mr. GOVER. I would be happy to.

Senator CAMPBELL. May I add to that, Mr. Chairman, in that report to the committee I would like to know how many people have cards over there, if you would add that, too.

FUNDING PRIORITIES

Senator GORTON. Mr. Thompson, before we finish up with you, do you recognize, as I said to Mr. Gover in my opening remarks, it is highly questionable that we will have enough money to appropriate everything that the President has asked, which is going to require you and your successor, I guess, to help us with priorities.

I have a related question to that. How close are your priorities to those of your constituents of a wide number of unique Indian tribes, each of which may have its own set of priorities? How closely allied are you in the direction that you wish to go and the order in which you wish to accomplish your goals?

Mr. THOMPSON. I think we are pretty comfortable at this point. We have in the Office of Special Trustee an advisory committee to the Special Trustee. It is a group of nine, including five tribal leaders.

Today that group includes the chairman of NCAI, the major litigant in the Cobell litigation, Eloise Cobell, and the chairman of the Intertribal Monitoring Association, which is the main tribal group of about 40 tribes, who have stayed with this issue over the last 10 years. And we are in practically daily contact with them. Kevin and I have both met with them frequently the last few months.

So we are hearing from them. They are telling us what they want. And I think we are probably closer today than we have been in years in terms of where we are headed.

Senator GORTON. Last year both the Bureau and the Secretary made it very clear that the highest priority was adequate funding for trust reform efforts. In light of the change in the President's budget this year, does it remain the highest priority?

Mr. THOMPSON. Every indication I have is it is the highest priority. It certainly is for me and I suspect for my new boss coming in. I think I will let Kevin answer for his side.

Mr. GOVER. And for the Bureau of Indian Affairs as well.

Senator GORTON. OK. Senator Dorgan, you did come in later. What we are attempting to do is finish any questions for the Special Trustee. His statement has already been made. We have not had the opening statement by Mr. Gover yet. When we finish with the Special Trustee, we are going to Mr. Gover.

Do you have any more questions for the Trustee?

Senator DORGAN. Mr. Chairman, I do not. And I have another committee hearing. I wonder if I could just take 1 minute before we recognize Mr. Gover.

Senator GORTON. You certainly can. Yes. Go ahead. This is an appropriate time for it.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. All right. Well, Mr. Chairman, let me thank you again for holding the hearing. This is very important, as I have indicated to Mr. Gover previously, that we deal with here in Congress and in the administration with what I think is a bona fide emergency in health care, housing and education on America's Indian reservations.

I am not going to go through chapter and verse again of all the numbers and talk about the schools and the health care facilities and the housing circumstances, but I have done it on the floor of the Senate many times. I could do it here easily and talk about Sarah Swift Hawk freezing to death in a home that did not have windows at 45 below zero or so on the Pine Ridge Reservation, and the little kids that are walking through school doors on Indian reservations that are not getting a good education because their schools are in dramatic disrepair.

And there are only two school systems, Mr. Chairman, that we run in the Federal Government. One is our military bases. That is our responsibility. Those are our schools. We run them. And the second is the BIA school systems for young Indian children.

And I am telling you, you go into many of these schools, the Ojibwa school in North Dakota, right now, go into that school right now, and you will come away thinking you are embarrassed to have children go through those classroom doors. That school needs renovation and new investment. And we need to do it. It is our responsibility. It is unfair to those kids not to do that.

Now, I have taken more than a minute, but I would say the President's budget takes a step in that direction. We appreciate that. But we need to take great leaps as a Congress and as an administration to recognize our responsibility in the crisis in these three areas: health care, education and housing. And they are in deep crisis.

I will be speaking more about these with Assistant Secretary Gover and others and also speaking on the floor and talking to you, of course, Mr. Chairman, and also talking to the chairman of the Indian Affairs Committee, Senator Campbell.

PREPARED STATEMENT

That is enough for now. And I would like to put my entire statement in the record. And thank you.

Senator GORTON. Without objection.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BYRON L. DORGAN

Mr. Chairman, as we stand at the brink of the 21st century, there are both tremendous challenges and tremendous opportunities facing Indian country. As you know all too well, Indian country is generally not benefitting from the robust economy that is helping most Americans. However, in 1999, we took a number of important steps to drive this point home, and hopefully reverse that trend. In May of last year, tribal leaders met at my request with President Clinton and a number of high-ranking Clinton Administration officials to discuss the desperate housing, education, and health care needs still facing Native Americans. In July, President Clinton be-

came the first sitting president since Franklin Delano Roosevelt to visit an Indian reservation, when he traveled to the Pine Ridge Reservation in South Dakota to see firsthand the great unmet needs that exist in Indian country. The President recognized the need for more assistance for Native Americans in his annual State of the Union address.

The President's 2001 Budget is a positive step forward. President Clinton's budget request for fiscal year 2001 takes a positive step forward in addressing the needs in Indian country that he has seen and heard about firsthand. I am particularly pleased about that the President recommends $300 million for BIA school replacement and repair, $1.3 billion in new funding for an emergency school renovation loan and grant program for public schools with little or no capacity to bond, a $200 million increase in the Indian Health Service budget and a $103 million increase in the joint Department of Justice-BIA law enforcement initiative.

But in terms of the need in Indian country, the President's budget request still represents only a "drop in the bucket" relative to the actual housing, health care, and education needs.

With respect to housing needs, we shouldn't allow another tragedy like that of Sarah Swift Hawk, who died last year on a reservation in South Dakota because she was living in substandard housing, sleeping on the only cot, without any heat and temperatures 45 degrees below zero, and only a thin blanket to warm her. In Indian country, 50,000 new homes need to be built, 16,000 homes need to be replaced, and another 40,000 homes need to be renovated in order to meet the housing needs of American Indians living on reservations. 40 percent of the homes in Indian country are considered substandard. Homes in Indian country are 7 times more likely to be without clean water than homes generally in the United States.

Indian health is in a similarly dismal situation. Native Americans are still 5.3 times more likely to die of tuberculosis, 4.4 times more likely to die of chronic liver disease and cirrhosis, 3.3 times more likely to die of diabetes, 3 times more likely to die in an accident, and nearly twice as likely to commit suicide. The IHS "hospital" in Fort Yates, ND, is in desperate need of replacement. The Emergency Room is literally just that—a room in the middle of the outpatient clinic area. When an emergency does occur, the clinic has to stop seeing the routine patients in order to have room to take care of the emergency. There are no operating rooms (so therefore no baby deliveries), no physical therapists, not enough examining rooms, one dentist serving 4,000 people, and patient bathing facilities that aren't handicapped accessible. The average age of IHS facilities is 32 years.

Sadly, Indian education is also in terrible condition. Schools serving Indian children—whether they are BIA-funded schools or public schools—have facilities that are among the poorest in the nation. The General Accounting Office reported in 1998 that 62 percent of BIA schools need extensive repair or replacement and are generally in poorer physical condition than even inner-city schools. Not surprisingly, the deficiency in facilities carries over into deficiencies in student performance. The annual drop-out rate for students attending BIA schools is nearly three times the national average, and more than half of all BIA students are not proficient in math or language arts. The simple fact is that children cannot learn when they are worrying about PCBs, rather than their ABCs. The BIA school system is one of only two federally-operated school systems. I recently asked the General Accounting Office to conduct a study comparing the physical facilities and academic quality of BIA and DOD schools. Chairman Gorton, Ranking Member Byrd, Indian Affairs Committee Chairman Campbell, and Vice Chairman Inouye joined me in making this request.

Even with the funding increases requested by the President, there would continue to be great needs in Indian country. A nearly $700 million backlog in the repair of BIA schools would remain, meaning that thousands of Indian children every day continue to attend classes in an environment not conducive to learning. Tribal governments estimate that an IHS budget of $15.1 billion—or more than 5 times greater than the President's budget request for 2001—is required to meet the health care needs of Native Americans and Alaska Natives. In addition, $435 million in funding is necessary to repair or replace existing dilapidated homes in Indian country, and another $985 million is needed to address the housing shortage. Even though the President's budget recommends a $46 million increase, there is still only a total of $682 million for both of these purposes.

I want to conclude by simply stating that funding for Indian programs has not kept pace with overall growth in the budget, even though Native Americans are among the most vulnerable populations. The people in Indian country have the highest poverty rate in America—31 percent. The unemployment rate on North Dakota's reservations averages about 55 percent, compared to a national unemployment rate of about 4 percent. Over the last decade, funding for Indian education,

health, and housing programs has grown only slightly, or even declined, when inflation is taken into account.

We simply must reverse these trends in underfunding of Indian programs, and the President's budget request for fiscal year 2001 is a good place to start. In an 1815 speech, chiefs and warriors of the Ottowan and Chippewa tribes spoke eloquently of broken promises made to tribal governments: "The promise you made to our forefathers was that we should never be in want of anything, that you had plenty and that we should always be supplied of our wants. . . . Your children want to refresh your memory. They think you have forgotten the promises made to them." I will be working on this Subcommittee to turn these good words into promises made good.

SUMMARY STATEMENT OF HON. KEVIN GOVER

Senator GORTON. Mr. Gover, we will now hear from you.

Mr. GOVER. Good morning, Mr. Chairman.

Senator GORTON. And we will have—if there are other questions, we will submit them to you in writing, Mr. Thompson.

Mr. THOMPSON. Would you like me to retire?

Senator GORTON. That is OK.

Mr. GOVER. Mr. Chairman, first of all, let me especially thank the committee and the Chair for your assistance in the fiscal year 2000 appropriations.

We know very well that at the end of the Congress this committee and the Chair was very helpful to us in meeting some of the urgent priorities that we described last year.

And I should point out that this is quite likely my last appearance before this committee and just want to acknowledge the work of the Chair and that these agencies, these bureaus that we work with, are very complex entities. And in order to make progress in them, it requires a lot of people to agree, most importantly, the people who work in the bureau, but also the appropriating and authorizing committees.

And to the extent we make progress in the Bureau of Indian Affairs, that is at least as much to the credit of this committee and our authorizing committee as it is to those of us who work in the agency.

The second preliminary matter I would like to note is, I have with me Mr. Joe Christie, who is the Acting Director of the Office of Indian Education Programs, and Deputy Commissioner Hilda Manuel. As it happens, Mr. Chairman, this will also be their last appearance before this committee in their current capacities.

Mr. Christie has been acting for, I guess, over a year now as the Director of the Office of Indian Education Programs and has been very aggressive in pursuing reforms and in that branch of our organization, requiring accountability both from the BIA schools, the schools that we still operate, as well as the grant and contract schools, which tribal school boards operate. And we are very grateful for his work.

He will soon be replaced by a permanent Director of the Office of Indian Education Programs. And I just want to acknowledge his efforts publicly and for the committee.

And second, Deputy Commissioner Hilda Manuel will be leaving Government service at the end of this week. She has chosen to pursue opportunities in the private sector. We are very, very grateful for Hilda's work over the last five years. These have been very difficult times, very challenging times, in the Bureau of Indian Af-

fairs, a time when we have gone through great changes in trying to at long last get this agency doing the things that it is supposed to do as well as possible.

And none of this progress would have been possible without Deputy Commissioner Manuel. And I know we will miss her very much. And again, we thank her for her service.

Mr. Chairman, to respond to your earlier question, trust services has to be our top responsibility and our top priority. The Bureau is a victim over the years of shifting priorities. One year we will focus on one issue. Before we quite finish that job, we will turn to another critical situation. And many of our programs are in a critical state at this moment.

And yet, if we do not finish the work that we have begun on the trust responsibility and our trust services, it will just reoccur in a very short time and expose the government to even more liability than it currently faces.

So in addition to the reform resources that we need in the Office of the Special Trustee, we also need just a basic expansion in the BIA's capabilities at the reservation level to provide these services. What we are finding, as we go forward and do the data cleanups and try to install TAAMS and carry out the various other programs, probate and appraisals, et cetera, is that even if we throw a large amount of money at the problem right now and clean up the backlogs, those backlogs absolutely will recur in a few years, if we do not expand our basic capabilities at the reservation level.

Now, again, we are confronted with a dilemma in policy Congress has made and the administration has supported. The trust service programs on the reservations have fallen into disrepair in no small part because of the priority setting that we have engaged in with the tribes. And the tribes view this correctly as our responsibility.

And when they are allocating resources, they are basically saying trust is your problem, you take care of it, we have other problems to deal with, and we are going to take care of them in our priority setting.

And what routinely happens is, we see a migration of resources from some of the basic programs that the United States has, such as trust, law enforcement, and into the other social service programs to meet dire problems that the tribes themselves are confronting. And so that, as much as anything, is the reason that we are so shorthanded at the reservation level in these trust programs.

And so we are asking the committee and the Congress this year for an additional $35 million to go into our basic realty functions, our basic probate functions, and our appraisal functions, simply in order to meet the ongoing demand that we anticipate over the next few years in our day-to-day service programs on the reservations.

The second matter where we focused, as the Chair noted, is in school construction. And I will not again recite the terrible conditions that exist in our BIA schools, except to thank the committee, thank Senator Campbell and Senator Domenici especially, for bringing this issue forward and basically continuing to push the administration until finally we respond with a budget that I think begins to deal with this issue.

If we were to receive the funding that we have asked for this year, it would basically double the number of schools we can build in a given year. Each of those schools that are on the existing list are in abysmal condition. There can be no question in anybody's mind that they must be replaced. Unfortunately, there are probably another 55 to 60 schools that are either in the same condition or very soon will be.

Our facilities tend to be over 30 years old. The average life, the planned life, of any school facility is about 30 years. We have schools—45 percent of our schools are over 30 years old, some as much as literally 100 years old. And they just have to be replaced.

And so for that reason, the President has come forward with a very aggressive budget, both for new construction and for major renovations that have to be carried out in order just to meet the basic safety requirements to make sure, or try to make sure, that the children are not injured in our schools.

The third item we wish to especially bring to the committee's attention is law enforcement. We have made great progress in the last 2 years in expanding our law enforcement program. This is year 3 of the President's 4-year plan to expand law enforcement services on the reservation. This, too, is a primary responsibility of the United States in Indian country, to provide adequate law enforcement services.

And this year we have asked for an additional $18.8 million. That would result in a 100-percent increase over the last 3 years to our law enforcement budget, and that is exactly in the order that is necessary to provide even adequate coverage on the reservations.

Unfortunately in the past year, again, two of our officers were killed, one violently. And in both cases, we had no backup. They were alone. They were in a very remote part of their community. And we were unable to render the assistance that might have saved their lives.

The fourth item and the final item I would like to especially mention to the committee is the implementation of the National Academy of Public Administration report. We have made good progress so far. We have transferred both our Division of Accounting Management and the Office of Information Resources Management from Albuquerque to the District of Columbia area. That transfer has now been made of the personnel. They are here and they are on duty.

In addition, we have just now received from the Secretary permission to go forward with the reorganization of my office. One of the things that NAPA pointed out was that, frankly, I had resisted in the first 2 years of this administration was the notion that what we essentially have in BIA is two separate agencies. We have the education side and we have the Office of Indian Program's side.

The only logical supervision and oversight of those two operations is in the Office of the Assistant Secretary. And it only makes sense to provide the resources, the authority and the responsibility to each line organization separately overseen from the Office of the Assistant Secretary. And for that reason, NAPA recommended, and we are pursuing, establishment of an Office of Policy, Management and Budget in the Assistant Secretary's Office to provide four major functions. One, to oversee all of our financial undertakings.

We would appoint a Chief Financial Officer, and that person would be responsible for overseeing the financial activities of the two line organizations.

Second, we would appoint a Chief Information Officer. The Bureau does not make adequate use of technology. We have no integrated plan for how to use technology in our operations. And it simply has to cease. That is where we can realize some savings, if we can begin to use technology appropriately.

We literally have people in the field who are still operating on old systems that require the use of control keys, as opposed to the point and click with the mouse, that are not operating in a windows environment. That is how old our technology systems are.

The third function would be a human resources function. We currently have no plan, no program, for moving people forward on a career path. We have no way of identifying talent in the organization, except by happenstance, and no plan for developing the kind of skills that are going to be necessary in a 21st century workforce. And the human resources office would deal with that.

And then finally, near and dear to my heart, we would have a policy and planning operation. The committee and the Congress regularly ask us for information, asking us to analyze the effect of our programs, analyze the effect of various policies that have been enacted and implemented. And we are unable to do so. We have no staff that does that.

Instead we have to fall back on our program directors, take them off their business of running their programs, and get them to basically take on the additional duty of policy analysis.

And I think if we had a staff that was dedicated to the kind of policy analysis that the committee regularly asks us for, we would do a much better job of providing the kinds of information that the Congress needs to prioritize our budget, to oversee our activities, and to grant us, both grant and take away, such authorities as seem appropriate.

So, Mr. Chairman, we realize that this is a very aggressive request. We are grateful to the administration that they have come to share our view of the needs that exist in Indian country. I would just emphasize that the watchword on the proposals we make is really responsibility and accountability.

We are not looking for additional funds in areas as to which there is controversy about the additional need. We are focusing on the Bureau's primary responsibilities, which are education, law enforcement and trust services, and asking only for major additional funds in those areas.

The chairman asked a little earlier whether this coincides with the tribal priorities, certainly the tribes wish to see the trust system reformed. But I do think from our review of the budget submissions that the tribes present us annually in the development of our budget, that they would not necessarily share these particular priorities. That is to be expected.

They have a different view of the world living in those local communities and have to deal much more directly with the urgency of the situation than do we.

Nevertheless, I do think that over the years the primary responsibilities of the United States have tended to be overlooked in favor

of some of these urgent social needs that exist on the reservation. And it has become more and more clear to me that if the Bureau cannot carry out its primary responsibilities, then its overall mission necessarily fails.

PREPARED STATEMENT

And each additional dollar does less good than it could, if we did the basic things correctly, and then came back to the Congress and said, now that we have our agency functioning in an appropriate way in our basic responsibilities, we would like to talk to you about taking on some additional responsibilities.

So, Mr. Chairman, that is my testimony. I thank you for your time.

[The statement follows:]

PREPARED STATEMENT OF KEVIN GOVER

INTRODUCTION

Good morning, Mr. Chairman and members of the Subcommittee. I am Kevin Gover, Assistant Secretary for Indian Affairs at the Department of the Interior. It is my pleasure to be here today to present the President's fiscal year 2001 budget request for the Bureau of Indian Affairs (BIA).

The President's budget for fiscal year 2001 is a component of the overall Administration initiative to infuse an additional $1.2 billion into Indian Country to respond to the overwhelming needs of the First Americans. The Administration's Native American Initiative will provide $9.4 billion to strengthen Indian communities through improved health, education, housing, economic development, and other programs in more than 45 Federal entities.

To respond to these needs, the BIA is proposing a substantial increase that, if passed, will allow us to replace six crumbling schools on reservations, provide programs to help reservation residents stay safe and strong, and find ways to use the resources of the Federal Government to create jobs and opportunities on the reservations.

FISCAL YEAR 2001 BUDGET OVERVIEW

The fiscal year 2001 budget request for the BIA is $2.2 billion in current appropriations, an increase of $332 million above the fiscal year 2000 enacted level. The budget emphasizes the need to strengthen our schools through quality education within structurally sound and adequately equipped and maintained school facilities, protect our communities through increased law enforcement personnel on reservations, and continue trust reform improvements.

EDUCATION

On January 31, 2000, the BIA released the Education Facilities Replacement Construction Priority List, which replaces the 1993 Priority List. The new list is comprised of three schools from the old List, which have yet to receive funds for construction, and 10 new schools. The first six schools from the List are included within the BIA's $300.5 million request for Education Construction, the largest amount ever requested for this category. The request is $167.3 million over the 2000 funding level, an increase of 126 percent.

While most educational facilities are built to function for 30 years, over 45 percent of these buildings range from 30 years old to 100 years old. The budget request provides for increased construction, equipment and rehabilitation of school facilities for more than 50,000 Indian students who attend the BIA's 185 schools. Schools may be operated directly by the BIA or by Tribal organizations under the Public Law 100–297 grants.

Research has demonstrated that placing instructional and residential programs in facilities that do not meet health and safety codes distract from the educational program. The cost estimate of the BIA's backlog work needed to abate critical deferred maintenance deficiencies in education facilities currently exceeds $800 million. To respond to these needs, the BIA's request includes an increase of $103.4 million over the 2000 enacted level to address critical health and safety concerns at existing education facilities. This request will fund both maintenance and improvement and re-

pair projects which will reduce the deferred maintenance backlog while improving the physical environment for learning.

To attain a good education, the Indian leaders of tomorrow have to have the ability to get to school. Many Indian Country roads are badly in need of repair and in a state of deterioration. The budget request includes an increase of $5.3 million for Road Maintenance. This increase will help with student transportation as well as improve access for emergency vehicles.

The 185 schools funded by the BIA comprise one of only two school systems managed by the Federal Government; the other school system is managed by the Department of Defense. BIA schools are located in remote locations across the nation in buildings which are deteriorating around students. For the classroom, the BIA is seeking an additional $39.7 million for School Operations, $2.9 million for Tribally Controlled Community Colleges, and $2.2 million for Scholarships.

The BIA is focusing on providing programs which make a difference in a student's life. An increase of $6.8 million is requested to double the number of FACE (Family and Child Education) programs from 22 to 44 sites. This invaluable program benefits both students and their families. The FACE program is a family literacy program that serves families and their children from birth through grade 3 and is culturally relevant for the communities it serves. The evaluation of the program demonstrates that students who participate in FACE score significantly higher on standardized tests of reading and mathematics than children who do not participate in the program. Over 350 adults have gained their GED or high school diploma and over 1,000 adults have gained employment as a result of their participation. Parents indicate that participation in FACE has helped them to become more involved in their child's education, a strong indicator for a child's success in school.

The BIA is also seeking an additional $8.2 million to implement the Therapeutic Residential Model (TRM) at 6 pilot sites. The TRM is a program to address the multitude of individualized services for high risk students attending BIA-funded boarding schools. Over 10,000 students attend BIA boarding schools. They are the highest risk students due to economic conditions and home environments. The BIA is not adequately staffed to meet their needs. The request will allow the BIA to establish the 6 pilot programs which will result in positive changes in attitudes, behavior and academic performance of Indian youth attending BIA-funded boarding schools.

The request also includes $3.0 million for the School Statistics Initiative. This program will allow the Bureau to gather important data on its schools in order to improve the quality of education. Also, it will make it possible for the Bureau to report to the Congress on such important indicators as student achievement, retention rates, transfers between schools, and student drop out rates. Finally, it will make it possible to automate the Indian School Equalization Program (ISEP) which will ensure schools quicker access to their funds and greater accountability of student funding data.

LAW ENFORCEMENT

The fiscal year 2001 budget request seeks an increase of $18.9 million for law enforcement in Indian Country. Crime, specifically violent crime involving young people, continues to rise significantly in Indian Country. The funding increases for law enforcement over the past two fiscal years for the Presidential Initiative on Law Enforcement in Indian Country have begun to address the tremendous Indian Country crime problem.

There has been a positive effect over the past two years with the increased law enforcement funding the Congress has provided for the Initiative. Community and proactive policing has been instituted and officers now have modern weapons and state of the art bullet proof vests. Many old police vehicles with over 100,000 miles have been replaced and the Indian Police Academy training capability has doubled. There has definitely been progress. To continue these steps forward, the BIA's requested increase of $18.9 million will be used to assist Tribes in retaining COPS-funded police officers, staff detention facilities, provide 24-hour radio dispatch service, and improve two- way radio communications through conversion to narrow band technology.

As BIA's partner in the Initiative, DOJ has provided grants funds to Tribes for the construction of critically needed detention facilities. Realizing that DOJ has no mechanism to staff these facilities, the BIA has agreed to request staffing dollars for these new jails. The need for detention space has increased dramatically with the additional police officers on the streets which naturally means more incarcerations. This in turn necessitates more detention personnel.

TRUST IMPROVEMENTS

A total increase of $35.1 million is requested for trust management improvement reforms in the BIA. Efforts underway are a continuation of the joint effort between the BIA and the Office of Special Trustee (OST) on implementation of the Secretary's High Level Implementation Plan (HLIP) for the Trust Management Improvement Project (TMIP). In fiscal year 2001, the BIA will continue to work with the OST and the Department to improve the administration and management of its trust responsibilities. Funding for the BIA's HLIP sub projects is requested under OST. The HLIP is centered on 11 major sub projects that will update trust systems, policies, practices, and procedures and make one-time investments to reduce backlogs. As part of the overall effort to remedy the fundamental cause to Indian trust management, an increase of $7.5 million is requested under OST to expand the Indian Land Consolidation program.

To ensure trust management reforms are sustained, the BIA's requested increase includes program funding increases for several trust programs. These additional resources are critical to ensuring that accumulated trust management problems being corrected under HLIP do not reoccur. The BIA's budget request includes a $12 million increase for on-going real estate services to improve real property management services and ensure timely processing of transactions (i.e., sales, acquisitions, rights of way). To assist in protecting trust resources, an increase of $5.3 million is proposed to perform cadastral surveys. Additional increases include: $2.2 million increase for real estate appraisals to ensure compliance with appraisal standards and timely completion of appraisals; a $3.0 million increase for Probate to provide sufficient staff for probate functions; and an increase of $4.8 million for the Land Titles and Records Office to ensure land records are kept current. For general trust services, a $4.0 million program increase is requested to provide technical support to Tribes and ensure compliance with complex environmental and cultural resource requirements. An increase of $2.0 million is also requested to expedite the processing of Alaska allotments.

OTHER TRIBAL SUPPORT

The request also includes an increase of $3.5 million for Contract Support to bring the total funding level to $128.7 million. This increase will allow the BIA to meet approximately 88 percent of the reported need. The BIA is also seeking to replenish the Indian Self Determination Fund ($5.0 million) for new and expanded contracts or compacts.

As part of the Administration's New Market initiative, the BIA is seeking $2.0 million for Technical Assistance Grants to provide in-depth technical assistance to Tribes and individual Indians to establish, acquire, or expand for-profit businesses on or near Federally recognized Indian reservations. This assistance would include market feasibility studies, development of business plans, best use yield studies and management contracts. Tribes and Indian entrepreneurs will be provided technical assistance at an average cost of $15,000 each. Implementing this program will allow the BIA to assist 113 Indian businesses succeed in Indian communities.

As part of a multi-agency, cross-cutting effort to implement a recent court-ordered Federal subsistence fishery program to bring Alaska into compliance with the Alaska National Interest Lands Conservation Act, the BIA is requesting $500,000 for Alaska Subsistence. In response to a recent Ninth Circuit Court ruling, the Federal Government must now assume management responsibility for subsistence fisheries in all navigable waters on and adjacent to Federal conservation units in Alaska. The BIA's role will focus on ensuring that input from Native entities is received and considered by the National Park Service, U.S. Forest Service, U.S. Fish and Wildlife Service, and Bureau of Land Management in establishing fishing seasons and regulations covering approximately 102,000 miles of rivers and streams and about half of Alaska's inland waters. Support would be provided to the Bureau's Alaska Region and to the State of Alaska. Input from Tribal governments would occur through a bottom-up process and network.

NAPA

To continue the implementation of the recommendations of the National Academy of Public Administration (NAPA), the BIA requests an additional $4 million in fiscal year 2001 to bring the total available funds for NAPA implementation to $9.2 million. The $5.2 million appropriation provided by the Congress for fiscal year 2000 is being used by the BIA to meet initial implementation expenses, including the relocation of the Division of Accounting Management and the Office of Information Resource Management to the Washington, D.C., metropolitan area. While this transfer

is not complete, the BIA estimates the relocation costs may total $3.8 million for the one-time expenses of moving personnel household and office files from Albuquerque, N.M., and establishing new office operations in the Washington area. Last month, Plaintiffs in the *Cobell* v. *Babbitt* litigation brought, and the District Court entered, a temporary restraining order (TRO) to bar contractor access to confidential individual Indian trust data related to the relocation of the Office of Information Resource Management (OIRM). As a result of the TRO, the workplan to relocate OIRM has been interrupted and operations of OIRM systems have been curtailed until the BIA is allowed to permit contractors access to the data.

In addition to transferring functions, it is my priority to use the remaining fiscal year 2000 funds to establish the recommended Policy, Management, and Budget (PMB) Office, and fill the key positions of the Deputy Assistant Secretary for PMB, the Chief Financial Officer, the Chief Information Officer, the Director of Policy and Planning, and the Chief, Human Resources. Once these positions have been filled, these senior managers will begin planning and developing internal procedures and long-term plans for their respective areas.

The President's fiscal year 2001 budget requests of $9.2 million to fully staff the PMB offices and begin funding improved field operations since the one-time relocation costs will be met in fiscal year 2000. We are estimating that when the workload analysis is completed that this level of funding will be sufficient to fully fund the centralized portion of education operations administrative support, partially fund the education administration in field offices, and allow full funding of administrative support to the law enforcement field organization. Funding will also be used to begin placing additional finance, property and procurement specialists through the field structure of the non- education offices at the Regional and Agency levels.

While actions on the NAPA recommendations will improve BIA's administrative management, I believe that the process of implementation should not be done hastily. I want the senior managers who will be responsible for the final implementation of the NAPA recommendations to be fully involved in all decisions on staffing levels and selection of personnel. However, NAPA staff will continue to evaluate workforce needs in terms of the number and kind of positions that will make BIA most efficient while I search for key staff.

We will continue to keep the Committee apprised of the NAPA implementation efforts and to implement the changes.

CONCLUSION

This concludes my remarks about the BIA budget request for fiscal year 2001. I am attaching to my testimony a portion of the Overview from the BIA's budget justification which provides a more complete breakdown of budget categories. I will be happy to answer any questions.

ATTACHMENT

TRIBAL PRIORITY ALLOCATIONS

Tribal Priority Allocations (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. Because of Congressional funding levels in 1996 and 1997, Tribal governments are falling increasingly behind in their ability to maintain services to Indian communities and families. Tribes depend on TPA funds for basic necessities and services such as child welfare, scholarships, Tribal courts, natural resource management, and other programs critical to improving the quality of life and the economic potential of the reservations. The Congress has given the Tribes the flexibility to prioritize the limited funds among TPA programs according to their unique needs and circumstances. TPA supports the goals of Indian self-determination by providing Tribes with the choice of programs provided as well as the means of delivery, either by the Tribe or the Bureau.

Beginning with fiscal year 1998, TPA comprises nearly half of the Bureau's operating budget. For fiscal year 2001, the TPA activity is funded at $761.2 million, an increase of $60.5 million over the fiscal year 2000 Enacted level, which will help Tribes address some of the unmet needs in these basic programs.

This budget submission includes $5 million for the Indian Self Determination Fund to replenish funds for new and expanded programs contracted under the authority of Public Law 93–638, as amended. The moratorium imposed by the Congress for fiscal year 1999 on any new or expanded contracts, compacts or grants under the 638 authority stalled the ability of the Bureau to fulfill its mission of promoting self-determination on behalf of Tribes. Increased Tribal contracting/com-

pacting activity in fiscal year 2000 (due to the lifting of the moratorium) is expected to continue throughout fiscal year 2001.

An increase of $3.5 million is requested for Contract Support over the 2000 Enacted level for on- going self-determination agreements. It is estimated that 88 percent of need will be met in fiscal year 2001 at this level of funding. The Bureau covered 88 percent of need in fiscal year 1999 and expects to cover 90 percent of need in fiscal year 2000.

An increase of $1.5 million is requested for Tribal Courts, a necessary component to ensuring the success of the Presidential Initiative on Law Enforcement in Indian Country. In fiscal year 2000, the Congress provided a $20.0 million increase to address the woefully inadequate law enforcement resources in Indian Country. With this second year investment in the multi-year Initiative, it continues to open the door to halting the escalating crime rates in Indian Country. While Bureau and Tribal law enforcement personnel take the criminals off the street, it is also important to handle the increased demand for judicial services to keep the criminals off the street. Funding for Tribal Courts goes hand in hand with ensuring that Indian Country law enforcement efforts are strengthened by adequate court systems. Funds will also be used to implement provisions of Public Law 103–176, the Indian Tribal Justice Act.

An increase of $1.0 million is requested for Adult Care Facility Rehabilitation to bring four Bureau- funded 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. The initial investment of $1 million will result in a potential savings to the Bureau which can be utilized for other high priority needs. An increase of $16.1 million is requested for the Housing Improvement Program (HIP) to serve low- income eligible Indian families or individuals. The Bureau has revised the HIP methodology to concentrate on serving those most in need, regardless of the category of HIP services they may require. This will allow the Bureau to serve an estimated 437 additional families for a total of about 985 families served.

An increase of $2.2 million is requested for Scholarships to increase Tribes' ability to provide assistance to their Indian youth seeking to improve their futures through increased education. Along these lines, the Bureau is requesting an increase of $5.1 million for the Road Maintenance program. Part of the challenges to obtaining an education in Indian Country is the basic ability for students to be able to get to school as many reservation roads are a monumental challenge due to rough surfaces and at times impassable roads caused by insufficient funding. The Road Maintenance program is the only Bureau program which preserves the Bureau's system of roads and bridges that provide access to reservation lands, not only to schools, but to jobs and health care facilities. While the Department of Transportation's Highway Trust Fund provides funds for road construction, it does not provide funds for road maintenance.

To support the Trust Fund Improvement Project, the Bureau's TPA request includes a total of $13.8 million in Trust Services funding for fiscal year 2001 as follows: Trust Services, General ($1.6 million); Real Estate Services ($7.0 million); Real Estate Appraisals ($2.2 million); and, Probate ($3.0 million).

In fiscal year 2001, the Bureau will continue to operate as a highly streamlined and decentralized agency with maximum resources going to Tribal programs. The Bureau anticipates that more than half of the fiscal year 2001 operating budget will be spent directly by Tribes that elect to operate various Bureau programs under self-determination contracts, grants, or self-governance compacts.

Since the founding of the Nation, the Congress has funded specific Indian education programs in response to treaty requirements and Federal statutes. Current Indian Education programs are governed by a number of laws including the Snyder Act, the Johnson O'Malley Act, the Elementary and Secondary Education Act, the Tribally Controlled Community Colleges Act, the Tribally Controlled Schools Act, the Education Amendments of 1978, Goals 2000 and the Improving America Schools Act. Collectively, these laws are aimed at ensuring quality education for Indian youth and improving the long-term employment and economic opportunity on reservations.

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. In support of this Presidential priority, the Bureau's fiscal year 2001 budget request includes a significant investment in Indian education. The request for School Operations, which will fund 185 schools and dormitories serving more than 50,000 elementary and secondary students in 23 States, is $506.6 million, an increase of $39.7 million over the fiscal year 2000 Enacted level. The increase will ensure that schools can deliver quality education and provide safe and adequate transportation for an estimated increase in enrollment. Included in the increase is $6.8 million to expand the number of sites for the Early Childhood Development FACE program and $8.2 million for implementation of the Therapeutic Residential Model pilot program at selected Bureau dormitories. Increases are also proposed in facilities operations 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 25 Tribally controlled community colleges by $2.9 million over fiscal year 2000. The colleges have been successful in providing Indian youth with college degrees and futures of professional employment. They also promote entrepreneurship on reservations.

An increase of $500,000 is also requested for Alaska Subsistence activities to meet the Secretary's responsibilities in implementing a recent court-ordered Federal subsistence fishery program in the State of Alaska. This is a multi-agency, cross-cutting activity to establish fishing seasons and regulations covering approximately 102,000 miles of rivers and streams and about half of Alaska's inland waters.

NON-RECURRING PROGRAMS

To meet the Bureau's long-term goal of improving the quality of life in Tribal communities, $2.0 million is requested to establish Technical Assistance Grants to provide technical assistance to Tribes and individual Indians to establish, acquire or expand for-profit businesses on or near reservations. Investment today in helping Tribal communities to become more resourceful will facilitate and strengthen Tribal self determination. Additionally, an increase of $5.3 million is requested for Real Estate Services to strengthen the Bureau's trust management functions.

CENTRAL OFFICE OPERATIONS

An increase of $500,000 is requested for the Trust Services line item to strengthen the Bureau's trust management programs at the Headquarters level. To continue implementation of the recommendations of the National Academy of Public Administration (NAPA), an increase of $4.0 million is requested in fiscal year 2001 to continue implementation of the recommendations at the Central Office level and to begin to provide resources to Field sites.

REGIONAL OFFICE OPERATIONS

An increase of $13.7 million is proposed for trust management improvement efforts at the Regional level: Trust Services, General ($1,900,000); Real Estate Services ($5,000,000); Land Titles and Records Offices ($4,800,000); and Land Records Improvement ($2,000,000).

SPECIAL PROGRAMS AND POOLED OVERHEAD

To continue the momentum forward for the Presidential Initiative to Improve Law Enforcement in Indian Country, a program increase of $16.0 million is requested for the third year of this multi-year initiative. The rate of violent crime victimization of American Indians is higher than that of other U.S. racial or ethnic subgroups and more than twice the national average. Continued infusion of monies is necessary to improve the quality of life on Indian reservations. A program increase of $115,000 is requested for the Indian Police Academy to expand its training courses to respond to the influx of new trainees hired under the Initiative. To offset the Congressionally-mandated earmark of funds for enforcement activities, an increase of $100,000 is requested for the Indian Arts and Crafts Board. To strengthen the efforts of the Crownpoint Institute of Technology, an increase of $1.3 million is requested in fiscal year 2001. To improve the reporting capabilities and improve overall educational abilities, the Bureau is requesting an increase of $3.0 million for the School Statistics Initiative. An additional $500,000 is requested for the American Indian component of the Early Childhood Longitudinal Study, a partnership effort with the Department of Education. To respond to priority needs of Tribes on a nationwide basis, the Bureau is proposing to eliminate funding for the National Ironworkers Training Program.

CONSTRUCTION

The Bureau's request for the Construction appropriation is $365.9 million, of which $300.5 million, or 82 percent, is dedicated to education construction. This is the largest request for education construction, with an additional $167.3 million, or 126 percent, over the fiscal year 2000 enacted level. The Bureau will continue the emphasis on Tribal contracting for projects, providing support from the Bureau's Office of Facilities Management and Construction until the Tribes and Agencies are fully trained to take over the construction contracting challenge.

The Replacement School Construction program funds replacement of older, unsafe, and dilapidated schools on reservations. More than 50,000 Indian students attend 185 Bureau-owned or -funded schools in eligible Indian communities. School replacement priorities are based on a new priority list of 13 schools, which is comprised of the last 3 uncompleted schools from the old priority list published in 1993 and 10 new schools. In 2001, a total of $126.149 million is requested for Advanced Planning and Design ($5,000,000) and to complete construction of the first 6 schools—several that serve multiple Tribes, on the new priority list:

Tuba City Boarding School, Arizona
Second Mesa Day School, Arizona
Zia Day School, New Mexico
Baca Community School, New Mexico
Lummi Tribal School, Washington
Wingate Elementary School, New Mexico

These six schools have structural and code deficiencies that threaten student safety and are not equipped with modern educational tools. Up to $30 million of the replacement school construction funding may be used for Tribal participation in the President's fiscal year 2001 School Construction Modernization Initiative. These funds may be used by Tribes or Tribal consortia to ensure the repayment of principal on school modernization or other taxable bonds. Tribes that issue bonds to lenders could claim a tax credit for the life of the bond in lieu of interest. Any of the six schools slated for replacement in 2001 could exercise this option.

The education facilities improvement and repair program is funded at $174.3 million, an increase of $104.0 million over 2000 enacted, to address critical health and safety concerns at existing education-related facilities. This request will fund maintenance and major and minor repair projects to reduce the significant backlog of needed repairs.

For the second year, the budget requests no new funding for Public Safety and Justice construction within the Bureau request. New detention centers on reservations will receive funds from the Department of Justice's appropriation as part of the President's Initiative on Law Enforcement in Indian Country.

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

This program provides payments to meet Federal requirements for legislated settlements. The fiscal year 2001 budget request includes $34.026 million for payments for settlements resolving long standing Tribal claims to water and lands. Of this amount, $8 million is proposed for the Rocky Boy's Indian Water Rights Settlement for compact administration, economic development, and future water supply activities. The majority of the remaining funds are proposed for the Ute Indian Water Rights Settlement, $24.9 million, to maintain the payment schedule as required by law.

INDIAN LAND CONSOLIDATION

Senator GORTON. Well, I am going to defer very shortly to my two colleagues. But I do want you to discuss the subject that was not in these top ones. One of the big increases in your budget this year is for land consolidation, fractionated ownership.

Tell me why that increase is so large, what you are going to do with that, what the goal is, how long you think it will take you to get there, and are we curing it in a way so that it will not recur.

Mr. GOVER. Yes, Mr. Chairman. As you know, the fractionation pilot that we have been conducting is to purchase a small fractionated interest in land from individual Indian owners and, in essence, transfer that to tribal ownership subject to a lien for the

repayment of the purchase price that the United States has incurred.

We have targeted the small interests and the interests that are most likely to result in our actually closing one of the small IIM accounts. So when an account holder comes in, they may say, we have—I have seven different interests in seven different parcels of land. And we purchase all of them for an average price of about $250 per interest. That then allows us to close that account.

Now, what that does in the long run, it saves us a great deal of money. For one thing, we do not have to maintain an account. That is costing us about $35 a year. Number two, we have no more responsibilities for serving that individual should he want to lease that parcel of land. We are relieved of the responsibilities associated with that.

And then finally, and probably most importantly, we do not have to probate that estate. Right now when the United States probates an estate, it is taking a minimum of 18 months to do so, more often going up to 3 years and even longer, at enormous expense involving both BIA staff work at several points in the process and later on——

Senator GORTON. Wait a minute. This property then will not go back into any form of private ownership causing this problem to recur at another generation or two, is that correct?

Mr. GOVER. That is correct. It is to the benefit of the tribe. And I suppose that at some point, once the land is clear, the tribes can sell it. But we do not anticipate that happening. And we are not looking to expand the amount of individual ownership of trust land. We are looking to reduce it. And we believe the government will experience a reduction in cost over the medium term rather than the long term.

The reason for the expansion is that the pilot has been such an enormous success. We were a little concerned that we would have difficulty finding willing sellers. But that has not been the case. We are finding many, many willing sellers. We have been able to spend the first year of money already, and we are well into the second.

The question we are unable to answer at this point, although I would be happy to provide some more information, is how long is this going to take overall. I do not know the answer to that. We have run the pilot on three reservations in Wisconsin. We are having enormously good results.

[The information follows:]

INDIAN LAND CONSOLIDATION PILOT

In fiscal year 1999, the BIA established a pilot program to implement a land acquisition program to acquire and consolidate fractionated ownership interests of trust and restricted lands. Fractionated ownership of allotted Indian lands increases the Federal Government's costs to administer and manage the trust and restricted lands and reduces the lands' economic value for the Indian owners due to the inefficiencies caused by multiple ownership.

During the six months preceding the end of fiscal year 1999, the BIA had acquired approximately 8,000 undivided fractionated interests, comprising approximately 4,000 acres. Through January 31, 2000, 20,215 undivided interests were acquired, comprised of 11,234 acres at a cost of $4.7 million. This acquisition eliminated 521 future probates and 226 current Individual Indian Monies (IIM) accounts. In addition, there are 53 pending applications, with an average number of 20 interests per pending application. The BIA expects to acquire about 19,000 additional fractional interests by the end of 2000.

At the acquisition rate of 20,000 interests per year, the Bureau estimates that at the fiscal year 2000 funding level of $5 million, it would take approximately 100 years to eliminate the fractional ownership, provided all of the interests owners are willing to sell. Yet with the funding level requested in fiscal year 2001 of $12.5 million, the estimated time would be reduced by more than half.

Mr. GOVER. As we expand the program to include some of the larger reservations in, for example, North and South Dakota, we expect that the fractionation problem is so severe that it is going to require expanded resources in order to really make a dent on any given reservation.

We should add that, when we consolidate ownership in these interests, that makes the land viable for productive use again. Right now we have to get the consent of all the interest holders to lease a piece of allotted land. We have a particular parcel in the State of Wisconsin that has 2,000 owners, 2,000 different individuals. Some of the interests are less than one-three-millionth of an interest in the parcel.

Senator GORTON. You are going to have to purchase all 2,000 of those interests for the consolidation.

Mr. GOVER. That is correct.

Senator GORTON. What happens if 1,990 agree and the other 10 do not?

Mr. GOVER. Well, that is where Senator Campbell's bill comes in. Senator Campbell has been working with the Department to produce the amendments to the Indian Land Consolidation Act. And essentially, that gives us some new options in closing out the private ownership of these lands.

Senator GORTON. Well, presumably all of the money we are appropriating now eventually will come back from the tribes, again who——

Mr. GOVER. I would not say presumably. I would say theoretically. We do not, frankly, anticipate that all that money will come back, because what we are discovering, for example, in Wisconsin is that these lands are not being policed and, therefore, not producing income that would repay the fund.

More likely, they are going to be left in a natural state. But at least they are being, some of it, at least they are being—we are not spending a lot of money servicing the——

Senator GORTON. The obligation to pay on the part of the tribe is dependent on the particular land producing income.

Mr. GOVER. Yes, that is correct. That is correct.

Senator CAMPBELL. Mr. Chairman, if I could interject this, the Assistant Secretary is living proof of what was wrong with it before.

What was the income you got from your per cap of fractionated land, like 26 cents for the year or something like that?

Mr. GOVER. I have owned it for 5 years, and it has generated seven cents in that time.

Senator CAMPBELL. Seven cents. But the amount of money that it takes to document and do all the paperwork to get him that seven cents ran into the thousands.

Senator BURNS. I had a pasture like that once.

Senator GORTON. Thank you for that explanation. And I will have more questions. I will refer to my two colleagues.

Senator Campbell.

INDIAN AFFAIRS

Senator CAMPBELL. Thank you, Mr. Chairman. Just for your information, we are going to be marking up confirming the Special Trustee tomorrow in Indian Affairs. And we did postpone that for a few days because some of the tribes told us that they wanted a little more time to think about it, a little more time to review it. They have sent us a letter of total support. So we will be putting that through tomorrow.

You probably know, Mr. Assistant Secretary, that probably half of the people on this committee also sit on Indian Affairs. And we would not be on these committees, if we did not have a high interest in trying to help Indian people. I think I can state that for literally everybody.

And even though the chairman has taken his share of the heat, by the way, from the Indian community, I have to state for the record that when you talk about the things that you have made a very compelling case for this morning, school facilities, health care, contract support costs, law enforcement, things of that nature, he has been very, very helpful. Although we may disagree on some things in Indian country, he has been right there to help provide that money.

Mr. GOVER. I know the——

EMPLOYEE AWARDS

Senator CAMPBELL. As you know, we have not passed our budget resolution. So we do not know, as the chairman said, if we are going to be over our caps or not. But I am convinced that the President's budget is certainly going to help us.

But I want to talk a little bit and ask you a couple questions about this, that compelling case you made about school facilities and health care. And you will not get a disagreement from any of us. We know that we have to do more, all those areas.

We know that there are Indian children going without proper nutrition, without proper education, without proper health care facilities. We know that. Everybody on this committee knows it. And we want to do our best.

You mentioned about your primary responsibility. I recently wrote to you—and you did answer, and I appreciate you doing that—about something that I understood were called gold star awards given to, as I understand, about 2,000 employees over a period of time, totaling about $2.6 million. I suppose they were supposed to be given for exemplary service.

But I have tracked a few of the people who got those awards and found that the only reason they even have their jobs is because they are civil service employees. They would have been fired from any company for mismanagement or poor performance. It rather surprised me, in fact, when I saw some of the people who were getting those gold star awards.

Well, I am not a—math was never my long suit. But when I divide $2.6 million into a beginning teacher's salary, we could hire 100 teachers out there for the amount of money we have given through the Bureau for these so-called gold star awards.

I want you to expand a little bit, tell this committee what the reason was for that. And if you have found that somewhere along the line, in giving all that money in awards, some I understand in $10,000 and $20,000 increments, the justification for it, and why we should not make that money available more to schools and health services and things that Indian people really need.

Mr. GOVER. Senator Campbell, one of the things that we face all the time is trying to retain our employees. A good many of them receive offers regularly from the private sector or from other Federal departments to come to work for them. And one of the methods that we have for employee retention is to try to reward exemplary service. And you are right, these Star Awards are intended to reward good service.

Now, obviously, I do not sign off on every single Star Award that is presented throughout the agency. There are 2,000 of them, many of them done out in the field. I have signed off on several myself, and I especially sign off on awards for senior management. And what we are finding is that in order to really make these employees realize the degree to which they are appreciated by management, we do have to give these awards.

Now, we have established within the Department some particular awards for the Senior Executive Service employees, many of whom, as I say, are pursued all the time by the private sector. In fact, we just lost a Deputy Commissioner to the private sector. And I cannot begin to compete with some of those offers. But where I can, I want to do that.

We evaluate the employees. We make an agreement with them at the beginning of the year. If they meet the agreement that we have negotiated, then they become eligible for awards. Even at that point, less than half of them, who have complied with their agreement, actually receive awards.

The awards that are over $10,000 are special Department-wide awards to acknowledge particularly distinguished service. And there is an even higher level, a Presidential Rank Award, that BIA employees, including Hilda Manuel, have won in the past few years.

And so we find that it is important to morale. We find it is important to employee retention. And most of all, we want to express in a very tangible way the appreciation that we have.

Now $2.5 million is a lot of money, and we certainly understand that. On the other hand, it represents only a small fraction of our entire appropriation. And I do not believe that it is out of line. In fact, I think we are probably a little less generous than most of the other bureaus in the Department.

Senator CAMPBELL. And you have checked with other bureaus to see if these awards are in line with what they are giving and if they give them at all.

Mr. GOVER. Yes. I discuss with the Assistant Secretary for Policy, Management and Budget just as a check, to make sure that we were not being excessive, and found that in fact we are not. In fact, as I say, we are probably less generous than some of the other bureaus.

Senator CAMPBELL. Well, I know we are not totally blind to the fact that we have a large organization, a lot of people, as you do

in your department and as we do here. In the Capitol you get some really terrific employees, and they are kind of up for grabs.

And I know that private industry just relishes the chance to steal away from us. So I understand that. We lose some very good employees, too.

Mr. GOVER. Yes.

TRUST PRINCIPLES

Senator CAMPBELL. I am surprised to see that Hilda is leaving. And I know that, as you do, she has done years and years of exemplary service. And I certainly wish her well. I hope she is going on to a productive, bright, wonderful future. I am sure she is. And I hope she is not just leaving because she is over the top of her pain threshold, as we all get to sooner or later, too. But we do wish you well.

Let me ask you one more point, Mr. Assistant Secretary. The Department is preparing to issue a draft trust principles, as I understand it. The National Congress of American Indians and some tribes have written to us on the Indian Affairs Committee urging you to postpone the issuance of those principles. What are your plans on issuing that order implementing the principles?

Mr. GOVER. Senator Campbell, the trust principles are something that we have had a lot of debate on in the Department. I was not certain, frankly, that it was a good idea because I think it is very difficult to draft broad principles that are substantive enough to really add to the conversation.

But I was finally persuaded by this logic: that we are asking each bureau within the Department that has responsibility to the tribes to examine their operation and their regulations to be sure that they are meeting our responsibilities to the Indian accountholders.

In order to do that, they have to have some kind of guidance. We do not want to measure it against some abstract notion of the trust, but instead try to give them some specifics and say: Do your regulations meet this standard? Are they designed to accomplish this undertaking? And that is the point of the trust policies. The broad trust principles is what they are popularly known as.

Our intention is to do two things with them. First, to enter them as a Secretarial Order to all of the agencies in the Department to say: You are to go through your programs and to measure your operation against these standards.

And by the way, I should add one other thing, to recite the trust format and what we have been told to do by the Congress.

The second thing that we intend to do with them, because the Secretarial Order expires in a year, is to enter them into the Departmental Manual where they will reside until a future administration changes them. We disagree, frankly, with the tribes and with NCAI.

And although we will continue working with them—and I met just yesterday with representatives from NCAI about this matter, we agreed that we will continue discussing it. And we actually made some progress on some of the issues that they wanted to see changed.

But I think in general the trust principles that we have drafted represent a major step forward. The Department—I mean, it is shocking, frankly, that the Department has never before tried to describe with any precision the standard of performance that is expected from us in conducting the trust relationship.

And now we have tried to do so. And I think predictably we are running into some opposition, because everyone's notion of the trust responsibility is a little bit different.

But I would not support them and would not participate if I did not think that it were moving the ball forward.

Senator CAMPBELL. OK. Well, thank you for that. I suspect you know how I feel about including the tribes in any of the dialogue or any decision making with the departments. So I know I can speak for Senator Inouye in that respect, too, from our committee's standpoint. So I would hope that you have a very open and fair discussion with the tribes before you proceed with those principles.

Mr. GOVER. And in fact, Senator, in December we did a number of field meetings with the tribes to discuss this very issue. And the draft has changed very significantly as a result of those. And as I say, we will continue working with the NCAI work group to try to close the distance between us and them.

And in the end, of course, we may not reach final agreement, but I think we will in every conversation improve the product.

Senator CAMPBELL. I thank you, Mr. Chairman. I will submit any further questions in writing.

Senator GORTON. Senator Burns.

Senator BURNS. Mr. Secretary, thank you for coming this morning. And I find it rather sad that you think this will be the last time you will appear before this committee. I personally think you have done a great job.

Mr. GOVER. Thank you, Senator.

Senator BURNS. You have been very candid with us, and you have faced some unusual challenges beyond anybody's imagination almost. And you have done that in working with us. I really appreciate that very much. And I wish you much success, and Hilda, too, as far as moving on.

In fact, you would hate to have people work in your department that did not have the ability to move on and improve themselves. That is kind of the way I look at it.

Mr. GOVER. That is right.

EDUCATION

Senator BURNS. People pass through our offices and our staff do that as well. If there has been one failure in our education system throughout this country, and we always say we have the best, its that we are dealing with issuing visas in order to allow people from other countries to come in this nation and work because they have the talents and the expertise to deal in the high tech world. And yet our education system is reluctant to change for the new tools of the future.

Then they say we are making great progress in our education system. I think we have the same problem as far as our schools that are on and off our reservations. I do not think there is any difference.

But I know you keep looking to find the people that can work in your department, taking people who have come up through your organization, or start at the reservation level.

I would refer you to Joe McDonald, who runs the Salish Kootenai Tribal College in Montana. I do not think there is a better educator in America than Joe. And we fight very, very hard, because he wants to give those young people the skills to use the tools of the future.

So I think that what we have to do in our education system is look at those programs and change them to help teachers and tribal colleges and the schools train people to utilize these new tools. These are some of the things that you will need in order for them to be of a service to you.

I have no questions with that. I will just say that working with the educators on reservations, as we do very closely with our 2-year colleges in Montana, we continue to have to fight for more money for them, because it seems like it never comes out of the President's budget with enough money.

The role of those 2-year colleges on the reservations, to make that transition into higher education from a reservation setting and an educational setting and going on to other institutions, wherever they want to go to school in America, is one of the great transition steps that these young people will take. Tribal colleges play a huge role on just equipping those folks for the future.

I find it sad that we will not continue working with you. I think we will later on down the line, because I would hate for this government to lose your talents. I appreciate your service to this organization the cooperation we see between the committee and your office. So we wish you well.

Mr. GOVER. That is very kind, Senator, and I appreciate all the help I have gotten from the committee. You are absolutely right. These institutions, the tribal colleges, are playing a critical role on a reservation and really begin to create some hopefulness where none has existed before, that there is an opportunity to improve yourself and rise out of these circumstances.

We never support colleges to the extent that we would like. The request we made this year is consistent with the increases that the committee and the Congress have granted us over the years. And we are very grateful if you would do so again.

In addition, the President has proposed that funds be added to the Department of Education budget to assist these institutions. And really, the part of the theory of the President's overall initiative is to get more agencies involved in meeting these responsibilities to the tribal communities. And so even though the primary responsibility, the anchor responsibility, will always be with the Bureau of Indian Affairs, that does not relieve the other departments of their obligations to the Indian community. And so we are very hopeful that we will see more assistance from some of the other agencies than we have seen in the past.

Thank you.

Senator BURNS. Thank you, Mr. Chairman.

HOUSING IMPROVEMENT PROGRAM

Senator GORTON. Mr. Gover, a parochial question, I note that my own Northwest region is going to be subjected to a huge reduction in housing and improvement program funds this year.

I take it you have been developing and implementing a new formula for that distribution. What is the new formula? What is the philosophy behind it? And why did we get such a heck of a whack in the Northwest?

Mr. GOVER. What we have done, Mr. Chairman, with the Housing Improvement Program is to convert from a system where we allocated funds based on the housing inventories that were prepared by the tribes. In other words, we had been inventorying the housing needs for the entire reservation, which did not discriminate between those who were eligible for the HIP program and those who were not.

So much of the housing inventories may well have reflected homes or families that are not eligible for assistance from our program. And what we have done is convert to a system where we are looking to allocate funds on the basis of the number of eligible applicants reservation by reservation, so that we are targeting funds in the direction of the greatest need in the communities.

Now, I do not know exactly why the Northwest seems to be hit particularly hard. I guess—well, I should provide some information. We are not finished with our analysis.

[The information follows:]

HOUSING IMPROVEMENT PROGRAM FUNDING DISTRIBUTION EFFECT ON NORTHWEST TRIBES

In fiscal year 2000, the BIA is implementing a new methodology for the distribution of Housing Improvement Program (HIP) funds. Prior to fiscal year 2000, HIP funding was distributed to BIA's Regional Offices according to total housing inventories, regardless of the need of individuals. Consistent with notices to Tribes in 1999 and 2000, the fiscal year 2000 HIP funding is being distributed according to eligible applicants. This new methodology is based on information from Tribes on applicants who are actually eligible for HIP funding. This data on eligible applicants is being used as the basis for distributing funds to those with the greatest need for housing assistance.

As of April 2000, the BIA had distributed 80 percent of the fiscal year 2000 HIP program funding. Using eligible applicant data provided by Tribes and the Regions, funds were distributed to Tribes based on a priority ranking of applicants and estimated project costs. The funding distributed to Tribes in the Northwest Region reflects that Region's program needs as compared to those reported for all HIP eligible applicants on a national level. The effect of this new methodology on the Northwest Region will not be clear until the remaining fiscal year 2000 funding is distributed. The BIA provided its Regional Offices and Tribes with additional time to gather current information on HIP-eligible applicants to encourage a fair distribution process. However, distribution of the remaining 20 percent of fiscal year 2000 HIP program funding is anticipated shortly.

Mr. GOVER. But what I suspect is that when we put out the word that we were looking at converting to this—and in fact, this has been under discussion for five years, converting to an eligible applicant system, as opposed to the housing inventories—the Northwest tribes were a day late and a dollar short with bringing in the information that would have increased their allocation.

I do not think there is any absence of need in the Northwest. And it was for that reason that we have delayed complete implementation in order to give the tribes another opportunity to submit

additional evidence. The Deputy Commissioner noted that there was a large migration of funds from certain areas, mostly to Alaska.

The Northwest was one, the Navajo area was another. And we were not comfortable with seeing that kind of large migration of funds from one area to another. So we wanted to give the tribes an additional opportunity to submit information.

So we probably could have done a better job in the implementation of the policy, but the policy is the correct one because it is directed at identifying the reservations with the greatest need, as defined by the number of eligible applicants for HIP funds.

Senator GORTON. When can I expect you to adopt the same philosophy with respect to tribal priority allocations?

Mr. GOVER. I do not believe that is going to happen on my watch, Mr. Chairman. You know, one of the problems is—and you cannot—HIP is one of the programs where it is a little more neat. And we are ready, for example, to allocate General Assistance funds on the basis of eligible applicants and on the basis of need.

But when you look at programs like trust services, like law enforcement, there are less clear measures of what the need is, compounded by the fact—and we will be discussing this tomorrow in Senator Campbell's committee—compounded by the fact that we have no identified objectives for a number of the programs that we operate.

And in the absence of really reliable and objective program measurements, it is very difficult to say at what point one tribe is getting too much. It is——

Senator GORTON. Is there any effort on your part to make such a determination?

Mr. GOVER. We are working with the tribes right now, again, working with the workgroup from the National Congress of American Indians, to try to identify those kinds of program parameters and reporting requirements so that when you give our agency money to carry out a specific program, we have defined an objective.

We can define for you what we expect to see as a result of that money and then how we are going to get the reporting from the tribes to show that in fact the programmatic objective was accomplished. That work will not be completed on my watch. But I do think that we can begin moving the ball forward program by program.

Just to give you a notion, though, of the complexity, we undertook a similar thing in, I believe it was, 1994 with regard to a single program, the Indian Child Welfare Act. A couple of years and several hundred pages later, there was still not consensus on just how those programmatic funds ought to be allocated.

And that indicates that, one, the difficulty of defining the program objectives and, two, the complexity of involving all of the tribal governments in a discussion of that type. Because no matter what we do in identifying objectives, somebody is going to get more and somebody is going to get less.

And those who get more are for it, and those who get less are against it. And that will be true in each of our program areas.

Senator CAMPBELL. That is the way it works among our subcommittees.

SCHOOL CONSTRUCTION

Senator GORTON. Let us go on to school construction. If you got the entire $300 million, do I understand that would build six schools?

Mr. GOVER. The entire request would build six schools and fund FI&R, facilities improvement and repair, the big repairs that need to be carried out in the school system.

Senator GORTON. How much of the money would go to the latter and how much to the former?

Mr. GOVER. Do you know, Joe?

Mr. CHRISTIE. It is $103 million, I think, on the construction side. Well, $103 million is an increase in FI&R.

Mr. GOVER. And what we did, Mr. Chairman, was to—the reason it looks like such a large increase is we combined FI&R with maintenance funding this year for the first time in the budget. And so it is not actually an increase of 126 percent, although it is an increase of about 100 percent over last year.

Senator GORTON. What are the six schools that would be funded by this?

Mr. GOVER. I can provide that for the record. It is the last three schools on the old priority list and the first three on the new one that we issued on January 31. My recollection is that three of the schools are on the Navajo Nation Reservation.

OK. The last three on the old list are Tuba City Boarding School, Second Mesa Day School and Zia Day School. The three new schools would be the Baca Thoreau—that is a Navajo school—Consolidated Community School, the Lummi Tribal School and the Wingate Elementary School.

So it would be three Navajo schools, one Hopi school, Zia Pueblo and the Lummi Tribe.

Senator GORTON. How many schools in the system rather desperately need total new construction? In other words, what part of that inventory of the six schools make up——

Mr. GOVER. It is about 10 percent. We think there are about 60 schools that desperately need to be replaced.

Senator GORTON. So we have to have roughly this level of construction money for 10 years running.

Mr. GOVER. I believe that is correct, Mr. Chairman.

Senator GORTON. Now, some of these schools you actually subcontract the building to the tribes and some are done directly?

Mr. GOVER. That is right. Most are actually contracted to either the tribe or the school board that operates the school. And they then——

Senator GORTON. Are all of the six that we are talking about, for next year?

Mr. GOVER. I do not believe we know yet. We are getting indications that a couple of the schools are going to want us to do it.

Is that right, Joe?

Mr. CHRISTIE. That is correct.

Senator GORTON. Is there any provision in any of the tribes with respect to any of the school construction for a tribal cost share?

Mr. GOVER. None of the six schools I just mentioned have offered to cost share. A number of tribes and school boards did offer cost sharing to various degrees. I believe that none of either the three from the old list or the ten from the new list really are talking about a substantial cost sharing approach. We did have some others, where they did propose quite substantial cost sharing.

Senator GORTON. Is it at all tempting to the bureau to accelerate the construction of those schools? Where there is a cost share, you would obviously get more done if there was a substantial contribution.

Mr. GOVER. I can answer that this way, Mr. Chairman. It is tempting, except that for some tribes, what they were offering was not, frankly, much of a sacrifice, given their other sources of revenue. And I was unimpressed by the degree to which they were going to offer to participate.

Other tribes, though, who really are not well off in terms of resources, did come forward and offer—you know, demonstrated a real commitment to improving conditions in which their kids go to school. And I would have much more sympathy in those cases. But there were few, frankly. There were very few.

Senator GORTON. A few years ago, I remember a devastating criticism or critique of the schools here in the District of Columbia to the effect that the school authorities could not come within 10,000 of a student census, knowing how many students they were serving. You provide aid to schools on the basis of school attendance or school census. Are you convinced of their accuracy?

Mr. GOVER. I am now. And let me allow Mr. Christie to describe some of the steps we have taken to improve our school count efforts.

Mr. CHRISTIE. What we have done to improve our ISEP count is to go to a 100-percent audit of one-third of our schools and a 10-percent audit of all the rest, so that over a 3-year cycle we will have a 100-percent audit of every school.

We have also instituted administrative reviews to go out and take a look at how our schools are operating on the educational program, facilities program, the administrative issues, personnel, et cetera. We have undertaken that this year and completed 8 of those reviews to include both the education line office and the school itself.

And then we are using that data to turn around and to institute a principal and ELO academy that we will start——

Senator GORTON. ELO?

Mr. CHRISTIE. Education line official. So that we can then train them in the specific—strengthen their skills in this area.

We have also in the last year—there are only two ways to increase funds for the per student basis. That is either to come to you and ask for additional dollars or else to go into the school systems themselves and take a look at where we are inappropriately funding.

For instance, over the last year we have weeded out counting of over 500 public school kids that were getting ISEP funding versus being actually eligible to receive that. So by going back and doing these reviews, making sure that the students that are being counted are the students that should be counted, that allows us then to

move those funds back in to fund our students on an equitable basis.

Senator GORTON. Thank you.

Mr. Gover, in your initial listing of the three priorities, the third of those was law enforcement. You are asking for another increase this year. I note the increase is not as great as the increase that you asked for last year. Does that mean that we are getting relatively close to an appropriate level of support, to a time when that funding will be relatively level?

Mr. GOVER. I think, Mr. Chairman, the figure of $18.8 million is a testimony to the rigidity of the Office of Management and Budget when you hit a number. And so the answer is that we are making progress.

I would have liked to have seen more in the law enforcement account, but I will live with what we have requested. It does not indicate that we are yet at a level of service that provides Indian communities with the same law enforcement coverage that similar communities outside of Indian country receive.

We have a ways to go yet. But I do not want to understate the importance of the funding that we have received so far. It has helped a great deal.

Ironically, one of the things that happens when you improve law enforcement is the crime rate goes up, because you are arresting more criminals, more crimes are being reported, more crimes are being acted on.

And so in fact we are still experiencing a rising crime rate in terms of the statistics, but I do not have any doubt we are also seeing better police coverage in the communities and that that will ultimately have its effect.

Senator GORTON. That is always a paradox wherever we deal with law enforcement. I think you are entirely correct. We can fool ourselves that if law enforcement is so poor that crimes do not even get reported——

Mr. GOVER. Right.

Senator GORTON [continuing]. As to actual conditions. At least at a time when law enforcement is improving, at first one would expect a higher reported crime rate. One hopes that you get to a point where it goes down in reality rather than just on a printed page at some point or another.

I want to go back to Tribal Priority Allocations for one question. Your authority under Section 127, has it been used? Do you advocate any change in that provision for the next year?

Mr. GOVER. We have not employed that authority. What I have said to the tribes is that if any of you feel that you are being shortchanged in some way or another, you may make application for a reallocation, at which point we would investigate and try to determine whether in any given circumstance there is a misallocation of the resource. No one has taken me up on that offer. And, Mr. Chairman, I did not expect that any of them would.

Senator GORTON. Why not?

Mr. GOVER. The tribes feel very strongly that if we start down this road of allocating on the basis of need, that that will ultimately result in a reduction of either the Federal responsibility or the resources that are devoted to the Federal responsibility.

I appreciate that concern. I, to some degree, agree with it, sort of as a political cite, that is the nature of the political system.

On the other hand, given the kind of needs that exist in some of these communities, I would find it very difficult to justify, for example, some of the increases we have asked for this year, going into certain of the communities that have achieved genuine economic self-sufficiency. And in fact, it would be our plan not to devote any of these new resources to those communities.

Senator GORTON. I have a number of other questions. But I will submit them to you in writing.

Senator Campbell, do you have any more questions?

Senator CAMPBELL. I will just make a few observations. There is no doubt in my mind that—I understand the concern of the tribes. And I appreciate that, too. But it is hard to justify resources going under TPA to tribes in which some of the members are getting half a million dollars a year each per cap. That is a tough thing to sell, as you probably know.

Let me just ask a couple questions, since you were dealing with education. Senator Roberts and Senator Brownback are not members of the committee, but both of them on several occasions have approached me about the deplorable conditions of some of the buildings at Haskell. What would you like me to tell them, if they have not talked to you personally yet?

Mr. GOVER. I am afraid I do not have any good news on that front, Mr. Chairman. We have recently constructed a new dorm at Haskell. And this again is sort of the old story. Now this year we did ask for some funding for a science building at the Southwest Indian Polytechnic Institute. But it is the first time in quite a while that we have asked for funds for either of the BIA's community colleges, or actually Haskell is now a university.

And we are reluctant to come to the committee and say, we need more money for our school, when we know that the schools out on the reservations are in extreme need.

Senator CAMPBELL. That is one of the problems at Haskell, it does not have a constituency, you might say, that comes here and lobbies for the money, as the tribes do. And so I understand it is difficult.

Mr. GOVER. That is right.

Senator CAMPBELL. Well, I will pass that on to you. Two years ago or so, there was a proposal about having tribes voluntarily cofinance schools. The chairman has alluded to that. I guess it was supposed to be done through some bonding initiative, something of that nature.

But has that proposal been pretty much scrapped? You did say something that some tribes have not come forward with any interest to finance a school.

Mr. GOVER. It took two forms, Senator. The first was that we invited the tribes, as we conducted this new round of applications for school construction, we invited the tribes to submit revenue or cost sharing proposals on a voluntary basis. We did not indicate that they would rise to the top of the list or anything like that.

We did indicate that we would share that information with the Congress, so the Congress would know and, if the Congress chose, take advantage of those cost sharing proposals.

The other form was this bonding initiative, which would have applied not just to BIA schools but to schools nationwide. What it really is intended to do is reduce the cost of financing new construction.

Now, that has not gained much acceptance in Indian country for a very obvious reason. The tribes are saying, why should we take on long-term debt——

Senator CAMPBELL. They are afraid we will renege on our part of the responsibility, if they take on that burden.

Mr. GOVER. Well, that is right. And they very legitimately ask the question: Why should we, the tribes, take on long-term debt to finance what is, in essence, a Federal facility? And that is a fair question to ask.

I do think there are answers, Mr. Chairman. One of the things we can do, and one of the things that we have proposed, where the committee might allow us to do it, is to use some of the funds for fiscal year 2001 to support the issuance of bonds by tribes for their schools.

Remember that the interest payments on these bonds would come in the form of tax incentives, basically, to the bond holders. And that requires the involvement of the finance committee, and that is beyond our authority.

But then second, the principal payments would be paid by taking some of the appropriated funds for fiscal year 2001 and in essence creating a sinking fund. Take that fund, set it aside, allow it to grow through investment, so that when the bonds reach maturity, you could pay off the principal as well. And so $30 million, I think we did some calculations once, a $30 million fund might support as much as $100 million—did I say thousands or millions? A $30 million fund would support $90 million to $100 million in new construction and would pay that off in 15 years.

So that is the idea. It is a way to try to stretch these dollars, because we all know there just are not enough.

Senator CAMPBELL. Thank you, Mr. Chairman. I have no further questions.

Senator GORTON. If it were not for the vagaries of changes of administration, would you have made the announcement that you made at the beginning, that this is your last appearance here? Do you think you have done everything you could do in running the Bureau of Indian Affairs?

Mr. GOVER. I do not think I have done everything I could do. And I do not believe anyone will ever leave any of our jobs thinking they have done all they could do. So the answer to that is no.

I do think there comes a point where the leadership in any agency, but perhaps especially this one, just sort of runs out of rope, not so much on a personal basis, but when we begin to make some of the difficult decisions that have to be made, you develop a list of people who disagree with you very strongly about certain of those decisions. And that is just what happens.

The second thing is that I think there is a great advantage to fresh leadership on a regular basis and that it is important that the ideas that we have pursued be reevaluated by new leaders to determine whether they think we had this right or whether the bureau ought to take off in a different direction.

So I am very comfortable in saying that the bureau will be a better agency after I leave than it was when I arrived. And I should add, Mr. Chairman, that my intention holds, regardless of the outcome of the election.

That is how strongly I feel that the leadership needs to rotate regularly in this agency. I do not anticipate, frankly, having the option of remaining assistant secretary after next January. I am sure the new president will have someone in mind.

Senator GORTON. Well, this chairman does not feel you have run out of string, Mr. Gover. He feels that you have done an outstanding job. And I think that this is the only time in my career in the United States Senate that I have been able or willing to say that about an assistant secretary in your position. I thank you very much.

Obviously, we have had a number of disagreements, but I think you are a decisive leader with a great concern for the people you serve and a real understanding of the issues that surround your position and your duties. And I thank you very much.

Senator CAMPBELL. Mr. Chairman, if I could add my voice to yours.

ADDITIONAL COMMITTEE QUESTIONS

I want to also say I have seen the work of other assistant secretaries, and I am convinced you have done literally everything you could. But on the other hand, if you did everything you would have wanted to do, I would fear for your safety in places—in Indian country included.

Mr. GOVER. I fear for it now.

[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 BUREAU OF INDIAN AFFAIRS AND THE OFFICE OF SPECIAL TRUSTEE

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

Question. As everyone is aware, we will more than likely be facing an appropriations cycle with rather tight resources. It is an unfortunate reality that not everything in the administration's request will be fully funded. As such, it is important for us all to be as frank as possible with each other early on in this process. Please briefly list what your highest priorities are for fiscal year 2001?

Answer. As conveyed during the Senate appropriations hearing on the fiscal year 2001 Bureau of Indian Affairs (Bureau) and the Office of Special Trustee (OST) budget requests, the highest priority for the Bureau and the OST is trust reform. This includes funding for the clearing of appraisal backlogs, clearing backlogs of probate proceedings to determine landowners, and base funding for Tribal and agency field realty programs. The Bureau also places priority on new school construction, law enforcement, school operations, and pay/uncontrollable cost funding to maintain current service levels.

OFFICE OF SPECIAL TRUSTEE FISCAL YEAR 2001 REQUEST

The request for Office of Special Trust account is about $7.4 million decrease below the fiscal year 2000 funding. The federal government has been severely criticized, especially in recent years, about its ability to properly adhere to its trust responsibilities owed to the American Indians.

Question. Are you confident that the Office of Special Trustee will be able to adequately carry out its pressing trust responsibilities in fiscal year 2001 in light of the administration's request for a decrease in funding?

Answer. The fiscal year 2001 budget reduction primarily reflects an adjustment for one-time computer systems acquisition costs planned in fiscal year 2000. At the time the budget was submitted, the level requested in fiscal year 2001 for the OST was sufficient to carry out the responsibilities anticipated for fiscal year 2001, based on the trust reform and Cobell litigation demands.

However, since the development of the fiscal year 2001 request, additional responsibilities were added to correct four breaches of trust identified in the December 21, 1999, court order in the Cobell litigation. The Court order focused upon the Department's compliance with statutory trust duties embodied in the American Indian Trust Fund Management Reform Act of 1994 (Act). Specifically, the Court order requires the Department to promptly establish written policies and procedures to render an accurate accounting of the Individual Indian Monies (IIM) trust in the following four areas: (1) collecting from outside sources missing information; (2) retention of IIM-related trust documents; (3) computer and business systems architecture; and, (4) staffing of trust management functions.

As a result of the completion of the revised High Level Implementation Plan and additional Court requirements, some funding needs have changed. On May 31, 2000, the Department submitted a reprogramming letter to the Interior and Related Agencies Appropriations Subcommittees seeking approval to use $3.2 million for the new requirements specified in the Court's order from funds previously appropriated for other trust activities. Sufficient funds are available from fiscal year 2000 and prior appropriations to begin addressing these breaches of trust. The Department will use these funds to implement the plans for the systems architecture implementation, information collection activities, and Phase Two of the workforce planning study. The Department received approval from the House Subcommittee on June 12, 2000, and is awaiting approval from the Senate before proceeding with the reprogramming.

The Department is currently evaluating its 2001 costs for both trust reform and litigation activities to determine how to address these increased costs. As stated in the May 31, 2000, reprogramming request, the Department will continue to keep the Committee staff informed with regard to additional requirements stemming from the Court order, trial two litigation costs, Federal Register Notice—IIM accounting costs, and TAAMS.

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION (NAPA)

This Committee included $5 million in fiscal year 2000 bill for BIA to implement the recommendations made by the National Academy of Public Administration.

Question. How has the money been spent so far and what are the plans in the future for the enacted $5 million?

Answer. The funds provided by the Congress in fiscal year 2000 are primarily for costs associated with relocating two major offices, the Division of Accounting Management and the Office of Information Resource Management, from Albuquerque, NM, to the Washington, D.C., metropolitan area. As of April, 2000, this includes $700,000 in payments for buy-out authority and severance pay under the special authority provided by the Congress. In addition, the Bureau plans to use a portion of the funds to staff key positions under the newly established Deputy Assistant Secretary.

Now, BIA requests an increase of $4 million for fiscal year 2001. Apparently, BIA's next phase of implementation will focus on the needs in the field as opposed to the needs in headquarters.

Question. Please describe how BIA would use the additional $4 million?

Answer. The $4 million in additional funds requested in fiscal year 2001 would enable the Bureau to continue implementation of the recommendations of the National Academy of Public Administration (NAPA). The next phase of the implementation will focus on analyzing the staffing needs for the Bureau's field structure. NAPA is conducting an extensive workload analysis of the current staffing in key administrative functions such as accounting, property and procurement that should be completed in June, 2000. After the completion of the analysis, NAPA will compare the present workload to industry standards and provide a staffing analysis of the law enforcement, education and other administrative and management functions in each of the 12 Regions of the Bureau. From this analysis, the Bureau will begin to fund the neediest of administrative functions in the Regional and Agency offices. This will begin the third phase of the implementation of the recommendations contained in the NAPA study.

Question. How will BIA be reaching out to the BIA employees in the field and the Tribes in an effort to ensure that these funds will be addressing the critical

needs in the field rather than just focusing on headquarters' perception of what those needs are?

Answer. As part of the NAPA's administrative workload analysis, a survey instrument was provided to all Directors, Agency Superintendents, and other Bureau management staff to ensure that critical needs in the field were identified. Because of the number of responses, survey results are still being analyzed. Several NAPA teams also made on-site visits to many of the Regional Offices.

HIGH LEVEL IMPLEMENTATION PLAN

The revised High Level Implementation Plan, which was recently released, sets forth a stringent time line for each of the plan's subprojects. The plan refers to these time lines as "milestones."

Question. Are you confident that the BIA and the Office of Special Trustee can reasonably meet these milestones?

Answer. The High Level Implementation Plan (HLIP) outlines the Bureau's and the Office of Special Trustee's (OST) progress toward completing improvements in trust management and lays out additional steps that must be taken to reach the goals and objectives that have been established. In addition, the December 21, 1999, court ruling in the Cobell litigation, required that the Department of the Interior submit quarterly reports on actions taken to correct the four breaches of the Federal Government's statutory trust responsibility to individuals Indians. Significant headway has already been made in establishing new trust management and financial systems that will handle the millions of records that are the foundation of a reliable trust management program. The Trust Funds Accounting System is now operational for all Tribal and Individual Indian Monies (IIM) accounts, and currently the Bureau is moving forward on a nationwide deployment of the Trust Asset and Accounting Management System (TAAMS). In such a complex undertaking, there are still difficult challenges to be addressed, including data management, telecommunications infrastructure, human resource shortages, systems integration, competing demands within the Bureau's trust responsibility areas, and the need to achieve institutional changes. As a result, the Bureau has redirected resources to these efforts; conducted in-depth analysis and planning exercises; and, amended sub project plans to improve any areas that may be lagging behind the aggressive schedule articulated in the July, 1998, HLIP. Based on this experience and analysis, the Bureau and OST are confident that the updated HLIP (March, 2000) is achievable.

However, the Department faces many external factors which could affect the achievement of these milestones. To ensure that the Department is diligently taking actions as set forth in the HLIP, the Federal District Court will retain continuing jurisdiction over this matter for a period of five years. As explained in a previous answer, the completion of the revised HLIP has also caused the Department to reassess funding needs for trust reform.

The Department has continued a tracking system to identify progress made in meeting the milestones on the HLIP. This status is reviewed at bi-weekly meetings chaired by the Assistant Secretary—Policy, Management and Budget. Periodic updates are provided to the Congress on the progress and the Congress is engaged in legislative reform which greatly assists the efforts. For this plan to be successful, there has to be continued support of the Congress, the Federal District Court, the Tribes and individual Indians who are served, and the continued dedication of thousands of career Department employees.

PROBATE BACKLOG

It is the Secretary's duty to determine the legal heirs to the trust assets after the death of an Indian trust asset owner. Unfortunately, BIA faces a huge backlog in probate cases. This problem has been addressed in the High Level Implementation Plan.

Question. BIA has projected that it needs $9 million to address this backlog in fiscal year 2001. Please explain how these funds would be used?

Answer. Of the $9 million request, $3 million requested in the Bureau's budget would support the hiring of staff to support the ongoing probate program needs and sustain reforms implemented under the Trust Management Improvement Project (TMIP). The funds will be used to focus on the Bureau and the Office of Hearings and Appeals' (OHA) joint efforts to implement the framework for streamlining the probate process that was recommended in the Department's Phase I and Phase II Reinvention Labs. The recommendations include increasing the number of probate staff, preparation and issuance of decisions for probates, and establishing consistent, streamlined standard processes. The remaining $6 million requested is included in OST's budget to continue streamlining efforts identified in the Probate Reinvention

Lab to reduce the backlog. The Department is currently evaluating the 2001 projected Probate cleanup project costs to determine the funding levels needed to meet the milestones established in the updated HLIP (March 1, 2000).

Question. Also, it has become apparent in the past that the backlog was so huge that there were not enough administrative law judges to hear the cases. Has this issue been resolved? How?

Answer. Yes. First, the Office of Hearings and Appeals (OHA) has obtained approval to hire four additional Administrative Law Judges (ALJ) and re-open four of its offices. Personnel processes have been followed to hire the Judges. OHA is currently interviewing ALJ applicants and expects selections by June, 2000. Second, the Bureau will hire attorney decision-makers who will be issuing decisions from the record for the non-complex probates.

Question. What steps have you taken to try to make an effort to use only ALJ's to work on these cases?

Answer. The Department's Reinvention Lab recommended redesign of the existing probate program in a manner that would delegate decisions to the lowest level, eliminate non-value added steps, and reduce the processing time from the official notice of death to the issuance of the Administrative Law Judge's (ALJ) decision, from 3–6 years to 18 months. The new system provides two avenues to the potential heirs for expediting probate cases.

—*Decisions by Attorney Decision-Makers*.—If the cases meet fixed criteria and the heirs do not object, the case will be decided by a Bureau Attorney Decision-Maker. The Bureau Attorney Decision-Maker will make on-the-record decisions in those cases that meet specific criteria and will decide those cases without a hearing.

—*Decisions by Administrative Law Judges*.—Cases may go before an ALJ. Potential heirs and devisees will also be given an opportunity to indicate preferred alternate methods of decision-making by the ALJ, including: (1) in-person hearing; (2) on-the-record decision; (3) video conferencing for areas that are difficult to access frequently; and, (4) on a limited basis, teleconference.

Question. BIA has also drafted regulations establishing policies and procedures for the probate program and the duties of the BIA attorney decision-makers and paralegal specialists. Please describe these policies and procedures and explain how they will assist in addressing the huge backlog?

Answer. The Bureau has not issued final regulations covering the probate process. The proposed regulations would establish a standard streamlined process to reduce the time to prepare a probate package for decisions and increase the quality of the contents of a probate package. The primary focus of the regulations will be to ensure that decisions are at the lowest level and reduce the amount of time required to process a probate and to improve the consistency of processing and recordkeeping. The ALJ processes the probate package under the regulations contained in the Code of Federal Regulations, Title 43, Part 4, Subpart D. A hearing is held which increases the time involved to probate an estate.

The Attorney Decision-Maker will speed the probate process within the Bureau by reviewing the probate package and issuing a written probate decision. Decisions can be issued in uncomplicated cases based on the information in the probate package, without conducting a hearing, thereby reducing the time involved in the probate process.

Probate specialists will be trained in will drafting, estate planning, research techniques, customer orientation, and the streamlined probate process. A certification program will be established for probate specialists to ensure qualified probate personnel.

TRUST ASSET AND ACCOUNTING MANAGEMENT SYSTEM (TAAMS)

The Trust Asset and Accounting Management System (TAAMS) is a commercial off-the-shelf land management system which BIA has piloted. BIA has made sure that the system was modified to reflect the unique aspects of Indian trust requirements, including master lease, billings and accounts receivable.

Question. How confident are you that TAAMS will be a reliable system and, if so, what has given you this assurance?

Answer. To ensure that TAAMS is a system upon which the entire Bureau can depend, the Bureau has relied upon internal and independent evaluations of TAAMS readiness, including:

—SRA, a contractor responsible for independent verification and validation (IV&V) of the TAAMS system and user test efforts, provided suggested recommendations and risk mitigation strategies. The Bureau has already initiated or will address these recommendations.

—SeNet, a contractor responsible for IV&V of TAAMS contract components, performance and load testing of the Bureau's network to ensure proper capacity for TAAMS, security planning for TAAMS and the installation of security measures to fully protect trust data.

—Two User Test results, both internal Bureau tests to demonstrate the usability of certain functions and compare the results of live data input. These User Tests, conducted in February and April, 2000, clearly indicate user support for TAAMS.

—Applied Terravision Systems, Inc, the software vendor, conducted a successful system test.

Based on the Bureau's Rocky Mountain Region pilot, the Bureau has been able to learn and adjust to issues related to data conversion and cleanup, training and deployment. In addition, important analysis has been conducted to improve performance of the BIANET to ensure proper disaster recovery methods and to complete a comprehensive security plan.

Question. When do you expect that the TAAMS will move from the testing stage into the deployment stage?

Answer. A final User Test was completed in April, 2000, to test cleanup of issues identified in the February, 2000, User Test, to incorporate the final recommendations by the national panel of title experts and to make adjustments to improve the performance of TAAMS. In an April 28, 2000, letter to the Appropriations Committees, the Secretary stated his intention to initiate deployment of the title function at eight LTROs beginning in May, 2000. The TAAMS schedule calls for the first deployment in May, 2000, when each Bureau Land Titles and Records Office (LTRO) will receive a limited number of TAAMS licenses. The plan is to have all LTROs fully deployed by December, 2000.

Deployment consists of the physical installation of TAAMS software on computer workstations. Implementation occurs after deployment once the site personnel have thoroughly inspected its data and are comfortable with using TAAMS as the "system of record". It is conceivable that some offices may take longer to implement than others when taking their individual circumstances into consideration. It is expected that this decision will occur in a relatively short period of time at some sites and may take up to 120 days at other sites.

Question. Has BIA started to train the field personnel on TAAMS? How successful has the training been so far?

Answer. The software and service Bureau contractor (Artesia Data Systems, a subsidiary of Applied Terravision Systems) has been conducting training for staff from the Rocky Mountain Regional Office (formerly Billings Area Office) in Dallas, Texas. Based on initial pilot feedback, a new contractor has been retained to enhance the training efforts. The NATEC, Inc. has created and distributed surveys that have provided new insights into the Bureau's training challenges. For example, the Bureau has learned that approximately 25 percent of its staff require some remedial training in the use of "Windows" software. The Bureau has also redesigned the training program to provide some informal pre-training information to trainees to familiarize them with TAAMS concepts and to increase their comfort level once actual hands-on training is initiated. NATEC will also undertake a Bureauwide informational effort to ensure that all employees understand the importance and criticality of TAAMS.

Question. Are there any plans to provide training not only at the regional level but also at the tribal level?

Answer. Staff from the Bureau's Headquarters, Regional Offices, and Agencies/Field Offices, and the Tribes, will be required to attend TAAMS training. Training will be adapted for all levels of Bureau staff, including clerical program staff, mid-level managers, Field Representatives, Superintendents and Regional Directors.

TRUST FUNDS ACCOUNTING SYSTEM (TFAS)

Developing a system to ensure that the accurate accounting and reporting of the trust funds for individual Indians and Tribes has been long overdue. The system that has been chosen is the Trust Funds Accounting System.

Question. Please explain how this system has been working? Do you have assurances that this system will adequately track the interests of individual Indians? Why?

Answer. At the end of March 2000, all individual Indian and Tribal accounts had been converted to the Trust Fund Accounting System (TFAS). Currently, there are over 269,000 accounts maintained in the new system. TFAS is provided by SEI Investments Inc. of Oaks, Pennsylvania, the leading provider of trust technology to the financial industry across the nation. SEI provides a commercial off-the-shelf system

called Trust 3000 to OST through a service bureau arrangement. OST participates in a large user group that not only provides peer support but also recommends enhancements, and a third party audit of the system on an annual basis.

This new system provides for a much more timely and accurate processing, monitoring and reconciliation of data. TFAS provides universal on-line real-time access to account information. An accountholder may inquire about his/her account at any Bureau or OST location (not available before TFAS) and have up to the minute information provided. A quarterly statement with detailed transactions and account balances is also provided to each accountholder who has provided a valid address.

TFAS enables operational efficiencies including system self-balancing of input, direct deposit capabilities to the accountholder, interfaces with major vendors and custodians, scheduling of future payments with stop date provisions, overdraft protection, reconciliation of check production, automatic posting of interest and audit trail provisions. SEI also provides flexible processing times and 24 hour–7 days a week support to OST. The implementation of the new system has enabled the centralization of encoding, and a complete review and balancing of documents provided prior to encoding and a review for accuracy of posted transactions after posting. TFAS has proven to be an excellent system to administer Indian trust funds and investments.

Through TFAS, OST provides timely posting of funds received, interest calculations based on funds in each account, and all income earned and due from investment assets. Through the self-balancing functions, the daily reconciliation process, monthly custodial reconciliations, annual third party audit of the SEI system and the OTFM annual program audit, assurances are present that the system adequately tracks the interests of the individual Indians. In the past, many transactions were conducted via telephone and/or without full documentation. The need to document TFAS transactions in some instances requires more effort on the part of all parties involved in a transaction. However, this documentation also serves to more accurately account for the beneficiaries' funds.

OST is dependent on the Bureau for resource data including accuracy of ownership and the amount of payments derived from resources due to each beneficiary. To fully track the land interests of individuals, the Bureau's land, lease and resource management data is needed. The 2001 budget request includes $35.1 million to strengthen the Bureau's land, lease, and resource management capabilities. The Trust Asset and Accounting Management System (TAAMS), which is being developed, deployed, and implemented by the Bureau, will include an asset management system with a master lease subsystem, a billing and accounts receivable subsystem, and a collection subsystem. Following successful implementation, the TAAMS system will replace the present Bureau Integrated Records Management System (IRMS). In addition, the Land Record Information System (LRIS) function has been incorporated into TAAMS. Linking the data in TAAMS with TFAS will provide for an accurate tracking of individuals' interests.

Question. It has been projected that $14.2 million will be need for TFAS in fiscal year 2001. Please explain how this money will be used?

Answer. A total of $14.2 million is needed to meet the operating requirements of TFAS, as follows:

—$12,050,000 is needed for the TFAS and related systems contracts to maintain an estimated total of 269,000 accounts, develop systems interface requirements, provide regional lock boxes for electronic deposit, and transfer collection of income and fees data from TAAMS.

—$500,000 is required for the scheduled replacement/upgrades of computer workstations, computer security, and other hardware, software and network systems replacement costs associated with TFAS.

—$1,655,000 is needed for support functions needed to operate TFAS including, centralized data entry, help desk, systems operations, and training on the functions of TFAS. Centralized accounting coupled with the pre- and post-review of all transactions enhances accountability to the account. Now that TFAS is operational, OST has the responsibility for training new users and implementing any systems enhancements.

QUESTIONS FOR MR. GOVER

Question. It is tough to generalize the sentiment from the tribes because they are all so unique, and they all have varying interests and concerns. Putting that caveat aside, how confident are you that the priorities listed by BIA are generally in line with the priorities of the American Indians and Native Alaskans?

Answer. As conveyed during the April 4, 2000, Senate appropriations hearing on the Bureau's fiscal year 2001 budget request, the Bureau's priorities are generally

reflective of the priorities of the Tribes in Indian Country. While the Tribes' major priority has been increases in Tribal Priority Allocations (TPA), they also support the fiscal year 2001 priorities—trust reform, law enforcement, and school construction—which are focused on providing improved and increased services to Indian Country. These are areas in which the Tribes have historically expressed their views that the Federal Government should provide increased appropriations to address great social and economic needs.

SECTION 127 OF THE FISCAL YEAR 2000 BILL

In Section 127 of the fiscal year 2000 bill, Congress included a provision that provides the Secretary of the Interior with the power to redistribute any Tribal Priority Allocation funds, including even the tribal base funds, to alleviate tribal funding inequities by transferring funds to address identified unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. The provision, of course, provided protections by limiting this power by stating that no tribe would receive more than a 10 percent reduction in a fiscal year.

Question. At this time, would you advocate any expansion or change in this authority for fiscal year 2001?

Answer. The President's fiscal year 2001 budget request does not request continuation of the Section 127 language. No Tribes have sought to use this fiscal year 2000 authority to date.

EDUCATION

The Bureau has a program entitled the Family and Child Education (FACE) program. This is a family literacy program, serving children up to the age of five and their parents. It focuses on early childhood, parent and child time, parenting skills, and adult education. The administration requests $6.8 million to double the number of Family and Child Education sites at an average cost of $310,000 per site.

Question. Please give an overview to everyone as to what FACE is?

Answer. FACE is a comprehensive early childhood development program first implemented by the Bureau in 1990 and originally named the Early Childhood/Parental Involvement Pilot Program. The program serves children from birth through age 5 and their parents and children in kindergarten through grade 3. It recognizes the value of the parent as the child's first teacher and integrates the cultural and traditional values of the family. The program utilizes three research-based models of reform: (1) the Parents as Teachers (PAT) model, which adopts a home-based emphasis for children from birth to age 3; (2) the National Center for Family Literacy (NCFL), a center-based model for children from age 3 to 5; and, (3) the High/Scope model for kindergarten through grade 3 students that emphasizes an "active learning" process of education.

The FACE model addresses the literacy needs of the family and addresses many of the educational goals in the Goals 2000: Educate America Act and the Indian Education Act, and the Bureau's educational goals in the following areas:

—School Readiness
—High School Completion
—Student Achievement and Citizenship
—Adult literacy and Lifelong Learning
—Safe, Disciplined and Drug Free Schools
—Tribal Government, Language and Culture

A 1998 study on the effects of the FACE program showed the following:

—Students who participate in FACE score higher on standardized tests in reading and language development in early elementary grades than children who do not participate in FACE.
—Personal and social development is higher with FACE students than non-FACE participants.
—Three and four year old participants demonstrate improved language and literacy skills to prepare them for school.
—Parental involvement increases significantly once children enter school compared to parents who do not participate in FACE.

Due to the success of FACE, the sites have increased from the original six in 1990 to 22 sites today. Continued training and technical assistance is provided to all sites throughout the year by the Bureau's Office of Indian Education Programs and the service providers.

Question. What kind of planning has BIA developed for the implementation of these 22 additional FACE sites? Are you confident that it will be able to get these 22 additional FACE sites up and running within fiscal year 2001?

Answer. The planning stage for implementation of the 22 additional FACE sites has begun with a time line outlining specific target dates for the process. The process includes five phases aimed at strengthening the commitment to quality performance and implementation. In the first phase, new FACE site applications were mailed to the 60 eligible applicants in April, 2000. All Bureau-funded schools serving kindergarten through grade 3 with appropriate facilities were eligible to apply. This application and selection process is based upon the existing FACE correlates and is similar to the current process. During the second phase, site applications will be completed and returned to the Bureau by mid-June, 2000. The Bureau will review the new FACE site applications during the third phase. The applications will be ranked by the Bureau's FACE committee by mid-July, 2000. The fourth phase is site visits to the 30 selected potential FACE sites to validate the information contained in the application. All FACE site visits will be completed and final selections made by December, 2000. The fifth and most important phase is providing intense technical assistance and training to the 22 selectees which will strengthen each individual project and assure a high degree of success. This will occur during the first and second quarter of fiscal year 2001.

This five-phased approach will ensure that by the time funding is available in July, 2001, all selected sites will be ready for implementation.

Question. Will these new sites be similar to the current FACE sites?

Answer. Yes, the proposed new sites will utilize the three models of research-based methods currently used by the existing 22 sites. These models of reform are effective and easily adaptable to community needs, cultural values and traditions. The models are centered on parents receiving and utilizing educational standards and practices for their children well before they enter their formal education process. In the initial stages of implementation (the first 2 to 3 years), the sites will establish the core areas of the three models and then progress towards an outcome-based performance approach.

Question. How and when will the additional sites be selected?

Answer. The Bureau will establish a team to review the applications for the additional FACE sites. The team will include experts in the field of early childhood, the research-based trainers of PAT, NCFL, High/Scope, and Department of Education and Tribal personnel. The schools will be ranked by a scoring system. Site visits will then be conducted to determine that the schools have the appropriate facilities available to house the program. Final selections will be made by December, 2000, and notification letters will be sent to the proposed 22 sites by January 15, 2001.

The administration requests $8.2 million to start a new initiative known as the Therapeutic Residential Model (TRM) sites. This will provide dormitories which will offer a last chance environment for certain children and will offer counseling programs in addition to just a dormitory setting. With that money, the administration hopes to implement 6 pilot sites.

Question. Please explain this new initiative?

Answer. The Therapeutic Residential Model (TRM) program will address the unique social, emotional, and spiritual needs of K–12 students in the residential programs. These residential facilities enroll a large population of students who are considered high risk. Many of these students have been exposed to physical abuse and neglect, have abused drugs, alcohol, and have engaged in unsafe behavior. In some schools, as many as 80 percent of the students are on probation from the juvenile court system, 40 percent or more are chemically dependent, and the majority of these students are children of alcoholics and from dysfunctional families. Given the current funding levels, the boarding schools do not have the resources to meet the critical and diverse needs of these students. In fact, each school is funded as though it does not enroll high-risk students. As a result, the high-risk students are not provided appropriate care.

The Bureau is proposing to start the six pilot sites in fiscal year 2001 that will provide mental health personnel as well as social workers, health care personnel, and support staff to meet the holistic needs of the high-risk students. The TRM model is encapsulated into nine correlates which includes: (1) Comprehensive Mental Health Substance Abuse Services, (2) Comprehensive Student Screening/Assessment, (3) Intensive Staff Training, (4) Small Group Living, (5) Home, School, Community, and Tribal Interaction, (6) Safe and Secure Environment, (7) Cultural Relevance, (8) Year Round Program, and (9) a Transition Period to home and community. The staff will be comprised of nurses, counselors, social workers, clinical psychologists, and trained residential support staff. The staffing will reflect each school's student population. The provision of appropriate staff and clinical personnel will provide the compensatory assistance that could bring achievement levels closer to norms and prepare students for post secondary education or employment. It is estimated that a small school of 200 students will require approximately an addi-

tional $700,000, while a large boarding school will require over $2 million for its TRM program.

Question. What kind of planning has BIA developed for the implementation of this new initiative?

Answer. The Bureau has been planning and developing the TRM during the course of the past year. The selection and implementation process takes place in five phases. The development of the application and selection criteria, based upon the nine correlates of the TRM, was completed in March, 2000. In the second phase, each of the selected populations can submit an application during April through June, 2000. During the third phase, applications will be reviewed, ranked and rated for tentative selections. The fourth phase is the validation of the information contained in the application through on-site visits, which will take place during August and September, 2000. The fifth and most important phase is providing technical assistance and training to the selectees which will strengthen each individual project and assure a high degree of success. This will occur during the first and second quarter of fiscal year 2001.

Question. How will these sites be selected?

Answer. A review team comprised of residential living staff, Bureau employees and other individuals with expertise in the field will select these sites based on the nine correlates and how they are addressed in the application. The six sites to be selected will include two off-reservation residential schools, two on-reservation residential schools, and two peripheral programs.

Question. How does the BIA plan to evaluate the pilots to determine whether they are effective?

Answer. It is imperative that the sites selected for the pilot programs provide a comprehensive delivery of services to the residential students. This will be addressed in the application and then supported with training for all residential staff. The Office of Indian Education Programs (OIEP) will hire an outside evaluation team to evaluate the delivery of services, training of staff and the impact TRM has on achievement levels and behavior of the students.

Usually, BIA receives approximately $700,000 per fiscal year for the Student Statistical Initiative, an automated system to keep track of certain statistics relating to BIA's education programs.

Question. Please explain why the request seeks $3 million for this initiative this year?

Answer. The requested funds will provide for the first phase of a four-year plan to provide Central/Regional server administration and maintenance, software/application procurement and licensing, file server enhancements, staff training and network management for all schools under OIEP's authority. The requested increase of $3.0 million will be used to implement the SSI program at 50 additional Bureau-funded schools in fiscal year 2001 and to maintain the 28 sites implemented in fiscal year 1999 and fiscal year 2000. Of the requested amount, $1.7 million will provide for: the installation and maintenance of the Central Office server to collect data from each school; maintenance of the network including technical assistance and help desk; software licensing for the 50 schools by midSchool Year 2001–2002; installation of the software at each school site, on-site training and follow up training; and workstations and servers for each school. The balance of $1.3 million will be used to maintain the SSI program in schools which implemented the program in fiscal year 1999 and fiscal year 2000 to include updated software licenses, server and workstation enhancements, and continued training. The Bureau piloted SSI at four schools in fiscal year 1999 and installed the program in an additional 12 schools in 1999 and 12 schools in fiscal year 2000.

The SSI will eliminate the current cumbersome and time consuming process for developing and distributing annual school operations funding by automating the process at the local school level. School statistics will also capture and maintain data on student records, academic curriculum, accreditation, student achievement, transportation services, personnel records, food services, and needs assessments. The system will provide the capability to track student movement between Bureau-funded schools and from/to public and private schools. The system will also provide data on retention rates and dropout rates. In addition, it will make it possible to automate the Indian School Equalization Program (ISEP) which will ensure schools have better access to their funds and are held accountable for student funding data.

Question. Is BIA really equipped to more than triple its implementation of the Student Statistical Initiative in fiscal year 2001? And, how has it prepared for this?

Answer. Yes. A plan has been established for the implementation of the SSI. This plan includes the procurement of software, training of school staff and procurement of hardware for each school. Schools have been identified for fiscal year 2001 to receive the training, software and hardware for SSI. An internal core staff of informa-

tion technology experts who are well versed in the SSI software and Indian School Equalization Formula requirements is essential to fully implement the project. This core staff will be involved in annual training at the school level and provide technical assistance to the field on an as-needed basis. Furthermore, funding for this program is being requested under the Central Office Operations budget activity to facilitate the streamlining of information resource management technologies throughout the Bureau for improved management oversight by a Chief Information Officer as recommended in the National Academy of Public Administration's report on the Bureau's management and administration functions.

Question. How many schools could benefit from this increase and how is it determined which schools will reap the benefits?

Answer. Of the total, $1.7 million of the requested $3.0 million increase will be used to implement the SSI program at 50 additional Bureau-funded schools infiscal year 2001. Schools selected to participate in the SSI program have a functioning Local Area Network, sufficient band width available, electronic mail, and the potential for local technical support. The remaining $1.3 million will address upgrades at 28 existing schools.

TRIBAL EDUCATION DEPARTMENTS

Question. Please explain why BIA has not requested funding for Tribal Education Departments?

Answer. While no specific funding is requested, Tribes have utilized the option of prioritizing their base TPA funds in the Other-Education, Tribal Design line item for Tribal Education Departments.

Question. Are there other areas within BIA's budget request that would essentially address funding that would otherwise fall under Tribal Education Departments?

Answer. Tribes have the option of using the Other-Education, Tribal Design line item within TPA for Tribal Education Departments. The purpose of this program is to allow Tribes to exercise their Tribal sovereignty by determining how best to structure their education program to meet the needs of the Tribal community.

STUDY WITH DEPARTMENT OF EDUCATION

BIA requests a $500,000 increase for a longitudinal study with the Department of Education.

Question. What is this study for?

Answer. This study is being conducted by the Department of Education on non-Indian children from birth to age five on a nationwide basis. The funds requested in the fiscal year 2001 budget are to build upon the Bureau's partnership with the Department by providing funds for an American Indian component of the Early Childhood Longitudinal Study. This study will be conducted under a Memorandum of Agreement between the Bureau and the Department of Education entered into under the direction of Executive Order 13096, American Indian and Alaska Native Education.

Question. Why doesn't this fall under the Department of Education's budget request?

Answer. The Department of Education's budget request for this study does not include funding for an Indian children component. The Bureau is requesting funds to allow the study to include American Indian children.

USE OF SCHOOL OPERATIONS AND MAINTENANCE FORMULA GRANTS AND AREA/AGENCY TECHNICAL SUPPORT FUNDS

Please explain the purpose of the funds requested for Area/Agency Technical Support.

Question. Does this purpose cover "oversight and technical" assistance?

Answer. Area/Agency Technical Support funds are distributed to each Education Line Official for office staff salaries, employee benefits, travel, training, and office operational costs to provide academic program monitoring, oversight, and technical assistance relating to Johnson- O'Malley Education Assistance program, Adult Education, Higher Education Scholarships and direct supervision over Bureau-operated schools. The functions performed by Education Line Officials for education programs are codified in 25 CFR 33.5 and 33.6. The Education Line Officers are responsible for the following:

—Represent the Bureau education programs in their dealings with Indians, State and local governments, other Federal agencies and the public.

—Direct and assist in the development application and implementation of overall policies and programs, evaluate performance, and coordinate those features of

programs extending beyond the jurisdiction of a single school within the agency or office.

—Recommend revisions of national policies, programs, procedures and regulations.

—Monitor and evaluate Bureau education programs.

—Provide technical assistance and coordination for schools and other offices within their jurisdiction in such areas as curriculum, procurement, contracting, budgeting, personnel and other administrative services.

—Direct those agency positions deemed by the Assistant Secretary—Indian Affairs as "directly and substantially" involved in education, including all contract educator positions.

—Coordinate, monitor, and as appropriate, certify the validity of management information system data collected by these schools.

—Enhance technology to improve that collection.

Question. Has the BIA, on occasion, withheld funds from various schools' Operations and Maintenance formula grants and other funds? If so, what for?

Answer. Yes. The Bureau does withhold funds from some isolated Bureau-operated schools' Operations and Maintenance (O&M) formula grants to provide skilled craftsmen such as licensed electricians, boiler operators, and water treatment plant operators and to offset the cost of program oversight and accountability. Centralized Agency and Regional crews have been found to be more cost effective for these isolated locations. These types of positions at the school level are hard to fill and retain due to isolation factors and lack of available employee housing. A policy to withhold funds for all Bureau-funded schools was issued but has since been rescinded before any withholding of funds occurred from any Bureau grant or contract schools' O&M formula grants or other funds. The Bureau only withholds funds from O&M formula grants to the extent requested by such Tribe or Tribal organization.

Question. Have some of these funds been used to perform tasks that could also fall within Area/Agency Technical Support?

Answer. No. Facilities Operation and Maintenance funds have and are being used to provide technical assistance and oversight which has historically been the responsibility of non-education Regional/Agency offices. For instance, within the Navajo Region, operations and maintenance funds have been used for centralized crews that monitor and abate hazardous materials violations, natural gas line inspection and repair, radio equipment repair, pest control services, and water well repair. This function is not provided for by funds appropriated for Area/Agency Technical Assistance.

Question. If the BIA has done this in the past, does it foresee withholding such funds from schools for such purposes in fiscal year 2001?

Answer. Yes. In the Navajo Region there is a formal agreement between the Regional facilities management office and the education line officials for scheduling and accounting for work performed by centralized crews throughout the Navajo Region using Operations and Maintenance funds. At all other Bureau Regions and Agencies, Operations and Maintenance funds may be reduced through negotiations with the affected schools to provide the aforementioned services.

SCHOOL CONSTRUCTION

The administration requests $300.5 million for school construction for fiscal year 2001. This is a 126 percent increase. The administration's decision to focus significant resources on BIA school replacement in fiscal year 2001. In conjunction with this request, BIA has issued a new priority list for school replacement construction. Two Washington state schools are in the top 13—one for the Lummi tribe and one for the Colville tribe. The administration proposes that the $300.5 million would take care of the top 6 schools on the list, of which Lummi is included.

Question. What process was used to establish the new list?

Answer. In 1998, the Bureau began preparations for developing a new Education Facilities Replacement Construction Priority List, including the acceptance and evaluation of applications from Tribes who wished to have schools placed on the priority list.

The Bureau published a notice in the Federal Register on November 17, 1998, (63 FR 63942) requesting comments on the draft revised instructions and criteria entitled "Instructions and Application for Replacement School Construction, 1999." The new instructions governed the priority ranking process for construction of replacement education facilities and the criteria used in ranking applications. Comments were received relating to administrative requirements and responsibilities; definitions of ranking criteria; evaluation of applications; and cost sharing. The comments were reviewed and incorporated into the final instructions and criteria as appro-

priate by a team comprised of Tribal representatives and Bureau employees from the Bureau's Office of Indian Education Programs and the Office of Facilities Management and Construction. The Bureau proceeded with using the final revised application instructions and criteria on February 26, 1999.

Copies of the final revised instructions and criteria were sent to all Bureau schools and those schools that receive Bureau funds under contract or grant. The Bureau held Tribal consultation meetings on the revised process. The Bureau's Education Line Officers offered training to applicants at all schools under their administrative jurisdiction on how to complete applications using the revised instructions and ranking criteria. Tribes and Bureau-funded school boards received advance written notices of training session dates, times, and locations for Tribes and schools under their jurisdictions.

The Bureau published another notice in the Federal Register (64 FR 14936) on March 29, 1999, calling for applications based on the revised instructions and ranking criteria. The Bureau accepted applications beginning June 28, 1999, and used the criteria in the revised instructions to review and evaluate all applications that were received on or before the deadline of July 16, 1999. After the application period closed, a 12-member Replacement of School Evaluation Committee, comprised of officials from the Bureau, Tribes, the Department of Education, and the Department of Defense, reviewed 105 applications and ranked 96 applications. These applications were ranked according to the new criteria and 10 schools were placed on the fiscal year 2000 Priority List. Schools placed on the original List as of fiscal year 1993, that were not fully funded for construction by fiscal year 2000, specifically projects 13, 15, and 16, did not have to submit applications for ranking on the new Priority List and are retained in order at the top of the new Priority List as projects 1 through 3. Thirteen schools are now listed in the Education Facilities Replacement Construction Priorities List as of fiscal year 2000 which was published in the Federal Register (Volume 65, Number 20) on January 31, 2000.

Question. If this Committee is unable to provide the full request, how would you recommend we determine a funding level? Is it a matter of providing full funding for as many schools as can be afforded, or should we provide full funding for some schools and only provide design funds for others?

Answer. OMB Circular A–11, Principals of Financing, requires that capital improvements, if phased, must provide a useable segment when completed. When full funding is not provided, it often results in higher planning costs and higher acquisition costs. This concerns the Bureau, especially when the second phase of the construction is subject to the availability of appropriations. Tribes are reluctant to enter into a construction contract/compact without knowing that funds will be provided in the subsequent year. Additionally, 31 USC Section 1341 (a) prohibits an officer or employee of the United States Government from entering into a contract or obligation for the payment of money before an appropriation is made unless authorized by law. Construction contractors may be reluctant (risk avoidance) to enter into full construction contracts with Tribes and Tribal organizations if full funding is not available when their construction contract is awarded. Although phased funding may allow more schools to begin construction, the total number of schools replaced would not increase and the total construction cost will increase for the project.

Question. How many schools could be built if they were phased over a two year period?

Answer. As stated previously, OMB Circular A–11, Principals of Financing, requires that capital improvements, if phased, must provide a useable segment when completed. When full funding is not provided, it often results in higher planning costs and higher acquisition costs. This concerns the Bureau, especially when the second phase of the construction is subject to the availability of appropriations. Although phased funding may allow more schools to begin construction, the total number of schools replaced would not increase, yet the total construction cost for the project will increase.

Question. Please explain what would happen to the time line for construction for a particular school if the tribe opted not to contract and therefore if the Bureau had to do the project itself?

Answer. If a Tribe chooses not to contract for a construction project, the Bureau will implement the construction work. In the past, the planning phase was done in one year, the design phase was done the following year, and the construction phase began in the third year. The Bureau's new re-engineering school planning, design and construction process will be used for three of the six replacement schools requested in the President's Budget for fiscal year 2001. The three schools are: Tuba City Boarding School, AZ; Wingate Elementary School, NM; and Baca Thoreau (Dlo'ay Azhi) Consolidated Community School, NM. The re-engineering process pro-

vides a method by which school projects can be completed in half the time previously expended, thus reducing the planning, design and construction time from six or seven years to less than three years. The end result provides the students in these schools with facilities that meet the needs of the education program in an environment conducive to learning.

Question. If some schools are not contracted, is there likely to be a large unobligated balance for school construction?

Answer. Since much of the construction funding would be provided to Tribes through grant or contracting authority, and should the additional funds requested for construction management staff in fiscal year 2001 be provided, the Bureau believes this funding would be obligated in a timely manner. The construction awards on four of the six schools requested in the President's fiscal year 2001 budget will be implemented through Public Law 100–297 school grants or Public Law 93–638 self-determination contracts/compacts. The Tribes and Tribal organizations are able to implement design and construction faster than the Bureau since it is the only school project they are managing. The Bureau's fiscal year 2001 request includes an increase in the Construction account for program management to hire 20 FTE to assist in the increased construction and operations and maintenance program activities associated with the funding increase requested in Education Construction. To be able to accelerate school replacement, make progress on reducing the backlog for construction and facilities improvement and repair programs, and ensure adequate contract, grant, and compact monitoring, increased staff is critical. The additional FTE would also allow the Bureau to continue to improve the monitoring of Public Law 100–297 Tribally controlled school grants and Public Law 93–638 contracts.

LAW ENFORCEMENT

Question. Please describe how the initiation of the Department of Justice's COPS program has improved the law enforcement programs for the BIA?

Answer. The Bureau is not eligible for Department of Justice (DOJ) grants. However, the DOJ's COPS grant program has provided much needed resources to Tribally-operated law enforcement programs by providing funds to hire, equip and train Tribal law enforcement officers and to assist in building new detention facilities. The COPS program has provided grants to Tribes for approximately 1,100 police officer positions throughout Indian Country. However, these grants expire after three years and most Tribes cannot afford to assume the new police officer salary costs. Under the Presidential Initiative on Law Enforcement in Indian Country, the Bureau is requesting base funds to hire these trained and experienced COPS officers on a permanent basis and DOJ has extended the length of many COPS grants.

LAND CONSOLIDATION

Fractionated ownership interests of trust and restricted lands is a major problem that, by its nature, will expand exponentially over time. It has become increasingly expensive for the government to manage these lands, and the fractionated ownership has resulted in the reduction of the lands' economic value for Indian owners. The administration is asking for $12.5 million to address this problem in fiscal year 2001. This is a $7.5 million increase over fiscal year 2000 funding.

Question. What reservations are targeted for participation in the land consolidation in fiscal year 2001? How are they selected?

Answer. In fiscal year 2001, funds will continue the acquisition of fractional interests on the three reservations (Bad River Band, Lac Courte Orielles Band, and Lac du Flambeau Band) that constituted the pilot; for administrative costs for purchasing the interests that must be redetermined and redistributed to the legal heirs and devisees pursuant to the Court's ruling; and potentially expanding the acquisition program to other reservations. Several criteria will be applied to determine the preferred priority of reservations for the project: the extent of fractionation of Indian trust or restricted lands associated with the reservation (the greater the fractionation the higher the priority); the greater the number of actual or projected willing sellers the higher priority; and the greater the support of the Tribal government for the project, the higher the priority.

Question. As part of the selection process, does BIA focus on lands with the best economic prospects to ensure that the government will get the most return for its money?

Answer. The Land Consolidation project is primarily a cost-reduction project rather than a for-profit or—income producing project. Although the Federal Government will received a return on its investment in the form of income derived from the development of the consolidated land, the principal cost-benefit will be the decreased cost of managing the previously fractionated trust land and resource. In fact, the

only hope for producing income from the most fractionated allotted lands is to reduce the fractionation to a level that would make leasing or contracting of such lands, and the distribution of derived trust income, a real or practical possibility. Over time, the combination of cost reduction and the return on investment should provide a positive cost-benefit ratio for the Federal Government.

Question. As part of the administration's request, it proposes language to change this from a "pilot" to an official program. How big of a program might this become?

Answer. The Land Consolidation program would be primarily devoted to the acquisition of fractionated interests; a small amount would be used for program administration. The current Land Consolidation pilot project will provide data required to project the cost of administration and the estimated cost-benefit. The Bureau estimates that the cost of administration will be four to six percent of the total project cost.

At present, there are more than 2.2 million undivided or fractional interests in trust or restricted allotted lands. The projected number of interests acquired by the project through fiscal year 2001 is about 20,000 interests. At that rate, and proceeding one agency at a time, it would take about 115 years to acquire all fractionated interests. However, if sufficient funding and willing sellers were available for 20–25 agencies at any one time, then almost all fractional interests could be acquired within an estimated 5–10 years (with the greatest activity within the first 5 years and the last acquisitions estimated at 15 years). In order to provide the funding and operation stability required for Indian Land Consolidation, the current project should be made a permanent program.

The greatest impact of the acquisition of fractional interests will be at the Land Titles and Records Offices which must process each fractional interest within each deed. At present, the primary problem arises from the large number of "pre-Youpee" interests on each tract in each deed which substantially lengthens the time required to record and update the title to the land.

OFFICE MOVES

In response to the NAPA report, the BIA has decided to move two administrative units from Albuquerque to the Washington, D.C. area.

Question. Explain why this move will improve the Bureau's management as opposed to re-focusing resources to Albuquerque?

Answer. The National Academy of Public Administration (NAPA) report and various General Accounting Office (GAO) reports have confirmed that hands-on management, daily direction, and increased communications are essential for effective management. Furthermore, the Office of Inspector General found that the Bureau was not in compliance with a number of statutes, including the Chief Financial Officers Act of 1990, the Debt Collection Improvement Act of 1996, the Credit Reform Act of 1990, and the Prompt Payment Act. The longstanding nature of these material weaknesses resulted in a qualified audit opinion for the Bureau. The geographic distance between the Bureau's Washington Headquarters and its Albuquerque accounting management and information resources management operations greatly contributed to the Bureau's predicament. The Bureau agrees with the NAPA and GAO findings that combining all administrative functions in one location would facilitate direct supervision and lead to enhanced performance and accountability in all aspects of management.

Question. How much notice were the Albuquerque employees given prior to the actual move?

Answer. The first phase of the NAPA recommendation regarding the transfer of functions was implemented in mid-February, 2000. The employees within the Division of Accounting Management were presented with a notice of Transfer of Function on November 5, 1999. The employees of the Office of Information Resources Management were notified on December 6, 1999.

Question. Explain what procedures, support, and options were provided to the employees based in Albuquerque in anticipation of the move. What alternatives, if any, were provided to them?

Answer. The employee notices provided background information on the decision to relocate the organizations and explained the transfer process and the rights of the employees as they proceeded through the process. Employees were offered full relocation benefits with their acceptance to transfer. Understanding the difficulty in making such a decision, the Bureau provided the employees with an additional two weeks beyond what is required by regulations to make their decision. To further assist the employees, the Bureau received from the Congress the authority to extend the Voluntary Separation Incentive Payment program to Albuquerque employees affected by the transfer of functions. Special provisions were also added to allow the

Bureau to cover health benefits for one year for employees who elected not to relocate. The Bureau also offered house hunting trips, payment of relocation costs, temporary quarters, and storage of household goods until a residence was located by the relocated employees.

Question. What percentage of the employees actually moved to the Washington, D.C. area? What happened to the remainder of the employees? Did they retire? Did any have to retire early? Did they transfer to other federal jobs? Did they move to the private sector? Provide specific numbers of what has happened to all of the Albuquerque employees that were affected by the move.

Answer. Of the 134 employees affected by the transfer of functions, a total of 31 employees, or 23 percent actually moved to the Washington, D. C. area. The remaining employees selected other options which include the following:

—Voluntary Separation Incentive Program—31 employees, or 23 percent, accepted the buy-out option;

—Placements with other Federal Agencies—24 employees, or 18 percent;

—Separated from Federal service—43 employees, or 32 percent (due to their status as part-time and/or temporary employees with no fringe benefits);

—Resignations—5 employees or 4 percent.

Question. In addition to these two office moves, has the Bureau planned any additional office moves? If so, please explain the basis for the move.

Answer. Yes, the only additional move that is expected at this time is to relocate some of the administrative functions related to property, contracting and information resources management from the Washington Headquarters to the Reston Administrative Center. This move will allow for additional office space at the Washington Headquarters to be available for the Office of the Assistant Secretary—Indian Affairs.

TRIBAL PRIORITY ALLOCATIONS

Under TPA, there is a request for an increase of $2.8 million for higher education scholarships and an increase of $1.3 million for Tribal Courts.

Question. How will these funds be distributed? Will it be formula driven?

Answer. The requested increase of $2.9 million for Scholarships will be distributed to those Tribes having a Scholarships line item within their Tribal Priority Allocations priority listing. These funds are not distributed by formula, but rather are awarded to eligible students who demonstrate an unmet academic financial need as determined by the various college/university financial aid offices. The increase will allow approximately 950 additional students to be awarded financial assistance at an average of $3,000 per student award.

The additional $1.3 million requested for Tribal Courts will be used to implement provisions in the Indian Tribal Justice Act, specifically:

—In partnership with the National Indian Tribal Court Judges Association, $200,000 will be used to initiate Tribal judicial conferences, 25 U.S.C. 3614;

—The remaining $1.1 million will be used for base support funding for the more than 250 Tribal justice systems, including Courts of Indian Offenses, 25 U.S.C. 3613. Funds will be equally distributed among Federally recognized Tribes currently receiving court funds through the Tribal Priority Allocation process. These funds may be used for the purposes set forth in Section 3613(b), and funds earmarked for Tribes served by Courts of Indian Offenses will be used by the Bureau to improve those courts.

Question. Can the Bureau assure Congress that the funds will go for the scholarship purpose and the Tribal Courts purpose, as BIA has put forth in its request, or is it possible that the funds could be reprogrammed by the tribes?

Answer. The Tribes have the flexibility of shifting funding within their total Tribal Priority Allocations (TPA) allocation to meet changing priorities. TPA is critical to the Tribes' goal of achieving self-determination and economic stability. The present TPA process allows the Tribes to reprogram appropriated funds from one program to another based on Tribally-determined priorities. Therefore, the Bureau cannot guarantee that funds for Scholarships or Tribal Courts will not be reprogrammed to another Tribal program account under TPA.

Congress previously directed that BIA should ensure that the maximum amount of funding would be provided to meet law enforcement needs and in fiscal year 2000 Congress directed that no law enforcement funds were available for tribal shares. Additionally, the Bureau previously indicated to this Committee that it would focus on improving the distribution methodology so that distribution would be based on identified law enforcement and detention needs.

Question. Are you still taking this distribution approach?

Answer. Yes. Through a survey of Tribal and Bureau agency law enforcement and detention needs and priorities, the Bureau has considered population, land base, crime statistics, training and current levels of staffing as factors in determining the distribution of funds. The Bureau will continue to stay focused on improving its distribution methodology. Considering the great diversity from Tribe to Tribe, it is not possible for a "one size fits all" distribution process. In addition, the Bureau continues to work closely with DOJ to ensure that maximum benefit is realized in the distribution of funds.

Question. How do you assess this? What factors are considered?

Answer. In fiscal year 2000, the Bureau worked with Tribal leaders and Indian Country police chiefs to develop a method to best distribute the additional funds provided. From this consultation came a wide mix of ideas. However, participants agreed a "one size fits all" approach was not feasible. Through a survey of needs and priorities, the Bureau again considered population, land base, crime statistics and current staffing levels for distributing funds. The Bureau also took into consideration the grants (i.e., COPS) provided to Tribes by the Department of Justice.

NEW CONTRACTS OR COMPACTS

The moratorium on new contracts or compacts was lifted in fiscal year 2000.

Question. As a result, how many contracts or compacts have been requested so far?

Answer. As of May 1, 2000, the Bureau had received 4 requests, including 2 compacts, for a total of about $275,000. However, the Bureau's Office of Law Enforcement Services has indicated that an additional 10 Tribes are expected to contract Bureau law enforcement programs this year. The estimate for these new law enforcement programs is approximately $500,000. The Bureau has requested its Regional Offices to assist in determining the reason why the demand is not higher.

Question. How many new contracts or compacts have you estimated for fiscal year 2001?

Answer. Prior to the fiscal year 1999 moratorium imposed by the Congress, the Bureau was beginning to see a leveling of requests to contract new programs by Tribes. However, because of the fiscal year 1999 moratorium on new or expanded contracting and/or compacting, the Bureau had estimated that as many as 70 new or expanded contracts would be entered into during fiscal year 2000. This has not happened. The Bureau has requested its Regional Offices to ascertain why the demand is not higher.

REALIGNMENT OF THE OFFICE OF THE ASSISTANT SECRETARY

The National Academy of Public Administration report made various recommendations regarding BIA's management and administration. In response, a Secretarial Order was signed recently which authorizes the realignment of the Office of the Assistant Secretary. Among other things, the Secretary has authorized the creation of a new position of Deputy Assistant Secretary—Policy, Management and Budget and reorganizes what offices will be under the direction of the Principal Deputy Assistant Secretary and the Deputy Assistant Secretary.

Question. How long does BIA anticipate it will take to fully implement the Secretarial Order?

Answer. Secretarial Order No. 3214 (February 7, 2000) realigns the Assistant Secretary—Indian Affairs' immediate office in order to strengthen management and accountability for Indian Affairs matters within the Department. The Order calls for the establishment of several new positions and offices and the transfer of several Bureau offices to the Office of the Assistant Secretary. All of the actions should be completed by the time the Secretarial Order expires on March 31, 2001.

Question. Please explain how this reorganization will streamline the Office of the Assistant Secretary and make the office run more efficiently?

Answer. As the primary Federal advocate for Indians, the Office of the Assistant Secretary—Indian Affairs must be the focal point for assuring that potential new initiatives, and existing programs are well coordinated, existing programs are providing maximum results (produce a high ratio of output to input), all programs are regularly evaluated and all resources are used to maximum advantage. The National Academy of Public Administration review of current Bureau management and administration, determined that there was very limited internal staff capability to provide budget, planning, human resources, policy, information resources management, and other types of elementary management assistance to the Assistant Secretary. Without basic staff support in these particular areas, the Assistant Secretary cannot be an effective leader. Conversely, with the internal staff capabilities typi-

cally available in other agencies, the Bureau can begin to seek managerial and administrative excellence.

Question. Will this reorganization require the government to expend additional funds on a yearly basis? If so, how much?

Answer. NAPA has recommended that 40–50 new staff would be needed for the Office of the Assistant Secretary—Indian Affairs and approximately 150–200 additional administrative staff positions were required on a Bureauwide basis for its 12 Regional Offices and 83 Agencies. A preliminary estimate for the cost of these positions is $10–$15 million.

In the meantime, budget estimates and current realities present a more streamlined projection for the Office because the bulk of the staff is already on board and will be realigned within the organization. The immediate Office of the Deputy Assistant Secretary—Indian Affairs for policy, planning, budget and management will require about 22 new FTE to staff the policy and planning function, the Office of the Chief Information Officer, the Chief Financial Officer, and the new Human Resources Office. For staff of the Principal Deputy Assistant Secretary—Indian Affairs, a total of three new hires are anticipated to be added. The grade levels of these new recruits will average high because of the nature and scope of their responsibilities. Therefore, an estimated 25 positions at a cost of $101,000 (GS–14/5) is about $2.5 million in additional salary, not including estimated relocation costs of $500,000, for a grand total of $3 million. After the initial hires are complete, the ongoing increased staff costs of maintaining the $2.5 million salary costs must be added to the current budget for the Office each fiscal year.

A workforce analysis conducted by NAPA is currently underway for the Bureau. The data from this analysis will become available in Summer, 2000.

GOVERNMENT CREDIT CARDS

Question. What type of policy does the BIA have regarding the issuance and use of government credit cards?

Answer. The Bureau uses the Department of the Interior policies and procedures in administering the Government credit card program. The Bureau's internal policies and procedures for card usage are still in the development stage.

Question. For what purposes are employees authorized to use the government credit cards?

Answer. The cards have three business lines of authority available:

(1) Fleet—All cards have the fleet business line open for fuel charges on rental cars;

(2) Travel—most employees have the travel cards which have the business line for official Government travel; and,

(3) Purchase—some employees have the purchase business line authority for purchasing office supplies and equipment and other authorized items totaling $2,500 and under. The Bureau also has cardholders with purchase authority over $2,500. These cards are issued to Warranted Contracting Officers with authority to purchase up to their individual warrant authority, but no single purchase can exceed $100,000.

Question. Who has established the policies regarding the use of the credit cards?

Answer. The Department of the Interior has established the overall policy for use of the credit card.

Question. How is this information disseminated to BIA employees?

Answer. Information is disseminated by written memoranda, Departmental website, and/or via electronic mail notices by the Headquarters Agency Program Coordinator to the Agency Program Coordinators at the Regional Offices.

Question. How many BIA employees have been issued government credit cards?

Answer. As of March 31, 2000, there were 3,820 cards issued for travel/fleet; 18 cards were issued for purchase/fleet; and another 1,549 cards were issued with a combination of purchase/travel/fleet for a total of 5,387 Bureau employees with Government credit cards.

Question. What has been the overall level of violations, abuse (regarding both unauthorized use of the credit cards and/or non-payment of credit balances)? What kind of discipline has resulted from the abuse? How many employees have been disciplined? How many employees have been indicted? How many employees have been convicted through either plea agreements or trials?

Answer. The Bureau has found violations by employees who were not on official travel such as ATM cash withdrawals, airline tickets, hotel and restaurant charges, and other personal expenses. Other violations include purchasing personally-owned vehicle fuel and maintenance charges and non-payment of card balances.

Employees found to be in violation of unauthorized credit card usage have received verbal and written reprimands for abuse as appropriate. Other disciplinary actions include individual accounts being closed or the employee being placed on suspension from duty—placing them on Leave Without Pay. The more flagrant acts of credit card abuse have resulted in the employee being terminated from the Federal service. Currently, the Bureau has had to take disciplinary action against more than 80 employees for unauthorized credit card usage. Other than administrative actions taken, one employee has been indicted but none at this date have been convicted for credit card abuse.

Question. Has the BIA recently engaged in any changes in policy, enforcement, and discipline to help curb abuse of the credit card use?

Answer. The Department of the Interior has established the overall policy and use of the credit cards. Instructions with regard to the Travel and Transportation Reform Act which authorizes the bank to request garnishments of checks for delinquent accounts has been issued for implementation. The Bureau has written a memorandum disseminating this information to advise all cardholders that delinquent accounts may be subject to garnishment. No other changes have been instituted regarding disciplinary action.

HOUSING ASSISTANCE

Question. Please explain the differences between BIA's Housing Improvement Program and HUD's housing program which is available for American Indians. Also, how are these programs similar?

Answer. The Department of Housing and Urban Development's (HUD) Office of Native American Programs provides housing assistance on Indian reservations through the Native American Housing Assistance and Self-Determination Act (NAHASDA). To the extent possible, HUD provides American Indian and Alaskan Native families with home ownership and low-income rental opportunities. Therefore, grant funds are provided to Federally and non-Federally (State) recognized Tribes.

By contrast, the Bureau's Housing Improvement Program (HIP) provides grant funds to American Indian families that are members of a Federally recognized Tribe. Housing service is provided to Indian families within the exterior boundaries of a reservation (or approved service area) without regard to Tribal affiliation. The HIP is charged with serving the neediest of the needy and serves the very low-income Tribal members that are below HUD's income level requirements for home ownership and who are on waiting lists for subsidized rental housing. Under HIP, to target the very low-income recipients, the annual household income cannot exceed 125 percent of the HHS Poverty Income Guidelines. For example, under HIP, the income of a family of four cannot exceed 125 percent of $16,700, or $20,876, while under income limits established by NAHASDA the income limit for a family of four is $38,250.

HIP provides funding for housing repairs and renovations of existing homes, construction of a modest replacement home, or construction of a modest home for families who do not own a home but have ownership or lease of sufficient land suitable for housing. HUD generally provides funds for new construction, but through the Modernization Program, repair and replacement is also available. While both the Bureau and HUD provide single family housing for those who can demonstrate that they have a home ownership interest in the unit, HUD also allows multi-family units and usually accommodates rentals. HUD also requires some form of rent (determined by each Tribe) that may not exceed 30 percent of the monthly-adjusted income of such family. The HIP does not require a recipient to pay rent.

Question. Do these programs overlap at all? If so, how do they overlap?

Answer. The programs do not overlap. The HIP serves people with substandard living conditions who have no other resource for housing assistance.

GPRA QUESTIONS

Question. How are the BIA's annual performance goals linked to the BIA's mission, strategic goals, and program activities in its budget request?

Answer. The Mission goals within the Bureau's Strategic Plan and its Annual Performance Plan are the Government Performance and Results Act (GPRA) Program Activities. Due to the diversity of programs within the Bureau, it was necessary to establish the GPRA Program Activities at the subactivity level of the Program and Financing Schedules in the budget. Establishing goals at this level created broader scope long-term goals that reflect the valuable programs that the Bureau provides to American Indians and Alaska Natives on a nationwide basis. The long-term goals are a general outcome of the Bureau's individual budget programs

within each subactivity and their contributions to the achievement of the mission goals. The goals set forth within the Annual Performance Plan outline what the programs will accomplish as a one-year increment to the long- term goals, utilizing the Strategic Plan as its foundation.

Question. Describe the process used to link your performance goals to your budget activities? What difficulties, if any, did you encounter, and what lessons did you learn?

Answer. The Bureau mission goals were developed and aligned with the subactivities of the Program and Financing schedules of the budget as suggested under GPRA. The long-term goals were then developed to establish the five year efforts of the budget programs within the subactivities to achieve the missions. The performance goals were developed to measure annual increments of performance toward achieving the long-term goals. With each goal level being established in line with the budget structure, there were no major problems in linking performance goals to the budget activities.

Question. Does BIA's Performance Plan link performance measures to its budget?

Answer. Yes, all of the Bureau's goals were developed in line with the activities within the Program and Financing Schedules of the budget. The Bureau's budget request describes which goal the request relates to within the Annual Performance Plan.

Question. Does each account have performance measures?

Answer. The Bureau can account for 100 percent of the appropriated budget within its performance plan. However, due to the complexity and volume of the Bureau's budget, performance is measured at the subactivity and program element levels and not at the general account level. Furthermore, there may not be a specific measure at the annual goal level for every program account, but those accounts can be attributed to the accomplishment of the overall long-term goals.

Question. To what extent does your performance planning structure differ from the account and activity structure in your budget justification?

Answer. Due to the diversity of programs within the Bureau, GPRA program activities are aligned with the subactivity level of the Bureau's budget. The Bureau's performance plan is structured by program area—human services, education, and trust services—similar to the presentation of funding at the budget activity level.

Question. Do you plan to propose any changes to your account structure for fiscal year 2001?

Answer. There are no GPRA-related changes to the account structure in the fiscal year 2001 request.

Question. Will you propose any changes to the program activities described under that account structure?

Answer. There are no GPRA-related changes to the program activities under the account structure for fiscal year 2001.

Question. How were performance measures chosen?

Answer. In consultation with the Bureau's program managers and Tribes, the goals and measures were developed by reviewing the primary budget programs and ascertaining the most valuable way to gauge the level of services the Bureau is providing pursuant to the mandates of GPRA.

Question. How did the BIA balance the cost of data collection and verification with the need for reliable and valid performance data?

Answer. The Bureau has strived to develop the most cost-effective measures and goals that could use existing verifiable data sources and systems to reduce costs. The Bureau will continue to assess the value of current goals and measures as indicators of program performance and in the context of what information is needed to make management decisions.

Question. Does your plan include performance measures for which reliable data are not likely to be available in time for your performance report?

Answer. The Bureau has several goals that are reported on a calendar year rather than fiscal year basis; however, final data for these goals will be available by February of the following year for inclusion in the Annual Performance Report.

Question. What are the key performance goals from your fiscal year 2001 Annual Performance Plan that you recommend this subcommittee use to track program results?

Answer. The Bureau recommends the following four goals be used to track program results:

(1) 01.01.01.01.01: The Bureau will promote Indian Self-Determination by maintaining a 16 percent enhancement in training and technical assistance over fiscal year 1998 levels and minimizing the impediment of limited Contract Support funding to Tribal contracting, compacting and grants.

(2) 02.02.01.02.01: The Bureau will increase the number of Tribes operating comprehensive welfare plans to 40.

(3) 02.03.01.01.01: The Bureau will reduce the projected Calendar Year 2000 Indian Country crime rate from 2,323 crimes per 10,000 inhabitants to 2,300 crimes per 10,000 inhabitants.

(4) 02.05.01.02.01: The Bureau will bring prompt pay performance up to 97 percent.

Question. For each key annual goal, indicate whether you consider it to be an output measure ("how much") or an outcome measure ("how well")?

Answer. Of the four goals, one, two and four provide output measures; goal three provides an outcome measure.

Question. State the long-term general goal and objective from the Strategic Plan to which the annual goal is linked?

Answer. The long-term goals that these annual goals contribute to are as follows:

(1) 01.01.01—By 2005, the Bureau will promote Indian self-determination by enhancing training and technical assistance by 50 percent and minimizing impediments to Tribal contracting, compacting and grants.

(2) 02.02.01—By 2005, the Bureau will improve the quality of life in Indian communities.

(3) 02.03.01—By 2005, the Bureau will improve law enforcement services on Indian lands and preserve public safety for the citizens of Indian Country by providing a 7 percent reduction in the 1998 Indian Country crime rate for Class I and Class II offenses.

(4) 02.05.01—By 2005, the Bureau will achieve minimum acceptable standards for successful administrative processes by eliminating the Bureau's existing material weaknesses, producing unqualified opinions to the financial statements, and bringing prompt payment performance up to 97 percent. The Bureau will employ modern automated techniques and processes for management, maintain tight control on costs, and utilize customer service surveys to measure efficiency, timeliness and overall quality of Bureau customer service.

Question. In developing your Annual Performance Plan, what efforts did BIA undertake to ensure that the goals in the plan include a significant number of outcome measures?

Answer. The Bureau held consultation and development meetings geared toward the establishment of outcome-based goals that could be supported by reliable data sources in line with the Strategic Plan. The broad spectrum of services and the strict information collection requirements that must be adhered to in working with Tribes and individual Indians has made the development of outcome goals with readily available data sources a difficult task due to conflicting statutes governing reporting requirements by the Bureau's customers. Comments from the General Accounting Office and the Office of Management and Budget on the Bureau's strategic and annual performance plans have been helpful in guiding the Bureau to make the gradual transition from output goals/measures to outcome goals/measures.

Question. Do you believe your program managers understand the difference between goals that measure workload (output) and goals that measure effectiveness (outcome)?

Answer. Yes, as the process has evolved throughout the Bureau since the enactment of the law in 1993, a general understanding of the difference between outcome goals versus output goals has developed.

Question. What are some examples of customer satisfaction measures that you intend to use? Please include examples of both internal and external customers.

Answer. Within the Administration Services GPRA Activity, the Bureau has established a goal to develop customer service surveys for each of the primary program service areas. These surveys will request customers to provide their level of satisfaction with these services. The corrective actions determined through the survey feedback are expected to develop additional customer satisfaction measures for inclusion in future annual plans.

Question. How were the measurable goals of your Annual Performance Plan used to develop your fiscal year 2001 budget?

Answer. The fiscal year 2001 budget request and the fiscal year 2001 Annual Plan are developed simultaneously with each document providing support to the other. The budget is developed in support of the Bureau's performance goals and funding requests include the program efforts required for the accomplishment of goal targets.

Question. If a proposed budget number is changed, up or down, by this committee, will you be able to indicate to us the likely impact the change would have on the level of program performance and the achievement of various goals?

Answer. Data collection efforts are sufficient to determine the likely impact of funding level changes.

Question. Do you have the technological capability of measuring and reporting program performance throughout the year on a regular basis, so that the BIA can be properly managed to achieve the desired results?

Answer. The Bureau has developed and implemented a database system and collects quarterly data on the progress of programs at the field and Headquarters levels in reaching goal target levels.

Question. If so, who has access to the information—senior management only, or mid- and lower-level program managers, too?

Answer. All reported data is maintained in a secure database system administered at the Headquarters level with access by authorized personnel only. Reports of quarterly progress are compiled and provided to program managers on a Bureau-wide basis. The Bureau also provides the information contained in these quarterly reports to the Department for inclusion in its quarterly reporting system.

Question. Are you able to gain access easily to various performance-related data located throughout your various information systems?

Answer. There are two stages of database access. First, each Field office has an individual database that it can access to enter new data for upcoming reporting purposes and to review quarterly reports. Field staff can only access their own Regional data as authorized by Headquarters. Second, designated Headquarter's staff maintain the main database for all GPRA program reporting as well as the development and review authority for the Field databases. The database will continue to be modified and enhanced as the Bureau moves forward in meeting the objectives of GPRA.

Question. The Government Performance and Results Act requires that the BIA's Annual Performance Plan establish performance goals to define the level of performance to be achieved by each program activity set forth in your budget.

Many agencies have indicated that their present budget account structure makes it difficult to link dollars to results in a clear and meaningful way.

Have you faced such difficulty?

Answer. Through the use of appropriation codes and internal accounting codes assigned according to the GPRA Goal Categories, the Bureau has developed a method of tying the budget accounting structure to GPRA which allows for the linkage of dollars to results.

Question. Would the linkages be clearer if your budget account structure were modified?

Answer. The Bureau believes the current system is adequate for linking dollars to goals, but will continue to explore possibilities for improving what is in place in the future.

Question. If so, how would you propose to modify it and why do you believe such modification would be more useful both to BIA and to this committee than the present structure?

Answer. There is not a requirement to modify the Bureau's budget accounting structure for GPRA purposes at this time.

Question. How would such modification strengthen accountability for program performance in the use of budgeted dollars?

Spending significant resources on performance measurement systems appears to be a wasteful exercise if this information is not linked to: (1) real data about what it costs to perform various government functions; and (2) how to allocate BIA resources to perform these functions.

Answer. Modifications are not required at this point in time for this purpose.

Question. Could you comment on BIA's cost accounting expertise and plans to link GPRA to the budget process?

Answer. The Bureau has already aligned both the budget and accounting structures to GPRA. Detailed program listings by GPRA Program Activity and long-term goals have been provided to the Department in line with its cost accounting guidance.

Under one of the new accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB) and issued by OMB, this year for the first time all federal agencies are required to have a system of Managerial Cost Accounting. The clearly preferred methodology for such a system, as stated in that standard, is the one known as "Activity-Based Costing," whereby the full cost is calculated for each of the activities of an agency.

Question. What is the status of BIA's implementation of the Managerial Cost Accounting requirement, and are you using Activity-Based Costing?

Answer. The Bureau is able to show direct cost, but not the indirect cost at this time. Efforts are underway to ensure compliance with Departmental guidance on fully implementing cost accounting.

Question. Will you be able in the future to show to this committee the full and accurate cost of each activity of each program, including in those calculations such items as administration, employee benefits, and depreciation?

Answer. Yes, it is the Bureau's goal that in the future it can provide the full and accurate cost of each activity of each program.

Question. By doing so, would we then be able to see more precisely the relationship between the dollars spent on a program, the true costs of the activities conducted by the program, and the results of these activities?

Answer. Yes. It is the Bureau's goal to be able to provide information that will show the relationship between the dollars spent on a program, the true costs of the activities conducted by the program, and the results of these activities.

Question. Will you be able to show us the per-unit cost of each activity and result?

Answer. Yes, the Bureau will be able to show the detailed costs and results for each activity.

Question. To what extent do the dollars associated with any particular performance goal reflect the full cost of all associated activities performed in support of that goal? For example, are overhead costs fully allocated to goals?

Answer. The Bureau can show full direct costs for the funding of activities performed in support of goals. Some indirect costs can be attributed, but full indirect cost accounting has not been integrated into the accounting system at this time.

Question. Please identify any significant regulatory reform measures that have been put in place by BIA in conjunction with the development of BIA's performance plan?

Answer. There have been no regulatory reform measures established by the Bureau based upon performance planning.

Question. Does your fiscal year 2001 performance plan—briefly or by reference to your strategic plan—identify any external factors that could influence goal achievement?

Answer. Several of the goals within the fiscal year 2001 Annual Performance Plan include information within the Goal Description section that identifies external factors. The Strategic Plan includes a specific section entitled External Factors under each long-term goal that provides external factors that could influence goal achievement.

Question. If so, what steps have you identified to prepare, anticipate and plan for such influences?

Answer. The Bureau makes every attempt to operate programs to the best of its ability within the available resources. The Bureau seeks to maintain the flexibility necessary to take advantage of new opportunities and to address rising issues.

Question. What impact might external factors have on your resource estimates?

Answer. Some external factors apply to emergency or disaster situations that would require redirection of resources in line with a programs purpose but outside its planned scope of activities for a given year. This redirection would severely reduce available resources and restrict the Bureau's ability to accomplish the goals.

Question. Through the development of the Performance Plan, has the BIA identified overlapping functions or program duplication?

Answer. In developing the Annual Performance Plan, the Bureau did not encounter duplication, but did identify several areas where program efforts were carried out in conjunction with other internal and external agencies. These efforts are set forth in the crosscutting section of the Plan.

Question. If so, does the Performance Plan identify the overlap or duplication?

Answer. The crosscutting efforts are set forth in Section 3.2—Crosscut Issues within the Annual Performance Plan.

Question. Should agencies address management challenges and potential duplication and overlapping functions in their GPRA plans, and if so, how?

Answer. Yes, the crosscut tables provided in the Annual Performance Plan address the issue.

Question. To what extent has GPRA been used by BIA leadership to guide decision making? Will this use increase in the future and if so in what ways?

Answer. The Bureau leadership is using performance measures and results in its decisionmaking efforts on an increased basis. As goals, reporting data and accountability efforts become further refined, the Bureau leadership and its program managers are realizing the full benefit and potential in utilizing this information to manage their programs and to motivate program staff to achieve positive results.

Question. Future funding decisions will take into consideration actual performance compared to expected or target performance. Given that: To what extent are your performance measures sufficiently mature to allow for these kinds of uses?

Answer. With the establishment of the Bureau's first Annual Performance Plan in fiscal year 1999, the Bureau has continuously worked to refine and improve its

measures and its delivery of services. Based on the fiscal year 1999 report results, the Bureau achieved 30 of its 45 performance measures, or 67 percent, for its first reporting period; non-achievement of 15 of the goals were based on a range of factors, including lack of appropriations. It is this range of factors which affect performance achievement(s) that raises the concern with the use of performance results from any single year in funding decisions. The Bureau believes that multiple year trend data is more valid and valuable for decisionmaking because it tends to eliminate single year aberrations like weather, legal issues, program adjustments, and the effects of funding obligations across fiscal years.

The Bureau's learning curve increased during the preparation of the first GPRA program performance report. These learned lessons were utilized to revise goals for fiscal year 2001 Annual Performance Plan and for ongoing revisions to the Bureau's Strategic Plan. For new goals, goals with revised performance measures, or goals with updated baselines, the Bureau's ability to establish precise performance targets may improve as it continues to refine its efforts in this ever evolving process. In these situations, it may be difficult to accurately relate budget resources to projected levels of performance. This is largely attributable to lack of full knowledge of how projected target results for new goals or revised goals will result due to the authorities governing the Bureau's relationship (i.e., reporting requirements) with Tribes.

Question. Are there any factors, such as inexperience in making estimates for certain activities or lack of data, that might affect the accuracy of resource estimates?

Answer. There are a range of factors which could affect the accuracy in the determination of estimates by the Bureau for its performance measures. The Bureau's customers, the American Indian and the Alaska Native, and the Bureau's core mission itself, are unique. Furthermore, statutes governing Tribal self determination at times conflict with other statutes such as GPRA with regards to reporting requirements. At any time, as authorized under Public Law 93–638, as amended, Tribes have the authority to enter into contracts, compacts, or grants with the Bureau to operate Bureau programs. This makes it difficult if not impossible to accurately determine the outcome of a measurement when program factors (i.e., operations, oversight responsibilities) could be changed in mid-stream.

Question. Are you requesting any waivers of non-statutory administrative requirements?

Answer. No, the Bureau has not requested any waivers in this regard.

Question. Specifically, are you requesting any relaxation of transfer or reprogramming controls in return for specific accountability commitments?

Answer. No, the Bureau has not requested any waivers in this regard.

Question. Based on your fiscal year 2001 performance plan, do you see any need for any substantive revisions in your strategic plan?

Answer. The Bureau's fiscal year 2001 Annual Plan is a direct result of the Bureau's Revised Strategic Plan that is currently in the review process and expected to be finalized by June, 2000. Strategic planning is a continually evolving process and the Bureau expects to make revisions to the Strategic Plan in line with the modification schedules to address the ever changing needs in Indian Country.

QUESTION SUBMITTED TO THE BUREAU OF INDIAN AFFAIRS

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

Question. I was gratified to note that this year the Administration requested a significant increase in funding for school facility improvement and repair (FI&R). While I agree that an increase in FI&R funding is warranted, do you think it might make more sense for Congress to devote some of the FI&R increase to building new schools, rather than trying to put bandaids on schools that are in desperate need of replacement? Devoting the bulk of the FI&R increase to replacement, rather than repair, would allow us to build another 6–7 new schools. Would the Administration object if more funding were devoted to school replacement, rather than repair?

Answer. Yes, the Administration prefers the more balanced approach in its fiscal year 2001 request to the Congress. There are 185 Bureau schools in the Bureau's school system. Of these 185 schools, approximately one third require replacement and approximately two thirds require extensive improvement and repair. The Bureau recognizes that in order to substantially reduce the backlog, an aggressive facilities improvement and repair program and replacement school construction program must proceed simultaneously.

Question. I commend the Administration for including $8.2 million to implement a Therapeutic Residential Model program at 6 BIA-funded boarding schools. I wrote the amendment authorizing the first therapeutic model school as part of the 1994

reauthorization of the Elementary and Secondary Education Act, and I've felt for a long time we must do more to address the extreme behavioral or social problems many of the children attending boarding schools face. Is the Assistant Secretary aware of the Circle of Nations Indian School, an off-reservation boarding school in Wahpeton, ND, which has been operating a therapeutic model without additional resources for the last six years? I encourage you to give careful consideration to the Circle of Nation Schools when selecting your pilot sites, because it has firsthand knowledge of the challenges and needs of this type of effort.

Answer. The Bureau has reviewed the Circle of Nations School therapeutic program and believes that it is a fine example of how a therapeutic program should be operated. The Circle of Nations School will be provided an opportunity to apply for one of the two off-reservation school pilots should the Congress fund the Bureau's request in fiscal year 2001. In addition, much to their credit, the School has stated that if they are not selected they still intend to provide a therapeutic program for their students. This is the type of commitment the Bureau is looking for in its pilots.

Question. The Standing Rock Sioux Tribe in North and South Dakota has contacted me about the significant delay in payments their tribal members with Individual Indian Money (IIM) accounts are experiencing. I also understand that the Tribe is one of three tribes nationally that have objected to the removal of their IIM files, and consequently the data clean-up of these files has not yet been completed.

What steps has the OST taken to reach an amicable solution with the Tribe over the removal and clean-up of these files? What solutions has the OST suggested to resolve this problem? Is there any legal basis (i.e. Indian self-determination contracts) to allow the Tribe to store the records or does the OST believe this would not meet the fiduciary responsibility of the federal government? To what extent is the delay in clean-up of these files responsible for the delay in payments to IIM account holders?

Answer. The delays in IIM payments were not related to records clean up issues, but were caused by necessary additional transaction data and verification requirements as a result of the final conversion to TFAS. OST continues to work with the Bureau and the Tribe to address the problems related to these delayed payments.

The OST and representatives of the Tribe worked extensively last year to develop an agreement on the transfer of the IIM records. The IIM jacket folders are needed, however, to verify account information, gather missing information, and eliminate any duplicate accounts. The Principal Deputy Special Trustee met with representatives of the Tribe and visited the Standing Rock Sioux reservation. Representatives of the Tribe visited Albuquerque at least three times in 1999 to inspect the IIM data records clean up process and to discuss an agreement. OST senior managers participated in a radio call in show last year to discuss the issue. A draft agreement called for the transfer of IIM file jackets to Albuquerque for cleanup and imaging, which was to be monitored by tribal representatives at OST's expense. Other trust financial documents would have remained at Fort Yates and been imaged by the Tribe as part of an imaging project funded by OST, then transferred to Albuquerque. In July, the Tribal Council voted not to approve the agreement.

These are Federal records in Federal custody on the reservation. The Tribe simply does not trust the Government to manage these records appropriately and has refused to allow the Government to remove the records from the reservation. The matter has been referred to the Office of the Solicitor and the Department of Justice for further guidance.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. Would you please give this Subcommittee an update on any effort you have made to incorporate BIA "financial partnership" schools into the BIA Education Facilities Replacement Construction Applications?

Answer. During the Bureau's solicitation for replacement school applications in July, 1999, six of the 105 applicants indicated an interest in creating Federal/Tribal school construction partnerships. Presently, the Bureau has not issued a policy nor defined any procedures regarding the sharing of construction costs with Tribal groups. The Bureau expects to develop policy regarding cost sharing in the third quarter of fiscal year 2000. During the application solicitation period, the Tribes and school boards were presented with the idea of "partnering" as an alternative means of financing school construction. The Bureau explained it was necessary to consider the possibility of Federal/Tribal construction partnerships since several Tribes had shown an interest in using the method to construct their replacement schools. The Bureau emphasized that applicants showing an interest in partnerships would not

acquire any more points than applicants who did not wish to use partnering. Two schools on the new replacement school priority list, Santa Fe Indian School and Conehatta Elementary School expressed an interest in cost sharing.

In addition, in its consultation with the Tribes, the Bureau emphasized that "need for replacement" would be the determining factor in preparing the Bureau replacement school construction priority list. The entire replacement school application solicitation and evaluation process implemented by the Bureau in 1999 sought to determine which schools were in most need of replacement. Therefore, the Bureau does not intend to fund those schools, through cost sharing or other means, which are not on the Bureau school replacement priority list. Funding of schools not on the Bureau's priority list would be unfair to the Tribes who made the list, disregard the priority setting process, and make questionable any use of a school construction priority ranking.

Question. What is the status of the Eight Northern Indian Pueblos pilot project to establish better accountability of Tribal Priority Allocation funds?

Answer. The Bureau remains interested in conducting a pilot with the Eight Northern Pueblos that improves accountability of TPA funds. However, several of the Pueblos are behind in filing their Single Audit Act reports and have financial management deficiencies in their most recent reports. The Bureau will work with those Pueblos to improve their current financial performance before initiating the pilot. In addition, the initial proposal had significant administrative cost funding proposed before the pilot would begin providing measurable program accomplishments. Those issues also need to be resolved before the pilot begins. While measurement of accomplishments with administrative funding is of interest to the Bureau and the Congress, it is not consistent with the ideas in the TPA report concerning unmet needs in Indian Country.

SUBCOMMITTEE RECESS

Senator GORTON. So the subcommittee will stand in recess until 9:30 a.m., Wednesday, April 5, when we will receive testimony from the Honorable Bruce Babbitt, Secretary of the Interior.

[Whereupon, at 11:12 a.m., Tuesday, April 4, the subcommittee was recessed, to reconvene at 9:30 a.m., Wednesday, April 5.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

WEDNESDAY, APRIL 5, 2000

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, Stevens, Cochran, Burns, Bennett, and Byrd.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF HON. BRUCE BABBITT, SECRETARY OF THE INTERIOR ACCOMPANIED BY JOHN D. TREZISE, DIRECTOR OF BUDGET

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. Mr. Secretary, you are not much of a draw today.

Secretary BABBITT. Senator, I must say this approximates a new low.

To go out on such complacency and lack of anger has been nostalgic actually.

Senator GORTON. Well, we will see what we can do for you later in the hearing.

In any event, welcome. This is your sixth appearance before the subcommittee during my tenure as chairman, and from your public comments, I am assuming it will be your last, whatever occurs in November.

Secretary BABBITT. Senator, do not make that assumption too quickly.

Senator GORTON. Well, maybe we will have to have a few other hearings before November.

But you know and we both appreciate our long personal relationship over the years. We are on opposite sides of a wide range of issues, but I do not know of anyone with whom I have had a more constructive personal relationship. And I must say that even when we disagree, I do not know of anyone who has been more dedicated to the mission of the Department of the Interior than you have been.

More frequently than not, you have gotten yourself in trouble because you speak with far too much clarity. You have not developed the talents of some of the other members of the cabinet, who can answer at great length and leave us entirely puzzled as to what they mean.

It is the contentious policy disputes each year that receive much of the attention during the debate over the Interior bill, and it is at least a 50/50 chance that the same thing will be true this year. But there are far more lower profile issues on which we have found common ground and on which we have been able to work together, with Senator Byrd, Congressman Regula, and other members of this committee and our House counterpart that do good things for our public lands, our wildlife resources, and our Indian peoples. From the recreation fee demonstration program, to increased funding for the care and maintenance of our national parks, to funding for salmon recovery in the Pacific Northwest, we have got a great deal of which to be proud, particularly given the austere budgetary climate in which we have been compelled to operate.

Let us talk for a moment about this year's budgetary climate. The Senate right now is considering a budget resolution that will provide about $597 billion in discretionary spending for fiscal year 2001. That number could change slightly during floor action or in conference with the House, but it is certainly going to be in that range. This will allow, I understand, some funding increases over fiscal year 2000 levels, but it is almost $30 billion less than the President's total budget request. So, our 302(b) allocation will not accommodate the $1.5 billion increase requested by the President for Interior bill programs, two-thirds of which is for programs under your jurisdiction.

Against this background, I hope we will begin once again to be able to engage in a serious discussion of priorities, both today and through the course of the year. There are a number of new initiatives and grant programs contained in your request, as well as dramatic increases for certain existing programs. I am interested to determine whether you view these requests as such high priorities that, if necessary, you would recommend reductions in other programs to fund them or in what order you would prioritize these increases, to the extent increases in funding over the current year are possible. As was the case last year, it is not apparent that you were compelled to make many of these difficult choices during development of your budget request. I get the sense that it was more of an exercise of thinking up ways to absorb the dramatic increase that the Office of Management and Budget has allowed you.

I imagine you have a different perspective, but the fact remains that your budget request would put the Department's budget fully 25 percent over where it was in fiscal year 1997. While no one here will deny that there are compelling funding needs for programs under your jurisdiction, I do not think that it is the desire of this Congress—and I know it is not the desire of this Senator—to spend every penny of the estimated fiscal year 2001 on-budget surplus on new or expanded Federal programs.

So, I hope we can work together to develop a bill that will not only provide for the critical needs of the Department, but also contribute to maintaining the strength of the Social Security system,

reducing our national debt, and providing for sensible tax relief that will benefit the people who use our public lands and the Indian people for whom you have trust responsibilities.

PREPARED STATEMENT

We certainly look forward to hearing from you today. The full text of your statement will, as usual, be included in the record. So, to the extent that you can make your remarks less formal, we will have more time for questions and substantive dialogue.

Of course, the last line in my printed statement is to turn to Senator Byrd who arrived precisely on time for that line.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SLADE GORTON

Mr. Secretary, welcome once again. This is your sixth appearance before the Subcommittee during my tenure as chairman, and from your public comments I am assuming that it will be your last—regardless of what occurs in November. As such, I think it is appropriate at this time to state for the record how much I have enjoyed our professional and personal relationship over the years. Though we have frequently been on opposite sides of particular issues, we have been able to communicate with one another frequently and with great clarity in an effort to get the job done. For that I am grateful.

It is the contentious policy disputes that each year receive much of the attention during debate on the Interior bill, and I expect that will again be the case in the coming year. But there are any number of lower profile issues on which you and I have found common ground, and on which we have been able to work with Senator Byrd, Congressman Regula and other members to achieve substantial benefits for our public lands, wildlife resources, and Indian peoples. From the recreation fee demonstration program, to increased funding for the care and maintenance of our national parks, to funding for salmon recovery in the Pacific Northwest, I think we have a great deal of which to be proud—particularly given the austere budgetary climate in which we have been compelled to operate.

Having said that, I'd like to take a moment to talk about this year's budgetary climate. The Senate this week is considering a budget resolution that will provide some $597 billion in discretionary spending for fiscal year 2001. While that number may change slightly during floor action or in conference with the House, the final discretionary level for the coming year will likely be in that range. While this amount will allow for some funding increases over fiscal year 2000 levels, it is some $30 billion lower than the spending level contemplated in the President's budget request. As such, there is little question that this subcommittee's 302(b) allocation will not accommodate anything near the $1.5 billion increase requested by the President for Interior bill programs. Of that increase, roughly $1 billion is for programs under your jurisdiction.

Against this backdrop, I hope we will once again be able to engage in a serious discussion of priorities—both in this hearing and throughout the course of the year. There are a number of new initiatives and grant programs contained in your request, as well as dramatic increases for certain existing programs. I will be interested to see whether you view these requests as such high priorities that, if necessary, you would recommend reductions in other program areas to fund them, or in what order you would prioritize these increases to the extent increases in funding over the current year are possible. As was the case last year, it is not apparent that you were compelled to make many of these difficult choices during development of your budget request. I get the sense that it was more an exercise of thinking up ways to absorb the dramatic increase that the Office of Management and Budget has allowed you to have.

I imagine you have a different perspective in this regard, but the fact remains that your budget request would put the Department's budget fully 25 percent over where it was in fiscal year 1997. While nobody here will deny that there are compelling funding needs for programs under your jurisdiction, it is not the desire of this Senator—nor I believe this Congress—to spend virtually every penny of the estimated fiscal year 2001 on-budget surplus on new or expanded Federal programs as the President's budget would do. And so I hope we can work together to develop a bill that will not only provide for the critical needs of your Department, but also contribute to maintaining the strength of the Social Security system, reducing the

national debt, and providing for sensible tax relief that will benefit the people that use our public lands and the Indian people for which you have trust responsibilities.

Mr. Secretary, we look forward to hearing from you today. The full text of your statement will be included in the record, so to the extent you can summarize your remarks, there will be that much more time for questions and substantive dialogue.

Senator GORTON. Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Well, Napoleon said that the Austrians did not know the value of time, so I thought I better get here on time.

Let me join our distinguished chairman in welcoming you back for your sixth appearance before the Interior and Related Agencies Subcommittee. It has been a pleasure to work with you, Mr. Secretary, these past few years.

I congratulate you on your stewardship of the Interior Department from the standpoint of financial accountability. Unlike some agencies of the Government, I know that your Department has received a clean financial audit from its Inspector General for the past 2 years. While your next audit is not due out for a few more days, I trust that it, too, will reflect positively on you and your staff.

Unfortunately, keeping a good set of books does not necessarily translate into good policy choices. As I look at the Department's fiscal year 2001 budget submission, I am troubled by the sheer size of the increase being sought. You are asking for an additional $1 billion over the fiscal year 2000 level for programs under the jurisdiction of this subcommittee. Even under the best of scenarios, it is doubtful that the Interior Subcommittee will receive a $1 billion increase in its allocation. Assuming that we did, though, I think a strong argument could be made that it would be far more prudent to forego, for example, a so-called Lands Legacy program and instead use that money to attack the unmet needs of the lands and facilities the Department already controls.

Despite my reservations with the budget proposal, I look forward to hearing Secretary Babbitt offer his perspective in what I know will be his usual forthright and honest manner.

Thank you.

Senator GORTON. Thank you.

Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I welcome the Secretary here. I will save most of what I have to say for the question period, but I do want to make one comment in the opening comment period.

Some time ago, I invited the Secretary to come to Utah and together we would go to the San Rafael Swell. He agreed to do that, and neither his schedule nor mine has been able to mesh to the point that we have been able to do that. But it may be just as well because we have reached an agreement and the agreement is more important than the tourism.

But the Secretary and the citizens of Utah have not had the best of relationships over the years in some areas, and there have been some areas of great cooperation and accomplishment in others. I

am delighted that with respect to the San Rafael Swell, we now have a deal formulated in a piece of legislation which so far the Department of the Interior has indicated they would be willing to support. I would hope, Mr. Secretary, we will have a chance to talk about that a little more, but I want to let you know how grateful I am that members of your staff have, in fact, been willing to make the trip that you and I have been unable to work out and make. I am hopeful that this actually can come to pass so that we get a resolution in this particular land usage issue. One hopes it becomes a model for other similar resolutions not only in the State of Utah but around the rest of the country.

So, I am optimistic and grateful and look forward to the Secretary's testimony.

Senator GORTON. Senator Stevens.

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman.

Good morning, Mr. Secretary. This subcommittee often sees me coming in here with smoke coming out of my ears and flame coming out of my mouth I think.

But I want to change that this morning and say good morning very kindly because I want to thank you for working with us on the Kodiak Island borough issue. We had a tough dispute over valuing refuge lands for the purpose of refuge revenue sharing payments. As you know, those were lands purchased after the *Exxon Valdez* spill which devastated many communities in our State. Many people, including me, did not like seeing the oil spill payments by Exxon going to reacquire Federal land after it had been deeded out of Federal ownership—after statehood—to entities in Alaska because there were many other issues involved that could have used that money.

However, the new Federal acquisitions for Kodiak National Wildlife Refuge meant revenue sharing payments for the borough there. These acquisitions were high dollar, given the Government's emphasis on the importance of conserving Kodiak. However, when it came to valuing the land for the purpose of revenue sharing, the initial appraisal was lower than what the Federal Government actually paid. And that dispute went on for several years and at a great uncertainty for the boroughs, the budgeting for schools and other services for the people, even those involved with the refuge.

Last fall, through the efforts of yourself I believe and your Department, we resolved that to the satisfaction of the borough and I want to thank you very much for resolving a very contentious dispute in our State. It is nice to see you again, Bruce. I appreciate it very much.

Secretary BABBITT. Thank you.

SUMMARY STATEMENT OF HON. BRUCE BABBITT

Senator GORTON. Boy, you could not do better, Mr. Secretary. Now it is your turn.

Secretary BABBITT. Senator Gorton, Senator Byrd, committee members, I obviously have reflected on the fact that this is my last appearance presumably—never say never, but most likely—before this appropriations committee in my eighth year as Secretary. I

must say I look back on these years of working with all of you with great satisfaction and pride. I think that in a political culture characterized by enormous antagonism and name-calling and rancor, that kind of pervades this entire town, we have managed over these years to establish some quiet space in which we manage to do business. As Senator Gorton suggested, I think we have done a great deal together and that we have done a good job of separating the ritual kind of food fights from the arena in which we do business.

I must say I have not succeeded in 8 years in doing that with the authorizing committees. It is a striking kind of two-track life around here, but I say that by way of simply reflecting the chairman's remarks. It has been a great pleasure, and I will do my best in the balance of my tenure to do what we have done I think so successfully and so well together.

Senator Gorton always starts by pointing out that we are on a collision course between this committee and the Congress and the administration. And I will give you my ritual response, which is I cannot make the numbers add. I have read the budget resolutions and I will once again, for the eighth consecutive year, say I cannot make them add and for the eighth consecutive year, say the President's budget is, in all of its exquisite detail, essential for the safety, health, and well-being of the Republic.

Now, that said, I would point out that this year is somewhat different from many previous years in which the budget constraints have weighed very heavily on our mutual endeavor. I do believe that the President's program provides more working space and that we ought to be able to proceed under that kind of climate.

Nonetheless, I will say ritually and meaningfully that I accept the chairman's customary admonition to see if we can work to set priorities so that whatever comes out of this committee reflects priorities, whatever differences we may have as to the sum total of the budget.

With that, I think what I could do most usefully, just briefly, is go through the three areas that I think have already been raised as out there on the margin of contention and importance. One is the Indian affairs issues. Second, is the President's Lands Legacy program. Third, raised by Senator Byrd, is this issue of a backlog for construction and maintenance of the tens of thousands of miles of roads, the millions of acres of lands, and the tens of thousands of buildings that we administer.

Senator STEVENS. Mr. Secretary, would you allow me to interrupt you? Mr. Chairman, may I do that? I have got to go to a meeting, unfortunately, on the budget.

But I have a solution for you, Mr. Secretary. You just help us get ANWR open, we will earmark part of that money to keep up the parks and wildlife refuges and all of the systems that you are responsible for.

I am sure this committee would love to allocate that money every year to the majority of all of those facilities, parks, wildlife refuges, wild and scenic rivers, wilderness areas. Over 60 percent of each one of those is in my State. We would be glad to support them with money coming from production in Alaska.

Secretary BABBITT. Senator, I knew this harmony had to fall apart quickly.

And, Senator, as you leave, I just want to say how much I appreciate the ability that we have had to work together on the subsistence issue, an enormously complex, volatile, difficult issue. I just want to say that I have never had such an exquisite experience as working through that political mine field to a result that I think we can at least move forward with. I just want to thank you publicly for that.

Senator STEVENS. Thank you very much.

Senator GORTON. Go ahead.

INDIAN ISSUES

Secretary BABBITT. Let's start with the Indian issues for two reasons. One, they are high on the President's agenda, and second, I want to say that this committee has been unflaggingly helpful in providing the resources, especially in these last few years, to deal with some very difficult issues.

The increases in the President's budget this year relate to a number of areas. First is school construction. This is a part of our backlog issue, and we have discussed it before in this committee. The President's budget bumps school construction up from about $130 million to about $300 million. I do not think I need to belabor that. The priority list of Indian schools speaks for itself. This obviously does not eliminate the backlog. We can come back to that. But I think it makes an important statement about taking care of the very worst issues out there.

There is an important increase on the law enforcement side. It is fairly modest. It is $18 million, but it is paired with an $80 million increase from the Justice Department. We have finally managed, I think, to spring free some resources that will help us with the law enforcement, jails, and all of the other issues. Again, a well-known and lamentable situation.

There is a line item for the so-called NAPA report, the National Academy of Public Administration. The Academy points out that the downsizing and the RIFs and the clearing out of personnel in Washington really went too far and we must now take some of that back to beef up our ability to do accounting, management, personnel, and those kinds of thing.

OFFICE OF THE SPECIAL TRUSTEE

The Office of Special Trustee—again, I am especially grateful for the chairman's willingness and desire to really help us through this. We are making progress. It has not been easy, and I would say at the outset there are so many cooks in this kitchen now that it is almost impossible to get anything off the stove. It is a world full of judicial participation, special masters, restraining orders, plaintiffs, committees of all kinds, and it has been no easy task.

We are making progress. That fact is seldom acknowledged. I normally do not watch television, and I made no exception for the "60 Minutes" piece this last week.

The facts. The IIM conversion, conversion of these hundreds of thousands of individual Indian accounts, into the modern account-

ing system was completed over the last weekend. They are now up and running in the new data processing system.

Beneath the accounting system is what is known in the jargon as the TAAMS system. This is the system to track leases, oil leases, grazing leases, the land records system, the probate system. We have the pilot which integrates the entire system, from top to bottom, up and running in Billings, Montana. I believe by the end of this month, I will be ready to certify the deployment of the big part of that system out to the rest of the country. It is a big decision because people are out there waiting to pronounce failure. I would say at least 50 percent of the participants who are standing around the kitchen have gotten so used to predicting failure that they really want to see failure. So, I have been personally watching over this deployment, and I think I am ready to walk the plank at the end of this month and see what happens. I believe we are on top of it.

One real success that we have had in the last year is in this area of land fractionation which is, of course, at the root of this whole problem. If we cannot reverse the generational fractionation of lands, we are wasting our time with all of this. It will never get turned around.

Last year we spent about $10 million for voluntary land consolidations, and it was a fabulous success. We spent all of the money. We have got, I think, 30,000 or 40,000 individual accounts purchased out. By account, I mean the underlying land. So, there is a line item for that, and I think it is going to be very important to build on that success.

We will be back in court. We are always in court, but we will be back in court as we move through this year to try to get at the remaining issue at the core of the litigation, and it is this: Where do we finally draw the line upon our attempt to reconcile accounts? Accounts in many cases were open 100 years ago and have now descended through 6, 7, 8, 10 generations into literally thousands of errors in an environment in which it is a literal impossibility to reconstruct with 100 percent certainty what has happened in those accounts over 100 years. It cannot be done. We could spend the gross national product and still fail. But we have spent hundreds of millions of dollars over the last 4 or 5 years, and I think we are now ready to go back to the court and say, OK, we can keep spending money or we can draw a line and then apply a generous measure of resources to the reconciliation.

The Special Trustee, the successor trustee, has been selected and nominated, and I believe the confirmation process is moving. There has been no large——

Senator GORTON. It is taking place in the committee this morning as we speak.

Secretary BABBITT. Great, great. Well, he is a good guy. We hired a search firm. Nobody had ever heard of him, and I think that is a great advantage. He has a fine record out in the private sector, and I think it is going to go well.

LANDS LEGACY PROGRAM

Let me say a word about the Lands Legacy program because I share, obviously, the enthusiasm of the administration for this program. I will be brief.

The essence of this commitment was made back in the 1970s with the authorizing legislation with respect to earmarking offshore oil and gas revenues. The $1.4 billion figure in the President's program is obviously not all an increase. It combines a number of important existing programs and asks for the full $1.4 billion. Of that—and I think this is the important point to make—the land acquisition earmark is only $320 million. Some of the rest of that $1.4 billion of course, goes to the Forest Service and other land management agencies. However, a huge amount of it goes out to the States in a revenue sharing program with State game and fish agencies, with a land acquisition fund that goes directly to the States with an increase in the North American Wetlands program, which has been so successful, and with an earmark for municipalities in the urban parks and recreation program.

The $320 million that we are asking for in the Interior Department is tremendously important to deal not with vast acquisition programs, but with taking care of opportunities and problems as they arise. A couple of quick examples.

I am headed out in a couple of weeks back to my hometown of Flagstaff, AZ. Those of you who have been there understand the extraordinary mystique and beauty of that town. There is this vast volcano, which would do justice to the Pacific Northwest, rising out of the desert over this town. It is being taken apart by a mine which was located in one of these abusive misuses of the Mining Law of 1870, and the mountain is being torn down for pumice.

One may ask, what does pumice have to do with furthering the gross national product and the welfare of this country? This volcano is being ripped apart for the stone-washing of jeans, and a few million dollars may help us eliminate that abuse. It will not obviously reform the Mining Law, which we must still do.

You have all heard about the bison issues at Yellowstone where we have had enormous conflict. It is now on the verge of being resolved. It is being resolved with a land purchase where we are paying $13 million for 6,000 acres of land, which is half of the ranch that we will have to buy. Had this been taken care of when it first came to this Congress in 1980, we could have bought the entire ranch for half the price. We are paying four times what we could have paid in one shot to Malcolm Forbes 20 years ago. I illustrate the point that matters do not get better; they get worse. And these are essential acquisitions.

Last, we have an opportunity, just by way of illustration, to create an extraordinary new national park in southern Colorado. This is such an extraordinary opportunity that for the first time since I have been here, we have the Colorado delegation, including Colorado's two Republican Senators, supporting the creation of this national park. It involves the purchase of a Spanish land grant in the Sangre de Cristo Mountains in one block for $30 million. I think that works out to $300 an acre.

So, that is the reason those monies are there and the reason that I urge your attention to them.

MAINTENANCE BACKLOG

Let me finish up with this taking care of what we have, with the backlog. It is a serious, important issue, which we have struggled with in many ways with partial success. First, if I may, the backlog is represented as $7 billion to $8 billion. I contest that figure. I would at least like to break it down into manageable parts. The reason I contest it is because the agencies have little or no interest in responding to my desire that we get an accurate assessment. They have been in the business for 20 years of crying that the sky is falling. The sky is falling now.

What is the problem with the backlog? First of all, it disguises decisions about what we ought to do that need to be made not in the context of the budget. In this backlog is a place called the Many Glaciers Hotel in Glacier National Park. This hotel was built in 1908. It ought to be torn down. I am going to regret having said that in public because the entire national historical/restoration group is going to evict me from membership for that statement. It will cost $100 million to bring this hotel up to modern standards. It is not a good investment.

Go to Ellis Island, which is one of our really fabulous successes. We have put together that Central Hall. It is a magnificent tribute, an enormously popular thing, mostly done with private funds, because Americans want to see their own ancestry reflected through that island. This has metamorphosed into an assumption that we are going to restore to that standard every barracks, every clinic, every remaining building on all of Ellis Island. We should not be larding that into the budget without making a front end decision.

So, what else is in the backlog? There are $2 billion of road maintenance and repair. That is real. It has been assessed according to FHA standards. We should not be dealing with this in the budget before this committee. This is not a road-building budget. This should come out of the public roads funds and TEA–21 and all of the others. So, out of that $7 billion to $8 billion, I am going to subtract $2 billion, and say, yes, we have got problems. TEA–21 is helping, but it is not evidence that there is a great crisis out there other than a regular crisis in road repair.

There is $1 billion of BIA backlog. That is very real. That is Indian schools, and I chalk that one up as real.

The balance of it we need to address. Are we addressing it? Yes. We have $1.8 billion in this year's budget. That includes the road money that comes from TEA–21, but it also includes annual maintenance of $600 million that is in the 5-year deferred maintenance, repair, and construction program that we put forward to you last year. That is an additional $600 million which is in the budget this year. It was in the budget, for the most part, last year.

We have $150 million coming in from the recreation fee program. That money is being well used. It is a great success. Once again, it did not come from any authorizing committee. We would have never gotten it. It came from this committee, and it has been an enormous success.

PREPARED STATEMENT

That is some perspective. We are doing a lot. Are we doing enough? No. Are we making progress? Yes. Are we making enough progress? No. Now, I would be happy to pursue that in any direction you want because it is an important topic, and I appreciate your interest.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. BRUCE BABBITT

I am pleased to be here today before the Subcommittee on Interior and Related Agencies to present the fiscal year 2001 budget for the Department of the Interior.

When I appeared before you last year at this time, I remarked that the 2000 budget would be the first of the new century and, as such, should be a bold step into the new millennium. At the time I made those comments, I could not have foreseen the outcome of deliberations on the 2000 budget, and the broad, bipartisan agreements that were reached on common goals for land protection, Indian self-determination, and stewardship.

The 2001 budget I am here to discuss today builds on our collective good works. This is a visionary budget that is designed to benefit all Americans with a focus on three areas: enhancing opportunities for Native Americans; protecting great places and building stronger communities through Lands Legacy; and taking care of what we have.

BUDGET OVERVIEW

The Department's 2001 request for appropriations is $9.2 billion, an increase of $979.9 million above the amounts provided in 2000. An estimated $2.2 billion will be provided in permanent appropriations.

For Department programs that are under the jurisdiction of the Subcommittee, the request for annual appropriations is $8.4 billion, an increase of $946.2 million above the levels provided in the 2000 Interior and Related Agencies Appropriations Act. The budget also includes a 2000 supplemental request of $110.8 million for emergency contingency fire costs and the highest priority damages caused by Hurricanes Floyd, Dennis and Irene.

THE FIRST AMERICANS: STEWARDSHIP, INVESTMENT, HOPE

In his July 1999 visit to the Pine Ridge Indian Reservation in South Dakota, President Clinton increased America's awareness of the critical needs in Indian Country. The President's visit and his imperative to "begin this new century by honoring our historic responsibility to empower the first Americans" signal a commitment to support Indian self-determination and the government-to-government relationship with Indian Nations. The 2001 budget proposes $9.4 billion across the government for Native American programs. Within the Department of the Interior, the budget proposes $2.2 billion for BIA programs that will honor our responsibilities and empower the first Americans. The budget provides the largest increase ever for school construction and addresses priorities identified by the Tribes themselves, including: safe communities, improved housing, adequate educational facilities, and sound management of trust resources.

The Federal government has a unique and historical responsibility for the education of over 50,000 Indian children. BIA operates 185 day and boarding schools, many of which are located on remote and isolated reservations. BIA's 2001 request includes $300.5 million for education construction, repair, and maintenance programs, an increase of 126 percent over the amount provided for these programs in 2000. This increase is needed to replace and repair facilities that have serious health and safety deficiencies and to provide Indian children with the basic resources that are critical to student learning. To address school operations needs, the 2001 budget includes $506.6 million for operation of schools, an increase of $39.7 million over 2000. This increase in funding includes $6.8 million for the Family and Child Education Program to improve children's readiness for school and adult literacy, and $8.2 million for a pilot therapeutic treatment program that will focus on the needs of high-risk students at boarding schools.

In 1997, we worked with Attorney General Janet Reno and developed a four-year initiative in collaboration with tribal leaders to combat rising crime rates in Indian Country. As a result of this initiative we are seeing real progress. Over the past

two years BIA and the Justice Department have hired additional officers and investigators, are replacing dilapidated detention centers, strengthening tribal court systems, and improving programs for at-risk children. The 2001 budget includes increases of $18.8 million for BIA to continue this initiative and strengthen core law enforcement functions, upgrade radio systems, and improve detention center services. The Department of Justice is requesting an increase of $81.8 million to support tribal law enforcement programs.

Over 100,000 Indian families are in desperate need of better housing but cannot qualify for assistance through the Department of Housing and Urban Development because they cannot meet minimum income requirements. The 2001 budget doubles funding for the Housing Improvement Program, requesting an increase of $16.3 million for housing repairs, replacement, and renovation.

The 2001 budget includes an increase of $4.0 million to implement fundamental changes to BIA's internal management and administrative systems based on recommendations of the National Academy of Public Administration. Funding will be used to address highest priority improvements at central and field office locations that will strengthen planning, budgeting, finance, human resources, and information resources management.

Early in this Administration I made a commitment to resolve the decades-old trust fund management issue and promised to fix it on my watch. Last spring I asked for your help in providing funding to solve this problem. You saw fit to fully fund our budget request for the Office of the Special Trustee in 2000, and as a result, we are making progress in implementing much-needed reform efforts. Conversion of individual Indian accounts to the new trust fund accounting system will be completed by May. We have piloted the Trust Asset and Accounting Management System in one location and we expect to begin deploying the land title functions of the system to other locations this May.

The 2001 budget includes a comprehensive proposal to continue ongoing trust management improvements, institute permanent and lasting changes in trust management functions in BIA, and resolve land ownership fractionation, which is one of the root causes of trust management problems. I want to thank this Subcommittee for the interest and fortitude it has regularly displayed in assisting us to tackle one of the most formidable and critical management issues in all of government. The reforms in this area continue to be my highest management priority for the Department.

A total of $58.4 million is requested for trust management improvements under the Office of the Special Trustee in 2001. This is a reduction of $6.9 million from 2000, reflecting one-time computer acquisition costs. The 2001 budget requests a $35.1 million increase for BIA trust management functions, including real estate services, probate, cadastral surveys, and land titles and records programs. These increases are absolutely crucial to ensure that the trust management improvements we are implementing are institutionalized and maintained in the long term. The 2001 budget also includes $12.5 million to expand the Indian Land Consolidation program. In 1999, BIA implemented a pilot program on three reservations in Wisconsin and by the end of 2000 will have acquired over 36,000 fractional interests in allotted Indian lands. The 2001 request will allow us to acquire up to 40,000 additional fractional interests.

While the Department is well underway in reforming our trust fund management systems, we also need to examine the past to ascertain whether income for IIM accountholders was properly credited, maintained and distributed to and from their IIM accounts. We have submitted for publication a Federal Register notice to gather information from IIM account beneficiaries and the public to determine the most reasonable methods for providing account holders with information to evaluate their accounts and determining whether there are discrepancies due to past management practices. We expect the Federal Register notice to be published this week.

LANDS LEGACY

One of America's most cherished icons, President Theodore Roosevelt, understood the compelling need for land protection and embraced a visionary, long-term approach to conservation that led to creation of the first national wildlife refuge at Pelican Island in Florida and designation of the Grand Canyon as a National Monument. President Roosevelt believed that we must work together to leave this land "an even better land for our descendents than it is for us."

Based on the idea that we need to reinvest in the preservation and renewal of resources, the Land and Water Conservation Fund provides a secure source of funding for land acquisition. On an annual basis $900 million is deposited into the Fund, primarily from Outer Continental Shelf rents and royalties, for acquisition. In prac-

tice we have diverted much of the Fund to deficit reduction. The Lands Legacy proposal makes good on the promise Congress made in 1964 when it created the Land and Water Conservation Fund. The President's budget, by creating a new budget category, would end this practice. Funds could only be spent on Lands Legacy programs and could no longer be diverted to other priorities.

The first step in creating a legacy for our children is the identification and protection of pristine peaks, unspoiled beaches, and verdant prairies. In many of these places we have a one-time opportunity to preserve the matchless wonders of nature before they fall victim to development. With ever-widening opportunities to communicate through the internet and via satellite, the geographic barriers that once limited access to wide open spaces no longer exist, and it is becoming more and more difficult to find these pristine, unspoiled landscapes. Not surprisingly, many of our prized parks, refuges, public lands, and open spaces that provide recreation and other benefits for local communities are now at the borders of suburbia and are being impacted by encroaching development. We are fortunate to have within our grasp the right economic conditions and public support to take action—now. It is our imperative. If we do not, our children will wonder why we squandered an opportunity to leave a permanent and lasting legacy.

Will Rogers said it best: "Invest in land—they're not making any more."

The President's Lands Legacy Initiative builds on our 2000 achievements and expands efforts to preserve America's great places. The 2001 budget includes $1.4 billion for Lands Legacy government-wide and $735.0 million for Department of the Interior programs. A new budget category is proposed to provide dedicated, protected discretionary funding for this initiative. In this request only the Federal acquisition and State Conservation Grant programs will be funded from the Land and Water Conservation Fund.

The 2001 budget requests $450.0 million for Federal land acquisition, including $320.0 million for acquisition programs in the Department. Funding will be used to complete purchases in the California desert and continue acquisition of Civil War battlefields, the Florida Everglades, the Lewis and Clark Trail, and the Northern Forest. In addition to these areas, the 2001 budget requests funding for the New York—New Jersey watershed where acquisition will protect the last vestiges of wetlands and uplands that serve as stopover sites for migratory birds and buffer refuges from the impacts of rapidly growing suburbs. Proposed acquisitions in the Lower Mississippi Delta will protect areas that are rich in cultural, historical and ecological values, and vital to our continued efforts to restore wildlife and fisheries. In Southern California acquisition will protect unique ecosystem types and endangered species, archeological finds and fossil deposits, and expand community access to recreational opportunities and outstanding scenery.

Land acquisition is a key component to many of our landscape-scale restoration initiatives. Restoration of the South Florida ecosystem is one of the most significant environmental initiatives of our lifetime. Historically, this ecosystem contained some of the most diverse habitats on earth, but deprived of sufficient water supplies it can no longer support a diverse array of wildlife. The 2001 request for land acquisition includes $80.0 million for acquisition in South Florida and the Everglades. Of this amount $47.0 million is for a matching grant to the State of Florida to continue acquisition for restoration purposes. The request also includes $33.0 million that will be used to complete acquisition of Big Cypress National Park and Preserve and to add 1,870 acres to national wildlife refuges to preserve habitat that is critical to wildlife and important to ongoing restoration efforts.

As we continue acquisitions to safeguard our national parks, refuges, and public lands that will preserve the magnificent views of Yellowstone's Grand Canyon and the Grand Tetons, we must also be attentive to the needs for open space in our own backyards. The public is demanding that we tend to the small parcels and pockets of open space that provide recreational opportunities, reduce suburban sprawl, and revitalize urban areas. In New Jersey voters have been able to secure a multi-year commitment for funds to acquire these important green spaces and are looking for a partnership commitment from the Federal government. The 2001 budget includes $150.0 million, funded from the Land and Water Conservation Fund, for State Conservation Grants. Funded for the first time since 1995, the 2000 appropriation included $41 million for this program. Using these grants, communities will leverage resources and acquire open spaces and develop outdoor recreation areas. In the past, these grants have been used by states and communities to acquire areas such as Point Dune State Beach in California. This locally operated park 18 miles west of Santa Monica features cliffs, secluded coves and tidal pools, and its headlands offer views of migrating California gray whales between November and May.

The Urban Parks and Recreation Recovery program creates and renews close-to-home recreation opportunities that strengthen economically distressed urban com-

munities and positively impact at-risk youth and the safety of our cities. The 2001 budget request includes $20.0 million that will be used to enhance urban park and recreation areas that have deteriorated to the point where health and safety are endangered. Grants will be provided to state and local governments that will leverage grant funding with public and private sources, building local support and commitment for the protection and management of neighborhood parks. For the first time since 1995, the Congress provided funding for this program, appropriating $2.0 million in 2000. Grants will be allocated to sponsor projects such as Indianapolis's Youth Conservation Corps, a program in which inner-city youth renovated a neighborhood park and constructed an ecological pond utilizing funds provided by area businesses.

The 2001 budget requests $65.0 million, an increase of $42.0 million for grants to states and local governments to conserve species through the Cooperative Endangered Species Conservation Fund. This program provides communities with flexible approaches and resources to use in resolving the conflicting demands caused by economic growth, increasing population, and declining habitat. Through the development of Habitat Conservation Plans, implementation of candidate conservation agreements, safe harbor agreements, and other means these communities are able to assure the protection of imperiled species and assist in their recovery.

Since 1991, the FWS has worked in partnership with Canada, Mexico, State and local governments, farmers and other private landowners, Tribes, and non-profit conservation groups to conserve wetlands through the North American Wetlands Conservation Fund. Nearly 13 million acres of wetlands and associated uplands in Canada and the U.S. have been protected, and an additional 25 million acres in Mexico have benefited from similar conservation actions. A total of $727 million has been provided by partners to match the $288 million provided from the Fund in support of these projects. The 2001 budget includes $30.0 million, an increase of $15.0 million over 2000, to restore breeding grounds, resting and over-wintering areas for waterfowl and migratory species and wetland dependent wildlife. In combination with partnership contributions, this request translates into a minimum of $60 million in wetlands restoration projects and associated benefits.

The 2001 request for Lands Legacy includes $100.0 million for a State Non-Game Wildlife Grants program. Through this program funds will be provided to States, Tribes, and territories for activities that will conserve and restore non-game species including planning, monitoring and conducting inventories, restoring habitat, acquiring land, and increasing opportunities for non-game wildlife recreation. This program will address non-game species protection and restoration needs that have not been addressed through existing programs and will respond to public demand for increased access to non-game recreational opportunities. An estimated 62.9 million nature enthusiasts currently spend over $29.2 billion a year in pursuit of these activities. Projects will include restoring habitats favored by songbirds and other non-game species and protection of key stopover points for migratory songbirds.

The Department is committed to providing relevant science to decision-makers at all levels of government and strengthening their ability to protect valuable natural resources, identify optimal lands for acquisition, design effective land use and development strategies, develop efficient transportation systems, and mitigate natural hazards. A $50.0 million State Planning Partnerships program in the USGS 2001 budget will provide State and local decision-makers and Federal resource managers with geospatial data, earth science information, and tools such as GIS. This request includes $10.0 million for an expanded Urban Dynamics Program to assist city and regional land use planners in developing plans for community growth that will resolve potential land use conflicts. The State Planning Partnerships proposal also includes $10.0 million for predictive modeling and decision support systems for Federal and State natural resource managers to improve their effectiveness. Finally, $30.0 million is requested to work collaboratively with local communities, States, and others to improve data sharing and access to spatial data and maps. These funds would be made available to local communities through competitive matching grants and other cooperative agreements under the Community/Federal Information Partnership program. Efforts sponsored by the Federal Geographic Data Committee, such as the Cooperative Agreements Program, and other efforts such as the Ohio View project, have demonstrated the usefulness of information sharing among Federal, State, and local organizations and universities for decision-making purposes.

TAKING CARE OF WHAT WE HAVE

During my tenure as Secretary, we have worked diligently with the Subcommittee to strengthen and rebuild the operational programs of the land management agencies. Despite budget cutbacks and limitations in discretionary appropriations, a con-

stant theme in negotiations on the budget has been to take care of what we have and uphold our responsibility for stewardship of the land, natural resources, and facilities.

Since 1993, we have grown the operating accounts of the National Park Service, Fish and Wildlife Service, and Bureau of Land Management by $851.1 million, or 43 percent. This compares to the 19 percent growth rate for appropriations for the Department of the Interior in this same time period. These operational funding increases have been focused on building bench strength in the field and improving the delivery of programs to the public and not on building a bureaucracy. We have maximized efficiency by working collaboratively with our partners, encouraging volunteerism, fostering programs like the Youth Conservation Corps, and holding Federal staffing to the minimum required. Consider that the 2001 budget increases staffing by only two percent while the increase in funding is 12 percent. Even with the increases sought in this budget, the Department's staffing will be more than 10 percent below our 1993 base.

The 2001 budget continues this theme of taking care of our operational programs with increases totaling $214.3 million for the land management agencies in order to safeguard the integrity of the Nation's parks, refuges, and public lands. Funding is targeted to address operational needs, resolution of specific land management issues, and repair and rehabilitation of facilities.

Bureau of Land Management.—Over the last decade, BLM has transformed itself into a model of multiple use management, emphasizing conservation while protecting the access rights of a diverse group of customers. The budget proposes a $76.5 million increase in the bureau's primary operating accounts to continue and expand its quiet successes including: collaboration with 24 independent Resource Advisory Councils to bring about changes to livestock grazing practices and applying new standards to conserve western lands; implementing the Northwest Forest Plan in order to allow for timber production while protecting sensitive species; and fulfilling a vision for preservation of public lands such as the Grand Staircase-Escalante National Monument in Utah and the Headwaters Forest Reserve in California.

The designation of monument status recognizes the biological, archeological, and geological significance of areas that stand out from the landscape because of exceptional beauty, and geographic and historical value. In 1908 Teddy Roosevelt designated the first monument, the Grand Canyon. The Grand Canyon-Parashant National Monument protects the entryway to the Grand Canyon and extends protection for the deep canyons, mountains, and isolated buttes that extend from the Canyon along the Colorado River plateau. Clearly, President Roosevelt recognized the need to protect the Grand Canyon, but even he could not have anticipated the need to extend protection to the surrounding area and the urgency driven by population expansion and development that is transforming so much of the western landscape.

Arising from this series of designations is a newly emerging BLM conservation system, that alongside national parks and national wildlife refuges, will constitute an enduring part of our public land heritage. Establishing a new model for conservation, our management of these areas will maintain traditional relationships with the surrounding communities. At Grand Staircase Escalante we responded to the challenge by Governor Leavitt and the communities of southern Utah, agreeing that visitor centers and other visitor service facilities could be located in surrounding communities to continue the historical link between the landscape and community life.

Improved management of national monuments, national conservation areas, wild and scenic river corridors, and other places are a focus of BLM's 2001 budget. An increase of $16.0 million will allow BLM to focus on stabilizing and restoring existing resources and enhancing recreational and educational opportunities at officially designated areas. Funding for the three new monuments, Grand Canyon-Parashant National Monument, Agua Fria National Monument, and California Coastal National Monument is included in this request.

The 2001 budget also includes an increase of $19.0 million to improve land use planning and begin a multi-year process to update resource management plans. This planning effort will allow the bureau to be more responsive to use authorization requests and ensure sustainable use. Another land management priority that is addressed in BLM's budget request is $9.0 million to tackle one of the most difficult management issues—the explosive growth of wild horses. Today's herds are almost 75 percent above appropriate herd management levels and populations continue to increase at about 20 percent per year. BLM is proposing to increase removals, adoptions, and gelding and, where necessary, implement a long-term strategy to reach appropriate herd management levels by 2005.

National Park Service.—Careful stewardship of National parks is essential to protect scenic vistas and cultural resources, mitigate the effects of air and water pollu-

tion, and support fish and wildlife populations, while accommodating increasing visitor use. The 2001 budget includes an increase of $90.3 million for operation of the National Park Service. Included within this request is $24.0 million for special park increases to address specific program needs at 72 parks, three trails, and for the U.S. Park Police. Funds will be directed to parks with new responsibilities, priority operations and maintenance needs, and to improve the visitor experience. Examples of specific park increases include improving the employee safety program at Yosemite National Park in California; operating a new information plaza at Grand Canyon National Park in Arizona; and improving cultural and natural resource management at the Tallgrass Prairie National Park, Kansas.

The operational increase for NPS also includes $18.0 million for the Natural Resource Challenge, a five-year program launched in 2000 to improve the management of natural resources in parks. Funding is requested to accelerate efforts to acquire basic data on natural resources and monitor the condition of parks. Funding will be used for control of invasive species in 13 parks to restore healthy, functioning ecosystems and to initiate water quality monitoring at 12 networks of parks. At the Great Smoky Mountains National Park efforts to control alien species of plants and fish that are destroying native vegetation and habitat will be increased. Parks will restore habitat for endangered and threatened species, including two endangered nesting birds at Haleakala National Park in Hawaii, and foxes faced with extinction at Channel Islands National Park in California.

U.S. Fish and Wildlife Service.—The 521 unit National Wildlife Refuge system is a national network of lands and waters devoted to the conservation, management, and restoration of fish, wildlife, and plants. This system of over 93 million acres is important to the long-term survival and restoration of the nation's wild resources providing important breeding, feeding, and stopover areas for migratory birds; nursery areas for important commercial and sport fisheries; and refugia for native plant species. Approximately 34 million visitors enjoy wildlife watching, photography, hiking, educational programs, and other activities on refuges. The 2001 budget includes an increase of $19.9 million for refuge projects that will protect wildlife, improve habitat, and provide improved educational opportunities for the public. This request continues our efforts to be stewards of the refuge system. Since 1996, we have increased funding for refuge operations and maintenance by $113 million or 67 percent.

One of our greatest successes is the creation of flexible and innovative programs that make the Endangered Species Act work for people and wildlife. We have developed a conservation framework that utilizes habitat conservation planning, safe harbor agreements, candidate conservation agreements, and other programs in order to permit sound economic development and protect imperiled species. Examples of our specific accomplishments include:

—Candidate conservation agreements in the southwest have kept species including the Pecos pupfish and Arizona bugbane off the endangered species list.
—Streamlining the Section 7 consultation process for timber sales in the Pacific Northwest has reduced timeframes by 50 percent.
—Habitat conservation plans have been put in place that protect salmon and bull trout.
—The gray wolf and California condor have been reintroduced and are flourishing. A recent Tenth Circuit Court of Appeals ruling eliminates the threat of removal for the Yellowstone wolves and their offspring.
—Bald eagle populations are proposed for downlisting from endangered to threatened.

The 2001 budget includes $115.3 million for the endangered species program, an increase of $7.0 million. Funding will be used to develop 42 candidate conservation agreements, work on 550 habitat conservation plans, consider an additional 27 species reclassifications and delisting actions, and develop an additional 10 safe harbor agreements. These varied programs offer a full range of alternatives to states, local governments, and communities for conservation of species and resolution of competing demands.

The protection of refuge lands, endangered and threatened species, and migratory birds demands the vigilance and skills of a cadre of law enforcement officers that are trained in the latest techniques in detection and interdiction of wildlife violators. The 2001 budget includes an increase of $12.6 million to better train and equip FWS law enforcement personnel and expand the agent work force to defend wildlife against criminals that are becoming increasingly sophisticated and well equipped.

Title VIII of the Alaska National Interests Lands Conservation Act protects the subsistence harvest rights of rural residents of Alaska. For these Alaskans, subsistence harvests form the foundation for a way of life and are essential for meeting economic, social, and cultural needs. To uphold our responsibilities to provide a pri-

ority for subsistence uses, the budget includes $12.9 million for the Department to fully implement the court-ordered Federal takeover of the subsistence fisheries program in Alaska. In addition, the Forest Service is requesting $5.5 million for its program responsibilities. The Department's request includes $5.4 million for program management and coordination and $7.5 million for resource and harvest monitoring. We will utilize the expertise of the State, Native organizations, and others and contract with them for resource and harvest monitoring. This Subcommittee has been very supportive of our efforts to adequately budget for our uncontrollable costs. On an annual basis we incur increased costs as a result of pay rate increases, rising costs for retirement benefits, and the charges passed onto us for workers' compensation, unemployment compensation and space rental costs. For 2001 these "hidden costs" total $141.7 million and would have to be absorbed by the operational programs if funds are not provided. Part of our efforts to take care of what we have includes making sure we do not have to absorb these costs and adversely affect our ability to manage and maintain lands, resources, and facilities.

Safe Visits.—The Department manages an extensive infrastructure of administrative and public use buildings, housing, roads and trails, dams, bridges, water and wastewater systems, schools, laboratories, and other facilities. Some of these facilities are over 100 years old and many are located in remote locations.

With the encouragement of the appropriations subcommittees, the Department instituted a comprehensive Safe Visits to Public Lands initiative to bring consistency and accountability to management of the Department's infrastructure, and to focus funding on the highest priority maintenance and construction needs. We will soon provide the Subcommittee with a comprehensive report on the status of projects funded in 1999.

The 2001 request for Safe Visits is $1.2 billion, an increase of $134.6 million or 13 percent, over 2000. The budget includes $570.3 million for maintenance and $601.3 million for construction to accelerate repairs to Indian schools, replace six Indian schools, repair and replace facilities in parks, refuges and other Interior properties. Included within the request is $9.2 million to conduct condition assessments on a five-year cycle. These condition assessments will establish a baseline of current conditions of facilities and provide a thorough evaluation of repair and rehabilitation needs. The budget also includes $4.3 million to continue the development and implementation of maintenance management systems that will provide reliable, consistent information to facilities managers.

Other Programs.—The 2001 request continues Outer Continental Shelf regulatory and environment research programs that limit negative consequences that could result from exploration and production in sensitive offshore lands. The 2001 budget request for MMS programs totals $130.2 million. These MMS programs also collect revenues that finance one-half of the costs of the Department's programs.

Through the Abandoned Mine Reclamation Fund we provide grants to states and Tribes to reclaim previously mined lands. On an annual basis this program restores approximately 9,000 acres to productive use and reduces threats to public health and safety. An increase of $15.3 million from the Fund will allow the reclamation of an additional 1,000 acres. Of this increase, $2.0 million will be available for the Appalachian Clean Streams initiative. This program brings together Federal and local resources to restore stream habitat and water quality by reducing acid mine drainage, and thereby improving water quality for local communities and restoring habitat for species such as the Appalachian brook trout. With this increase, an estimated 46 new projects will be initiated.

Finally, I ask that you consider operational needs for other Departmental priorities including the Solicitor's Office, our new Inspector General, and Departmental Management. For these offices, we are requesting uncontrollable cost increases and funding for ongoing litigation support provided by the Solicitor's Office, to expand the capability of the IG's audit and investigation function, and for Departmental Offices to address important needs in electronic data security and improved financial accountability.

This concludes my prepared statement. I will be happy to answer any questions you may have.

Senator GORTON. We do have a number of our members here. I think my members know that at 11 o'clock we are going to have two votes. Since I have the most questions, I will defer for a while and turn my first question privilege over to you, Senator Bennett. You can ask your questions and then stay or do whatever you wish, and then, Senator Byrd, to you.

Senator BENNETT. Well, thank you, Mr. Chairman. I appreciate that. I do not have a large number of questions.

I will make a comment, Mr. Secretary. I am delighted that the Colorado delegation is behind the creation of a new national park. I think a lot of the difficulty we had in Utah over the national monument could have been avoided if there had been some prior conversation with the Utah delegation. As you are talking about new national monuments and use of the Antiquities Act, even though I think your use of the act is improper, the fact that you are talking to people about it, instead of doing it in the somewhat clandestine way the Utah monument was created, is a step in the right direction. I understand that that was not entirely under your control. I do not blame you personally for the way that particular situation unraveled.

ESCALANTE SCIENCE CENTER FUNDING

Now, President Clinton designated some Grand Staircase-Escalante National Monument funds for the Escalante science center. Can you tell us what the status of those funds are—or the status is I guess; "status" is singular—and what actions are being taken to ensure that the monies will be spent as Congress has designated them?

Secretary BABBITT. Senator, the answer is I do not know, but I will certainly get back to you. I can tell you that our attention certainly has been to spend and sub-event all of those funds. It has been essential to the development of that entire plan. If they are in the budget, the answer is I support it. If they are appropriated, the answer is they will be expended.

Senator BENNETT. OK, fine.

Secretary BABBITT. Senator, there is a $5 million line item in the President's request for this issue.

Senator BENNETT. OK.

MORMON CRICKETS

We are on the verge once again of a massive infestation from what has come to be known as Mormon crickets. They breed on undisturbed Federal lands, lands that are managed by the BLM. The BLM has an account for grasshopper and Mormon cricket control, but it appears that the account is empty. Now, I have had conversations with Senator Cochran about how we can get a little help out of the Agriculture Committee. But if BLM could pay some attention to address the cricket infestation, it might obviate the need for some of this money later on because there are things that can be done to see to it that the crickets do not arise in the same quantity that they sometimes do.

So, I just want to lay that down. It is a very parochial interest, but it has enough historical background behind it. I think we need to pay attention to it, and I just call your attention to the fact that this all starts on BLM land and then ends up being a very serious problem that Senator Cochran has to address later on with some control funds.

DESERT TORTOISE HABITAT CONSERVATION PLAN

Now, one of the first issues I ever got involved in as a Senator and one that we count as a success in terms of our relationship with the Department of the Interior has to do with the habitat of the desert tortoise down in Washington County. I think we have had a good experience down there of getting that HCP in place.

Now every private landowner whose lands were impacted by the HCP has been compensated except one, and ironically it was this one who was the first one to come to me after I was elected and before I was sworn in to talk about this. I simply again would call your attention to that situation and hope that some acceleration on the compensation to James Doyle might move forward. I know that sometimes he has been a bur in the side of the Department. We have all met and dealt with Mr. Doyle, but what is fair is fair and I would hope that could be addressed.

Other than that, Mr. Chairman, I simply want to take the opportunity to thank the Secretary for the efforts in Utah of Molly McUsic, Sally Wisely, and Dick McManus, all of whom are Interior Department appointees sent into the State. We have a very good relationship with all of them and we appreciate the cooperation that they give us. Thank you, Mr. Chairman.

SAN RAFAEL SWELL LEGISLATION

Secretary BABBITT. Senator, if I may, I would just like to say a word about the San Rafael legislation.

Senator BENNETT. Yes.

Secretary BABBITT. I spent yesterday afternoon calling the Democrats on the House Resource Committee to see if we can get some momentum going on this. I just want to say that I not only support the bill, I am eager to see the bill acted upon and passed. I am aware that there are, I believe, less than 70 working days left, at least on the Senate side, in this session, and it is going to be a major effort. I want you to know that I am deeply committed to that because I do believe that there is a great deal of precedential value in the way that that bill emerged, was shaped, and the way in which it balances the various interests.

Senator BENNETT. Well, I am delighted to hear that. Senator Hatch and I have introduced it on this side and we will do what we can to move it along. But we are very grateful, Mr. Secretary. We know you are taking some heat in the environmental community for taking that stand, and I applaud you for your willingness to do that because it is the right thing to do and it will set a precedent that I think will take some of the sting out of many of the environmental controversies in the years ahead. So, I am grateful for the report and for the support. Thank you.

Senator GORTON. Senator Byrd.

Senator BYRD. Thank you, Mr. Chairman.

WEST VIRGINIA COAL MINE PERMITTING PROCESS

Mr. Secretary, the State of West Virginia has been advised by the Office of Surface Mining that the State's coal mine permitting process is woefully understaffed. In a letter dated February 8, 2000, OSM effectively told West Virginia that unless the State

takes swift action to correct the situation, the State's authority to administer its mine permitting program may be in jeopardy.

The February 8 letter was the first step in a two-step process, as I understand it, which could eventually lead to a Federal takeover of the State's regulatory program, a situation which I would hope you would agree would not be in the Interior Department's best interest.

Over the past few months, officials from the State and OSM have been working together to see what can be done to bring West Virginia's program up to standard. Those discussions have convinced both OSM and West Virginia that the State's coal mine permitting process is in dire need of substantial emergency investments by both Federal and State government.

Would you confirm for this committee that the February 8 letter from OSM to the West Virginia Division of Environmental Protection was, indeed, the initial step in a process that could lead to a Federal takeover of the State's regulatory program?

Secretary BABBITT. Senator, that is possible, certainly.

Senator BYRD. Am I also correct in suggesting that a Federal takeover of the State's regulatory problem would result in significantly greater cost to the Federal Government than adding additional sums to West Virginia's current request?

Secretary BABBITT. Senator, I think that follows. It is a 50/50 matching program, and obviously the State match would fall away and 100 cents on the dollar would be Federal.

Senator BYRD. As you know, Mr. Secretary, the Nation's coal industry is currently struggling with the dual challenge of meeting America's mounting energy demands while ensuring protection of the environment.

OSM DIRECTOR KARPAN

At the same time, I note several recent newspaper articles, including the Washington Post on Monday, April 3, that raised questions regarding OSM Director Kathy Karpan's recent recusal of herself from the decisionmaking process. Now, I think Kathy Karpan has been doing a good and professional job, but I must also say that the integrity of that agency is very important.

Can you tell the subcommittee anything about that situation?

Secretary BABBITT. Senator, we have discussed this a great deal. Kathy Karpan is the former Secretary of State of Wyoming. She is a coal miner's daughter. She is also the Director of the Office of Surface Mining and has done a really solid job.

In her final year, she was approached by a head hunter and asked if she would be interested in being on the list, being considered for the head of Colonel Lawson's crowd, the Mining Association. She immediately went to the Solicitor's Office and said, what do I do? The Solicitor said, you must recuse yourself from the following things. She promptly recused herself and is in full compliance with the law.

The remaining question is the dilemma of appearance. I guess there is no perfect answer to that. She is in compliance with the law. She is making no decisions that relate to things that the Mining Association is directly involved in. The Mining Association is thought by many to be a reflection of the industry which she regu-

lates. I would be happy to have advice from anyone who would like to give me guidance. I mean, those are the facts.

Senator BYRD. Well, thank you, Mr. Secretary. I think it is a very unfortunate situation to have arisen at this time.

Secretary BABBITT. Yes, Senator, I agree. But can I tell the woman you cannot be on a list for a job? I don't know.

NATIONAL CONSERVATION TRAINING CENTER

Senator BYRD. The National Conservation Training Center, which is located in Shepherdstown, West Virginia, is operated by the Fish and Wildlife Service, and is by every definition a world class training facility. Since it opened its doors in October 1997, more than 25,000 people have gone there to learn to improve natural resource management and conservation. In addition to Fish and Wildlife Service employees, I am told that the center serves individuals from literally hundreds of different organizations from every State and from over a dozen countries.

We had a great time, Mr. Secretary, you and I, on the occasion of our dedication of that facility. I have had many, many compliments since from people of all walks of life who have visited there. I hope, Mr. Chairman, that you and other members of the committee will be able to visit that training center, if you have not already done so.

It currently has three dormitories, each consisting of two stories, each housing 50 students for a total on-campus capacity of 150. But the center is equipped to handle 250 students in its classroom facilities. Consequently, hundreds of people each month are forced to seek housing away from the center and even more are not utilizing the center because of this situation.

In an effort to address the problem, the Fish and Wildlife Service has proposed adding a fourth two-story dormitory at the center in fiscal year 2001, which would bring the available on-campus housing up to 200. I believe that if the Fish and Wildlife Service is going to build this fourth dormitory, it would be far more efficient for it to be built as a three-story facility, thus bringing the housing availability up to 225, rather than as a two-story facility.

How would you feel about such a proposal?

Secretary BABBITT. Senator, I endorse that proposal. This training center has been a very pleasant surprise. It was in the news when the State Department commandeered the facilities and threw everybody out in order to host the Israelis and the Syrians for one of their talks. That is a reflection of the utility and location of this place. We are basically fighting off the rest of the world now. It is booked solid and we are trying to draw some lines, saying hey, this is ours.

In that context, I think it is perfectly appropriate to add this extra dormitory and to configure it for the additional beds through the use of a third story. No question that it will be used. None.

Senator, I must say I always supported this project.

Senator BYRD. I know you did.

Secretary BABBITT. I was accused, not infrequently, by OMB of pandering to Senator Byrd.

And, of course, I was.

In addition to the fact that I always thought it to be a good project.

Senator BYRD. Well, you gave it your complete support. No doubt about that. And I am glad to have your answer this morning to the question.

Mr. Chairman, I have one more question.

STATE GRANT PROGRAM FUNDING

The budget request for the Fish and Wildlife Service includes a new $100 million State grant program for non-game wildlife. You are aware of the abundance of wildlife in West Virginia and of my State's vast natural wildlife habitats.

Given that, I would like to know how it is that the Fish and Wildlife Service determined that West Virginia would only qualify for the minimum State grant amount, the same level, I would point out, that is proposed for Rhode Island. Now, I love Rhode Island, but it does not have the mountains or the wildlife or the wildlife habitat that we have.

So, can you tell me anything on that by way of answering that question?

Secretary BABBITT. Senator, I was approached by the Fish and Wildlife Service yesterday, and they said, we know of your friendship with Senator Byrd. You cannot back down on this one.

So, I will confine myself to the facts.

My understanding is that the proposal of the President's budget has beneath it an allocation formula with a floor and a ceiling, a 1 percent minimum, a 5 percent maximum. And within that range of 1 percent minimum, 5 percent maximum, a third of the formula is based on the area of the State and two-thirds is based on the population. I am going to stop right there. My OMB handlers are right behind me here.

Senator BYRD. Well, they are wrong.

They are wrong and I would appreciate it if you would reevaluate this, take another look at it. The apportioned funds for West Virginia, $960,000; Rhode Island, $960,000; New York, $4,800,000.

Secretary BABBITT. Senator, I guess I could add one thing. Last summer I took some time off and I went with the West Virginia Game and Fish Director and some of his employees from the mountains of West Virginia, and we went trout fishing. I must say, as a cultural experience, it was one of the highlights of my life. It was really quite extraordinary. It really was. They are good people, and the hunting and fishing part of West Virginia culture is not to be underestimated. They really care about this stuff and they do a nice job taking care of a lot of beautiful territory.

Senator BYRD. Thank you. Thank you, Mr. Chairman.

Senator GORTON. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

NATCHEZ TRACE PARKWAY FUNDING

Mr. Secretary, I was pleased to notice in the budget submission an increase of $90.3 million for operation of the National Park Service and your observation in your statement that careful stewardship of national parks is essential and you go on to talk about why. You say that some of the funds will be directed to parks with

new responsibilities, priority operations and maintenance needs, and to improve the visitor experience.

The other day I had a chance to look at the funding in the national parks of the southeast region and how the parks in Mississippi ranked among all those parks. I have a graph that shows the constant dollar increase allocated to each national park in the southeast region, and I was disturbed to find the Natchez Trace Parkway fifth from the bottom. The reason I was disturbed to see that is because this national park in our State has the most visitors annually, 12 million. Driving up and down this parkway, you run into potholes; you run into obvious deterioration of the road surface; and one can see the National Park Service's inability to keep up with the obvious needs for safety purposes.

So, I hope that in the allocation of this new money, if we are able to approve it in the budget, that the operation and maintenance account for the Natchez Trace Parkway is increased. It has been increased only 7 percent since 1980. Since 1980 to 2000, a 7 percent, in constant dollars, increase. That is not enough to maintain that parkway.

So, I am pointing out that one of the glaring examples of the problem that you focus on in your statement is located in my State, and I hope that we are able to see a substantial increase in the O&M funds for the Natchez Trace Parkway.

Do you have a reaction or can you give us any encouragement that you will look at that and try to be helpful to us?

Secretary BABBITT. Senator, my initial reaction was that that was probably in the public roads piece of the highway matrix, but apparently that is not the case. Apparently it is in our direct budget before this committee, in which case I will have a look at it and see if we can be responsive. There is a small increase. It may or may not be enough. I will have a look at it.

Senator COCHRAN. I do not know in this committee if we are going to get into the business of trying to set the operation and maintenance levels of funding for various parks. I really think that is trying to over-achieve what we are cut out to do here. It is really a responsibility of the Department, as I see it, to keep up and monitor and be sure that the parks are treated fairly and that no one is really conspicuously left out of the mix. And it seems like the Natchez Trace Parkway has been.

We have gotten additional funds, as you point out, from the roadway construction accounts that are available to continue the progress toward final completion of the parkway, and that is really good. This committee has acted I think in a supportive way to help ensure that the parkway maintains its schedule of completion. We are finally at a point now that within 5 years we will see final completion of that parkway. The authorization for construction was adopted the year I was born, 1937. The Romans built the Appian Way quicker than we have built this Natchez Trace Parkway and with a lot less resources and technological know-how, and it is just inexcusable that it has dragged out for so long, but nonetheless it has.

But here we are toward the point where we are going to celebrate in the near future the final completion of the construction, but the part that has been there since the 1940's is in desperate

need of repair and upgrading. I hope that that will not be ignored any longer by the Department of the Interior.

VICKSBURG NATIONAL MILITARY PARK

I also want to point out one other thing that may not have gotten to your desk, and that is the disparity in the equivalent staff years that we have at the Vicksburg National Military Park in Vicksburg, compared with Gettysburg, for example. Vicksburg exceeds Gettysburg National Military Park in visitors per full-time equivalent staff. We fall behind the curve in staffing and funding. This is operation and maintenance again. So, the $90.3 million increase in O&M funding and support for the Vicksburg National Park I hope will receive the attention of the Secretary's office.

I do not know whether you got a chance to visit Vicksburg when you came down to the lower Mississippi Delta last year. We were glad you visited our State, but it really is quite a show place and it attracts, as I say, a considerable number of visitors each year.

Secretary BABBITT. Senator, I not only have visited Vicksburg, I stayed overnight and went back out again the next morning. It is a marvelous place. It really is. It resonates with the history of the Civil War in many of the ways that Gettysburg does.

I visited the Illinois Monument. There is a most interesting statistic about the impact that this had. The Illinois legislature in the late 1860s, 1 year, earmarked 20 percent of the State's entire budget to build the Illinois memorial at Vicksburg. I mean, you walk up into that memorial thinking about that. A whole State allocated a fifth of its budget.

Senator COCHRAN. Yes. Vicksburg has a lot of interesting aspects to it.

The commissioners who were selected by—well, who were appointed by authority of the Congress to manage the park were three in number. Two were encouraged to be officers of the Union Army, one a former officer of the Confederate Army. The three commissioners met to select their chairman, and the two Union officers voted that the Mississippi general, Steven Lee, should be the commissioner who was in charge of the commission. And there began a process of healing among the general officers' ranks of both armies.

A ceremony was held last year where descendants of all of the original commissioners came together to rededicate the statues of these first commissioners, which are located there in the park. It was really quite an interesting experience. I put in the congressional record copies of the remarks that were made on that day by Bill Nichols, the current superintendent of the park, and Terry Winschel who is the historian there, who travels all over the country to talk about the history of the country and the National Park Service assets and resources that he is so familiar with all over the country.

Anyway, it is a wonderful place and I think that rather than have visitors line up because they have a hard time getting into the park, the staffing is not sufficient to keep pace with the increased visitation each year, that attention ought to be paid to taking care of what we have, as you point in your statement, and pro-

viding the funds for staffing and operation and maintenance that those assets represent.

Secretary BABBITT. Senator, if I may, this is not directly responsive, but in this vein. We have, at the National Park Service, been reflecting upon our administration and interpretation of Civil War battlefields, and 3 weeks from now, we are going to have 2 days at the Ford Theater devoted to a national seminar on these issues. We are going to have John Keegan on the program. He is by any measure the foremost military historian in the world now. James McPherson who wrote Battle Cry of Freedom will be there as well as Eric Foner who is the leading authority on reconstruction. It is our hope that out of this we can begin to think even a little more intensively and creatively about how it is we tell the appropriate stories to Americans about these extraordinary places.

Now, this is a pure pander.

SHILOH BATTLEFIELD

I do want to tell you that we have not neglected Mississippi entirely because there is a line item—for how much, John—for a visitor center at the Corinth unit of the Shiloh Battlefield.

Senator COCHRAN. That is great to hear. It is an important area. We hope to be able to tie that northeast region together with a trail system of some kind to permit visitors to have a coherent visit to that entire region where Corinth and Shiloh are located.

Secretary BABBITT. Shiloh is the least disturbed of all Civil War battlefields in terms of the landscape and the way a visitor can actually see the entire region that approximates in many ways what was there in 1862.

Senator COCHRAN. I have walked all over the Shiloh Battlefield and Corinth, Robinette's Battery, and other sites.

NOXUBEE WILDLIFE REFUGE

Let me just point out one other thing, and I am taking up too much time. The wildlife refuge funds in Mississippi have somehow not included enough to maintain any offices at the Noxubee Wildlife Refuge. I visited there with my wife 2 years ago really and saw, for the first time, the deteriorated condition of offices that had been there for maybe 30 years. I do not know exactly when they were constructed, but they are in a very decrepit state of repair, totally inadequate for the refuge staff. It is one of the real pretty places in Mississippi to visit. You can see geese, even alligators, interesting places for students from Mississippi State University to come out on field trips.

They have even built there with local government and private funds an education center, no Federal funds involved. So, the local citizens are investing capital funds there on Federal lands. It seems like at least the National Government can pay for some improved office facilities because these are important for the continued operation of that facility. I invite your attention to that problem as well in our State.

Secretary BABBITT. I shall.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator GORTON. The chairman is delighted at the spirited sponsorship that the Senator from Mississippi has at the site of a total

Union victory, perhaps even more important to the outcome of that war than Gettysburg was.

Senator COCHRAN. But it took a long time.

Senator BYRD. If Stonewall Jackson had not been killed, the outcome might have been different.

Secretary BABBITT. In a discussion somebody said, who is taking care of the cottage in which Stonewall Jackson expired after he was taken off the battlefield at Chancellorsville?

Senator COCHRAN. It is down in Virginia.

Secretary BABBITT. That is right, yes. But anyway, I promised to have a look. I think it is doing OK and I do not think it is in the park system.

Senator GORTON. Senator Burns.

Senator BURNS. We may find out Stonewall is still alive before this is all over.

Mr. Secretary, thank you for coming this morning. I have got a couple questions here with regard to Montana. If he can stay in Mississippi, I will take a look at Montana.

Secretary BABBITT. Now, Senator, you are not going to ruin the harmony and good will that has prevailed at this hearing, are you?

Senator BURNS. I am not.

I am not at all. Now, you will do that, but I will not.

I was wondering about that money for varmint and vermin. If they do not want all that money, we will take it for bears and wolves in Montana. We might make that arrangement and visit with you about that.

UPPER MISSOURI

The upper Missouri, Mr. Secretary, has been a topic of great interest out in Montana. We consistently hear from your office that you want to involve the delegation and, of course, the Governor before any decision is made on the designation of the upper Missouri. Many plans have been put forward, as you well know, in order to deal with the management of the upper Missouri. It is not an area that has been abused. It has been taken care of all these years, and there is quite a lot of concern that we are going to change the designation regardless of that. A new designation has not been recommended by the RAC either.

We want to invite you out for a meeting. We want to make sure that we have proper notification and that it is open to the public, like the rest of us have to have these types of meetings. We would like to talk about the recommendation that the RAC has made and so forth.

Can you assure me and this committee that you are not going to make any designation without the recommendation of the RAC?

Secretary BABBITT. No.

Senator BURNS. I knew you were going to bust up the harmony of this thing right away.

I know that you have said that you are going to implore the President to make a new designation on the area, and that is what gives us a whole lot of——

Secretary BABBITT. I deny that.

Senator BURNS. I have got it written down here by hand.

There is also a very strong feeling in Montana that a change in the management of the river would probably address what you want to do. Would you support that?

Secretary BABBITT. Senator, could I respond at a little more length as to my perception of this?

Senator BURNS. Yes.

Secretary BABBITT. Because all kidding aside, this is a serious issue.

Senator BURNS. It is serious.

Secretary BABBITT. It is an important opportunity. Before you came, Senator Bennett was explaining the success we have had in Utah handling a very comparable issue where we are on the verge of a really magnificent legislative success.

As you know, I have been talking intensively with the communities on the Missouri Breaks. Approximately a year ago, I asked the RAC to look at these issues. They submitted a report which is very well done. We had a teleconference meeting in which we discussed the report. I think we are in agreement on about 95 percent of what it is that needs to be done by way of helping the communities with development and visitation issues, kind of like the surrounding communities in the San Rafael in Utah. What are the issues that relate to river management, to grazing, to that gas field that covers part of it. We did not reach a conclusion as to whether or not there should be legislation or an Antiquities Act designation.

What I said to the RAC was, the important thing in my judgment is not the label on the package. It is what actually happens in that river corridor. It was my feeling that we could bring this thing to a pretty good consensus about what the Federal role is and what the role of the BLM is.

At that point, my visa to enter the State of Montana was abruptly canceled, and I was informed that I could not enter the State of Montana. So, I canceled the meeting.

Senator BURNS. Not by us.

Secretary BABBITT. Well, there is some dispute about who canceled my visa, but it was clearly canceled.

Since then, I have renewed my desire to come and keep talking about this. Now, I had thought when my visa was canceled, I will have another teleconference. You cannot prohibit me from having a teleconference. I will come in via modern communications.

Senator BURNS. We will take that up in another committee.

Secretary BABBITT. But seriously, I would be happy to come back out, to sit down and continue this process. I think if we just focus on what it is that needs to be done, we might get something. I sure would be willing to try.

Senator BURNS. Well, the invitation is open but we just want a public meeting and a public notice of it. That's all.

Secretary BABBITT. OK. Well, tell them to safeguard their firstborn and barricade the doors, that I may be coming.

Senator BURNS. Do we have to check our guns at the door?

This issue is going to continue to be out there and I think we ought to come to some kind of fruition on it.

NATIONAL CONSERVATION AREAS

We recently saw an internal memo from the BLM dated January 11, 2000 that sets forth an interim management policy for newly created monuments. Would this document apply to the so-called national conservation areas? That is a new term that we have not——

Secretary BABBITT. Well, Senator, the difference is, a national conservation area is legislated. Congress does whatever it wants. Here is my bottom line. I would enthusiastically support the creation of a national conservation area in which Congress would write all the rules, and I think that would be a terrific result. But I do not preclude, if we cannot get that done, other alternatives. I would prefer to do it that way.

Senator BURNS. What would be those other alternatives?

Secretary BABBITT. Well, do nothing, or ask the President to use his authority under the Antiquities Act are two that I can think of.

Senator BURNS. Well, we are concerned about that. How does that affect our management of predators?

Secretary BABBITT. I am willing to work that all out. I am willing to sit and discuss that. What I would really like to do is work all that out and then say, now, let us decide how we do it now that we have agreed on what ought to be done.

Senator BURNS. OK.

SNOWMOBILING IN YELLOWSTONE NP

Yellowstone Park, snowmobiling, EPA. Have you read the comments of the EPA regarding the National Park Services winter use EIS? They say it is not very good and are making recommendations that are concerning to a couple of folks around Yellowstone Park.

Secretary BABBITT. Senator, I am not sure which one you are referring to, and I probably have not read it anyway.

Senator BURNS. Does EPA take precedence over you and over the decisions you make in that park?

Secretary BABBITT. Well, not if I can help it, but sometimes their law appears to give them the upper hand, yes.

Senator BURNS. We need your help on that, by the way, and we kind of want to get that fixed. We were told by the Park Service that some changes had to be made in order to maintain winter snowmobiling in Yellowstone Park. Those changes are being made with new engine technology and a lot of things for the future. We should certainly take that into consideration when we start making management decisions.

I do not think an economic impact statement has been made for the people in and around that park who rely on winter activities up there.

MANY GLACIERS HOTEL

You mentioned a while ago your thoughts about the hotel in Glacier National Park at Many Glaciers. We are working with Mr. Barry on legislation that would create a demo project in which it would cost no Government funds to restore that hotel. Could you support an idea like that? And are you aware of what we are talking with the National Park Service?

Secretary BABBITT. Senator, I am aware of the concept. In a nutshell, what you would do is find a concessionaire and let them build additional new units in sufficient quantity that they could cross-subsidize the rehabilitation of the hotel. I am open to discussing that. It is by no means an idea that has got widespread approval among the park constituencies. I am willing to discuss it. It would require a very substantial expansion and building of new units. They would probably have to be on the upscale end to generate the cross-subsidy.

Senator BURNS. That is a part of what we are trying to do, but I do not think it is based on a large expansion of the facility.

Secretary BABBITT. No, I understand.

Senator BURNS. I think it is the length of the lease that offers some possibilities.

Secretary BABBITT. Senator, I would expand the lease in a moment, but it will not do it. I support a long-term lease. I would do that. It is not enough.

Senator BURNS. OK. We will talk about that in a little bit.

BISON IN YELLOWSTONE NP

The bison coming out of Yellowstone Park. That will continue even if you buy the Royal Tetan Ranch for more money than you thought you would pay Malcolm Forbes. Malcolm was happy when he sold it to the Church Universal and Triumphant. We still think that some movement should be made in the management of that herd, and I guess some will be talking about that at our funerals.

Secretary BABBITT. I think we both agree on that.

Senator BURNS. It is such a common sense thing. It is such a common sense thing. I know in the Babbitt empire in Arizona, you probably were pretty good neighbors and probably tested your livestock. Is that correct?

Secretary BABBITT. Well, I disagree with the characterization because if there was once a Babbitt empire, it is now a lot of ragtag ends. It is not worthy of the name empire.

Senator BURNS. You did not test your cattle? Never mind.

GUN RESTRICTIONS ON BLM LANDS

A couple other questions with regard to gun restrictions on BLM. Are you familiar with this conversation?

Secretary BABBITT. I do not know which conversation you are referring to because I am not aware——

Senator BURNS. Recently the BLM outlawed the right for American citizens to carry guns on specific lands in Montana deemed to be habitat for threatened and possibly endangered species. Could you explain what provisions of the Endangered Species Act allows you to prevent Americans from simply possessing firearms on public lands?

Secretary BABBITT. Senator, I think I should respond in writing because there is no general BLM policy that should trigger your anger with respect to this. There may be some specific situations of which I am unaware. I would be happy to respond in writing.

Senator BURNS. OK, and I will accept that.

[The information follows:]

GUN RESTRICTIONS ON PUBLIC LANDS

The Bureau of Land Management in Montana has restricted the discharge of firearms for other than legitimate game hunting on public lands in Phillips County, in order to protect prairie dogs whose populations have been significantly reduced. Prairie dogs are the prey base for black footed ferrets, an endangered species that has been re-introduced in the area over the past several years. The shooting restriction in no way precludes citizens from possessing and carrying firearms on public lands, nor does it preclude the discharge of firearms for game hunting by a licensed hunter.

Pursuant to the Federal Land Policy and Management Act of 1976, Public Law 94–579, sections 302(b) and 303(a), BLM may close land for the protection of natural resources. The Bureau has coordinated this shooting restriction with law enforcement specialists, the Department of the Interior's Office of the Solicitor, the U.S. Attorney's office, and the Montana State Department of Fish, Wildlife and Parks.

Secretary BABBITT. Senator, it took me 8 years to learn that I do not always have to take the bait in these hearings.

Senator BURNS. Well, but you always allow the Senator to throw the lure.

Secretary BABBITT. Absolutely.

Senator BURNS. There is a couple of other things: We want to talk about the reintroduction of the grizzlies over in the Bitterroot and Selway.

MORALE PROBLEM IN BLM

But more than anything else—and we talked about this on Mr. Fry's confirmation hearing the other day—we got a serious problem in morale in the BLM. I am concerned about that because we have got some outstanding land managers out there. I mean outstanding people who understand multiple purpose and multiple use, and we sure want to see those people stick around. I would like to just, one of these days, come down to your office or you come down to mine and let us talk about some of these situations because some of them are of a personal nature and should not be discussed in this realm. I am concerned because we have got just some outstanding land managers. I do not agree with all of them. But nonetheless, we have a real problem and I think those problems should be addressed.

Secretary BABBITT. Senator, I appreciate that. Maybe we can have this discussion on the banks of the Missouri River in the next few weeks.

Senator BURNS. I would do that, but I am only bringing my pole.

Secretary BABBITT. I understand.

Senator BURNS. So, I am going to throw the lure or something.

Those are my concerns. As we move through this process, we are going to be very critical on where the money goes.

I also want to take you by road, not fly you, between—let me see—Reed Point and over around Grey Cliff, MT, right by the road and take you by a prairie dog town over there. We want to show you some effects of densely populated prairie dogs, what they can do to range country. We will do that.

Senator GORTON. Mr. Secretary, I had hoped that we would be able to complete this hearing without a recess. Actually these votes started early, and I do have several questions. I will ask one or two of them now and then we will crave your indulgence while I go late for one and try to come back quickly from another. Senator Byrd

also told me that he might be back with a couple others. Will you have time?

Secretary BABBITT. Sure.

Senator GORTON. Thank you.

BASIC RESEARCH FUNCTIONS

You have increases in your budget of $13 million to the Geological Survey to provide integrated scientific research and information necessary for the Land Resource Divisions and $18.5 million for the Park Service for the National Resource Challenge. Given that we gather that the whole purpose of establishing the Biological Research Division in the Geological Service was to consolidate basic research functions, why are we trying to go up on two that seem to have, if not identical goals, very, very similar ones?

Secretary BABBITT. Senator, there is some mission creep going on in all directions here. I think it is an appropriate subject for some close scrutiny. It is still my belief that we are on the right track with the Geological Survey doing natural science research, that it is working, that it is efficient. It is the right direction.

The continual discussion is about the dividing line between the sort of strategic research agenda and the sort of tactical mission-specific issues that are appropriately done within the Fish and Wildlife Service or the Park Service. We have not succeeded in drawing a bright line, and the result is that you get this creep over the lines.

I guess all I can say is I would be happy to work on that. I think it is very important that we evolve a solid policy so that I and all of us can be responsive to the legitimate research needs of the agencies, impress the GS with the importance of that, and then be able to say to the agencies we are not in the business of trying to recreate the past where there were five separate research programs, none of them reaching up toward the long-term issues.

Senator GORTON. Well, you and I are in full agreement in that connection.

Secretary BABBITT. I have actually been talking to the Park Service and the Fish and Wildlife people and asking, what are your specific concerns? Tell us exactly what is on your minds because maybe it would be appropriate to put some earmarks in the GS budget as a way of bridging some of this in a rational way.

Senator GORTON. Good. Well, let us continue to work on that. This did jump out at our staff.

Secretary BABBITT. This is also a Fish and Wildlife issue too that has been raised in the House. The House is seeing this on that side as well.

LANDS LEGACY LEGISLATION

Senator GORTON. Has the administration submitted legislation to establish the Lands Legacy reserve fund?

Secretary BABBITT. Senator, we do not believe that legislation, although desirable, is necessary.

Senator GORTON. Well, so the administration will not submit such legislation?

Secretary BABBITT. We will not. We would certainly be happy to work on any one of a flock of legislative proposals floating around.

Senator GORTON. Have you endorsed any one of those?

Secretary BABBITT. We have endorsed them in concept only. I think the leading candidate at this point is the so-called CARA legislation which has a lot of signatures in the House, but has not yet moved to the floor. We have said to all of the participants that we support the concept. It has gotten very large, as you know.

Senator GORTON. It has gotten huge. It certainly does not have the support of this Senator or the chairman of the Budget Committee who is a member of this subcommittee as well.

This Senator still puzzles as to why we need this approach that amounts essentially to an entitlement, fencing off acquisitions and some other forms of activities from the requirement each year that we come up with the money for the deferred maintenance to maintain what we already have. You listed three very important acquisitions in your initial testimony. I think we are not only capable of supplying those as a part of our discretionary appropriation this year or any year, but are very likely to agree with those priorities. Will you not be reasonably comfortable with a reasonable set of appropriations this year as in the past?

Secretary BABBITT. Senator, the problem is that over the last 8 years, we have watched this sort of bump up and down get turned around. I have two thoughts that I think justify either this fencing, but not appropriated approach, or a permanent authorization in appropriation, subject to whatever year-to-year appropriation oversight is necessary.

The reason I think it is important is that from our perspective the promise of the Land and Water Conservation Fund was just that.

Second, there is an important place for some stability of revenue sharing with the States to cover some of the gaps. I think the most important gap is the State game and fish commissions, which, as you know, are now in a permanent revenue sharing partnership on sport fishing and game that has worked very, very well across the years. There is this big gap for non-game species, and we are having a hard time working these endangered species programs back into State governments because we confront a historic structure of State game and fish management which excludes attention to endangered species both by Federal law and, in many cases, by State law. This is an opportunity to do something about that. It could really I think encourage a real devolution of much of these endangered species issues towards the States. Those are a couple of examples. This is a substantial hunk of money, but the revenue sharing piece of it I think is really important.

Senator GORTON. Well, I think, Mr. Secretary, that is one issue on which we are going to have to continue to disagree. We will not disagree on some of the specific priorities, and I hope we are going to be able to deal relatively generously with them.

With that, I am probably holding up this roll call now. I will call a short recess. If Senator Byrd comes back before I do, let him start up and ask his questions, and I will be back as promptly as possible.

Senator Byrd had a couple more questions. I will once again defer to him and then go forward with my own.

Senator BYRD. Thank you, Mr. Chairman, for your characteristic courtesy.

OSM'S REGULATORY GRANTS

I want to stay on the subject of OSM's regulatory grants because I am concerned with the level of funding for the program. OSM has requested $52.6 million in State and tribal regulatory grants for fiscal year 2001, an increase of only $541,000 above the fiscal year 2000 levels.

My first question is this, how does the $52.7 million request of OSM square with what the States told you they needed, Mr. Secretary? Is OSM fully funding or underfunding the regulatory program?

Secretary BABBITT. Senator, that level has been relatively constant in recent years, and for some of those years, I think it was adequate. There was actually some money not being obligated. I do think that has changed. I think that the States are making a plausible case. Some of that is being driven, of course, by the increased level of contention and difficulty over these issues. The answer is, yes, it is a real issue.

Senator BYRD. Did the States not identify needs totalling about $61 million?

Secretary BABBITT. That is correct.

Senator BYRD. West Virginia has seen its share of the program drop from $7.9 million in fiscal year 1999 to $7 million in fiscal year 2001. That would be about an 11 or 12 percent decrease. To make matters worse, these cuts are coming at the time that the State is being subjected to an onslaught of litigation.

Would you explain how these cuts can be justified, particularly in light of the fact that OSM has gone on record as saying that West Virginia's regulatory program is understaffed and is in need of additional Federal funding to correct just that problem?

Secretary BABBITT. Senator, my impression of this is that when the allocations are actually made, it is unlikely that West Virginia will actually be cut. I acknowledge that that is not responsive to your larger question of whether or not a flat level of grant making is sufficient. I understand your concern and I am ready and willing to take it up in this process. There is a legitimate request from West Virginia based on all these factors you discussed. I do not deny that.

Senator BYRD. Mr. Secretary, could I count on your support in ensuring that West Virginia is in a position of maintaining administrative primacy in the operation of its mine permitting program?

Secretary BABBITT. Yes.

Senator BYRD. Just one more question now, Mr. Chairman.

OHIO RIVER ISLANDS NWR STAFFING

The conference report language accompanying the fiscal year 2000 Interior appropriations measure took note of—I am quoting now—"the continuing unmet maintenance needs" of the Ohio River Islands National Wildlife Refuge. I understand that the conference report language has apparently had the desired effect and that the Fish and Wildlife Service is expediting the process of making sure that the refuge has adequate maintenance personnel.

Could you confirm this understanding is correct, that the refuge is in fact in the process of hiring a full-time maintenance worker?

Secretary BABBITT. Senator, having personally inspected this refuge and the river, they need this position. It will be filled shortly.

Senator BYRD. Very well. Well, thank you, Mr. Secretary, and thanks again for your many courtesies over the years. I hope we will both be in West Virginia together on a number of occasions yet.

Secretary BABBITT. Thank you, Senator.

Senator BYRD. Thank you, Mr. Chairman.

Senator GORTON. Thank you, Senator Byrd.

RECREATION FEE DEMONSTRATION PROGRAM

The recreation fee demonstration program you referred to earlier. It has obviously been a favorite of mine. It has been an imaginative and I think responsive way to help with some of the challenges that you have faced.

Could you give me your general description of its success so far and what you have learned from the experiment and whether or not you would anticipate or suggest to us any changes?

Secretary BABBITT. Senator, I have learned a number of things, starting with the fact of public support. We have talked about this before. It is absolutely astonishing. A public which rejects added fees routinely, unanimously supports this. I was out in Yosemite last week dealing with a number of issues there before a large Yosemite audience, and I pointed out to them that not only did we raise the fees at Yosemite, we quadrupled them. And there was not a ripple of objection.

Now, that points up both the success and the future direction. The reason for that is people believe that it is coming back in tangible improvements in the park, not somewhere else, not in the abstract, but in the park where they are.

Therefore, I believe it is very important for me and for this committee to keep watching over the shoulder of these folks to avoid the kind of dissipation of this money as a sort of supplementary source of income. I realize that those lines are drawn around the program, but there is always some leakage. I think, again, it is very important that we emphasize that this really is about improvements and maintenance of park facilities.

There has been some backwash, if I may step over the line, in the Forest Service piece of this program. I would call that to your attention because I think the reason is that there is a problem when the public perceives these as a permit to go on public land. You are going to get a big backlash from that whether it is on a wildlife refuge or a park or the Forest Service or BLM land. I do not even need to go to the Forest Service. If it is perceived by Westerners that they have got to get a permit to get on this place, there are going to be problems. So, I think that needs some continual oversight and watching.

We need to work on collection overhead. It is going down. It was understandably pretty high. It was over 30 percent, maybe even 35 at one point. We have got it down in the neighborhood of 20 now. I just think we need to make certain that there is not some creep

going on there in terms of collection overhead being creatively expanded.

With those issues, obviously, I think it has been an exceptional success.

Senator GORTON. Well, you know it runs out. We will do everything we can to see to it that it does not run out. But is the administration going to submit any legislation on making it permanent?

Secretary BABBITT. The budget assumes we will.

Senator GORTON. Yes.

Secretary BABBITT. When I am asked will the administration submit legislation, the reason I hesitate is that we really do not need to submit anything. I could come up here to an authorizer and write the legislation on the back of an envelope. Frankly, in many cases we come up with legislation and it becomes an automatic flash point of contention. I guess my hope would be that we could say, let us authorize this. I will be available any time if you need any assistance of any kind with language.

Senator GORTON. Or you can just always come back to us and have us do it a year at a time I suppose.

EVERGLADES LAND ACQUISITION

I have a whole series of questions on the Everglades. I am going to submit most of them to you in writing. But I would like you to tell me—this obviously is a tremendously important project. It is also a tremendously expensive project. Senator Byrd and I have just signed off on an acquisition for greater than the appraised value. You persuaded us that it was necessary. But can you give me any indication as to how much more property we are going to need to acquire and any remote estimate as to the cost to the Federal Government of those acquisitions before we have reached the point of some stability in the Everglades?

Secretary BABBITT. We have some figures in our submission. Let me say this and then point out the judgment call. We have completed the land acquisition within the authorized boundary of Everglades National Park. That is an extraordinary accomplishment because the Congress expanded the Everglades basically across one of these old horizon-style subdivision promotions. The whole damn thing had been sold off. Well, we now have the money to get it back.

There is a big unresolved issue in the so-called 8½ square mile area. It is not within the Everglades. It is on the wrong side of the barrier dike that separates the system from the Miami area. That has not been resolved. My opinion is we ought to bite the bullet and authorize the takeout. I am not sure that Florida is with us on that and it is becoming a bit of a controversy.

Beyond that, the land acquisition becomes a little more judgmental. What we have basically done conceptually with Florida is said, beyond these core Federal properties—the Talisman property, which this committee appropriated the money for, was a big bite. It was over $100 million. From now on, I think Florida becomes the lead in terms of defining their open space future, and I would advocate the continuance of the match, as long as it is within the parameters of the so-called restudy, that is, reconfiguring the water supply system of Florida.

That is a 20-year project and it is a multi-billion dollar project. The figures are not absolutely firm, but it is going to be $5 billion to $7 billion on each side over 20 years.

Senator GORTON. Thank you. That is a straightforward answer. I have a number of other detailed questions that we will submit to you in writing.

LEWIS AND CLARK

Lewis and Clark. I can never go to the southeast or southwest part of my State without having a Lewis and Clark request. I am inundated with them from my colleagues all the way from Illinois to the Pacific.

How have you set up your priority for Lewis and Clark funding requests that are on public lands? And do you have any thoughts as to how we should prioritize non-Federal projects or projects on non-Federal lands in that connection, or whether we should do it at all?

Secretary BABBITT. Well, those are the right questions. I guess my simple answer would be that the Lewis and Clark commemoration should be State driven for all of the reasons that you imply, and for the most part, I think we should view the Federal issue as to what extent should we help in those State efforts with some matching approach. Now, that's a judgment call.

I am inclined toward a modest yes because I think that it is particularly helpful in these rural communities. Almost all of the whole pathway remains in one way or another in rural communities where there is still a fair amount of economic distress. To the extent that these things can be focused upon developing a little more capacity and self-identification of the communities, it starts to sound very much like the heritage trails and the heritage areas programs in the National Park Service, the same kind of rationale.

There are some specific Federal issues that I think are very important now. Senator Burns and I talked about the Missouri Breaks. If there is one Federal centerpiece, this is it. The Missouri Breaks are really the heart and soul of the Lewis and Clark experience, as you can see it on the landscape today. Steven Ambrose is absolutely rapturous as he recreates those days on the Missouri Breaks. It is a fabulous place, and we are still arm wrestling about that. That is really the core of the Federal commitment as far as I am concerned because it is all BLM land—mostly BLM land.

Senator GORTON. Now I would like to go to some questions that are somewhat more parochial. Can you explain to me the role that the Fish and Wildlife Service plays in the Federal Caucus with respect to our All-H Paper and the management of the Columbia River?

ALL-H PAPERS

Secretary BABBITT. The All-H Caucus is presided over by the Council on Environmental Quality. The preparation of the H papers and all of the other material is presided over by National Marine Fisheries. The Fish and Wildlife Service is a participant and, as you are well aware, has spoken out from time to time not necessarily out of school but maybe halfway between the classroom and the playground.

Senator GORTON. Would that comment cover Ann Badgley's statement at a press conference that removal of the dams is a no-brainer?

Secretary BABBITT. That does not reflect my position. This would not be the first time that one of my agencies has said something that does not reflect my position.

Now, that said, she is a fair-minded, highly competent regional manager, and I believe—my impression is that her remarks were in the context of there were a lot of other participants who were kind of getting off the train in the other direction. So, I believe that is the context because the Corps of Engineers was kind of out of school in the other direction.

Now, you know where my position is on this, or maybe you do not.

Senator GORTON. Why don't you explain it?

Secretary BABBITT. My position—he says, leading me over the cliff. My position is that the jury is out on these dams and that what we need to do is try to see if we can move toward a process, as difficult and frustrating as it is, to see if we can sharpen the science and the analysis and the economics. This decision is not going to be made on my watch and, in my judgment, should not be made on my watch.

Notwithstanding my remarks so unfairly seized upon by the good chairman back in 1993 with respect to the adjective "high" as it was placed before dams, you no doubt recall that.

Senator GORTON. Well, Mr. Secretary, this is a decision that I trust will be made on my watch, if not on yours, over which I will have some effect.

CASPIAN TERNS

Obviously the dams are not alone in their impact on the salmon. Will you explain the Fish and Wildlife Service policy with respect to Caspian terns and what plan the agency has for providing a long-term strategy to control the terns? The Corps of Engineers has sort of laid that off on you where it, I think, feels to a certain degree at loggerheads with the Fish and Wildlife Service, the Corps putting a higher value on their removal at least than Fish and Wildlife does.

Secretary BABBITT. I guess the basis is the Migratory Bird Treaty Act. The Caspian terns are not an endangered species. It is not clear to me why it is that this has to be a Fish and Wildlife decision, and I guess what I ought to do is go back and work this through a little more. My sense is that the State of Washington ought to be dealing with this rather than the Fish and Wildlife Service.

Senator GORTON. Do you want to respond more in detail on that?

Secretary BABBITT. I would prefer that because there may be some wrinkle in the Migratory Bird Treaty Act.

[The information follows:]

UPDATE ON THE CASPIAN TERN POPULATION AT RICE ISLAND AND COOPERATIVE EFFORTS WITH THE NMFS

The National Marine Fisheries Service (NMFS) is the lead agency in addressing Caspian tern predation because it has the lead in salmon recovery. In determining how to recover listed salmon, NMFS must address all factors that may have caused

the decline in salmon populations including harvest, habitat loss, hydro power production, and predation. By developing a comprehensive recovery strategy that addresses all the threats, they will be better able to recover these species. The U.S. Fish and Wildlife Service's (USFWS) responsibility in this effort is to provide technical assistance on the Migratory Bird Treaty Act, conservation of Caspian terns, and seabird predation.

As an active member of a joint-agency working group, the USFWS also provides funding assistance and field assistance for the project. However, it is not our role to mitigate for salmon losses from predation. Multi-disciplinary science reviews have found no compelling scientific evidence that predation has been a primary cause for the recent salmon declines. Predation is a natural part of the salmon life cycle and no evidence exists that tern predation is limiting salmon recovery. However, the USFWS continues to support NMFS's efforts to recover salmon through relocating the nesting terns to an island in the lower Columbia River. Preliminary relocation efforts have been successful in reducing predation of salmon smolts by 40 percent. This is a substantial reduction in smolt losses and should provide some short-term recovery benefit until other more substantial efforts begin to restore population numbers.

Estimates of tern predation may vary by year and have been refined as data collection has improved. The current estimates of tern predation on out-migrating smolts range from 4 to 8 percent of the salmon smolts produced in the basin, and approximately 90 percent of these smolts are hatchery-reared fish. Predation losses will be reduced by an estimated 40 percent when the birds are relocated to the island near the mouth of the Columbia River.

Senator GORTON. One other matter which I would just like to counsel you on. Your budget requests $15 million in connection with the lower Elwha Dam and the Park Service. I think—and I think I can tell you that that $15 million will be appropriated——

Secretary BABBITT. Thank you.

Senator GORTON [continuing]. As another payment toward a goal, the ultimate goal on which we disagree, but the preliminary goal on which we agree.

PORT ANGELES WATER SUPPLY

But the first thing that has to be done, of course, is the water supply for the City of Port Angeles. I want to urge the Park Service, through you, to attempt to reach an agreement with the City of Port Angeles as promptly as possible. It is certainly possible that the city is asking for a more gold-plated version of this new water system than may be warranted. I have also felt that the Park Service was being too tight, too narrow, and too restrictive on what it felt was necessary. But if we are to reach the goal, even the interim goal that we share and that the community shares, we have got to solve that problem as promptly as possible.

You can count, I think, on the $15 million in the fiscal year 2001 appropriations, but I would sure like to get that division of responsibility behind us as quickly as possible.

Secretary BABBITT. I understand and I will proceed accordingly.

EXPIRING GRAZING PERMITS

Senator GORTON. I have a lot of other questions that I am going to submit in writing, but I do have one other because it has been of such great interest to a number of my colleagues.

Because of court decisions, BLM has got to do additional environmental reviews on expiring grazing permits. This has caused a large backlog, obviously. You have got $2.5 million in an increase for processing them. How are you doing on that? Are we going to be able to get through this year's appropriations battle without

having any serious disagreement with you and the administration over grazing permits?

Secretary BABBITT. Senator, I believe so. I really think at the core of this is the problem of perceptions. The fear was that somehow these permits would expire and people would be driven off the land by Federal proclamation. It is not the case. Where permits expire, they are automatically renewed. There may be some language in last year's bill to that effect. The bottom line is there will be no one off the land because of a permit which expires because the environmental work and the decision have not been made.

That said and looking at John's note, I believe we are going to get done with this. There are 3,456 that were carried forward, plus 2,000. The answer is no new legislative authority is necessary. I guarantee you that nothing will happen.

I was going to try to say that we would have this all wrapped up by the end of this year. I am not certain I can say that in terms of doing the environmental work to get the permits out.

Senator GORTON. But you at least are cutting back on the backlog.

Secretary BABBITT. We are whittling it down. I think we have got a good program. Mark Stiles out in Montrose Grand Junction has been shepherding this, and I am absolutely satisfied that we are doing it right and that we are on a track toward completion and that our appropriation request will help us get there. So, I think it is under control.

Senator GORTON. Good. I trust you will share these views, as I will, with Senator Domenici and the others who are interested in it. I would be delighted if we were able to satisfy everyone on this without it going through another legislative rider debate.

Secretary BABBITT. They have my word that there will be no changes on the land or permits or cattle removed or otherwise affected because of our failure to renew the permit.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. Well, with that, thank you very much, Mr. Secretary. I appreciate your candor as always. We do have other questions for you to answer and we appreciate your appearance here.

[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

LAND MANAGEMENT RESEARCH

The request for the U.S. Geological Survey includes a $13 million increase to "provide integrated scientific research and information necessary for DOI land resources decisions." The increase would be used to "develop projects to meet the high-priority management requests from each [Interior] bureau." I suspect this is an effort to respond to the dissatisfaction that has been expressed by some in the land management agencies ever since their scientific capabilities were consolidated into the Biological Research Division.

In the same budget request, the National Park Service is seeking an increase of $18.5 million increase for "The Natural Resource Challenge"—an initiative to "revitalize and expand the natural resource program in the national parks."

Question. Given the whole purpose of establishing the Biological Research Division of the USGS was to consolidate the basic research functions of the land man-

agement agencies, how do you justify a continued and rapid expansion of National Park Service scientific capabilities?

Answer. The Service is seeking to expand its capability to make and implement park management decisions in a scientifically sound manner (consistent with the requirements of the National Parks Omnibus Management Act of 1998). On-the-ground identification of solutions requires technically trained resource managers.

The National Park Service is seeking funds in fiscal year 2001 to complete basic inventories and monitor conditions of what it manages. Much of the NPS funding will be used to put available scientific information to direct use in management activities—such as patrols to prevent poaching and to protect nesting endangered species, mechanical removal of exotic plants, and restoration of native vegetation.

Some of the funding requested for the National Park Service is also intended to make parks more attractive to outside researchers, including those from USGS. In fact, USGS will be a partner with the NPS in its Learning Centers, as well as in the interagency Cooperative Ecosystem Studies Unit Network.

Question. What is the division of labor between USGS and the land management agencies when it comes to science?

Answer. USGS is the primary provider of biological and earth science research and information for the DOI land management bureaus. USGS data collection, analytical capabilities, and scientific research and information contribute to the conservation and sustainable development of the natural resources managed by DOI bureaus. DOI bureaus request and use studies from the USGS disciplines of water, biology, geology, and mapping to guide planning, management, and regulatory activities on public lands in a scientifically sound manner.

Generally, the Department's resource management bureaus apply the results of science in their management actions and decisions, but it is USGS that actually conducts the science. The resource management bureaus may also perform certain inventory and monitoring functions, but it is USGS that develops the research-derived protocols and standards that ensure the reliability and integrity of the Department's inventory and monitoring programs. The distinction between conducting science and applying science can be subtle and difficult to discern. There are some activities that one could argue would be appropriate for either a resource management bureau or USGS to perform. Some of the elements of NPS's "Challenge" proposal may fit this description.

The Department's primary objective in the creation of NBS/BRD was not just that science funding be consolidated in the new organization to the maximum extent possible, but more importantly, that the scientific expertise and capability and actual performance of science be not be duplicated in the other Interior bureaus. It has always been recognized that invariably resource management bureaus might have the need for science during the course of the year that was unanticipated during the formulation of the USGS budget or exceeds USGS's financial capabilities. In these cases, it is perfectly acceptable for the resource bureaus to use their funding for science. But our expectation in these cases is the same as our expectation in case of NPS's "Challenge" proposal; that NPS will consult with USGS as it implements the "Challenge" initiative to ensure it takes advantage of USGS's inherent strengths and expertise.

Question. How is such research coordinated?

Answer. In fiscal year 1999, the Department instituted a new process to improve the identification and coordination of science needs (and science projects to address those needs) in the Department, and improve USGS's ability to address these needs. The "Agreement on USGS Research Support for DOI Resource Management Bureau Needs" involves extensive consultation between USGS and the other DOI bureaus to identify highest priority science needs, assess the status of current USGS science support, identify gaps and cross-bureau commonalities. The process resulted in the collaborative formulation of the "DOI Science Priorities" budget request of $13.0 million in 2001.

Research planning is coordinated through a variety of other mechanisms as well, including:

—formal meetings, such as regional BIN meetings,
—interagency initiatives, such as the South Florida Ecosystem Restoration Task Force,
—joint planning with NPS under the National Resources Preservation Program to address short-term biological needs and the Clean Water Action Plan to conduct water quality studies in Parks,
—MOUs and Interagency Agreements,
—informal communications, shared facilities, etc.

Question. Are you personally involved in ensuring the duplication of effort does not occur?

Answer. The Secretary is personally committed to the consolidation of biological and earth science resources in the USGS and the avoidance of any duplication of effort. The Secretary is emphatic that Interior policy and resource management decisions be grounded in sound and objective science. This can best be assured by conducting science in an independent, non-regulatory bureau such as the U.S. Geological Survey. The Secretary recognizes that consolidating science responsibilities in a single bureau is the most cost-effective approach to realizing sound science needs.

BIOLOGICAL RESOURCES DIVISION

During last year's hearing, I asked you about the work of the Biological Resources Division (BRD) and your role in coordinating its activities with those of the land management agencies. In your response, you referred to the need to make a distinction between basic wide-ranging science that would appropriately be accomplished by the BRD and site-specific applied science that would more likely be the responsibility of the individual agencies.

Question. How was it determined that the proposed increase of $1.6 million for Cooperative Ecosystem Studies Units should be included within the National Park Service budget?

Answer. Contributions of the U.S. Geological Survey complement the contributions of the National Park Service so the partnership effort more strongly meets the mission of each bureau. Cooperative Ecosystems Studies Units (CESUs) have a broad mission to provide multidisciplinary research, technical assistance, and education to multiple Federal agencies concerned with natural and cultural resource management. CESUs include multiple Federal cooperators; currently six Federal agencies within three Departments are participants. As a partner in the CESUs, the NPS seeks to bring the research and technical assistance capabilities of the university, USGS, and other partners to bear on fulfilling National Park Service resource management needs for research and assistance in a broad array of disciplines. These include cultural resource disciplines and interpretation and education. The NPS leverages these resources to address park needs by identifying opportunities that exist in parks for the partners to conduct their own research, technical assistance, and logistical support, coordinating activities and sharing information among partners to maximize opportunities and avoid duplication.

Question. Why wouldn't a project of this scope be directed through the Biological Resources Division of the Geological Survey?

Answer. The network is authorized under section 203 of the National Parks Omnibus Management Act of 1998. Continued involvement by the Biological Resources Division (and other USGS divisions) is expected. Like the other bureaus and agencies in the CESU Network, the National Park Service is the organization that is best able to represent its own park needs for biological, physical, and social science research, technical assistance, and education to its partners in the Cooperative Ecosystem Studies Units, including the BRD and other USGS divisions, and to university participants. It will be the task of the National Park Service personnel involved to be the advocates and spokespersons for park research, technical assistance, and education needs and to serve as brokers to meet those needs and the harnessing of university resources (including students). It is not always necessary to build Federal programs and infrastructure if universities are interested and see advantages in working on the "real world" problems in preserving national parks.

LEWIS AND CLARK

This subcommittee has been inundated with requests for projects relating to the upcoming anniversary of the Lewis and Clark expedition. Some of these requests are for Federal projects on Park, forest or BLM lands, others are for non-Federal projects that commemorate or interpret other portions of the trail. There are more of these proposals than this subcommittee can possibly afford.

Question. Can you give us your thoughts as to how you have prioritized Lewis and Clark funding requests in your budget development process?

Answer. The fiscal year 2001 President's budget request includes an increase of $6.3 million in operational accounts and $9.6 million for land acquisition representing the highest priority Lewis and Clark funding needs. The 2001 budget presents the first year of a six-year effort to prepare parks, refuges and public lands for expected increases in visitation, to help the nation commemorate this historic event, and to work in partnership with the Tribes to support their participation. The President's request was the result of a coordinated process facilitated by a multi-agency team that reviewed the results of agency long-term plans for the Lewis and Clark commemoration. The agencies began the process of identifying on the ground resource needs and bringing together local and state partners in this planning proc-

ess over a year ago in order to identify priority funding needs for the six-year initiative.

Question. What are your thoughts as to how this Subcommittee should prioritize the non-Federal project proposals?

Answer. We do not know how such a diverse array of projects identified by a variety of entities can be prioritized. Our recommendation is to fund the President's budget request and thereby allow the land management agencies to work in partnership with local communities, states and Tribes to accomplish projects as appropriate and in a coordinated manner. The land management agencies have programs, including challenge grants, that can fund projects with states, local communities and others that will provide for the protection of natural and cultural resources, enhanced visitor experiences, and expanded outreach and education.

Question. Should such projects be funded at all?

Answer. Many of the projects have merit, however, since the projects were identified by a diverse number of states, localities, and other entities, they are not coordinated and no priority has been established. We recommend that funding be provided to Interior agencies, consistent with the President's budget request. Further, we recommend that land management agencies be permitted to work in partnership with state, local and other entities to undertake selected projects that will provide for the protection of natural and cultural resources, enhanced visitor experiences, and expanded outreach and education.

EVERGLADES

You recently approved a request from DOI for the acquisition of a large property in South Florida for greater than the appraised value. Governor Bush had originally opposed the purchase as too expensive, but a renegotiated deal now has Bush's support. The House has indicated it will approve the request, but not until after its Everglades hearing today.

The subcommittee recently received a request to approve the acquisition of the Berry Groves property in South Florida for greater than the appraised fair market. The State of Florida would purchase the property, with Federal appropriations paying half of the cost. The property itself would be used to provide water storage in the Caloosahatchee River Basin as called for in the Corps of Engineers "Restudy."

Question. Why does the Department regard this property as such a high priority it would be willing to pay in excess of the fair market value for the land?

Answer. The State of Florida and the owners of Berry Groves have negotiated and announced an agreement in principle to acquire approximately 9,000 acres of the property for $65.6 million, which is $8.6 million, or 15 percent, above the appraised fair market value of $57.0 million. The State of Florida and the South Florida Water Management District have again requested the Department fund half the cost of acquisition, for a total Federal share of $32.8 million. Acquiring these lands now creates opportunities to increase water storage capacity in the Caloosahatchee Basin. The proposed project feature in the Comprehensive Plan for the Caloosahatchee Basin anticipates expanding water storage capacity by approximately 160,000-acre feet. The Army Corps of Engineers advised us that the purchase of this site is exceptionally suited to fulfilling the Comprehensive Plan's needs in the region. Specifically, the unusual heavy claylayer underlying the property provides greater than normal water storage capacity and means we may be able to save land acquisition money in the future by acquiring fewer acres than anticipated. Further, the Department believes that the property appraisal did not account for the full value of infrastructure existing on the property—canals and levees—that will be used by the Army Corps to link the storage facility on this property to the river. For these reasons, the Department believes that this acquisition is in the public interest.

Question. To what extent do you feel approval of this acquisition will establish an expectation for future land purchases in South Florida?

Answer. The Department does not believe that this acquisition will establish an expectation among landowners for future land purchases in South Florida. It is likely that if the lands are not acquired now from a willing seller, ultimate lands costs would be higher in the future.

Question. How much more land is likely to be purchased by the Federal government, or with Federal dollars, in order to restore the South Florida ecosystem?

Answer. The Department's total cost report identified a total of $160 million: $150 million in future Federal land acquisition costs to acquire the remaining lands within the national wildlife refuges located in South Florida; and, $10 million for acquisitions at Big Cypress National Preserve. Additionally, the Comprehensive Everglades Restoration Plan identifies a $2.2 billion requirement for lands needed to modify existing project features of the Central and Southern Florida Project in order

to restore, preserve and protect the South Florida ecosystem. Although this $2.2 billion requirement is the responsibility of the local sponsor, the Administration may propose the expenditure of Federal funds in the future to assist in this effort.

Question. With what frequency are we likely to be asked to approve over appraisals?

Answer. Under the reprogramming guidelines between the Committees and the Department regarding the acquisition of lands at levels exceeding the appraised fair market value, the Department will submit a reprogramming request as such conditions arise in the future. The reprogramming guidelines apply to land acquisition grants provided by the Department to the State of Florida and procedures are in place to notify the Committees at any time such an acquisition is proposed for each tract of land that is covered by the overall grant.

Question. Assuming the replumbing projects proposed in the Restudy are authorized, what is earliest date at which the Berry Groves property would be used for actual water storage?

Answer. Based upon the proposed construction schedule presented in the Comprehensive Everglades Restoration Plan provided to the Congress last July, the earliest date that the Berry Groves property would be used for actual storage would be in the year 2015, after construction is complete.

Question. Will the property be leased in the interim?

Answer. Yes. The property will be leased through 2008. The leasing of the property in the interim period and maintaining it in its existing use provides for important benefits, including limiting the spread of invasive exotics that would occur if the land was returned to its natural state; decreasing land management costs; and providing lease income for the South Florida Water Management District.

Question. What are terms of the lease?

Answer. The Department understands that the terms of the lease allow the present owners of the property to remain on and farm the land until 2008. Beginning in 2005, annual lease payments of $500,000 are due to the South Florida Water Management District (District). These payments will allow the District to defray its costs in this acquisition.

Question. How do these terms differ from the lease terms associated with the original purchase proposal that was rejected?

Answer. The lease period was extended by four years and the overall lease payments were reduced by a total of $2 million.

Question. What is the monetary value of difference in these terms to the State and Federal government?

Answer. For the Federal government, the revised lease terms have no effect on the overall Federal share of $32.8 million for this acquisition. However, because the transaction was renegotiated at a lower price ($65.6 million in lieu of $70 million originally), the overall 50 percent Federal share of the total cost was reduced by $2.2 million.

Question. The budget request for the National Park Service includes another $12 million for the Modified Water Delivery System as part of the Everglades restoration initiative. How much has this Committee appropriated to date for the Modified Water Deliveries project?

Answer. The Committee has appropriated $63 million through fiscal year 2000 for the Modified Water Deliveries Project. Based upon current plans, the Department estimates that between $72 million and $150 million will be needed to complete the project. There are a range of costs for the Modified Water Deliveries Project that represent the uncertainties associated with the ongoing NEPA process for project components, including the 8.5 Square Mile Area and the changes to integrate this project within the larger Comprehensive Everglades Restoration Plan (CERP). We are working on a capital asset plan that will specify more precisely the cost, schedule and performance goals for this Project. These estimates do not represent a final agency decision to select any alternative that is presently being studied.

Question. How much of this amount has been obligated to date?

Answer. Approximately $42.3 million has been obligated through March 31, 2000.

Question. Will the funds requested for fiscal year 2001 actually be needed for obligation in fiscal year 2001?

Answer. The funds may not be obligated in fiscal year 2001, however, the $12 million request for fiscal year 2001 will be needed regardless of what option is chosen through the NEPA process and will reduce future year costs.

Question. A review of the South Florida restoration project requested by this Subcommittee recommended that the South Florida Task Force draft a strategic plan that would encompass all elements of the restoration effort. The Committee endorsed the GAO recommendation in the Statement of Managers accompanying the fiscal year 2000 appropriations bill. Will the Task Force deliver this plan on time?

Answer. Yes. The Task Force is planning to deliver an outcome oriented strategic plan to the Committee by July 31.

Question. Are you confident that the plan will include the elements identified by the GAO as critical to any strategic plan?

Answer. The Florida-based Working Group has been working to develop a strategic plan that contains the critical elements identified by GAA for the past several months. A draft of the strategic plan was presented members of the Task Force on May 12, 2000.

Question. The language of the fiscal year 2000 appropriations bill made release of certain Everglades land acquisition funds contingent upon the submission to the Congress of legislation that would ensure an adequate supply of clean water, at the appropriate times, to protect the natural areas of South Florida such as Everglades National Park. When will the Administration propose such language?

Answer. The Administration transmitted the Water Resources Development Act of 2000 to the Congress on April 10, 2000. Section 3 of the bill is the Comprehensive Everglades Restoration Plan and is the language referenced in the fiscal year 2000 Appropriations Act.

Question. What challenges have you faced in drafting this language?

Answer. The Administration faced two challenges in drafting the Comprehensive Everglades Restoration Plan (CERP) section of the bill. One challenge in developing the assurances language was to set up a process to identify the amount of water that is to be dedicated and managed for the natural system. The second challenge was determining the cost share arrangement with the State of Florida for the future operations and maintenance of the project modifications that are proposed as part of the CERP.

Question. Are you confident the Administration proposal will ultimately provide adequate protections for the natural areas that you manage directly, and for which this Subcommittee is directly responsible?

Answer. Yes, under the Administration's proposed legislation authorizing the Comprehensive Everglades Restoration Plan, the Secretary of the Army will issue programmatic regulations, with the concurrence of the Secretary of the Interior, that identifies the quantity of water to be dedicated and managed for the natural system. This provision was included in the legislation to ensure that the special expertise of the Secretary of the Interior is taken into account when setting aside the proper quantity of water, with the proper flow and distribution, for the natural system. The Department is confident that the Administration's proposal will provide the natural areas with the proper quantity, quality, timing and distribution of water.

The Administration agrees that the concurrence of the Secretary of the Interior in developing the programmatic regulations that establish the proper quantity of water, with the appropriate timing and distribution, is critical to ensure that the remaining natural areas of the Everglades are protected and that the project is always managed to restore, preserve and protect the Everglades ecosystem.

Question. What other related challenges have arisen in your work with the Corps and other agencies to draft the legislation that will authorize the Corps of Engineers "Restudy?"

Answer. Not all stakeholders agree with the approach contained in the Administration's legislative proposal. For example, the State of Florida would prefer that state law allocate the water that is to be captured from the features proposed in the CERP, as opposed to the programmatic regulations contained in the Administration's legislative proposal.

Additionally, the Seminole Tribe would like to ensure that its rights to water under its water rights compact are not affected. There are other areas of disagreement and the Department and the Administration are working together to resolve these areas of concern.

Question. As for the additional acreage to be purchased by the Federal government in fee, what kind of plans has the Department made for ensuring that the lands will be properly managed by the Department?

Answer. The Department has worked closely with the State of Florida, county officials, and landowners to ensure that the lands will be properly managed.

Question. In particular, does the Fish and Wildlife Service, the Park Service, BLM and the Forest Service have a coordinated system where each of the Realty Offices work with the Operations and Management to ensure that appropriate planning takes place?

Answer. The National Park Service has a realty office in Naples, Florida that handles the Federal land acquisition program at Big Cypress National Preserve, Everglades National Park and Biscayne National Park. The realty office coordinates its land acquisition program with park management at the three parks. The parks

identify land acquisition priorities and the realty office at Naples, Florida executes the program based on these priorities. The Fish and Wildlife Service in Atlanta administers the State of Florida grant program. The Department works with the Fish and Wildlife Service Atlanta Office to coordinate the state grant program. The FWS's Atlanta Office coordinates land acquisition planning, operations, and management within South Florida and with other regional and national needs.

LAND ACQUISITION AND LANDS LEGACY

The Administration is requesting $1.4 billion for the Lands Legacy initiative, including $735 million for programs under your jurisdiction. This would double the initiative as a whole, and provide an increase of $470 million for Department of the Interior programs. The Administration also proposes to create a fenced reserve fund for Lands Legacy programs that would provide a permanent, aggregate funding level for these programs.

Question. Why do you consider it necessary or advisable to establish a reserve fund for this particular array of Federal and non-Federal grant programs?

Answer. An overriding issue confronting State and local public officials throughout the Nation is how to preserve open space in the face of growing populations, increasing demands for land and water resources, traffic congestion, and other pressures. Around the country, voters have approved in the last several years nearly 200 initiatives aimed at controlling or limiting sprawl, preserving open space, and improving their communities. The States and localities have done their part, now is the time for the Federal government to provide their support to these efforts. To this end, the Lands Legacy initiative provides additional tools for States and localities to preserve open space and to tackle some important negative impacts of growth and development. The new category proposed in the fiscal year 2001 budget provides dedicated and protected funding for the programs included in the initiative. Funds not appropriated to programs within the proposed fund will be unavailable to offset spending elsewhere. This will ensure that the original purpose of the Land and Water Conservation Fund—to protect America's natural resources—will be realized. The current balance of the LWCF exceeds $13 billion.

Question. Why didn't the Administration simply propose a higher discretionary level for these programs?

Answer. The initial intent of LWCF was to use the receipts from non-renewable resources (Outer Continental Shelf oil and gas) and invest them back into permanent resources (land and water) for future generations. By proposing a new budget category to provide dedicated, protected discretionary funding for these programs, the Lands Legacy Initiative would ensure that funds not appropriated to programs within the proposed cap of $1.4 billion will be unavailable to offset spending under other discretionary funding caps. This would ensure that these funds will be available for these important conservation purposes in the future.

Question. How would you have felt if your predecessor had established a permanent funding allocation for those programs that he felt were the highest priority?

Answer. These programs are not just a high priority for the Administration, but a high priority for people across the country. Over the past several years, voters have approved nearly 200 initiatives aimed at controlling or limiting sprawl, 50 governors have voiced their support of the Land and Water Conservation Fund, and HR 701, the Conservation and Reinvestment Act bill, has over 300 co-sponsors. The need to preserve open space and to tackle the negative impacts of growth and development will only become greater and will continue to be a high priority for communities and leaders across the country for years to come.

Question. How did you determine what would be included within the initiative and what wouldn't?

Answer. The Lands Legacy initiative was created to focus on protecting natural treasures and historic places, provide opportunities for States and other entities to conserve important lands for recreation, open space, and wildlife habitat, preserve forest, farmland, and coastal areas, and provide the tools to states, localities and Tribes to deal with the loss of open space and manage fragile ecosystems. These criteria provided the focus for selecting the programs to be included in the Lands Legacy initiative.

Question. How do you justify including grants for urban parks in a permanent initiative titled "Lands Legacy," while not including other programs and activities that provide for critical care and maintenance of our Federal lands?

Answer. One of the purposes of the Lands Legacy initiative is to provide tools to States and localities to deal with the loss of open space. The Urban Parks and Recreation Recovery Program does this by rehabilitating parks in distressed urban

communities, ensuring that they remain available to these communities in perpetuity.

The critical care and maintenance of our Federal lands is addressed through the Safe Visits to Public Lands initiative and the 5-year maintenance and construction plans recently completed by the bureaus.

Question. By establishing a permanent funding source for Federal acquisition programs, aren't we by definition committing ourselves to a permanent stream of funding increase for the care and maintenance of those lands-an activity that would not be protected from competition within the budget process?

Answer. Over time, we expect care and maintenance funding to increase somewhat, but most of the lands being acquired do not require large infrastructure expenditures. We believe the Federal acquisition program will actually help us better maintain our lands through the acquisition of inholdings and consolidation of lands. This will help to ensure better overall management of the lands and better ensure their overall care. Also most of the Lands Legacy funds will go to States to acquire and protect non-Federal lands. By assisting States' acquisitions, we can avoid Federal management costs in the future.

Question. Are you at all concerned about the long term impact this might have on our public lands?

Answer. Absolutely, but we are especially concerned about the long-term protection of the Nation's wildlife, habitat, and special places. It is important that we act now to protect and preserve those areas near or within our public lands that are threatened with degradation from urban growth and other development. Being able to purchase those areas now will ensure the protection in the future of their habitat, wildlife, recreation and other values.

Question. Has the Administration submitted legislation to establish the Lands Legacy reserve fund?

Answer. No, language is still under development and we look forward to working with Congress on this and other amendments.

Question. When will it do so?

Answer. The President's fiscal year 2001 Budget is based on a balanced approach that maintains fiscal discipline, eliminates the national debt, extends the solvency of Social Security and Medicare, provides for an appropriately sized tax cut, establishes a new voluntary Medicare prescription drug benefit in the context of broader reforms, expands health care coverage to more families, and funds critical investments for our future, including the Lands Legacy Initiative.

Unfortunately, the fiscal year 2001 congressional budget resolution provides inadequate resources for discretionary investments, and doesn't address the protections for Lands Legacy.

When Congress is ready to address these problems with the overall budgetary framework, the Administration is prepared to work with Congress on amendments to implement the President's Budget, including language to establish a new Lands Legacy category.

Several bills are being considered in Congress that would establish permanent funding streams for lands programs on an even larger scale than is being proposed by the Administration, and for an even wider variety of programs.

Question. Does the Administration support these proposals?

Answer. The Administration strongly believes that now is the time to provide a permanent stream of significant new resources as long as it is in the context of a Balanced Budget. The Lands Legacy Initiative and much of H.R. 701, the Conservation and Reinvestment Act of 1999, support State and community efforts to protect wildlife and local green spaces, reinforce Federal efforts to save natural and historic treasures, and expand efforts at all levels to protect ocean and coastal resources. Such an investment would be both a fit to our children of today and a promise to our children of tomorrow. This priority is reflected in the President's Lands Legacy initiative, which has been submitted to the Congress in each of the past two years.

Question. Why does the Administration budget not include a more expansive proposal such as these?

Answer. Unlike the proposals currently going through Congress, the funds for the Lands Legacy are fully paid for on budget within the context of a Balanced Budget. The important point, however, is that the Administration shares many of the goals of these proposals. We look forward to continuing to work with Members of Congress interested in these funding and program issues during this Congressional session, so that historic conservation legislation within a Balanced Budget framework can be enacted.

LAND ACQUISITION

The administration has proposed a rather large increase over the enacted fiscal year 2000 level for land acquisition. Land acquisition has taken the form of both purchases of land in fee as well as purchasing conservation easements.

Question. As for the additional acreage to be purchased by the federal government in fee, what kind of plans has the Department made for ensuring that the lands will be properly managed by the Department?

Answer. For lands to be considered for acquisition by the Bureau of Land Management, their use must be consistent with existing BLM land use plans (LUPs). Once lands are acquired, they are managed in conformance with existing land use plans prescribed under the Federal Land Management Policy Act and the National Environmental Policy Act. LUPs provide specific management prescriptions for all the public lands within the planning area and are extended to the acquired lands. On occasion, LUPs may need to be amended when new lands are acquired. Because the majority of acquisitions are "inholdings" within larger tracts of BLM-managed lands, LUP amendments are generally not required.

In the Fish and Wildlife Service, funding for operations and maintenance of new refuge lands is incorporated into the annual budget process. Projects to manage these lands are prioritized in the Refuge Operating Needs System (RONS) and compete with projects from the entire Refuge System; there is not currently a separate process for budgeting operations and maintenance expenses associated with new lands. Operation and maintenance needs for new lands are projected for the time at which these lands come into the Refuge System; thus corresponding operation and maintenance funds are requested in the budget years subsequent to the land acquisition appropriation. For example, lands acquired from the fiscal year 2001 land acquisition funding requested for and appropriated in fiscal year 2001 will be incorporated into operations and maintenance requests in fiscal year 2002 and beyond. Preliminary project proposals are required for all new refuges and or/significant refuge expansions. The Director approves all preliminary project proposals. Included in the preliminary project proposal is an estimate of the necessary annual operating and maintenance costs anticipated once the property is acquired.

The National Park Service acquires land that has been identified as essential to a park unit, either because of its natural resource integrity or historical importance. This determination is detailed in the parks' General Management Plan, and the lands that are necessary to be acquired are described in priority order within the park's Land Protection Plan.

Once the land is acquired, it is the responsibility of the NPS to manage the land under the authority, regulations and internal policy which govern the management of resources entrusted to the NPS. Should additional budgetary resources be necessary, it is the responsibility of the NPS to address these issues within available budget allowances or through operational increase requests, as NPS priorities dictate.

Question. In particular, does Fish and Wildlife Service, the Park Service, BLM, and the Forest Service have a coordinated system where each of the Realty Offices work with Operations and Management to ensure that appropriate planning takes place?

Answer. Yes, in the Bureau of Land Management, this coordination occurs in local field offices having the delegated authority to propose land acquisition, conduct planning, and consider outyear operation and maintenance (O&M) costs associated with these potential acquisitions. Land acquisition proposals submitted by field offices are required to include additional short and long term costs associated with each acquisition. Because the majority of acquisitions are "inholdings" within larger tracts of BLM-managed public land, additional O&M costs are typically negligible, as these acquisitions reduce costs to the BLM by eliminating boundary management issues (i.e., maintenance, signage, trespass, etc.).

The Fish and Wildlife Service's Division of Realty (which handles land acquisition) as well as the Division of Refuges (which handles the management of lands acquired) are supervised by the Chief of the National Wildlife Refuge System who reports to the Director of the Fish and Wildlife Service. This organizational structure ensures that there is the appropriate oversight between the acquisition and management of lands for the National Wildlife Refuge System. For each new refuge, FWS will be developing a comprehensive conservation plan (CCP) for the management of the refuge. The National Wildlife Refuge System Improvement Act of 1997 mandates that a CCP be prepared for each refuge within 15 years of establishment. Any comprehensive conservation plan that has a land acquisition component must have an approved preliminary project proposal which includes cost estimates for stewardship of the proposed new land. Also, the final approval of any comprehensive con-

servation plan that includes a land acquisition component can be given only by the Director. The CCP is a blueprint for all the biologic, operational, management, and administrative actions that must take place to make a particular land area into a national wildlife refuge.

For the National Park Service, the initial step in requesting funds to acquire land during a fiscal year lies within the purview of the Superintendent of each park unit. These requests, in priority order as detailed in the park unit's current Land Protection Plan, are submitted through the regional Director to the Land Resources Division. The Land Protection Plan is a component of the General Management Plan which details how an area will be managed to protect its natural and historical resources, as well as the cost of this management over time. This request for acquisition funds to acquired additional land, either in fee simple or an easement, is processed through the Land Acquisition Ranking System, and reviewed by the NPS Washington and Regional directorate. Within available budgetary allowance and as priorities dictate, a funding request for land acquisition is submitted to Congress for approval.

As the land acquisition requirements are being identified and evaluated through the budget cycle, the NPS requires field managers to identify, evaluate and prioritize both recurring and one-time operational requirements at their park. These requirements are contained within two database systems recently developed and implemented by the NPS for budget formulation. The first, the Operation Formulation System (OFS) contains all the unfunded, recurring operational needs of the Service. The other, the Project Management Information System (PMIS) contains all the unfunded, non-recurring project requirements. The NPS issues annual guidance for the update of these two systems. All unfunded needs for the Service, even needs reasonably anticipated to be required several years in the future, are required to be entered into these databases. Requirements resulting from potential land acquisitions should be identified in OFS and PMIS at the time the acquisition is identified and proposed.

At present, records in the OFS database can be linked to maintenance projects in PMIS. This allows, for example, recurring operational requirements resulting from a specific line-item construction request to be associated directly with the project. In doing so, the NPS is trying to ensure that the full cost associated with a particular action be taken into account when decisions are made to proceed. This approach also ensures that, at the appropriate time, funding is requested to protect the Federal investment and to allow full operation of the new or rehabilitated facility. Similarly, in a future version of OFS under development, the Service intends to require a link form an OFS operating increase record to the specific, associated land acquisition project. Effective utilization of this process will help to ensure that appropriate management and budgetary planning take place when land is acquired

RECREATION FEE DEMO

Information provided by your department indicates that the recreation fee demonstration program will generate $170 million in revenues for participating Interior bureaus in the current fiscal year.

Question. How has this program benefited the land management agencies for which you are responsible?

Answer. For the National Park Service, fee revenues retained since the inception of the Recreation Fee Demonstration Program through March 2000 have totaled over $350 million. Of these receipts, over $170 million has been obligated. A total of 2,443 projects have been approved for obligation. These projects include maintenance for roads, trails, infrastructure and buildings, safety related improvements, resource management projects, interpretive projects, shuttle systems and new enhanced services for visitors.

Question. What specific lessons has the Department learned with regard to implementation of the fee program?

Answer. Most critically, the success of the program has clearly demonstrated the need for permanent authorization of the program to allow agencies to think more strategically and implement long range programs and policies. Many projects are of such magnitude that agencies need to be confident of the availability of funding in future years. The assurance of funding from a permanent program would also aid agencies in their ability to plan, research and fund new technologies, revamp old accounting systems, and invest in capital improvements that could support the collection of fees in more efficient, modern methods.

Experience gained during the implementation of the program has indicated that the public is supportive of fees. Responses to surveys attest to the fact that park visitors are generally satisfied with entrance fees, the quality of park attributes and

the process of entering parks. The majority felt that entrance fees were "about right" or "too low" (89 percent of those surveyed).

In addition, visitation to recreation sites participating in the Recreational Fee Demonstration Program continues to appear unaffected in any significant way by new fees. Statistics show that visitation at Recreational Fee Demonstration Program sites has remained relatively constant.

Question. How could the authorities provided in the current program be improved?

Answer. The NPS believes the current authorities governing the fee program could be improved through the following means:

—The passage of permanent authority to allow for adequate planning and program/policy development, and the extension of the authority to all sites, deemed appropriate within each agency.

—Greater flexibility in the distribution of revenues. For example, a formula that would provide no less than 60 percent to the collecting park, with other revenues to be distributed at the discretion of the Director, should be considered. This would enable more funds to be available to those parks that do not participate in fee collection. There are critical issues at these parks that must be addressed and the authority could provide an excellent means of doing so.

—The ability to revamp and redesign the Golden Eagle Passport program.

—The authority to establish new fee rates, new fee structures, new agency specific passes (no imposed caps).

—Partnerships designed to collaborate fee collection and revenue sharing programs with other entities (counties, states, other Federal agencies, and cities).

As you are aware, the recreation fee demonstration program is set to expire at the end of fiscal year 2001. The President's budget assumes the program will be made permanent.

Question. Does the Administration intend to submit specific legislation proposing to make the program permanent? If so, when? If not, why not?

Answer. Yes. A draft bill was developed by an interagency workgroup composed of USFS, USFWS, BLM and NPS. The language is broad, in an effort to meet the needs of the various agencies.

Question. What would be the impacts on the Department of the Interior if the program were not continued after fiscal year 2001?

Answer. A significant revenue source, which is allowing the NPS to address deferred maintenance and other project needs, would be removed, and the NPS would be forced to rely more heavily on appropriations. Use of new technologies in fee collection, such as automated machines, the expansion of the reservation system to new parks and the purchase of new equipment would be curtailed.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Answer. Within the Department of the Interior, strategic goals are derived from the bureau and departmental missions and programs. All goals in the Department support achievement of one or more of Interior's five strategic goals:

—Protect the Environment and Preserve Our Nation's Natural and Cultural Resources

—Provide Recreation for America

—Manage Natural Resources for a Healthy Environment and a Strong Economy

—Provide Science for a Changing World

—Meet Our Responsibilities to Indian Tribes and our Commitments to Island Communities

Annual performance goals are the annual increments of accomplishment toward achieving the strategic goals. The program activities in our annual performance plans are linked to our budget requests. Our goals are grouped as "GPRA program activities," and these are linked to the budget accounts in a manner that shows which GPRA program activities are funded from that account.

Question. Could you describe the process used to link performance goals to your budget activities? What difficulties, if any, did you encounter, and what lessons did you learn?

Answer. Generally, the funding in the annual budget request is allocated among the goals so that the annual performance plan accounts for 100 percent of the budget request. The annual performance plans of all Interior bureaus contain cross-walk tables that show how budget activities and sub-activities link to the GPRA program activities. Funds from a budget activity may support one or more GPRA program

activities. As we gain experience under GPRA, we can allocate the budget resources to GPRA program activities with greater precision and confidence.

Question. Does the agency's Performance Plan link performance measures to its budget? Does each account have performance measures?

Answer. All of Interior's bureaus link their annual performance plans to their budgets. The link is shown by cross-walk tables that display how the funds requested in the budget activities and sub-activities are allocated to GPRA program activities. The cross-walk tables are necessary because in Interior's budget structure, the budget activities and the GPRA program activities are not always in alignment. In two bureaus, the Office of Surface Mining and the Bureau of Indian Affairs, the GPRA program activities level align with the budget activities. For other bureaus there is not a one to one correspondence between performance measures and budget activities. Funding for one activity may support several different GPRA program activities.

Question. To what extent does your performance planning structure differ from the account and activity structure in your budget justification? Do you plan to propose any changes to your account structure for fiscal year 2001? Will you propose any changes to the program activities described under that account structure?

Answer. For most Interior bureaus, the performance planning structure and the budget account and activity structure are not the same. As mentioned previously, the Office of Surface Mining and Bureau of Indian Affairs have budget activities that relate closely to their performance goals. For other bureaus, the GPRA program activities do not align with the budget structure. However, all our annual performance plans provide cross-walk tables to link funding allocations to GPRA program activities. The Department did not propose a change to our account structure in the fiscal year 2001 budget justifications and has no plan to do so for the fiscal year 2002 budget.

Question. How were Performance Measures chosen? How did the agency balance the cost of data collection and verification and validation with the need for reliable and valid performance data? Does your 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 performance goals and measures used by the Department were developed through an iterative process begun in 1996 and continuing today. In fiscal year 1997, Interior formed a Performance Management Council (PMC) to develop guidelines for preparing strategic plans and annual performance plans. Many bureaus established work groups with program offices to develop the initial set of performance measures, or solicited appropriate measures from program offices and from the organization at large. The proposed measures were then evaluated for how relevant, reliable, available, and outcome oriented the performance indicator was. The Department has encouraged bureaus to use goals relevant to their mission, use outcome-oriented measures rather than output measures, and have reliable data sources for the measure. The initial goals were included in the 1997 Strategic Plan, and the goals and measures have been adjusted as needed on an annual basis. Today, most bureaus use leadership teams consisting of top level managers from program areas and subject matter experts to review and revise goals.

To balance the costs of data collection and verification with the need for reliable data, in the initial development of GPRA goals and measures, the Department encouraged bureaus to have goals and measures that could use, to the extent practicable, existing data sources and systems. Some bureaus, like the National Park Service (NPS) used the criteria of relevant, reliable, and available to ensure that the most cost-effective measures were selected. All bureaus continue to assess the value of their goals and measures as indicators of program performance and in the context of what information is needed to make management decisions.

We have completed and submitted the fiscal year 1999 program performance report due in March 2000. Department-wide we measured progress on nearly 300 performance measures. Our reports show that we had annual performance data for about 97 percent of our measures, and we reported on our verification and validation efforts related to each goal. We continue to assess data reliability through ongoing reviews and evaluations.

Question. What are the key performance goals from your fiscal year 2000 Annual Performance Plan that you recommend this subcommittee use to track program results? For each key annual goal, indicate whether you consider it to be an output measure ("how much") or an outcome measure ("how well"). State the long-term (fiscal year 2003) general goal and objective from the agency Strategic Plan to which the goal is linked.

Answer. The broad and varied missions carried out by Interior's bureaus are difficult to track through a short list of key measures. Our bureaus consider all of the

performance goals in their annual performance plans to be key goals for tracking program results. For fiscal year 2001, the Department has prepared an annual performance plan overview to highlight key performance measures under each of Interior's five strategic goals. Many of these performance measures are drawn from the individual bureau plans. The fiscal year 2001 overview includes a summary table of our fiscal year 2000 goals, showing the revised long-term goal (see below).

DEPARTMENT OF THE INTERIOR FISCAL YEAR 2000 ANNUAL PERFORMANCE PLAN GOALS AT-A-GLANCE TABLE [1]

Long-term goal	Fiscal year 2000 annual performance goal
Goal 1.—Protect the Environment and Preserve Our Nation's Natural and Cultural Resources	
Restore the Health of Public Lands	Acres of Land Restored: In fiscal year 2000, 2,465,000 acres of mined lands, refuges, park lands, and forests will be restored or enhanced.
Restore the Health of Public Lands	Hazardous Waste Sites Restored: In fiscal year 2000, increase the cumulative number of restoration projects to 75, increase the cumulative number of damage assessments resulting in settlements to 145, and to increase the cumulative percentage of funds received into the Restoration Fund equal to 205 percent of the cumulative annual appropriations.
Maintain Healthy Natural Systems	South Florida Ecosystem: In fiscal year 2000, Federal agencies participating in the South Florida task force will acquire approximately 26,000 acres of land in the South Florida ecosystem, and the State of Florida will acquire approximately 99,042 acres of land in the South Florida ecosystem, of which 3,755 will be acquired with funding provided through the Department of the Interior.
Maintain Healthy Natural Systems	Fire Management: By 2000, restore natural ecological processes by increasing the use of fire (wildland and prescribed) and other land treatment to 1.0 million acres.
Protect and Recover Imperiled Species	Species Protected: In fiscal year 2000, 197 of 568 species populations listed a decade ago or more are improving or stable, 57 species are approved for removal from candidate or proposed status, 57 of 442 species in park areas show improved status, and 80 of 442 species in park areas have stable status.
Protect and Restore Cultural Resources	Cultural Resources in Good Condition: At the end of fiscal year 2000, 47 percent of 23,167 historic structures are in good condition and 35.2 percent of 236 cultural landscapes are in good condition against baseline.
Goal 2.—Provide Recreation for America	
Provide quality experiences to visitors on federal lands and facilities.	Visitor Satisfaction Rate: Fiscal year 2000 target levels are 95 percent satisfaction for NPS visitors, and 93 percent satisfaction for BLM visitors.
Provide for Safe Visits to Public Lands	Visitor Accident/Incident Rate: The fiscal year 2000 target is to reduce the NPS visitor accident/incident rate to 8.82 incidents per 100,000 visitor days.
Goal 3.—Manage Natural Resources for a Healthy Environment and a Strong Economy	
Ensure Environmentally Sound Development	Authorize Sustainable Grazing and Timber Production: In fiscal year 2000, authorize 3,456 livestock grazing allotments, and attain power production costs per Megawatt that rank in the upper 25th percentile (ranked lowest cost to highest) for comparable hydropower facilities.
Ensure Environmentally Sound Development	Pacific Northwest Forest Plan: In fiscal year 2000, offer 211 mmbf of timber for sale, and restore 35,000 acres of forested lands.
Manage Resources to Ensure Economic Viability and Sound Management of Mineral Receipts.	Fair Return of Value to the Public on Minerals: In fiscal year 2000, maintain the current high bids received for OCS leases to MMS estimated value ratio of 1.8 to 1 and ensure payments are at least 90 percent of the expected value at the due date for 35 percent of properties.

DEPARTMENT OF THE INTERIOR FISCAL YEAR 2000 ANNUAL PERFORMANCE PLAN GOALS AT-A-GLANCE TABLE [1]—Continued

Long-term goal	Fiscal year 2000 annual performance goal
Goal 4.—Provide Science for a Changing World	
Add to the Environmental and Physical Science Knowledge Base.	Improve Environmental and Natural Resource Information: In fiscal year 2000, provide and improve long-term environmental and natural resource information, systematic analysis, and investigations about natural systems by maintaining 46 long-term data collection/data management efforts, and develop 6 new decision support systems and predictive tools.
Increase Hazard Knowledge and Warning	Improve Prediction and Monitoring of Hazardous Events: In fiscal year 2000, deliver to customers 10 Risk Assessments of areas particularly vulnerable to natural disaster to mitigate loss, and increase to 900 the cumulative number of real-time earthquake sensors.
Goal 5.—Meet Our Trust Responsibilities to American Indians and Our Commitments to Island Communities	
Protect Indian Trust Assets	Protect Natural Resource Assets: In fiscal year 2000, 95 percent of requests for Technical Assistance for Mineral Operations on Indian lands will be completed, and 16 dams (cumulative) will have repair construction completed.
Protect Indian Trust Assets	Protect Fiscal Resources for Tribes and Indians: By the end of fiscal year 2000, facilitate the growth of Trust income by processing 37,000 trust transactions for Tribal and individual Indian land owners, and have all of BIA Regional Offices (12) using both the Trust Funds Accounting System (TFAS) to ensure accurate accounting, collection, investment, and disbursement of Tribal and individual Indian trust funds; and the Trust Asset and Accounting Management System (TAAMS) to ensure that land title ownership information is current and accurate and that income derived from these lands are properly collected and allocated.
Improve the Indian Quality of Life	Improve Facilities and Services: In fiscal year 2000, 1,348 housing applicants will receive repair and replacement work on homes, 5,700 (cumulative) miles of existing BIA system roads will be maintained, and 25 Tribes will operate comprehensive welfare plans.
Improve the Indian Quality of Life	Improve Indian Education: In fiscal year 2000, to improve the quality of education, 100 percent of schools will be accredited, 47 percent of students will be proficient in Math and 45 percent of students will be proficient in Language Arts, and 1,000 new/replacement computers (cumulative) will be provided for classroom use.
Improve Management of Island Communities	Improve Government Services: In fiscal year 2000, financial management improvement plans will be completed for 5 of the 7 insular governments, and the ratio of OIA-funded projects completed to projects started will increase to 0.45.
Goal 6.—Managing for Excellence and Accountability	
Lead People to Succeed	Increase in Diverse Workforce Representation: Diverse representation in Interior's workforce will increase by at least 2.1 percent from 1997 levels.
Lead People to Succeed	New Training and Development Programs: Develop and implement at least 1 new training program.
Provide the Services and Technology to Manage	Amount of Purchase Card Transactions: Purchase card transactions will exceed $333 million.
Provide the Services and Technology to Manage	Museum Objects Inventoried: Accurately inventory 2 million museum objects (for a cumulative total of 43.7 million)
Ensure Financial and Managerial Accountability	Number of Unqualified (clean) Audit Opinions: Achieve unqualified (clean) audit opinions for Interior's eight bureaus, the Office of the Secretary, and the Department's consolidated financial reports.
Ensure Financial and Managerial Accountability	Resolution of Material Weaknesses and Management Risks: Complete implementation of 65 percent of OIG and GAO audit recommendations within 1 year of referral, and complete 70 percent of corrective action plans for material weaknesses by their original target date.

DEPARTMENT OF THE INTERIOR FISCAL YEAR 2000 ANNUAL PERFORMANCE PLAN GOALS AT-A-GLANCE TABLE [1]—Continued

Long-term goal	Fiscal year 2000 annual performance goal
Provide Safe and High Quality Places of Work	Facilities Maintenance and Capital Improvements: Complete 30 percent of repair and construction projects funded through the Department's Five-year Facilities Maintenance and Capital Improvement Plan by the end of the funding fiscal year, complete 70 percent by the end of the second year after funding, and 95 percent after the third year.
Provide Safe and High Quality Places of Work	Completion of Environmental Audits: Complete initial environmental audits of 70 percent of all Interior facilities (cumulative).

[1] Source: DOI 1999 Annual Performance Report/fiscal year 2001 Annual Performance Plan.

Question. In developing your Annual Performance Plan, what efforts did your agency undertake to ensure that the goals in the plan include a significant number of outcome measures?

Answer. In fiscal year 1997, Interior formed a Performance Management Council (PMC) to develop guidelines for preparing strategic and annual performance plans and annual performance reports. The PMC, led by the Department's Office of Planning and Performance Management and consisting of GPRA representatives from all DOI bureaus, was Guided by Office of Management and Budget (OMB) Circular A–11. The PMC met regularly to insure that bureaus were developing a significant number of outcome goals/measures in their strategic and annual performance plans. Comments from the General Accounting Office and OMB on the DOI agency's strategic and annual performance plans were helpful in guiding agencies to make the gradual transition from output goals/measures to outcome goals/measures.

Question. Do you believe your program managers understand the difference between goals that measure workload (output) and goals that measure effectiveness (outcome)?

Answer. We believe that most of Interior's program managers are familiar with the differences between output measures and outcome measures for goals. Our planning staff in the Department and in the bureaus work with program managers to define, to the extent possible, appropriate outcome goals and measures.

Question. What are some examples of customer satisfaction measures that you intend to use? Please include examples of both internal and external customers.

Answer. Several of our bureau annual performance plans already include customer satisfaction measures, and the Department is asking all bureaus to define customers and develop customer satisfaction measures. Those already in place for fiscal year 2000 or planned for fiscal year 2001 are:

Bureau	Customer measured	Performance goal and measure
	Goals in place for fiscal year 2000	
Bureau of Land Management	External	In fiscal year 2000, 93 percent of recreational users are satisfied with the quality of their recreation experience on the public lands, and 84 percent are satisfied with BLM's interpretive and environmental education at Special Recreation Management Areas.
Bureau of Reclamation	External	In fiscal year 2000, complete a report of recommended business practices for customer service benchmarking and initiate up to five process improvement efforts.
U.S. Geological Survey	Internal and External.	In fiscal year 2000, establish customer satisfaction baseline (for both their hazards science and environment and natural resources goals).
National Park Service	External	Visitor Satisfaction: In fiscal year 2000, maintain 95 percent of park visitors satisfied with appropriate park facilities, services, and recreational opportunities.
		Legislated Partnership Customer Satisfaction: In fiscal year 2000, 90 percent of users are satisfied with historic preservation-related technical assistance, training, and educational materials provided by NPS.
	Goals proposed to be in place for fiscal year 2001	
Minerals Management Service	External	For 2001: Have a goal in place for customer satisfaction with information and data provided by MMS.

Bureau	Customer measured	Performance goal and measure
Bureau of Indian Affairs	External	For fiscal year 2001: develop survey tools and methods.
Office of Insular Affairs	External	In fiscal year 2001: increase insular government's satisfaction regarding communications with the Federal Government over baseline established in fiscal year 2000.

The Department is also considering using balanced measures that will consider both employees and customers. Existing and future employee satisfaction survey results will help Interior and bureaus establish baselines performance targets.

Question. How were the measurable goals in your fiscal year 2000 Annual Performance Plan used to develop your fiscal year 2001 budget? If a proposed budget number is changed, up or down, by this committee, will you be able to indicate to us the likely impact the change would have on the level of program performance and the achievement of various goals?

Answer. The goals for fiscal year 2000 were used as baseline information to help develop the fiscal year 2001 Annual Performance Plan and the fiscal year 2001 budget. The fiscal year 2000 performance targets were adjusted to reflect the fiscal year 2000 enacted budget, and become the performance base for planning and for showing changes in performance based on the fiscal year 2001 budget proposal.

If a proposed budget number is changed up or down, depending on the magnitude of the change and the budget activity affected, we would be able to indicate the likely impact the change would have on the level of program performance and the achievement of one or more goals.

Question. Do you have the technological capability of measuring and reporting program performance throughout the year on a regular basis, so that the agency can be properly managed to achieve the desired results? If so, who has access to the information—senior management only, or mid- and lower-level program managers, too? Are you able to gain access easily to various performance-related data located throughout your various information systems?

Answer. In 1999, the Department developed a quarterly data reporting system to track progress in achieving GPRA goals. Interior bureaus are required to electronically submit performance data on a quarterly basis to the Department. The data is then reviewed and entered into a central database containing all Department and bureau performance data. The quarterly submittal schedule provides the ability to measure progress toward individual performance goals throughout the annual performance reporting period. The database is presently being upgraded to allow bureaus to provide updates through the Internet. Bureau and Department managers will be able to access performance information on a continuous basis through this system. In addition to this quarterly data reporting system, program managers in Interior bureaus and offices have access to their internal management information systems.

Question. The Government Performance and Results Act requires that your agency's Annual Performance Plan establish performance goals to define the level of performance to be achieved by each program activity set forth in your budget. Many agencies have indicated that their present budget account structure makes it difficult to link dollars to results in a clear and meaningful way. Have you faced such difficulty? Would the linkages be clearer if your budget account structure were modified? If so, how would you propose to modify it and why do you believe such modification would be more useful both to your agency and to this committee than the present account structure? How would such modification strengthen accountability for program performance in the use of budgeted dollars?

Answer. In 1997, the Office of Surface Mining (OSM) revised their budget structure to align their GPRA mission goals. Subsequently, OSM's GPRA goal structure was revised but remains linked to their budget. The Bureau of Indian Affairs has aligned their GPRA goal structure to link to their existing budget account structure. Interior's other bureaus have not aligned their goal structure to their budget structure; however, each bureau's annual performance plan links budget dollars to GPRA program activities through a cross-walk table. The crosswalk tables show to the account, and in some cases the sub-account level, how the budget dollars are linked to GPRA program activities (goal categories).

Initially, allocating budget resources to GPRA program activities was difficult because there was no clear understanding of the resources and work efforts related to goals. Although some bureau budget structures are aligned with performance goals, most budget activities are aligned with the organizational structure of the bureaus, their missions, and programmatic themes, and the bureaus are accountable for program performance within this structure. The linkage of budget dollars to the

GPRA program activity level has been technically challenging, but as we benefit from more experience, we gain confidence in allocating the amounts.

A budget structure that is aligned with goals could reduce the ambiguity in relating budget initiatives to results. However, the Department is not prepared to propose such a change until we have more experience, and until such time as we have a set of GPRA goals and measures that are settled and stable from year to year. Such a change would need to be carefully coordinated with appropriations committees to ensure that a revised account structure was beneficial to the budget process and Congressional decision making.

Question. Spending significant resources on performance measurement systems appears to be a wasteful exercise if this information is not linked to: (1) real data about what it costs to perform various government functions, and (2) how to allocate agency resources to perform these functions. Could you comment on your agency's cost accounting expertise and plans to link GPRA to the budget process.

Answer. Each bureau of the Department operates separate cost accounting systems which capture budget execution and cost accounting information. Depending on their cost accounting needs, some of the bureaus are further developed in this area than others. Cost accounting has been performed in the Department for some time—well prior to the FASAB standard—to meet various management requirements. Interior has a significant number of user fee programs and has used cost accounting principles and concepts to price the products/services it provides in order to recover the relevant costs. Taken as a whole, the Department has cost accounting expertise due to the significance of user fee activities, working capital funds, and the Interior Franchise Fund.

Interior's annual performance goals are already linked to the budget through a GPRA program activity structure. An estimate of the resources from the various budget accounts associated with each GPRA program activity is presented in the annual performance plan. Bureaus include the annual performance plan as a section in their budget justifications.

Question. Under one of the new accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB) and issued by OMB, this year for the first time all federal agencies are required to have a system of Managerial Cost Accounting. The clearly preferred methodology for such a system, as stated in that standard, is the one known as "Activity-Based Costing," whereby the full cost is calculated for each of the activities of an agency. What is the status of your agency's implementation of the Managerial Cost Accounting requirement, and are you using Activity-Based Costing? Will you be able in the future to show to this committee the full and accurate cost of each activity of each program, including in those calculations such items as administration, employee benefits, and depreciation? By doing so, would we then be able to see more precisely the relationship between the dollars spent on a program, the true costs of the activities conducted by the program, and the results of these activities? Will you be able to show the per-unit cost of each activity and result? To what extent do the dollars associated with any particular performance goal reflect the full cost of all associated activities performed in support of that goal? For example, are overhead costs fully allocated to goals?

Answer. All bureaus of the Department have cost accounting systems and processes in operation. The FASAB Standard does not require the use of a particular type of cost system or costing methodology. The standard specifically states "It is too early to tell which cost systems are best for specific types of operations. As experience and research in cost accounting progress, reporting entities and responsibility segments may find a preferred costing methodology for their operations." Federal agencies are encouraged to study "Activity-Based Costing" because it has been successfully used in the private sector. However, there are other acceptable methods under the standard. Within Interior, we use direct tracing of costs, job order costing, process costing, cost finding and activity-based costing methods. These methods are used based on the nature of the activity and the current availability of costing systems/software. One bureau of the Department, the Bureau of Land Management, does use activity-based costing extensively.

In terms of the status of implementation of the Managerial Cost Accounting requirements, Interior has spent a great deal of time and effort in meeting the external reporting requirements of the standard that require cost information to be reported at the responsibility segment level. We have linked the responsibility segments directly to the GPRA program activity costs. Our thrust in fiscal year 2000 and beyond will move more in the direction of internal management reporting.

Question. Please identify any significant regulatory reform measures that have been put into place by your agency in conjunction with the development of the agency's performance plan.

Answer. As a result of regulatory reform efforts, some of Interior's goals have been changed. For example, in response to Executive Order 12862 on Setting Customer Service Standards, the Bureau of Land Management examined its levels of customer service and later modified performance goals to better reflect delivery of services to the public. In fiscal year 1999, the Minerals Management Service revised its final electronic reporting rule because of stakeholder comments, even though the change adversely affected MMS's ability to meet one of the goals in its fiscal year 1999 Annual Performance Plan. The revision deleted a proposed requirement to electronically report production on a form that is scheduled to be eliminated by reengineering the royalty management program in fiscal year 2001.

Question. Does your fiscal year 2000 performance plan—briefly or by reference to your strategic plan—identify any external factors that could influence goal achievement? If so, what steps have you identified to prepare, anticipate, and plan for such influences? What impacts might external factors have on your resource estimates?

Answer. Interior's fiscal year 2000 annual performance plan include discussions of strategic issues either for each bureau or for GPRA program activities. Some of the strategic issue discussions include references to external factors or references to what is happening in the program operating environment.

Question. Through the development of the Performance Plan, has the agency identified overlapping functions or program duplication? If so, does the Performance Plan identify the overlap or duplication?

Answer. In fiscal year 1997, a Performance Management Council (PMC), led by the Department's Office of Planning and Performance Management (PPM) and consisting of GPRA representatives from all DOI bureaus, was formed to develop guidelines for preparing strategic and annual performance plans and annual performance reports. Throughout the development of the strategic and annual performance plans, the PPM Office continuously reviews the bureau's strategic and annual performance plans and identifies any program duplications. Also, the bureau GPRA representatives regularly review the strategic and annual performance plans of the other DOI agencies for potential duplication.

The following is an example of a broad crosscutting effort among various agencies to eliminate program reporting duplication.

The Administration, through the Clean Water Action Plan, directed agencies with wetland programs and responsibilities to develop an interagency tracking system that will more accurately account for wetland loss, restoration, creation, and enhancement by October 1999. The agencies were tasked with identifying their contributions toward the Administration's goal of 100,000 acres net-gain of wetlands annually by the year 2005. To meet this long-term goal, a White House Wetlands Working Group was formed to develop consistent definitions for wetland restoration, enhancement, and creation. The Group consisted of representatives from 16 civilian and military departments/agencies. Each agency/department has specific statutory wetlands functions. The Department of the Interior was represented by the Fish and Wildlife Service, the Bureau of Land Management, the Bureau of Reclamation, and the National Park Service. The Group met regularly during fiscal year 1999, and established five categories of wetland conservation activities, Establishment, Re-establishment, Rehabilitation, Enhancement, and Protection/Maintenance.

To assure consistent application of these categories, definitions of the categories and beginning conditions of project acres were determined. These definitions were used to establish a tracking system that will account for agency contributions toward meeting the Administration's long-term goal. To avoid multiple counting of wetlands conservation activities, specific reporting mechanisms were created for project areas done in cooperation with other funding partners. This interagency tracking system will ensure that duplication in reporting wetlands accomplishments will not occur among various bureaus/departments.

Question. Should agencies address management challenges and potential duplication of overlapping functions in their GPRA plans, and if so, how?

Answer. Agencies should address management challenges in their annual performance plans if they have goals and measures related to resolution of the management issue. As management challenges and risks may be identified every year and are continually being resolved, it is not appropriate to address management challenges in the strategic plan because of their three-year revision cycle and five-year planning horizon. Potential duplication and overlap of program functions can be identified in the annual performance plan as part of the discussion of crosscutting issues.

Question. To what extent has GPRA been used by agency leadership to guide decision making? Will this increase in the future, and, if so, in what ways?

Answer. The information and performance measures in our GPRA documents are increasingly being used to guide decisionmaking and manage programs. As part of

Interior's fiscal year 2001 budget process, all funding initiatives had to include information about anticipated additional levels of performance and accomplishments. Incremental increases in performance are part of the decision making information used in working with OMB on Interior's funding requests. Starting in fiscal year 1998, the Department has held mid-year performance review meetings with bureau leadership to assess reported progress in achieving GPRA goals. GPRA will prove more valuable in the future as our performance data systems become more robust, as we develop activity based cost accounting associated with GPRA goals, and as trend information is becomes available.

Question. Future funding decisions will take into consideration actual performance compared to expected or target performance. Given that: To what extent are your performance measures sufficiently mature to allow for these kinds of uses? Are there any factors, such as inexperience in making estimates for certain activities or lack of data, that might affect the accuracy of the resource estimates?

Answer. The maturity of performance measures varies bureau by bureau. Some bureaus, such as the NPS, have many goals and performance measures that have been used for several years. In other bureaus, some goals and measures are newly developed while others continue to be refined. Based on the fiscal year 1999 reported results, we estimate that approximately 70 percent of our goals are sufficiently mature to accurately compare expected and actual performance. However, we are concerned with the use of performance results from any single year in funding decisions. We believe that multiple year trend data is more valid and valuable for decisionmaking because it tends to eliminate single year aberrations like weather, legal issues, program adjustments, and the effects of funding obligations across fiscal years.

We learned a great deal as a result of preparing the first GPRA program performance report for fiscal year 1999, and that information was used to revise goals for the fiscal year 2001 annual performance plan and for ongoing revisions to our strategic plans. For new goals, goals with revised performance measures, or goals with updated baselines, our ability to establish precise performance targets may be limited. In these situations, it may not be possible to accurately relate budget resources to projected levels of performance. As noted in the question, this is largely due to inexperience with projecting target results for new goals or revised goals.

Question. Are you requesting any waivers of non-statutory administrative requirements? Specifically, are you requesting any relaxation of transfer or reprogramming controls in return for specific accountability commitments?

Answer. No, we are requesting no waivers.

Question. Based on your fiscal year 2000 performance plan, do you see any need for any substantive revisions in your strategic plan issued on September 30, 1997?

Answer. The OMB A–11 guidance calls for our strategic plans to be revised by September 30, 2000. When compared with the first strategic plan published by Interior in September 1997, these revised strategic plans will include substantive revisions. However, as permitted under GPRA, Interior has used the annual performance plans for fiscal year 1999, fiscal year 2000, and fiscal year 2001 to make minor revisions to our strategic plans every year. Taken cumulatively, there are substantive changes. For example, the Department has changed from having ten commitments in the 1997 strategic plan to having five goals. Many of our bureau's goals have been revised, added to, or dropped through this process. These changes—revisions to goals, revised performance measures and targets—are all based on continuous learning as we implement GPRA.

PERFORMANCE AWARDS

Question. Please provide for the record a table displaying, by bureau, the total number and dollar amount of performance awards provided to departmental employees for the most recent two years which data is available.

Answer. The data requested is displayed in the table provided below.

NUMBER AND AMOUNT OF PERFORMANCE AWARDS IN FISCAL YEAR 1998 AND 1999

[Amounts in whole dollars]

Bureau	Fiscal year 1998			Fiscal year 1999		
	Number	Amount	Average amount	Number	Amount	Average amount
Bureau of Land Management	7,198	$5,485,703	$762	6,613	$5,432,112	$821
Minerals Management	2,279	1,895,359	831	2,552	2,205,440	864
Office of Surface Mining	408	323,767	793	691	607,676	879

NUMBER AND AMOUNT OF PERFORMANCE AWARDS IN FISCAL YEAR 1998 AND 1999—Continued

[Amounts in whole dollars]

Bureau	Fiscal year 1998			Fiscal year 1999		
	Number	Amount	Average amount	Number	Amount	Average amount
U.S. Geological Survey	5,261	5,075,285	965	6,589	6,525,618	990
USGS, Biological Res. Div.	515	576,358	1,119	.....	.....	.....
Fish and Wildlife Service	7,409	7,089,315	957	8,272	7,950,075	961
National Park Service	6,702	4,519,260	674	8,298	6,319,973	761
Bureau of Indian Affairs	2,658	3,477,962	1,308	2,316	3,222,559	1,391
Departmental Management	861	821,673	954	839	997,904	1,189
Office of the Solicitor	181	175,388	968	116	131,487	1,133
Office of the Inspector Gen.	69	102,893	1,491	93	145,381	1,563
Total	33,541	29,542,963	881	36,379	33,538,225	922

LEAVE NO TRACE

Field level managers consider Leave No Trace an effective resource management tool, viewing an educated public as an efficient means to protect and preserve the resources while enabling compatible use and enjoyment. Historically, the Congress has supported education as an effective management tool.

Question. In terms of dollars, human resources and time, what is your agency's involvement and commitment to the Leave No Trace ethics program?

Answer. The U.S. Bureau of Land Management (BLM) has been an equal partner in cooperation with the USDA Forest Service (USFS) in the Leave No Trace program. To provide continuity, credibility, and overall depth, BLM and the USFS partnered with the National Outdoor Leadership School (NOLS) to develop a "Master of Leave No Trace" training program and establish NOLS as the provider of the education component.

BLM was the first federal agency to establish a full time National Coordinator for the Leave No Trace and Tread Lightly Outdoor Ethic programs. BLM's National Coordinator worked closely with NOLS in the development of educational materials and in training of agency personnel as "Masters of Leave No Trace." BLM provides 12 scholarships annually for personnel to take the "Masters" course. To date, some 120 BLM personnel have become "Masters" through this program. BLM selected State Leave No Trace Coordinators from these "Masters" who have demonstrated their commitment to the program. State Coordinators distribute Leave No Trace educational materials and train over 79,000 people annually. It is also BLM's goal is to have a "Master" in every field office to reach even more of the public.

Desiring to see the program expand into the private sector and become more self sufficient, BLM worked with the USFS to create a private nonprofit organization (Leave No Trace, Inc.), to administer the Leave No Trace program. The BLM National Coordinator serves as an advisor to the private organization's Board of Directors. An Education Review Committee was established within Leave No Trace, Inc. The BLM National Coordinator is a member of that committee, which meets every three months.

The BLM Leave No Trace Coordinator takes the lead every third year to develop and administer and interagency coordinators meeting among BLM, USFS, National Park Service and US Fish and Wildlife Service state, regional and refuge coordinators to keep everyone informed and enthused about the Leave No Trace program.

To increase the awareness and use of Leave No Trace within the 4.2 million Scouts and 1.2 million scout leaders in the Boy Scouts of America (BSA), BLM developed a "Leave No Trace Awareness Award" within the BSA. It is now a recognized national BSA award for Scouts and Scout leaders. BLM also coordinates a special training effort each year for all the Boy Scout staffs at the National Philmont and Northern Tier Canoe Base (Boundary Waters).

Question. How much money does your agency spend annually on the Leave No Trace program? What is the agency's historical expenditure on the Leave No Trace program? How do these amounts, historical and current, compare with other major public education programs within the agency? (For example: Smokey Bear and Woodsy Owl.

Answer. U.S. Bureau of Land Management spends $155,000 annually to support the National Coordinator position, State Coordinator, educational materials and training for Masters of Leave No Trace. BLM spends an additional $297,000 for

work month support of the "Masters of Leave No Trace" for their work within the program. These expenditures combined reflect an annual expenditure of $452,000.

BLM's real involvement within the Leave No Trace program began in the late 1980's with a few thousand dollars to purchase USFS Leave No Trace posters and brochures. By 1992 when the BLM's Washington Office established a Leave No Trace National Coordinator position, $70,000 was being spent in support of the program. By 1995, the use and distribution of many new educational materials, establishment of State Coordinators and support of several "Masters" saw the expenditures reach $115,000. The support dollars have risen proportionately from 1995 as the additional "Masters" have been trained and work to support the program.

In answer to the last part of this question, Smokey the Bear and Woodsy Owl are mascots for issue-specific public education campaigns administered by the U.S. Forest Service. Within the agency, Leave No Trace is the BLM's pre-eminent public education program from which all other bureau public education programs are based. As a general rule, these other programs are not tracked for comparison purposes since they are limited to specific geographical areas.

Question. What is your agency doing to establish Leave No Trace as a recognized resource for the manager? For the public?

Answer. State Leave No Trace Coordinators and "Masters of Leave No Trace" within our field offices are meeting with managers and field personnel to show and demonstrate to them how utilizing the principles of Leave No Trace can encourage the public to minimize their impacts on the land. Managers and field specialists are also being shown how Leave No Trace principles can be utilized as stipulations for all types of activities and resource uses on public lands.

The Leave No Trace program has been integrated into several training courses for managers and field specialists to further recognize and emphasize Leave No Trace as a viable tool for land resource management and land stewardship education. The steadily increasing number of individual field specialists who are becoming masters also helps managers see what an important resource this is. Before field specialists are permitted to take a "Master of Leave No Trace" Course, their managers must agree to allow them to have the time to implement the program within the field office.

The establishment of State Leave No Trace Coordinators in each state, and the goal of having a "Master" in every field office is helping to demonstrate and recognize this important tool for management of natural resources on public lands.

BLM is helping the publics we serve recognize Leave No Trace as a resource for preserving and enhancing public lands through a variety of means. One of the largest public organizations that utilize BLM administered lands are the Boy Scouts of America (BSA). BLM has worked for the last nine years to substantially increase the awareness of Leave No Trace as an important resource for BSA by:

(1) Developing a "Leave No Trace Awareness Award" which has now been implemented within BSA nation wide.

(2) Coordinating a federal interagency team to provide Leave No Trace training at all National Scout Jamborees, Order of the Arrow (Service Arm of Scouting) Conferences, National Scout Camps and Scout Council camps and activities. (i.e. 22,000 Scouts & leaders were taught at the 1997 National Scout Jamboree at Ft. AP Hill, Virginia during the 9 days of the Jamboree)

(3) Assisting in getting Leave No Trace principles within the Boy Scout Handbook, leader manuals, and other Scout publications

(4) Developing an 81 page Leave No Trace activity booklet for Boy Scout leaders, Girl Scout leaders, and school teachers.

BLM is a major supporter of community programs and activities in promoting an increased public awareness and use of the Leave No Trace program. Our 120 "Masters of Leave No Trace are reaching over 79,000 members of the public annually. Posters, displays and brochures are displayed in BLM public rooms and field offices across the country to recognize Leave No Trace as an important resource.

Question. What would be the ideal structure to efficiently and effectively evolve Leave No Trace within you agency?

Answer. The Recreation Program of BLM has the primary responsibility for managing people who use the public lands for recreational purposes. As such, it is ideally suited to efficiently and effectively promote, coordinate, and evolve Leave No Trace within BLM. State Leave No Trace Coordinators, who are real advocates of the program, use it in their daily dealings with the public, and are committed, enthused and anxious to evolve the program.

With management support from the top, national, state and field Outdoor Recreation Planners can evolve the program most efficiently and effectively. There is also strong support from the acting BLM Director Tom Fry, Assistant Directors and State Directors. The Department of the Interior has also expressed their support

and commitment for the program. With managements support and commitment to the program, the Recreation program can efficiently and effectively evolve the program.

Question. Through programs such as Smokey the Bear, your agency has proven a commitment to and the value of public outreach and education. Given today's concentration on recreation impacts and resource preservation, what is the agency strategy to establish Leave No Trace and similar conservation education initiatives as the Smokey equivalent in funding, resources, and long-term benefits?

Answer. The BLM and the USFS early realized that ensuring the future of the Leave No Trace program and the financial means to reach all of the public land users would require sufficient funding to build the program. The chosen tool was the creation of a private nonprofit organization to administer the program, and get private partners to disseminate the message and fund initiatives, development of educational materials, and special outreach teams to expand our outreach efforts.

Leave No Trace, Inc. is the private nonprofit organization that was created to help move the program forward and recruit private partners to help convey the message and fund the outreach efforts. This is the most efficient and effective means of maximizing BLM's limited funding, resources to achieve the long-term benefits that can result from educating the public with regards to embracing the principles of Leave No Trace.

Question. What is the most effective means of allocating funding that will go toward solidifying your agency's commitment to education and Leave No Trace as a recreation management tool? Is it a general appropriation to the agency; an appropriation to personnel training and education; an appropriation for public outreach and education; or a line item earmarking funds for Leave No Trace?

Answer. Currently, the Leave No Trace Program is funded within the BLM's base for labor. Although the most effective means to advance the Leave No Trace Program is for Congress to provide a direct line item increase in funding for the program, this would have adverse effects if it were carved out of or earmarked from base funds without providing additional funding capability. This would only cause service in other critical resource protection efforts to decline. To date the Administration has not requested this as a direct line item.

Question. Your agency developed the Leave No Trace ethic and has signed on as a national partner with the program. How can congressional oversight provide support and encouragement of Leave No Trace as an effective land management, resource education and recreation impact tool?

Answer. Congressional oversight could encourage emphasis and support on the importance of Leave No Trace in the education of the public as a management tool for protecting and enhancing natural resources on public lands. Congressional oversight would emphasize the interest and desire of Congress, on behalf of the American public, to utilize the Leave No Trace program in preservation and protection of public lands. The establishment of State Leave No Trace Coordinators in each state, and the goal of having a "Master" in every field office is helping to demonstrate and recognize this important tool for management of natural resources on public lands.

Question. How can Leave No Trace and other conservation education programs best be utilized to involve the American people as partners in resource preservation, thereby mitigating human impacts; stretching management resources and funds; and dampening the pressure to regulate or restrict use?

Answer. When the American people see all the federal partners, private nonprofit organizations and private partners working together to promote and implement the Leave No Trace program, they will sense the value we see in principles in terms of resource preservation and will have a much greater desire to be a part of it.

As we jointly teach the American people the principles of Leave No Trace, they will have a greater desire to embrace the principles and become our partners in preservation of natural resources.

We have to demonstrate to the public that making the principles of Leave No Trace a part of their lives will preserve the natural resources that they come to the public lands to enjoy. Once they see what's in it for them, they will have a greater desire to be partners.

The principles of Leave No Trace should be implemented into all aspects of use and utilization of natural resources on public lands. These principles should become an integral part of natural resource preservation. If it is a way of life for us, the American people will have a greater desire to make it a way of life for them.

NATIONAL MONUMENT DESIGNATION

Question. Please provide the status of the Department's negotiations over legislation to declare the Santa Rosa and San Jacinto mountains a national monument. How do you expect these negotiations to proceed over the next 30 days?

Answer. On March 16, 2000, the Secretary testified before the House Resources National Parks and Public Lands Subcommittee in opposition to HR 3676, the Santa Rosa and San Jacinto Mountains National Monument Act. Following the hearing, the Secretary and his staff entered into discussions with Representative Bono and the committee staff and they successfully addressed our concerns. On July 25, 2000, HR 3676 passed the House and was referred to the Senate. With Senator Feinstein's sponsorship, the bill is scheduled for a hearing before the Senate Energy and Natural Resource Committee on September 13, 2000. The substantive concerns of the Department have been addressed, and we are eager to see the bill signed into law.

Question. What amount of funding will the Department of the Interior require for management of new monuments in fiscal year 2001, including the three new monuments declared by the President in January and any additional monuments that you anticipate being declared by the President in the remainder of fiscal year 2000?

Answer. As stated in the BLM's fiscal year 2001 budget submission to Congress, the BLM request for funding for interim management, resource protection, and public outreach activities at Agua Fria, Grand Canyon-Parashant, and California Coastal National Monuments will be $5.3 million. The funding request for resource management planning is $1.3 million for these three monuments.

The BLM is in the process of developing cost estimates for the recently created Ironwood, Canyons of the Ancients, and Cascade-Siskiyou National Monuments.

USE OF GOVERNMENT ISSUED CREDIT CARDS

Question. What type of policy does the Department of the Interior have regarding the issuance and use of government credit cards?

Answer. The fundamental elements of the Department of the Interior's charge card policy are:

—Charge cards are issued by the Bank of America under the auspices of the General Services Administration's SmartPay contract.

—Interior's charge cards are integrated, meaning that a single card may be used for official purchase, travel, and/or fleet requirements. Individuals with responsibilities for purchasing and/or fleet management are issued integrated cards. Employees that do not have these responsibilities are issued cards that can be used for travel only.

—A charge card may be issued to any employee with a need and a clean record of responsible government charge card use. Purchase authority is limited to employees who have received additional, required program training.

—Roles and responsibilities of cardholders, transaction reviewing officials, and other agency officials are clearly defined regarding compliance with Federal acquisition, property management, and travel regulations, the Bank of America Cardholder Agreement, and the SmartPay contract terms and conditions.

—Charge card misuse is explicitly defined, and appropriate penalties for charge card abuse, including payment delinquency, are required.

—Proper procedures for charge card account use and maintenance are spelled out.

In November 1998, to coincide with charge card issuance under the SmartPay program, the Department issued its Integrated Charge Card Program Guidelines. The guidelines supplement the SmartPay contract, Bank of America Cardholder Agreement, and applicable regulations such as the Federal Travel Regulations (for travel charge accounts), Federal Acquisition Regulation (for purchase charge accounts), and the Federal Property Management Regulations (for fleet charge accounts). This policy document includes general charge card guidance applicable to all three business lines, as well as specific requirements related to each business line. Charge card policy has been supplemented by charge card bulletins, advisories, and other guidance issued by the Assistant Secretary—Policy, Management and Budget and the Director, Office of Acquisition and Property Management. Procedural changes made necessary by the Travel and Transportation Reform Act, Public Law 105–264, have been covered by revisions to the November 1998 guidelines. This revision was issued in final May 22, 2000. In addition, the Office of Financial Management issues periodic Financial Administration Memoranda on topics relating to charge card use and card program administration, primarily for travel related issues and technical instructions on matters such as electronic funds transfer. The DOI guidelines on charge card use is available at our website: http://www.ios.doi.gov/pam/charge.html.

Question. For what purposes are employees authorized to use the government credit cards?

Answer. Employees who are issued a card, and have completed applicable training, are authorized to use the charge card only for official travel, purchase, or fleet transactions. Employees are not authorized to use the government card for personal transactions, nor to allow another person to use their card for any reason.

Question. Who has established the policies regarding the use of the credit cards?

Answer. The Assistant Secretary—Policy, Management and Budget is responsible for management and oversight of the charge card program. The Department's Office of Acquisition and Property Management, in cooperation with the Office of Financial Management, is responsible for developing and issuing policies regarding use of the charge cards.

Question. How is this information disseminated to the Department's employees?

Answer. The Guidelines have been provided electronically to designated bureau Program Coordinators, who then redistribute them to subordinate program coordinators, designated reviewing officials, procurement, travel, fleet and financial managers, and cardholders. In addition, they are posted on the Office of Acquisition and Property Management's charge card web site at: http://www.ios.doi.gov/pam/charge.html. The Bank of America provided training to more than 2,000 Program Coordinators in the fall of 1998, which included instruction on the (then) draft Guidelines.

Charge card bulletins and other supplementary materials are distributed through routine correspondence channels.

Financial Administration Memoranda are distributed through routine correspondence channels and are also available on the Internet at http://www.doi.gov/pfm/fams.html#2000.

Standard cardholder orientation is supplemented with instruction in basic contracting for the 23,000 purchase card holders.

Weekly meetings are held with all the Program Coordinators to refine policy implementation, review program status, resolve operational issues and rapidly circulate information.

Every cardholder is sent a written Cardholder Agreement, which clearly states that the card is for official use only, and provides additional information about the cardholder's responsibilities. They are also provided a wallet-sized card printed with reminders of proper charge card use. The card sleeve is printed with "For Official Use Only," as are the cards themselves. The cards are printed with a distinctive background pattern that may not be used for any non-government cards.

Question. Do any of these policies vary from bureau to bureau?

Answer. No, the Department's fundamental charge card policy does not vary from bureau to bureau. However, bureaus are responsible for developing unique, day-to-day operational procedures. Some bureaus have added more restrictive requirements to address risk mitigation, based on experience with previous card programs. For example, the Bureau of Indian Affairs set a lower limit ($250 per week) for cash advances than did the other bureaus ($500 per week).

Question. If so, why?

Answer. The policies do not vary, but their implementation in certain bureaus may be more restrictive to mitigate risk.

Question. How many employees have been issued government credit cards, Department-wide and per bureau?

Answer. The Bank of America has issued almost 54,000 charge cards to Interior employees under the SmartPay program. Approximately 20,300 additional cards are assigned to Interior-owned vehicles or equipment in order to allow multiple users to purchase fuel and maintenance services. The following chart provides information on relative bureau card program size, based on most recent bank data.

INTERIOR BUREAU CARD PROGRAM ACCOUNTS, APRIL 2000

Bureau	Number of accounts	Percent of total
Minerals Management Service	1,496	2.8
Office of Surface Mining Reclamation and Enforcement	593	1.1
Fish and Wildlife Service	7,476	13.9
National Park Service	12,739	23.7
Bureau of Indian Affairs	5,464	10.1
Bureau of Reclamation	4,981	9.3
Office of the Secretary	1,841	3.4
U.S. Geological Survey	8,193	15.2
Bureau of Land Management	11,006	20.5

INTERIOR BUREAU CARD PROGRAM ACCOUNTS, APRIL 2000—Continued

Bureau	Number of accounts	Percent of total
Total DOI	53,789	100

Question. Has abuse of the government credit cards been worse in the Bureau of Indian Affairs than in other bureaus?

Answer. We do not have concrete information whether unauthorized use is more prevalent in the Bureau of Indian Affairs (BIA) than in other bureaus. We have asked the Department's Inspector General to conduct a review of the entire program to assess the scope of possible abuse. (See Question 10 for a discussion of delinquencies.

Question. If so, why? If not, is there another bureau that has had the most problems with abuse?

Answer. We do not yet have the information to answer this question.

Question. What has been the overall level of violations, abuse (regarding both unauthorized use of the credit cards and/or nonpayment of credit card balances)?

Answer. At Interior, delinquencies (past due cardholder accounts) and charge-offs (accounts that are more than 210 days overdue that have been "charged off" as bad debts by the bank, as required by the Comptroller of the Currency regulations) only occur in the context of individually billed travel accounts. All other charge accounts are paid on an average of four days after receipt of daily invoices. Overall, Interior's delinquency rates are lower than Bank of America's other government customers. Based on data from the bank for the second quarter (January—March 2000), Interior's average delinquency rate is 4.4 percent, as compared to 7.6 percent for other non-Defense agencies and 24.8 percent for the Department of Defense. Our average net charge-off rate during the same period was 3.3 percent, while the bank's other non-Defense government customers averaged 3.5 percent and the Department of Defense averaged 16.8 percent. In contrast, our delinquency rate in May 1998 under the former travel card contract with American Express was 9 percent.

We attribute this improvement to billing more types of travel-related transactions directly to our bureau accounts rather than through the cardholder (such as rental cars), significant attention to risk mitigation (for example, not issuing new accounts for employees with a record of delinquency under the American Express contract), and improved reporting capabilities under the SmartPay program. Under the American Express contract, the National Park Service had the highest delinquency rate; under SmartPay, the Bureau of Indian Affairs currently has the highest rate. The Bureau of Indian Affairs' rate has been dropping recently as a result of aggressive management action.

Question. What kind of discipline has resulted from the abuse?

Answer. Disciplinary actions include counseling by supervisors, limitation or loss of card privileges, verbal reprimands, written reprimands, suspension, and termination of federal employment.

Question. How many employees have been disciplined, Department-wide and per bureau?

Answer. No central database or record of statistics exists on disciplinary actions related to charge card misuse attributed to unauthorized use of the cards. In an informal survey, bureau and office Program Coordinators reported about 100 actions.

Question. How many employees have been indicted, Department-wide and per bureau?

Answer. Based on information from the Inspector General's office, three employees have been indicted on card-related charges since the SmartPay program began. Two were from the Bureau of Land Management and one from the Bureau of Indian Affairs.

Question. How many employees have been convicted, Department-wide and per bureau?

Answer. None of the three indictments has progressed to the point of trial yet. Under the previous purchase card program, a small number of employees were convicted as a result of card-related abuses.

Question. Has the Department recently engaged in any changes in policy, enforcement, and discipline to help curb abuse of the credit card use?

Answer. Yes, we track and report delinquency data at monthly meetings of top Department managers. The Guidelines have been revised to expand coverage regarding charge card misuse, delinquency, and basic consumer/cardholder safeguards. We expect to begin salary offsets for charged-off and severely delinquent accounts within the next 60 days. An expanded array of electronic transaction reports

has been developed by the Bank of America and made available to assist in program oversight. Charge card use can be tracked to the transaction, making the tracking of unauthorized card use more accurate and timely than ever before. We understand that there are problems, but they have typically been caused by a minute portion of our cardholders, and represent a very small fraction of our total transactions.

BUREAU OF LAND MANAGEMENT

MONUMENT DESIGNATIONS

On January 11, 2000 the President established three new national monuments to be managed by the Bureau of Land Management (BLM).

Question. How will these designations change the way these Federal lands will be managed?

Answer. In general, actions that are not precluded by the applicable Presidential proclamation and that do not conflict with the general purposes of the Monument can continue. Where the BLM finds that an activity may conflict with the Monument's purposes, such activities would be restricted.

The President's proclamations have provided specific direction regarding certain uses that may occur in monuments managed by the BLM. Each proclamation provides that Federal lands and interests in lands within a designated monument are withdrawn from all forms of entry, location, selection, sale, leasing, or other disposition under the public land laws, including, among others, the mineral leasing and mining laws. Further, the proclamations provide that valid, existing rights will still be recognized after the Monument's designation. The following activities are generally unaffected by the proclamations that have designated BLM land as national monuments:

—The State's responsibilities and authorities regarding wildlife management, including fishing and hunting, within the Monument are unaffected by the proclamation,

—Grazing activities shall continue to be governed by applicable laws and regulations other than the applicable proclamation, and

—Existing withdrawals, reservations, or appropriations are not revoked, but the Monument is the dominant reservation.

Question. What effect will the establishment of these new monuments have on the economies of the surrounding local communities?

Answer. At this time, the BLM cannot predict precisely what effect the establishment of these new monuments will have on the economies of surrounding communities. Some recently designated monuments, such as Grand Staircase/Escalante, have experienced a seasonal increase in visitation, while other more inaccessible areas have not seen an increase in visitation. If the monuments increase visitation to the area in general, it is expected that the local communities will receive additional economic benefits and revenues from increased visitation.

During the land use planning process for each monument, the BLM will analyze how the monuments will affect the communities and evaluate the impacts of the designation on those communities.

Question. How will the Department and the BLM deal with individuals and companies that have valid existing rights?

Answer. The President's proclamations are subject to valid existing rights. The Department and the BLM will continue to work with individuals and companies to honor valid existing rights. The planning process for these monuments is a public process and public comments are invited at various stages throughout the process. Individuals and companies will have an opportunity to actively engage in the NEPA planning processes that are moving forward in each of the newly created national monuments.

Question. Will the Committee be faced with future requirements to construct new and costly visitor centers for these monuments?

Answer. There is no requirement stipulating construction of new visitor centers for these monuments. During the planning process, the BLM will evaluate the need for new visitor centers to accommodate public interest in the new monuments. Due to the proximity of Agua Fria National Monument to a major metropolitan center and transportation corridors, it is likely that the Monument will require some kind of outreach center. If a center is recommended, the BLM will make every effort to design one that is cost effective and to develop the center in partnership with local communities, encouraging cost-sharing and locations outside the monument.

Question. Will you be developing comprehensive management plans for these lands similar to the plan developed for Grand Staircase-Escalante National Monument?

Answer. The BLM will be developing comprehensive management plans for these lands similar to the plan developed for Grand Staircase-Escalante National Monument.

Question. If yes, when do you expect these plans to be completed?

Answer. The BLM requested funding in the fiscal year 2001 Budget to formulate plans for the new monuments and will develop a schedule for completion when plan formulation begins.

On February 16, 2000 the Secretary announced his intention to establish new "National Landscape Monuments" designations for the protection of certain Bureau of Land Management lands.

Question. Can you provide some of the details to this new proposal?

Answer. The national landscape monument concept is a useful construct to frame the BLM's management of specifically protected units, including the newly created national monuments and existing national conservation areas (NCAs). Considering the BLM's two major land conservation unit designations and other special areas as one system will help ensure coordinated planning efforts to support adequate funding and resource objectives are achieved. These conservation components have already been designated either by an Act of Congress or Presidential Proclamation pursuant to Congressional statute. They include the Congressionally designated NCAs: King Range in California, Steese in Alaska, El Malpais in New Mexico, San Pedro Riparian in Arizona, Red Rock Canyon in Nevada, Gila Box Riparian in Arizona, Snake River Birds of Prey in Idaho, and Gunnison Gorge in Colorado; and BLM monuments created by Presidential Proclamation under the Antiquities Act, including: Grand Staircase-Escalante in Utah, Agua Fria in Arizona, and Grand Canyon-Parashant in Arizona.

Question. What other areas are you considering for National Monument designations?

Answer. The Secretary is committed to pursuing protective designations for significant landscapes through the legislative process. In the past such legislative protection has been provided through the National Conservation Area designation. In the current Congress, legislation has been introduced which proposes creating the Santa Rosa and San Jacinto Mountains National Monument, which would encompass BLM managed lands in California. No other legislative proposals for BLM National Monuments are pending before Congress. Several proposals have been introduced in Congress for new BLM National Conservation Areas or other protective designations. On August 11, 2000, the Secretary recommended to the President that he establish a new national monument at Vermilion Cliffs in Arizona and expand the Craters of the Moon National Monument in Idaho. The President has not acted on these recommendations. The Secretary has since stated that he does not intend to recommend to the President any further national monument designations unless current legislative efforts in this session fail.

Question. For how many of these do you anticipate making a monument designation?

Answer. The Secretary is committed to pursuing protective designations for significant landscapes through the legislative process. He is hopeful that most if not all of these areas would be protected by legislative designations. Because legislative progress on such designations is uncertain, there is no specific number of potential monument designations.

COAL BED METHANE

The Congress provided an additional $2.5 million for processing Applications for Permits to Drill (APD) due to increased coalbed methane development.

Question. How many permits were processed in fiscal year 1999 and fiscal year 2000? How many does the agency expect to process in fiscal year 2001?

Answer. In fiscal year 1999, there were 170 Coal Bed Methane (CBM) Application Permits to Drill (APD's) processed. Thus, far, in fiscal year 2000 BLM has processed 600 permits. The BLM expects to process 400 more this fiscal year. In fiscal year 2001 we expect to process 1,000 to 1,200 CBM APD's.

Question. What is the current backlog of permits? What is the long-term trend for necessary funding to process APD's?

Answer. Within the BLM Wyoming Powder River Basin, there are approximately 2,400 Applications for Permit to Drill (APD's) pending for CBM development. The fiscal year 2001 President's Budget includes $2,127,000 to process 1,000 CBM APD's in addition to the average BLM Wyoming Powder River Basin workload. We anticipate that over the next 8 to 10 years operators/industry in the BLM Wyoming Powder River Basin will submit more than 1,000 CBM APD's per year for approval. Without increased capability, an APD backlog will develop. To meet this workload

demand and have the resources to process an estimated 1,500 CBM APD's per year, our budget will need to be increased by $873,000, for a total of $3,000,000 per year above our current base funding level in the Wyoming Oil and Gas program. The permitting of 12,000 to 15,000 CBM wells in the next 10 years will also necessitate the continued base funding increase of $3,000,000 in the out years. The reason for this being; (a) compliance and monitoring of the environmental protection activity; (b) carrying out the inspection and enforcement/production verification responsibilities as a result of this cumulative increase; and (c) related operational monitoring, compliance and reclamation efforts commensurate with this increase in CBM activities. These BLM funding needs will be long term in nature, with the addition to the program base remaining until final abandonment and reclamation of the wells is completed.

Question. What is the status of the Environmental Impact Statement (EIS) which is designed to replace the Wyodak EIS which was completed in 1999? How many wells will this EIS authorize to be drilled? How, if at all has BLM factored in development on State lands so that the EIS will be capable of dealing with production issues for more than just one or two years as was the case with the Wyodack EIS?

Answer. The Wyodak EIS did cover all lands, including non-federal lands, within the EIS boundary. The Powder River Basin Oil and Gas EIS will cover the area of the previous Wyodak EIS as well as additional areas with potential for CBM development within the Wyoming portion of the Powder River Basin. The Wyoming State Director approved an MOU on April 4, 2000, that establishes a funding agreement between industry and the BLM for development of this EIS. This agreement is presently being reviewed by industry representatives, with the anticipation that a contract for the preparation of the EIS will be awarded early next month. The BLM's contribution to the EIS effort will be primarily in the areas of air and water quality and quantity studies and modeling. Scoping meetings have been held in Sheridan, Wyoming, on June 6, 2000; in Buffalo, Wyoming, on June 7, 2000; in Gillette, Wyoming, on June 8, 2000; and Douglas, Wyoming, on June 12, 2000.

The final Wyodak EIS contained a Reasonably Foreseeable Development scenario for CBM and analyzed the environmental impacts of 5,000 total wells, federal and non-federal, on approximately 2,300,000 acres within the Powder River Basin (PRB). During preparation of the Wyodak EIS, the Wyoming Oil and Gas Conservation Commission (WOGCC) continued to accept and approve applications for a permit to drill on non-federal mineral leases. By the time the BLM Wyoming State Director signed the Wyodak EIS Record of Decision in November 1999, the WOGCC had already permitted approximately 4,000 non-federal wells. As a result, the BLM was allowed to approve approximately 1,000 wells on federal mineral leases. Since approximately 80 percent of the development had or will occur on non-federal leases, the potential of gas being drained from federal leases and produced from non-federal wells is significant. As a matter of fact, in some areas of the Wyodak study area, BLM reservoir analysis indicates that substantial drainage is already occurring. In order to protect the federal gas resource from further drainage, the BLM has initiated a Drainage Environmental Assessment (EA). The BLM hosted a scoping meeting in Gillette, Wyoming, on April 11, 2000. This meeting was attended by approximately 125 individuals.

The number of wells to be addressed by the Powder River Basin EIS will be between 30,000 and 50,000 while the Drainage EA will consider between 1,500 and 2,500 wells. These numbers are based on estimates from both the BLM and the oil and gas industry. The Powder River Basin EIS well numbers represent the total number of CBM and conventional oil and gas wells anticipated being drilled on both federal and non-federal mineral leases during the next ten years. The Drainage EA well numbers will be limited in consideration to federal wells only.

Question. What has BLM's role been with respect to coalbed methane development in the Powder River Basin in Montana? Is industry interest in Montana expected to be as great as it has been in Wyoming? When will significant production in Montana commence?

Answer. The BLM, Miles City Field Office is working closely with Redstone Gas Partners, Powder River Gas and Pennaco Energy on coal bed methane development in the Powder River Basin in Montana. They are working on environmental assessments (EA) for their areas of interest. These EAs are being prepared in close coordination with both the Montana Department of Environmental Quality and the Department of Natural Resources Council and with the U.S. Geological Survey. The Pennaco Energy EA, completed on July 13, 2000, allows Pennaco Energy to drill and test 5 wells. Additional environmental analysis is required before any wells can be put into production. There are 72 applications for permits to drill on file pending completion of the environmental documents. There is significant interest in coal bed methane development in Montana, although at this time there is not sufficient data

to project whether or not interest will be as strong as it is in Wyoming. There are approximately 130 methane wells currently producing in the area, however, all of these are privately-owned wells.

Question. Recently litigation was filed in Montana with respect to the discharge of water associated with coal bed methane development. What is the current status of this litigation? What impacts might it have on the BLM's program? Has BLM done an analysis of water impacts from coal bed methane development?

Answer. The recent litigation filed by the Northern Plains Resource Council (NPRC) against the Montana Board of Oil and Gas Conservation (Board) in respect to the discharge of water has not been resolved. The Board met with the NPRC on April 26, 2000, in Helena and discussed terms of settlement. The BLM was invited to be in attendance at the meeting. On June 20, 2000, the Board and the NPRC reached a tentative settlement. A motion to intervene was filed by 7 CBM operators on July 11, 2000, and a decision on this motion is pending a court hearing scheduled for September 7, 2000. The Board is currently not issuing any CBM drilling permits until the settlement agreement reached between the Board and the NPRC is approved by the Court. It is unclear at this time how the litigation may impact the BLM's program. Our plan at this time is to continue to work on the EAs for CBM in the Montana portion of the Powder River Basin. If a finding of no significant impact is determined, the pending applications for permit to drill will be approved. The water impacts from methane development are being analyzed in the EAs that are being prepared.

LAND MANAGEMENT PLANS

The agency has asked for a $19 million increase to update its land management plans.

Question. How many plans does the agency expect to update or replace during fiscal year 2001 if this increase is provided? How many plans need to be updated?

Answer. Preparing a land use plan (LUP) can take two or more years to complete. For this reason none of the planning efforts initiated with the proposed increase will be completed in fiscal year 2001. The BLM does anticipate that if the funding in the President's Budget is provided, between 2001 and 2004 the following will be completed: Management plans for 6 military ranges as required by the Military Withdrawal Act of 1999 (Public Law 106–65); 12 LUPs covering 3 new National Monuments and 9 existing National Conservation Areas; 17 new or revised LUPs (11 of these plans consolidate and replace 19 older land use plans, thereby reducing the total number of plans to maintain over time); and preparation of 12 separate plan amendments to update 21 existing land use plans.

Over time, all land use plans must be updated. Many of BLM's 162 LUP's are aging. Approximately 21 percent are less than 10 years old and can be generally considered current, 50 percent are between 10 to 20 years old and 39 percent are older than 20 years. An initial assessment to determine our highest priority planning needs is summarized in the Report to the Congress entitled "Land Use Planning for Sustainable Resource Decisions" (attached). We are scheduled to complete comprehensive evaluations of all of our land use plans (LUPs) by the end of fiscal year 2002, by which time detailed information will be available concerning deficiencies of all existing plans.

Question. In what geographical areas has the BLM been sued based on outdated land management plans? Does the agency anticipate more such suits this fiscal year?

Answer. The BLM has been increasingly faced with litigation arising from issues such as mineral development activity, off-highway vehicle (OHV) use, grazing, and endangered species issues throughout the 10 public lands states in the West. In California, the BLM recently received a Notice of Intent to File Suit on Endangered Species Act compliance issues related to their land use plans. In Arizona and New Mexico, BLM has recently settled several endangered species related lawsuits. These settlements have addressed the BLM's failure to consult more extensively with the U.S. Fish and Wildlife Service, prepare biological assessments, reinitiate consultation on land use plans and associated Environmental Impact Statements, and implement additional monitoring and planning actions.

In the area of mineral development, successful planning for future coal and non-coal extraction requires that the BLM address new environmental standards and cumulative impacts in the Powder River Basin of Wyoming and Montana. Failure to address these concerns could result in litigation over future leasing decisions and significant delays in leasing coal reserves. These delays, particularly for current coal operators whose operations are short on reserves, could lead to mine closures or fi-

nancial losses which impact royalty income to Federal and State Governments, as well as coal availability nationally.

Other instances of litigation directly or indirectly relating to allegedly outdated land use plans include: *San Juan Citizens Alliance* v. *Babbitt* (00–S–379) in the District Court of Colorado; *Montana Wilderness Association* v. *Tom Fry, Larry Hamilton, BLM; and Macum Energy, Inc.* challenging lease sales done without adequate National Environmental Policy Act work for rights of way for a natural gas pipeline and lease issuance in the Upper Missouri River Corridor in Montana; Gallatin Wildlife Association, *National Wildlife Federation* v. *Scott Powers, Field Manager*, Dillon Field Office, BLM, alleging lack of a resource management plan to support oil and gas activity in Montana; *Southern Utah Wilderness Alliance, et al.* v. *Babbitt*, 11/23/99, alleging that BLM has failed to comply with executive orders outlining the use and management of off-highway vehicles (OHVs) on public lands, particularly as it relates to wilderness study areas and other areas with wilderness characteristics; *Forest Guardians* v. *BLM* regarding grazing in the Albuquerque district; and *Wyoming Outdoor Council, et al.* v. *U.S. Forest Service, Michael Dombeck, Chief, and BLM, Tom Fry, Acting Director* concerning the impacts of oil and gas leasing activities in the Shoshone National Forest and failure to consult with the U.S. Fish and Wildlife Service on grizzly bears.

Updating the BLM's land use plan will not always prevent a lawsuit. The BLM New Mexico State Office received a Notice of Intent to Sue from the Forest Guardians over land use planning in the El Malpais National Conservation Area, where the planning document is in its final stages. Regardless, lawsuits draw personnel away from on-the-ground work and direct financial resources to cover litigation costs. While the BLM is proactive in seeking to avoid costly new litigation, the BLM will, in all probability, be sued this fiscal year as an outgrowth of aging land management plans and/or NEPA documents.

Question. How is the agency prioritizing which plans to update first? Is it solely based on litigation risk or are other factors used? How long will it take to update all the plans needing revision? What is the expected total cost?

Answer. The BLM has established the following criteria for prioritizing planning actions: (1) new congressional or court ordered mandates; (2) the need to address changed resource conditions or resources at risk (such as listing of an endangered species); (3) anticipated changes in use (demand) not adequately addressed in planning/NEPA documents (such as large scale coal bed methane development); (4) program or administrative requirements the BLM has not fulfilled (such as new clean water standards or an executive order relating to managing use of OHVs); and (5) outside interest or concerns as expressed by the public. The above stated criteria is not solely based on litigation risk factors.

The BLM estimates it will take approximately 10 years to bring all its plans up to date. This effort will be followed up with a sustained plan maintenance and evaluation effort to prevent similar situations from reoccurring in the future. The BLM's initial request of $19,000,000 represents one year startup costs needed to begin to address this long term problem. Additional increases will be needed and sustained over time to address this longterm problem. More information on the planning issue is available in the "BLM Report to Congress: Land Use Planning for Sustainable Resource Decisions". This report was submitted as part of the Bureau's fiscal year 2001 Budget Justifications. More precise estimates can be made after the evaluation of existing plans is completed. When compared to the funds expended on land use planning by the other land management agencies, in particular when compared on a "per acre basis," the BLM's proposal is very cost effective. This is particularly true when you consider the complexities involved with the BLM's mandate to provide for a variety of uses from full wilderness protection, on one hand, to providing land for development on the another.

WILD HORSE AND BURRO PROGRAM

Question. The agency is requesting a $9.5 million increase for the Wild Horse and Burro program in fiscal year 2001. How will the increase be used to reduce the herd levels to a manageable number?

Answer. The fiscal year 2001 President's Budget request includes an increase of $9 million for implementation of a long term strategy to attain Appropriate Management Levels (AML) on all Herd Management Areas (HMA) in four years beginning in fiscal year 2001, provided that the requested funding is available. Under the strategy, the BLM will remove approximately 13,000 animals the first year, dropping to 4,500 animals by the sixth year and remaining at that level. At that level, adoption demand will greatly exceed the number of horses requiring removal from the range.

A key component of the strategy will be long term pasturing facilities for hard to adopt animals and older animals. The savings from reduced gathers, preparations and adoptions will more than offset the costs for long term care. As the number of animals in long term care declines through natural attrition and adoptions, the long term care costs will also decline.

Question. If additional funds are not provided what will be the impact in terms of additional animals on the range?

Answer. Wild horse and burro populations are exceeding the capacity of the land to support a thriving ecological balance among all the various resource values. Wild horse populations are increasing at a rate of 18–20 percent per year, with some herds as high as 23 percent. Wild burro populations are increasing at a rate of 16 –17 percent per year. Currently, wild horse and burro populations are exceeding estimated AML on 159 of 192 HMAs. The BLM estimates total AML to be 27,379 animals. By the end of fiscal year 2000, we estimate the populations will approach 51,000 animals or approximately 23,000+ animals over AML.

Damage is occurring to herd habitat, riparian zones, upland vegetation, sensitive, threatened and endangered species habitat and water quality. Irreparable damage will occur to the natural resources if the BLM is not able to reduce current numbers. If population levels are not reduced to AML, we anticipate that other users such as livestock grazers and state wildlife departments will resort to legal remedies through court decisions.

Question. How were the population trend models for wild horses and burros developed?

Answer. The projected numbers, time frames and costs were based on data generated by a wild horse population model developed by Dr. Stephen Jenkins, University of Nevada at Reno. Every HMA was evaluated under several different scenarios to develop the preferred BLM strategy. HMA specific information for each HMA was entered into the model to develop accurate projections. During the evaluation, the model was programmed to run 15 different runs for every HMA in each scenario. The average was then utilized to formulate the projected outputs for each scenario.

Question. Have they been peer-reviewed by any groups outside the BLM?

Answer. The population model has been peer reviewed by five scientists employed by U.S.G.S., Biological Research Division (BRD). In summary, the model was termed as solid, highly useful to the BLM planning efforts and based on tested modeling methods and population dynamics principles. The reviewers felt the BLM can apply the model with confidence provided the data is appropriate. As with all models, the scientists cautioned about limitations and the use of adequate data. The BLM is well aware of the limitations and used the best available data with the model.

Question. What has been the historic variability in horse and burro populations? Over the last 25 years hasn't the population normally fluctuated between levels of 20,000 to 50,000? What is different now such that the agency calculates that the population will reach over 120,000 animals if additional funds are not provided for management activities?

Answer. Within 4 years of the passage of the Act, populations exceeded estimated AML and fluctuations have occurred as would be expected with any wild animal populations. However, wild horses and burros have no effective natural predators that can limit the populations. Humans serve that purpose (the BLM has removed over 165,000 head from the range). With increases and declines in numbers due to environmental factors such as above average precipitation, drought and fires, populations have fluctuated between 30,000 and 50,000, well above the levels necessary for a thriving ecological balance as mandated by the Act. Our projections reflect where populations can be expected to go based on monitoring data and without consideration for environmental factors since we don't know when and to what degree they will occur. Our projections are based on straight-line increases, since current funding is not adequate to keep up with annual reproduction. Attaining AML on all HMAs will prevent catastrophic death events, such as happened on the Nellis Wild Horse Range in the early nineties, when the land became incapable of supporting existing populations.

Question. Once a manageable level of animals is reached, what is the long term annual funding need for the Wild Horse and Burro program?

Answer. Actual funding needs will be determined by updated annual monitoring and censussing data. However, based on current information, it is anticipated that funding needs will vary from $25 million to $29 million dollars. Inflation has been factored into the projections at a rate of 5 percent per year. By 2006 it is projected that the cost to implement this strategy will be equivalent to current funding (adjusted for inflation), and by 2010, will be less than the equivalent of current funding.

Question. How are the agency's efforts at developing contraceptive tools for use on wild horses and burros proceeding? When will these be ready for widespread use?

Answer. Field trials of the immuno-contraceptive vaccine were initiated in December 1992, in the Antelope and Antelope Valley Herd Management Areas (HMA) in eastern Nevada. The initial trials studied a two injection, one-year vaccine. That has since evolved to a one year, one shot vaccine. The goal of the BLM's immuno-contraception program is to develop a cost effective 3–5 year, one shot vaccine. This would provide a cost effective immuno-contraception program and reduce handling of mares. Initial field testing of a two year, one shot vaccine began in fiscal year 2000 in the Clan Alpine HMA in Nevada. Modeling indicates that immuno-contraception efforts will be most effective in helping to suppress population levels once AML has been attained through intensive gathering and removals. During the research phase, the BLM will conduct 1500–3000 field applications per year, depending on funding levels. Pen studies on a two year, one shot vaccine are currently being conducted at the University of California, at Davis.

Researchers are predicting that widespread management application of a multi-year, one shot vaccine may take as long as 6 years to accomplish. We will be entering into negotiations with the Food and Drug Administration (FDA) in an attempt to accelerate the approval process that is required before widespread application can occur.

The following is a list of HMAs where the immuno-contraceptive has been applied in the field trials:

1992—Antelope/Antelope Valley HMAs, Nevada
1996—Nellis Wild Horse Range, Nevada
1997—Nellis Wild Horse Range, Nevada
1997—Pokegama HMA, Oregon
1998—Fish Lake HMA, Nevada
1998—Kama Mountain HMA, Nevada
1998—Antelope/Antelope Valley HMAs, Nevada
1999—Monte Cristo/Sand Springs East HMAs, Nevada
2000—Clan Alpine HMA, Nevada (2 year, 1 shot vaccination

Question. Are other agencies involved with this effort? If so, what agencies? What is their role? Do they provide any additional funding? Does BLM get funding for research from any other sources for this program?

Answer. The Biological Research Division (BRD) of the US Geological Survey is the conduit by which the BLM conducts research. They develop and oversee research contracts and conduct peer review of the research. All funding for BLM research is included in BRD's annual appropriations. The BLM does not get funding from other sources.

AUTOMATION OF LAND AND MINERAL RECORDS

Question. Given the failure of the software developed as part of the ALMRS effort, what is the agency's strategy for developing usable software with respect to automating its land and minerals record systems in the future? What is the agency's plan to ensure that whatever is developed in the future does not have the same problems that occurred with ALMRS?

Answer. The BLM has revised its strategy and plans for all automated systems development to emphasize a business-driven, modular approach that uses hands-on iterative methods. Key to this change in strategy is the development of a Bureau Enterprise Architecture which is based upon the BLM's strategic goals and business practices. The development of Land and Resources Information Systems (LRIS) operational software will be derived from the Bureau Enterprise Architecture. As part of this strategy, the BLM will make a concerted effort to maximize the use of commercially available software and minimize custom development. We will also incorporate proven Geographic Information System (GIS) technology for land and resource management and provide a solid basis for partnerships with other government agencies and public users.

The BLM has implemented improved project management procedures that engage users and systems development personnel as a team from the beginning to the end of the LRIS project. Each product developed through this process must be approved by field office representatives working outside of the project office, before work can proceed. Development will occur in a prototype environment which will help ensure that user needs are met. In addition, an Information Technology Investment Board, comprised of senior agency executives, ensures that the best investment decisions are made for information technology, including LRIS.

The General Accounting Office is also closely monitoring our activities. They are encouraging us to continue our efforts to strengthen our investment management and acquisition processes and practices.

Planned actions for 2001 include:

(1) implementation and maintenance of a Bureau Architecture;

(2) improving compliance with data standards and cleaning up existing data;

(3) initiation of system development to automate re-engineered business processes;

(4) production of a technical reference model, derived from the Business Architecture, to guide new development and enhancement of existing applications; and

(5) initiation of a concerted effort to add Internet access to existing software applications to meet the mandated completion by 2003.

Question. How much will it cost?

Answer. The Information Technology Investment Board has approved detailed analysis and design work to proceed for LRIS contingent upon alignment with the Bureau Enterprise Architecture. Decisions on what modules will be developed and their costs will be determined based upon completion of this work. As stated in the budget submission to Congress, BLM expects to spend $19.6 million to meet land and minerals records management needs in fiscal year 2001. Of this amount, about one-third will be spent on designing and building components of the new LRIS system.

Question. When could this software be deployed for use in the field?

Answer. The deployment of capabilities to assist with cleaning up existing data sets and standardization have been initiated in fiscal year 2000. Initial deployment of LRIS operational software is currently scheduled to begin in fiscal year 2001 continuing through fiscal year 2003. These schedules, however are contingent upon architectural alignment and investment priorities.

LEWIS AND CLARK

Question. What, if any, role will BLM play in the Lewis and Clark bicentennial celebration? Are additional demands on BLM resources anticipated? What resources will be impacted the most? Will the agency need additional funds to address these impacts?

Answer. The BLM manages over 300 miles along the Lewis & Clark (L&C) Trail in Montana and Idaho, including significant landscapes such as Upper Missouri National Wild and Scenic River; Pompey's Pillar National Historic Landmark; Blackfoot River Corridor; Chain-of-Lakes Complex and the Snake and Clearwater River Corridors. Today, these landscapes appear much as they did 200 years ago. The BLM initiated L&C Bicentennial planning efforts in 1996 to identify on-the-ground resource needs and develop local and state partnerships under our multiple-use mandate.

Through this planning process BLM identified the following management objectives for L&C Bicentennial initiatives:

(1) Trail Protection and Restoration;

(2) Enhancing Visitor Services;

(3) American Indian Involvement;

(4) Partnerships; and

(5) Improved Access.

Working within this framework, the BLM has identified a 6-year needs analysis, reflective of our mission and local community priorities. The strategy identifies critical infrastructure upgrades and enhancements targeted to be completed prior to the influx of visitors to our nation's public lands. During the Bicentennial years, our strategy focuses on community events and activities and recognizes statewide issues such as search and rescue, county road maintenance and other community and tribal partnership programs.

Based on historic visitor use data, the BLM anticipates that the most pristine landscapes and sites along the trail will be inundated with visitors wanting to "walk in the footsteps" of Lewis and Clark. Although the BLM initiated L&C planning efforts in 1996, the BLM resources and staffing have been strained. With visitation increasing, the BLM is working to allocate available resources to manage our public lands in a way that provides adequate visitor services while protecting our resources. The L&C Bicentennial creates both opportunities and concerns for our agency. The nation's public land treasures and collaborative efforts will be the legacy of the Bicentennial. The BLM has requested $1,247,000 in the fiscal year 2001 Budget request to begin to address the anticipated demands on the L&C Bicentennial celebration, mainly for facility preparedness.

GRAZING PERMITS

Question. How many grazing permits which are set to expire this year will go unprocessed?

Answer. All grazing permits expiring this year will be fully processed, or issued and extended in accordance with Sec. 116 of the fiscal year 2000 Interior and Related Agencies Appropriations Act, by September 30, 2000.

Question. When will the agency get on top of this backlog?

Answer. The Bureau is focusing its processing efforts (NEPA analysis and ESA consultation) on the expiring permits with the highest resource values, and expects to complete about 85 percent of the expiring permits before September 30, 2000. With the exception of 79 permits in Utah that are expected to require the preparation of an environmental impact statement, the remaining permits that expire this year will be processed with appropriate NEPA and ESA documentation by September 30, 2001. By that same date, BLM will also process all 1,646 permits that are scheduled to expire in 2001.

Question. Does the language contained in the fiscal year 2000 Interior and Related Agencies Appropriations Act concerning the extension of unprocessed expiring permits need to be retained? If not, how does the agency plan to deal with unprocessed permits?

Answer. The strategy described in the previous answer will allow the Bureau to eliminate the permit processing backlog in fiscal year 2001, so the general provision referenced in the question does not need to be retained in the fiscal year 2001 Appropriations Act.

NATIONAL PARK SERVICE

An increase of $1.6 million is requested for cooperative ecosystem studies units, though Service participation in this program actually began with fiscal year 1999 and fiscal year 2000 funds.

Question. Were funds identifies in the fiscal year 1999 or fiscal year 2000 budget request for this activity, and were funds ultimately appropriated for this activity in fiscal year 1999 or fiscal year 2000?

Answer. No special funds were appropriated for this activity. Three of the four pilot Cooperative Ecosystem Studies Units currently have personnel (non-research grade) placed in them or in the process of being placed. In each case, regional or park funding was committed because of the advantages of placing staff in universities.

When a region identifies science coordination needs that require a staff position, the CESU is one choice (among regional office, park, or central office) of where to place that position. Because there are many leveraging opportunities for each federal dollar available for research, technical assistance, and education at a university, there is great interest in this option. So far, there are commitments from NPS regions for the 10 competitively established units, including the Universities of Tennessee, Washington, Miami, Nebraska, Alaska, Hawaii, Rhode Island, Arizona and Montana and Northern Arizona University.

Question. If not, does the Service regard its initial conduct of this activity consistent with Committee reprogramming requirements?

Answer. The National Park Service believes that resource management, including the coordination of research and responding to the technical assistance needs of parks, is fully within the activities described for its base funding. The request is being made for additional funding because not enough base funding exists to meet the needs for these activities in 379 national park units.

Question. Why did the Service decide to specifically identify this activity in the fiscal year 2001 budget request?

Answer. There is great potential for enhancing available resources for science-based decision-making through flexible partnerships with universities. Base funding will speed up the Park Service's ability to make this very advantageous tool available to meet park needs in the changing modern landscape.

During the recent NATO meeting in Washington, D.C., I understand that additional funds were required for the National Park Service to provide required security. I also understand that these funds were derived from available repair and rehabilitation funding.

Question. Is this true?

Answer. Yes. The United States Park Police expended $579,525 in direct support of the NATO Summit held in Washington, D.C., April 23 through April 25, 1999. Of this amount, $250,000 was provided from Emergency Law and Order funds. The balance was reallocated from repair and rehabilitation projects that could not otherwise be obligated in fiscal year 1999.

Question. How much was reallocated?

Answer. A total of $329,525 in repair and rehabilitation funds was reallocated to the United States Park Police to cover this activity.

Question. How does the Service justify the use of R&R funds for this purpose absent a reprogramming request?

Answer. The NPS is careful in its management and budget practices and works extremely hard to comply with all guidance from the Congress. The 1998 reprogramming guidelines, as contained in the House Appropriations Committee Report, state: "Any proposed reprogramming must be submitted to the Committee in writing prior to implementation if it exceeds $500,000 or results in an increase or decrease of more than 10 percent annually in affected programs, . . ." Since the threshold level was not exceeded, the reallocation of $329,525 in maintenance funding for this emergency activity is justified. The funding was derived from repair and rehabilitation projects that could not be obligated in fiscal year 1999.

Question. What are the Service's plans for the upcoming IMF/World Bank meetings in Washington, D.C? The Republican convention in Philadelphia?

Answer. In anticipation of demonstrations during the IMF/World Bank meetings and the Republican convention similar to those that caused disruptions in Seattle, Washington, during a recent international conference, the National Park Service, in coordination with other local law enforcement agencies, will provide security and law enforcement to protect park properties, visitors and employees. The NPS has developed cost estimates for projected overtime of United States Park Police officers and law enforcement rangers, travel and per diem, and for the purchase of defensive equipment. The Service did submit a reprogramming proposal in fiscal year 2000 in order to be prepared to respond to these two emergency law and order needs, indicating that up to $2 million would be needed to respond to the IMF/World Bank meetings and the Republican National Convention.

Question. Will funds have to be reallocated to accommodate security needs for these events? From what source will such funds be derived?

Answer. The reprogramming defers Hazardous Waste projects to respond to the emergency law enforcement needs. The NPS will shift funds from the Hazardous Waste Program within the Operation of the National Park System appropriation to cover costs associated with these emergency situations.

FISH AND WILDLIFE SERVICE

ENDANGERED SPECIES ACT

Question. Please summarize in chart form funding for the Endangered Species Act programs from fiscal year 1995 through the fiscal year 2001 request. This summary chart should include (but show separately) funding for both the ESA programs in the Resource Management account and the amounts appropriated for the Cooperative Endangered Species Fund.

Answer. Funding for Endangered Species Act programs from fiscal year 1995 through the fiscal year 2001 request is summarized in the table below.

FISCAL YEAR 1995–FISCAL YEAR 2001 APPROPRIATIONS HISTORY TABLE

Activity/subactivity/program element	1995 enacted	1996 enacted	1997 enacted	1998 enacted	1999 enacted	2000 enacted	2001 request
Ecological services							
Endangered Species	$68,944	$60,297	$67,385	$77,181	$110,817	$108,282	$115,320
Candidate Conservation (Prelisting)	4,442	3,800	4,800	5,703	6,753	7,388	8,447
Listing	6,499	4,000	5,000	5,190	5,756	6,208	7,195
Consultation/HCP	18,294	15,997	17,949	23,828	27,231	32,342	39,400
Recovery	39,709	36,500	39,636	42,460	66,077	57,363	55,297
ESA Landowner Incentives Program	.....	.....	.....	.....	5,000	4,981	4,981
Cooperative Endangered Species Conservation Fund	8,983	8,074	14,085	14,000	14,000	23,000	65,000
Grants to States (Section 6)	8,480	7,600	7,600	7,520	7,520	7,520	41,048
HCP Land Acquisition	.....	.....	6,000	6,000	6,000	15,000	21,125
Conservation Planning Assistance	.....	.....	.....	.....	.....	.....	1,625
Administration	503	474	485	480	480	480	1,202

LAND ACQUISITION

GAO recently issued a report on lands acquired by the Fish and Wildlife Service. It reports that in addition to lands being acquired by federal dollars, lands are included in our refuge system through private donations, transfers, and exchanges. The report notes that 15 of the 23 refuges the Service established between 1994 through 1998 (totaling 54,000 acres) were established without federal funds. 12 were established with donations, 2 with private land exchanges and one with a land transfer.

Question. How does the Service currently evaluate these additions to the refuge system so that proper planning is performed to ensure adequate management after the lands become part of the refuge system?

Answer. The Service only accepts donations of those lands that have already undergone the Service's planning process (including NEPA) and which meet the goals and purposes of the National Wildlife Refuge System. The future costs of operation and management of additional refuge lands is considered at a number of decision points prior to purchase of lands. These costs are estimated in the Preliminary Project Proposal, and further refined in the Concept Management Plan that is developed as part of the detailed planning process. Finally, costs of management related to new acquisitions are provided in the President's Budget. The 15 refuges described in the GAO report had, at the time of acquisition, met all of the Service requirements for inclusion into the refuge system and thus were managed as part of the system after acquisition.

Question. Is there any danger that the appetite of the Service's realty office could exceed the ability of the Service to budget for the proper management of these lands once they become part of the refuge system?

Answer. The Service's Divisions of Realty (which handles land acquisition) as well as the Division of Refuges (which handles the management) is supervised by the same Assistant Director who ultimately reports to the Director of the Fish and Wildlife Service. This structure ensures that there is appropriate oversight and coordination between the acquisition and management of lands for the National Wildlife Refuge System.

Question. How do you plan to change this system to make it better?

Answer. Land acquisition is used judiciously to further the Service's mission of conserving, protecting, and enhancing fish and wildlife and their habitats for the continuing benefit of the American people. Only those lands that are important and fall within the Service's mission are typically acquired. The Service's land acquisition is performed under the authority of a variety of Acts passed by Congress. These authorities include the Migratory Bird Conservation Act of February 18, 1929, as amended; the Fish and Wildlife Act of 1956, as amended; the Endangered Species Act of December 28,1973, as amended; and the Emergency Wetlands Resources Act of November 10, 1986, among others.

The Service has agreed with the GAO recommendation to include estimates of future operations costs for proposed acquisitions when funding is requested in the President's Budget. This, along with the Director's reorganization and establishment of the National Wildlife Refuge System as a program area, of which Realty will be a Division, will enhance communication and coordination of land acquisition priorities and proposals, with refuge management funding initiatives.

SUBSISTENCE

The Department requests $12.9 million to address subsistence fisheries. Part of the request is Fish and Wildlife Service's request for an $11 million increase to fully implement the Federal takeover of the subsistence fisheries in Alaska. $7.5 million is expected to be housed in a centrally controlled monitoring account. As part of this plan, the Department has set a goal to contract out 60 percent of the resource monitoring work primarily through contracts with the State, Native corporations, Tribes and other organizations.

Question. Has the Department set in place a plan to ensure that this 60 percent target is met? And, if so, what is the plan?

Answer. Yes, the Department has a plan in place to meet this goal. The Federal Subsistence Board, acting for the Secretary, has adopted a systematic program for soliciting, evaluating, and selecting fisheries resource monitoring projects. The Alaska Department of Fish and Game (ADF&G), Alaska Native organizations, tribes, and other fisheries organizations are routinely included in planning and developing monitoring projects. The proposed projects are evaluated based on subsistence management priorities, technical-scientific merit, and the extent the projects develop effective partnerships with non-Federal entities. The approved projects constitute a state-wide annual fisheries monitoring plan.

To date, the Department has exceeded the Secretary's commitment that 60 percent of the resource monitoring work would be performed by non-Federal partners. As of April 24, 2000, the Federal Subsistence Board has allocated or recommended $3.5 million in 33 DOI fisheries resource monitoring projects. Of this, $1.16 million or 33 percent is directed to ADF&G and $1.34 million or 38 percent is directed to Alaska Native, and other rural organizations, or local hires. Only $1.01 million, or 29 percent is directed to work performed by Federal agency staff.

GOOSE DEPREDATION

The Fish and Wildlife Service has indicated that it was actively preparing a plan entitled "Goose Population Problems in the United States: A Strategic Plan."

Question. Has the Fish and Wildlife Service completed this plan yet? Can the Subcommittee at least see some informal numbers regarding future costs to address the problem in Region 1 which the Fish and Wildlife Service could legitimately spend to address this problem?

Answer. The Service has completed the requested report entitled "Goose population Problems in the United States: A Strategic Plan" and transmitted it to Congress on May 1, 2000. With regards to potential options within Region 1 to implement the actions under the Northwest Oregon and Southwest Washington Goose Agricultural Depredation Plan, the Service and their partners estimate $1,000,000 would be an optimal level of funding for the Federal responsibilities. However, due to other priorities, this funding was not included in the President's budget. Funding could be used by the Canada Goose Depredation Working Group to enhance the hunting programs in Washington and Oregon, support landowner assistance in keeping geese out of agricultural fields, augment law enforcement activities, and improve survey coverage for detecting changes in distribution and abundance of Canada geese. The President's Budget includes a program increase of $1.0 million for on the ground management activities for priority habitats and species of concern. Included in this increase is one project to implement the environmental impact statement on Snow Geese in the Central and Mississippi Flyways.

NON-GAME WILDLIFE STATE GRANTS

The Administration proposes the initiation of a new $100 million program entitled the Non-Game Wildlife State Grants program. The request proposes that the funds be distributed to states, tribes and U.S. territories to be used for such purposes as planning, inventorying, and monitoring non-game species.

Question. What other programs funded through the Fish and Wildlife Service already provide certain protections for non-game species in either direct or indirect ways?

Answer. Historically, Federal and State wildlife funding has been prioritized toward species that warrant Federal or State protection, such as implementing approved recovery plans for endangered species or toward species that are fished or hunted for recreation or commercial purposes.

The Administration's proposed Non-Game Wildlife Grants program would compliment ongoing programs and enable state fish and game agencies to develop more comprehensive wildlife programs for a wide diversity of fish, wildlife and plant resources, expanding their scope beyond traditional programs that have focused primarily on game species. Currently, the only FWS program that is dedicated solely to non-game species is the Wildlife Conservation and Appreciation Fund. This program received $0.8 million in 2000.

Other existing programs that contribute to non-game species (through habitat restoration and other natural resource management practices) include the NWR system, the Partners for Fish and Wildlife Program, certain aspects of the Fisheries program, the land acquisition program, and the "Duck Stamp" program.

FORENSIC LAB

Question. The Service's National Fish & Wildlife Forensics Laboratory is known as one of the best of its kind in the world. Does the Service currently have a backlog of its own projects at the lab? What are the backlog numbers and why?

Answer. Yes, the Service has a backlog. Although forensic scientists have responded to 526 Service requests during this fiscal year, a backlog of 223 requests exists as of May 1, 2000. Backlogs occur for a variety of reasons, including a higher demand for services than existing staff, instrumentation, and facilities can accommodate; time-consuming analysis required by high priority federal cases (i.e., caviar); and an increase in services offered as lab scientists develop and test new identification techniques using serology and DNA. The planned expansion of the forensics

laboratory scheduled for completion in fiscal year 2002 should help alleviate this problem.

Question. Has the Service had a backlog in fiscal year 1994 through fiscal year 1999? If so, please provide backlog numbers per each year.

Answer. Yes. The following table identifies the backlog of Service requests for lab assistance during fiscal year 1994 through fiscal year 1999.

Fish and Wildlife Service requests	Backlog at beginning of fiscal year	Requests received during fiscal year	Requests completed during fiscal year	Backlog at end of fiscal year
Fiscal year:				
1994	65	721	743	43
1995	43	789	790	42
1996	42	903	860	85
1997	85	751	760	76
1998	76	727	703	100
1999	100	808	816	92

Question. Is it true that the Service provides certain laboratory services for free (or a discounted basis) to certain foreign countries, states and other entities? If so, provide statistics of how many projects have been provided for free, or at a discounted rate, between fiscal year 1994 through fiscal year 1999. Please provide estimates of how much would have been received by the government for these services if the government had charged for these services.

Answer. Since opening the forensics laboratory, it has been Service policy to provide lab services to outside agencies without charging fees. The table below shows the total number of requests handled by the Forensics lab, broken out by FWS, other Federal agency, state and international requestors. Over all, non-FWS requests averaged 35 percent of the total for fiscal years 1994–1999.

Notwithstanding the necessity of recovering costs whenever possible, the Service believes that charging outside user groups (specifically state and international wildlife law enforcement agencies, and other Federal law enforcement agencies) for forensic support services would result in wide-ranging negative impacts far exceeding any monetary gain by the Fish and Wildlife Service.

A fee system would drastically limit the Service's ability to have a positive impact on federal, state, and international wildlife law enforcement investigations; add significant administrative burdens; and compromise the lab's ability to develop techniques and protocols necessary to conduct reliable wildlife identifications.

Development of a catalog of blood and tissue samples of known origin worldwide is critical to current and future lab projects. Various state and international wildlife agencies have continued to provide these samples free of charge. The lab currently has over 50,000 standard (comparison) specimens in its collection, approximately 70 percent of which were collected by state officers. This cooperative effort saves the Fish and Wildlife Service hundreds of thousands of dollars in travel and field collection costs, which would be incurred if lab technicians had to personally collect the samples. By developing a cooperative working relationship with other wildlife conservation agencies, similar to the relationship developed between the Federal Bureau of Investigation's crime laboratory and local police departments, the lab has been able to significantly enhance its wildlife identification capability while reducing the cost to the government. The work of the lab will suffer if the cooperating agencies stop providing the specimens.

U.S. FISH AND WILDLIFE SERVICE NATIONAL FISH AND WILDLIFE FORENSICS LABORATORY REQUESTS RECEIVED PER FISCAL YEAR BY AGENCY TYPE

	1994	1995	1996	1997	1998	1999
USFWS	721	789	903	751	727	808
Other Federal	82	62	36	48	34	41
State	469	506	494	453	358	166
International	91	44	47	47	36	23
Total	1,363	1,401	1,480	1,299	1,155	1,038

DAM BREACHING

The Fish and Wildlife Service decided to share its dam-breaching position with private interest groups in favor of breaching dams, such as "American Rivers," before the U.S. Fish and Wildlife Service notified other coordinating agencies in the Federal caucus.

Question. Can you explain why the U.S. Fish and Wildlife Service considers American Rivers to be such an important part of the "All H" process?

Answer. The U.S. Fish and Wildlife Service (Service) would like to correct two inaccuracies with the statement in Committee Question 11. First, the Service does not have a policy position on dam breaching. The draft All H paper does not advocate any specific salmon recovery options. Rather, it presents options for habitat, harvest, hatcheries, and hydropower; shows how those options can be combined into integrated alternatives; and stimulates an honest and constructive debate among the governments and people of the region about major changes that must be made in a wide range of activities if salmon recovery is to be successful. Second, the Service did not provide American Rivers with the draft All H paper, or other Service documents relating to the evaluation of the lower Snake River dams, in advance of the Federal Caucus or other regional interest groups. While American Rivers is an important participant in the regional debate on these issues, the Service does not consider them to be more important than other organizations, governments, and people in the region who have much at stake.

The draft All H paper is now being revised and comments received on the draft from all stakeholders are an important consideration in revising the document. Ongoing scientific analyses also play a key role in the debate and the decisions that must be made to recover salmon. These analyses will be incorporated into the revised All H paper. The Service will not have a policy position on dam breaching or on the other options for salmon recovery until the All H process is completed.

The Service did develop preliminary technical recommendations about the effects of the four hydropower alternatives in the Corps of Engineers' Lower Snake River Juvenile Salmon Migration Feasibility Report/Environmental Impact Statement (DEIS) on resident and anadromous fish and terrestrial resources in the area of the four lower Snake River dams. The preliminary recommendations were included in the Service's draft Fish and Wildlife Coordination Act Report (FWCAR) which was released to the public in mid-December, 1999, as an appendix to the Corps of Engineers' DEIS. The FWCAR contained a preliminary technical assessment that the natural river drawdown alternative was the most likely alternative to improve conditions for fish and wildlife resources in the area of the four lower Snake River dams.

The Fish and Wildlife Service did not share its technical recommendations on dam breaching and the other alternatives with American Rivers before the draft FWCAR was released in mid-December. However, a standard procedure in the development of FWCARs includes wide distribution of drafts to fish and wildlife agencies and tribes. A preliminary draft FWCAR provided in June, 1999, contained projections of benefits of the various alternatives to fish and wildlife, but did not include the Service's preliminary technical recommendation. However, the June draft projected many more benefits to fish and wildlife in the area of the Snake river dams in the long-term from the natural river drawdown alternative than from the other alternatives. While the June draft was only provided to fish and wildlife managers and tribes, it resulted in widespread knowledge of the Service assessment of the relative benefits of the alternatives. Therefore, although the Service did not directly provide American Rivers with the preliminary draft FWCAR, they may have received the information through other sources.

Beginning in July, the Service directly provided the preliminary draft to the Federal agencies involved in the Federal Caucus for internal review and comment as an appendix to the Corps of Engineers' preliminary DEIS. In November 1999 our final draft FWCAR was submitted to the Corps of Engineers for incorporation into the DEIS. The Service not only shared drafts of the FWCAR with the other Federal agencies but had numerous discussions and briefings with them on the contents of the FWCAR.

CASPIAN TERNS

An Environmental Assessment released by the U.S. Army Corps of Engineers in January revealed that Caspian terms consume an estimated 1.6 million threatened and endangered salmon and steelhead and nest on islands near the Columbia River estuary. Because of efforts begun by the Corps of Engineers last year to move terns from the area, an estimated 77 percent of the salmon species previously consumed by terns in that area are expected to return to the river at the end of their life cycle.

Yet, it appears that the U.S. Fish & Wildlife Service does not consider the effort to control terns to be an agency priority.

According to the U.S. Army Corps of Engineers, its ability to address the impact of terns on salmon smolt survival is limited without the active involvement of the U.S. Fish and Wildlife Service given the agency's jurisdiction over this migratory bird species.

Question. Can you explain the U.S. Fish and Wildlife Service's policy with regard to the terns and what plans the agency has for providing a long-term strategy to control the terns.

Answer. The Service believes a phased relocation of the terns from Rice Island to East Sand Island would be a successful and appropriately proportional response to addressing the effects of tern predation on salmon recovery. This action provides a measurable benefit to short-term recovery efforts and successfully addresses National Marine Fisheries Service's goal of significantly reducing tern predation on smolts. The Service has provided technical assistance regarding Migratory Bird Treaty Act issues relative to the Caspian Tern relocation effort and served as an active member on the interagency Caspian Tern Working Group (CTWG) since 1998. In an effort to provide some short-term recovery benefit to listed salmonids, the CTWG developed a strategy to translocate the terns nesting on Rice Island to East Sand Island. The 1999 pilot relocation effort demonstrated that this colony relocation would result in a 40 percent reduction in losses of smolts to tern predation. This is a significant reduction in predation.

The Service supported the 2000 relocation project by funding and implementing habitat restoration on East Sand Island to facilitate the relocation effort. The Service issued a Migratory Bird Treaty Act Depredation Permit for a limited take of tern eggs as part of a comprehensive effort to discourage terns from recolonizing Rice Island. As of mid-April, over 5,000 terns had settled on East Sand Island, a significant increase in the new colony compared to the 2,400 birds relocated in 1999. Currently, relocation efforts are halted as a result of a court issued temporary restraining order in response to a suit filed by the National Audubon Society, Defenders of Wildlife, Seattle Audubon Society, and American Bird Conservancy.

While the Service will continue to support the relocation of terns to East Sand Island, the Service believes salmon recovery efforts should be refocused on long-term goals to reduce other more substantial sources of smolt mortality. The Service recommends that the Corps and NMFS prepare a comprehensive assessment that addresses all the factors that influence salmon survival. This assessment will allow managers to focus efforts on actions that will have the most significant benefit for salmon restoration.

FISH AND WILDLIFE SERVICE REORGANIZATION

The Fish and Wildlife Service has proposed a reorganization of its Washington, D.C. office. Though I am inclined to support this reorganization, this Committee has not yet approved the proposal.

At the same time, the Audubon Society is proposing that the Division of Refuges be removed entirely from the Fish and Wildlife Service and be established as a separate bureau within the Department.

Question. What are the merits of the reorganization proposed by the Fish and Wildlife Service? Would the reorganization enhance the voice of the refuge system within the Service?

Answer. The Service's proposed Washington Office reorganization will address national workload issues and strengthen management focus on key programs. The reorganization will more effectively manage programs with states; promote greater visibility and leadership for the National Wildlife Refuge System; consolidate habitat protection programs; and increase oversight of Federal Aid programs. The Refuge programs will have a dedicated Assistant Director, rather than an Assistant Director with additional responsibilities for land acquisition, Migratory Bird Management, and North American Waterfowl and Wetlands programs, as was the case with the predecessor organization.

The Service is also implementing a complementary reorganization of its Regional Offices, that will enhance the changes being made in headquarters. These reorganizations will raise the visibility and stature of the National Wildlife Refuge System, give more attention to the important functions of Migratory Bird and Federal Aid programs, and continue to recognize the critical roles of Fisheries and Ecological Services. These organizational changes will provide a stable foundation from which the Service can focus on their resource mission, enhance the voice of the refuge system, and support all programs in a manner that will ensure a strong conservation heritage for the nation.

Question. What are your thoughts about the Audubon proposal?

Answer. The Service strongly opposes the Audubon Society's recommendation to establish a separate agency for the Refuge System. This recommendation would have the opposite effect of that envisioned by Audubon. It would seriously weaken the Refuge System. The Refuge System and other programs within the Service share the common goal of conserving the nation's fish and wildlife resources for the continuing benefit of the American people. The Service provides many specialized capabilities ranging from migratory bird, endangered species, and fisheries management to wildlife law enforcement and contaminants management that compliment Refuge System programs. The Refuge System cannot operate effectively in isolation and the interaction and synergy among the various programs within the Service is a source of strength for the System. Separating these efforts would not only reduce resource management effectiveness but would also result in loss of efficiencies as duplicate administrative systems would need to be developed for the Service and the new refuge agency.

The Refuge System is prominent within the Fish and Wildlife Service and the Service continues to work diligently to improve it. Not only is nearly 40 percent of the Resource Management budget devoted to the annual operation and maintenance of the Refuge System but also 65 percent of the Service's other appropriated funds (primarily Construction and Land Acquisition funds), and an additional $42 million from the Migratory Bird Conservation Account are also devoted to the Refuge System. The Service has consistently considered the needs of the Refuge System as budgets are developed, as policy development is pursued, and as legislative priorities are attended to.

BUREAU OF INDIAN AFFAIRS

SCHOOL CONSTRUCTION

The Administration requests $300.5 million for school construction for fiscal year 2001. This is a 126 percent increase. I am encouraged by the Administration's decision to focus significant resources on BIA school replacement, which is an area in dire need.

Question. This is a significant portion of the Department's fiscal year 2001 request. How does this fall within your priorities for fiscal year 2001?

Answer. Eradicating the serious health and safety deficiencies that afflict the 185 BIA-funded schools is one of the Department's top priorities. As of January 2000, the estimated cost to repair and improve BIA's education facilities was more than $800 million. To address this significant backlog, BIA's fiscal year 2001 education construction budget is the largest ever requested—$167.3 million over the fiscal year 2000 funding level, an increase of 126 percent. This request would fund replacement of six schools that have structural and code deficiencies which threaten student safety and are not equipped with modern educational tools. This request would also fund maintenance and major and minor repair projects to address critical health and safety concerns and reduce the significant repair backlog. The fiscal year 2001 budget represents a commitment to ensuring that American Indian youth have adequate educational facilities in which to obtain the skills necessary to succeed in the 21st Century.

CONTRACT SUPPORT COSTS

There appears to be a big difference in the budget request this year between BIA and the Indian Health Service. BIA requested an increase of $8 million for contract support costs while the Indian Health Service requested an increase of $40 million.

Question. Are you aware of why there is such a large difference in the requests? And if so, why is there such a large difference?

Answer. Both IHS and BIA requested additional contract support funding for fiscal year 2001 to help Tribes administer contracted programs efficiently and effectively. Contract support is essential to ensuring Tribes have the resources necessary to build strong and stable tribal governments and exercise their authority as sovereign nations.

The IHS request for an additional $40 million for contract support costs is needed to provide for new assumptions of IHS programs under self determination agreements and to increase contract support payments for existing contracts. The BIA's request for an additional $8.2 million in contract support funding will meet approximately 100 percent of eligible costs for new contracts and approximately 88 percent for existing contracts. The difference in the funding levels requested by IHS and BIA is due to the number and costs of new and expanded contracts that each agency expects during 2001.

OFFICE OF SPECIAL TRUSTEE AND BIA

TRUST REFORM

Question. The federal government has been severely criticized, especially in recent years, about its ability to properly adhere to its trust responsibilities owed to American Indians. Last year you indicated that your number one priority for appropriations was the Office of the Special Trustee. Is this still your top priority for fiscal year 2001?

Answer. The reforms in this area continue to be the Secretary's highest management priority for the Department. The combined OST and BIA budget requests reflect the continued emphasis the Administration places on implementation of Indian Trust Asset Reform efforts and the resources needed to sustain the operational and organizational improvements initiated in previous years. Improvements in systems, operations and policies are critically needed to ensure the Federal Government meets its fiduciary obligations to Indian tribes and individual American Indians. New systems linking the management of underlying trust assets and the financial accounts are expected to begin operations in late 2000 to ensure that collections and payments are accurate.

COBELL CASE

Question. At the hearing yesterday, Mr. Thompson testified that litigation responsibilities connected to the *Cobell* case have taken up a significant amount of time and resources of the Office of the Special Trustee. How have demands generating from the *Cobell* litigation affected the Department of the Interior as a whole?

Answer. The Department has dedicated significant funding and staffing resources to meet litigation responsibilities connected to the Cobell case. For example, as of August 31, 2000, the Department has spent over $14 million on the Five Named Plaintiffs Document Production. In addition, employees have been dedicated to meeting the wide array of responsibilities in the Cobell case from across the Department in the Office of the Secretary, Office of the Special Trustee, Bureau of Indian Affairs, Minerals Management Service, United States Geological Survey, Office of the Solicitor, Office of Hearings and Appeals, and the Bureau of Land Management. The major responsibilities include the following: Five Named Plaintiffs Document Production; meeting the Special Master's requests; responding to a temporary restraining order and motion for preliminary injunction to prevent the move of the Bureau of Indian Affairs' Office of Information Resources Management from Albuquerque, New Mexico to Reston, Virginia; responding to the Special Master's judicial inquiry into Plaintiffs' allegations about the preparation of a declaration by a Department official; responding to Plaintiffs' motion for an order to show cause that alleges violation of the Court's anti-retaliation order; implementing initiatives to remedy the four Court-identified breaches of trust; preparing quarterly reports to the Court on the actions taken to correct problems related to the Federal government's trust responsibilities; and, implementing the trust reform initiatives as established in the High Level Implementation Plan. Employees dedicated to this effort are often fully involved in their regular duties and then are required to assist in trial preparation and document searches. Staff is working overtime to meet the wide-ranging demands of the *Cobell* litigation.

OFFICE OF THE SOLICITOR

ORGANIZATION STRUCTURE

Question. You state several times in your budget justification that your costs are rising faster than you can compensate. In fiscal year 2000 you estimate a level of 312 FTEs. Having six separate divisions to manage so few people seems excessive. Couldn't you consolidate some of these divisions and save money?

Answer. For several decades, the headquarters of the Office of the Solicitor has been organized along subject matter lines, through divisions. Four of the divisions—Indian Affairs, Land and Water Resources, Mineral Resources, and Parks and Wildlife—serve the distinct and sometime conflicting missions of the Department's eight bureaus. A fifth division, General Law, provides legal services to the Secretariat and all the bureaus on cross-cutting issues such as personnel, equal employment opportunity, ethics, Freedom of Information Act, Privacy Act, tort claims, and intellectual property. A sixth division, Administration, provides non-legal support services to the Office as a whole, and with the exception of the Associate Solicitor, is not staffed by lawyers.

The rationale for this organization has been the strong belief, held through many different Administrations, that it is the most efficient form of organization to deliver

legal services to the Department. Among other things, it is perceived to provide an appropriate balance between serving the different individual clients and missions in the Department, and responding to the needs of the Secretary and the Department as a whole. While this assumption is periodically reexamined, it has for a long time been the belief of both career and political officials in the Office that moving away from the subject matter divisions through some form of a consolidation would not be in the Department's best interests.

That is not to say that the organization and content of these divisions has remained static. Within that general framework, Office management has periodically evaluated the effectiveness of its organizational structure. Over the last several years we have made a number of significant changes to division and branch alignments for greater efficiency. Responding to changes in workload priorities and staffing levels, some smaller branches have been consolidated into larger branches. Less often, larger branches have been divided into smaller branches. Some workload has been shifted from one branch to another. One large and one small division were substantially realigned into two divisions of equivalent size. Division management structures were also streamlined, by eliminating stand-alone Deputy Associate Solicitor positions in five of the six divisions. Now the Deputies manage one of the branches in these divisions, as well as serving as the Deputy Associate Solicitor.

While we are not complacent, we think we have already put sensible organizational changes in place that have brought improved efficiencies in our operations. We continue to believe that a major consolidation of divisions would not lead to further efficiencies, but likely would have the opposite effect.

Question. Why is it necessary to have 19 separate locations for 312 FTEs?

Answer. All of our field and regional offices are in locations where there are large offices of one or more of our client agencies, e.g., Anchorage (National Park Service and Fish and Wildlife Service), Albuquerque (Bureau of Indian Affairs), Knoxville (Office of Surface Mining), and Billings (Bureau of Land Management, Bureau of Reclamation). Like the organization of the Washington office, there has long been a consensus belief that this organizational structure in the field is the most efficient way to deliver legal services to our client agencies.

Over the last several years, Office management has made a number of efficiency-oriented changes to this regional and field office structure. We currently have 7 regional offices and 11 field offices, down from 8 regional offices and 13 field offices a decade ago. (The distinction between regional and field offices is primarily one of size; the smaller field offices are organizationally located under the regional offices for budgeting and management purposes, but they coordinate directly with Washington, D.C., on substantive issues when appropriate.) Some offices have grown in size in response to workload changes, while others have shrunk. One regional office was changed to a field office. Two field offices were closed altogether. One field office was merged into an existing regional office. The reporting relationship of a number of field offices was changed.

As this record shows, we have not hesitated to close field offices where efficiency improvements and money savings could be demonstrated. We have looked carefully at closing additional field offices, but we have concluded that it would not be cost-effective to do so. Again, while we are not complacent, we think we have already undertaken the reorganizations that make sense.

Were we to close any additional offices, we would incur substantial costs in relocating staff from the field office to its regional office, paying severance costs for staff who did not relocate, and moving the newly consolidated office to larger quarters. These costs would far exceed the first-year savings that would result from the consolidation and would therefore require an increased appropriation. Our offices are located where they are in order to best serve the client bureaus within each office's geographic areas. Closing an office would necessitate increased travel expenditures by staff in other locations to serve the needs of the clients in the closed office's location.

Question. If we approve the additional 19 FTEs, would you need additional locations and if so, why?

Answer. The 19 positions we are seeking to convert from client funding to the Office's appropriation are already distributed among our various offices. They do not represent new positions. They would not require any additional locations. The attorneys who already occupy those positions would simply receive their funding from the Office, rather than from the bureaus.

Question. What additional costs would there be and how will you pay them?

Answer. There would be no additional costs to the Department as a whole. Existing costs would merely be shifted from bureau funding to Office funding.

Question. How much money would you save if you reduced your number of locations to 10?

Answer. For the reasons explained above, we would significantly increase our costs if we consolidated 9 existing offices into the remaining 10, especially over the next few years. Some duplication of rental space, library resources, equipment, and support staff could potentially be eliminated, but the savings would not be significant. For example, if we closed virtually all of our field offices, we would have to increase the space of our regional offices to accommodate the displaced staff, ending up with almost as much total square footage as we have now; yet our regional offices are generally located in larger cities with higher rents. Moreover, most regional offices would likely not have room to expand in existing quarters, and would have to move to find additional space and possibly pay even higher rental rates. Shipping furniture, equipment, and files from the closed field offices to the regional offices, and moving the regional offices to larger facilities, would themselves be very costly. Unless we were to separate all of our field office staff through a reduction in force—at a great cost of expertise and experience—we also would have to pay relocation costs. We might be able to reduce the number of network file servers and fax machines; but we would still need the same number of desks, computers, filing cabinets, and telephones for 30 attorneys in one location as we currently need for 30 attorneys in 2 or 3 locations.

FISCAL YEAR 2001 PROGRAM INCREASE

Question. In fiscal year 1992 we gave you an additional 12 FTEs, now you want another 19. Why do you think that an additional 19 FTEs will provide the Office a "deal of self-sufficiency?"

Answer. The Office's workload has increased substantially since 1992, in nearly every area. Our client bureaus are requiring more legal services than we can provide with just our own appropriation. This has led the bureaus to fund a growing number of positions in the Office. By transferring these 19 positions to the Office's appropriation, we will reduce our dependency on client funding and thereby regain lost self-sufficiency.

Question. Will this be enough?

Answer. In formulating our fiscal year 2001 budget request, we reviewed all of our client-funded positions, with specific criteria in mind. We excluded situations in which we have detailed an employee to a bureau for a term-limited assignment. There are a handful of these arrangements in place at any given time; typically, one of our attorneys is asked by the client to serve in some acting capacity in their offices. We also excluded positions associated with discrete legal projects that will have a definite end to them. These include work on the Presidio that is now winding down, the South Florida restoration project that is in mid-stream, and the major Indian trust fund reform effort that is likely to continue for some years. That left us with 19 positions that we determined had evolved over time into indefinite arrangements, with no end in sight to the associated workload. It is this group of 19 positions that we believe should be converted to Office funding.

Question. In your justification you state that "Client funding may exert subtle pressures to tell the client what it wants to hear rather then to provide objective legal advice." I find this to be a very disturbing statement. Are you really saying that the lawyers paid with agency funds are afraid they won't get paid if they don't tell the agency what it wants to hear?

Answer. The statement in our budget justification was not intended to suggest that clients will pull funding for individual attorneys if they don't like the legal advice given. The concern is more general, at the institutional level. Congress made a specific decision back in 1946 to establish a separate Solicitor's Office within the Department. We believe the principal basis for this decision was that there should be a central law office independent of the individual clients and bureaus. Congress did not, in other words, envision each client agency having its own "in-house" counsel. We move away from that congressional model of an independent central law office the more we staff it with individual lawyers paid for by the clients. While the pressures are subtle, relating primarily to work priorities rather than outcomes, client agencies who are funding individual attorneys in our Office inevitably come to believe they are entitled to special deference. The undermining of the Office's independence is particularly problematical when attorneys representing different bureaus are seeking to reconcile conflicting positions among those bureaus in order to develop a unified departmental position.

Question. It should make no difference who pays, everyone has subtle pressures placed upon them. If this logic follows then they probably could not deal with the subtle pressures your office would place upon them. Perhaps the problem is not with the lawyers but the terms of your agreements. If the lawyers were assured of payment no matter the outcome—where's the problem?

Answer. Please see the answer to the previous question.

Question. If it's a reimbursable agreement, doesn't the money come to you and you disburse it?

Answer. Reimbursable accounts are established for each client-funded position. The costs of that position are billed to the bureau through the reimbursable account.

Question. As for your statement regarding ability to pay, it makes one wonder if your office has a problem determining how to set priorities. If you know that some agencies have funds available to pay doesn't that enable you to use your base funding for the agencies that don't have funds available?

Answer. In each reimbursable situation, we have already been providing the client bureau with a certain level of legal services, using our appropriated funds. The client has then come to us with a specific additional need. If we cannot meet that need within our existing resources, the client has offered to pay for a new legal position, to be filled by hiring an additional attorney on a term basis to meet the specific need that has been identified. Consistent with the reimbursable agreement, we cannot simply take the client's funding, apply it to existing positions already filled, and use the money previously devoted to those positions to perform work for some other bureau.

OFFICE OF THE INSPECTOR GENERAL

ORGANIZATION

Question. You have fourteen locations for an estimated 265 FTEs. I know that you have been directed to have a presence at some locations. However, isn't there still some way to consolidate your locations and save money?

Answer. Fourteen locations actually result in cost savings. By placing staff where the audit and investigative work is we save in travel costs. Indirectly, we also enhance staff productivity by eliminating time spent on the road—not to mention the intangible benefit of continuous, on-site working relationships with Bureau personnel and local U.S. Attorneys and oversight of Bureau operations and activities.

Question. In fiscal year 2000 you have an increase of 17 FTEs above your fiscal year 1999 actual level, and twelve of the 17 are grades 13 and higher. Why are most of the increases in the upper grades including three senior executives?

Answer. Three vacant SES positions have been filled in fiscal year 2000. The Deputy IG position had been vacant for almost 5 years, the General Counsel position had been vacant for 1½ years, and the Assistant Inspector General for Investigations hire replaced the retiring AIGI. Other upper grades have been advertised/filled to gain specialized skills for the new Special Inquiries Unit in Washington, D.C., which was established, in large part, to improve our responsiveness to Congressional inquiries and requests. Finally, the new IG felt it was important to bring some outside experienced managers to revitalize staff and bring new vision to the mission of the OIG and how we might better meet the needs and expectations of our customers.

AUDITS

Question. You state that in fiscal year 1999 your discretionary audits made up only 13 percent of your direct audit staff time. Will five additional FTEs bring you to an appropriate staffing level? And what percentage of discretionary audits do you want to achieve?

Answer. The request for five additional auditors is the first part of a 5-year "glide-up" Human Resources Staffing Plan to return to the fiscal year 1994 level of staffing (171 FTEs) and audit workload performance (34 percent of our direct audit staff time devoted to discretionary audits).

Question. Do you have the same arrangement as the Office of the Solicitor (SOL) for the agencies to pay for your services? If not, would that be feasible?

Answer. The OIG cannot be compared to the SOL. Historically, we have funded our audit and investigative services through our annual appropriations, with very limited exceptions. Due to the increasing financial strain of conducting audits of the individual Bureau financial statements, however, we are seeking reimbursement in fiscal year 2000 (and beyond) for these CFO-related audit activities that are not required by law.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION HANDBOOK

You are using an interdisciplinary team to develop a Restoration handbook. This handbook will address how to handle a variety of issues and obstacles concerning planning (NEPA) and implementation.

Question. Which agencies have members on your team?

Answer. Members on the team include the: U.S. Fish and Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, Solicitor's Office, and the Office of Environmental Policy and Compliance. Technical assistance is provided to the team by the U.S. Geological Survey, and assistance on economics is provided by the Office of Policy Analysis.

You state that this will be the first standardized document to guide the Interior bureaus in restoration activities.

Question. Who will be involved in the peer review of this handbook? If it's not being peer reviewed-why not?

Answer. The restoration handbook draws on the multi-disciplinary expertise of the FWS, BOR, BLM, and NPS. So essentially, it is being peer-reviewed as it is drafted. Upon completion of the draft, the entire package will be reviewed by the Department's land managing bureaus and the Office of the Solicitor. We will also request outside review by other trustee agencies such as the U.S. Forest Service and NOAA.

DAMAGE ASSESSMENT

Question. Please explain the new process you have implemented for screening and ranking your projects.

Answer. The revised process for evaluating project proposals prioritizes cases based on the likelihood of success in achieving restoration and by demonstrating technical, administrative and legal merit. The system is designed to:

(a) Be inclusive of all resources under DOI trusteeship and trustee roles (i.e. Interior lands, trust species, and tribal interests).

(b) Provide a process that encourages thorough planning and enhanced opportunities for restoration.

(c) Provide a process that evaluates both objective and subjective aspects of individual cases.

(d) Fund cases that have demonstrated sufficient technical and legal merit, trustee organization and readiness.

The funding request features four tiers of questions that require increasing levels of case-specific information. The ability to answer these increasingly detailed levels of questions is used as an indicator of a case's readiness and potential for successful outcomes.

(1) Threshold Questions—are used to determine whether sufficient information has been gathered to warrant further consideration of the potential case.

(2) Screening Questions—are used to provide more detailed, factual information on technical, administrative and legal merits of a case.

(3) Qualifying Questions—are used for a more in-depth, qualitative evaluation of the technical, administrative and legal merits of a case.

(4) On-going Case questions—are used to evaluate the progress of ongoing cases to identify appropriate adjustments and changes in timing and case strategy.

All submitted proposals are evaluated, ranked and scored on the basis of the four criteria identified in (d) above, and then are recommended for funding approval (to the extent funds are available) by the Restoration Program's Work Group. All final allocations are approved by the Program's Executive Board.

PROGRAM MANAGEMENT

You state you are developing a Restoration Program database. Databases are often very expensive to populate and maintain.

Question. How much is your database going to cost?

Answer. We do not currently have a estimate of the costs of developing our database. The Restoration Program is aware of the potential for high costs to populate and maintain such a system. However, due to limited funding we are taking a very measured approach. To the greatest extent possible, we are utilizing existing personnel, and plan to house the data in an existing data management system. Data for the prototype is currently being developed by field practitioners, while quality control will be provided by our regional coordinators. Additionally, where possible we are utilizing data already collected by others to build a limited prototype.

Question. Will this database be tied to the different bureaus' databases?

Answer. We envision that our database will be tied in some fashion to other existing databases.. Our database will become part of the Environmental Conservation On-line System (ECOS) data management system developed and managed by the U.S. Fish and Wildlife Service. This will allow us to relate our data to a variety of other contaminant and natural resource databases and display it on a geographical basis. Currently, the ECOS system contains data from a variety of sources including the Fish and Wildlife Service, National Park Service, U.S. Environmental

Protection Agency, and the U.S. Geological Survey. This list will expand as the system is further developed. By utilizing this system we will be able to immediately access and relate our data to these other data. We are also working with the Department of Justice to link with their data so that common fields will not be duplicated.

Question. How will it be maintained?

Answer. We are currently in discussions with the Fish and Wildlife Service to provide funding to them to operate and maintain our database. As they currently have the need and expertise to develop and maintain their larger system, efficiencies will be gained by "piggybacking" onto their data management capabilities.

Question. Who will have access to it?

Answer. Currently the database is being developed to be used primarily in-house, by practitioners and managers. Some of the data fields will be a matter of public record while others will be litigation sensitive. As part of the prototype we are looking into questions of appropriate accessibility and protection for portions of the database.

MINERALS MANAGEMENT SERVICE

OIL VALUATION—RECENT COURT CASE

The D.C. Federal District Court ruled against the Minerals Management Service last week with respect to whether natural gas producers have a "duty to market" the federal share of production at no cost to the government.

Question. What, if any, impact will this decision have on the new oil valuation regulations which the agency issued on March 15?

Answer. The Departments of the Interior and Justice are considering whether to appeal the decision and have already filed a motion with Judge Lamberth asking for clarification of certain aspects of the decision. Therefore, because the litigation on this issue is not over, it is difficult to say what impact, if any, the District Court's decision will have on the new oil valuation regulations. In April, the Independent Petroleum Association of America and the American Petroleum Institute have filed suit on the oil valuation rule. Notwithstanding the outcome of the oil rule litigation, if the District Court's decision on marketing stands, there would be an impact on what costs the lessee would be permitted to deduct for the costs of marketing Federal crude oil downstream from the lease. We estimate those costs (and the loss to the Treasury) would be between $6–$13 million annually.

Question. Does the agency have any plans to suspend implementation of the regulations based on this ruling?

Answer. We have no plans to suspend implementation of any of our regulations based on this ruling. At this time, we believe that this issue should be decided through the court system.

OFFSETTING RECEIPTS

Almost one half of the MMS's budget is funded through offsetting receipts derived from rents charged on oil and gas leases. The MMS budget request states that $117 million will be collected through offsetting receipts this year. We have heard recently that this number is overstated by more than $7 million.

Question. What are the current MMS estimates of the amount of receipts that will be collected?

Answer. In addition to making estimates of offsetting receipts for the President's Budget, we periodically update our projections of rent, bonus, and royalty receipts that are expected from leasing of OCS resources. These estimates fluctuate over time depending on a variety of factors that affect OCS leasing.

Because these projections are by nature uncertain, we have to settle on an estimate early in the year and use that estimate for planning. For the Administration's budget purposes our current estimate of offsetting collections is the $117 million submitted by the Administration in its fiscal year 2001 budget. The $117 million includes the proposal for $10 million in new fees.

Question. How would MMS absorb a $7 million reduction in funding if the projections are now, in fact, lower?

Answer. If a shortfall materializes for fiscal year 2000, Congress has granted us the authority to utilize receipts from the $3 per acre rents to make up the difference. If a shortfall were to occur in fiscal year 2001, we would spread the impact among all MMS programs; for instance, delaying implementation of the Royalty Reengineering Initiative, and reducing helicopters used to support the inspection of offshore facilities.

The agency's budget request also claims a $10 million credit for "user fees". No more explanation is provided. This proposal has yet to be sent to Congress.

Question. What can you tell us about the specifics of this proposal?

Answer. MMS is exploring possible options that could be used to generate new receipts to address any potential shortfall in offsetting collections, so as not to adversely affect MMS's operating budget. Our goal is to identify possible charges or fees that could generate sufficient amounts to offset potential shortfalls, without adversely affecting leasing and development of OCS oil and gas. To establish a new revenue source designed to maintain a consistent level of offsetting receipts, we believe that legislation may be needed to authorize the Department to establish and retain a new type of fee. Currently, MMS is discussing several possible new fees with the Department and the Office of Management and Budget.

Question. When will you send this proposal to the Committees of Jurisdiction?

Answer. Currently MMS is discussing possible new user fees with both the Department and the Office of Management and Budget. When those discussions are completed, MMS will prepare and forward the necessary proposed legislative proposal to the Congress.

Question. Is it sound policy to increase operating costs on oil companies which will be passed on to consumers when gas prices are so high?

Answer. The Department believes that any proposed fee would have little or no effect on the price of oil or gas since the total cost of production will be affected only negligibly.

DUTY TO MARKET

Question. If a legal determination is made that producers have no duty to market at no cost to the government, what would the impact be on MMS's estimate that it would collect an additional $66 million dollars with its new oil valuation rules?

Answer. We estimate the annual costs of marketing Federal crude oil production at between $6–$13 million.

OFFSHORE LEASES

The agency recently granted suspensions on a number of leases off the coast of California. The state has sued claiming that this decision is subject to the Coastal Zone Management Act.

Question. What would the impact be on the agency if such decisions were subject to the CZMA? Is this the first instance in which a state has made such a claim?

Answer. The MMS approves suspensions of operations (SOO) and suspensions of production (SOP) to allow more time for activities that are the subject of the suspension to occur. We do not believe that suspensions are subject to consistency review. A suspension is not a Federal license/permit, as it does not license any activity or constitute a permit for any activity. Even if a suspension was found to be a license or permit, CZMA exempts application for other permits necessary to conduct activities described in an approved OCS exploration or development and production plan from further state consistency review.

If consistency review were required for MMS suspensions, the increased workload and time would adversely affect MMS, as well as coastal states and OCS operators. The MMS approves suspensions in all regions of the OCS; in 1999, MMS approved five SOOs and 92 SOPs on the OCS in the Gulf of Mexico Region. MMS's administrative costs associated with running these 97 suspensions through a multi-state federal consistency review would be high. For coastal states, it is not clear that their coastal management programs have the capacity and resources to handle the increased paperwork and staff time associated with consistency review. In addition, OCS operators would have to bear costs associated with a three to six month consistency review delay.

Such costs would be understandable if there was a need to protect coastal land, water use, and natural resources from activities associated with MMS suspensions. Because suspensions delay activities instead of permitting them, there will be no value added for the added administrative burden that a consistency review would bring.

To our knowledge, this is the first instance in which a state has made such a claim. Until the recent California suspensions, coastal states have not asserted that the suspensions required federal consistency review. In fact, during the late 1980s and early 1990s, MMS approved numerous suspensions for the undeveloped leases on the California OCS. All of the operators of the remaining 36 California OCS leases had received more than one granted suspension without the state ever suggesting that a federal consistency review was required.

Question. When is production expected from these leases? What are the estimates for the amount of federal royalties that will be received?

Answer. Currently, there are 11 known oil and gas fields underlying the 36 undeveloped leases. Three of these fields can be developed from existing facilities, which means that production from these fields could begin as early as 2002. The remaining eight fields would require new platforms for development, so production might begin no sooner than 2007. An exploratory well is scheduled for 2002 and could result in discovery of another field.

The recoverable oil and gas reserves from the discovered fields underlying the 36 leases is estimated to total 1.091 billion barrels of oil and 578.502 billion cubic feet of gas. Assuming future prices of $17 per barrel for oil and $2.50 per thousand cubic feet of gas (derived from EIA and other projections), Federal royalties from producing these reserves could total $3 billion over the life of the fields. Please note that this $3 billion projection is a gross estimate (not discounted over time) based on a single price assumption that does not take into account different start-up times for production, price growth, or inflation during the life of operations.

ALLEGED EMBEZZLEMENT

Recently, an employee of the agency pleaded guilty to embezzling MMS funds. The Inspector General concluded that the MMS had weak internal controls.

Question. Has an independent review been conducted and recommendations made by outside auditors to fix the problem? What other steps is the agency taking to correct this problem?

Answer. Initially, the Department's auditors reviewed MMS's finance and control processes. Currently, MMS is using the services of KPMG to perform an independent review of our financial processes and controls. Recommendations will follow KPMG's review.

MMS staff discovered the embezzlement during reconciliation of the bureau's administrative operating accounts. MMS staff compiled the initial evidence provided to the Inspector General's investigators and cooperated with them to obtain further documentation.

The embezzlement scheme involved funds about to be returned to the Treasury from expiring appropriations. The individual responsible for ensuring that these funds were correctly returned to Treasury felt that she could defeat the existing checks and balances. No system or procedure gave the embezzler the authority to approve and make payments without the proper documentation to indicate a legitimate expense to the MMS. Instead, the embezzler created false records to conceal her actions and make it appear that legitimate expenditures were being made. She was able to accomplish these actions by illicitly obtaining the passwords and system authorities of other employees. This made it appear that the payments were being ordered and verified by two separate people. No other MMS employees were culpable in this theft.

A number of steps have been taken to prevent this event from occurring again. Immediately upon discovering the likelihood of embezzlement, the passwords and authorities of the suspected employee were revoked. This included her access to the building in which she had been working as well as her access to files and systems.

At the same time, the passwords of all other employees in the finance organization were changed and their authorities to take actions in the accounting system were temporarily curtailed pending a more detailed review of any possible overlaps. The more detailed review has been completed and authorities necessary to the conduct of regular business have been restored to finance organization employees.

Other steps taken included the reassignment of the lead accountant and the establishment of an interagency task force to review and reconcile MMS accounts. The Inspector General's auditors have been key participants in the review of all of our processes. Finally, we have engaged a nationally known public accounting firm to provide a further review of the finance processes and controls.

As the Inspector General was quoted as saying in a February 19, 2000 Washington Post article on this incident, "the system has been fixed" and the embezzlement "would not happen today."

REENGINEERING EFFORTS

The agency's budget proposes a large increase in fiscal year 2001, as it did last year, to support its reengineering efforts.

Question. How is this effort proceeding? Are any unexpected problems arising? When is deployment planned if the increase is provided?

Answer. The reengineering effort continues to advance as planned. A favorable contract for design and implementation of the new RMP financial system was

awarded to Andersen Consulting in September 1999. Andersen recommended a commercial-off-the-shelf package, called PeopleSoft Financials for Government and Education, for the project. With the requested fiscal year 2001 funding for the reengineering initiative (which is unchanged from our fiscal year 2000 request), we will be able to deploy the new RMP financial system in September 2001.

Major milestones to date include hardware and software acquisition, final definition of user requirements, an initial fit analysis which matches PeopleSoft capability with RMP requirements, and completion of Conference Room Pilots. PeopleSoft capability closely matches our defined requirements, which will keep the amount of custom code within an acceptable range. To date all critical milestones have been met as scheduled and we do not foresee any deviations from established schedules. General and detailed designs will be completed this summer after which the project focus will shift to coding, testing, data conversion and implementation. While an effort of this magnitude is challenging as we define requirements, resolve issues and adjust processes to fit the new PeopleSoft based environment, we haven't encountered any unexpected problems that would alter project plans or objectives. We are also engaging Andersen Consulting to design, develop and implement our reengineered compliance and asset management process (CAMP). Requirements are in the process of being analyzed and the scope, approach and cost associated with CAMP implementation will be negotiated and finalized this summer. Final contractual arrangements will be in place no later than September 2000, and we anticipate implementation concurrent with the new financial system (Sept. 2001).

Question. To what extent have industry, states, and tribes been involved with the reengineering effort?

Answer. Customer and constituency input has been gained across a broad front throughout the course of the reengineering effort. State and tribal representatives participated directly on initial reengineering design teams and continue to be involved through permanent assignment to operational model teams and the Program Reengineering Office. We have instituted an aggressive outreach and communications strategy involving regular dialogue with industry groups (Council of Petroleum Accountants Societies) and state and tribal organizations (State and Tribal Royalty Audit Committee).

Full working partnerships have been established for operational models and systems development, and reporting requirement analysis activities. Oil and gas industry partners include Texaco, BP AMOCO, and Chevron. Solid mineral industry partners include Peabody, Cyprus-Amax (RAG America, Inc), BHP, and Kennecott. State and tribal government partners include Utah, Colorado, Wyoming, Montana, New Mexico, the Navajo Nation, Ute Tribe, and the Crow Tribe. As partners, representatives are assigned to operational model teams, review proposed report formats and participate in contractor led design sessions. These partnerships and associated outreach efforts allow us to jointly explore ways to exchange information and advance new reporting and operational procedures. RMP will continue its active communications strategy to fully involve industry, states and tribes and gain input from them as the reengineering effort progresses to completion and thereafter.

Question. Will the new systems being implemented by MMS as part of reengineering place any burdens on stakeholders such as acquisition of new hardware or software? If so, what would be the cost of such additional resources?

Answer. States, tribes and other Federal agencies have access to and exchange information with RMP on a regular basis. Existing hardware, software, and network configurations maintained by these entities to access RMP data will not be directly impacted by new RMP systems. RMP data and applications can be accessed by these users with existing desktop capabilities. We will be introducing new reporting formats and dialogue is underway with affected stakeholders to ensure that their systems can receive and process RMP supplied data. Not all reporting issues have been finalized, but we anticipate that changes will be handled by conversion programs which will translate new RMP formats into existing receiving agency formats.

Industry reporting requirements will also change as modifications are made to royalty and production reporting formats. While there are no hardware related costs to industry as a result of RMP reengineering, we recognize there will be a minimal one time cost to industry as they modify their systems to accommodate new reporting changes. Reporting service providers that contract with payors will also have to modify their systems. It is impossible to gauge with complete accuracy what these costs might eventually be given the thousands of entities that report to MMS and their diverse size and systems environments. Most will incur little or no cost as they utilize MMS's templates. For those companies that do have to make software changes, we estimate that the cost industry-wide may total between 10 and 20 million dollars; however, we believe that the long-term cost savings to industry will significantly outweigh their system conversion costs. While it is difficult to estimate

initial costs to industry, full implementation of the reengineering process will improve MMS's overall program performance and realize significant benefits to MMS and industry. For example, reducing the business cycle from 6 years to 3 or fewer will accelerate cash flows, improve accuracy of first reporting and payment of royalties, and expedite problem resolution. This will mean substantial dollar savings to MMS and industry. Furthermore, industry has repeatedly requested many of these reporting changes and recognizes the benefits to all parties.

SAND AND GRAVEL

Last year, by statute, MMS's authority to assess fees on state and local governments for sand and gravel expired.

Question. Since MMS will no longer be able to charge fees to these entities for "public purpose" projects how much does the agency anticipate that demand for sand and gravel will increase? How does MMS plan to deal with this increased demand? What are the long term funding needs for this program?

Answer. Since MMS no longer has authority to assess fees for sand and gravel for "public purpose" projects, we have seen requests for the use of OCS sand increase substantially. We currently have requests that we are processing from the State of Maryland; Brevard County, Florida; and the community of Corson's Inlet, New Jersey. Outer Continental Shelf sand and gravel is also being considered as a source for barrier island restoration offshore Louisiana. We have a request for the use of Federal sand from Gulf Shores, Alabama and an indication of the need for OCS sand offshore Avalon-Stone Harbor, New Jersey, as well as a request for further cooperative work with the State of New Jersey offshore Monmouth-Sea Bright. In addition, the State of Florida has indicated its interest in establishing a coastal marine institute with us, the Florida Geological Survey, and the Florida State University to conduct sand source investigations and environmental studies of sites identified as potential sources of shore protection material. They are interested in further work in Federal waters off both their east and west coasts to identify quality sand for beach nourishment projects.

In fiscal year 2001, MMS will initiate a study to design a pilot program/framework for environmentally sound management of offshore borrow areas along the U.S. East and Gulf of Mexico coasts. The study involves the design of a monitoring program to examine long-term cumulative effects of dredging, as well as developing options and recommendations for the inclusion of Federal, State, and local governments in an overall planning process. The study will provide valuable information to help MMS design an effective regional management strategy for OCS sand resources.

We are in the process of evaluating the long-term needs of this program. Based on the current requests we have, we believe these needs will continue to grow in the foreseeable future.

OFFICE OF SURFACE MINING

COMBINED BENEFIT FUND

Due to a Supreme Court case that struck down the reach back tax for certain companies which contribute to the United Mine Workers of America, Combined Benefit Fund fewer companies are now required to pay into the fund. This has threatened its solvency. The Office of Surface Mining budget justification states that the Administration will propose legislation to ensure continued solvency of the Combined Benefit Fund.

Question. What are the specifics of this proposal? How much money will it cost to maintain the solvency of the Combined Benefit Fund?

Answer. The Administration projects that, without the Administration's proposal, the Combined Benefit Fund will have an accumulated deficit of nearly $50 million by the end of fiscal year 2001. A $50 million annual deficit is projected each year thereafter, if the current level of service is maintained. Such steadily deepening deficits, which the Congress foresaw last fall, cannot be sustained, which is why the Administration proposes a long-term intervention.

The President's fiscal year 2001 Budget proposal includes legislation in three parts that addresses long term concerns associated with the Combined Benefit Fund's Health Care premium accounts.

First, the legislation will provide for an annual mandatory General Fund Federal transfer for a period of 10 years. Over the 10-years the transfer will total $346 million, beginning with a transfer of $38 million in fiscal year 2001.

Second, the legislation will reverse the effects of the court decision in National *Coal* v. *Chater* regarding calculation of the premiums charged to coal companies

that had contractually agreed to pay their employee's retirement health benefits. This would increase operator premiums by about 10 percent over current levels, bringing it to a level that better reflects actual benefit premium rates and also continues cost containment practices. By reversing *Chater*, the Combined Benefit Fund will gain approximately $11 million in fiscal year 2001 with a total of approximately $86 million over a 10-year period.

Third, the legislation will clarify a provision of the Coal Act regarding the timing of the Social Security Administration's assignment of retired miners to the companies that had employed them and had agreed to pay for their retirement health benefits.

The Administration also proposes to extend the AML reclamation fee an additional 10 years, beginning in fiscal year 2005 to fiscal year 2014. In addition to financing growing reclamation needs identified under current law, some of the interest earnings on the fund balance will continue to finance the health costs of coal miners (and their families) who are "unassigned" under current law—generally retired miners whose former employers are no longer in business.

Question. Are other companies litigating the legality of the reach back tax so that the costs to the federal government of ensuring solvency will increase?

Answer. The Department is not involved in any current litigation involving companies challenging the legality of the reach back tax. The Department of Justice or Social Security Administration however, may be involved in litigation with companies challenging the Coal Act for various reasons, not necessarily related to the reach back tax.

STATE REGULATORY PROGRAM

Twenty-four states have permanent regulatory programs for the regulation of mining activities. OSM's state regulatory program provides a 50 percent match to these states which have the primary responsibility for conducting regulatory operations. This is a much cheaper alternative to the federal government having these repsonsibilites. The OSM budget for fiscal year 2001 proposes a small increase for the state regulatory grant program. Representatives of the many states which receive grants under this program have indicated to the Subcommittee a strong concern that this is not sufficient to meet their needs.

Question. How do you respond to these concerns? How much did the States request for regulatory grants in fiscal year 2001? What will be the consequences of providing less than this level of funding?

Answer. The State and Tribal grant estimates for fiscal year 2001, submitted in May 1999, totaled $61 million. OSM's decision regarding the level of funding for the regulatory grant program was based on anticipated State and Tribal expenditure levels, historic obligation rates and budget target levels. While the primacy states as a group do claim that they have a funding shortfall, OSM will work with the States and Tribes to adjust regulatory grants to meet state needs within overall funding limits.

BRAGG V. ROBERTSON

Question. What is the current status of the *Bragg* v. *Robertson* litigation concerning mountaintop mining in West Virginia? Does the Department of Justice intend to file an appeal?

Answer. On October 20, 1999, U.S. District Judge Haden issued a decision in *Bragg* v. *Robertson* on the stream buffer zone question. The United States, the State of West Virginia and mining industry and union intervenors all appealed Judge Haden's decision to the United States Court of Appeals for the Fourth Circuit.

In the October 20, 1999, decision, Judge Haden interpreted West Virginia's stream buffer zone rule as precluding the placement of excess spoil from mining in intermittent and perennial streams.

Apart from the stream buffer zone question, the State of West Virginia and the plaintiffs had earlier entered into a consent decree which had settled the remaining counts of the litigation. Judge Haden approved the consent decree in February 2000. The industry has appealed the approval of the consent decree to the Fourth Circuit. The Fourth Circuit consolidated this appeal with the appeals of Judge Haden's October 20, 1999, decision.

On Monday, April 17, 2000, the United States and the mining industry and union intervenors filed their appellate briefs on the stream buffer zone ruling. West Virginia's brief is due on May 17, 2000.

In its brief, the United States argues that excess spoil from mining operations is "fill" material and accordingly regulated by the Army Corps of Engineers under Section 404 of the Clean Water Act. As to the stream buffer zone issue, the United

States largely agrees with Judge Haden's ruling, but argues that Judge Haden's injunction prohibiting the placement of any excess spoil into intermittent or perennial streams is overly broad.

Question. What will the impacts be on coal mining in West Virginia if the district court's ruling is upheld on appeal? What other states' programs will be impacted the most by this decision?

Answer. As part of the Environmental Impact Statement (EIS) process, OSM and the other agencies are conducting economic benefit analyses of steep slope mining operations in the Appalachian states. After Judge Haden's decision, OSM expanded the EIS analyses to include a specific study of the economic impacts from Judge Haden's ruling. These studies will help OSM and the other federal and state agencies determine the impacts on coal mining in West Virginia if Judge Haden's ruling is affirmed.

If Judge Haden's decision is upheld, it would automatically apply to West Virginia and, depending on the basis of the Circuit Court's ruling, it could apply in the other coal producing states in the Fourth Circuit. Besides West Virginia, those states in the Fourth Circuit are Maryland and Virginia.

ABANDONED MINE LANDS PROGRAM

The most significant increase in the OSM budget ($14.4 million) is for the Abandoned Mine Lands (AML) program. The Administration wants to get the program at a level commensurate with fee receipts by fiscal year 2003.

Question. What is the level of fee receipts anticipated in fiscal year 2000–fiscal year 2003?

Answer. The level of fee receipts anticipated in fiscal year 2000—fiscal year 2003 is as follows:

[In millions dollars]

Fiscal year:	
2000	276.7
2001	277.0
2002	281.2
2003	280.6

CLEAN WATER ACTION PLAN

The agency's budget states that $12.4 million 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 projects is a CWAP project?

Answer. A Clean Water Action Plan project is any project that corrects Acid Mine Drainage, either directly or indirectly. Many abandoned mines contribute to water pollution in ways such as acid mine drainage from abandoned gob piles, sedimentation of streams as waste piles erode, and acid mine drainage formed as water enters the underground mine workings and emerges as a pollutant. An AML project that would correct any such conditions, 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. Therefore, there are no new or different criteria being applied to AML projects.

Question. What, if any, groups would 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. We believe that all have eligible problem sites that could be reclaimed in support of the President's Clean Water Action Plan. (based on a staff review of unreclaimed sites listed in the Abandoned Mine Land Inventory System, and discussions with States and Tribes) The same is true for the watershed organizations participating in the Watershed Cooperative Agreement Program.

OFFICE OF INSULAR AFFAIRS

COMPACT IMPACT

The Office of Insular Affairs budget seeks to provide an additional $5.4 million of mandatory funding to Guam for the impacts on Guam of the migration of citizens from the Federated States of Micronesia. This migration has occurred because of the immigration provisions in the Compact of Free Association which allows virtually unlimited access to other U.S. territories and to Hawaii.

Question. What is the offset for this proposal?

Answer. This proposal was incorporated into the President's budget and is thus offset by general revenue increases or other domestic spending cuts. It should be noted, however, that the fiscal year 2000 appropriation included one-time increases of $3 million to technical assistance for Compact impact and a $3 million subsidy payment associated with the American Samoa tobacco settlement loan, neither of which are included in the 2001 budget request.

Question. Why is Guam slated to get all of these additional funds when other areas such as the Commonwealth of the Northern Marianas and the State of Hawaii also have significant impacts caused by migration from Micronesia?

Answer. There are several reasons. Guam has done the best job documenting impacts and impact costs. The data indicates Guam is experiencing the greatest impact. Hawaii is authorized to receive appropriations under the Compact of Free Association Act (Public Law 99–239); but OIA's appropriation, which includes impact aid, is entitled Assistance to Territories and provides funding for grant assistance to the U.S. territories and freely associated states. We must ensure new assistance provided to the State of Hawaii is not done at the expense of important program assistance for the territories. In the case of the CNMI, the impact is less; the CNMI has been given greater control over immigration policies; and the CNMI government is already receiving significant guaranteed multi-year assistance that can be used to mitigate the impact.

Question. Wouldn't it be more appropriate to determine how much in impact aid should be given to CNMI, Guam, and Hawaii as part of the renegotiation of the Compact of Free Association which is currently underway?

Answer. We agree that impact aid should be considered in the context of the Compact renegotiation; but it should not stop our current efforts to assist Guam or the other governments. The Compact negotiations may not be completed until late in fiscal year 2003, more than 3 years from now.

TOBACCO SETTLEMENT

Question. Has the Office of Insular Affairs been working with the American Samoa Government (ASG) with respect to formulating a plan that will allow ASG to receive a federal advance on tobacco settlement funds as provided in the fiscal year 2000 Interior and Related Agencies Appropriations Act? What are the specifics of this plan?

Answer. Yes, we are working with representatives of the American Samoa Government, but they have not yet given us details of their plan to pay off debts or their plan to improve American Samoa's overall financial position.

Question. How, if at all, will money from the tobacco advance be used to satisfy debt for unpaid medical bills to Hawaiian hospitals?

Answer. Under the legislation, debts involving health care services are the highest priority, so we would expect the ASG plan to include repayment of these referral bills.

Question. What has the OIA's role been in attempting to resolve this situation?

Answer. OIA officials have met with the creditors and ASG officials advocating a settlement. OIA also supported the legislation authorizing the advance on tobacco settlement funds and its prescribed use to repay ASG debts, including medical referral debts.

Question. What is the current amount owed?

Answer. The current amount owed to hospitals is less than $5 million.

Question. How much could be satisfied from the tobacco advance?

Answer. It can be completely satisfied by the tobacco advance. The claims by the hospitals fall in the first priority for use of the tobacco settlement money, if the hospitals are willing to meet the prerequisite and settle for 75 percent of the total owed. If they are not willing to settle at the lesser amount, their claims shift from the first priority for repayment to the fifth priority. The fifth priority is for creditors who decline to settle for a lesser amount and insist on full payment. If this happens, there is a much higher probability that some of the hospital claims will not be paid out of the tobacco advance.

CORAL REEF INITIATIVE

The agency requests $500,000 for the Coral Reef Initiative in fiscal year 2001, the same amount as provided last year.

Question. How were the funds allocated in fiscal year 2000?

Answer. The $500,000 is being used to support a variety of programs and projects identified in the *U.S. All Islands Coral Reef Initiative Strategy (Strategy)*, updated in October 1999 at the request of the U.S. Coral Reef Task Force. The *Strategy* iden-

tifies a broad scope of actions to protect and restore coral reefs, from education and outreach to establishment of marine protected areas and increased enforcement. Some examples of projects OIA's fiscal year 2000 funding will help support include: developing a marine park management plan for the Virgin Islands; conducting baseline characterizations of coral resources in the CNMI to identify areas for "marine protected area" designation; supporting Guam's public outreach and education program with educational materials, including developing a coral reef atlas; and conducting two workshops in American Samoa to develop improved monitoring protocols and to improve and expand marine protected areas. OIA will continue to foster local-Federal partnerships as the Task Force works to integrate insular area priorities into the development of a national strategy for coral reef protection and management.

Question. What were the specific accomplishments?

Answer. Projects for fiscal year 2000 have been identified and funds are currently being transferred to the insular areas for implementation. Specific accomplishments for the $200,000 provided in fiscal year 1999 include a comprehensive revision of the *All Islands Coral Reef Initiative Strategy* as requested by the U.S. Coral Reef Task Force; development of a five-year plan for coral reef management in American Samoa following several workshops; reef assessment and characterization around the U.S. Virgin Islands for inclusion in the natural resources and planning database; analysis and site identification for creation of the first-ever marine protected area for coral reefs in CNMI; creation and installation of interpretive signs for marine protected areas and other sensitive habitats; development of a coral reef educational CD-rom in Guam; and development of other educational materials for school children and the public in several of the islands. In addition, OIA helped plan and fund the removal of the nine fishing vessels from Pago Pago Harbor in response to Governor Sunia's request for assistance from the Coral Reef Task Force.

Question. What were other agency's contributions to this effort?

Answer. OIA has worked closely with the National Oceanic and Atmospheric Administration (NOAA) to develop a strategy for long-term sustainability of coral reefs in the insular areas. In fiscal year 1999 and 2000, OIA and NOAA jointly funded several local-level projects in the insular areas as part of the coral reef initiative, as identified in the preceding answer. OIA has also taken a leadership role on the interagency Coral Reef Task Force. The Task Force is co-chaired by the Secretaries of Interior and Commerce through the Administrator of NOAA. Task Force membership also includes 9 other federal agencies and the governors of the U.S.V.I., Guam, Commonwealth of the Northern Mariana Islands, and American Samoa, as well as Hawaii, Florida and Puerto Rico. The Task Force is coordinating the federal/state/territorial effort to develop and implement the national action plan for long-term management and protection of the Nation's coral reefs. Although NOAA and the Department of the Interior have been the primary agencies contributing to the insular areas, some limited funding has been identified for the insular areas by other federal agencies such as the Environmental Protection Agency.

Question. Does the agency propose to allocate funds in the same fashion in 2001 as it did in 2000?

Answer. Yes. OIA will use the funds to support priorities identified in the *All Islands Coral Reef Initiative Strategy*, as well as emerging priorities identified by the insular areas as part of the Coral Reef Task Force's National Action Plan to Conserve Coral Reefs.

COMPACT OF FREE ASSOCIATION

Question. What is the current status of renegotiation talks on the Compact of Free Association?

Answer. Discussions on the renegotiations of financial provisions of the Compact of Free Association have begun in earnest. The first major round of discussions with the Federated States of Micronesia (FSM) took place the week of April 24 in San Francisco. Talks with the Republic of the Marshall Islands, which recently elected a new government, are likely to begin in this summer.

Question. What will be the most difficult issues to resolve?

Answer. The challenge of the "second Compact" will be to plan and carry out an aid package that successfully addresses development needs and assures accountability over grant funds.

Question. How, if at all, is the issue of compact/impact aid being addressed?

Answer. Resolving the Compact Impact issue is a high priority. The U.S. negotiators have placed on the agenda the immigration provisions as they relate to Hawaii, Guam and the Northern Marianas.

Question. When does the agency anticipate a new agreement will be finalized?

Answer. While predicting the course of negotiations is difficult, both the FSM and Marshall Islands have indicated their desire to complete the negotiations by 2003.

PRIOR SERVICE TRUST FUND

Question. What is the current condition of the Prior Service Trust Fund?

Answer. In a letter dated January 6, 2000, the trust fund administrator stated there was a balance in the account of $3 million.

Question. How much longer will it stay solvent without additional capitalization?

Answer. The $3 million balance is sufficient to cover a little more than two years of benefits and administrative costs.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

In previous years the CNMI had difficulty in matching its capital improvement grants. This created a large amount of unobligated balances in this account. During the past year the CNMI government appropriated funds to provide the necessary match.

Question. What is the current amount of unobligated balances for capital improvement grants?

Answer. All appropriations through fiscal year 2000 are obligated by the annual grants made to the CNMI. However, not all of the Federal and matching funds are currently dedicated to active capital improvement projects. A total of $199 million of Federal and local matching funds is available to the CNMI for fiscal years 1993–2000. Of that amount approximately $99 million has been used for construction project contracts. The remaining $100 million will be used for projects now in the planning phase.

Question. What is OIA's long term assessment of the CNMI's ability to provide matching funds for this program?

Answer. The CNMI has used the bond market to obtain the required matching funds. We are confident that the CNMI will be able to meet its project-by-project matching fund obligations. Even in bleak economic times, the CNMI has provided its share of individual project expenditures.

Question. What capital improvement projects will be accomplished in the CNMI in fiscal year 2000 and 2001?

Answer. There are dozens of capital improvement projects currently under way, and many more in the planning stages. Completion of the Marianas High School Gymnasium, and the Kagman elementary school are expected soon. The CNMI is planning the construction of a new multi-million dollar prison/detention facility and the opening of a new solid waste facility.

U.S. GEOLOGICAL SURVEY

LANDS LEGACY INITIATIVE

In total, an increase of $82 million is requested for the Survey's activities in fiscal year 2001. Within this amount, the largest proposed increase is $50 million for state planning partnerships in support of the Administration's Lands Legacy Initiative. The Survey's role in this initiative would be to assist state and local communities by providing earth science information and tools.

Question. What factors led to the decision to place a primary emphasis on new or expanded science information programs rather than core research and monitoring programs, or a balance of the two?

Answer. Information dissemination is a vital part of USGS's role as the Nation's primary earth science agency. The role of USGS in the Administration's Lands Legacy Initiative is consistent with USGS's core mission responsibilities; even the most robust program of scientific investigations and monitoring must include adequate systems and capabilities to ensure that the results of research and monitoring are made available to resource managers at the State and local level who need to make decisions about their communities' land, water, and biological resources, and about the threat of natural hazards such as earthquakes and floods. In addition, these scientific results must be made available in a manner that is useful to those decision-makers. We believe that this year's budget achieves a balance between our core research and monitoring programs, and the expansion of science information programs. While a significant portion of our proposed increase would be allocated as external competitive grants to local communities, an equally significant amount is proposed for work that USGS would conduct in-house to develop decision support tools, upgrade our real-time hazards monitoring activities, and augment long-term research in the areas of water quality and wildlife health.

Question. Do you foresee the role of the Survey shifting to one that is primarily responsible for the provision of science information?

Answer. The USGS already has primary responsibility for providing scientific information on the Nation's natural resources. As stated in the USGS GPRA performance plan, USGS "provides science for a changing world by delivering reliable and impartial information that describes the Earth, its natural processes, and its natural species." As the performance plan defines the USGS mission: "USGS serves the Nation by providing reliable scientific information to: describe and understand the Earth; minimize loss of life and property from natural disasters; manage water, biological, energy, and mineral resources; and enhance and protect our quality of life." This responsibility encompasses the conduct of research, focused investigations, and inventory and monitoring; the development of models and other tools; and a comprehensive effort to put the results of all these scientific activities into the hands of those who need them. Each of these activities is a vital element in carrying out the USGS mission.

REAL-TIME HAZARDS INITIATIVE

Scientific and technological advances have resulted in the development of equipment that can provide accurate information in "real time" to emergency managers and the public in the event of a natural disaster. Last summer, the USGS issued a report outlining the feasibility of developing a national real-time hazards program. The costs associated with that program are estimated at $150 million spread over a three-year period.

The Survey has a clear need to upgrade much of its equipment in order to provide rapid, accurate scientific information to the public. Much of the current seismic network, to cite just one example, is assembled with equipment that is 15 to 25 years old. The proposed funding increase in fiscal year 2001 for real-time hazards work is $7 million.

Question. Please explain why this item does not merit a higher priority within the Survey's budget proposal.

Answer. Expanding and modernizing hazards monitoring and information networks is a high priority. Given all of the competing priorities within limited domestic resources, the Administration believes the increase proposed will allow the USGS to begin to address the highest priority monitoring needs based on the multi-year plan. The Real-Time Hazards proposal includes $4 million in additional funds to install or reactivate stream gaging equipment at 50 sites and upgrade existing equipment at 100 sites, $2.6 million to upgrade 150 new regional/urban seismic stations, and $0.5 million to expand real-time volcano monitoring capability. These increases are part of a multi-year plan that began in fiscal year 2000.

LANDSAT 7

The Committee understands that USGS, NOAA, and NASA reached agreement last year for the Survey to assume responsibility for the management of Landsat 7. In fiscal year 2000, funding associated with this work was transferred from NASA to GS. In the fiscal year 2001 budget proposal, $5,000,000 is requested by GS for activities associated with management of the satellite.

Question. Given that there is a direct impact on this subcommittee, why wasn't it involved in discussions prior to final agreement being negotiated?

Answer. Based on the Land Remote Sensing Policy Act of 1992, Public Law 102–555, Presidential Decision Directive NSTC3 (signed May 5, 1994) modified a previous arrangement and established NASA, NOAA, and DOI/USGS as Landsat Program Management. Over the next 5 years leading up to the April 1999 launch of Landsat 7, these agencies worked closely together to plan for flight and ground system operations. In 1998, Landsat Program Management determined that it was in the best interests of the program for NOAA to withdraw and to transfer long-term program oversight from NASA to the USGS, which would seek fiscal year 2001 funding through this committee to provide stable flight operations. The subcommittee was not involved in these early negotiations because the assumption of operational responsibility by USGS is reliant on an increase of funds for USGS. As these discussions were taking place as part of negotiations on the 2001 President's Budget, we were not at liberty to discuss this.

Question. How does the Survey propose to fund Landsat 7 activities if the subcommittee is unable to provide funds requested?

Answer. The USGS should assume responsibility for the Landsat 7 million operation because we are the most appropriate agency to do so from a technical and mission-role standpoint. The Department of the Interior is the Federal agency that stands to benefit the most from the mission. Land remote sensing data are integral

to USGS mapping responsibilities and are increasingly incorporated into all science programs. In addition, land remote sensing data are routinely used by Interior's land management bureaus to monitor land conditions and improve resource management decisions. Furthermore, USGS is only U.S. Government agency that has been continuously involved in the Landsat Program since 1966. If the Committee is unable to provide the requested funds, the USGS would reluctantly have to consider asking NASA to put Landsat 7 into a "safe-hold" mode that will maintain the satellite's orbit, but will not operate the sensors. Forcing Landsat 7 into this nonfunctional status will be a tremendous waste of an extremely important national asset in which the American taxpayers have already invested several hundred million dollars (for satellite development, sensors, launch and ground systems)."

Question. What are the projected outyear costs for operation of Landsat 7?

Answer. Projected out-year costs for Landsat 7 flight operations are expected to remain at approximately $5,000,000 per year. Projections show U.S. ground system data capture, processing, archiving and distribution costs of approximately $10,000,000 per year to be recovered through data product sales and fees collected by USGS from international ground station cooperators.

Technically speaking, the five-year design lifetime of this satellite now allows for four more years of mission operations. However, current performance indicators and onboard fuel reserves suggest that the satellite could function for a total of seven or more years.

COMPETITION WITH THE PRIVATE SECTOR

The issue of possible competition from the USGS with the private sector is one that continues to be brought to the Committee's attention. Most recently, those complaints have focused on the Survey's management of the Landsat 7 satellite.

Question. Please explain why the Survey's efforts to make data available to the public are not in competition with the private sector. What is the data dissemination policy for Landsat 7 products?

Answer. The Survey's efforts to make data available to the public sector are carried out in partnership with commercial resellers and value-added processors of Landsat 7 data. The data dissemination policy for Landsat 7 products is based on the Land Remote Sensing Policy Act of 1992, Public Law 102–555, that calls for the Landsat Program to: "Ensure that unenhanced data are available to all users at the cost of fulfilling user requests"; and "Support the development of the commercial market for remote sensing data"; and "Ensure that the provision of value-added services based on remote sensing data remains exclusively the function of the private sector."

As with other USGS products, we are working to move retail sales into the hands of the private sector through USGS Business Partners. The Business Partner program includes more than 2,000 authorized business partners who sell USGS topographic maps. In the last few years, the program has been expanded to include the additional USGS product lines of digital cartographic data, aerial photographs, and satellite data. Most recently, the data products from the Landsat 7 satellite have been made available under the terms of the Business Partner program. Since January 1, 2000, six satellite data business partners have signed into the program. USGS Business Partners for satellite data have hailed the availability of affordable, minimally processed Landsat 7 data from the USGS as key to the development of the commercial remote sensing market.

It should also be noted that the Landsat 7 satellite was developed and built by a commercial aerospace firm under contract to the government and launched on a commercially built rocket; the Landsat 7 ground receiving and data processing systems were developed by commercial firms, and all flight and ground systems are now operated by the private sector under contract to the government. The $5,000,000 of requested funds would be paid to a commercial provider of flight operations services.

The Landsat 7 satellite's sensor acquires moderate-resolution data that cover over 10,000 square miles in a single image; a recently launched commercial high-resolution satellite covers no more than 47 square miles per image. Scientists and land managers use Landsat images to monitor large-scale land surface phenomena such as near-term devastation and long-term recovery from large forest fires. In contrast, high-resolution satellite images are used for much more specific applications, such as settling insurance claims against specific properties or siting rebuilding projects. Because of the difference in final products and their usage, the data from the Landsat 7 environmental satellite are not in competition with commercial data.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

LANDS LEGACY

Among the major increases you are requesting is $391 million to be directed to a variety of land acquisition and grant programs under the President's Lands legacy initiative. I am concerned that the Department is engaged in a program to increase the inventory of public lands but is not doing enough to maintain the land and facilities it manages today.

Question. How much of the Lands Legacy money would go toward addressing the maintenance and construction backlogs at our National Parks, Wildlife Refuges, and Monuments?

Answer. The Administration's Lands Legacy initiative supports preservation of public lands and national treasures and protects open spaces and natural resources through partnerships with the States and local communities. While the Lands Legacy initiative does not include any funds for maintenance and construction backlogs, the Department's Safe Visits to Public Lands initiative addresses high priority maintenance and construction backlog needs.

The maintenance and construction backlog is estimated to be well over $5 billion. Your request for those priorities is less than $1.2 billion. At that rate it will take at least 5 years just to catch up with today's backlog, not counting any additions to the backlog in the intervening years.

Question. With such an enormous backlog, why do you propose to increase land acquisition spending to $320 million in fiscal year 2001.

Answer. The Department is committed to both taking care of its infrastructure and acquiring lands critical to the missions of the Bureau of Land Management, Fish and Wildlife Service, and National Park Service. Since 1993, we have increased the operating accounts of BLM, FWS, and NPS by $851.1 million, or 43 percent. This compares to the 19 percent overall growth rate for appropriations for the Department of the Interior for the same period. The Department has increased its maintenance and construction funding by $120 million between 1998 and 2000 as a part of its Safe Visits to Public Lands initiative and continues to emphasize the importance of this issue. With the development of the Five-Year plans for each bureau's deferred maintenance projects, we are able to assure that highest priority needs are being met. The protection of lands through land acquisition is an important and timely issue. Acquisition will protect resources from threats at prices that will only continue to rise. Where these lands are under threat, it is typically from external sources or invasive species. The Department is also keenly aware of unique parcels and areas of lands threatened by urban sprawl and other development pressures. We believe now is the time to purchase these lands, before opportunities are lost forever.

The budget request proposes to fund the State Conservation Grant programs with Land and Water Conservation Fund monies.

Question. What legal authority is there to use the LWCF to finance conservation grants?

Answer. The Land and Water Conservation Fund Act's (Public Law 88–578) general purposes, found at section 460l–4, provide that the LWCF is to assist in preserving, developing, and assuring accessibility to all U.S. citizens to outdoor recreation resources by (1) providing funds for Federal assistance to States for planning, acquisition, and development of land and water areas and facilities, and (2) providing funds for the Federal acquisition and development of certain lands and other areas. Section 460l–6 also provides the authority for financial assistance to states through the LWCF for the purposes of: planning; acquisition of land, waters, or interest in lands or waters; or development. The conservation grants program is consistent with these purposes.

LAW ENFORCEMENT

Question. One of the highest priorities for the Department in 2001 is law enforcement. The President's budget includes significant increase requests for the Bureau of Indian Affairs—up $18.8 million, the Fish and Wildlife Service—up $12.6 million, the National Park Service—up $5.7 million (pp. 90 & 112). I share your concerns about law enforcement—not only its effectiveness against crime but also the safety of our law enforcement officers. What are the major problems you would address if Congress appropriates these funds?

Answer. For the National Park Service the $5.7 million cited in the question apparently is derived by adding the total increase of $3.5 million in the Law Enforcement/Visitor Services subactivity to the $2.2 million programmatic increase in the United States Park Police subactivity. The NPS request for increased law enforce-

ment actually totals $6.8 million when the uncontrollable increase (primarily a cost of living pay adjustment) for the Park Police is added to the calculation. Should the request be enacted, the NPS would be able to address a series of high priority, law enforcement concerns at parks, including Ozark National Scenic Riverways, Boston National Historical Park, Gulf Islands National Seashore, Coronado National Monument, Badlands National Park, Natchez Trace Parkway, and Organ Pipe Cactus National Monument.

In addition, the increase would provide for pay simplification for the United States Park Police (to support a legislative proposal), as well as operational enhancements for the Park Police and one-time costs associated with the 2001 Presidential Inaugural.

For the Fish and Wildlife Service the proposed increase in funding would permit the Service to address the most crucial problems currently interfering with the enforcement program's ability to carry out its responsibilities to the American public. Funding for Service law enforcement has not kept pace with increased U.S. wildlife conservation responsibilities and increased personnel and operating costs. Budget stagnation has seriously eroded the agency's ability to protect wildlife resources and respond effectively to the growing complexities of wildlife crime. Funding shortfalls have made it impossible to replace agents as they retire, creating a staffing shortage that grows worse each year. The Service, which now has only 213 of its authorized 252 special agents on the job, last hired new agents in 1998. Budget shortfalls also imperil the health and safety of officers since funds are not available to purchase needed safety equipment, pay for necessary training, and replace vehicles and other equipment.

Service law enforcement today confronts increasingly complex and potentially devastating threats to wildlife, but does so with a declining and under-equipped force. The budget increase requested for fiscal year 2001 will allow the agency to begin the process of restoring its enforcement capability. The funds will be used to fill 30 high-priority agent vacancies; meet basic safety, equipment, and operational needs of the special agent and wildlife inspector forces; and replace obsolete and inoperable scientific equipment at the forensics laboratory and 37 aging vehicles used to support law enforcement operations.

For the Bureau of Indian Affairs, according to a February 1999 Justice Department report on American Indians and crime, the rate of violent victimization for American Indians is well above that of other racial of ethnic subgroups and is more than twice as high as the national average. Such statistics were the impetus behind the creation of a joint Department of Justice/BIA effort to address the public safety crisis in Indian Country. The Bureau of Indian Affairs fiscal year 2001 budget request includes an $18.8 million increase for the third year of the joint Department of Justice/BIA initiative to make long-term improvements in law enforcement services in Indian Country. This additional funding is needed to strengthen core law enforcement functions, such as increasing the number of criminal investigators and uniformed police on reservations, upgrading radio systems, and strengthening basic detention services by hiring additional staff. BIA's strategic goal is to improve public safety for citizens in Indian Country through a seven- percent reduction in crime rates by 2005. Continued commitments to BIA's law enforcement programs are needed to reduce the high crime rate on Indian reservations.

PAYMENTS TO COUNTIES

When land is purchased by the Federal government it has an economic impact on the counties. The land is unavailable for development or other purposes once it is removed from the county's tax base and most of these counties are rural counties with small tax bases to begin with. The government is obligated to make payments to counties to partially offset the negative impact on local economies. In spite of this obligation, the Department of the Interior has once again proposed a budget that fails to fully honor that responsibility.

The Bureau of Land Management proposes to make payments in lieu of taxes to counties of $135 million, $186 million less than the $321 million the Payment In Lieu of Taxes Act provides. Similarly, the Fish and Wildlife Service request actually proposes a decrease in its payments required by the Refuge Revenue Sharing Act. Now you are asking the Congress for funding to buy more land.

Question. Please explain why you have not included adequate funding for payments to counties in this request?

Answer. PILT payments are among the many priorities for BLM that must be balanced in the face of competing funding needs. The PILT program is funded through direct annual appropriation, and the BLM will continue to make the authorized payments to each eligible unit of government within the annual appropriated amount..

A request for the fully authorized level of funding would have increased PILT funding by approximately 138 percent over the fiscal year 2000 enacted level. Funding requests above the fiscal year 2000 enacted level have to be carefully balanced against existing and new priorities and needs.

Question. Why does your budget place higher priority on buying more Federal lands and a new state grants program than fulfilling your obligations for payments to counties?

Answer. Land Acquisition funds provide the BLM with the opportunity to fulfil its primary mission to improve the health of the public lands by protecting threatened natural and cultural resource values, critical habitat and ecosystems, historic and cultural sites, and that also benefit the public's need for outdoor recreation and open space.

Although BLM is requesting largest increases for land acquisition than for PILT, BLM allocates more of its funds to PILT than to land acquisition. The BLM's fiscal year 2001 budget request includes $60.9 million for land acquisition, which represents 4 percent of the BLM's total budget request of $1.489 billion. Funding for PILT in the fiscal year 2001 budget makes up 9 percent of the BLM's total budget request. The BLM's budget request also includes several permanent payment appropriations that provide over $83 million in payments to counties and states. The fiscal year 2001 budget includes a provision to make permanent the authorization and funding for payments to Western Oregon counties. This would result in increased payments to these counties over current statutory payment schedules.

Most of the acquisition projects in the BLM's fiscal year 2001 budget request are to acquire inholdings in congressionally designated areas that would meet the intent of the congressional designation to protect and enhance the unique and critical values of these areas. Key acquisitions will occur in the congressionally designated California Desert National Conservation Area (NCA), the Upper Missouri Wild & Scenic River, in Montana, the Snake River Birds of Prey NCA, in Idaho, and land adjacent to the San Pedro NCA, in Arizona. Other acquisitions would protect critical resource values or provide watershed restoration in highly sensitive or threatened areas.

NATIONAL PARK SERVICE

The Lands Legacy proposal for the National Park Service includes a $150 million increase for state conservation grants.

Question. How did you decide that $58 million would be divided equally among the states and territories and that $87 million would be awarded by the Park Service on a competitive basis?

Answer. The proposed distribution of State Conservation grants is based on the formula described in the Land and Water Conservation Fund act (Public Law 88–578). Section 6(b)(1) requires that the first 40 percent of the $145 million requested for grants ($58 million) be shared equally among the States, with the remaining 60 percent ($87 million) apportioned to the States by the Secretary on the basis of need "which in his judgment will best accomplish the purposes of the Act."

The budget request proposes that $72.5 million of this $87.0 million be distributed to the States as part of the formula apportionment, based on relative population of the State. The remaining $72.5 million would be distributed on a competitive, demonstrated needs basis through the Secretary's contingency reserve. The net result would be that half of the $145 million requested for grants would be allocated by formula and half would be allocated to critically needed projects through the contingency reserve.

Contingency projects will allow the States, in partnership with the National Park Service, to target critically needed projects. The set-aside was based on the lack of a National assistance program for over five years and the need to target funds in critical areas which could easily exceed the amount available to a State through the regular formula distribution. Final criteria for the Secretary's contingency reserve are currently being developed, and we will look for input from the public. The final criteria may include emphasis on the protection of open space and the preservation of resources while increasing public outdoor recreation opportunities.

This proposal includes $5 million and 62 full-time staff to administer the program. That seems like a large new bureaucracy to manage a grants program of $87 million. Your budget justification states, "Through this partnership with States and local governments, providing recreation opportunity while preserving these areas for future generation can often be accomplished in a more timely and cost effective way through Federal action."

Question. Why then, do you not propose to award all of the funds to the States and let them decide the best uses for the funds?

Answer. The entire $145 million proposed for grants in the fiscal year 2001 budget request, not just $87 million, will be made available to the States through the stateside grants program and will be administered by the National Park Service. One-half will be available to States and local governments through a formula distribution as described in the previous answer. The other half will be available to States and local governments through a competition that will allow the Administration and the States to work together to target critical areas of need which are consistent with a State's planning efforts and where such need exceeds the dollars allocated through the formula distribution. The same requirements must be met for apportionment of contingency reserve projects as those projects chosen under the formula.

Funding requested in the President's Budget for administration is needed to provide the resources necessary to administer the entire amount appropriated in fiscal year 2001 through the regular apportionment, and the Secretary's contingency reserve. In addition, it would allow the Department to continue its mandated stewardship responsibility over every site which has received assistance under current and prior appropriations (over 37,0000 projects) and ensure each site remains available for public use and enjoyment in perpetuity.

Question. The American people, actually people from all over the world, love our national parks. Their visits are not as enjoyable as they could be—and should be—because we have allowed them to fall into states of disrepair. Your own budget highlights some of the problems facing the national parks—unsafe and outdated visitor facilities, inadequate water systems, deteriorating historic buildings, soil erosion—and the list goes on. I would like to know the current size of the Park Service's maintenance backlog. I have been hearing that it is quite large, perhaps in the billions of dollars. Is that correct?

Answer. As a result, in part, of the need to be more responsive to Congressional concerns regarding agency maintenance "backlogs," the Federal Accounting Standards Advisory Board (FASAB) promulgated its Statement of Federal Financial Accounting Standards #6, Accounting for Property, Plant and Equipment. This standard, which became effective in fiscal year 1998, requires agencies to disclose the estimated cost to remedy "deferred maintenance" of property, plant and equipment as a footnote presented in the annual audited financial statements required by the Chief Financial Officers Act of 1990. National Park Service "deferred maintenance" as reported in that footnote provides essentially the total identified inventory of the "maintenance backlog" of NPS. We should note, however, that these estimates will be provided as supplementary information, which is not subject to the same analytical procedures for auditing as the basic information in the balance sheet and statement of net cost. In some cases, these estimates may differ from facilities guidance on estimating deferred maintenance costs.

In line with the FASAB reporting requirement, the Service's current maintenance backlog estimates are based on the amounts required for the correction of facility deficiencies resulting from "deferred maintenance." The National Park Service defines deferred maintenance, or "backlog" as maintenance that could not be performed when scheduled or planned. This definition comes from the U.S. Department of the Interior Facilities Maintenance Assessment and Recommendations, February 1998. Continued deferral of routine required maintenance items will result, over time, in facility deficiencies that must be corrected in order to keep the facility open, often at a higher cost than the original planned or scheduled maintenance cost.

The Service has acquired a huge inventory of built-facility assets over its 84-year history. These include roads, trails, camping and recreational structures, buildings and houses, utility systems, marine and dock structures, signs and information structures, and special features or Stewardship assets such as historic buildings, monuments, statues, memorials, fortifications and other structures. Various factors have contributed to a backlog of maintenance tasks and significant deterioration of facility conditions as a result of that backlog. One cause stems from limited operational funding for facilities acquired through donation, acquisition or transfer. Additionally, aging facilities have created increased costs for day-to-day NPS operations, eating into the limited funds available for maintenance of facilities. Increasing visitation and addition of new park sites and facilities have also added to operational costs at the expense of maintenance activities.

The backlog estimates were compiled from several sources, dependent on the asset type. These include all repair-rehabilitation and line-item construction deferred maintenance projects currently contained in the National Park Service's Project Management Information System (PMIS) database, which includes all facility maintenance projects for which the Service has identified a current need, exclusive of housing, dams, and Federal Lands Highway Program (FLHP) eligible road and bridge repairs. The total PMIS estimate includes items such as planning, design,

and construction contingency costs for the specific repair-rehabilitation projects in the PMIS database, but does not distinguish between high and low priorities. It is also based on an evaluation of needs without an in-depth, continuous, systematic program for assessing facility conditions.

The estimated figure for employee housing deferred maintenance is based on the Service's Quarters Management Information System data collected during 1999, and further refined based on the detailed, professional housing condition assessments completed in some park areas.

The estimate for Paved Roads and Bridge deferred maintenance needs comes from a just completed 3-year cycle (FY 1997–1999) of road and bridge inspections under the NPS Roads Inventory Program and NPS Bridge Inventory Program performed for the Service by the Federal Highway Administration, which inventories the Service's Federal Lands Highway Program eligible deferred maintenance.

The estimated deferred maintenance need for dams comes from the current Dams Inventory, prepared by NPS in concert with the Bureau of Reclamation (BOR) and updated as inspections and surveys of the most critical dams performed for NPS by the BOR.

The estimates from those four sources compiled into the total for NPS are as follows:

Project Management Information System (PMIS) Deferred Maintenance Projects (based on DOI guidance, excluding housing, road, bridge & dam projects)	$1,450,000,000
Deferred Maintenance Housing Projects	80,000,000
FHWA Identified Road and Bridge Needs	2,707,000,000
Dams Projects from NPS/BOR Survey	102,000,000
Total	4,339,000,000

Although the estimates for roads, bridges and dams, and a portion of the total housing estimate, are based on actual condition inspections, the $1.450 billion in the PMIS category is generally only a conceptual cost estimate based on costs for similar work accomplished by the construction industry and past National Park Service estimates, and without a complete inventory and condition assessment. Since the actual cost of correcting deferred maintenance will not be known until a comprehensive inventory and condition assessment of the facilities managed by the National Park Service has been completed, and until fully defined scopes of work have been developed, this amount is by necessity a very general, or Class C, estimate. These figures will be adjusted annually, and will likely increase, as the Service compiles better information, and as they are refined based on more fully defined scopes of work.

A system to more fully document a more accurate inventory and condition assessment of National Park Service facilities needs to be established so the Service can more precisely identify the total deferred maintenance needs in National Park areas. The President's Budget requests $1 Million in fiscal year 2001 in the Facility Operations and Maintenance sub-activity to Conduct Comprehensive Facility Condition Assessments, which will enable the Service to begin a multi-year cycle for inventory and condition assessment of all facilities. In the meantime, the bureau is relying on a Service-wide desk audit compiled by park facility managers in 1997, to estimate inventory and condition of facilities of the PMIS category of facilities listed above.

Also, the total PMIS estimate is for maintenance repairs to existing structures as a "snapshot" of their current condition. It is important to recognize that deferred maintenance "backlogs" are dynamic, not static. Facilities not adequately funded for required maintenance on a routine, recurring basis generally deteriorate on an increasingly exponential cost curve. The Service's backlog estimates also do not include the increased annual operational funding level needed in order to maintain those facilities at an acceptable level once their condition has been restored.

The National Park Service began utilizing a new set of budget sub-activities and accounting codes in fiscal year 1999, which separate operations costs from maintenance costs. This, in conjunction with our proposed inventory condition assessment process, when fully implemented, will allow for collection of more accurate data on which to base future facility maintenance and operations funding requests.

Question. The Park Service budget request for construction and major maintenance is $43 million less than last year's appropriation. How do you intend to ever eliminate the backlog by reducing the resources you devote to the effort?

Answer. While the fiscal year 2001 Construction Appropriation request is 43 million less than the enacted fiscal year 2000 appropriation, it is only $14 million less in total than the fiscal year 2000 President's request and only $10 million less in

the line-item construction program. In developing this budget request, we have had to make tough choices. We believe the reduction in budget resources proposed for construction is will not affect the ability to reach our goals over the long haul. Indeed, the NPS, like other bureaus in the Department, has developed a Five-Year Maintenance and Capital Improvement Plan to apply a systematic approach in accomplishing our highest priority requirements, focusing on the areas of health and safety and critical resource protection.

Question. Is it not a fact that the Park Service requested considerably more than the amount included in the President's budget?

Answer. For fiscal year 2001, the NPS requested $308 million for the construction and major maintenance appropriation.

Question. Would it be a problem for the Park Service and the Fish and Wildlife Service if Congress decides to shift funding from land acquisition to maintenance?

Answer. The fiscal year 2001 budget strikes a balance between the needs identified in the President's Lands Legacy and Safe Visits to Parks initiatives. The NPS supports the balance represented in the President's request. This request, however, reflects the interests of an agency responsible for one or a few programs, whereas the President's Budget reflects the needs and priorities of the entire Federal Government. These estimates are pre-decisional in nature and do not reflect final overall Administration priorities, given the resources available.

Question. The Recreational Fee Demonstration Program appears to have become a major source of funding for the 100 participating national parks. The Park Service anticipates over $140 million in fee collections in fiscal year 2001. Is the Park Service using the authority Congress granted for parks to collect and retain recreational fees as a way to reduce the maintenance backlog?

Answer. Under the Recreational Fee Demonstration Program, Congress authorized the National Park Service to implement and test 100 new fee collection programs, and allowing participating parks to retain 80 percent of the revenues at the sites where they are collected. The revenues yield substantial benefits by providing park managers the opportunity to address the backlog of facility deficiencies that have accumulated as a result of having deferred regularly scheduled maintenance. The program is also used by the National Park Service, as specified in the authorization, as a means to address resource management, visitor service, and museum and exhibit projects that might not otherwise be accomplished within appropriated funding levels. However the Recreational Fee Demonstration Program does emphasize maintenance as a primary focus. Examples of these types of maintenance projects are:

—Repair of park roads in Yellowstone National Park.
—Rehabilitation of Watchman campground at Zion National Park.
—Refurbishment of trails in Haleakala National Park
—Rehabilitation of comfort stations in Shenandoah National Park.

Question. Do the other 279 parks benefit from this program?

Answer. All parks are eligible to benefit from the Recreational Fee Demonstration Program. The National Park Service is authorized to retain 20 percent of the Fee Demonstration Program revenues for projects to be determined at the discretion of the NPS Director. Through this authority, any park is eligible to submit requests for project funding. In fiscal year 1999, approximately $30 million in projects were funded through the use of the 20 percent portion of the program. In executing this portion of the Fee Program, the NPS has given preference to projects at parks that are not Fee Demonstration Program sites. Examples of 20 percent projects at non-demonstration parks that are being addressed through the use of Recreational Fee Demonstration Program revenues are:

—Rehabilitation of Charit Creek visitor area at Big South Fork National River and Recreation Area.
—Relocation of parking area to eliminate safety hazards at Big Thicket National Preserve.
—Rehabilitation of cave access trails to improve safety at Wind Cave National Park.
—Removal of structures at Malvern Hill at Richmond National Battlefield.

Question. Based on your experience with the fee program and the public's reaction to it, would you support expansion of the program to all national parks, wildlife refuges, and other locations managed by the Department of the Interior?

Answer. The National Park Service would support the ability for all national park units to be included within the authorities provided by the Recreational Fee Demonstration Program. This would allow the NPS to examine each park to determine the appropriateness of a fee program and to retain the receipts for use by the parks. The National Park Service would also support giving each agency within the Department the ability to determine which sites should be included. For all agencies,

the decision to collect fees should be based on proper planning, public review and appropriateness of type and amount of fees collected.

STATE GRANTS FOR NON-GAME WILDLIFE

Question. The budget for the Fish and Wildlife Service includes a new $100 million grants to states program for non-game wildlife. You are certainly aware of the abundance of wildlife in West Virginia and of the state's vast natural habitats for all kinds of wildlife. The Service has determined that West Virginia would only qualify for the minimum state grant amount, the same level that is proposed for Rhode Island and only one fifth as much as New York. The Formula they used considered human population but did not consider the wildlife and wildlife habitat occurring in the states. There is much room for improvement in the way the Fish and Wildlife Service wants to distribute these funds. I strongly urge the Fish and Wildlife Service to refine the formula to recognize the opportunities for wildlife viewing, education, habitat restoration, and other non-consumptive activities that each state can provide. Will you give me your assurance that the Fish and Wildlife Service will work with this subcommittee to improve the proposed distribution formula, should the Senate agree to support this new program?

Answer. Yes. The Department has already expressed a willingness to work with the Congress, the States, and other interested parties to discuss ways to improve and implement the Administration's proposal.

The proposed State Non-game Wildlife Grants Fund will provide grants to states, tribes and U.S. territories for planning, inventorying, monitoring and conducting research related to non-game species, as well as the restoration of their habitat. Conservation education and non-game wildlife related recreation projects and land acquisition would also be funded.

This component of the Administration's Lands Legacy Initiative would be a strong tool to help prevent non-game fish and wildlife populations from declining to the point where the potential regulatory protections of Federal statutes such as the Endangered Species Act would have to be implemented. It would also benefit the estimated 62.9 million people who participate annually in some form of wildlife watching such as observing, feeding or photographing wildlife while spending over $29.2 billion a year in pursuit of these activities.

The Administration designed the distribution formula to address the greatest threats to non-game wildlife; to enhance non-consumptive recreational enjoyment of wildlife; and to fairly allocate available resources to the states, tribes and territories.

Under the Administration's proposal, states would receive ninety and one-third of one percent of the available funds. The distribution formula for the state share would allocate one-third of these funds based on the area of the state and two-thirds of the funds based on the population of the state. Population estimates would be derived from Census Bureau data. A "ceiling" of five-percent maximum state share and a "floor" of one-percent minimum state share would ensure that equitable resources would be available for all fifty states.

Tribes would receive three percent of the available funds; Puerto Rico would receive one percent of the available funds. Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, and the District of Columbia each would receive one-third of one percent of the available funds.

The Fish and Wildlife Service plans to deduct up to four percent from available funds for administration before making apportionments to the states, territories, and tribes. The Service requests 10 FTE for the administration of this program at the headquarters and regional office levels.

OFFICE OF SURFACE MINING

The Office of Surface Mining is prevented from granting more than 25 percent of its Abandoned Mine Lands State Emergency Reclamation Program Grants to any one state, no matter what the needs. In recent years, West Virginia has not received adequate relief from damages caused by heavy rainfalls in coalfield communities.

Question. What do you intend to do to ensure that states can receive all the reclamation relief they need when sufficient funds are in the account to do so?

Answer. OSM supports ending the 25 percent limitation. It has caused administrative difficulties, although we have been successful in eventually providing from prior year recoveries all of the emergency funds that a State believed it would need. This has been the case even when increased funds became necessary due to unanticipated weather events. As shown in the following chart, West Virginia has received the funding it requested in recent years. In fiscal year 1996 and 1997, when additional funds seemed to be necessary due to heavy rainfalls, we were able to pro-

vide the State with recovered unused emergency funds. In the last three closed grants, the State had unused fund balances which were deobligated. We remain concerned, however, that the 25 percent limitation could at a future point present a funding problem that we might not be able to resolve as we have been able to do so far.

WEST VIRGINIA AML EMERGENCY PROGRAM FUNDING

Fiscal year	Original funding request	Total funds awarded	Funds deobligated
1996	$3,020,737	$4,350,000	$2,490,656
1997	5,437,575	6,437,575	1,479,855
1998	3,699,962	3,699,962	834,776
1999	3,680,807	3,680,807	.....
2000	3,000,000	3,000,000	.....

Question. The OSM is requesting a $2 million increase for the Appalachian Clean Streams Initiative which will bring the number of projects up to 46. Can you provide a project list associated with the $2 million increase, including the amounts and locations for the projects?

Answer. States and OSM evaluate projects for Clean Streams funds after funds are appropriated, so OSM does not have a list yet. Of the requested increase, $1 million is for supplemental grants to eligible States. After grant funds are appropriated for the program, we provide them to the eligible States who actually select the specific projects. Each State must decide which of the potential projects is to the point where providing the supplemental Clean Streams funds will result in viable partnerships in order to raise the entire amount of funds necessary to begin construction.

The other $1 million of the requested increase is for the Watershed Cooperative Agreements that are directly administered by OSM. Once funds are appropriated, we place a notice in the Federal Register and contact the known watershed organizations in eligible States to make them aware of the appropriation and to request applications from those interested in receiving funds for particular projects. We evaluate the received applications and make funding decisions throughout the fiscal year.

Question. Why is the administration asking for $12 million for abandoned mine lands grants when the States need more funding for their regulatory programs?

Answer. Both reclamation and regulation are important priorities for OSM, which must balance these priorities in the face of competing funding needs. One of OSM's priorities for the past three years has been increasing funding for AML reclamation projects through increases in environmental restoration grants to states. These activities are narrowly focused on reclaiming all SMCRA priority 1 and 2 sites as soon as possible. These projects directly address health and safety hazards from abandoned mines, and have additional positive effects as they abate economically and environmentally damaging acid mine drainage.

OSM has been closely monitoring state regulatory activities and funding over the last several years. As the improving economy has improved State financial situations, it has made it possible for states to make more State matching share monies available for their programs, for instance, to make previously withheld pay raises. When States and Tribes submitted their fiscal year 2001 estimates in May of 1999, they asked for a total of $61 million. OSM reviews several factors in making decisions regarding the level of funding for the regulatory grant program, including historical obligation rates, anticipated State and tribal expenditure levels, and State and tribal budget target levels. The fiscal year 2001 request was OSM's best estimate of the funding that states would require.

OSM is aware of State and Tribal concerns about funding for their regulatory programs and plans to review the funding for regulatory grants in this light when it prepares its fiscal year 2002 budget request. In the meantime, while the primacy states as a group do say they are receiving less than what was in the estimates they submitted, OSM will work with individual States and Tribes to minimize the effects of any funding issues on these important regulatory programs.

BUREAU OF LAND MANAGEMENT

Question. BLM is requesting to purchase 1,000 Potomac River watershed acres in Charles County, Maryland for $3 million. The area has wetland and woodland habit suitable for many wildlife species, contains Native American and other archeological

sites, and was the site of a Civil War encampment. The Fish and Wildlife Service and National Park Service are both well-equipped to manage additional lands in the eastern states. Why did you decide BLM should be the bureau to acquire and manage this land?

Answer. The Federal Land Policy and Management Act (FLPMA) provides the BLM with the authority to acquire land anywhere in the nation. The BLM is prepared to take a leadership role in the protection of green space and critical conservation areas in the states that are contiguous and east of the Mississippi River. By closely working with land and resource conservation organizations, local and State governments, and other Federal agencies, the BLM can play a key role in ensuring there are public recreation opportunities, open spaces, protection and interpretation for watersheds, unique geological, historical, and critical habitat areas that are threatened by urban sprawl and development.

The BLM has the expertise in managing public lands for competing uses and making resource allocation decisions with open public involvement that is considered an integral part of effective management. The BLM has a reputation for working closely with other organizations, local and State governments, and other agencies. This is particularly true in the East, where the BLM was a charter affiliate of the Eastern Lands and Resources Council, and has successfully managed lands and resources in a cooperative and consensual manner for more than 50 years. This proposal would also increase national public visibility of the agency to the eastern part of the country. In order to maximize funding and benefits to the public, the State of Maryland is committing $3,000,000 in fiscal year 2001 toward this acquisition, and would be primarily responsible for managing the properties, in partnership with the BLM.

The BLM has several examples of special areas that are actively managed by the BLM Eastern States (ES) Office. These areas have either unique characteristics or are Congressionally withdrawn from transfer, including the Jupiter Inlet area in Florida, and the Lake Vermilion area in Minnesota. The BLM has also transferred lands to State, local or non-profit organizations for recreation and public purposes as well as identified land for acquisition and active management based on society's changing needs for open space, habitat protection, greenways/trails, etc.

The key to active land management in the ES Office has been the development of partnerships to maximize the available funding, involve other agencies/groups, and attain local and community support for the daily oversight of these public lands. This approach has been critical to the successful management of these land resources.

Approximately 3,400 acres of surface in the East are managed this way. These areas include:

Jupiter Inlet

Management Goals.—Management as ACEC for habitat protection/improvement for 18 special status species (N. End of parcel); R&PP Act lease for intensive recreation and restoration/maintenance of natural and cultural values (S. End of parcel); and environmental education.

Partners.—Palm Beach County, South Florida Water Management District, Fish & Wildlife Foundation; Town of Jupiter; Village of Tequesta, U.S. Coast Guard, and Florida History Center and Museum.

Accomplishments.—Major wetland construction project completed with funding from South Florida Water Management District and Fish and Wildlife Foundation in support of regional Indian River Lagoon Restoration program, first prescribed burn in the BLM Eastern States completed in partnership with Palm Beach County, pre-historic midden stabilization project co-funded with the Town of Jupiter, fencing, exotic plant removal, and signing completed cooperatively with Palm Beach County, and three successive National Public Lands Day events sponsored by the BLM, Palm Beach County, local municipalities, and the U.S. Coast Guard. In addition, an interpretive nature trail co-funded by the BLM and the Town of Jupiter is under construction, and is expected to be completed by the end of fiscal year 2000. In all cases, implementation funding has been matched by local agencies/groups.

Acreage.—86 acres.

Lake Vermilion Islands

Management Goals.—Complement water-based recreation, protect wildlife habitat, protect island shoreline and maintain natural character of lands in Lake Vermilion area.

Partners.—Minnesota DNR-Divisions of Parks, Forestry and Trails & Waterways, City of Tower, USFS, Raps Road Association., and Elbow Lake Association.

Accomplishments.—Development of universal boat access for Lake Vermilion (Wakemup Bay) using Challenge Cost-Share (CCS) funding; Development of universal access fishing pier for Lake Vermilion (HooDoo Point) using CCS funding; partnership with MN DNR for island monitoring (E. End of lake) during high recreation-use periods; partnerships with Raps Road (W. End of lake) and Elbow Lake Assns. for island monitoring/cleanup; and elimination of trespass.

Acreage.—12 acres.

Big Saline Bayou tract, Rapides Parish, Louisiana

Management Goals.—Working with partners in the local area to develop the tract for fishing access and environmental education and protect wildlife and their habitat found in the area.

Partners.—Natural Resource Conservation Service, Central Louisiana Pride (a Keep America Beautiful affiliated volunteer group in Alexandria, LA).

Accomplishments.—A proposed land use plan covers the 160-acre Big Saline Bayou tract, as well as three other tracts in Louisiana. The site has had a history of illegal dumping. A contract to remove accumulated waste such as old refrigerators, 55 gallon drums, etc. was completed in fiscal year 1999. The BLM boundary sign and no dumping signs will be installed soon. Development of a cooperative management plan will be initiated in fiscal year 2000.

Acreage.—160 acres.

AMPHIBIAN RESEARCH

Question. The U.S. Geological Survey has a budget request of $2 million for research and monitoring of frogs, toads, and salamanders. What do you hope to accomplish with this research?

Answer. With the additional funds requested in fiscal year 2001, USGS will expand monitoring surveys to all major regions of the United States, including the Northeast, and the Upper and Lower Mississippi River Basins. Amphibian declines and deformities have been observed/reported in these regions. If funded, this initiative would also increase research on disease, parasites, and contaminant effects on amphibians. Research would also be undertaken to characterize hydrological conditions, describe the basic water quality (water chemistry and water-borne toxics, etc.) at monitoring sites, and generally assess past and present habit conditions at many of these same sites. Cartographers and geographers in the bureau will provide high resolution maps of survey sites, and developing novel approaches to analyze land-use, land-cover, and other geospatial information to correlate habitat change with amphibian declines. Data storage, analytical, and reporting capability would be increased, and the structure of standardized databases would be enhanced to accommodate data from other Federal, State, and private amphibian monitoring programs. A partnership program would be initiated with matching funds to encourage critical state and other stakeholder participation in the Amphibian Research and Monitoring Initiative.

Question. Do you intend for the amphibian research to be an ongoing program or do you expect to need this funding on a one-time basis to pay for all of the necessary research?

Answer. The amphibian research increase is needed to fund critical gaps in USGS' permanent, ongoing amphibian research and monitoring initiative. Whereas a small portion of the requested funds would be used for short-term (3–5 years) research projects, the majority of these funds would support ongoing, continuous monitoring programs necessary for obtaining status and long-term trend information for amphibian populations.

ACROSS-THE-BOARD RESCISSION

Question. The appropriations bill we passed this year included an across-the-board rescission of 0.38 percent. We have since learned that you reduced Congressional projects, including the repairs to the Canaan Valley National Wildlife Refuge, by 7.5 percent. Why did you decide to take a disproportionate share of the rescission from Congressional priorities?

Answer. The application of a 7.5 percent reduction from line item construction projects that were not requested in the President's budget was consistent with the Administration's approach throughout the agencies funded in the Interior and Related Agencies Appropriations Act. The Department's protection of programs that were Presidential Priorities during the negotiations process was also consistent with the Administration's approach to the rescission. Additionally, the Department protected funding appropriated to the Office of Special Trustee because of the high priority of trust reform activities. Generally, aside from these exclusions, the rescission

was applied proportionately to all bureaus and programs throughout the Department.

WORKING CAPITAL FUND

Question. The bureaus in your Department are requesting increases for Departmental working capital fund charges exceeding $4 million for 2001. Are all of these working capital fund costs uncontrollable as they are presented in the budget, or are some of these costs generated by management decisions?

Answer. Most of the increase in the 2001 consolidated billing or "uncontrollable" segment of the Departmental working capital fund (WCF) provides for the same uncontrollable increases that are requested by the Department's bureaus in their respective budget requests, namely, pay raises, rent increases, and the like. Part of the 2001 WCF increase is offset by a reduction in Departmental Management reimbursable work. Financing the Office that provides GPRA assistance to bureaus is being switched from a reimbursable to the Departmental Management appropriation to the working capital fund. With respect to funding levels this change has little effect on the cost to bureaus. Two items that are included in the 2001 estimate could be interpreted as management decisions.

Late in 1999, the Department realized that in order to conform to the provisions of the Clinger-Cohen Act the Department needed to develop a Department-wide Information Technology Architecture. This effort was initiated with credit card rebate funds; however, a more structured source of revenue was needed to ensure stable, uninterrupted development. It was therefore added to the working capital fund in 2001.

The second management decision was to bolster DOI University offerings, which provide training nationwide for all DOI bureaus and offices.

In both cases input from high-level bureau officials weighed into the management decisions. Once agreed upon, the decisions became binding or "uncontrollable" to individual bureaus.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

NATIONAL PARK SERVICE—PETROGLYPH MONUMENT

Secretary Babbitt, under current practice, tracts of high value that have the support of both the administration and the Congressional delegation usually have a relatively good chance of being selected for acquisition through the appropriations process. Some larger tracts tend to motivate a great deal of public sentiment, sometimes both pro and con, and therefore are raised to a higher level of awareness within the Congress and the Administration.

Let me give you a frustrating example on an acquisition that should have been completed in New Mexico. In 1990, Congress passed legislation to establish the Petroglyph National Monument in Albuquerque. With that legislation, we committed to acquire all of the privately held land within the area to be administered by the National Park Service.

The following are the requests of the Administration to fund land acquisition at the monument:

[In millions dollars]

Fiscal year:	
1992 (Bush)	8.0
1993 (Bush)	8.0
1994 (Bush/Clinton)	4.3
1995 (Clinton)	1.8
1996 (Clinton)	.....
1997 (Clinton)	.....
1998 (Clinton)	.....
1999 (Clinton)	1.0
2000 (Clinton	.....

Facing having waited 10 years to have been bought out, I must only assume that the Administration considers these to be low priority tracts that don't have exceptional resource values. But the current owners cannot do anything with the land, and continue to pay taxes, and want out. The problem is that it takes a non-related issue, on which the Administration wants my support for me, or Congresswoman Wilson, or former Congressman Schiff to get the Administration and the agency to pay any attention to this commitment. I'm speaking of a high priority acquisition

elsewhere in New Mexico, that gave us the leverage to get the Administration to request additional funding in fiscal year 1999.

For this reason, I am hoping that Title II of S. 1892 will help remedy this situation. I appreciate the Administration's favorable testimony of that legislative initiative.

Question. However, I would like to know how much funding is needed to complete Federal acquisition at the Petroglyph National Monument?

Answer. After fiscal year 2000, fifty-one privately owned tracts containing a total of 20 acres will remain to be acquired at Petroglyph National Monument. Additional funds in the amount of $2,700,000 would be needed to complete the acquisition of the privately owned tracts at the national monument.

BUREAU OF LAND MANAGEMENT—GRAZING PERMIT RENEWALS

Question. As you may know, I have worked diligently to protect permitees while BLM completes NEPA compliance. You will also recall that language in the fiscal year 2000 Interior Appropriations bill does not in any way effect BLM's authority to change permit terms when damage to the land is occurring, or in any other way avoid environmental law compliance. It has recently come to my attention that despite my efforts in the passage of law to protect permitees rights, the BLM in New Mexico may have other interpretations of the law's requirements.

I understand that over 350 grazing permits in New Mexico that expired in 1999 have yet to be renewed under their existing terms and conditions until the NEPA process is complete. Could you please verify the status of permit renewals in my home state, and justify any avoidance of the law that may be occurring?

Answer. According to a report from the New Mexico State Director dated April 24, 2000, proposed decisions for all 364 fiscal year 1999 expired permits and leases will be issued by mid-July so that final decisions can be issued by September 30, 2000.

All 371 permits and leases expiring in fiscal year 2000 will be renewed in accordance with the language of Public Law 106–113, and about half will have NEPA compliance completed by September 30, 2000. The remainder will be processed in accordance with NEPA by September 30, 2001.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

PARTNERS FOR WILDLIFE PROGRAM

Question. There is a critical need in Vermont to restore waterways and create sustainable, healthy ecosystems for aquatic life and public health. Increasingly, our waters are being threatened by urban development and contaminated run-off and Vermonters want a long-term plan to safeguard this precious resource. Your Department's Fish and Wildlife Service has played a key role in confronting, and solving, state water quality issues and I believe they need even more support in fiscal year 2001, not to mention 2002 and beyond. One particularly important Fish and Wildlife Service program is completely voluntary and extremely popular—Partners for Wildlife program. In 1999, the Partners for Wildlife program helped Vermont complete 31 habitat restoration projects, most of which directly addressed water quality. These projects included installing fencing to keep livestock out of streams, stabilizing streambanks, and creating instream habitat in the Lake Champlain watershed. Nationally, the Partners for Wildlife program has had wait-lists of over 2000 private landowners. In Vermont, there are already several hundred landowners in line. I was pleased to see a modest increase in this program (Partners for Fish and Wildlife) in your fiscal year 2001 budget. However, I believe this important program can be even further expanded. I would like to know the long-term plans of your Department to increase funding and access to this key, voluntary conservation program so that it may best serve all of those who wish to take part.

Answer. The Partners for Fish and Wildlife Program has been a very successful and well received program. The program works voluntarily with private landowners to restore fish and wildlife habitats. With over 70 percent of the nations land in private ownership, there are many opportunities for collaborative efforts. With over 22,000 landowner agreements across the county, this small program has made significant progress providing landowners with biological and technical expertise, as well as cost-sharing, for habitat improvements on their lands. A healthy environment is necessary for economic and social prosperity. The Partners program focuses on providing landowners and communities with the tools and the means to achieve a healthy environment. Due to these factors, the 2001 President's budget request

includes an increase of $2.5 million to attack invasive species (+$2 million) and implement additional fish passage projects (+$500,000).

The program has become more diverse and habitat restoration efforts more complex. As the program moves into additional watersheds, the demand from communities and landowners for technical assistance increases. As a result, the need for additional capabilities has become critical to the continued success of the program and its ability to participate in many ongoing and new partnership efforts in a meaningful way. As with all priorities in the Service, the Partners Program will compete annually with other equally vital Service programs within the constraints of limited budgets.

The Partners program will continue to emphasize the restoration of aquatic and terrestrial habitats and ecological communities for the benefit of fish and wildlife, in concert with the needs and desires of private landowners. It will focus on modifying land use practices that imperil watersheds and landscapes, supporting locally-led initiatives, and empowering communities and landowners to become actively involved in habitat conservation efforts. It will also continue to focus on developing partnerships with Federal, State, local governments, tribes, NGO's, communities and individuals.

The Partners Program will also continue to provide habitat conservation and restoration expertise to landowners involved in other Federal conservation programs. The addition of the Service's expertise to the collaborative process ensures that habitat restoration plans and implementation meet the needs of Federal trust species including migratory birds, threatened and endangered species, and anadromous fish (e.g., salmon). As experts in current restoration techniques the Partners program representatives provide important information regarding a site's restoration potential, planting and seeding mixes and rates, optimal hydrological regimes (e.g., when to flood and when to draw down), stream restoration techniques, specific target species habitat needs, and other biological and construction information that will result in the best restoration possible.

CONNECTICUT RIVER JOINT COMMISSIONS

Question. For several years, the National Park Service provided some financial assistance to the Vermont-New Hampshire Connecticut River Joint Commissions through the Rivers and Trail program. This funding, if small, was used to leverage important private fund raising and has encouraged conservation, cultural heritage, and recreational work throughout the Connecticut River watershed. However, in recent years the National Park Service has suggested that the Rivers and Trails program is not suited to provide ongoing support for these efforts. Given that the Connecticut River was named an American Heritage River in 1999 and deserves federal attention, please outline how the National Park Service can best support these coalitions if not through Rivers and Trails program.

Answer. Over the past 9 fiscal years, the NPS, through its Rivers and Trails Conservation Assistance (RTCA) program has provided a total of $1.473 million to support the Joint Commissions for the Connecticut River. The fiscal year 2000 Interior Appropriations Conference Report provided specific direction to the NPS regarding long-term financial support to RTCA projects. It stated, "the managers emphasize that this [the RTCA Program] is a technical assistance program and therefore it is not meant to provide for annual operating expenses or technical assistance beyond 2 years." This direction was an affirmation of the existing NPS policy, that is in place to equitably respond to the demand for assistance from localities in all 50 States.

The NPS is pleased to participate in the Federal agency-working group that was set up as part of the designation of the Connecticut River as an American Heritage River. The Environmental Protection Agency plays the lead role as River Navigator for the Connecticut River and may have the broadest perspective on programs capable of providing continuing support to the Joint Commissions. In the past, we have also suggested that the U.S. Fish and Wildlife Service, through its Silvio Conte National Wildlife Refuge, should be a strong partner.

Ultimately, the Joint Commissions need to establish a broad spectrum of funding to support their work to include state and local governments, and corporate and foundation partners.

The NPS has no authority for long-term financial support for organizations like the Joint Commissions for the Connecticut River. The National Park Service will continue as an enthusiastic supporter and strong reference for the Joint Commission.

LAKE CHAMPLAIN FISH AND WILDLIFE RESOURCE OFFICE

Question. Considerable pressure is growing in Vermont to speed up the time line for restoration of Lake Champlain. In particular, the sportfishing community is pushing to prioritize the recovery of lake sturgeon and landlocked salmon. Fisheries Resource Office funding is greatly needed as this facility has had a consistently declining budget since 1993. Level, or increased funding is needed in fiscal year 2001. When we passed the Lake Champlain Special Designation Act of 1992, one of the most important issues was restoration of native fish and wildlife habitat and the Fish and Wildlife Service made a commitment to be a lead federal partner in the Lake Champlain Basin Program. Secretary Babbitt, please explain how this declining budget rationale has been made each year, given this prior commitment. Also, I would like to know what the Service will do to meet the commitments made to the Lake Champlain Action Plan.

Answer. Since passage of the Lake Champlain Special Designation Act of 1990, the Service's Lake Champlain Fish and Wildlife Resource Office has represented the Service on several committees and working groups within the Lake Champlain Basin Program. As part of the Service's commitment to participate on high priority actions items identified in the Lake Champlain Management Plan (Opportunities for Action) finalized in 1996, the Lake Champlain Fish and Wildlife Resources Office is working with numerous federal, state, local government and non-government partners on a variety of initiatives directed at restoring Lake Champlain.

The Service remains committed to the Lake Champlain Basin Program as the lead federal agency in the restoration of native fish and wildlife species and their habitats within the watershed. Priority activities include sea lamprey management, landlocked salmon and lake sturgeon restoration and forage fish stock assessments. All of these activities are in cooperation with our state and local partners.

While the Lake Champlain Fish and Wildlife Resources Office fisheries' budget has declined from $622,000 in fiscal year 1993 to $514,000 in fiscal year 2000, as shown in the following table, the Service has concurrently increased the office's Partners for Fish and Wildlife Program (habitat restoration) budget from $5,000 to $199,000. Within the Lake Champlain watershed, this highly successful program has led to the restoration of more than 600 acres of wetland, 59 miles of riparian (streambank), and 450 acres of adjacent upland habitats since 1993. If enacted, the Service estimates that the 2001 Budget Request would provide $791,000 for the Lake Champlain Fish and Wildlife Resources Office, an increase of $77,000 over 2000 enacted.

LAKE CHAMPLAIN FISH AND WILDLIFE RESOURCES OFFICE (BUDGET: FISCAL YEARS 1993–2001)

[In thousands of dollars]

	1993	1994	1995	1996	1997	1998	1999	2000	2001
Fisheries Program	622	607	596	578	578	588	554	514	591
Partners for Fish & Wildlife	5	15	100	196	192	198	198	199	200
Total	627	627	696	774	770	786	752	713	791

MARSH-BILLINGS-ROCKEFELLER NATIONAL HISTORICAL PARK

Question. During its first summer of operation, the Marsh-Billings-Rockefeller National Historical Park received almost 30,000 visitors. This is the only national park in Vermont and is not only extremely popular, but has also become a unique education and outreach center for sustainable forestry practices at the National Park Service Conservation Study Institute. Additional funding is needed to meet both the increasing visitation to the park and to maintain the now nationally recognized Conservation Study Institute for sustainable forestry. I would like to know how the National Park Service will support and encourage this type of community educational partnership as it continues to grow in popularity.

Answer. Marsh-Billings-Rockefeller NHP opened to the public in June 1998 and had 21,000 visitors that first year. In August 1999, the park opened the newly rehabilitated 10,000 square-foot Carriage Barn Visitor Center. The new facility includes exhibits on conservation history and stewardship, conferencing and educational spaces, and museum storage. Visitation to the park increased 61 percent in 1999 to 34,000. The park anticipates a 25 percent increase in visitors in 2000 and also associated increased demand for park programs at the new Carriage Barn Visitor Center.

Demand for stewardship education programs is increasing as more and more people learn about the park and in light of the innovative conservation measures being undertaken in the Northern Forest by the Conservation Fund and other organizations. There is particular interest in sustainable forestry and responsible stewardship from the general public and the conservation community. Nonprofit organizations, state and local agencies, and academic institutions are approaching the park indicating a desire to partner in public programs and services which is a goal of the NPS and will serve as a means of meeting increased requirements in these areas.

The Conservation Study Institute, based at the park, was established by the National Park Service to develop model conservation education programs and to provide technical assistance on best practices for resource stewardship and environmental leadership. These programs fill a critical need for maintaining and enhancing effective stewardship of national parks that relies upon leadership, an informed public, and collaboration through partnerships. The Institute works in partnership with the park, the University of Vermont, Shelburne Farms, and others to develop conservation education curricula focused on natural resources, cultural heritage, and sustainable practices, with an emphasis on forest stewardship. Programs developed and conducted by the Institute to date have been very successful. Demand for programs offered by the Institute is expected to double by fiscal year 2002.

The NPS has gradually built the park operating base for the Historical Park and the Conservation Study Institute since the park's establishment. Beginning in fiscal year 1997 and in the three subsequent budgets, the NPS requested operating increases each year for the Park and Institute. Increases of $340,000, $400,000, $244,000, and $270,000 were approved for fiscal year 1997, fiscal year 1998, fiscal year 1999 and fiscal year 2000 respectively.

The President's fiscal year 2001 budget request of $1.299 million for Marsh-Billings-Rockefeller NHP maintains level funding for the Conservation Study Institute programs and for park operations. Funding needs for Marsh-Billings-Rockefeller NHP and all other NPS units will continue to be addressed as funding is available and priorities dictate.

SILVIO O. CONTE EDUCATION CENTER

Question. The nationally-recognized Montshire Museum of Science in Norwich, Vermont has developed a cooperative agreement with the Fish and Wildlife Service to construct a new wing dedicated to public education about the Silvio O. Conte Refuge lands, and specifically the Nulhegan Basin lands of the Connecticut River watershed. With $1.3 million in federal funds allocated to this project last year, the partnership was forged and architectural design was completed. The project continues to need federal funds this year to complete construction and become one of the four designated public education centers in New England states with refuge lands (Vermont, Connecticut, New Hampshire, and Massachusetts). May I have a commitment from you, Secretary Babbitt, to fully fund and complete construction of this extremely important ecosystem and conservation education center along the Vermont bank of the Connecticut River.

Answer. This project is a 10,000 square-foot addition to the existing Montshire Museum of Science, Inc., a private non-profit corporation that is designated a Conte Education Center as defined by the Silvio O. Conte National Fish and Wildlife Refuge Act. The fiscal year 2000 appropriation directed that the Federal commitment for the project shall not exceed $2,900,000. The Service's cost estimate for the project is now $3,426,000. The additional cost of $526,000 is due to phasing. In fiscal year 2000 $1,387,000 was appropriated for the first phase of the project. As such, $2,039,000 is needed to complete the project. However, this project was not included in the President's Budget and is not in the Service's five-year construction plan.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

NPS FORT SUMTER TOURS FRANCHISE FEES

As you know, the Department of the Interior has been in a dispute with Fort Sumter Tours (FST) for some 8 years over an increase in FST's franchise fee. In 1992, NPS unilaterally increased FST's franchise fee from 4.25 percent to 12 percent. In a hearing before the House Resource Committee on July 1, 1999, Mr. Robert Stanton (NPS Director) admitted that there was a technical error in the original financial analysis.

Question. Now, if errors were made, don't you think that it is only appropriate to correct them?

Answer. As the attached letter to Chairman Hansen dated July 26, 1999, more fully describes, the technical error acknowledged by the NPS at the July 1, 1999, hearing had no impact on the final franchise fee determination. This technical error was not in the franchise fee calculation which appropriately calculated the probable value to the concessioner of the privileges granted by the concession contract.

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, DC, July 26 1999.

Hon. JAMES V. HANSEN,
Chairman, Subcommittee on National Parks and Public Lands, Committee on Resources, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the opportunity to appear before the Committee on July 1, 1999, to discuss the National Park Service (NPS) franchise fee reconsideration for Fort Sumter Tours, Inc. (FST). For inclusion in the record, I would like to address a few issues that were raised at the hearing.

At the hearing, the NPS stated, as we had in our letter of December 5, 1998, that on page 2 of the 1992 NPS franchise fee analysis for FST, non-concession income was included in the initial determinations of the minimum and maximum franchise fee. However, I would like to emphasize again, as I did at the hearing, that this inclusion was a harmless oversight that had no impact on the final franchise fee determination. The final calculation of the 12 percent franchise fee did not take into account the $195,603 of non-concession income. The error was not in the franchise fee calculation which appropriately calculated the probable value to the concessioner of the privileges granted by the concession contract.

I would like to clarify another point made at the hearing. When narrowly asked if the maximum franchise fee would have been 8.7 percent if the non-concession income were not included in this initial determination of the maximum and minimum franchise fee, the NPS acknowledged that the preliminary determination of the maximum fee, consistent with the spreadsheet, would have been 8.7 percent. However, the NPS was not asked, and was not given an opportunity to explain, that, in addition to the inclusion of non-concession income, the spreadsheet included non-concession expenses. If the non-concession income is excluded from the spreadsheet, then the non-concession expenses must also be excluded from the spreadsheet. If non-concession expenses were excluded from the calculation, then the maximum franchise fee would rise to approximately 12 percent to 14 percent, depending on how the expenses are addressed. Furthermore, I would like to state that the process of determining the initial maximum franchise fee as part of the franchise fee analysis is no longer the policy of the department. On July 20, 1995, after notice and public comment, the Director amended the NPS policy for determination of franchise fees. The Director eliminated that portion of the process that established the maximum franchise fee, as was utilized in the initial spreadsheet for FST. While the policy was originally intended to be used as a guideline to aid in the setting of franchise fees, it has often been interpreted by various parties involved in the fee setting process as a firm cap. This view has led to confusion and the setting of fees below the probable value of the authorizations involved. The elimination of this policy will end this confusion.

In these circumstances, it is the position of the NPS that the determination of the 12 percent franchise fee for FST was and still is an appropriate determination under law, guidelines and contractual rights of the parties. As we discussed at the hearing, franchise fee analyses are performed to establish the probable value to the concessioner of the privileges granted by the concession contract.

Next, I would like to note that there appeared to be some confusion about the process of fee reconsideration itself. As I stated at the hearing, the requirement to reconsider franchise fees every 5 years was mandated by Congress in the Concessions Policy Act of 1965, and was implemented through a specific provision of the FST concession contract. The process of reconsideration is a process of negotiation. If the NPS and the concessioner cannot agree upon an adjusted franchise fee within a specified period, the concessioner may choose to invoke advisory arbitration proceedings to determine the appropriate franchise fee. The process is one involving communication and negotiation by both parties. Unfortunately, FST chose not to avail itself of this arbitration process and pursued litigation instead.

Finally, I would like to address the suggestion that the National Park Service was reluctant to provide information to FST as part of the reconsideration process. It certainly is the intention of the National Park Service to provide information to concessioners as part of the standard franchise fee reconsideration process. It is my understanding that all documents that were requested by FST were provided to FST, with the exception of certain copyrighted documents that are available from the or-

ganizations which issue them and in the public library. Of course, once a lawsuit is initiated, the process of providing documents is necessarily constrained by the litigation. I note again that the 4th Circuit found the actions of the National Park Service with respect to the production of documents to be proper and appropriate.

As I stated in my testimony, this letter does not constitute a review of, a reconsideration of, or new decision of any nature regarding the established franchise fee. Furthermore, the fact that a particular calculation could be done another way does not in any manner suggest, admit or otherwise imply that the decisions made by the NPS were arbitrary, capricious or otherwise unlawful.

I am pleased to inform you that the United States Attorney's office has set a time and a place to sit down with FST to discuss settlement of this ongoing litigation. We remain hopeful of a resolution and thank you for your interest in this matter.

Sincerely,

ROBERT STANTON,
Director.

Question. Why has it been so hard for FST and the NPS to come together and sit down and negotiate an equitable settlement for everyone involved?

Answer. Despite Fort Sumter Tours, Inc. preferring to litigate this matter and losing five court decisions, the NPS has attempted to settle this dispute with Fort Sumter Tours, Inc. on several occasions, most recently in the mediation program at the D.C. Court of Appeals. The NPS remains open to any reasonable settlement offer by Fort Sumter Tours, Inc.

Question. NPS has stated that FST does a great job in their concessionaire duties. Isn't that correct?

Answer. Fort Sumter Tours, Inc., has received satisfactory annual evaluations from the NPS.

Question. You have asked for increased funding for Park Base Operations within the National Park Service. In the Budget Justification for NPS, it is stated that these increases are for 97 increases for 71 park units. The Congaree Swamp National Monument located in SC will be opening the doors to a brand new, state-of-the-art, visitor/education center later this year, which this Subcommittee has been very instrumental in funding, and I thank the Chair and Ranking Member for that. The problem with this park, as well as others within the NPS, is lack of funding for increased operations. Do you think the Department of the Interior is asking for enough funding for base operations?

Answer. The National Park Service is requesting an increase in fiscal year 2001 of over $90 million for the Operation of the National Park System appropriation—the source of funding for park operations. Within that amount, the NPS is proposing an increase of over $71 million for direct park base operations, including $27,631,000 for programmatic park increases. The Department's fiscal year 2001 budget request attempts to strike a balance between the myriad of requirements in all programs while adhering to the budget allowances dictated by the need to stay within governmentwide funding constraints.

Congaree Swamp National Monument received a recurring operating increase of $120,000 in fiscal year 2000 to operate and maintain the new facility. The park's budget has grown from $343,000 in fiscal year 1997 to a proposed $735,000 for fiscal year 2001. Future base increases will be weighed against needs at other parks throughout the System and provided as priorities and budget allowances dictate.

Question. How is it determined which parks will receive increased funding?

Answer. The park base increases chosen for inclusion in the fiscal year 2001 budget submission reflect the highest priority needs as identified by park managers, and subsequently prioritized at the regional level through the use of the Service's Operations Formulation System (OFS). OFS is designed to allow the parks to identify and prioritize all unfunded operational requirements.

Based on the immediacy of need and the priorities articulated by the NPS Director, Regional Offices band the increases into "high priority" or "lower priority" segments, with subsets of "current" and "future" requirements. Individual Regional priorities are then set based on the priorities established by the NPS National Leadership Council (NLC) in conversations at the beginning of the budget cycle. For fiscal year 2001, special emphasis areas defined by the National Park Service were taken into consideration, as regional priorities were set.

The next step in the process is a Servicewide review, in which all requests are examined for accuracy, validity, and conformance with policy. At this stage of the process interagency initiatives are overlaid on the NPS priority system and examined in light of anticipated performance results, based on established goals from the NPS Strategic Plan.

The final priority listing was consolidated into a Servicewide request through a pro-ration among the Regions of the amount available based on a combination of historical funding levels and emphasis areas as directed by the various initiatives. As the allowance level was adjusted at each stage of the budget process, the list was adjusted to reflect the amount of budgetary allowance available and the commitment of the Department and the National Park Service to selected areas of emphasis.

FISH AND WILDLIFE SERVICE CONCERNS

Question. As you know, the GAO released a report on July 20, 1999, entitled Fish and Wildlife Service: Management and Oversight of the Federal Aid Program Needs Attention. On page 5 of this report, it is stated "the Office has no idea of how much revenue is being generated or what is being done with these funds. In our opinion [GAO], the lack of concern exhibited by the agency officials about these kinds of issues is indicative of the weak oversight of this program." What, if anything, has been done to correct the mistakes that the GAO pointed out about the mishandling of funds.

Answer. While the Service agrees with many of the concerns expressed by the General Accounting Office in their July 1999 testimony, this is an area in which the Service disagrees with GAO's findings.

In this case, GAO concluded that a particular contract was not clear with regard to the disposition of income authorized in the contract. Additionally, GAO concluded that there were other grants that were generating revenue. The Service does not believe there are other revenue-generating grants.

The Service has thoroughly reviewed the contract in question and finds no ambiguity regarding the revenue generated under this contract. The contract specifically states that the Government pays to the contractor the costs of providing services to cooperators (fish and wildlife professionals). These costs are to cover copying, compiling, and mailing requested information. Cooperators are allowed up to 100 free copies per request and the number of requests per cooperator is unlimited. In addition, the contractor is allowed to charge non-cooperators (all others, primarily non-government organizations and private researchers) costs for copying, compiling, and mailing information they request since these operations are not covered by the Service contract. Thus, "generated funds" are not "profits" to the contractor, but are fees the contractor collects to offset its costs. As such, the Service does not believe these are disposable revenues which are subject to return to the Service; rather they are necessary costs of providing services in excess of the amounts the Service subsidizes.

Secretary Babbitt, the Fish and Wildlife Service's budget justification for fiscal year 2001 states that the Department, through the National Refuge System, owns and manages over 300,000 acres of coral reefs on eight refuges in the South Pacific. In the next sentence, the document claims that three million unmanaged acres occur in the immediate vicinity of these refuges.

Question. Are these 3 million acres of coral reefs located in federal or state waters?

Answer. All of these waters are federal waters. The approximately 3 million acres of unmanaged waters adjacent to national wildlife refuges are certain waters in the Central Pacific that are not currently covered by an approved Fishery Management Plan for reef-associated organisms (e.g., bottomfish and crustaceans) under the authority of the National Marine Fisheries Service and the Western Pacific Regional Fishery Management Council. While there are limited entry fisheries established through federal Fishery Management Plans for some areas (e.g, Hawaiian Islands), there are none for a number of U.S. flag holdings in the Central Pacific Ocean, hence the reference to "unmanaged acres."

Question. Does the Department have the legal authority to manage them? If so, which legislation or other authority provides the Department with such jurisdiction?

Answer. While the Service has some authorities that apply within these federal waters, such as under the Endangered Species Act with respect to some species, the only waters that the Service has comprehensive management authority for are waters within national wildlife refuges. None of these waters are in a national wildlife refuge.

Question. I am hearing that the Department of the Interior believes it has the authority to manage marine fish and other marine life (including corals) in federal waters—and even close down fisheries in state waters! This is contrary to President Nixon's Reorganization Plan No. 4 and subsequent legislation, including the Magnuson-Stevens Act, which gave the National Oceanic and Atmospheric Administration (NOAA) in the Department of Commerce the authority to manage living marine re-

sources in federal waters. I even hear that the Department is interested in utilizing the 1918 Migratory Bird Treaty Act as a justification to regulate fisheries in federal waters. It is my hope that this is not true! Do you care to comment?

Answer. The authority of the Service to manage fish in national wildlife refuges is stated in the National Wildlife Refuge System Administration Act of 1966, as amended (including by the National Wildlife Refuge System Improvement Act of 1997), whose provisions include:

"The mission of the System is to administer a national network of lands and waters for the conservation, management, and where appropriate, restoration of the fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future generations of Americans." (16 U.S.C. 668dd(a)(2))

"No person shall . . . take or possess any fish . . . within any such area . . . unless such activities are permitted either under subsection (d) of this section or by express provision of the law, proclamation, Executive order, or public land order establishing the area, or amendment thereof . . ." (16 U.S.C. 668dd(c))

"The Secretary is authorized, under such regulations as he may prescribe, to—

(A) permit the use of any area within the System for any purpose, including but not limited to hunting, fishing, public recreation and accommodations, and access whenever he determines that such uses are compatible with the major purposes for which such areas were established . . . (16 U.S.C. 668dd(d)(1))

This authority applies only in national wildlife refuges, not in all federal waters, and was not affected by President Nixon's Reorganization Plan No. 4, nor amended by the Magnuson-Stevens Fishery Conservation and Management Act.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

UPPER MISSOURI

Question. Secretary Babbitt, we have exchanged a number of letters and calls regarding the BLM's management of the Upper Missouri and possible changes in how the area [is] designated. Recently, you had to postpone a trip due to poor planning and little understanding of the Montana open meeting law. Are you planning on rescheduling this meeting? If so, when can we expect your visit? Will you be holding meetings open to the public, or just small closed door meetings?

Answer. During a video conference call with the Resource Advisory Council in January, I promised to visit the area again in the spring. Following through on that commitment, I returned to Montana on May 2 and 3, 2000, to discuss the management of the area further and explore the impacts on local communities. I held a large public meeting in Great Falls that was attended by more than 500 people, and two smaller public meetings in Fort Benton and Lewistown. All meetings were open to the press in accordance with Montana open meeting laws.

Question. Can you assure the Committee that the administration has no plans to designate this area without the express consent of the RAC?

Answer. No decision has been made about designation of the Upper Missouri River and Breaks area, and the Resource Advisory Council did not directly address designation in their recommendations to me on future management of the area. In general, I support the recommendations of the RAC.

Question. Recently you have said that without legislative movement on new designations, without regard for whether new designations are the best way to manage all these areas, you have said you would not recommend that the President move forward on these designations, but implore him to do so. Considering your supposed commitment to the RAC process, can we assume your comments did not include the Upper Missouri?

Answer. I have been very straightforward about my intent as it relates to possible national monument designations. I have said that my current focus will be on known land protection measures, specifically those now before the Congress, and I am encouraging everyone to make as much progress as possible in the remaining weeks of the session. If there is still important, undone business at that time, then I will consider possible next steps. Given the lengthy public process in Montana on the Upper Missouri and the discussions I have had with the Montana delegation, I have not excluded the Upper Missouri from further consideration for monument designation.

I have also made clear that for any recommendations I make, I will continue to follow a "no surprises" policy. This means that I will give all sides the opportunity to be heard, and I will take that input seriously before making recommendations.

Question. Mr. Secretary, there is a very strong locally lead push to start new stewardship initiatives on the Upper Missouri. There is also a RAC request for more money to dedicate to actual land management goals. Do you support funding these initiatives?

Answer. The Central Montana Resource Advisory Council (RAC) identified critical needs in managing the Upper Missouri River Breaks country, including conservation easements, cottonwood restoration activities, and visitor management. I support these findings of the RAC and understand that such activities require additional funding.

Question. Mr. Secretary, I recently saw an internal memo from the BLM dated January 11, 2000. It sets forth interim management policy for newly created monuments. Would this document apply to National Conservation Areas as well?

Answer. The Bureau of Land Management's interim management policy for newly created national monuments is aimed at protecting the objects for which the area has been designated. It does not apply to National Conservation Areas and has no current effect on the Upper Missouri River and Breaks area.

Question. In principle, does it apply to any possible future designation for the Upper Missouri area?

Answer. If the President should choose to create a monument in the Upper Missouri area under the Antiquities Act, then the BLM would issue an Interim Management Policy.

Question. Can I get a full explanation of each management "bullet point" forwarded to my office. For example, it modifies predator control. Would this stop trapping? Would it require confirmation of individual kills to initiate control of individual predators? Essentially this would move all predator populations, including coyotes, into a protected status much like wolves in the Yellowstone region, correct?

Answer. Each Interim Management Plan is specially tailored to each designated monument. Given the fact that the President has not designated the Upper Missouri area as a monument, and no recommendation has been made by me to do so, it would be premature to speculate about the details of an Interim Management Policy for this area.

Question. On the section describing activities on Non-Monument lands, does this include private land?

Answer. The section of the internal memorandum that addresses Non-Monument Lands applies exclusively to Federal lands that are adjacent to lands within the boundaries of the monument. It does not apply to private lands that are adjacent to the monument.

Question. What is considered "appropriate action?"

Answer. Defining what constitutes "appropriate action" as that term is used in the internal memorandum is difficult because such action must, of necessity, be specific to the particular problem that is being be addressed.

Question. Finally, the Governor has offered the river control plans already enacted in Montana as a model for what could be done on the Upper Missouri. Have you read his letter and what is your response to using a proven model rather than an arbitrary designation to address the needs of this area.

Answer. Governor Racicot's February 7, 2000, letter refers to "similar issues [being addressed] on the Beaverhead, Big Hole, Blackfoot, Big Horn and upper Missouri rivers." He suggests that "these efforts take time for local groups to work with government agencies to assess the situation and to develop thoughtful plans to solve identified problems." I have been committed to an open public process since my initial visit to the Upper Missouri River and Breaks area in May 1999. The Central Montana Resource Advisory Council spent five months holding public meetings and engaging stakeholders as they developed their recommendations. I remain committed to continuing this process.

YELLOWSTONE SNOWMOBILING

Mr. Secretary, my next concern is the recent action by the EPA regarding snowmobiling in Yellowstone National Park.

Question. Have you read the comments of the EPA that attack virtually the entire 350 page Winter Use EIS? What is your response?

Answer. The December 15, 1999, letter you are referring to was a response to the Draft Environmental Impact Statement (DEIS) on Winter Use for Yellowstone and Grand Teton National Parks and the John D. Rockefeller, Jr., Memorial Parkway. The letter was written in accordance with EPA's mandated duty to comment on environmental impact statements under the Clean Air Act. The EPA letter compliments the work done on the DEIS, stating that, " We would like to point out that

this DEIS includes among the most thorough and substantial science base that we have seen supporting a NEPA document".

The letter is critical in a constructive way. For example, the letter states that Alternatives A–F do not assure compliance with NAAQS standards; Natioal Park Service's (NPS) adaptive management procedures are not well defined; and the DEIS analysis convincingly demonstrates that current snowmobile use is adversely affecting Park values in the context of Executive Order (EO) 11644 as amended. These criticisms provide us with opportunities to enhance the disclosure of impacts in the final Environmental Impact Statement (EIS), to clarify procedures, and generally to improve the document in accordance with the National Environmental Policy Act (NEPA).

Question. Do you or the National Park Service plan on incorporating the comments into the EIS?

Answer. In accordance with the Council on Environmental Quality regulations (40 CFR 1503.4), NPS will assess and consider comments both individually and collectively, and will respond by one or more of the following means: (1) modify alternatives, (2) develop and evaluate alternatives not previously given serious consideration by the agency, (3) supplement, improve or modify its analyses, (4) make factual corrections, and (5) explain why the comment does not warrant agency response. EPA's letter is being considered and will be responded to as appropriate. EPA comments will be used to improve the analysis and disclosure of impacts and to develop mitigation within the full range of alternatives to be considered by the decision-maker. Also, EPA, along with numerous other organizations and individuals, has presented in their comments a compelling argument that, based on the DEIS, Alternative G best meets the purpose and need for action in regard to NPS mandates, Executive Orders, and current policy.

Question. Is it your intention to weigh in from the Secretary of the Interior position on this issue? If so, what will your recommendation be?

Answer. The delegated authority for this project lies with the Regional Director for the Intermountain Region of the National Park Service. However, the Secretary is in regular communication with the National Park Service on this issue and will be consulted before any decision is made.

Question. Do you have any autonomy from the EPA, or does the EPA have full veto authority on everything the Department of the Interior and the National Park Service plans to do?

Answer. NPS has the authority to make this particular decision. EPA conducted its review of the DEIS in accordance with its responsibilities under NEPA, and Section 309 of the Clean Air Act, as amended. EPA is delegated a broad review and comment authority under Section 309. But NPS has decision-making authority for actions on public lands administered by the Service, after considering recommendations or permit requirements of other federal or state agencies having jurisdiction in law or special expertise relative to the impacts of a proposed action.

Question. The National Park Service has consistently said that four-stroke machines would answer the problems of pollution and noise. Of course this was when the technology seemed impossible. Now, the manufacturers and the local businesses surrounding the park have met the challenge and are poised to begin phasing in the new four-stroke machines. However, the National Park Service has said publicly that it is "too late" in an effort to move the goal posts. Is it your position that it is "too late" to phase in these clean machines and meet the demands of the EPA?

Answer. NPS has long advocated that the two-stroke machines need to be improved in these respects if they are to be allowed to continue to operate in most units of the National Park System. A few test four-stroke snowmobiles have been operated in and near Yellowstone National Park with some success. However, full production of this type of machine for use in Yellowstone Park is far from assured. Further, the emissions from these machines, even with quieter and cleaner technology, still emit polluting chemicals and noise. Therefore, NPS must continue to evaluate the overall volume of chemical and noise emissions. In addition, there are adverse effects NPS will consider, such as those on wildlife that will not be resolved by cleaner and quieter snowmobiles.

Again, the NEPA process is still ongoing. NPS is producing a final EIS that will contain a full range of options that must be considered by the decision-maker (40 CFR §1505.1 and §1505.2). There is no decision under NEPA until the final EIS and Record of Decision are published.

Question. From your recollection, when the EPA began requiring catalytic converters did they kick all the vehicles off the road or did they require a phase-in approach?

Answer. Automobiles without catalytic converters were not prohibited from being on the roads.

Question. A phase-in does seem appropriate, doesn't it? Would a phase-in of four-stroke technology seem appropriate in Yellowstone National Park?

Answer. Five of seven alternatives in the DEIS contain provisions that would phase in clean and quiet snowmobile technology. Alternative B, the DEIS preferred alternative, allows a phase-in period of eight years following implementation of the decision. A sixth alternative, Alternative A, is "no action" which reflects current management and an alternative required by NEPA (40 CFR 1502.14 (d)). The seventh is Alternative G, which allows for motorized access via mass-transit snowcoach only, and which is phased in over three years. Again, NPS has not fully analyzed and arrived at a final preferred alternative.

Question. Throughout the process the National Park Service has continued to release skewed information and partial facts regarding scientific findings in the National Parks in relations to this issue. Do you feel it is ethical to release half truths and biased press releases while conducting a NEPA document that focus on one aspect or alternative in the process?

Answer. A review of the record of information and documents related to the development of the DEIS does not support the allegation that NPS has continually released skewed information or partial facts regarding scientific findings on this issue.

It is true that NPS made computational errors in one summary of emissions data. The NPS, independent of the EIS process, released an Air Resource Division summary report, "Air Quality Concerns Related to Snowmobile Usage in National Parks," that contained arithmetical mistakes. NPS has corrected the errors and re-released the report. Note that the summary report was not used in the writing of the DEIS. Rather, the DEIS used the independently prepared and reviewed research papers on air quality underlying the summary report. Data in the corrected report is available to the NPS planning team for consideration in the final EIS.

Regardless of the computational errors in the original summary, the fact remains that the essence and import of the data remain essentially unchanged. The mandated comment and review period for a DEIS is expressly for the purpose of seeking better information and improving environmental analysis in the final document, thereby producing a good decision.

Question. In the past few weeks, senior staff from Yellowstone National Park have told state and local officials from the three states surrounding the park that they intend to recommend to national headquarters that snowmobiles be banned from the park in the next two years. Is this a normal course of action under the NEPA process?

Answer. The NPS wished to give the five counties, three states, and the U.S. Forest Service, who are cooperating agencies, as much notice as possible as to the possible direction the winter use plan might take. That is why in mid-March, we took the opportunity to provide them with this information. The NPS wanted to give the cooperating agencies as much time as possible so that they would be able to provide any additional information within their areas of expertise that would help the NPS in analyzing the effects of such a recommendation.

Question. Is it normal to identify the preferred alternative prior to the formal release of the decision?

Answer. The Council on Environmental Quality regulations suggest identifying the agency's preferred alternative in the draft environmental impact statement and require such an identification in the final environmental impact statement. These occur before a formal decision is reached, which occurs when the Record of Decision is signed. Specific guidance on the timing of such an announcement prior to release of the environmental impact statement is not provided in the regulations. The NPS often provides an early indication as to the direction of a preferred alternative so that the public and other agencies can have a sense of the agency's position. In simpler projects, that may actually occur during the scoping process in which we solicit ideas from the public on issues and alternatives. In more complex projects, such an indication may not occur until the EIS is released for public and agency review.

In the case of the Winter Use Plan, we emphasized to the cooperating agencies that this identification of a preferred alternative was not a decision, rather an indication of our direction. A decision would come in the Record of Decision, which is slated for approval in early November, after the final EIS is released. The actual decision can adopt another alternative or elements of other alternatives as presented in the final EIS.

Question. Has the National Park Service conducted any surveys or done any formal economic impact analysis to determine what effect the snowmobile ban would have on nearby communities and businesses? If so, can you provide that information to the Committee?

Answer. Many surveys have occurred and a formal economic impact analysis of the effects of each of the alternatives was completed and is contained in the DEIS.

The DEIS contains a summary of the results these surveys and the analysis for all the alternatives, including Alternative G.

At the request of the cooperating counties, the NPS has agreed to include a more focused economic impact analysis in the final EIS that will just look at the effects on the five cooperating counties. Both the initial analysis of a 17-county area and the additional analysis are being conducted by a contractor, not by the NPS. In addition, the NPS has requested additional economic information from the cooperating agencies, especially the five counties, to assist in understanding the effects of the alternatives. The final EIS will include this additional analysis, additional information from the counties, and additional survey results that have been completed since release of the DEIS.

Question. Is the Park Service willing to suspend action on the Winter Use EIS until it can provide the finding of such an economic impact study by an independent and objective outside source and report the results to Congress?

Answer. The economic analysis for the winter use plan is being conducted by an independent, objective, and outside source. A Montana company, Bioeconomics, Inc., is conducting the work under contract to the NPS. In their analysis for the DEIS, Bioeconomics, Inc. reviewed all the economic information from the cooperators and used it to the extent possible in their analysis. Although the comments on the DEIS regarding economics criticized the analysis and conclusions, the comments did not provide alternative methodologies or compelling reasons why the conclusions were inaccurate. The cooperating agencies did ask for a more focused analysis and that additional information from the agencies is incorporated. The NPS has agreed to these requests, and directed Bioeconomics, Inc. to do so for the final EIS.

YELLOWSTONE BISON

Question. Following court ordered mediation, is the NPS finally willing to work in good faith and realize they can not ignore the state in bison management decisions?

Answer. The National Park Service has continuously tried to work in good faith with the State of Montana. NPS, as well as other federal agencies, agreed to participate in mediation in a good faith attempt to resolve the situation and bring to a close the legal action brought by Montana.

Question. The BLM budget includes $3.7 million to buy out existing grazing leases on Church land adjacent to land purchased from the Royal Teton Ranch. How many years does this grazing right purchase cover?

Answer. Land and Water Conservation Funds (LWCF) are routinely used to acquire conservation easements from property owners rather than purchasing the property fee simple. These easements are property rights that would be acquired by the Federal government and held in perpetuity; the landowner would retain all other property rights. The conservation easement in this circumstance would permanently acquire grazing rights (a property right) on the Royal Teton Ranch, with the intention of resolving a livestock/wildlife conflict within the Yellowstone River corridor that involves the Ranch property. This proposal does not involve buying "grazing leases".

Question. When did BLM get into the habit of using LWCF money to buy out cattle producer's existing leases? This is a very direct hit on the local economy.

Answer. A portion of the Royal Teton Ranch was cooperatively purchased by the BLM and the US Forest Service in 1999, as part of an effort to protect key winter range and migration corridors for species of wildlife passing in and out of Yellowstone National Park. The 6,000 acre easement proposal included in the fiscal year 2001 budget would acquire grazing rights from the Church Universal and Triumphant, the current land owner and a willing seller. Continued acquisitions of the Royal Teton Ranch are intended to help prevent potential brucellosis outbreaks in the State.

This was not an attempt to purchase grazing leases. These are private lands where the intent was to purchase the property rights for grazing these lands. Negotiations with the land owner on this acquisition have stalled and the Department is no longer pursuing this acquisition project

Question. Current correspondence to my office indicates that this is not a "willing seller" arrangement. Is this your understanding?

Answer. Negotiations to purchase a grazing easement from the Church Universal and Triumphant (CUT), owners of Royal Teton Ranch, have recently stalled over appraisal and value issues. It is our intent to maintain contact with the CUT in hopes of resolving these differences and resume negotiations.

UPPER MISSOURI LAND AND WATER CONSERVATION DOLLARS

Question. In the BLM LWCF account for the Upper Missouri they are asking for $3 million to purchase land in an overall $78 million dollar acquisition strategy in the area over the next ten years. What are the details of this $78 million dollar buyout? Have the local counties been consulted and what has been the response of the county commissioners?

Answer. In April 1999, American Rivers ranked the Missouri River second on its list of "Most Endangered Rivers" due to threats from development. The acquisitions along the Upper Missouri River involve inholdings and parcels within and contiguous to the Upper Missouri National Wild and Scenic River corridor, which was designated by Congress in 1976. The BLM follows the authorities contained within the Act which established this wild and scenic river and the authorities within the Federal Land Policy and Management Act as a guide to acquiring lands critical to the diversity and health of the natural and cultural resources within the river corridor. A management plan was prepared for the wild and scenic corridor in 1993 which addressed the opportunities for land acquisitions from willing sellers within the river corridor. That plan underwent extensive public involvement which included review by local county commissioners.

The total acquisition cost associated with inholdings of the BLM's Upper Missouri National Wild and Scenic River (UMNWSR) project represents the cost of acquiring entire parcels, which may include lands within and outside of the UMNWSR boundary. Many willing sellers are only interested in the sale of their entire property and are unwilling to subdivide their ownership, based on the UMNWSR designated boundary. The designated UMNWSR boundary did not coincide with private property boundaries. As a result, many available parcels included acreage on both "sides" of the UMNWSR boundary. Once acquired, properties that extend outside the designated boundary are primarily used for land exchange purposes. Acquisition includes a combination of conservation easement, fee purchase and land exchange. These multiple methods of acquisition may be utilized to acquire individual tracts, reducing Federal ownership and retaining as many acres as possible in private ownership and on local tax roles. Inholdings of the State of Montana (10,163 acres) would be acquired through a land exchange.

Meetings have been held with local community and business leaders in the past. Most all have expressed support for the project, including the county commissioners. No serious concerns have been raised.

GUN RESTRICTIONS ON BLM LANDS

Question. In October of 1999, BLM published a notice in the Federal Register asserting a ban on the "use and discharge" of firearms on about 20,000 acres of public land in Phillips County, Montana. Please state the specific language in an Act of Congress that gives BLM the authority to infringe upon the constitutional rights of the people of Montana?

Answer. The BLM Malta Montana Field Office issued a notice of closure of public lands that describes an area "closed to the discharge or use of firearms" (see FEDERAL REGISTER, Vol. 64, No. 200, Monday, October 18, 1999). The authority for this closure is found in 43 CFR 8364.1, Closure and Restriction Orders. Specifically, 43 CFR 8364.1(a) provides, "To protect persons, property, and public lands and resources, the authorized officer may issue an order to close or restrict use of designated public lands." These regulations were promulgated under the authority of the Federal Lands Policy Management Act in Section 303(a) (43 U.S.C. 1733(a)), which provides: "The Secretary shall issue regulations necessary to implement the provisions of this Act with respect to the management, use, and the protection of the public lands, including the property located thereon."

The BLM does not believe the closing of a designated area of public lands to the discharge or use of firearms infringes upon the constitutional rights of the people to keep and bear arms as provided for in the Second Amendment.

Question. If the claimed authority for this gun ban is the Endangered Species Act and the Public Lands Policy Management Act, please give the specific wording in those acts that you believe offers BLM the congressionally-approved authority to restrict firearms on lands in Montana?

Answer. The BLM did not claim authority for the closure based on the provisions of either the Public Lands Policy Management Act or the Endangered Species Act (see response to the previous question).

Question. If the claimed language for such authority is in FLPMA, and it is wording given BLM the broad mission to "manage public lands", please be more exact and specific about exact language whereby Congress has given BLM specific authority or limit the use of firearms by the general public on public lands?

Answer. Language in the FLPMA provides the authority to manage the public lands by regulation or otherwise is provided in sections 302(b) and 303(a). Section 302(b) (43 U.S.C. 1732(b)) provides: "In managing the public lands the Secretary shall, by regulation or otherwise, take any action necessary to prevent unnecessary or undue degradation of the lands." The BLM has regulations which allow this type of action as was taken in Phillips County.

"Managing the public lands" is a broad authority to take appropriate actions to protect the public lands and resources and the provisions of this Act are extensive and numerous. There are many resources located on the public lands to manage and protect.

Question. What specific authority is claimed by the BLM, please relate that authority to circumstances in Phillips County that motivate BLM to impose the gun ban there?

Answer. The specific authorities claimed by the BLM are provided in the previous answers. The closure is intended to allow prairie dog numbers in the area to rebound following an outbreak of sylvatic plague a few years ago. The black tailed prairie dog is a species of concern for the U.S. Fish and Wildlife Service and is a candidate for listing by that agency. We believe this closure order may help reduce the need for listing the prairie dog.

Question. Has the BLM consulted other law enforcement agencies to determine whether this restriction is legal?

Answer. Determining whether a BLM restriction is legal is subject only to consultation with the Department of the Interior, Office of the Solicitor (SOL). The BLM Montana State Office has stated that they consulted not only with SOL but also with the U.S. Attorney's Office. Other state and local law enforcement agencies were not asked to provide a legal opinion on the legality of the closure order. However, the BLM Montana State Office consulted with the Montana Department of Fish, Wildlife and Parks in accordance with the FLPMA.

Question. In a hearing before the Senate Energy Committee about a month ago, I asked you about this problem. You responded that you would "fix" the problem, yet nothing has been done, and there has been no withdrawal of the ban published in the Federal Register. New information has come available on this issue, and it seems we are now in debate over semantics between carrying firearms and discharging firearms. It is my understanding that you have requested an investigation of the policy. What have you found and what action do you expect to take?

Answer. The notice of closure was issued under the authority of 43 CFR 8364.1 for closure and restriction authorities. The intent of this authority is to enable BLM managers to protect lands and resources in issues that require immediate and/or emergency protection. Normally, in accordance with section 310 of the FLPMA, all BLM rulemakings are done in the context of the Administrative Procedures Act requirements for public participation. The only statutory exception to this is "when the agency for good cause finds (and incorporates the finding and brief statement of reasons therefor in the rules issued) that notice and public procedures thereon are impracticable, unnecessary, or contrary to the public interest." Any potential loss of threatened or endangered species due to harassment or harm can be "contrary to the public interest." Often, immediate action is necessary to mitigate these circumstances and taking the time for a long public participation process may ultimately result in further harassment or harm to the wildlife resources.

Question. Within the last two weeks, BLM has distributed new maps in Phillips County reasserting this ban and another gun ban covering a similar and nearby area. It is obvious that the problem has not been "fixed" and the BLM is actually expanding the scope of this decision despite your testimony before the Energy Committee. Can you provide a detailed explanation why this has happened and what new areas are affected?

Answer. The BLM Malta Field Office has replenished their supply of closure maps at key locations in both Malta and Zortman, Montana. The replenished maps are the same maps that were distributed earlier and they contain the same closure information. No additional areas have been closed.

Question. The BLM field office in Billings, Montana was approached with a hypothetical question regarding the current restrictions. They were asked if a woman was to be attacked by a mountain lion or attacker while hiking on the public lands covered by this gun ban, and she fired a firearm in self defense, would she be subject to a federal criminal charge under the ban. The BLM manager answered, "yes." Is this correct, and doesn't this scenario make it clear that this ban is both overreaching and not very well thought out?

Answer. Prior to rendering an answer to this scenario, it is vital to understand exactly what behavior is being prohibited and what are the conditions necessary to impose a criminal charging. The notice of closure provides that the area described

"is closed to the discharge or use of firearms." Discharge of a firearm is intended to mean the shooting a bullet, projectile, cartridge, etc. Specifically the notice of closure is meant to address "recreational shooting" while legitimate and licensed hunting is exempt. The possession of a legal firearm is not prohibited by the notice of closure. Furthermore, all BLM regulations and closures lawfully issued under the authority of the FLPMA must be "knowingly and willfully" violated (see 43 U.S.C. 1733(a)) before a violator is subject to criminal penalties.

"Knowingly and willfully" implies that the person knew that the behavior was prohibited and performed the behavior with the intent to violate the prohibition. Further, because the criminal penalties for the FLPMA related regulations and closures constitute only a misdemeanor level offense, it is discretionary on the part of a law enforcement officer whether or not to initiate criminal proceedings (normally a citation) even if there has been a technical violation.

Therefore, under the above-mentioned scenario, the woman would not be charged under the notice of closure since the described woman is in lawful possession of a firearm and discharges it with the intent of defending herself. This would not meet a probable cause test of a knowing and willful violation nor would it constitute a deliberate violation of the closure that would warrant initiation of criminal proceedings.

CITES

Question. The Glendive Montana Chamber of Commerce has a program that allows them to harvest paddlefish roe from fish that are legally harvested. They, in turn, sell this as processed caviar. A portion of the proceeds from this sale comes back to the community and the money is given out to nonprofit organizations in the form of grants. Mr. Secretary, you must understand the economy of this area to know exactly how important this grant money is. Eastern Montana is suffering from an economic downturn in agricultural prices and the stability the former gas and oil production offered. The grants that are derived from this money are not only noteworthy but offer the only source of assistance for non-essential services to the community. How do you suggest I reply to my constituents in Glendive when they ask me why the Fish and Wildlife Service killed $75,000 worth of grant money to Eastern Montana by their ineptness in handling a simple permit request?

Answer. The Service was also concerned that the application for the Convention In Trade of Endangered Species (CITES) export permit was processed more slowly than desirable. However, the application was missing information or documentation required to make the necessary CITES findings. The processing of the application also took slightly longer than the normal processing time, which is estimated to be 30 to 60 days. After receiving the additional information the regulatory findings were made and a CITES export permit was issued on January 21, 2000. The Service has now taken steps to ensure that such delays are minimized.

The Service understands that the States of Montana and North Dakota collect paddlefish roe, sell it to the Glendive Paddlefish Caviar Project Yellowstone Caviar of Glendive, Montana or Goldstar Caviar of Williston, North Dakota, which in turn sell it to the caviar dealers. The caviar dealers then apply for the export permit. Paddlefish is listed as an Appendix-II species under CITES and therefore, requires an export permit prior to shipping the species, or its parts and products from the United States.

The Service is using increased funding in fiscal year 2000 to improve the permit process. With regard to this case, the Service is developing a general finding on the export of paddlefish roe, specifically for roe obtained from the Glendive Paddlefish Caviar Project Yellowstone Caviar of Glendive, Montana and Goldstar Caviar of Williston, North Dakota. This general finding is based on the unique features of the Glendive and Goldstar paddlefish conservation programs, and will speed processing for applicants who can now verify that the caviar they are seeking to export was obtained from either of these two State programs. The Service is requesting an additional $1,750,000 in fiscal year 2001 for our International Wildlife Trade program to enhance our procedures to protect CITES listed species and further streamline the permit process.

In any event, if the length of time to acquire a CITES export permit causes the applicant to lose its contract with the foreign buyer, the applicant still may sell the caviar domestically without a permit. Otherwise, the applicant could locate another foreigner buyer, amend the consignee information provided in their application, and continue with the processing of their application.

BITTERROOT/SELWAY GRIZZLY REINTRODUCTION

Question. Does the fiscal year 2001 budget for USFWS include funding for the physical reintroduction of grizzly bears in to the Bitterroot/Selway ecosystem?

Answer. No, the fiscal year 2001 budget for the FWS does not include funding for the physical reintroduction of grizzly bears into the Bitterroot/Selway ecosystem.

Question. Do any of the Department of Interior Accounts include funding for the reintroduction of the grizzly to this area?

Answer. No, none of the Department Accounts include funding for the grizzly reintroduction for fiscal year 2001.

Question. Do any of the Department of Interior's agencies plan on fulfilling this effort in fiscal year 2001?

Answer. No, none of the Department's Agencies plan to physically reintroduce grizzy bears in 2001. It is important to note that several actions are required before we can reintroduce any grizzly bears into the Selway/Bitterroot ecosystem. These actions involve formulation of the Citizens Management Committee, cleaning trash sites in the recovery area and installing bear-proof containers to reduce the availability of garbage to bears, and public education. The Fish and Wildlife Service intends to proceed with implementation of these actions in fiscal year 2001. The Service anticipates that it will take one year or more to complete these actions.

BLM EMPLOYEE DISSATISFACTION

Mr. Secretary, the BLM employees in Montana are just that to you, employees. To me they are my friends and neighbors. I have some serious concerns about the morale of the people I consider my friends. The 1998 BLM Employee Survey illustrated a high level of unhappiness. It is my understanding that the 2000 BLM Employee Survey was just completed and a briefing was provided to some top level BLM employees. I have been told that once again, the employees of the BLM in Montana showed an even lower morale in the sense of unhappiness with their employment. I believe this is being reflected by a series of EEO complaints by Montana BLM employees over the last few years. To me, this would be a red flag and cause me great concern. The Director of the BLM had been informed about these problems in 1998 and I was under the impression he had been tasked with correcting it via the State Directors.

Question. First, I would like you to provide me with a copy of the 2000 survey as soon as possible.

Answer. A copy of the survey results showing Bureau results as well as the Montana/Dakotas specific results is enclosed. Results show that over the past two years the BLM improved in 7 of 9 categories. Over the last year, employee job satisfaction increased 7 percentage points to 52. percent. However, as you have correctly observed, the Montana/Dakotas organization has declined in all of the categories and we are very concerned about that trend.

Question. Second, what will be done to correct this problem that the employees are apparently facing?

Answer. We will study the results in order to pinpoint the precise problem areas and will then promptly begin working on solutions (with input from employees as to what solutions will have the greatest effect). The new Montana State Director is extremely concerned about addressing employee concerns, and has, in fact, included in his three-point platform a goal specific to employees. It reads, "To respect our colleagues within the BLM; value their diverse backgrounds; use their skills to build a strong organization that benefits our Nation." The BLM Director plans to stay informed as the process of addressing employee concerns evolves to ensure that not only Montana, but the entire BLM does the very best we can to address and remedy the employee morale situation.

The concerns you have regarding the EEO program in Montana have not gone unnoticed in Washington. When the Washington Office became aware of these concerns, a review of the Support Services Division was conducted in January. The review resulted in a series of recommendations for changes and improvements. We are taking the review very seriously and in fact have already begun implementing some of the recommendations. On March 12, 2000, an organizational change was implemented resulting in the EEO manager now reporting directly to the State Director. We believe that reporting arrangement will resolve some of the issues in the EEO program .

Question. Why would State Directors be mandated to correct a problem that appears to be an outgrowth of their management style?

Answer. BLM leadership in Montana is in transition. A new State Director and Associate State Director took their post in early April. The two new leaders have already been apprised of the Employee Survey concerns. The new BLM Director has

placed a very high priority on addressing employee concerns, and has directed the incoming leadership team to take the necessary actions to bring about improvement. The BLM Director plans to monitor progress to ensure that things are headed in the right direction.

Question. What is going to be done to correct this problem?

Answer. As mentioned above, a new leadership team is beginning to lead the Montana/Dakotas office. They will identify problem areas and will promptly begin working on solutions with input from employees as to what solutions will have to greatest effect. We recognize we still have much more work to do. Insufficient resources was a major issue identified in our 1998 survey. Our fiscal year 2001 budget proposal begins to address the funding needs and work imbalances of concern to employees. The lines of communication between employees and management remain open and the new leadership will be implementing any new measures that will serve to increase employee satisfaction.

BLM/FS OFF-HIGHWAY VEHICLE PROPOSAL

Question. Director Tom Fry has said in at least one meeting that he expects the Montana/Dakotas interagency OHV plan to be suspended until the national plan is formulated. Can you confirm that the plan from our region will not be finalized prior to the implementation of a final national rule?

Answer. The Final Montana/Dakotas BLM/FS OHV EIS is expected to be issued shortly after the release of BLM's National OHV Strategy. The National OHV Strategy is scheduled to be released in late November, 2000.

Question. Can we be assured that the comments submitted by Montanans during the regional OHV comment period will be incorporated into the national policy, or must we reinvent the wheel and submit comments once again?

Answer. The BLM and FS have sponsored over 70 public meetings and open houses on the Montana/Dakotas OHV EIS process and our publics have provided an overwhelming response. Over 2300 comments have been received and are being analyzed in the content analysis process. A full copy of the Content Analysis Report will be provided to BLM's National Strategy Team so that the Montana/Dakotas public input can be factored in to that national process. Montanans will also be invited to comment separately on the National Strategy if they wish; however, their existing input to the regional process will be used in developing the National Strategy. It is important to note that the National Strategy will cover all aspects of the OHV program, not only designations as in the Montana OHV EIS. This approach will ensure that Montanans have an equal opportunity to comment on the overall OHV program at the national level.

INVESTIGATIONS OF DOI EMPLOYEES

Mr. Secretary, as you know the misdeeds of employees working for agencies under your watch have received a lot of attention over the past few years. Senator Murkowski is investigating the POGO violations, Congressman Young has produced legislation to address the misuse of conservation funds by United States Fish and Wildlife employees, the Bureau of Indian Affairs is wrapped up in a scandal involving the misuse of credit cards, and the Policy Director of the Office of Insular Affairs has been accused of using government resources to attack Republican Members of Congress in violation of the Hatch Act. To name but a few. Each of these scandals is being investigated by the Office of the Special Counsel, the Inspector General of the Interior Department and Congressional Committees in one form or another. Secretary Babbitt, what is happening here? It seems as though scandal has become a way of business under your watch.

Question. Can you assure the Subcommittee that in each of these cases the agencies are no longer engaging in improper activity?

Answer. We have taken steps in each of these cases to make sure that the activities you mention have ceased.

Question. Do you support reprimanding these employees?

Answer. Yes, to the extent that these employees are found in violation of statute or regulation the appropriate remedial or disciplinary action should be taken.

Question. Do you support legislative remedies to prevent these types of problems from occurring again?

Answer. There is legislation already in place that addresses these types of issues. We do not think that in all cases additional legislation will necessarily prevent abuses from occurring. Violations by individuals often are made irrespective of the laws, regulations, and practices that exist. Increased support for training of employees concerning activities that are permitted and prohibited is probably a better approach to prevent these types of problems from occurring again.

Question. Do you support Congressman Young's legislation as an example?

Answer. We appreciate the efforts that Chairman Young and the House Resources Committee made to address the concerns we have about this legislation, H.R. 3671. We believe our combined efforts will result in many valuable improvements to the Federal Aid program and ensure that the taxes paid by America's sportsmen are used for their intended purpose. However, we remain concerned that the bill does not provide sufficient funding to effectively administer the program, that it reduces program flexibility, and that it concentrates program management in Washington rather than the field. We are working with the Senate Committee on Environment and Public Works, and ultimately the Senate as a whole, to resolve these concerns.

Question. Are there other examples similar to the POGO investigations or the political activities of the OIA that are being examined within the Department that have not yet been brought to the attention of Congress?

Answer. There are no cases currently pending that Congress is not already aware of.

Question. Can you assure that the improper activities at the OIA are no longer occurring and what steps have you taken to stop these types of abuses from occurring?

Answer. To our knowledge improper activities of this type are no longer occurring at the OIA. The Departmental Ethics Office has conducted individualized training for OIA to ensure that all employees are aware of the applicable restrictions under the Hatch Act.

Question. Some have argued that the activism in the OIA tainted Interior reports to Congress. As a result the GAO has raised specific questions regarding the validity of the Interior's position. Has Interior reevaluated their analysis to address the GAO's report that the Interior Department's own analyses of these questions were "methodologically flawed" and "questionable."

Answer. The recommendations of the Administration with regard to the immigration and labor system in the Northern Mariana Islands are exactly that: recommendations of the Administration. Numerous departments and agencies (including Justice, Labor, Commerce, NLRB, and Interior) have been involved since the Congress first noted the CNMI immigration and labor problems and appropriated funds for their remediation in 1994.

For two years, Federal agencies worked closely with and praised the actions of the CNMI government and Governor Froilan Tenorio. A reversal of policy by Governor Tenorio, however, brought the publication of the 1997 and 1998 reports that condemned CNMI immigration, labor, and law enforcement, and brought proposals for Federal legislation. It was only after the Administration's proposals were presented to the Congress that labor unions became interested in the CNMI issues and one employee at Interior became overzealous. This employee's improper actions had no effect on Administration policy and no effect on the facts included in published reports on CNMI immigration, labor and law enforcement issues.

The Administration has consistently maintained that the immigration and labor problems in the CNMI are Federal issues susceptible to solution only at the Federal level with Federal legislation.

Question. In regards to the BIA's problems with credit card abuse, have you spoken with Kevin Grover on how to remedy this problem? What solutions do you propose?

Answer. The Department's OIG will be conducting a Department-wide audit of the credit card program.

SUBCOMMITTEE RECESS

Senator GORTON. So the subcommittee will stand in recess until 9:30 a.m., Tuesday, April 11, when we will receive testimony from the Honorable William Richardson, Secretary of Energy.

[Whereupon, at 11:52 a.m., Wednesday, April 5, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, April 11.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, APRIL 11, 2000

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

The subcommittee met at 9:30 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Stevens, and Byrd .

DEPARTMENT OF ENERGY

OFFICE OF THE SECRETARY

STATEMENT OF HON. WILLIAM RICHARDSON, SECRETARY OF ENERGY

OPENING STATEMENT OF SENATOR SLADE GORTON

Senator GORTON. The subcommittee hearing will come to order.

I recognize, Mr. Secretary, that you are due at another subcommittee hearing in a relatively short period of time. So my opening statement will be short. I will have a few questions. If only Senator Byrd is here, we may have a little bit more leisure. But we do welcome you once again.

The last time you were before this subcommittee was in support of your budget request for the current fiscal year. And I think that may have been your first appearance before Congress as Secretary of Energy. It was very short. Due to the present Senate business, I am afraid this may be as well.

But I am anxious to learn what you have learned in the course of the last year, and to know what you regard as the highlights of the administration's 2001 budget request.

I also suspect we will want to discuss a different, but related, topic that has been on everyone's mind across the country. By that I mean the recent increase in the price of oil and what the federal response to this increase should be.

I must say, Mr. Secretary, that I know more about what this administration is against than what it is for. I know the administration is against repeal or suspension of the gasoline tax. I know the administration is against increasing domestic oil production in many of the most promising areas for exploration. I know that the administration is against, or at least is not supporting in any meaningful way, a modification or tightening of CAFE standards.

And finally, I note that one of the few decreases included in your budget request is in research and development programs designed to enhance domestic oil production and to maintain production from marginal wells. I would like to hear your comments on how this relates to the current increase in oil prices.

This subcommittee will face a difficult challenge in trying to formulate a fiscal year 2001 spending bill. We must not only provide adequate funding for the highest priority programs, but also contribute to an overall budget strategy that maintains fiscal discipline, reduces the national debt, protects social security and provides for sensible tax relief.

In order to accomplish these goals, we will need your help in setting priorities. I hope we can count on your help in this regard, both in today's hearing and as the process goes on.

With that, I am going to yield to Senator Byrd and say that the full text of your statement, Mr. Secretary, will be included in the record. So to the extent you can summarize, there will be more time for dialogue and questions.

Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, I thank you for coming here today to discuss that portion of the Energy Department's fiscal year 2001 budget request that will be funded through the Interior and Related Agencies Appropriations bill. While I look forward to hearing your opening statement, I will tell you right up front that I am disappointed, deeply disappointed, with the priorities laid out in this proposal.

As I look at this budget, I question whether or not the administration takes seriously the fossil energy needs of this nation. The reduction of more than $28 million in the fossil energy research and development budget, coupled with the $105 million rescission and the $221 million deferral in the clean coal technology program does not, in my opinion, bode well for our efforts to develop a comprehensive national energy strategy.

Certainly I understand the administration's emphasis on energy conservation and energy efficiency. And indeed, this budget proposes to increase funding for those programs by more than $91 million. But conservation and efficiency are only half the battle, and they should not be advanced at the expense of programs that have already proven to be worthwhile.

If this Nation ever hopes to become more energy independent, and if we ever hope to put an end to the spectacle of Government officials kowtowing to the major oil-producing nations, then we are going to have to come to grips with the fact that fossil fuels used in an environmentally sound manner are central to our future.

Mr. Chairman, in fairness to the Secretary, I will not belabor this point before he has had an opportunity to offer his perspective on these issues.

Thank you.

SUMMARY STATEMENT OF HON. WILLIAM RICHARDSON

Senator GORTON. So now it is his turn.

Mr. Secretary.

OIL PRICES

Secretary RICHARDSON. Thank you, Mr. Chairman and Senator Byrd. First of all, thank you for the graciousness and the excellent relationship, despite obviously some differences that we have on policy, that you have had with me and our Department. I mean that very sincerely.

Let me, Mr. Chairman, report on a little bit of good news in terms of oil prices that I know have been on everybody's mind. A few days before OPEC met on their decision to increase production, the high prices per barrel were $35 per barrel. Yesterday they closed at about $24 a barrel. That is a decrease of $11 since the administration's energy diplomacy, I believe, succeeded along with the leadership of some OPEC nations in increasing production.

Gasoline prices at the pump since the days before the OPEC meeting, the high was at about $1.53 a gallon. Yesterday it closed at about $1.48 a gallon, almost a 5-cent drop. And the Energy Information Administration is looking at prices on the average of $1.39 a gallon by the end of the summer.

So this is good news. We will continue to monitor the situation. But I wanted to, I think at the earliest, find ways to put this good news in context. Our hope is that together we come out of this hearing and this whole process with some bipartisan energy initiatives that I will outline shortly.

ENERGY POLICY

Mr. Chairman, our energy policy is based on market forces, not artificial pricing. It is based on the diversity of supply and strong diplomatic relations with energy-producing countries. It is based on improving the production and use of traditional fuels with new technology development.

It is based on diversity of energy sources with long-term investment in alternative fuels and energy sources. It is based on increasing efficiency in the way we use energy. And it is based on maintaining and strengthening our insurance policy against supply disruptions, the Strategic Petroleum Reserve.

Over the long term, these principles work to provide the country with secure supplies of energy. They apply to all of our work. Our budget for fiscal year 2001 is proof of our enduring belief in these principles.

Our budget, Mr. Chairman, is $18.9 billion. This is approximately $1.6 billion over this year's appropriation, a 10-percent increase. Our budget for programs under this subcommittee is $1.3 billion, an increase of $84.7 million over last year, almost 7-percent higher.

BUDGET REQUEST

Let me go through the highlights of our budget with your subcommittee.

Our request for Fossil Energy Research and Development supports a $385 million program level. In Coal and Power Systems, we are looking to develop, one, cleaner, more efficient coal and electric power generating technologies, including our Vision 21 Energy Plan of the Future; two, exploratory research into carbon seques-

tration technology to capture and permanently store greenhouse gases; and three, our gas turbine program.

Earlier this year I witnessed General Electric's newest H System gas turbine, the most advanced combustion turbine in the world. It is ready to cross the commercial threshold. And it is a superb choice for the next wave of power plant construction.

The H System will help us maintain a cleaner environment, help our growing economy, help keep electric bills low in homes and businesses across the country.

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. In our petroleum program, we are continuing our work to develop ultra-clean transportation fuels, which will help refiners deal with the new EPA Tier II rules; we are continuing to investigate our Reservoir Class Revisit program, a government-industry effort, providing cost sharing to domestic producers willing to try new methods and keeping the Nation's oil fields producing.

And we kicked off our new Preferred Upstream Management Practices program. This is an intensive effort to convey best business practices to U.S. producers over the next 5 years, so they can benefit from the successful experiences of others in the industry.

In Natural Gas Technologies, we are looking to fund in advanced gas research, a new initiative to develop technologies to improve the reliability of the Nation's gas pipeline and storage infrastructure. These endeavors demonstrate that there are many opportunities for high-tech advances in our traditional fuels as in any other energy resource.

To further glean this promise, in December I elevated our Fossil Energy Technology Center to the status of a national laboratory. The National Energy Technology Laboratory in Morgantown, WV, and Pittsburgh, PA, will accommodate several strategic centers of excellence. This would not have happened without the leadership of Senator Byrd.

And I want you to know, Mr. Chairman, that I tried to name the facility after Senator Byrd, and I failed because everything else in the town and State was already named after him. So I thought I would mention that.

For example, I have directed that a Center for Advanced Natural Gas Studies be established at the laboratory. In the fiscal year 2001 budget, we have also included funding to upgrade the laboratory's computer simulation capabilities and to establish a world-class center for carbon sequestration research.

ENERGY EFFICIENCY

We also have extensive opportunities in our energy conservation programs. While we now know that our quiet energy diplomacy worked, that consumers will begin seeing more relief at the gas pump, the recent energy situation still validates our pursuit of energy efficiency.

Let me outline just a few examples. Among the most promising is the Partnership for a New Generation of Vehicles designed to develop an 80-mile-per-gallon automobile that is comfortable, safe and affordable as our traditional vehicles.

It behooves us to be able to squeeze the most value from our driving dollars. The recent peak pump prices were all too clear reminders. So in order to make vehicles with high miles per gallon yields possible, we are taking fuel cell technology from the aerospace industry and applying it to the automotive industry.

SUVs are a potent battleground in today's climate of high gasoline prices, therefore the Department of Energy has been working to develop a new sport utility vehicles that will be 30 to 40 percent more efficient than those currently on the road. Detroit is on board.

Last Thursday, Ford Motor Company announced a new hybrid SUV they have planned, which will get 40 miles per gallon. It will be called the Escape, and I think that is apropos for our quest to break from our reliance on imported oil. It will join other auto makers' projects on hybrid cars, including Daimler Chrysler's ESX 3, which is slated to ring up 72 miles per gallon, and a number of projects from General Motors.

We are also working on improving efficiency in tractor-trailers. The big rigs now get 5 to 7 miles per gallon. They may soon achieve up to 10 miles per gallon, a big difference in rigs with 300-gallon tanks. There are other engines of discovery, fueling our options for the future.

Weatherization is one of our most potent weapons against problems like the heating oil shortfall that New England recently faced. I was in Rhode Island on Friday, and folks are still stunned by it. Weatherization will allow us to reduce our demand for heating oil, because we are making homes more energy efficient and less wasteful.

Under the fiscal year 2001 budget, we will be able to weatherize 76,000 low income homes to save money on utility bills, conserve fuel and provide warmth in winter and cool air in summer.

We are also improving efficiencies in buildings, pursuing opportunities in efficient and affordable building design and construction R&D. We are also advancing our Industries of the Future Program, bringing new efficiencies to industries like steel and chemicals.

Our budget also will allow us to continue our 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. We are looking to save the taxpayer money by helping all Federal agencies identify, finance and implement energy efficiency improvements for their facilities.

ENERGY INFORMATION ADMINISTRATION

Mr. Chairman, I know you have been very generous to the independent Energy Information Administration. That money is worth it.

In fact, the superb EIA data I brought on my trips to the OPEC countries and other producing nations served as a kind of trump card. As you know, some did not believe our claims of dramatically low stocks. But EIA's research bore out our arguments, and the result is clear. OPEC and the other producing nations have increased their production.

Our fiscal year 2001 budget requests $75 million for ongoing EIA data and analysis and provides for needed data quality enhancements.

Mr. Chairman, the Department is intensely focused to ensure that we have the most energy resource pallete from which we can then choose. Still, the recent energy pricing situation made very clear that we need to pursue energy options outside of oil. I believe our budget offers occasion to do so.

Mr. Chairman, we are specifically proposing energy legislation, not necessarily all of it in the purview of your committee, besides the good budget decisions that I think we have been able to make jointly with you. We would ask that the Senate consider a package that includes our tax incentives for domestic oil and gas production, namely G&G expensing, delayed rentals, some assistance to marginal well producers, coupled with some tax credits for energy efficiency, fuel efficient vehicles, and other measures for energy conservation and alternative energy that we have before you.

PREPARED STATEMENT

We think that this package could be a good short-term bipartisan energy policy that would move in the right direction and we can look to do, so that we do not have as much reliance on imported oil.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. BILL RICHARDSON

Mr. Chairman, and members of the subcommittee, it's my pleasure to discuss the Department of Energy's budget request for fiscal year 2001. I thank you, Mr. Chairman, for this subcommittee's efforts to ensure that the Department continues to effectively deliver its energy mission. You have recognized the importance of a strong energy policy not only to the day-to-day functioning of our society, but to the continued improvement of our standard of living. This budget includes $1.3 billion for programs within the jurisdiction of the Interior Subcommittee, an $84.7 million increase or 6.8 percent above the fiscal year 2000 comparable level.

The budget I'm here to discuss was prepared to address the changing energy scenario. In fiscal year 2001, we propose to expand energy supply options and promote greater efficiency in the major energy use sectors, with the need to protect the environment foremost in mind. As part of this strategy, the budget features several initiatives which cut across traditional program areas to maintain U.S. strength in the evolving global energy market.

FISCAL YEAR 2001 ENERGY INITIATIVES

International Clean Energy Initiative.—A conclusion reached in a recent President's Committee of Advisors on Science and Technology (PCAST) report is that current energy R&D investments, while generally effective, are not adequate in scale to address world energy, environmental, and market demands. The report found that the most conspicuous gap was in the demonstration and cost buy-down areas, a crucial link in the chain from basic research to commercial deployment.

Our overall budget request includes $46 million in fiscal year 2001 to support the PCAST recommendations to identify, develop, and demonstrate pre-commercial energy technologies, identify markets for their deployment, and promote efficient and environmentally sound energy production, generation, and end use. By encouraging international markets for these technologies, their cost will go down and new, clean, and affordable energy options for America will be created. The Interior and Related Agencies Appropriation request for this initiative is $20 million (Fossil Energy $13 million and Energy Efficiency $7 million). The remaining $26 million is requested in the Energy and Water Development Appropriation.

Energy Grid Reliability Initiative.—By 2015, the United States will likely add 250,000 megawatts of new power generation to today's grid, at the same time the grid is responding to the demands of evolving competitive electricity markets. Measures required to limit transmission loading and preserve system reliability were contributing factors to the shortages of power in mid-western wholesale markets in the

summer of 1998. In addition, the natural gas and electricity industries and their supporting infrastructures are merging, creating a set of new reliability issues.

In this continuing transition from regulated to restructured electricity and natural gas markets, the need to ensure the reliability and security of energy delivery systems is an increasingly important priority for the federal government and for the heart of our national security. Energy policies and technologies must support the "Intergrid"—the increasingly inter-connected energy delivery system of the 21st century.

In partnership with the private sector, we propose a $36.1 million multi-program initiative to focus on the development of the policies and technologies (e.g., system simulation, energy storage, real-time sensors and controls, and new distributed power options) that will help protect against potential new market failures and promote reliability through system flexibility, efficiency, and security. The Interior and Related Agencies Appropriation request for this initiative, in the Fossil Energy budget, is $7 million, $5 million for Infrastructure Technology and $2 million for Storage Technology. The remaining $29.1 million is funded in the Energy and Water Development appropriation.

Fossil Energy Infrastructure Technology efforts include initiating research directed to ensure the reliability of the gas transmission and distribution network; increasing the efficiency of the pipeline system; advancing development of longer life, high-strength, non-corrosive pipeline materials; developing a smart automated inside pipeline inspection sensor systems and repair technology; developing portable real-time video imaging technology to detect natural gas leaks; and developing a gas system reliability analysis and distributed resource system integration model.

Fossil Energy Storage Technology efforts include continuing support to industry for deliverability enhancement reservoir management; gas metering and measurement; and advancing storage concepts engineering studies. We will also accelerate development of short-term, high deliverability storage systems to serve future distributed power systems and develop a high deliverability gas storage system model to serve the power generation market place.

Carbon Control Through Separation and Sequestration Initiative (CCSS).—Fossil energy will continue to provide a significant and growing fraction of world energy supplies well into the next century. As demand continues to grow, world carbon emissions are expected to increase by 3.5 billion metric tons over current levels by 2015. Following "business as usual" greenhouse gas emissions may lead to a significant elevation of average global temperatures, shift patterns of world agricultural production, and impact human health.

DOE's Fossil Energy and Science programs are developing an "Evolving Science and Technology Roadmap for Carbon Sequestration" to identify ways to mitigate the impacts of carbon emissions. The roadmap has pin-pointed specific scientific/technical focus areas for R&D including: separation and capture; sequestration in geological formations; ocean sequestration; terrestrial ecosystem sequestration; and advanced concepts (e.g., chemical and biological).

In addition to modeling and assessment techniques, these areas will form the central elements of DOE's CCSS initiative. This program totals $42.6 million in fiscal year 2001 of which $19.5 million is requested in the Fossil Energy budget, a $10.3 million increase above the fiscal year 2000 level. The CCSS Initiative is designed to: (1) establish the technical and economic feasibility of sequestration; (2) drive down the cost of CO_2 separation; (3) determine the environmental consequences of large- scale CO_2 storage; (4) integrate sequestration technologies with natural sinks; (5) develop innovative technologies to produce marketable commodities from CO_2; and (6) incorporate carbon sequestration processes into advanced energy production and utilization systems.

Enhanced Ultra Clean Transportation Fuels Initiative.—For the foreseeable future, the nation's vehicles will be powered mostly with petroleum-based fuels. The prototype next-generation vehicle, being developed through the Administration's Partnership for a New Generation of Vehicles (PNGV) program, must have the cleanest possible fuels. Both gasoline and diesel fuels will have to comply with strict EPA regulations (e.g., sulfur, nitrogen oxide, and particulate emissions reductions and possible restrictions on oxygenate additives).

There are environmental, regulatory, and technological drivers which point to the need for a significant and focused effort to develop super-clean petroleum-based transportation fuels. The $27 million multi-program Enhanced Ultra Clean Fuels Initiative targets government and industry resources to develop a portfolio of market-viable, advanced petroleum-based transportation fuels and fuels utilization technologies, that are responsive to the near to mid-term environmental, technical, and regulatory challenges. This will significantly enhance U.S. energy security, environmental quality, and industrial competitiveness. Funding for this initiative is re-

quested in the Interior and Related Agencies appropriation (Energy Conservation $17 million and Fossil Energy $10 million).

Bioenergy/Bioproducts Initiative.—I am pleased to report that on August 12, 1999, the President signed Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy. The Order will guide coordination of Federal efforts to accelerate the development of 21st century biobased industries that use trees, crops, agricultural, forest, and aquatic resources to make an array of commercial products. In an Executive Memorandum on these same issues, the President set a goal of tripling United States use of biobased products and bioenergy by 2010. In the President's remarks at the signing ceremony, he stated that reaching the tripling goal "would generate as much as $20 billion a year in new income for farmers and rural communities, while reducing greenhouse gas emissions by as much as 100 million tons a year-the equivalent of taking more than 70 million cars of the road." As a result of the Executive Order, existing research, development, and demonstration (RD&D) programs of DOE, USDA, and other agencies will be better coordinated to achieve common goals.

DOE has increased funding for bioenergy and bioproducts activities by $49 million in fiscal year 2001 to accelerate work in this important area. A total of $173.7 million is included for this initiative, of which $43.8 million is within the Energy Conservation request. The goal is to help make biomass a viable competitor as an energy source or chemical feedstock. Work will concentrate on developing "biorefineries"—integrated systems for processing feedstocks simultaneously into a variety of products such as fuels, chemicals, and electricity. This will require increased collaboration among industry, DOE programs, and the U.S. Department of Agriculture.

DOE will work to develop inexpensive cellulase systems to break down cellulose into low-cost sugars for the production of bio-based chemicals and bioenergy. This will allow woody and grassy crops and agricultural waste such as corn stalks to take the place of high-value grain and food crops as biofuel feedstocks.

Research will be conducted in renewable bioproducts, using multi-disciplinary and cross-industry partnerships to develop and accelerate adoption of possible "leap-frog" technologies for converting crops, trees, and residues into chemical feedstocks and consumer products. Another part of the initiative will focus on DOE's work in biopower to promote the integration of biomass gasification systems with modern generation systems, and co-firing of biomass with coal.

THE FISCAL YEAR 2001 BUDGET REQUEST

The Department's fiscal year 2001 budget request, before the Interior and Related Agencies Appropriations Subcommittee, proposes funding of $1.3 billion, a 6.8 percent, or $84.7 million increase above the comparable fiscal year 2000 appropriation. A total of $384.6 million is requested for Fossil Energy R&D, which includes the use of $9 million in prior year balances. We propose $850.5 million for Energy Conservation, a 12.1 percent increase; $158 million for the Strategic Petroleum Reserve; and $2 million for Economic Regulation activities. The request for the Energy Information Administration rises by 3.6 percent to $75 million. Following are highlights of some of the specific activities we are proposing for fiscal year 2001.

ENERGY EFFICIENCY

The Energy Efficiency programs funded by this Subcommittee improve the fuel economy of automobiles and other vehicles, increase the productivity of the nation's most energy-intensive and polluting industries, and improve the energy efficiency of buildings and appliances. The fiscal year 2001 budget requests $850.5 million for the Department's Energy Conservation programs, an increase of $91.8 million over the comparable fiscal year 2000 level.

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. 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 2001 PNGV request of $142.5 million, a $13.4 million increase over fiscal year 2000, will continue efforts in the areas of fuel cells, advanced direct-injection engines, exhaust control, advanced batteries and electronic power controllers. An increase of $2.3 million in the Clean Cities program, providing $10 million

for fiscal year 2001, 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 United States 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, petroleum 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 $184 million for all Industrial sector programs, of which $174.7 million is for the Industries of the Future program. In fiscal year 2001, Industries of the Future—Specific will concentrate on bioenergy initiatives with the forest products, agriculture, and supporting industries. The Crosscut program fiscal year 2001 efforts will focus on the development of gasification technology, reciprocating engines, low emission technologies, controls, and components for industrial scale advanced turbines.

Improved energy efficiency for building technologies.—America's homes and offices consume more than $232 billion worth of energy each year. Heating and cooling, lighting, appliances, and equipment account for over one-third of U.S. carbon dioxide emissions. In fiscal year 2001, the Department is requesting $339.8 million for the Office of Building Technology, State and Community Programs (BTS), including $100.1 million for Building Research and Standards, $34 million for Building Technology Assistance—non grants, and $154 million for the Weatherization Assistance Program to weatherize 74,806 low-income homes, and $37 million for the State Energy Program. In fiscal year 2000, approximately $135 million was provided for weatherization assistance grants to states to weatherize 67,340 low-income homes. In the fiscal year 2000 Supplemental, the Administration is requesting an additional $19 million for Weatherization Assistance which would allow approximately 9,000 to 9,5000 additional homes to be improved across the nation. The fiscal year 2001 budget request allows the Department to implement technology roadmaps and provide the next generation of energy-efficient, environment-friendly technologies required for the buildings industry.

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 2001 is $29.5 million, an increase of $5.6 million over fiscal year 2000.

Management Improvements.—During the past year, the Office of Energy Efficiency and Renewable Energy (EERE) has made management reform a major priority with significant results. They have strengthened their management capabilities and processes in the following ways:

—Hired new, key staff in the areas of management, budget, and analysis, including a new Chief Operating Officer position at the Deputy Assistant Secretary level;

—Created a comprehensive and integrated approach to planning, budget, program execution, and program evaluation through a new Strategic Management System;

—Developed improved business management systems that greatly enhance the office's ability to track technical progress, integrated with cost and schedule baselines;

—Increased competition in discretionary financial assistance to approximately 90 percent of fiscal year 1999 funding for new awards from a level of 24 percent in fiscal year 1996.

These management initiatives have greatly improved EERE's accountability and ability to deliver results. Through a commitment to management improvement, and the recommendations expected from the review by the National Academy of Public Administration, EERE well make continue to make improvements in management.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

The fiscal year 2001 request for Fossil Energy Research and Development is $384.6 million, including $9 million from prior year balances for a net fiscal year 2001 request of $375.6 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.

Coal and Power Systems.—The fiscal year 2001 request to develop cleaner, more energy efficient coal and electric power generating technologies is $193.8 million, $18.7 million below the comparable fiscal year 2000 level. The centerpiece of this program is the Vision 21 energy plant of the future, a revolutionary new concept that, coupled with carbon sequestration, could virtually eliminate environmental concerns over the future use of fossil fuels. The goal of the Vision 21 program is to develop a set of advanced technology modules that could be configured into a new class of multi-product facilities for both central and distributed energy production in the 2010–2030 time frame. A total of $41.2 million is included in the fiscal year 2001 budget request for Vision 21 development efforts.

The request also includes a major expansion of the department's exploratory research into carbon sequestration technology to capture and permanently store greenhouse gases. We are requesting $19.5 million for carbon sequestration research in fiscal year 2001, more than double the level for fiscal year 2000. An extraordinary private sector response to a recent department solicitation (more than 60 proposals with cost-sharing averaging more than 40 percent) has increased our confidence that industry is prepared to join us in pursuing this exciting future possibility for low-cost greenhouse gas control.

The major reason for the decrease in the Coal and Power Systems budget is a transition taking place in our advanced gas turbine program. We are approaching the successful completion of an 8-year effort to develop a breakthrough utility-scale, 400-megawatt gas turbine. In fiscal year 2001, our turbine program ($26 million) begins to shift to the development of a similarly-advanced mid-size turbine. We are also requesting $42.2 million to continue developing advanced fuel cells with a goal of ultimately cutting costs to $400 per kilowatt, one-third of the projected costs for today's advanced systems. At these costs, ultra-clean fuel cells—which produce electric power using an electrochemical reaction, rather than combustion—could become a preferred energy source especially in environmentally-constrained regions.

Petroleum.—The fiscal year 2001 request for Oil Technology is $52.6 million, which includes the $10 million cited previously for a new initiative to develop ultra-clean transportation fuels. In addition, this program continues to provide technology advances that can keep oil flowing from many of our nation's most endangered reservoirs, most of which are now operated by small, independent producers. The fiscal year 2001 budget includes the last increment of funding for the Reservoir Class Revisit Program, a joint government-industry effort restarted during last year's unprecedented oil price plunge to provide cost-sharing to domestic producers willing to try new methods for keeping the nation's oil fields in production. Funding is also included to continue the "Petroleum Upstream Management Practices" (PUMP) program which will provide producers with "best practices" that can solve regional production problems.

Natural Gas Technologies.—The fiscal year 2001 request for natural gas technology R&D is $38.8 million, which includes funding for both advanced gas recovery research and a new initiative to develop technologies to improve the reliability of the nation's gas pipeline and storage infrastructure. The exploration and production portion of the budget ($12.4 million) will continue to focus on advanced technologies that can locate and produce gas from reservoirs that are not producible using current technology. A $2 million R&D program in methane hydrates will concentrate on studies and resource characterization. An $8.5 million request for emerging processing technologies will be used, in part, to scale up a promising new membrane technology that could be used one day to convert remote sources of natural gas into liquid fuels and chemicals. The new initiative to improve natural gas infrastructure reliability ($13.2 million) will focus on the development of new tools, piping materials, sensors, and gas storage technologies that will be needed to meet the anticipated growth in natural gas demand, and address the increasing interface with the electric utility industry. Another infrastructure initiative, focused on International Clean Energy ($6 million) will apply best practices and DOE-developed technologies to reduce leakage from natural gas pipelines. This could be especially beneficial in reducing the nearly 20 percent of gas throughput that may be escaping from the Russian gas pipeline system.

STRATEGIC PETROLEUM RESERVE

The Strategic Petroleum Reserve (SPR) remains a crucial element of our national energy security policy. The fiscal year 2001 budget request for SPR operations and maintenance is $158 million, a 0.3 percent reduction from the fiscal year 2000 appropriation. The fiscal year 2001 request also includes a rescission of $7 million from prior year balances in the SPR Petroleum Account. In fiscal year 1999 we began a Royalty-In-Kind cooperative program with the Department of the Interior to allow the use of 28 million barrels off-shore Gulf Coast royalty oil to fill SPR.

We will be submitting a supplemental fiscal year 2000 budget request to rescind $12 million from the SPR Petroleum Account. The proposed fiscal year 2000 and fiscal year 2001 rescissions will leave approximately $14 million remaining in the SPR Petroleum Account. These funds are being held to support the Royalty-in- Kind program and to support the start up incremental costs of an energy supply drawdown.

CLEAN COAL TECHNOLOGY

The fiscal year 2001 budget proposes that $221 million be deferred until fiscal year 2002 and that an additional $105 million be rescinded. The proposed deferral reflects schedule delays from project restructuring activities. The proposed rescission reflects savings from restructuring of the Clean Energy project. There are 40 active projects with a total cost of $5.4 billion, of which DOE has committed $1.8 billion. At the close of fiscal year 2001, 32 projects are expected to be completed; one additional project is expected to complete operation and begin preparing final reports; two projects are expected to be in operation; three projects in construction; and two projects in design. At the end of fiscal year 2001, two projects are expected to have outstanding obligation commitments. In fiscal year 2001, the Clean Coal Program will complete the operating phase of the Liquid Phase Methanol project demonstrating the production of clean-burning methanol from coal-derived synthesis gas, and approach the completion of the Tampa Electric IGCC project that is establishing the engineering foundation leading to a new generation of 60 percent efficient powerplants.

NAVAL PETROLEUM RESERVES AND OIL SHALE RESERVES

No new funds are requested for fiscal year 2001 for the Naval Petroleum and Oil Shale Reserves. 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 when the field was sold. Fiscal year 2001 activities include the continued operation and environmental remediation activities of the Teapot Dome oil field; the Rocky Mountain Oilfield Testing Center; 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.

In January 2000, DOE, together with the Department of the Interior, the State of Utah, and the Ute Tribe agreed to support legislation that would transfer 84,000 acres of the 89,000 acre Naval Oil Shale Reserve No. 2 to the Northern Ute Tribe. Under the agreement, a portion of any royalties from future energy production on the lands would go into a fund to help clean up and remove 10.5 million tons of radioactive mill tailings near Moab, Utah. Another provision would put into place additional environmental protections for a 75-mile stretch of the Green River, and the Ute Tribe would establish a one-quarter mile land corridor along this section of the river and protect it as an environmentally sensitive area. If enacted by the congress, the transfer of this land would become the largest voluntary return of land to Native Americans in the lower 48 states in more than a century.

Elk Hills School Lands Fund.—The National Defense Authorization Act for fiscal year 1996, Public Law 104–106, authorized the settlement of longstanding "school lands" claims to certain Elk Hills lands by the State of California. The Settlement Agreement between the Department and the State, dated October 11, 1996, provides for payment of nine percent of the net sales proceeds generated from the divestment of the government's interest in Elk Hills, subject to the appropriation of funds. Under the terms of the Act, a contingency fund containing nine percent of the net proceeds of sale has been established in the U.S. Treasury and is reserved for payment to the State, subject to the appropriation of funds. The first installment payment was appropriated in fiscal year 1999. No appropriation was provided in fiscal year 2000, however, the fiscal year 2000 Interior and Related Agencies Appropriations Act provided an advance appropriation of $36 million to become available in fiscal year 2001. The fiscal year 2001 budget requests an advance appropriation for payments to the State for the fiscal years 2002–2006 to be made available on Octo-

ber 1 of each fiscal year, as follows: for fiscal year 2002, $36 million; for fiscal year 2002, $36 million; for fiscal year 2003, $36 million; for fiscal year 2004, $36 million; for fiscal year 2005, $60 million; and for fiscal year 2006, $60 million.

National Energy Technology Laboratory.—Fossil Energy's Federal Energy Technology Center became the Department's 15th national laboratory, renamed the National Energy Technology Laboratory in December 1999. The two research facilities that comprise the newest national laboratory, are located in Morgantown, West Virginia and Pittsburgh, Pennsylvania, but are operated as a single entity. The National Energy Technology Laboratory's core capabilities will be strengthened with the creation of a Center for Advanced Natural Gas Studies. The new center will coordinate development of innovative technologies to improve the way gas is found and produced, as well as new ways to make the future use of natural gas cleaner and more efficient. It will also identify gaps in DOE's natural gas portfolio and recommend new efforts to ensure that future gas supplies remain abundant and affordable.

ENERGY INFORMATION ADMINISTRATION

The fiscal year 2001 budget request is $75 million for ongoing Energy Information Administration (EIA) data and analysis activities related to energy use and provides for essential data quality enhancements. EIA's base program encompasses the maintenance of a comprehensive energy database, the dissemination of energy data and analyses to a wide variety of customers in the public and private sectors; the maintenance of the National Energy Modeling System for mid-term energy markets analysis and forecasting; the maintenance of the Short-Term Integrated Forecasting System for near-term energy market analysis and forecasting; customer forums and surveys to maintain an up-to-date product and service mix; and the maintenance of systems supporting the electronic dissemination of energy data through the EIA Internet home page and CD–ROM.

In fiscal year 2001, EIA will focus on five initiatives: (1) Continuing the redesign of the energy consumption surveys to update the survey frames, sampling design, and data systems, and realign with the information on residential and commercial buildings populations resulting from the 2000 census; (2) Continue the overhaul EIA's electricity surveys and data systems to reflect changes in the nation's restructured electricity generation and distribution systems; (3) Continue the overhaul of the natural gas surveys and data systems to reflect changes in the restructured natural gas industry; (4) Continue the work to enhance international energy analysis and projections' capabilities to address increasing demands for assessing the impact of carbon mitigation strategies; and (5) Correcting critical petroleum, and natural gas data quality issues to continue EIA's ability to collect and disseminate the reliable and accurate energy data needed to assist Congress in making informed policy decisions.

ECONOMIC REGULATION

The fiscal year 2001 budget request of $2 million is for refund application processing and for related activities arising from the regulatory program initiated under the Emergency Petroleum Allocation Act of 1973. Excess monies from refund processing are transferred to the Treasury Department for debt reduction.

CONCLUSION

The Department of Energy's proposed budget for fiscal year 2001 will provide the tools, facilities and processes to help lead this nation through a changing world energy market. The technological breakthroughs which lie ahead will improve the quality of life of all Americans. With your continued support, the Department of Energy will produce the science to prepare better energy options for a stronger America.

Mr. Chairman, and members of the Subcommittee, that concludes my prepared statement. I will be glad to answer any questions you may have at this time.

Senator GORTON. A new set of CAFE standards will not be included in that package.

Secretary RICHARDSON. I should have had my CAFE experts here with me. Senator, the answer is I do not know.

Senator GORTON. OK. As you know, the chairman is quite interested in that subject——

Secretary RICHARDSON. I know.

Senator GORTON [continuing]. And has felt that it would be one that would be logical for you and the EPA administrator.

I would like to ask questions on just two subjects and then defer to Senator Byrd. We do realize that you have another appearance.

On pricing and on your trips overseas, the agreement was to increase oil production by 1.7 million barrels a day, somewhat short of the 2.5 million barrels that was your obvious goal. In addition, apparently there was a good deal of cheating going on as it was above the old quota.

You mentioned in passing what your prediction was for gas prices by the end of the summer. Do you expect that the same amount of fudging or cheating will go on, so that the net increase really will be 1.7? And do you think that 1.7 is long term or is sufficient to meet your goals?

That is several questions in one, but I will just let you answer in general terms.

OIL PRODUCTION

Secretary RICHARDSON. Senator, they are excellent questions, and let me take each one.

I was asking OPEC countries for 2 million barrels. The 2.5 million was a press figure, but we asked them for 2. It was based on the fact that the world is consuming 75 million dollars per day and only producing 73 million.

Senator GORTON. 75 million gallons. You said dollars.

Secretary RICHARDSON. What did I say?

Senator GORTON. You said dollars.

Secretary RICHARDSON. I apologize. Barrels.

I was asking for 2 million barrels. We got, Senator, 1.7 barrels from OPEC countries. You add to that—and this is as of April 1, 400,000 barrels from non-OPEC countries, Mexico, Norway, Oman, and Russia. On the cheating issue, we anticipate—we do not call it cheating. We call it leakage. It is a little more diplomatic.

Senator GORTON. All right.

Secretary RICHARDSON. We are estimating, and OPEC, I think, is estimating about 400,000 in going beyond the quotas. Then if you add Iraq to that, an estimate made by OPEC of 300,000 barrels per day, we are at about 2.8 million barrels per day.

Now, we believe that that is a good number. And it is already yielding results. OPEC will meet again in June 2000. Our view is that the market forces should dictate prices. We believe that the market is responding well to this increase in production. In fact, the news is better sooner than we thought.

Nonetheless, that still means, Senator, we should approach these other initiatives that I mentioned on a bipartisan basis, working with you and others, to see how we can reduce that dependence on our imports.

Senator GORTON. The $1.39 per gallon that you estimated by the end of the summer, what was the figure a year ago at the end of the summer, the end of summer 1999?

Secretary RICHARDSON. I will get you that. It was less. But you remember, Senator, a year ago prices were about $12 a barrel. I will get you those figures.

But the best we have right now from the Energy Information Administration, which I thank you for funding so generously, are conservative estimates. They are at about $1.39 by the end of September. It could be a little more.

The futures market is predicting more by the end of July, in fact, 14 cents below the $1.53 top. The point is that I think we have reached the zenith, and it is now going down. We have topped off, and that is the good news.

But I will get you that data Mr. Chairman.

[The information follows:]

PRICE PER GALLON OF GASOLINE LAST SUMMER

At the end of the summer of 1999, the U.S. average price of regular gasoline was about $1.25 per gallon. By December 1999, the monthly national average had risen to $1.27.

Secretary RICHARDSON. I want to, if I could, ask Mr. Hakes, the Administrator of our Energy Information Administration, to the table.

Senator GORTON. Sure.

Secretary RICHARDSON. I really mean it when I said the Energy Information Administration throughout my trip was key in giving concrete data about low inventories and projections that were very useful.

GAS PRICES

Mr. HAKES. Mr. Chairman, as the Secretary suggested, this summer we would project that prices would be 25 percent higher than last summer. But the consumer would be seeing a rather steady drop in prices throughout the summer. We have already seen a 5-cent drop from the peak on gasoline.

Also, it is interesting, if you look at the New England diesel prices that truckers have been paying, those prices have actually dropped 65 cents from the peak. So the trend seems to be in the right direction, although it would not likely get us back to where we were last summer.

Now, as the Secretary suggested, the futures market has been moving more rapidly than we anticipated. And prices have been coming down, crude prices have been coming down, more rapidly than we anticipated. So there may be more good news than we thought.

EARMARKS

Senator GORTON. OK. Thank you.

My other set of questions is on a different subject, Mr. Secretary, and one that is greatly disturbing to not only this subcommittee but to others. As you know, every appropriations bill that goes through Congress is accompanied by one or more committee reports that clarify, direct and provide additional guidance with respect to those funds.

These items are included in committee reports rather than in formal statutory language in large part to provide a degree of flexibility to you and to your department. Usually it works pretty well. Departments tend to follow these programming and reprogramming guidelines. And I do not think we have gotten any complaints

from you that this subcommittee's reports have been overly restrictive or onerous.

But we receive a huge number of complaints from our members, who are angry, frustrated, that you have taken it on yourself to review personally each and every one of these earmarks or directives and have thus delayed many of these instructions.

I understand that there are still fiscal year 1999 appropriations that at your direction have not been released, even though they were fully in line with the Department's research programs. I pass this on to you as an extremely serious matter. I want to know what your motivations are in this connection.

Are you designing it so that Senator Byrd and I and our colleagues are simply going to have to put all of these things in the statutory language so that you do not have any discretion? I do not think that is going to serve you well.

But the committee and the Members of Congress are certainly serious about these directions and earmarks. Would you comment on that?

Secretary RICHARDSON. Senator, I want to be sure that the earmarks are well spent and fit within the mission of the Department. Some do not. I have been trying to shift them in the direction of fitting within the mission of the Department.

Am I reviewing each personally? Yes. I review every single spending decision. I take your Congressional reports, your statutory language very seriously. There have been some delays. But I believe in many cases we have actually improved some of these earmarks.

I will continue to do that. I believe that it is important that we get the full scientific and budgetary and positive contribution out of these earmarks. If they are delayed, it is because I have been moving around and trying to do other things. But I do want to review them, to make sure they fit within the mission of the Department. I think you would want that.

Senator GORTON. Well, we certainly want to see that it is well spent. We also want to see to it that the intention, the specific intentions, that are actions of Congress are carried out. We would appreciate you providing us with a list of items both on fiscal 1999 and 2000 that are still under review, and for anything that has not been reviewed, the reasons for doing so.

This is a serious matter. And Members are telling us that if they cannot get items about which they felt very strongly and have been included in committee reports accomplished, they are simply going to ask that we put them in the bill. Can you get us such a list as to where you are?

Secretary RICHARDSON. Yes. I will get you such a list.

[The information follows:]

FISCAL YEAR 2000 DOE INTERIOR AND RELATED AGENCIES APPROPRIATION EARMARK LIST [1]

[Dollars in thousands]

Activity	Amount	Description	Status
Fossil Energy—Building Fuel Cells	$750	Continue partnership w/Materials and Electrochemical Research Corp. to work on PEM fuel in collaboration with ORNL.	Approved. ($490)

FISCAL YEAR 2000 DOE INTERIOR AND RELATED AGENCIES APPROPRIATION EARMARK LIST [1]—Continued

[Dollars in thousands]

Activity	Amount	Description	Status
Energy Efficiency—Buildings Fuel Cells.	750	Continue partnership with Avista Corp. to demonstrate fuel cell cells at DOE sites.	Approved. ($540)
Energy Efficiency—Industries of the Future Crosscutting.	2,000	Characterization of oxidation behavior for rig testing in the turbine program, ORNL.	Approved.
Energy Efficiency—Transportation	3,000	Northwest Alliance for Transportation Technologies	Approved.
Energy Efficiency—Precision Forging	500	Precision Forging Phase II R&D, Ann Arbor, MI	Approved.
Fossil Energy—Advanced Clean Fuels Research.	300	West Virginia University—coal extraction studies	Approved.
Fossil Energy—Natural Gas Research	6,700	Steelmaking Feedstock program—Calderon	Approved.
Fossil Energy—Natural Gas Research	375	Arctic Research	Approved.
Fossil Energy—Natural Gas Research	2,500	Ramgen Technology	Approved.
Fossil Energy—Fuel Cells	2,000	Multi-layer Ceramic Technology	Approved.
Fossil Energy—Oil Technology	375	Arctic Research	Approved.
Fossil Energy—Oil Technology	3,200	Biodesulfurization in Alaska	Approved.

[1] Fiscal year 1999 Earmark List to be provided separately.

Senator GORTON. Senator Byrd, I am going to defer to you now. I have some more, but we do not have the Secretary for much longer. So I want to give you a chance to ask questions.

Senator BYRD. Is he going to come back?

Senator GORTON. He is also due today, because of these hearings, before the Full Energy Committee for some of the same things. So go ahead.

Senator BYRD. I hope you will call him back, if we need him.

CLEAN COAL TECHNOLOGY

Senator GORTON. Well, if necessary, we can have another hearing. But today he has to go to that one.

Senator BYRD. Well, I wish to begin this morning by focusing on the Clean Coal Technology program, Mr. Secretary, which your Department characterizes as "one of the most successful government-industry partnerships ever implemented."

In looking back at your testimony before this subcommittee on March 18, 1999, in which you were responding to my questions regarding the Clean Coal Technology program, you said, among other things—and I will read what you said, page 54 of the testimony—"I want you to know"—you are addressing your response to me, "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."

And then shortly thereafter you go on to say, Mr. Secretary, "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." Well, I have. I have looked at it.

Now you continue, "I came in September, and I think you will be pleased." Well, I am not.

But we will work with you to keep the monies in there. Let me say that again. We will work with you to keep the monies in there, the projects going and recognize the importance of coal in our future.

Well, having now looked at the Department's coal research budget for the upcoming fiscal year, I can assure you, Mr. Secretary, that you were mistaken in your prediction. I am not pleased. I have good reason to not be pleased.

A $105 million rescission and a $221 million deferral in the Clean Coal Technology program, along with a $28 million cut in fossil energy research and development, does not, in my opinion, constitute a recognition of the importance of coal to this nation, and particularly at this time, may I say.

Given the fact that you and I both know that coal is a major source, and will remain a major source, of energy in the United States for many years to come, how can this administration seriously justify a $105 million rescission in the Clean Coal program, especially coming on top, as it does, of the rescissions in the last 4 fiscal years?

Over the past 4 fiscal years, $224 million has been rescinded from the Clean Coal Technology program and $196 million has been deferred.

That means that nearly half a billion dollars, $224 million in Federal, $224 million in private, has not gone into the necessary research and development of future technology. So how can the administration seriously justify this year, again, a $105 million rescission in the clean coal program?

FOSSIL ENERGY

Secretary RICHARDSON. Senator, let me start with Fossil Energy and then go onto the Clean Coal Technology Program. Let me say that I stand behind what I said before, that I think policy-wise I am trying to give coal and clean coal a greater emphasis.

Funding-wise, there are some numbers issues being raised that I would like to try to deal with. First, there are some small adjustments throughout the fossil energy budget; the major change is the decrease of $18 million in the advanced gas turbine budget, because we have had a major success. I just saw that success in Greenville, SC, with a GE project of new large-scaled turbines.

I also want to point out there are several important increases in the fossil energy budget, increased funding for the Vision 21 Energy Plan of the Future. That is something that I know is important to you.

We have more than doubled the funding for carbon sequestration, because we may be on the verge of real breakthroughs in developing more affordable ways to address global climate change. I know that you have landmark legislation on that with developing countries.

We have added a new $13 million initiative in gas infrastructure. We have included $10 million for a new effort to develop ultra-clean transportation fuels. Our coal research, the Clean Coal Technology program, is a 15-year success story with a lot of projects completed and new technologies in use by industry.

We are trying in our R&D to have more effective and cheaper technologies to reduce air and solid waste emissions from existing coal plants. We have some low-cost sulphur scrubbers, low-cost nitrogen-oxide controls from some of our technologies.

On the rescission and deferral of Clean Coal funds, my understanding, Senator, is that the rescission and deferral will not affect and delay ongoing activities for projects in the CCT program. The Department remains fully supportive of the successful completion of the CCT programs. I know that you will review our proposals and develop a very thoughtful counterproposal.

Senator, we have right now 38 active projects in 18 States. Twenty-six have completed test runs. I am talking about clean coal. Five are operating. Two are in construction. Five are being designed.

Industry has provided 66 percent of the total cost. The DOE share for 38 projects is $1.7 billion. The industry share is $3.45 billion.

You know, I was with you when we started that lab, gave it major lab status to give clean coal and natural gas the visibility they deserve. I am trying, Senator. I think that with your help and with this subcommittee's help maybe some adjustments can be made.

But, believe me, this is a big priority of mine. And I would ask that you not look at all the results just in the funding request. We have actually accomplished a lot of good partnerships, a lot of new technology, and this new lab which I think will be a major focus for the future in terms of success.

So I do not apologize for what I said to you. I think our record is good. Numbers-wise, I wish we had done a little better.

Senator BYRD. Well, Mr. Secretary, I have not gotten the answer to my question. I listen very carefully always. The message I get from this proposed rescission is that the administration thinks that the program has reached the end of the technological line; that no further efficiency or environmental improvements in coal fire generation is possible.

What bothers me even more, though, is that the Department of Energy also seems to think that the program is effectively over. I note that the program update released in March 1999 states that, and I quote, "The future direction of the Clean Coal Technology program focuses on completing the existing projects as promptly as possible."

Let me read that again. "The future direction of the CCT program focuses on completing the existing projects as promptly as possible." Not one mention there of potential new projects or new technologies that might be developed by pressing ahead.

Since there is nothing in the original authorizing legislation that would mandate a shutdown of the clean coal program by a date certain, can you tell the committee what the Department's position is with respect to continuation of the program? Do you have any long-term plans that would allow for additional project solicitations? And if not, why not?

CLEAN COAL TECHNOLOGY

Secretary RICHARDSON. Senator, let me say that on the numbers, we had to meet some budget targets. I wish our numbers would have been stronger, but I still think they are strong.

Let me just answer your question on clean coal technology. I do not think we need the money in fiscal year 2001. I do not think we are going to need the $105 million rescission in fiscal year 2002.

But if we do, I want to pledge to you that we will look at it again when we formulate the 2002 budget next fall. I am committed to clean coal technology. There will be more projects.

I think we had some tough budget targets to make. But again, I want to stress to you we were very much committed to this.

Senator BYRD. Well, all that is very good, Mr. Secretary. I know that you are not completely responsible for the figures as they finally arrive here. I understand that.

But we need this technology. We need to sell it to China, to India, to Mexico, to Brazil, and to these other nations that are developing, but which are emitting enormous amounts, increasingly enormous amounts, of gases into the atmosphere.

Now is the time we ought to be moving forward on clean coal technology, not just for our sake but also from the standpoint of helping the developing nations to clean up their own powerplants. I think the administration has a very shabby record in this area.

I am particularly concerned with the issue of global climate change. Now the Vice President ought to know this. He ought to hear this. He ought to be concerned about this.

I am particularly concerned with the issue of global climate change. And I fear that cuts in the clean coal program will have serious consequences in that area. On this score alone, there seems to be a very real disconnect, a very real disconnect, between what the administration is saying on the one hand and what it is doing.

I believe you will find in the Book of Corinthians, Mr. Secretary, verbiage which says, "If the trumpet make an uncertain sound, who will prepare to the battle?"

Now the trumpet here is making an uncertain sound. The administration says, on one hand, this. On the other hand, we see it is cutting the monies for a very vital program.

This must reflect the mindset on the administration's part that we have gone far enough on clean coal technology, and what we need to do is clean up the projects that are already in the pipeline and then forget about it.

Well, I do not believe that the Members of Congress think that way. And I do not think the American people would think that way, if they really knew the facts.

So there seems to be a very real disconnect between what the administration is saying on the one hand—it is the voice of Jacob, but it is the hairy hand of Esau—what the administration is saying on the one hand and what it is doing on the other.

Since exports of this technology to developing countries would contribute greatly, greatly, to reductions in greenhouse gas emissions, which the administration supposedly supports, I think it is somewhat disingenuous for the administration to propose these cuts.

Do you want to respond to that, Mr. Secretary?

Secretary RICHARDSON. Senator, the Clean Coal Technology program has been a success. It is nearing completion. It set up a new suite of technologies to help existing powerplants to meet tough environmental standards. Now we can do better.

What we have done is taken the new technologies demonstrated under the Clean Coal program and pursued even greater energy efficiency. Our goal is near zero, emissions for fossil plants, which

has been your goal in terms of developing countries. Our partnership with the private sector is working. Rapid commercialization is taking place. So we are succeeding in this program.

You passed your resolution with Senator Hagel that developing countries, if there is going to be a Kyoto treaty, have to participate. They have not been participating.

We have had conferences with energy ministers from Latin America, from Africa; we are going to have them from Asia in San Diego next month. We have said to them, "We want to sell you clean coal technology, energy renewable technology, from the United States, so that with the private sector, with market forces, you can meet those Kyoto goals," which is exactly what you have wanted us to do.

And we have had some success. We have certainly helped American business, American coal companies. Clean coal people have participated. But we need to do more.

But, Senator, I just do not want you to judge the success of the program simply on the appropriation that we have requested. Granted, I did not get everything I wanted. But nonetheless, we have had some successes, some partnerships that are working.

And this is technology that we are going to continue doing. We are going to do some more of these projects. But I can assure you, our commitment is there.

Senator BYRD. Well, "by their fruits, ye shall know them." And I am looking at the fruits here. I started this program in 1985 with an initial authorization of $750 million, one of the most successful programs we have ever seen in which the Federal Government and industry participated and shared the cost.

And industry has been sharing that, by your own testimony this morning, 66 percent of the cost of these projects, which shows it is an important project, and it is a successful one insofar as industry is concerned.

And yet I hear you say just now, "We are nearing completion." Do you really mean that? How do you get to near zero emissions, if the program is nearing completion?

Secretary RICHARDSON. Well, what I meant by that, and I stand by what I said, is that we are having success in this program when we are developing the kind of technologies that we are able to demonstrate will improve the environment and get some of these power plants to meet tough environmental standards and produce power more efficiently and competitively.

So my main message, Senator, is: The program you started is succeeding. It is working.

Senator BYRD. And it ought to continue.

Secretary RICHARDSON. Yes.

Senator BYRD. And we have to have money to continue it. And if we are really concerned about global, this global problem——

Secretary RICHARDSON. I agree.

NATIONAL ENERGY TECHNOLOGY LABORATORY

Senator BYRD [continuing]. We need to do more of this.

Now you spoke of the energy technology laboratory in Morgantown. I am concerned about how this budget proposal treats the

newly established National Energy Technology Laboratory in Morgantown.

When you and I were at that facility last December, you told the assembled audience that you intended for the lab to "have the full status of a national lab, the full rank and prestige."

You also said you wanted the lab to "become the center of the universe." When you said that over there, I just swelled. I thought, "We are on the way now; the center of the universe for fossil energy and environmental technology."

But despite your statements, which I am sure were well intentioned, I fear that the administration is not following through on your commitment, and that the national laboratory designation is proving to be more cosmetic than substance.

For example, the fiscal year 2001 budget request would cut the lab's basic operating budget by more than $1 million from fiscal year 2000 levels. I realize a $1 million cut may seem trivial, but I would like to know how such a cut symbolically squares with your intention of ensuring that the NETL will have the "full status of a national lab" and that it would be the center of the universe for fossil energy and environmental technology.

Secretary RICHARDSON. Well, Senator, we did rename that lab in December. And we have proposed several new in-house capabilities at the lab, for example, the strategic natural gas center, which will deal with technology portfolio and natural gas research and analysis; and super computing, which puts in place an alliance with West Virginia University and Carnegie Mellon—we put $3 million in the fiscal year 2001 budget for that—another $3 million for carbon sequestration to study the capture and permanent storage of greenhouse gases.

And what we are doing, Senator, is wanting to make sure that that lab gets the proper funding, designation and prestige. I am the one that moved this lab to that designation because of my commitment to coal research, natural gas research, the kind of research that you are doing. It has only been 3 months. You need to give me a little more time to do the right things for it. And I need your help there.

Senator BYRD. You have my help in any way you ask for it. You want me to come downtown and talk to the President or Vice President or whomever? I can do that.

So call on me, if I can help you. Come to see me. Pick up the telephone. Come to see me. If we have some problems, let me know about them.

Well, I just have one follow-up question. In your statement last December, you also said that the lab would house a new center for advanced natural gas studies. What is being done on that front with respect to assigning or transferring additional natural gas research programs to NETL?

Secretary RICHARDSON. I know I have designated the lab as our center for natural gas. Let me ask my——

Senator BYRD. OK.

Secretary RICHARDSON. I will be reviewing a plan to increase that responsibility. It is at the Under Secretary level. He has a plan to do that.

Senator BYRD. Will you let me know when you have completed your review?

Secretary RICHARDSON. Yes.

Senator BYRD. I thank you for your appearance here, Mr. Secretary. I do not mean to be discourteous, but I am mystified by what is happening to our Clean Coal Technology program and what I think is not sufficient continuing interest in the National Energy Technology Lab in Morgantown.

That is all I will have for now. Thank you, Mr. Secretary.

EARMARKS

Senator GORTON. Senator Stevens.

Senator STEVENS. Good morning, Mr. Secretary.

Secretary RICHARDSON. Good morning, Senator.

Senator STEVENS. I am thinking about offering an amendment to this bill that will prevent you from using any funds that are in your request, the President's request, until you have released the funds for the congressional priorities.

Let me tell you, I just found out that last week your Department released a fiscal year 1999 coal bed methane project for Alaska that Congress funded for Alaska 18 months ago.

I am told that the funds that are coming under the Indian energy grants for this current year have been delayed for Sitka and Nome. Those are Indian allocations set aside. And when we inquired, your staff had told us that you must personally approve all congressional priorities before they are released. By what right do you impound congressional priorities, Mr. Secretary?

Secretary RICHARDSON. Senator, this question came up earlier. I want every spending dollar that we take to be consistent with the mission of the Department. What I am doing——

Senator STEVENS. The President signed those grants. You have authority to set aside. You have no authority to determine whether they are consistent with the President's program. By definition, they are consistent when he signed the law.

Now I am serious. We are going to hold up your money until you stop holding up congressional priorities. We get a budget. We take out some of the things you want, and we decide some other things of higher priority. The President agrees with us when he signs them. You are a Cabinet officer, and we expect you to follow the law.

This really irritates me to think that for 18 months this little village waited for that money from fiscal year 1999. Now that is just preposterous. Congressional priorities are still part of the law. By what right do you decide whether they are consistent with your program?

Secretary RICHARDSON. Senator, I am reviewing these projects. I am looking at them. The fiscal year 2000——

Senator STEVENS. By what right? Are you a Member of Congress again, Mr. Richardson? These are law. This is in the law. Now you do not have the right to determine they are not consistent with your program.

And I am serious. I think this is an absolute revolt on your part against the concept of Congress having the right to redetermine some of the priorities of the United States.

I am serious. I hope the Congress will support this. You have no right to determine that they are not consistent with your program and, therefore, not to release them. A fellow named Nixon learned that. You are impounding money.

Gentlemen, I am really disturbed. This money was appropriated 18 months ago and was just released. And it took that long to determine it was consistent with the Secretary's idea of what the program of the Department should be.

Secretary RICHARDSON. Senator, these were funds that are discretionary. They are discretionary in terms of my authority.

Senator STEVENS. They are not discretionary. They are earmarked in the law.

Secretary RICHARDSON. Senator, I do not believe they were. The statutory language we always obey. These are report language——

Senator STEVENS. Oh, you are not going to recognize what is in the report, the earmarking in the report?

Secretary RICHARDSON. Senator, all I am saying is that I am looking at everything in the report. I have been a little busy lately.

Senator STEVENS. Well, let us get one thing straight, Mr. Secretary. Are you not going to be guided by report language? Should we put the whole report in the law?

Secretary RICHARDSON. Senator, all I want to do is to make these projects consistent with the mission of the Department. Some have fallen outside of our jurisdiction.

Senator STEVENS. If the Congress puts them there, they are for you to do. Now, you were up here, Bill. And I remember you were here during the Republican administration. And I know you earmarked. And you expected the administration to follow that.

The shoe is on the other foot now. And you are telling us you are going to determine whether an earmarking of Congress of specific monies for a specific project is consistent with your desires of how to be the Secretary of Energy.

I tell you, gentlemen. We will have to write long bills for your Department, if that is the case. These are not the only ones. These are just the ones that have come to my attention so far. Or have you just done the ones the chairman earmarked?

Secretary RICHARDSON. No. I have done a whole series of them, Senator. I have approved many projects.

Senator STEVENS. I am going to ask the GAO to find out what you have not honored in terms of earmarking in the reports because in the time I have been in the Congress, I do not know of a Secretary that has decided that every congressional earmark had to be reviewed to see if it was consistent with his interpretation of the mission of the Department.

I am told that Senator Shelby's project that was earmarked was disapproved, formally disapproved.

Secretary RICHARDSON. Senator, I have had a lot of things to do lately. I have pledged that I wanted to look at every spending dollar the Department has. I have not reviewed the fiscal year 2000 earmarks. You mentioned the one that I approved last week, 1999——

Senator STEVENS. That is 1999. That stopped. That ended last October 1.

Secretary RICHARDSON. That is correct.

Senator STEVENS. People up there in my State expect to see the money, if we tell them it has been earmarked. It is in the report of Congress. We tell them, "Yes, we have received the approval of Congress to earmark part of the funding that goes to the Department of Energy, and you will receive 'X' dollars."

Now, Mr. Secretary, it is not fair to us at all, and you know it. I am going to find some way. You are the only Secretary I know that is doing this so far. And I spent 8 years in one administration and 5 years as legislative counsel and solicitor. I know what goes on in departments, just as you do.

Secretary RICHARDSON. Senator, all I know is I looked at your project and I approved it.

Senator STEVENS. 18 months? It took 18 months to move that paper across your desk?

Secretary RICHARDSON. Apparently. And there was nothing——

Senator STEVENS. We have done this before. We will just put—it only takes one sentence in the report. It says you cannot release any of this money until you release the monies as earmarked in this section.

Secretary RICHARDSON. But, Senator, these are discretionary projects.

Senator STEVENS. They are not discretionary, if we earmark the money. It never has been. When you were up here, it was not. And it is not now.

Secretary RICHARDSON. When it is earmarked——

Senator STEVENS. When the Senator from West Virginia earmarks, do you think that is discretionary?

Secretary RICHARDSON. No. When it is earmarked and statutory, no. But these are report language projects.

Senator STEVENS. No, that is not—if it is going to be statutory, we will get to the statutory language.

Senator BYRD. Will the Senator yield?

Senator STEVENS. If you want to do it that way, we will do it.

Senator BYRD. Will the Senator yield?

Senator STEVENS. Yes, sir.

Senator BYRD. Mr. Secretary, from time immemorial, language in committee reports is there to guide the Department. And they are expected to follow that language. There might be reasons in an instance or so here and there, but that is not discretionary with you down there. I do not mean to say you personally, but any secretary. It is not discretionary whether or not you follow those.

We need to get back to the old time religion here. We need to get back to some old time thinking. You are not going to get by with that before this subcommittee, to say it is discretionary. Well, why put it in? Why do we not just write you a letter and ask for it? It is not discretionary.

Secretary RICHARDSON. Senator, I am a Cabinet officer. I review all spending. That does not mean I disapprove it or I cast negative judgment. I just want to see what we are spending. I want to know what your interests are. I want to know how I can make some of these projects consistent with what we are doing.

I am not doing anything that I think is nefarious here. I think you want me to know how we are spending our money. This is a

department that needs to be managed better, and that is all I am doing.

Senator BYRD. Mr. Secretary, we have a responsibility, also. We are elected by the people. You are not. No Secretary of any Department is elected by the people of the United States or of a State. You know that. You have been a Member of the House.

And when you say it is discretionary, I will join with the Senator in putting it in law, if that is what it takes to get your attention.

Now let me mention the Positron Emissions Tomography Center of West Virginia University. You released the funding there, but it was fiscal year 1999 funding, after I asked you to do that in Morgantown. And I thanked you then, and I thank you now. That should have been done.

So I am going to pay more attention to this, as well as Mr. Stevens. You are not the only one who has a responsibility to know whether or not these items—whether or not money is well spent. We have that responsibility, also. And we take it into consideration when we earmark it.

So I hope you will do a little thinking about this. You may not be coming back before this committee again. Maybe that does not make a difference. But we are not going to sit here and take that kind of language from any secretary, that it is discretionary.

If it is in the committee report, you should have very good reasons other than, "I am just looking them over. That is discretionary with me. I may or I may not."

Senator STEVENS. Thank you, Senator.

I will just say one more thing, Mr. Secretary. You are a friend. I admire what you have been doing and have followed your career. And I think you have been very fortunate in having some very interesting assignments.

But when we go over these bills, we determine how much money there is. And we are earmarking somewhat less than 10 percent of the money that is available to these departments. We are approving basically the projects that you have set up and not putting restrictions on them for the most part. We have sometimes fenced them, "You cannot do this until we receive some proof," or something.

But we do have a right to redetermine some of the priorities of the United States. For instance, we earmarked in the law a certain portion of the funds that you get for Indian projects. The three that disturb me most are the three Indian projects that have been delayed. And I am told they have been sitting in your office for some time, by your own staff.

Now is that for you to determine, if it is consistent for us to earmark within Indian reservation, money set aside for Indian projects, where they go? I tell you, I find that very hard to believe that you would question Congress in determining how a small portion of a large fund, just a small portion that is set aside for Indians throughout the country. And we have sort of a pecking order here of who is going to get what and how soon one tribe is going to get eligible over another. And we finally determine, yes, it is Alaska's time to get three. Three of those were earmarked, I think, probably for the first time to Alaska.

And we are to wait for you to determine if that is consistent with your program? Mr. Secretary, that disturbs me greatly.

And somehow I am going to join with my colleague and find a way that the discretionary part will come out. That is not discretionary at all. We have reserved a portion of the fund that is discretionary and said it can be used only for Indian projects. I think we told you what projects to put it to. And these people have a right to be disturbed, because they have been misled by me. I told them a year ago, 18 months ago, they would get the money.

That is—you leave us in a very difficult position with our people. You were elected once. You know that is not fair. I am very disturbed, Mr. Secretary, that this has taken place.

Thank you, Mr. Chairman.

Senator GORTON. Mr. Secretary, you see how gentle the Chairman was with you on this subject. But you also see what the Chairman gets from other members of the committee in this connection.

And I greatly prefer not to write all of these things in a bill itself, because there is at least a degree more flexibility in committee reports. And if there is some serious objection on the part of the Secretary and you come to us, we are usually going to be understanding of it.

But I hope you will lower that stack that is on your desk right now as rapidly as you possibly can and obviate this kind of commentary.

Senator RICHARDSON. Senator, I will review these. I have gotten the message. Let me also say to you that sometimes it is difficult for me, when I have a $50 million science budget, that one project comes in at $11 million that is not consistent with the mission of the Department.

What I try to do, in respecting congressional wishes many times, is to adjust these programs or these earmarks to some mission consistent with the Department, so that we can use them.

And that is what I am simply trying to do with some of these. And, quite frankly, in the last 3 months I have been occupied on other things. But my responsibility is also to the American taxpayer to see that our money is well spent. I know you want me to do that.

I approved his project. I have approved fiscal year 1999 projects. We are looking at the fiscal year 2000 projects. We just want to spend the money right, Senator. That is all I am trying to do.

COORDINATION WITH THE EPA

Senator GORTON. Well, get these done fast. You will be much worse off if you end up having the committee direct everything as a statutory matter.

I have only one more subject. I have a lot more subjects, but I will submit them to you in writing.

The National Research Council recently reviewed the Partnership for a New Generation of Vehicles. It recommended closer coordination between DOE and EPA with regard to the relationship in emissions standards and research on emissions reductions. I think this is a very important recommendation.

And it stems from the fact that on several occasions the Environmental Protection Administration standards have made advance

technology, developed through the support of your Department, irrelevant or at least much less relevant.

And it collectively made the private sector reluctant to invest in research and development for fear that standards are going to be changed out from under them.

I would like to know what your personal commitment is to ensure that there is adequate coordination between your Department and EPA, what the administration's views on this coordination subject are. And one very specific question: Given that most emission sources produced more than one undesirable pollutant, does it strike you, as an individual and the Secretary, as sensible that our regulatory regime is centered on a seemingly endless series of single purpose rule-makings on individual emissions?

Secretary RICHARDSON. Senator the Department of Energy's Fossil Energy Research, we want to have full input into any type of EPA policy. We see our role as being threefold in that direction.

One, we want to be able to provide scientifically credible data to EPA. Specifically in one instance, we tested power plant emissions of air toxic substances. EPA was able to avoid imposing the unnecessary regulations. We are currently studying microscopic airborne particles.

Our second initiative has been to develop lower cost, more effective technology to meet EPA regulations. Our joint low NO_X burner effort with industry was used by EPA to set emissions limits.

We need a new effort to develop better technologies to reduce mercury. We need—we have been able to develop with EPA lower cost scrubbers that have helped utilities meet EPA regulations. We have participated in interagency reviews of EPA regulations, providing information on the expected performance of technologies.

So we have this partnership with EPA. I would like to really have EPA recognize that when it comes to energy demands, energy supply and industry impacts, that we are an important source of information. We have taken a more aggressive role if we feel that an EPA regulation has energy impact. Many times we are proactive in terms of expressing our views, sometimes disagreeing with EPA.

Let me give you some examples. Adding cobalt and vanadium to the toxic release inventory, caps on NO_X. I know you are a scientist. I am not exactly, but some of these——

Senator GORTON. We are in the same boat, Mr. Secretary.

Secretary RICHARDSON. [continuing]. Tier II and low sulphur automotive fuel, particulate and ozone standards, refinery emissions caps. We are contributing to their efforts to reach sound decisions.

Senator GORTON. Well, I want to say that I hope so. If you will remember, just recently they backed away from this MTBE, a classic example of a single purpose rule directed at air pollution that ends up polluting the water.

You did not answer the last of my questions. It is not your Department, but should you not be encouraging EPA not to go after these emissions just simply one at a time, but to look at the broader picture?

Secretary RICHARDSON. Senator, can I get back to you on that?

Senator GORTON. Yes, you can. You certainly may.

[The information follows:]

COORDINATION WITH EPA ON EMISSIONS RULE MAKING

The Department of Energy does encourage the Environmental Protection Agency (EPA) to adopt a more integrated approach in its rule-makings regarding the control of pollutants. DOE also works closely with EPA's Office of Air and Radiation, as well as the commissioners of state environmental programs, on non-regulatory opportunities to approach energy and environmental issues on this broader basis, such as by encouraging development of State Implementation Plans that use energy efficiency as a strategy of choice in efforts to achieve clean air goals.

The Department's efforts to encourage comprehensively integrated approaches were strengthened by the National Research Council (NRC) with its recommendation for closer coordination between the Department of Energy and the Environmental Protection Agency—with regard to the relationship between emission standards and research on emission reductions. This recommendation descends directly from the NRC report, Review of the Partnership for a New Generation of Vehicles (PNGV) program, 1999.

As an example of this type of coordination with the Environmental Protection Agency on the PNGV program, PNGV, EPA and DOE jointly participate as members of the PNGV Steering Group. Each agency is represented on various PNGV technical teams. DOE shares its emission-related research with EPA, and reviews EPA's vehicle and vehicle-fuel-related rule-makings. In the PNGV program, the Federal Government is represented by the Departments of Commerce, Defense, Energy, and Transportation, the Environmental Protection Agency, the National Aeronautics and Space Administration, and the National Science Foundation. Additionally, the Department provided comments in response to EPA's Notice of Proposed Rulemaking on Clean Air Act "Tier 2" vehicle emission standards and standards for low sulfur gasoline. That letter discusses regulatory uncertainties and their impact on investment decisions.

To broaden our understanding of energy and environmental interactions, DOE recently asked the National Petroleum Council (NPC), a federal advisory committee to the Secretary of Energy, to examine issues related to environmental issues and petroleum product markets. NPC is finishing a study which addresses the cumulative impacts of several product quality regulations, including changing the role of oxygenates in reformulated gasoline, on refinery viability and product deliverability. A Draft Report, dated March 30, 2000, assesses Government policies and actions that will affect both the petroleum product supply and the continuing viability of U.S. refineries. Secretary of Energy Federico Pena requested this study in a letter to the NPC dated June 30, 1998, as a means of obtaining a clearer picture of the refining landscape and the systems context in which the refiners operate.

TRANSPORTATION RESEARCH

Senator GORTON. One other related subject, transportation research. The Department is investing a very significant amount of money in promising clean diesel technologies for light trucks and suburban utility vehicles.

At the same time, many of the national environmental organizations to which this administration pays a great deal of attention do not give the slightest indication that they will do anything but lie down on the tracks against any reintroduction of diesel under any set of circumstances.

Is this a concern of yours? Do you think you can persuade these organizations to go along, or are we on a dead-end street in going after new diesel technologies?

Secretary RICHARDSON. Senator, we are committed to going after new diesel technology. I think we have had some good breakthroughs there. If I may——

Senator GORTON. OK.

Secretary RICHARDSON. David Leiter is the Principal Deputy Assistant Secretary for EERE programs, Mr. Chairman.

Senator GORTON. OK.

Mr. LEITER. Mr. Chairman, we are continuing work on these technologies related to diesel fuel, particularly in our larger vehi-

cles such as light trucks. We make an all-out commitment on the research.

We have recently made some grants to manufacturers to do more research jointly with the Department. So there is a continuing effort to do that. And the technology is there. We believe that the environmental——

Senator GORTON. Well, I know that. But can you persuade very powerful organizations in this country that we are ever going to be able to use the technologies you develop?

Mr. LEITER. I believe that if the technology is developed and we can make the case that they are as clean as we hope they can be, and consistent with the aims of the research, they will be agreeable to that.

Senator GORTON. I mean, I certainly approve the research and what you are doing on it. But we do want to have a reasonable degree of assurance that if it is going to work, it can be used in the real world.

Mr. LEITER. I think the important point is that they are not opposing that research. They are allowing us to go through and prove that it can work, and are open minded on that point.

Senator GORTON. Thank you.

And thank you, Mr. Secretary. I know you have somewhere else to go. You have certainly been responsive to me during the time that you have been in this office. But you have also been given a very real warning shot across the bow in connection with the serious way in which members of this committee and Congress as a whole take committee reports.

ADDITIONAL COMMITTEE QUESTIONS

You have said you would respond to me on some of these specifics. And prompt and affirmative answers will, I think, do the Department a great deal of good as we go through this year's appropriations process.

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

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

RECENT SUCCESSES

Question. For the past several years I have asked witnesses testifying in support of the DOE budget request to cite a few examples of recent successes within programs under this subcommittee's jurisdiction. You mentioned a few of these in your opening statement. Can you expand on some of these examples?

Answer. We have had many successes, some of which I will explain by major organization:

ENERGY INFORMATION ADMINISTRATION

One of the recent Department successes we can point to is the result of our negotiations with the OPEC and Non-OPEC oil producing countries regarding increases of their oil production. The success was possible because of the excellent and timely data and analysis of the Energy Information Administration. We were able to show the OPEC ministers and non-OPEC representatives what impact the lower oil production quotas were having on the United States in a clear and convincing manner. We were able to leverage this information and gain the oil producing countries' agreement to increase their production.

ENERGY EFFICIENCY

The Office of Energy Efficiency and Renewable Energy has had many successes in the program offices. A recent publication entitled, Clean Energy Partnerships: A Decade of Success, summarizes twenty of these accomplishments and includes a summary analysis of quantified benefits for EERE-supported products and technologies installed to date. A list of the twenty projects, and a brief description of each follows:

Hazardous, energy-intensive halogen torchieres are being replaced by safe and efficient compact-fluorescent torchieres developed by Lawrence Berkeley National Laboratory in collaboration with lighting industry partners. Energy cost savings from the sale of the 200,000 compact fluorescent bulbs sold in 1998 will be $41 million over the 7-year life of the bulbs.

DOE's leadership and research in collaboration with industry, Oak Ridge National Laboratory, and the National Institute of Standards and Technology accelerated the development of ozone-safe refrigerants by an estimated two years and averted a $16 billion energy penalty.

Spectrally selective glazings developed by Lawrence Berkeley National Laboratory in collaboration with manufacturers and the National Fenestration Rating Council can cut cooling costs by 10–25 percent in hot climates. These cuts in cooling costs could result in savings of $1.3 billion per year from lowered electricity bills by 2010.

Working with industrial partners the Office of Industrial Technologies funded R&D on oxygen-fueled glass furnace technologies, technologies used to manufacture 30 percent of all glass in 1999. Cumulative energy savings through 1997 totaled $28 million, with over $7 million in energy costs being saved annually by U.S. manufacturers.

The Inventions and Innovations Program has provided small grants to more than 500 inventors; 25 percent of these grantees have produced commercialized technologies, and the sales of these products exceed $700 million ($1995) through 1996. Energy cost savings attributable to these grant-funded inventions were over $190 million.

DOE's efforts to develop lightweight materials for manufacturing auto parts have saved more than 6 billion gallons of motor fuel and reduced carbon emissions by approximately 15 million metric tons through 1997. The dollars saved in oil-based fuels over the period from 1978 to 1997 is estimated at about $7 billion.

DOE, in cooperation with industry partners, has developed diesel engine technologies that are both cleaner and more energy efficient, saving approximately 16 billion gallons of motor fuel and reducing carbon emissions by about 38 million metric tons through 1997. The cumulative economic value of increased efficiency is estimated at about $17 billion.

Improvements in parabolic trough technology have reduced the O&M costs of parabolic trough plants by 30 percent, saving $4 million per year and $42 million over the lifetime of the trough. These improvements have also increased the performance of the world's largest solar plant to record levels.

DOE's research partnerships with U.S. industry have led to wind turbine advances that are helping the United States be a leader in technology for the world's fastest growing energy source. Over their lifetimes turbines produced and installed by just one U.S. company will displace 110 trillion Btu of primary energy, save $246 million in energy costs, and reduce carbon emissions by 2.1 million metric tons.

Advances in geothermal heat pumps have substantially reduced the heating and cooling loads of hundreds of thousands of residential, commercial, and institutional buildings across the United States. Over their lifetimes, the pumps installed between 1995 and 1998 are estimated to save $980 million in energy costs and reduce carbon emissions by 1.7 million metric tons.

The development of 80 percent efficient transpired solar collectors have provided commercial and industrial facilities with a cost-effective means for preheating ventilation air. Over their lifetimes the 52 systems installed as of 1999 will save $10 million in avoided fuel costs. DOE and its partner agencies retrofit 167,000 homes in 1998 under the Weatherization Program, which will save 108 trillion Btu and save occupants $550 million in utility bills over the 20-year life of installed energy-conservation measures.

DOE has successfully used building energy codes and standards, supported by technical assistance and outreach efforts, to transform markets, resulting in energy cost savings of $1.1 billion in 1998.

Two hundred and fifty Rebuild America partnerships are pursuing energy-efficient retrofits of 800 million square feet of commercial floor space. Estimates of energy cost savings from these retrofits in 1999 are $162 million, showing the energy-efficiency payback that results when community networks are catalyzed.

FEMP's innovative Energy Savings Performance Contracts (ESPCs) can now be used by federal agencies to contract with energy services companies to install energy-efficient systems and components, and pay for these improvements from the energy cost savings generated by the new systems. Since 1998, total contractor investment in the federal government is $405 million.

Working in cooperation with Bethlehem Steel, the DOE Office of Industrial Technologies demonstrated a number of energy-saving and environmentally sound technologies and processes at the Burns Harbor plant that may be replicated throughout the steel industry and are saving the company over $8 million per year while reducing pollutant emissions.

DOE's Industrial Assessment Centers, working through 30 universities, have provided over 7,600 energy and industrial process audits as of 1998 to small and mid-size manufacturing firms, generating recommendations that could save participating firms $300 million by the year 2000.

Six recent demonstration projects where the DOE Motor Challenge Program provided technical assistance or advanced motor selection software to industry helped the firms install energy-saving motors in place of older, more energy-intensive units, thereby saving nearly $2 million per year and paying for the changes in just over a year.

The Clean Cities Program is a voluntary, locally based government/industry partnership to reduce the use of gasoline by accelerating the deployment of alternatively fueled vehicles. The 139,000 alternatively fueled vehicles that have been deployed over the past five years reduced gasoline and diesel fuel use by an estimated 380 million gallons through 1998, and reduced carbon emissions by an estimated 400,000 metric tons. Over the life of the program, approximately $900 million worth of fuel has been saved.

The National Biomass Ethanol Program has broken ground on the first commercial biomass-to-ethanol plant in October 1998 in Jennings, LA. This is part of a DOE effort to expand the domestic ethanol industry and production of a low polluting alternative to gasoline by developing and demonstrating new conversion technologies using agricultural residues and energy crops. The use of ethanol blends in gasoline has displaced $12 billion worth of oil-based fuels through 1998.

FOSSIL ENERGY

In the opening statement, the world's most advanced gas turbine was mentioned. The H system gas turbine is jointly funded by the Department of Energy and GE Power Systems, and is ready to cross the commercial threshold. The H System power generation system will be the first gas turbine to top the 60 percent efficiency threshold. (When FE began its advanced turbine development program in the early 1990s, the best turbines had efficiencies of about 50 percent.) Because fuel represents the largest single cost of running a power plant, an increase of 10 percentage points in efficiency can reduce operating costs by as much as $200 million over the life of a typical gas-fired 400–500 megawatt combined cycle plant. Natural gas turbines, the technology likely to dominate the growing market of new electric power generation, are expected to make up more that 80 percent of the power generating capacity to be added in the United States over the next 10 to 15 years. Of the more than 200 new power plant projects announced recently in the United States, 96 percent plan to use natural gas, and most will employ gas turbines.

Independent producers now drill 80 percent of all new wells in this country. They account for almost half of the crude oil produced in the lower 48 States and two-thirds of the natural gas. Increasingly, they are the stewards of the nation's oil resource, the ones that can benefit most from new technology, but the ones least able to afford is development.

The Fossil Energy program has played a role in the advancement of oil field technology-from mudpulse telemetry in the 1970s, to polycrystalline diamond drill bits and horizontal drilling in the 1980s, to 3- and 4-dimensional seismic imaging in the 1990s. It has been the steady pace of technology that has helped keep this industry viable. In the 1970s, and exploratory well had about a 14 percent chance of finding producible hydrocarbons. Today, those odds have more than doubled. An exploratory well in the 1970s, on average, added about 10,000 barrels of oil in new reserves. Today, an exploratory well adds more than 40,000 barrels in new reserves.

Transferring technological gains from the demonstration phase to industry practice continues to be a priority for the program. One approach, mentioned by the Secretary in his opening statement, is the Preferred Upstream Management Practices (PUMP) program. PUMP aims to stop the decline in domestic oil production by 2005, an objective of the Comprehensive National Energy Strategy. The program will focus on projects that promote an expedited application of technologies or ap-

proaches through field demonstration, develop best practices databases, and use existing technology transfer mechanisms to address a regional need or issue.

Question. What are some specific successes from the past year in some of the different program areas?

Answer. Specifics by program areas are as follows:

ENERGY INFORMATION ADMINISTRATION

Because of the outstanding and timely information on petroleum production, stocks and usage continually provided by the Energy Information Administration, an accurate picture of this country's oil situation was presented. In addition, such information proved to be critical in providing OPEC and other producing nations with information used to increase their oil production.

EIA's information and analyses are often sought prior to legislative action. For example, EIA's Administrator was asked to testify before Congress on several occasions, covering a number of diverse energy issues, such as crude oil prices, petroleum corporation mergers, natural gas demand, supply and transportation, carbon emissions and the impact of the Kyoto Treaty, greenhouse gas reporting, fuels for the future, and the potential impact on electricity consumption resulting from the explosive growth of personnel computers and Intranet usage.

In the petroleum area, EIA prepared testimonies for the Senate and House dealing with the low prices of crude oil and petroleum products, as well as the impacts of corporate mergers which occurred during 1998 and 1999. For example, testimony was prepared and given to the Senate Energy and Natural Resources Committee and the House Ways and Means Committee on low crude oil prices. Later, testimony was provided on the impacts of mergers between Exxon and Mobil, as well as BP-Amoco PLC and the Atlantic Richfield Company (ARCO) to the House Committee on Commerce (Subcommittee on Energy and Power), and the Senate Energy and Natural Resources Committee.

EIA prepared briefings and reports for the White House, Congressional staff and the Secretary of Energy. EIA prepared materials which were employed by the Secretary of Energy for his attendance at the World Economic Forum in Davos, Switzerland. EIA staff were involved in making presentations at conferences and meetings outlining the availability of petroleum data, the quality of the data, changes in petroleum market trends, and the outlook of heating fuels for the upcoming heating season. EIA worked closely with agencies such as the General Accounting Office and the International Energy Agency in addressing the "Missing Barrels" issues. EIA staff also participated in National Petroleum Council studies covering product inventories and deliverability, including the impact of pending environmental regulations, and the potential for a nearly 50 percent expansion of the natural gas market by 2015.

In May 1999, EIA signed a cooperative agreement with the National Association of State Energy Officials to further encourage data exchange and information sharing with State agencies. As a result, two data workshops were held in Chicago, IL and San Francisco, CA on the use and interpretation of EIA data and how to better access the data from EIA's Web site. In addition to the workshops, EIA sponsored the State Heating Oil and Propane Conference and the Winter Fuels Conference.

In addition in 1999, EIA presented testimony before the Federal Energy Regulatory Commission on anticipated demand for natural gas in the Northeastern United States as part of their fact finding into the need for additional pipeline capacity into the Northeast States. EIA completed a major study of developments in the natural gas industry, presented in "Natural Gas 1998: Issues and Trends." The separate chapters of this document, containing in-depth analysis of developments in the industry and updates on major trends, were posted on the EIA Web site promoting the availability of timely and up-to-date information.

EIA completed an Information Requirements Report for natural gas, a summary of requirements developed in discussions with users and providers of natural gas information to address changing data needs associated with deregulation and unbundling of services. This document will be used throughout the process of redesigning natural gas survey and information products and will be further refined in continuing discussions with users and respondents.

EIA now has a Web page dedicated to providing the specific information on State programs. As more States move toward or examine "retail choice" for natural gas residential and commercial consumers, information on these State programs and the impact of the programs is needed by consumers and the industry to understand the changes in the market and how it will affect them.

During 1999, EIA initiated its Electricity 2002 Project to redesign the electric power data collection forms to reflect the restructuring of the industry. The project

has included consultation with over a dozen stakeholder organizations to obtain their views and data requirement needs. Once new forms are designed in 2000, further consultations will take place with the industry to ensure that the appropriate information can and will be supplied.

EIA published two reports entitled "The Changing Structure of the Electric Power Industry: Selected Issues, 1998" and "The Changing Structure of the Electric Power Industry, 1999: Mergers and Other Corporate Combinations" in additional efforts to provide the Congress, the Executive Branch and industry with information about how and why the electric power industry is evolving. On a monthly basis EIA has updated our Intranet site with information on electric industry restructuring taking placed in each State. This State information is supplemented with additional material in State Electricity Profiles, which contains graphics, tables and text explaining how each State's electric power industry has evolved over time.

EIA continued to prepare reports and briefings on issues related to climate change. On March 25, 1999, the Senate Committee on Energy and Natural Resources held a hearing on the Kyoto Treaty during which EIA testified on our analysis of the impacts of the treaty on U.S. energy markets and economic activity. The Chairman and ranking minority members of the House Committee on Science requested two service reports related to climate change. The first was an analysis of the Climate Change Technology Initiative, released at a hearing of the Committee on April 14, 1999. The second report presented an analysis of an early start date to the Kyoto Protocol, and was released in July. On July 15, 1999, EIA testified on its Voluntary Reporting Program for Greenhouse Gases before the House Government Reform Committee, providing background on the program and discussing emissions accounting issues.

At the request of the Department's Policy Office, EIA updated its 1992 study on Federal energy subsidies using a definition that the subsidy must result in a financial benefit and be specific to energy. This request, the first of two, covered primary energy only. In September, EIA released the report entitled, "Federal Financial Interventions and Subsidies in Energy Markets 1999: Primary Energy," which show that subsidies for primary energy have declined since 1992.

Of special note, EIA's Web site has won several awards for quality and content. Most recently, EIA's Web site was selected by Government Executive magazine as one of the best sixteen Federal Web sites for 1999, from 120 nominated Federal web sites. In the announcement of the winners, Government Executive stated, "EIA is a tiny agency, so the comprehensiveness of its site—and its ease of navigation—amazed the judges. Everyone who works in the energy industry is well-served by this site." EIA also was commended for making full use of the power of e-mail by featuring e-mail notification lists for more than 30 different energy subjects.

ENERGY EFFICIENCY

The Energy Policy Act and Executive Order 13123 requires the federal government to reduce energy consumption per gross square foot of its federal buildings by 20 percent during fiscal year 2000 compared to fiscal year 1985. The goal was met in 1999 through FEMP's varied technical and finance assistance programs that aid agencies in identifying, financing and implementing projects that cost-effectively incorporate energy efficiency, water conservation, and renewable energy technologies into federal facilities.

The Office of Transportation Technologies' Partnership for a New Generation of Vehicles (PNGV) achieved a key milestone early this year when Ford, General Motors and DaimlerChrysler each displayed their concept vehicles. These three vehicles demonstrated the technical viability of achieving 80 miles per gallon in a 5–6 passenger family sedan. They employ many technologies funded by DOE, including the hybrid-electric vehicle drive. Some of the technologies developed under this program will be introduced in near-term or next-generation vehicles. For example, the DaimlerChrysler ESX3 concept vehicle includes technologies which are being incorporated into some of its next-generation vehicle platforms, such as air-conditioning systems which incorporate low heat capacity and low heat transfer materials; lightweight heated and cooled seats; solar reflective glass; automatic ventilation systems; and low rolling resistance and run flat tires. A future platform will include the E-MAT transmission which has the efficiency of a manual transmission, while operating like an automatic. Ford Motor Company has announced its intention to market hybrid-electric vehicles in model year 2003; specifically, the Ford Escape will be a hybrid electric SUV and achieve a 40 percent improvement in fuel economy. The potential impact of the PNGV program generally is the future availability of highly efficient vehicles; all automakers have stated that they will market highly efficient technologies in vehicles as they become economical.

With support from the Office of Heavy Vehicle Technologies, researchers at the Massachusetts Institute of Technology developed a very compact, plasma-boosted reformer (the size of a bottle of soda) that can convert any liquid hydrocarbon fuel into hydrogen gas. This plasma-boosted micro-reformer is compact, rugged and can provide rapid response. If hydrogen could supplement the main fuel onboard, spark-ignition engines could operate in a very efficient, clean manner and result in a large reduction in emissions of nitrogen oxides without a catalytic converter. Recent engine tests with the plasmatron reformer, performed at Oak Ridge National Laboratory and Pacific Northwest National Laboratory, have shown that a factor of 10 reductions in nitrous oxides can be achieved. This spring (2000) tests on diesel engines will be performed. The Department of Energy supports this work because it is directly related to the achievement of fuel-efficient engines having ultra low emissions. The Plasmatron invention received a 1999 Discover Award.

The frostless heat pump, developed by Oak Ridge National Laboratory with funding from the Department, received a "1999 R&D 100 Award." The frostless heat pump features a new design that greatly reduces (by a factor of 5) frost formation on the outdoor coil and eliminates the need for most defrosting sequences; thus, improving efficiency and heat pump reliability. In addition, the comfort of occupants is improved because the average heating air supply temperature is increased by 4° as a result of the heating capacity increase of 21 percent. Test data show that frostless technology could eliminate 80 percent of potential heat pump cycle reversing. Departmental support initiated the genesis of the idea that led to the demonstration of the frostless heat pump. With industry support, the concept led to the building of a prototype and its initial field testing in 1999. Laboratory testing to demonstrate improved energy efficiency of the frostless features for heat pump is underway this year at ORNL with Departmental funding. Two heat pump manufacturers have expressed interest in the device, which could be the first heat pump to provide a consistently warm supply of air to houses in winter. Further application of the frostless feature to such applications as self-contained display cases for frozen food will also be investigated this year with Departmental funding.

Malden Mills Industries is a textile plant in Lawrence, Massachusetts and is the sole producer of Polartec™, an engineered high-performance polyester fleece made from recycled beverage bottles. In 1999, Malden Mills, in partnership with the Office of Industrial Technologies, Solar Turbines and AlliedSignal Composites demonstrated the first commercial Solar Turbines Centaur Engines with continuous fiber ceramic composite combustor liners. These 4.3 mW combined heat and power systems have an electrical simple-cycle efficiency slightly higher than that of delivered electricity. Emissions levels are guaranteed at less than 15 ppm NO_X and 10 ppm CO. An analysis by Energy and Environmental Analysis Inc. estimates that compared to the pre–1995 system, this highly efficient, three-turbine system, combined with the pollution-preventing advanced combustion system will virtually eliminate SO_2 emissions, reduce NO_X emissions by three quarters, and carbon dioxide emissions by one quarter.

FOSSIL ENERGY

Fossil Energy has had many successes over the course of the program. Following are three of our most recent.

In February 2000, DOE and General Electric Power Systems unveiled the world's most advanced combustion turbine. The turbine incorporates breakthroughs that were barely imagined a decade ago. Among them, the turbine employs the world's largest single crystal airfoils, making the turbine blades much more resistant to high-temperature cracking. This, and other technological advances, allow the turbine to top the 60 percent efficiency barrier. When FE began its advanced turbine development program in the early 1990s, the best turbines had efficiencies of about 50 percent.

In April 2000, DOE announced the world's first hybrid fuel cell-turbine. This revolutionary new type of fuel cell combines a state-of-the-art fuel cell with a gas turbine to create one of the cleanest and most efficient ways to produce electricity. The new power plant, which just began a year of testing, is made of 1,152 individual tubular ceramic cells which give it the capability to generate about 200 kilowatts of electricity. It is the world's first to operate the cells under high pressures and to use the hot, pressurized exhaust gases to drive a microturbine generator which will generate an additional 20 kilowatts at full power. Nitrogen oxide emissions, and air pollutant, are likely to be nearly 50 times less than today's average gas turbines. Siemens Westinghouse expects that electrical efficiencies of more than 70 percent can be achieved as its hybrid technology improves.

In December 1999, the Department announced the success of a FE R&D sponsored horizontal well drilled three miles deep into a dense sandstone formation in southwestern Wyoming. This success has led to additional commercial drilling that could open a potentially huge supply of "nonconventional" natural gas in the Rocky Mountain region. The Union Pacific Resources Company (UPR) used fracture imaging and advanced drilling technologies developed by the Energy Department and the Gas Research Instate to drill a 17,000-foot deep well with a 1,700-foot horizontal section. Prior to the Department's work in this area, very little had been done to define the geologic and production characteristics of the tight, fractured Frontier Formation in the Greater Green River Basin. The gas-bearing play covers 900 square miles and is checkerboarded with Federal and State acreage. If UPR's current and planned wells achieve comparable production levels as with their test well, they could generate almost $10 million in Federal and State royalties, almost double the Energy Department's investment.

Question. What has been achieved?

Answer. Achievements by major organization are as follows:

ENERGY INFORMATION ADMINISTRATION

The petroleum data and analysis provided by the Energy Information Administration was leveraged during the negotiations with the oil producing nations of OPEC and Non-OPEC nations regarding an increase in their oil production. It is of note that the representative from Kuwait cited EIA data and mentioned that his country sees EIA as the best source of timely energy information.

The 1999 Commercial Buildings Energy Consumption Survey is currently in the field. This cycle of the Survey incorporates two major changes in methods from previous cycles. First, data collection of building characteristics is by Computer-Assisted Telephone Interviewing with a sample of previously-surveyed buildings, using the Blaise computer data collection/editing/case management software package which was used very successfully on the 1997 Residential Energy Consumption Survey. Second, for the first time, energy consumption and expenditures data are being collected from building respondents wherever possible, rather than their energy suppliers. This latter change is a first attempt to respond to complications in energy data collection that are resulting from the restructuring and resultant diversification of the natural gas and electricity industries.

Fieldwork is complete and data processing is underway for the 1998 Manufacturing Energy Consumption Survey. Cognitive research, both pre- and post-fieldwork, indicate the new questionnaire design was received quite favorably by respondents. Industry coverage for the 1998 survey has also been redesigned so data can be produced for industries in both the Standard Industrial Classification and the new North American Industry Classification systems.

The Short-Term Energy Model was successfully updated and posted to EIA's Web site on schedule each month in 1999. This model has become an increasingly important tool in the monthly analysis of energy markets. The model grew in popularity in 1999; visits to the model download page increased from 350 to 800 per month between 1997 and 1998, and above 860 per month in 1999.

EIA continues to accelerate the release of energy information. For example, the reference case forecast for the Annual Energy Outlook 2000 was released on November 9, 1999, a week earlier than last year and the International Energy Outlook 1999 reference case was released on EIA's Web site on March 31, 1999, 3 weeks earlier than the previous year. Operationally, EIA reduced its cycle time for the release of the data base for the Voluntary Report of Greenhouse Gases by 7 months by screening and processing two years of voluntary reporting data for greenhouse gas emissions while increasing the number of reporters to the voluntary program by 32 percent.

In the area of electric power, "Electric Sales and Revenue, 1998" was published 18 days earlier than the previous year and 68 days (20 percent) earlier than two years ago. The "Inventory of Electric Utility Power Plants, 1998" was published 67 days earlier than 1997 data and 109 days (26 percent) earlier than the 1996 edition. The "Electric Power Annual Volume I, 1998" was redesigned and released 37 days (16 percent) earlier than the 1997 publication. The "Electric Power Annual Volume II, 1998" was published 72 days (17 percent) earlier than the 1996 edition. The "Financial Statistics of Major U.S. Publicly Owned Electric Utilities, 1998" was released 103 days (23 percent) sooner that the 1996 edition. Overall, over the past two years, the average cycle time for annual electric power data report has been reduced from 367 days to 311 days, a 15 percent improvement.

In 1999 EIA conducted its 5th annual telephone customers' satisfaction survey, asking customers to rate their overall satisfaction with five attributes of customer

service (courtesy, promptness, accessibility, knowledge of the material, and ability to understand customer needs) and on five attributes of product quality (availability, relevance, accuracy, comprehensiveness, and timeliness). As in previous years, customer satisfaction was very high (86 percent or above, and in many cases in the mid-90 percent). Customers continued to tell EIA that accuracy is the most important attribute. Fully 92 percent of the telephone customers also used EIA's Web site in the past year.

During 1999 EIA undertook a major effort to redesign its Web site to be more user-friendly. While our site has won many awards and has a growing number of users, our customer calls and e-mails tell us where we have room to improve. In summer 1999, EIA staff trained in cognitive interviewing techniques conducted a series of intensive one-on-one tests with Web site users to determine how easy it was to find information on our site and how we could make our information more accessible.

EIA opened a children's Web site in the spring of 1999. As an initiative of the Energy Industry Studies Program, the site profiles the major energy resource in words, numbers, and pictures and offers virtual visits to energy installations and an energy quiz. The site has become a popular source of energy information, as witnessed by more than 7000 visitors from across the country each month.

During 1997, EIA set a goal to increase the average number of unique monthly users of its Web site by 20 percent annually, from a baseline of 37,000 users sessions. Between 1996 and 1997 the growth in usage was 180 percent. By the end of 1997, EIA exceeded the goal with an average of 71,500 user sessions. By the end of 1998, EIA averaged 87,000 user sessions, again exceeding the goal. For 1999, EIA averaged 163,600 monthly user sessions, an increase of more than 64.7 percent over the 1998 average. By the end of January 2000, EIA saw nearly 244 thousand unique user sessions.

For 1999, information downloaded from the EIA Web site averaged 94 gigabytes per month, or about 1.13 terabytes (that's 1,000 gigabytes) of energy information for the year. For December 1999, 1.4 million files were downloaded. This represents a 76 percent increase when compared to December 1998. In perspective, EIA witnessed a 363 percent increase in its Web site usage between the first quarter of 1997 and the last quarter of 1999. These Web site usage data evidence how EIA energy information and analyses are reaching a much larger audience.

One result of the increase in the electronic availability of our information has been a dramatic increase in the number of customers contacting the National Energy Information Center for on-line support. For example, e-mail traffic is up nearly 114 percent for the period between 1998 and 1999. Another result of our expanded use of electronic dissemination is a 35 percent reduction in the number of paper publications and a 50 percent reduction in publication printing costs since 1994.

EIA has dramatically increased the distribution of its information by becoming the dependable source of objective energy information for the news media. This has enabled our energy data to be widely use by the general public with minimal cost to the agency. In addition to the steady growth in media use of EIA information, public concerns about price volatility in the gasoline and heating oil markets led to the increases in media citations in the spring of 1996, the winter of 1997, and the fall and winter of 1998–1999. In perspective, in 1991 EIA averaged just under 100 media citations per quarter. For 1999, EIA averaged just under 800 media citations per month, an 800 percent increase.

Another example of outcomes and impact is the number of copies of EIA's recent brochure "Why Do Natural Gas Prices Fluctuate So Much?" being requested by natural gas companies for distribution to their customers. These natural gas companies see this brochure as an excellent way to explain to their customers why natural gas prices fluctuate. In addition, natural gas companies can note that this information was prepared by a non-biased source.

Of special note, EIA's "Survey of Publication Subscribers" and the accompanying cover letter were printed in their entirety as examples of excellence in survey practices in the recently published book, "Mail and Intranet Surveys," by Dr. Don Dillman, a leading expert in the survey field. Being recognized in a book of this caliber, by an author who has been a survey consultant to the highest levels of government and private industry for more than 20 years, reflects the high quality of EIA's customer survey work.

ENERGY EFFICIENCY

Throughout the decade of the 1990s, the Office of Energy Efficiency and Renewable Energy (EERE) invested $712 million in projects described in the success stories document. Additional costs have been incurred by the numerous industrial, uni-

versity, utility, and public-sector collaborators that have also invested in the commercialization and deployment of these technologies.

More than 5,500 trillion Btu of energy has been saved from equipment implemented to date as a result of these activities. Of this total, 5,050 trillion Btu of savings is from EERE R&D successes, and almost 500 trillion Btu is from EERE field verification, deployment, and outreach successes. These savings are enough to meet the energy needs of all of the citizens, businesses, and industries located in the states of New York, Connecticut, and New Mexico, for one year.

EERE R&D and field verification, deployment, and outreach programs have also replaced another 1,700 trillion Btu of fossil fuels with renewable alternatives. This is equivalent to running all of the cars registered in the states of California, Florida, Mississippi, and West Virginia on ethanol rather than gasoline, for one year. Significant reductions in carbon emissions from these activities, 102 million metric tons, have resulted from these reductions in burning fossil fuels.

FOSSIL ENERGY

In the Coal and Power Systems area, the Fossil Energy R&D program has significantly contributed to expanding the menu of clean power options and lower operating costs by focusing on developing more efficient power generating technologies that also emit few pollutants. Fifteen years ago, the only options to reduce nitrogen oxide emissions from power plants cost $3,000 per ton and the choice of technologies was limited. Today, because of FE R&D activities, nitrogen oxide controls cost less than $200 per ton, and 75 percent of the U.S. coal capacity now uses low emission boilers. In the power industry, efficiency gains of even a few percentage points can make a major economic difference over the life of a generating system. Eight years ago, gas turbines had essentially reached their predicted efficiency limits (around 50 percent). Now, revolutionary turbine breakthroughs are boosting efficiencies to 60 percent and above. Ten years ago, the only way to use coal to generated electricity was to burn it. Now we have full-scale, pioneering coal gasification power plants in the U.S. that change coal into a gas and remove more than 95 percent of its pollutants. These are the most efficient coal plants in the world with efficiencies of 40–45 percent.

With respect to oil and natural gas, the Fossil Energy R&D program has directly contributed to the development of today's, lower cost and more reliable exploration and production tools. For example, DOE helped solve the problem of binding diamonds to a drill bit. Now polycrystalline diamond drill bits are an industry standard. Downhole telemetry, the "measurement-while-drilling" technology, is a major improvement over the "start-and-stop" way of gathering downhole information. This technology had its origins in DOE's research program. 4-D seismic surveying, in which time now included with length, width, and height, was pioneered by DOE's field demonstration program. It is now a $500 million industry in the Gulf of Mexico. Other accomplishments, which are now industry norms, include carbon dioxide flooding of production reservoirs, water flooding, secondary gas recovery, and horizontal drilling, all of which FE R&D played a role in developing or demonstrating.

Question. What are the impacts of these achievements?

Answer. Impacts of these achievements by organization are:

ENERGY INFORMATION ADMINISTRATION

With EIA data in hand, our negotiators were able to show the OPEC ministers, and other producing nations representatives, increase oil production. Such increases have led to an easing in supply and associated heating oil and gasoline prices. This is witnessed by a drop in gasoline prices from a high of $1.53 a gallon prior to the OPEC meeting, to $1.48 a gallon on April 10, 2000. During the same time period, retail diesel fuel prices have dropped almost 8 cents from a peak of $1.50 per gallon.

With all of the EIA initiatives to improve the accuracy, timeliness and customer outreach, there has been and continues to be an explosive growth in the use and requests for EIA's energy data, analyses and forecasts. EIA continues to be "world class" and the "world leader" for energy information, analysis and forecasting.

ENERGY EFFICIENCY

The cost saving impacts, to the Nation, of the activities are estimated to be $30 billion ($1998). This is based on the 5,500 trillion Btu of energy savings and the cost to consumers of an average Btu of energy consumed in 1998. In 1996, the General Accounting Office reviewed the success of five similarly situated technologies developed in the 1980s, and found a cumulative energy savings from all installations through 1996 to be $28 billion, or over $3 billion per year.

FOSSIL ENERGY

DOE-supported research has achieved substantial benefits for consumers, taxpayers and the environment: technologies that are less polluting; lower energy costs, reduced risks of energy supply disruption, and improvements to our balance of trade as these technologies are exported to developing countries. The potential for future returns is even greater as technologies that are nearly through the research and demonstration phase enter the marketplace.

Energy to fuel continued global growth will come primarily from fossil fuels, particularly in rapidly-developing nations such as China and India that are rich in coal reserves. Exporting cleaner, more efficient energy technologies will not only benefit the U.S. economy, but will help satisfy growing global energy demand and improve living standards, while controlling greenhouse gas emissions and preventing pollution.

Question. Why was DOE support needed to make these achievements possible?

Answer. DOE support was needed as follows:

ENERGY INFORMATION ADMINISTRATION

Without the Energy Information Administration, the timely information on the status of petroleum supply, demand, and stocks would not have been available during briefings of OPEC nations. Without this leverage, there is a question of the ability of the U.S. diplomatic efforts to approach OPEC and to experience an increase in oil production which relieves the energy crisis the U.S. and its allies were facing.

The data collection, analysis and forecasting programs of EIA are essential, providing Congress, the Administration, States, the private sector, and the public with reliable, accurate, and timely energy information critical to sound policy decisions. For the next several years, EIA is engaged in overhauling its aging energy information systems and surveys. These systems and surveys are at the very core of EIA's ability to provide credible data and analyses on the country's energy status and outlook. With the replaced and overhauled systems and surveys in place, EIA will have the capability to continue to be "the first place to go for the last word in energy information."

ENERGY EFFICIENCY

DOE works closely with industry and others to identify areas of opportunity for energy efficiency improvements. "Roadmapping" has helped formalize this process and provide a longer-term perspective on savings opportunities and on strategies for achieving these savings. Identified strategies can take many forms, from private sector initiatives, to information- development and dissemination, to public-private research partnerships when needed. Economists note that, in general, private sector R&D is likely to be sub-optimal because of the fact that in competitive markets individual companies cannot reap the full benefits of their efforts. In general, public participation in R&D can help fill this gap. Public-private R&D partnerships can be a strong strategy for pursuing energy savings technology development when (1) the relevant industries are small and relatively young, therefore lacking the financial where-with-all to undertake major research efforts on their own; (2) when there are major public benefits beyond the private benefits that individual companies might expect to obtain from the research (such as large emissions reductions); or (3) when a relatively small government role can be the catalyst for significant private sector cooperative R&D.

FOSSIL ENERGY

The need for government supported R&D is greater now than ever before. The availability of affordable energy will be essential to our nation's economic strength in the coming decades, and major energy forecasts agree that fossil fuels will be the dominant energy source for the foreseeable future. The Department, in partnership with the private sector, supports the development of economically viable and environmentally compliant technologies that would otherwise emerge far more slowly, if at all. This support focuses on areas where there are large potential public sector benefits, but rewards, given the risks, are not adequate to attract high levels of private sector investment. While Americans want to continue to enjoy the economic benefits of lower-cost energy, they also want reliable energy supplies that do not harm the environment. Advances in fossil fuel technology coupled with the continued readiness of the Strategic Petroleum Reserve, our emergency oil stockpile, are key to accomplishing this.

CONGRESSIONAL GUIDANCE AND EARMARKS

Question. Mr. Secretary, each and every appropriations bill that passes through the Congress is accompanied by one or more committee reports that clarify, direct or provide additional guidance with regard to the funding totals included in the underlying bill. The information is included in the committee reports—rather than in the bill—in large part to reserve some flexibility for the Department in the execution of its mission. The system generally works well provided the agencies adhere to the report language and associated reprogramming guidelines. I'm certainly no aware of any complaints from you that guidance contained in this subcommittee's reports has been overly restrictive or onerous. I am receiving a lot of complaints, however, from my colleagues, who are increasingly frustrated and angry that you have taken it upon yourself to review personally each and every committee directive or earmark. This has caused unacceptable delays in the allocation of funds appropriated by the Congress. There are still fiscal year 1999 appropriations that at your direction have not been released, even though these appropriations are fully in line with the Department's research program. What is your motivation for undertaking this personal review?

Answer. I am asking my program offices to review the earmarks to make sure the funds are well spent and fit within the mission of the Department of Energy. The review requires cooperation between the program office and the entity to which the funds are proposed to be released. A detailed scope of work must be developed that may take several weeks or months. In addition, the Department must make a determination of competitive or non-competitive financial assistance that requires review by legal counsel. Once this review process is completed, each proposal is submitted to me for final approval.

Question. Is it your intent to provoke this Committee into writing virtually all program direction into bill language, such that we might relieve you of the burden of reviewing each individual Congressional directive or earmark?

Answer. I want to ensure that the funds are well spent and fit within the mission of the Department.

Question. Do you think this change in practice would enhance your Department's ability to carry out its mission?

Answer. I believe the best way to ensure that the Department is allowed to carry out its mission is to continue a cooperative relationship between the Department, Congress and the entities for which the funds are earmarked.

Question. How do you expect this Committee to take your priorities seriously if you do not take seriously the priorities of the members of this Committee?

Answer. I take the priorities of the members of the Committee very seriously. I personally review each of the earmarks so that they get the highest level of attention at the Department. This helps ensure that any earmarked funds released are spent appropriately which benefits the Department, the Congress and the entity which receives the funding.

Question. If your concern is whether Committee directives are consistent with the Department's authorities and mission, why don't you personally review each and every contract or allocation of the Departmental discretionary funds to ensure that they, too, are authorized and consistent with the departmental mission?

Answer. I do, in fact, review and approve every major contract that the Department enters into. I frequently make recommendations or modifications to these contracts to ensure they are clearly oriented to meet the mission of the Department. It is not feasible, however, for me to review every subcontract and allocation.

Question. Can you provide me with a list of the items from the fiscal year 1999 and fiscal year 2000 cycles that you are reviewing, indicating for each item whether or not you have "approved" the allocation of funding for that item? For any item that has not been "approved," the list should indicate the reason.

Answer. The fiscal year 1999 earmark list will be provided separately. The following is the fiscal year 2000 earmark list:

FISCAL YEAR 2000 DOE INTERIOR AND RELATED AGENCIES APPROPRIATION EARMARK LIST

[Dollars in thousands]

Activity	Amount	Description	Status
Fossil Energy—Building Fuel Cells	$750	Continue partnership w/Materialsand Electrochemical Research Corp.to work on PEM fuel incollaboration with ORNL.	Approved. ($490)
Energy Efficiency—Buildings Fuel Cells.	750	Continue partnership with Avista Corp. to demonstrate fuel cell cells at DOE sites.	Approved. ($540)

FISCAL YEAR 2000 DOE INTERIOR AND RELATED AGENCIES APPROPRIATION EARMARK LIST—Continued

[Dollars in thousands]

Activity	Amount	Description	Status
Energy Efficiency—Industries of the Future Crosscutting.	2,000	Characterization of oxidation behavior for rig testing in the turbine program, ORNL.	Approved.
Energy Efficiency—Transportation	3,000	Northwest Alliance for Transportation Technologies	Approved.
Energy Efficiency—Precision Forging	500	Precision Forging Phase II R&D, Ann Arbor, MI	Approved.
Fossil Energy—Advanced Clean Fuels Research.	300	West Virginia University—coal extraction studies	Approved.
Fossil Energy—Natural Gas Research	6,700	Steelmaking Feedstock program—Calderon	Approved.
Fossil Energy—Natural Gas Research	375	Arctic Research	Approved.
Fossil Energy—Natural Gas Research	2,500	Ramgen Technology	Approved.
Fossil Energy—Fuel Cells	2,000	Multi-layer Ceramic Technology	Approved.
Fossil Energy—Oil Technology	375	Arctic Research	Approved.
Fossil Energy—Oil Technology	3,200	Biodesulfurization in Alaska	Approved.

INTERNATIONAL PROGRAMS

Question. The budget request includes $100 million in increases for international energy programs. This initiative responds to a report issued by the President's Committee of Advisors on Science and Technology (PCAST). Examples of activities to be funded are development and transfer of technology to stem oil and gas leaks in Russia, and transferring U.S. whole building design technologies to architects in five countries. The President's budget includes over $100 million in increases for international programs, including nearly $20 million for international programs under this subcommittee's jurisdiction. Why is this such a high priority for the Administration?

Answer. The primary driver for DOE energy activities has traditionally been the economic, environmental and security benefits that would accrue based on the impact of these activities on domestic energy supply and use. However, markets have become more globalized, and energy use has resulted in increasingly greater current and projected regional and global environmental impacts. As a result, a number of opportunities exist for U.S. energy cooperation with other countries that could result in enormous economic, environmental and security benefits for both the U.S. and these countries. The PCAST report cited in the question addresses these benefits and outlines many potential U.S. responses, some of which are included in the Department's fiscal year 2001 budget request.

Question. Are these requested increases such a high priority that you would want us, if necessary, to reduce your core R&D programs to support them?

Answer. The increases for international activities are considered to be high priority, as are the activities in the core R&D programs. It would be difficult to prioritize these new international activities relative to ongoing ones because the outcomes associated with the international activities include a great deal of risk and uncertainty. High risk, uncertainty and potentially high payoff are desirable attributes for government-supported activities. Regarding high payoff, a recent study of the global energy future, conducted by the International Institute for Applied Systems Analysis (IIASA) and the World Energy Council (WEC), estimated worldwide capital investments in energy supply to be in the range of $12 to $19 trillion (1997$) for the period 1990–2020, and $17-$34 trillion (1997$) for the period 2021–2050. About half of the total investments would be required in developing countries. If U.S.-based energy companies are to capture a significant share of this energy supply market, we must start creating ongoing relationships now.

INTER-AGENCY COORDINATION

Question. In its review of the Partnership for an New Generation of Vehicles (PNGV) program, the National Research Council recommended closer coordination between the Department of Energy and the Environmental Protection Agency with regard to the relationship between emission standards and research on emission reductions. This recommendation strikes me as extremely important, and not just with regard to the PNGV program. It seems that on several occasions shifting EPA standards have made advanced technology developed with DOE support irrelevant, or at least less relevant, and have collectively made the private sector reluctant to invest in research and development for fear the standards might suddenly change.

What are you doing personally to ensure that there is adequate coordination between the EPA and DOE?

Answer. DOE and EPA jointly participate as members of the PNGV Steering Group. Each agency is represented on various PNGV technical teams. DOE shares its emission-related research with EPA. DOE reviews and comments on EPA's vehicle and vehicle-fuel-related rulemakings.

Question. What is the Administration as a whole doing to coordinate its environmental and energy policies?

Answer. Several fora promote ongoing interagency coordination of environmental and energy policies, including White House task forces (such as the White House Climate Change Task Force) and interagency working groups. In each case, representatives from all of the relevant agencies are included along with White House representatives. Multi-agency budget crosscuts (such as for the Bioenergy and Bioproducts Initiative) are prepared by the Office of Management and Budget (OMB) with each relevant agency to establish the overall funding for multi-agency efforts.

Periodic, but nonetheless important, forms of multi-agency cooperation are also prevalent, including consultation during the rulemaking process (such as the consultation with EPA in the development of the commercial and residential building codes for Federal buildings [10 CFR 434 and 435] and joint sponsorship of studies or conferences exploring particularly complex energy-environmental interactions. Agencies may, of course, formally comment to one another on particular policies or rulemakings of interest and key policy-related documents go through a formal interagency review process. In the case of the budget and rulemakings, OMB reviews agency proposals, providing an additional level of coordination.

Energy and environmental issues interact in complex, and sometimes surprising ways. While these mechanisms provide opportunities to coordinate energy and environmental policies, they will not always work perfectly, especially where important connections between the two are not well understood scientifically or where interactions may be indirect and therefore the need for coordination may not be immediately evident.

Question. Given that most emissions sources produce more than one undesirable pollutant, does it strike you as sensible that our regulatory regime is centered upon a seemingly endless series of single-purpose rulemakings on individual emissions (Sox, sulfur, particulates)?

Answer. The Department of Energy does encourage the Environmental Protection Agency (EPA) to adopt a more integrated approach in its rule-makings regarding the control of pollutants. DOE also works closely with EPA's Office of Air and Radiation, as well as the commissioners of state environmental programs, on non-regulatory opportunities to approach energy and environmental issues on this broader basis, such as by encouraging development of State Implementation Plans that use energy efficiency as a strategy of choice in efforts to achieve clean air goals.

The Department's efforts to encourage comprehensively integrated approaches were strengthened by the National Research Council (NRC) with its recommendation for closer coordination between the Department of Energy and the Environmental Protection Agency—with regard to the relationship between emission standards and research on emission reductions. This recommendation descends directly from the NRC report, Review of the Partnership for a New Generation of Vehicles (PNGV) program, 1999.

As an example of this type of coordination with the Environmental Protection Agency on the PNGV program, PNGV, EPA and DOE jointly participate as members of the PNGV Steering Group. Each agency is represented on various PNGV technical teams. DOE shares its emission- related research with EPA, and reviews EPA's vehicle and vehicle-fuel-related rule-makings. In the PNGV program, the Federal Government is represented by the Departments of Commerce, Defense, Energy, and Transportation, the Environmental Protection Agency, the National Aeronautics and Space Administration, and the National Science Foundation. Additionally, the Department provided comments in response to EPA's Notice of Proposed Rulemaking on Clean Air Act "Tier 2" vehicle emission standards and standards for low sulfur gasoline. That letter discusses regulatory uncertainties and their impact on investment decisions.

To broaden our understanding of energy and environmental interactions, DOE recently asked the National Petroleum Council (NPC), a federal advisory committee to the Secretary of Energy, to examine issues related to environmental issues and petroleum product markets. NPC is finishing a study which addresses the cumulative impacts of several product quality regulations, including changing the role of oxygenates in reformulated gasoline, on refinery viability and product deliverability. A Draft Report, dated March 30, 2000, assesses Government policies and actions that will affect both the petroleum product supply and the continuing viability of

U.S. refineries. Secretary of Energy Federico Pena requested this study in a letter to the NPC dated June 30, 1998, as a means of obtaining a clearer picture of the refining landscape and the systems context in which the refiners operate.

TRANSPORTATION RESEARCH

Question. In this vein, I want to ask about the transportation research program. The Department is investing large amounts in promising clean diesel technologies for light trucks and SUVs. At the same time, many of the environmental groups to which this administration is beholden give no indication they will ever allow diesels of any sort to re-enter the passenger car market. Does this concern you? Do you think you can convince these groups, and the public as a whole, to accept the new diesel technologies?

Answer. This issue does concern us; however, we feel that the new clean diesel engine technologies will be accepted by the public. The light truck and sport utility vehicle (SUV) market segment has experienced explosive growth in recent years. By replacing the current gasoline engine in light trucks and SUVs with a modern diesel engine, a 35 to 50 percent increase in fuel economy can be realized. These diesel engines have performance and noise characteristics similar to gasoline engines, and tests on a diesel laboratory vehicle have demonstrated that the Environmental Protection Agency (EPA) Tier 2 emissions can be met. When the public is offered a vehicle that provides 35–50 percent better fuel economy with no sacrifice in performance, and can meet the lower Tier 2 EPA emission standards, we feel the public will readily accept the new clean diesel engines, as has been the experience in Europe.

Critical to actual use of diesel engines in cars, of course, is successful achievement of our research goals related to emissions, which will be necessary to certify diesel-powered vehicles at the more stringent standards.

OIL RESEARCH

Question. The sharpest reductions in your fossil energy budget request come in the area that is of most current concern to Americans—and to this Congress—namely, in the way we find and produce oil in this country. Can we ever hope to turn our reliance on imported oil around if we continue to cut domestic exploration and production research by 23 percent, as this budget does?

Answer. The combined R&D budget request for Oil and Gas Technologies is 3 percent higher than the fiscal year 2000 adjusted appropriations for these accounts, and 20 percent higher than last year's request, so we certainly do not believe that this vital portion of our energy portfolio has been ignored. While there have been adjustments in the relative levels of different activities within these accounts, these changes have been made in response to an in depth portfolio review. (Available as Vol. 2 of DOE Research and Development Portfolio). Our fiscal year 2001 budget request increases emphasis on natural gas research, a fuel from overwhelmingly domestic sources, and our program on Ultra Clean Fuels which will help the oil industry develop the technologies to cope with higher sulfur crudes and the demand for lower sulfur fuels.

Because the United States has been well explored for oil and is a mature development area, the Energy Information Administration projects that imports of crude will continue to increase even if the Department has pursued a policy of broad-based research in fossil energy, renewables, energy efficiency, nuclear and basic energy sciences, as well as promoting incentives to improve both energy efficiency and production. These efforts have been accomplished in the context of balanced budgets and extensive review by stakeholders and the scientific community, and the Department feels that budget request presents a balanced approach to meeting the long term energy needs of our nation.

Question. In light of recent events, would you have requested a different amount for domestic oil and gas exploration research if you were putting this budget together today?

Answer. The Department's R&D budget request is the product of rigorous evaluation and comment from numerous stakeholder groups, including the President's Committee of Advisors on Science and Technology (PCAST) and the National Petroleum Council, as well as an overall research portfolio plan. The energy R&D portfolio is balanced and geared toward the long term, and it would be inappropriate to make the short-term adjustments. The Administration has responded to recent events through the release of LIHEAP contingency funds, the endorsement of a heating oil reserve in the Northeast, and a series of steps to promote domestic production through the expensing of Geological and Geophysical Expenses and Delay

Rental Payments. In addition, we have worked with OPEC to secure an increase in production.

Question. If so, would you provide a recommendation to this committee on what that amount would be?

Answer. The Department continues to support the President's Budget request as submitted.

Question. Would you reprioritize programs within the total DOE request level to increase oil production research?

Answer. The Department continues to support the President's Budget request as submitted.

REGIONAL HEATING OIL RESERVE

Question. I understand the Administration is considering a supplemental budget request to establish a regional heating oil reserve in the Northeast. Can you provide us some insight as to what exactly the Administration is considering?

Answer. The Administration is considering a two million barrel distillate reserve to be located in the Northeast in commercial facilities that are currently active and in compliance with all licensing and permitting requirements.

Question. How much would such a reserve cost to establish?

Answer. We estimate that renting storage and administering the program will cost about $8 million per year. We anticipate exchanging crude oil for distillate to avoid any cash outlays associated with acquisition of the refined products.

Question. How would a reserve program function?

Answer. The Department would contract for storage services, exchange crude oil for products to be delivered to the storage site, and when oil was sold, title would transfer at the storage facility. The buyers of the oil would arrange for pickup of the oil according to standard commercial practices. Subsequently, replacement products could be purchased with the receipts from the previous sale.

Question. Who would determine the amount of heating oil to be acquired?

Answer. The Administration is considering a reserve size of two million barrels. H.R. 2884, which has been passed by the House, limits the size of a Home Heating Oil Reserve to two million barrels. Implementation of the program would be assigned to the Petroleum Reserve Office and the timing and quantity of acquisition solicitations would be determined by that office.

Question. Who would determine when and at what price oil from the reserves would be sold?

Answer. The determination to trigger a sale from the Reserve would be vested with the President either in a simple extension of the Energy Policy and Conservation Act or in an amendment to it which has passed the House of Representatives. The selling price methodology would be described in a plan or Plan Amendment.

Question. Who would determine whether any reserve at all would be necessary going into a given winter season?

Answer. Implementation of the plan for a Heating Oil Reserve will be assigned to the Petroleum Reserves Office. That Office would seek advice from the Energy Information Administration regarding the outlook for supply, demand, inventories, and available storage capacity prior to each winter and recommend to the Secretary of Energy any changes to the status of a Reserve.

Question. What is the fundamental market dynamic that seemingly deters private markets from providing supplies of heating oil sufficient to keep prices in a reasonable range?

Answer. Oil prices are volatile relative to other commodities because of the ability of the Organization of Petroleum Exporting Countries to control supply. Whenever oil prices appear to be historically too high and oil buyers expect prices to fall, they will deplete inventories and that can lead to spot shortages and price spikes, particularly when cold weather occurs unexpectedly.

STRATEGIC PETROLEUM RESERVE—FILLING SPR WITH ROYALTY OIL

Question. The Department has experimented with acquiring oil for the Strategic Petroleum Reserve by directly taking Federal royalty oil from offshore development. How much oil has been acquired for the Reserve in this fashion, both in volume and approximate dollar value?

Answer. By December 2000, the SPR will add 28 million barrels of oil to the Reserve. At this point, the Department has accepted approximately 9.8 million barrels in exchange for the royalty oil delivered. While contractors are accepting the royalty oil on a daily basis, the next deliveries are scheduled for June, and the majority of the remaining oil due to the Government will come late in the year. The Department accounts for the value of the oil at the time deliveries are made to the Stra-

tegic Petroleum Reserve. The value of the 9.8 million barrels of oil received to date is $203 million. Since deliveries to the SPR occur later than acceptance of the royalty oil by our contractors, the DOE valuation will differ from the calculation of foregone income made by the Department of Interior.

Question. Does the Department plan on continuing this activity? If so, when?

Answer. The Department has indicated its desire to continue this program, and Secretary of the Interior Babbit has indicated that he is not opposed. The Administration continues to assess its desirability. If the program were to be continued, we would hope to make its continuation seamless by starting the next phase upon the expiration of the current 28 million barrel program. The last transfer of royalty-in-kind oil is schedule to occur in October 2000.

Question. Does the President's budget assume the reduction in OCS revenues that would be associated with any further deposits of royalty oil into the Reserve?

Answer. The President's budget for fiscal year 2001, assumes the royalty transfer will occur through October 2000, and the revenue impact is limited to that one month.

Question. Have you set a limit on the total amount of oil you intend to acquire in this fashion?

Answer. Since the Administration has not yet announced a policy to continue filling the SPR with royalty oil, it has not set any limits on the rate or total amount to be transferred.

Question. What are the additional incremental operating costs for the Reserve, if any associated with filling the Reserve in this fashion?

Answer. Filling the Reserve has minor incremental costs for electricity, oil quality assurance inspections, operational overtime, and laboratory expenses that total about $0.05 per barrel. However, the cost of terminalling services is not a current expense because the Department has fill credits with one of its major terminal operations. Once those credits are exhausted, the marginal terminal cost will be approximately $0.26 per barrel.

STRATEGIC PETROLEUM RESERVE—OIL SWAPPS TO FILL SPR

Question. In reviewing ways in which to respond to the recent increase in oil prices, I understand the Administration has considered "swapping" oil from the Strategic Petroleum Reserve in exchange for deposits of oil to be made at a future date. Can you describe this mechanism for the Committee?

Answer. Time exchanges or swaps are a common industry practice that reflects different values for the same oil at different times. During the last quarter of 1999 and the first quarter of 2000, the market value for prompt delivery of oil considerably exceeded the value of the same oil for delivery in the future. As an example of the opportunity presented by this market condition, if the price premium for current delivery is 20 percent for current delivery relative to one year later, the SPR should be able to exchange a volume of oil today for a 120 percent of that volume to be delivered a year later. The SPR would be acquiring oil by exchange and fulfilling its mandate to minimize the cost since the added oil would not have associated outlays. The feasibility of conducting time exchanges depends on market conditions.

Question. Is there any appreciable risk to the Federal Government associated with this strategy? What occurs if the future price of oil is higher than the amount contemplated at the time of the swap?

Answer. There is no risk to the Government of a time exchange, provided that the contractor provides a financial guaranty of performance. If the future price of oil were higher than the current price there would be no incentive for contractors to bid for an exchange, and no swap would occur. In that case, the higher future price would provide an incentive to build inventories rather than drawing down inventories for prompt delivery.

Question. Would the Department still take delivery of the oil?

Answer. If the price of oil had risen by the time the contractor was due to perform on the contract and deliver oil to the SPR, the Government would have the choice of accepting delivery or renegotiating the delivery for a later date, in which case the Government would require an additional amount of oil. This is exactly what the SPR Office did in February 2000, when it renegotiated the delivery dates for 5 million barrels of oil from Spring 2000 until December 2000 and received as consideration the promise of an additional 600,000 barrels of oil.

Question. What occurs if the future price of oil is lower than the amount contemplated at the time of the swap?

Answer. The exchange contract will be written in terms of barrels of oil, not in terms of dollar values. For example, the SPR may deliver 1 million barrels of oil

and the contractor will be obligated to deliver 1.2 million barrels of oil one year later. The contract is indifferent to the value of the oil a year later, and since the Government's interest is in acquiring oil without making financial outlays, it is also indifferent to the price at the time of delivery.

Question. Are there incremental operating costs to the Reserve associated with such oil swaps?

Answer. There are minor costs associated with the electricity to move fluids at the SPR sites, cleaning equipment after use, and extra manpower during oil movements. Those costs are less than $0.10 per barrel. At this time DOE has credits at commercial terminals that would allow us to move oil without cash outlays. However, when those credits are exhausted oil movements will cost approximately $0.26 per barrel in each direction.

Question. Why has the Administration not chosen to employ this mechanism in recent months?

Answer. The authority to use time exchanges is solely for the purpose of acquiring oil for the Reserve, however, one known side effect would be to lower current prices. Since the Administration determined to solve the recent problem of high prices via diplomatic channels, taking an action that would be highly visible and have the impact of lowering prices would have complicated the diplomacy and potentially could have had a negative effect on the successful outcome that was higher production agreed to by OPEC at its March 28, 2000 meeting.

Question. Is this still on the table as a possible tool in the event that oil prices remain high?

Answer. This method of oil acquisition is always available to us when market conditions are favorable. Due to increased OPEC oil production, the price premium for prompt delivery has dropped substantially from its peak in March, and the opportunity to exchange oil is marginal. If prices should rise again relative to future prices we may use the opportunity to acquire oil by exchange.

BUDGET PRIORITIES

Question. As I look over the Department's budget request, I see that funding for Energy Efficiency and Renewable Energy goes up 18 percent—including 12 percent for the energy conservation programs that are under this subcommittee's jurisdiction. I also see that funding for Nuclear Energy Science & Technology increases by 7.4 percent. The only major energy area where the Administration's funding request declines is for Fossil Energy programs. Given that 85 percent of the energy Americans consume comes from fossil fuels, why did you single these programs out for reductions?

Answer. Several relatively small adjustments throughout the Fossil Energy budget have been made, the net effect being an overall 2.3 percent decrease from last year's appropriations.

The major change is a decrease of $18 million in the Advanced Gas Turbine budget. The reduction is because of a major success: We are successfully concluding our development of a revolutionary new large-scale turbine; and in fiscal year 2001, we will begin the early (and less expensive) development of smaller-scale turbines for a different segment of market.

There have also been several important increases in the Fossil budget. They include:

—Increased funding for the Vision 21 energy plant of the future—a long-range concept that can eliminate pollution from the use of coal, natural gas or other fuels.

—We have more than doubled funding for carbon sequestration—because we may be on the verge of real breakthroughs in developing more affordable ways to address global climate change.

—We have included $10 million for a new effort to develop ultra-clean transportation fuels to meet EPA's tighter standards for gasoline and diesel fuels.

—We have added a new $13 million initiative in gas infrastructure—one of our efforts to improve the reliability of the energy grid in the U.S. and in eastern Europe.

—Some of the new work in gas infrastructure is part of a larger $13 million international initiative recommended by President's Committee of Advisors on Science & Technology (PCAST) to develop U.S.-made clean energy technologies for deployment overseas.

COAL RESEARCH—VISION 21

Question. It seems that much of your coal research budget is oriented toward making the use of coal cleaner and more efficient. In fact, your Vision 21 program

has a goal of completely eliminating environmental pollution from future coal plants. Would you characterize your coal research program as primarily an environmental program?

Answer. Yes, not only is Vision 21 very much an environmental program, it is also a potential path to carbon sequestration, which would address the global climate change challenge. To sustain the economic viability of and quality of life in the United States, we must have affordable electricity to meet the growing future demand. Thus, we must have a portfolio of technologies that use all the available fuels, especially coal, our most abundant resource, more cleanly, efficiently, and cheaply.

Question. Doesn't the coal research program fit very appropriately into the need to continue investing in cleaner energy technology?

Answer. Yes. For the next 20 years, coal will still account for over 50 percent of the electricity generated in the United States and according to EIA, coal consumption will increase by 25 percent in that same time period. To meet both the demand for more electricity and a cleaner environment, we must invest in power generation technologies, like Vision 21, that use coal and other fuels more efficiently and cleanly. By meeting the goals of Vision 21, we will be able to remove essentially all environmental concerns regarding fossil fuels when coupled with cost-effective carbon sequestration.

PARTNERSHIP FOR A NEW GENERATION OF VEHICLES

Question. The Administration is requesting $143 million for the Partnership for a New Generation of Vehicles Program- otherwise known as PNGV. Where do we stand currently in the PNGV program? How close are we to meeting program goals?

Answer. On September 23, 1993, President Clinton announced an unprecedented collaboration between the United States Council for Automotive Research (USCAR), which represents DaimlerChrysler, Ford, and General Motors, and the Federal Government (represented by the Departments of Commerce, Defense, Energy, and Transportation, the Environmental Protection Agency (EPA), the National Aeronautics and Space Administration (NASA), and the National Science Foundation (NSF)). The PNGV is aimed at strengthening U.S. industries by developing technologies for a new generation of energy efficient and environmentally friendly vehicles. Specifically, the PNGV pursues three mutually-supportive goals:

Goal 1: Improve the productivity of the U.S. manufacturing base.

Goal 2: Pursue technology advances that can lead to fuel efficiency improvements and emission reductions in the current generation of vehicle designs.

Goal 3: Increase vehicle fuel efficiency to up to three times that of the average 1994 Concorde/Taurus/Lumina automobiles with equivalent cost of ownership adjusted for economics.

Technologies developed in the pursuit of Goals 1 and 2 are incorporated into the vehicle as they become economically feasible. At the outset of the PNGV an aggressive timetable was developed for achieving Goal 3, the most ambitious of the goals. This timetable included three major milestones: (1) by the end of 1997, identify the most promising technologies for meeting PNGV goals and focus continued research on these technologies, (2) develop concept vehicles employing combinations of the most promising technologies by the end of 2000, and (3) develop production prototype vehicles by the end of 2004.

The first of these milestones was completed on schedule with the selection of the most promising technologies for meeting the PNGV goals. With the recent introductions of the PNGV concept cars (Ford's Prodigy, DaimlerChrysler's ESX 3, and General Motor's Precept), the second milestone has been achieved as well. The three PNGV concept cars were displayed for the first time together at an event held on March 30, 2000, with Vice President Gore and representatives of each of the three companies. Work is ongoing to develop production prototype vehicles by the end of 2004.

Question. How does progress to date compare to the program goals originally laid out for the program?

Answer. A number of Goal 1 and Goal 2 technologies have already been incorporated into vehicle production. Intelligent induction hardening of suspension parts, reduced rolling resistance tires and single-piece composite truck beds are examples. More are in the pipeline. With the display of Ford's Prodigy, DaimlerChrysler's ESX 3, and General Motor's Precept, PNGV Goal 3 progress is also on schedule. These vehicles achieve fuel economy of between 72 and 80 miles per gallon, gasoline equivalent. A brief discussion of each of the vehicles is provided below.

The Prodigy was displayed by Ford at the 2000 Detroit North American International Automobile show. It is a diesel-electric hybrid family sedan capable of get-

ting 72 mpg (gasoline equivalent) [80 mpg diesel] while retaining performance levels expected by the consumer. Its body is made of aluminum and the vehicle weighs 2,387 pounds. The battery uses nickel-metal hydride technology, assisted over the years by DOE efforts.

The ESX3 Prototype was unveiled on February 22nd. This is DaimlerChrysler's PNGV concept vehicle. It is a mild hybrid electric vehicle (a "mybrid") and it consists of a 3-cylinder, 1.5-liter all-aluminum direct-injected diesel engine (55 kW peak power) with an electric motor (15 kW peak power), and a lithium-ion battery. The vehicle is designed to use low-sulfur diesel fuel. The body is made of low-cost, low-weight thermoplastic body panels. The entire vehicle weighs 2,250 lbs, is 80 percent recyclable, and meets all federal safety standards. Another innovation incorporated in this vehicle is the electro-mechanical automatic transmission (EMAT) which provides the fuel efficiency of a manual transmission and the convenience of an automatic transmission.

GM's hybrid electric vehicle, the Precept, achieves 80 mpg (gasoline equivalent) and utilizes a 35 kW three-phase electric motor that powers the front wheels, and a lean-burn compression-ignition, direct-injection (CIDI) heat engine driving the rear wheels. It can use either nickel metal hydride batteries or lithium polymer batteries. The Precept concept vehicle features numerous innovations, including an aluminum alloy frame; spun disk lightweight aluminum wheels; all-LED signal and interior lighting; polymeric roof panel, fascia and rockers; and open-mesh seats. The Precept has a 0.163 coefficient of drag, which is the lowest ever achieved on a 5-passenger sedan (world record) and less than half that of a typical family sedan. The weight of this hybrid vehicle is 2,875 pounds

Question. What are the major barriers remaining to the achievement of PNGV goals?

Answer. While the PNGV has made tremendous progress in the past seven years, major technology barriers remain, including the size, weight, and cost of individual components. In addition to these barriers, the reliability of these technologies, both individually and in the context of a system, needs to be demonstrated. Thus, the PNGV continues to pursue an aggressive research and development program to address these technical barriers and to demonstrate reliability in the technology areas of fuel cells, advanced combustion and exhaust aftertreatment, lightweight materials, advanced petroleum based fuels, and hybrid vehicle systems. At the same time, some PNGV-related technologies and methods are already being applied to today's mass production vehicles.

Considering fuel cells as one example, major barriers include cost, durability and demonstration of integrated systems running on common transportation fuels, such as gasoline. Durability to 1,400 hours has been demonstrated at the cell level, but much work remains to demonstrate integrated systems durability to the PNGV year 2004 goal of 5,000 hours. Also, recently demonstrated was the ability to cold start a fuel cell at $-4°F$ ($-20°C$). The fiscal year 2000 demonstration of integrated systems running on gasoline is expected to be successful. The technical targets for power density and specific power (250 W/l, 250 W/kg) are projected to be met, but start-up time and transient response will likely fall short of targets. System cost for mass production of today's technology is estimated to be approximately $300/kW, six times the PNGV 2004 goal of $50/kW, a substantial improvement from the 1999 estimated cost of $500/kw. Supportive policies, such as tax credits, may be necessary to overcome initial cost premiums for advanced technologies.

FEDERAL ENERGY TECHNOLOGY CENTER AS NATIONAL LAB

Question. I commend your action this past December to establish the Department's newest National Laboratory at what was formerly the Federal Energy Technology Center. I'm certain Sen. Byrd will agree that it is time that fossil fuel research was carried out at a center with national laboratory status. But again, we are concerned that at the same time you have elevated the status of fossil fuel research you have decreased its budget. What do you see as the future of funding at the new National Energy Technology Laboratory in West Virginia and Pennsylvania?

Answer. Since the work at NETL will be based on the long tradition of FETC and its predecessor organizations, it is expected that the existing model for funding will remain largely unchanged. That is, the bulk of NETL's work will be in support of the Office of Fossil Energy. Also, an increasing portion of NETL's work is provided in support of the Office of Energy Efficiency and Renewable Energy. Since NETL specializes in fossil fuel research, future funding will continue to depend upon the funding provided largely through the Office of Fossil Energy and the Office of Energy Efficiency and Renewable Energy.

Question. Are there new initiatives that accompany the new national lab designation?

Answer. Since NETL's designation as a national laboratory is heavily dependent on the quality of on-site research, NETL's on-site research program is being restructured to focus intense efforts in several areas viewed as key in the development of advanced fossil energy systems. One such area is computational science. Computational science activities will support advanced research for clean, highly efficient fossil energy plants of the future by developing and using computational tools, such as mathematical models, to provide science-based predictive simulations and related information that will allow faster technology development. Another area, carbon sequestration, will address scientific issues with potential capture of carbon emissions from fossil fueled energy plants.

The Strategic Center for Natural Gas is also being established at NETL. One function of the center will be to perform studies on the impact of various policy actions and thereby support the development of more effective natural gas policy within DOE. Another key function will be providing a coordination role for all gas related activity within DOE, and identifying gaps in existing R&D programs as well as newly developing research needs. The details of operation of the Strategic Center for Natural Gas are still being resolved within the Department. It is anticipated that implementation of existing fossil energy gas programs will be accomplished by the Strategic Center. For fiscal year 2001 a new program in Gas Infrastructure Reliability has been proposed that will be implemented through NETL.

NETL will also continue to conduct research in areas such as clean fuels for transportation applications, advanced clean and efficient energy plants using fossil fuels, and environmental issues related to fossil energy use. The transition to a national laboratory will take several years, and it is anticipated that additional focus areas will be established in future years.

LOW EMISSION BOILER SYSTEM (LEBS)

Question. This Committee has appropriated $27 million in support of the LEBS program that has not yet been spent due to challenges in siting the demonstration plant. What is the current status of the LEBS program?

Answer. Although the original plans for the LEBS project has been on hold, Corn Belt Energy recently expressed an interest in the project to D.B. Reilly (the plant developer) and is performing due diligence before committing to the project. Corn Belt Energy, an electric cooperative, is interested in being a plant operator with a long-term fuel contract. The site in Elkhart, Illinois, is in their territory and assuming the bus bar cost meets their target, Corn Belt Energy has indicated it would be interested in purchasing power and owning the LEBS proof-of-concept plant. A decision by Corn Belt Energy on whether to go forward is expected early this summer pending the outcome of the due diligence analysis.

Question. Is a suitable site likely to be found for the proposed demonstration plant?

Answer. Yes. Currently, Corn Belt Energy is considering a suitable site to be located in Elkhart, Illinois (near a mine of Turris Coal Company). Corn Belt Energy has hired an engineering firm to review the engineering, procurement, and combustion bids received and to advise them on the feasibility, both economic and technical, of the LEBS proof-of-concept plant.

Question. Does the Department have any plans for reallocating funds that have been appropriated for LEBS if a suitable site cannot be found?

Answer. If a firm commitment for the proof-of-concept plant located in Elkhart, Illinois, is not forthcoming by the end of the third quarter of this fiscal year, then the Department will recommend to Congress a reallocation of the funds for other fossil research areas. The funds reallocated would be those remaining after mutually agreeing to a scope of work to conclude Phase IV of the existing contract.

FUEL CELLS

Question. There has been a lot of interest recently in fuel cells-which this Subcommittee has supported, both for stationary power applications and for transportation. Would you comment on your views of fuel cell technology?

Answer. Fuel cell technology is extremely important. Fuel cells have the potential to revolutionize power generation and open new frontiers in transportation applications because of their inherently clean and efficient service. Fuel cells systems have few moving parts, making them reliable and quiet as well. No solid wastes are produced and the emissions of pollutants are negligible. Fuel cells technology can be expected to contribute substantially to the reduction of greenhouse gas emissions, provide low-cost reliable energy, enhance productivity, and establish new domestic

industries worth billions in sales and providing hundreds of thousands of jobs. If the Office of Fossil Energy is successful in achieving its $400/kW goal in its 21st Century Fuel Cell Program, fuel cells are likely to take over a very large share of the power generation market.

Question. Are we getting closer to seeing fuel cells enter the market for stationary power applications? For transportation markets?

Answer. The emergence of fuel cells comes at an opportune time. An unprecedented expansion in electricity need is forecasted, retail electric deregulation is underway, and public environmental policy is placing a premium on efficiency and environmental performance.

The first commercial fuel cell on the market, the phosphoric acid fuel cell, proved that early entry markets exist to sustain their relatively high initial costs. More than 200 of these 200-kilowatt units have been manufactured for sale in the U.S., Japan, and Europe. Thirty units have been successfully demonstrated by the DOD in combined heat and power applications, where the economic criteria was for each application to generate $25,000 per year in energy savings which would cover annual maintenance costs. The premium power market in the U.S. alone is conservatively estimated at $1 billion per year. The U.S. EPA estimates that the current global market opportunity for fuel cells is 40–50 gigawatts.

The next generation of advanced fuel cells, comprised of high-temperature natural gas-fueled molten carbonate and solid oxide fuel cells is nearing commercial introduction. Tests are underway at Fuel Cell Energy that should enable commercial prototype molten carbonate fuel cell systems to be demonstrated and ensure market entry for DG applications in the 250 kW–2 MW range by 2003. Successful test of the Siemens Westinghouse 100 kilowatt solid oxide fuel cell systems have validated the building block element for a multi-megawatt size combined heat and power systems, providing a foundation for future commercial sales in the 2003 timeframe. The world's first fuel cell/turbine hybrid system will begin testing in May 2000 at the National Fuel Cell Research Center. This effort is expected to conclude in 2003 with fuel cell/gas turbine combined cycle field test in multi-megawatt size for distributed generation applications.

During the past 2 years, automobile manufacturers throughout the world have announced or demonstrated fuel cell concept vehicles—evidence that the auto industry is seriously considering the introduction of fuel cell vehicles into the future market. Interest in automotive fuel cells has been sparked by the tremendous progress made in the development of proton-exchange membrane (PEM) fuel cells over the past 7 years—primarily through the DOE Transportation Fuel Cell Program. However, significant performance improvements and cost reduction are necessary before automotive fuel cell power systems will be competitive with internal-combustion engines. Development of compact, quick-start, on-board fuel processors are required to utilize the existing petroleum-based fuel infrastructure for early introduction of fuel cell vehicles. Research and development of low-cost, high-volume fabrication processes for fuel cell components is necessary to reduce the cost of fuel cells from the current high-volume projected cost of $300/kW to $30/kW. In addition, durability of 5,000 hours (comparable to 100,000 miles) must be demonstrated. At the current Government and industry level of activity, technical progress will lead to automotive market introduction in the 2010–2015 time frame.

TURBINES

Question. We saw the Department's announcement recently that General Electric had unveiled its advanced gas turbine-which it developed in partnership with the Energy Department. We understand that this turbine is unsurpassed in its efficiency and environmental performance. I believe you were present in Greenville, South Carolina, when GE announced the new turbine. Isn't this one of the Department's best "success stories?"

Answer. Yes, this is one of our best success stories both in terms of technology breakthroughs and as a great example of a very effective government/industry partnership. The turbine is the culminating achievement of the Department of Energy research and development effort that began in the early 1990s when GE was one of six developers selected to begin designing concepts for a breakthrough turbine system. The development effort received a major boost in 1993 when it was included in President Clinton's Economic Stimulus Program.

Designed to work in a "combined cycle" power plant-a plant that combines gas turbines and steam turbines to product electricity-the H System will be the most efficient power generation system in the world. It will be the first gas turbine to top the 60 percent efficiency threshold-the "4-minute mile" of the turbine technology.

When the Energy Department began its advanced turbine development program in the early 1990s, the best turbines available had efficiencies of about 50 percent.

Because fuel represents the largest single cost of running a power plant, an increase of 10 percentage points in efficiency can reduce operating costs by as much as $200 million over the life of a typical gas-fired 400–500 megawatt combined cycle plant.

The turbine also operates cleaner than any of today's utility gas turbines. Its nitrogen oxide emission levels of 9 parts-per-million will be half the average of the turbines now in use, making the new technology suitable for siting in the Nation's most environmentally constrained areas.

In addition, the H System turbine will produce the fewest tons of carbon dioxide per kilowatt of electricity of any gas turbine available today. When deployed commercially, it can make a significant contribution toward reducing greenhouse gases that can cause global warming.

Natural gas turbines are expected to make up more than 80 percent of the power generating capacity to be added in the United States over the next 10 to 15 years. Of the more than 200 new power plant projects announced recently in the United States, 96 percent plan to use natural gas and most will employ gas turbines. Globally, the turbine market also promises to be huge with worldwide power generation perhaps approaching $100 billion over the next decade.

Question. What will the cumulative impacts of this new technology be over time in terms of energy savings, emissions reductions, and other program goals?

Answer. Compared to an existing coal-fired power plant, the ATS combined cycle gas turbine plant will produce 65 percent less CO_2 and 96 percent less NO_X. The cumulative impacts of the ATS have been estimated by the Windsor Group in the Economic Impact Assessment of DOE Fossil Energy's ATS program. They projected cumulative savings of emissions, fuels during the period of 2000–2010 as follows: 620 million tons of NO_X, and 120 million BTU of energy savings, expanding to a 20-year horizon, the total net present value of fuel savings equals $3.5 billion.

Question. Your testimony indicates that the Department proposes to shift focus in the turbines program to mid-size turbines. What unique challenges are presented by mid-size turbines that require an additional Federal investment?

Answer. The Natural Gas Turbine (NGT) Program will be comprised of three major elements: (1) systems development, (2) supporting research and development, and (3) Vision 21 integration.

Systems development will support the development of intermediate size turbine systems for the new, emerging deregulated power generation markets in the United States. The product would be designed to serve a market for mid-range power (4000–6000 hours per year). In order to do this, the gas turbine needs to achieve efficiency improvements of at least 15 percent (LHV) on natural gas and needs to have a cost in $/kW close to a large, simple cycle gas turbine.

Supporting research and development will broadly support all gas turbine development and operation and will be conducted by university/industry consortiums, national labs, research institutes, and NETL. Technology development needs include high temperature materials and coatings, integration of aircraft technology into industrial designs, robust combustion systems, advanced cooling schemes, advanced systems operation, and life cycle cost reduction.

Vision 21 integration focuses on very high efficiency hybrid turbine/fuel cell systems and advanced cycles for central station and other large power plants. DOE's Office of Fossil Energy will conduct hybrid activities in collaboration with DOE's Office of Energy Efficiency and Renewable Energy and with Fossil Energy's Fuel Cell and Vision 21 Programs.

Question. Can't the technologies developed in the industrial turbine program simply be adapted by the private sector for use in a mid-size product?

Answer. No, the mid-size turbine systems have unique challenges such as intercooling, can combustion systems rather than annular systems, pressure ratios which are up to five times higher than the ATS industrial systems, and often operate in combined cycles utilizing coal or other syngases. NETL is also jointly planning with the Navy for future electric ships to enable the Navy to utilize the commercial technologies resulting from the mid-size turbine program. The Navy requires that future technology be commercially available. This coordination will enable both the U.S. power generation industry and the Defense Department to leverage technology developments in this turbine system size range. Both the Navy and the deregulated power industry require similar operating characteristics for future turbine systems.

Question. In terms of priorities for Federal spending, how does the Department view further development of mid-size turbines vs. microturbines?

Answer. Mid-size turbines (30–150 MW) and microturbines (20–1000 kW) fill very different needs for the U.S. power system and its energy consumers. Mid-size tur-

bines will serve a market for mid-range power (4000–6000 hours/year) providing new capacity and also enabling retrofit and repowering for civilian and military applications. Because mid-size turbines will be fuel flexible, they will expand the options for high-efficiency conversion of domestic fuels into electric power. In the near term, mid-sized turbines will be suitable for new capacity, repowering of older fossil units, combined heat and power applications, and as efficiency enhancement units for existing fossil-fueled steam plants. In the long term, they will be adapted and integrated into Vision 21 fossil-fueled plants. Microturbines are part of the Department's distributed energy resources portfolio that addresses smaller-scale power generation technologies that are located at or near the point of use. This includes use in the industrial, commercial, institutional, and residential sectors of the economy. These technologies are controlled locally to optimize performance and satisfy needs for electricity and thermal energy and can also be used with desiccant systems to improve indoor air quality of buildings. Other applications include in remote locations too far from existing power grids to justify a line extension, including village power and applications are for consumers connected to a power grid, but for whom power supply problems are extremely detrimental to their business, quality of life or economic health.

Both mid-size turbines and microturbines merit the Department's investment to ensure that the technology be the most fuel efficient, fuel flexible with high reliability, availability, maintainability and durability, low emissions and low cost of power.

Question. Does one area of research of larger potential payoffs than the other in terms of emissions reductions, energy savings, and other such broad departmental goals?

Answer. Both mid-size gas turbines and microturbines support the Department's Comprehensive National Energy Strategy to improve the efficiency of the energy system, ensure against energy supply disruptions, expand future energy choices, and promote energy production and use in ways that respect health and environmental values. Additionally, they support the Department's Six Point Plan announced by the Secretary to address power outages. In that plan, the sixth point is concerned with easing generation and transmission capacity shortages by developing both advanced generation and transmission technologies, which would include both mid-size turbines and microturbines. Recently in a report released by the Secretary's Power Outage Study Team (POST), the recommendations recognized the need for removing barriers to distributed energy resources and engaging the participation of energy providers and end-use customers in the competitive market. Uncertainty of the restructuring electricity marketplace requires a suite of technologies that have the ability to be quickly implemented based on the market conditions. A 1999 A.D. Little report concluded that a large market and substantial public benefits will accrue from the development of flexible mid-sized turbines. Likewise, market studies by EPRI and GRI predict a substantial market and accrued public benefits from the deployment of distributed energy resources, including microturbines. By addressing both microturbines and mid-size turbines, the United States and its energy consumers will both benefit from an electric power system that is reliable, secure, and environmentally friendly.

Question. Does one area of research require Federal involvement more than the other?

Answer. Although the budget requests are not identical, both programs are high priority items in the Administration's proposal.

CARBON SEQUESTRATION

Question. One of the areas of the Fossil Energy budget where you have increased funding is for research into capturing and sequestering greenhouse gases. In a speech you gave to a Clean Coal Technology conference in Tennessee last summer, you called carbon sequestration the world's "3rd option" for greenhouse gas control—joining energy efficiency and the greater use of low- or no-carbon fuels like natural gas and renewable energy. Can we expect to see the Department continue to elevate this research as one of the primary options for greenhouse gas controls if it turns out these controls are needed?

Answer. Yes. The Fossil Energy budget for sequestration has grown from $1.5 million in fiscal year 1998, to $5.8 million in fiscal year 1999, to $9.2 million in fiscal year 2000, to a request for $19.5 million in fiscal year 2001. That rapid scaleup reflects the level of importance we place on this program. In order to achieve our program goals for this family of technologies, we would expect funding to continue to grow over the next few years. Given the potential consequences of a continuation

in the increase of concentrations of greenhouse gases in the atmosphere, this level of research seems like a very cost-effective insurance policy.

Question. Isn't carbon sequestration especially important as a global greenhouse gas control option since it is the only option that doesn't require wholesale changes in the energy infrastructure of countries like China or India?

Answer. One of the more attractive attributes of carbon sequestration is that it works well with the energy infrastructure that we have, and with the low-cost energy resources which exist in rapidly expanding economies like China's and India's. In reality, the flexibility of sequestration goes beyond infrastructure. For new power stations and other major emission points of carbon dioxide, sequestration options can be designed into the technology, to maximize efficiency and minimize cost. For carbon dioxide already in the atmosphere, or released from sources which are difficult to retrofit, indirect sequestration has the potential to extract carbon dioxide directly from the atmosphere and store it in an environmentally benign manner for very long periods of time, or even permanently. Also, if our current development cost goal of $10/ton of carbon is achieved (which translates to a two tenths of a cent per kWh), it may be deployable without regulatory incentives.

PM 2.5 MONITORING

Question. The Statement of Managers accompanying the fiscal year 2000 bill urged the Department to coordinate its activities on PM 2.5 monitoring with industry, state and university research efforts to "clarify the uncertainties in the current understanding of fine particulate matter concentration, chemical composition and the relationship between personal exposure and ambient air quality." What is the Department's level of spending to date, and its requested level in fiscal year 2001, on its PM 2.5 monitoring efforts?

Answer. The total expenditures for fiscal year 1998–fiscal year 2001 have been $5.053M and the fiscal year 2001 request is for $500,000.

Question. What are the Department's plans for coordinating its efforts with industry, state, and university research in this area to comply with the language in the Statement of Managers? Answer. DOE is coordinating its PM2.5 ambient monitoring efforts in the Steubenville area with an industry-sponsored study that seeks to compare indoor/outdoor PM concentrations with personal exposure measurements. This industrial study is a cooperative agreement with the Nation's leading coal producer (CONSOL, Inc). Co-sponsors of this effort are the Ohio Coal Development Office, Electric Power Research Institute, National Mining Association, American Iron and Steel Institute, and American Petroleum Institute. Harvard University is a major subcontractor to CONSOL, Inc.

DOE participates in the PM Research Coordination Working Group of the Committee on Environment and Natural Resources, Air Quality Research Subcommittee. The purpose of the group is to foster coordination of the resources of the federal government on airborne particulate matter research. DOE is coordinating its PM2.5 monitoring activities with those of EPA's university-based Eastern United States Supersites, and State and local agencies operating EPA's network of PM2.5 chemical speciation sites.

DOE is a member of the Executive Assembly of NARSTO (North American Research Strategy for Tropospheric Ozone) and coordinates its PM research efforts with those of other NARSTO members. DOE is a member of the Advisory Committee for NARSTO's Northeast Ozone and Particulate Research Study. DOE coordinates its PM research activities with State and local air quality agencies via participation in technical meetings of the Mid-Atlantic Regional Air Management Association (MARAMA).

DOE regularly hosts meetings at its National Energy Technology Laboratory to provide a forum for discussion of how the various PM2.5 monitoring and analysis efforts can work together to enhance the overall scientific quality of the work, and to make the results as useful as possible to other researchers and users of air quality data.

ENERGY EFFICIENCY—21-CR

Question. Since late 1997, DOE has worked with industry to develop a technology roadmap to develop improvements in the heating, ventilation, air-conditioning and refrigeration (HVAC&R) sector—a sector that represents nearly 30 percent of energy usage in U.S. buildings. In 1998, DOE accepted the Air-Conditioning and Refrigeration Technology Institute's (ARTI) initiative entitled HVAC&R Research for the 21st Century (21-CR) as one of its four technology roadmaps. Throughout 1998 and 1999 DOE has voiced support, through public comments and budgeting documents, for 21-CR. Last year this committee provided $4 million for refrigeration technologies.

The committee indicated its support for 21-CR and urged the DOE to continue and to increase its support for the 21-CR program. How is the Department implementing this report language?

Answer. When the Department accepted 21-CR as its HVAC&R road map, it was with the clear understanding that the process be genuinely inclusive. ARI was known as a traditional refrigeration and heating organization with little tie to natural gas or other promising heating and cooling technologies. As the 21-CR process evolved, it became more evident that ARI was not successful in engaging the natural gas or other industries and that the vast majority of projects were for just a part of the HVAC&R universe. However, the Department accepts 21-CR for what it is: a good effort to advance that part of the HVAC&R research agenda.

In fiscal year 2000, we increased our support for 21-CR by 50 percent to $1.5 million. This increase is a prudent approach as 21-CR is in the startup phase and has not developed a robust project evaluation and selection methodology. Further, the industry cost share in fiscal year 2000 is very modest compared to the public sector funding.

Question. At what funding level has the Department budgeted for 21-CR for fiscal year 2001?

Answer. Consistent with the level funding requested for Refrigeration in fiscal year 2001, the Department is planning to continue funding for 21-CR at a comparable fiscal year 2000 funding level. While the Department supports the work of the Air Conditioning and Refrigeration Technology Institute (ARTI) and believes it can advance the efficiency of air conditioning and heating equipment, we have several concerns that we have shared with the leaders of ARTI. First, we have expressed concern about industry's commitment to cost sharing. Industry cost-sharing was 39 percent in fiscal year 1999, the first year of operation for the ARTI 21-CR program, and is expected to decline to 22 percent in fiscal year 2000. Furthermore, ARTI's application for fiscal year 2000 funding only contained about 10 percent in industry cost share. This level does not meet the minimum 20 percent cost share as required by EPAct and codified in CFR 600. Second, the Department is working with ARTI to develop a more rigorous project selection process and is working with them to ensure an appropriate research portfolio is maintained consistent with the road map process.

Question. Would the Department object to a $3.5 million earmarking for the 21-CR effort for fiscal year 2001?

Answer. The Department feels a $3.5 million earmark for the 21-CR would be inappropriate. We support the activities at ARTI, but are very concerned about the effect this would have on other ongoing refrigeration R&D. This is nearly 83 percent of our $4,230 request for Refrigeration in fiscal year 2001 and would preclude other ongoing projects that are part of a balanced portfolio of HVAC&R research, development and deployment. As well as a continuation of the work with ARTI described above, the Department's request for fiscal year 2001 includes ongoing research in supermarket refrigeration, and residential applications for air conditioners, heat pumps, and heat pump water heaters at Oak Ridge National Laboratory and improved thermal distribution systems at Brookhaven National Laboratory. The impacts of the suggested earmark would eliminate all but one of these areas of investigations, with the commensurate loss of established expertise. In terms of cost sharing, we do believe that industry is in a position to provide appropriate cost-sharing for that level of funding.

Question. What does the Department expect to budget for the ARTI program in fiscal year 2002?

Answer. The Department is currently engaged in its planning process for the 2002 budget request and a role for ARTI is being considered as part of this process. Such a role is being considered in the context of funding requirements to complete work in supermarket refrigeration and thermal distribution systems, continuing other areas of the base program, and the need to cover "mortgages" on competitively-selected projects initially funded from Technology Road Maps and Competitive R&D in fiscal year 2000 and fiscal year 2001.

ASHRAE STANDARDS

Question. What have you done to ensure that the ASHRAE rulemaking complies with the Committee's directive and the terms of Executive Order 13123?

Answer. ASHRAE (the American Society of Heating, Refrigerating, and Air-Conditioning Engineers) is a private, voluntary professional organization that produces industry consensus standards related to buildings and their equipment. ASHRAE Standard 90.1 is the current version of their professional standard addressing energy consumption in commercial buildings (such as office buildings). It is under the

ASHRAE Standard 90.1 that the issue of site vs. source and the Executive Order 13123 have been most relevant to DOE. DOE is authorized and encouraged to participate in the ASHRAE process by OMB Circular 119 and the subsequent legislation "Technology Transfer Act of 1995." In brief, these documents authorize and encourage DOE and other federal agencies to participate in the industry consensus process, in lieu of federal agencies setting separate standards. In no way, however, do these documents or any other federal authorization allow DOE to dictate the standards process of a private sector organization. Nonetheless, we can report that there is consistency between the ASHRAE Standard 90.1, the Executive Order, and the related DOE programs.

ASHRAE guidelines are voluntary for builders and contractors and do not, in and of themselves, have any legal authority. Section 304(b) of the Energy Conservation and Production Act (ECPA), as amended by the Energy Policy Act (EPACT), requires states to certify that they have reviewed and updated their commercial building energy code to meet or exceed ASHRAE Standard 90.1. Most states have adopted a version of ASHRAE Standard 90.1 written in code-enforceable language, or some version thereof. Several states (such as California) have chosen to use source-based energy (or total energy consumed over the full energy cycle) in their commercial building energy codes, although most states use the site-based language found in ASHRAE 90.1.

FEDERAL ENERGY MANAGEMENT PROGRAM

Question. This subcommittee has been very supportive of the Federal Energy Management Program (FEMP) in recent years, and the Department itself has made the program a high priority. The Department has also made bold predictions with regard to the savings that could accrue to the Federal Government from the FEMP Program. Please provide for the record a summary of FEMP's performance over the past three years, and an analysis of how that performance has measured against departmental forecasts.

Answer. FEMP predicted that the market for Super ESPC Delivery Orders would significantly increase following establishment of the regional IDIQ (Indefinite Delivery Indefinite Quality) process. FEMP has seen a notable increase in ESPC projects across the country at a wide variety of agencies. In fiscal year 1998 there were 5 SuperESPC projects with an investment value of $6.7 million, and in fiscal year 1999 there were 16 projects with $40.3 million of investments. FEMP did expect to complete a higher number of projects through the SuperESPC project and projections for delivery order investments were based on the assumption that all alternative financing would be done through FEMP's ESPC program. In the meantime, both the Army and Air Force have implemented their own SuperESPC program and utilities have also provided public sector financing for agency energy conservation projects. The investment value of all these alternative financing tools is about the same as our early predictions.

Question. Assuming FEMP receives the amount requested for fiscal year 2001, what does the program expect to achieve in the next two fiscal years?

Answer. FEMP's goals in fiscal year 2001 is to award 42 delivery orders, assist agencies with alternatively financed projects and green power purchases, conduct workshops on utility restructuring, provide 55 energy audits, provide 40 design assistance projects, provide 25 renewable projects, train 6,000 personnel and develop 30 technical transfer products and 3 new technology demonstrations. FEMP will also collect data, consolidate federal reports, and publish the Annual Report to Congress and the President.

Question. How would these predictions be affected if program funding remained at the fiscal year 2001 level?

Answer. FEMP would have to provide a lower level of assistance if the funding remained at the fiscal year 2000 level. For example, we could assist with fewer delivery orders, we would provide fewer energy audits, etc.

Question. Are there statutory or regulatory barriers that exist which hinder further progress in the FEMP program?

Answer. FEMP is working to provide through the budget appropriations process language that would allow for expansion of ESPC authority to include water conservation and to raise the congressional notification ceiling. Eventually, to help the Alternative Financing Program, FEMP would like to see statutory changes in the area of mobility, new construction, and leased buildings also.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. How are the agency's annual performance goals linked to the agency's mission strategic goals, and program activities in its budget request?

Answer. The annual performance goals are organized and listed under the decision units that support them and the performance goals themselves identify the strategic goals they support. The decision units are aggregations, disaggregations, or both aggregation and disaggregation or combinations of program activities lines in DOE's budget request.

Question. Could you describe the process used to link your performance goals to your budget activities?

Answer. The performance goals were established by the budget activities and are presented with their decision unit.

Question. What difficulties, if any did you encounter, and what lessons did you learn?

Answer. The difficulties we encounter are developing performance goals that appropriately represent the funded program activity and are outcome based. The measures are getting better with use. The lesson is that good performance goals are developed through experience.

Question. Does the agency's Performance plan link performance measures to it's budget?

Answer. Yes. Performance measures are organized and presented with the budget's decision units.

Question. Does each account have performance measures?

Answer. In some areas, the program's direction is a separate account from the technical program accounts and in some cases the account is too small to have a performance measure that is appropriate for the overall Departmental-level performance plan. These program direction accounts support the management of technical programs and the salaries and benefits of the Federal staff and therefore, do not have performance goals separate from the performance goals of the technical programs are proposed for this function.

Question. To what extent does your performance planning structure differ from the account and activity structure in your budget justification?

Answer. At the beginning of each section of the Annual Performance Plan is a table that maps the Presidential Budget's Program and Financing (P&F) accounts and program activities to the Department of Energy's offices and decision units. Many of the P&F accounts are the same as the DOE decision units but other alignments include aggregation, disaggregation, or both aggregation and disaggregation and consolidation.

Question. Do you plan to propose any changes to your account structure for fiscal year 2000?

Answer. No account structure changes are planed.

Question. Will you propose any changes to the program activities described under that account structure?

Answer. No changes to the program activities are planned.

Question. How were performance measures chosen?

Answer. The majority of performance measures evolved from the performance measures the Department has developed and used in the Secretary's Performance Agreement with the President each year since fiscal year 1995. Modifications, additions, and deletions were proposed by the program offices. The set of criteria for acceptable performance measures that we developed through experience with the Performance Agreements is included in the back of annual performance plans. The criteria that guide the development of performance measures describe how we want the measures to be presidential, specific, quantified, meaningful, stretching, concise, written for taxpayers, covering, and auditable.

Question. How did the agency balance the cost of data collection and verification with the need for reliable and valid performance plan?

Answer. The Department relied on program managers to use their judgement in the development of the data collection and verification needs based on several years of using performance measures and having them meet the auditable criteria. Since fiscal year 1996, the results against the performance measures in the Secretary's Performance Agreement with the President have been the basis of the overview of the Department's audited financial statements and therefore subject to audit. Our program managers generally understand the need for reliable data to both manage and report performance of the Department's programs.

Question. Does your 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. Yes, it did. There were 4 measures out of the 211 for which data was not available by the time of the annual report. However, they were not material to evaluating the performance for any program activity

Question. What are the key performance goals from your fiscal year 1999 Annual Performance Plan that you recommend this subcommittee use to track program results?

Answer. Key performance goals for fiscal year 1999, fiscal year 2000 and fiscal year 2001 are provided side by side in the fiscal year 2001 Annual Performance Plan. We recommend that the subcommittee use the group of measures under each fiscal year to track and assess the program results.

Question. For each key annual goal, indicate whether you consider it to be an output measure ("how much") or an outcome measure ("how well").

Answer. In the fiscal year 2001 Annual Performance Plan we have presented the outcome based measures where they have been developed in the introductory portion for the decision unit. The output measures are contained in the three-column tables. To the extent we can, we include the planned outcome within the statement of the output measures.

Question. State the long-term (fiscal year 2003 general goal and objective from the agency Strategic Plan to which the annual goal is linked.

Answer. Each annual goal identifies the general goal of the Strategic Plan that it is linked to.

Question. In developing your Annual Performance Plan, what efforts did your agency undertake to ensure that the goals in the plan include a significant number of outcome measures?

Answer. We believe every output measure contributes to an outcome. To the extent we can, we include the planned outcome within the statement of the output measures.

Question. Do you believe your program managers understand the differences between goals that measure workload (output) and goals that measure effectiveness (outcome)?

Answer. Yes. We believe they do.

Question. What are some examples of customer satisfaction measures that you intend to use (please include examples of both internal and external customers)?

Answer. Customer satisfaction measures from our fiscal year 1999 Performance Plan were the following:

Conduct self assessments to measure organizational performance in the areas of Customer Satisfaction, Employee Satisfaction and the achievement of Business Results using the Malcolm Baldrige, President's or Energy Quality Award Criteria.

Improve the quality and volume of information on the DOE's World Wide Web site and demonstrate user-interest through a higher number of home page visits (hits) per year.

Conduct stakeholder meetings to increase public involvement in crosscutting environmental quality issues. The meeting participants will include advisory board members, state and local governments, Native American Tribes, and other stakeholders across the country.

Conduct "Communicating with the Public" training sessions for DOE managers.

Respond to an estimated total of 500,000 public requests for information and documents from the Center for Environmental Management Information within an average of two business days per request.

Issue an initial status report on the development of a public health agenda by December 31, 1998; and a final public health agenda for each site, which reflects customer and stakeholder input, shall be issued by September 30, 1999; and.

Expand the use of Alternate Dispute Resolution by 20 percent over the fiscal year 1998 use to mediate workplace disputes such as Equal Employment Opportunity complaints and grievances.

Question. How were the measurable goals of your fiscal year 1999 Annual Performance Plan used to develop your fiscal year 1999 budget?

Answer. In general our emphasis has been to establish performance goals for budget decision units (Results for Resources). We do however make budget decisions at decrement, base and increment level based on proposed levels of performance. We are hoping that plans and goals will mature at some point in time and sufficient detail will become available, along with methodologies to support budget decisions at a broader level.

Question. If a proposed budget number is changed, up or down, by this committee, will you be able to indicate to us the likely impact the change would have on the level of program performance and the achievement of various goals?

Answer. Yes. Budget development within each major program is based on performance. Based on the set of priorities the program will adjust the performance targets up or down consistent with the budget changes. The Department will prepare a "revised final" performance plan based on the finally appropriated funding.

Question. Do you have the technological capability of measuring and reporting program performance throughout the year on a regular basis, so that the agency can be properly managed to achieve the desired results?

Answer. Yes. The Department tracks progress on key performance goals in our revised final performance plan using the "SOLOMON" system a password protected web based reporting system. We collect progress information at mid-year and at end of year. Program offices maintain additional information systems at lower levels to monitor progress more frequently as needed.

Question. If so, who has access to the information—senior management only, or mid- and lower-level program manager, too?

Answer. We make the mid-year and end of year information on our key performance goals available to everyone on the worldwide web. Day to day progress is managed within each program and shared with employees and senior management on regular basis through weekly reports and monthly management meetings.

Question. Are you able to gain access easily to various performance-related data located throughout your various information systems?

Answer. At the Departmental level of reporting, we rely on program offices to provide performance-related data from their various information systems and do not attempt to gain access to their information systems directly. Program offices have not reported difficulty obtaining the necessary information.

Question. The Government Performance and Results Act requires that your agency's Annual Performance Plan establish performance goals to define the level of performance to be achieved by each program activity set forth in your budget. Many agencies have indicated that their present budget account structure makes it difficult to link dollars to results in a clear and meaningful way. Have you such difficulty?

Answer. In the fiscal year 2001 Annual Performance Plan we have for the first time organized our performance goals by budget decision units. Only in a few cases we had to aggregate, disaggregate, or both aggregate and disaggregate in order to relate performance goals to resources. This is useful from the management view point of what we get for the money, but makes it less transparent the relationship of the plan to resources—what does it cost to do what needs to be done.

Question. Would the linkages be clearer if your budget account structure were modified? If so, how would you propose to modify it and why do you believe such modification would be more useful both to your agency and to this committee than the present structure?

Answer. As long as there is flexibility provided to aggregate and/or disagregate budget account structures, it is not necessary to change budget structures for DOE's accounts. Programs will propose revisions to budget structures based on major changes to program strategies as appropriate.

Question. How would such modification strengthen accountability for program performance in the use of budgeted dollars?

Answer. As long as there is flexibility provided to aggregate and/or disagregate budget account structures, it is not necessary to change budget structures for DOE's accounts to establish clear accountability with the structure in place.

Question. Spending significant resources on performance measurement systems appears to be a wasteful exercise if this information is not linked to: (1) real data about what it costs to perform various government functions; and (2) how to allocate agency resources to perform these functions. Could you comment on your agency's cost accounting expertise and plans to link GPRA to the budget process?

Answer. Our expectation is that over time the planning process, budget process, and accounting process will be fully linked over time. At the first stage of GPRA implementation the emphasis has been to establish strategic and annual plans defining the purpose and specific performance goals. The next stage and we believe we are now in that stage is integrating the development of budgets and performance plans. The third stage will be to integrate performance measurement with cost accounting. DOE has a pilot effort underway to develop and test an integrated Business Management Information System (BMIS) which will provide the tools to determine far more precise estimates of the actual costs associated with achieving performance goals.

Question. Under one of the new accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB) and issued by OMB, this year for the first time all federal agencies are required to have a system of Managerial Cost Accounting. The clearly preferred methodology for such a system, as stated in that standard, is the one know as "Activity-Based Costing," whereby the full cost is calculated for each of the activities of an agency. What is the status of your agency's implementation of the Managerial Cost Accounting requirement, and are you using Activity-Based Costing?

Answer. Although the Department has implemented Managerial Cost Accounting, we are not using Activity-Based Costing.

Question. Will you be able in the future to show to this committee the full and accurate cost of each activity of each program, including in those calculations such items as administration, employee benefits, and, depreciation?

Answer. Yes, we believe our integrated Business Management Information System (BMIS) will be able to provide these costs.

Question. By doing so, would we then able to see more precisely the relationship between the dollars spent on a program, the true costs of the activities conducted by the program, and the results of these activities?

Answer. Yes, we believe our integrated Business Management Information System (BMIS), when fully implemented will be able to provide relation of results to resources more precisely.

Question. Will you be able to show us the per-unit cost of each activity and result?

Answer. Generally, no. Although we believe integrated Business Management Information System (BMIS), when fully implemented will be able to provide relation of results to resources more precisely, there are fixed costs and other factors that will affect a "per-unit costs" of each activity and result. In cases where unit cost is appropriate we will be able to compute it.

Question. To what extent do the dollars associated with any particular performance goal reflect the full cost of all associated activities performed in support of that goal? For example, are overhead costs fully allocated to goals?

Answer. We have defined a group of performance goals under each budget decision unit. The budget resources for that decision unit do reflect the direct costs and some the overhead costs. However, the Departmental Administration budget is allocated back to the programs at the end of the fiscal year based on accepted accounting practices to complete the costs for the set of performance goals.

Question. Please identify any significant regulatory reform measures that have been put in place by your agency in conjunction with the development of the agency's performance plan?

Answer. There are none.

Question. Does your fiscal year 1999 performance plan-briefly or by reference to your strategic plan—identify and external factors that could influence goal achievement? If so, what steps have you identified to prepare, anticipate and plan for such influences?

Answer. Our fiscal year 1999 performance plan included a discussion on resource requirements, that described the requirement of financial, human, infrastructure and technical resources as the key external factor. Once the budgets have been appropriated external factors that could influence annual performance goal achievement are unpredictable. We intended to cover such issues when explaining results. We have in the fiscal year 2001 performance plan explicitly included a discussion of external factors with each program decision unit.

Question. What impact might external factors have on your resource estimates?

Answer. Impacts of external factors would be addressed in a supplemental budget request, if appropriate.

Question. Through the development of the Performance Plan, has the agency identified overlapping functions or program duplication? If so, does the Performance Plan identify the overlap or duplication?

Answer. We did not identify overlapping functions or program duplications through the development of the Performance Plan.

Question. Should agencies address management challenges and potential duplication and overlapping functions in their GPRA plans, and if so, how?

Answer. Actions by agencies to address management challenges should be included in Annual Performance Plans and Strategic Plans as appropriate. Potential duplication or overlapping functions within an agency should also be addressed. Potential duplication or overlapping functions among agencies are not easily available to an agency and may be an appropriate oversight role for OMB or Congress.

Question. To what extent has GPRA been used by agency leadership to guide decision making? Will this use increase in the future and if so what ways?

Answer. GPRA has had a significant effect on the leadership's decision making. The strategic plan of 1997 initiated several strategic planning activities within the programs which then significantly effected later decision making. Examples are the Accelerating Cleanup: Pathways to Closure, the Office of Science's Strategic Plan, the Comprehensive National Energy Strategy, and the Stockpile Stewardship Plan. GPRA also supports the continued use of a Performance Agreement between the Secretary and the President, i.e., the "revised final" annual performance plan. Prepared after Congressional appropriations, it continues agency attention to performance management decision making between the initial proposal of performance goals

in the Annual Performance Plan and the reporting of performance in annual performance reports.

Question. Future funding decisions will take into consideration actual performance compared to expected or target performance. Given that. To what extent are your performance measures sufficiently mature to allow for these kinds of uses?

Answer. The Department has been developing and using these performance measures since fiscal year 1995. They should be mature enough to support future funding decisions based on actual performance compared to expected or target performance.

Question. Are there any factors, such as inexperience in making estimates for certain activities or lack of data, that might affect the accuracy of resource estimates?

Answer. The are no remaining significant factors effecting the accuracy of resource planning. The Department has been developing performance measures for the Secretary's Performance Agreement with the President since fiscal year 1995. Through that experience, we generally have gotten past most factors that might affect the accuracy of resource estimates.

Question. Are you requesting any waivers of non-statutory administration requirements? Specifically, are you requesting any relaxation of transfer or reprogramming controls in return for specific accountability comments?

Answer. On page vi of the Plan we state that we are part of the Office of Management and Budget's pilot program using an "Accountability Report" to consolidate annual reporting of financial information as allowed by the Government Management Reform Act of 1994. No other request for waivers were made.

Question. Based on your fiscal year 1999 performance plan, do you see any need for any substantive revisions in your strategic plan issued on September 30, 1997?

Answer. No. We have used the option to make minor changes to the Strategic Plan with subsequent Performance Plans, but the fiscal year 1999 Performance Plan followed closely the September 30, 1997 Strategic Plan.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

RADIOACTIVELY CONTAMINATED SCRAP MATERIALS

Question. It is my understanding that the Department of Energy is in the process of cleaning up a number of nuclear weapons laboratories and other DOE facilities. During the process of cleanup, the Government has been releasing large quantities of radioactively contaminated scrap materials for recycling. It is also my understanding that the Secretary had some concerns about the release of certain "volumetrically contaminated" scrap metals such as nickel and copper, and that he placed a moratorium on these releases in February 2000. In conjunction with this moratorium, the Secretary appointed an internal DOE task force to review the Department's policies with respect to this issue. Why did the Secretary not include radioactively contaminated scrap materials such as steel, aluminum, and concrete in that moratorium?

Answer. The DOE moratorium I imposed applies to all volumetrically contaminated metals in the Department's inventory. Under an existing DOE Order (5400.5), there are no DOE-wide standards applicable to release volumetrically contaminated materials. Instead, decisions are made on a case-by-case basis, with approval of the Assistant Secretary for Environment, Safety and Health.

However, for materials with surface contamination, DOE Order 5400.5 contains national standards based on Nuclear Regulatory Commission guidance (NUREG 1.86). Scrap materials may be freely released under this order following appropriate monitoring and, when necessary, decontamination.

Question. Is the Task Force set up by the Secretary authorized to formulate a range of options, including recommendation an extension of a moratorium to all contaminated scrap materials?

Answer. Yes, the task force I established has been charged to look at a broad range of options and provide me with recommendations this summer.

Question. Is the Secretary not concerned about releasing these radioactively contaminated materials into commerce?

Answer. Analyses conducted by DOE, the Environmental Protection Agency, the NRC, the National Council of Radiation Protection, the International Council on Radiation Protection, the International Atomic Energy Agency, and the European Union have concluded that the properly regulated releases of materials from nuclear installations are not a threat to the public or the environment. However, there are members of the public who oppose this practice or believe that criteria that establish cleanup levels and procedures do not afford adequate protection. We are concerned

with these aspects of the issue and this contributed to my decision to establish the moratorium on materials with volumetric residual radioactivity.

The DOE Task Force that I have established will evaluate public and stakeholder input, scientific analysis, and cost information in its deliberations and make policy recommendations to me this summer. We are also committed to working with the Nuclear Regulatory Commission and the National Academy of Science in their investigations of this issue.

Question. Does the Department have clearly established health-based guidelines and standards that oversee the release of these radioactively contaminated materials?

Answer. The Department's Order on Radiation Protection of the Public and the Environment (DOE Order 5400.5) established the Department's requirements, guidelines, standards, and processes for the management of both contaminated materials and materials that may be released. The Department believes this order to be protective of human health and the environment.

Question. Can you submit for the record the types, quantities, and recipients of these contaminated recycled metals and other materials that have been released from DOE facilities?

Answer. The Department has not centralized the collection of this data. The authority for most releases of materials has been delegated to the DOE Operations Offices in order to streamline the process and improve efficiency. The task force I established has begun efforts to collect data on materials that have been released. The Department has not determined a completion date for this effort, but we should have additional information available later this summer.

Question. What assurances can the Department give Congress that these releases of recycled materials are safe and that the consumers will not be unknowingly exposed when they buy food containers or drive their vehicles.

Answer. Materials with volumetric contamination are not being released. For materials with surface contamination, the material is decontaminated and monitored before release, using criteria that are consistent with Nuclear Regulatory Commission guidance and international radiation protection practices.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

ADVANCE GAS TURBINE SYSTEM (ATS)

Question. Secretary Richardson, thank you for coming before this Subcommittee to explain the Department of Energy's fiscal year 2001 budget request, contained within the Interior Appropriations bill. As you know, since 1997, Congress has been working under budget caps and, at times, it may seem that we are not developing alternative energy sources to the best of our ability, especially in light of what is going on with our national gas prices. One of the programs under DOE's Fossil Energy Research and Development has come under fire lately. Mr. Secretary, as you are aware, the Advance Gas Turbine System (ATS), of which DOE has been so instrumental in developing, is running into regulatory problems. These problems are not from DOE, but rather EPA. When the Energy Policy Act of 1992 was passed, DOE and General Electric (GE) entered into an agreement to develop the ATS in order to reduce NO_X emissions, and this project has been successful. The goal of this agreement was to produce a gas turbine that would reduce NO_X emissions to 9ppmmvd, and this has been achieved. But, EPA is now saying that NO_X emissions can be below the 9ppmvd level if selective catalytic reduction (SCR) add-on controls are used. DOE has invested $40 million in this project, while GE has invested over $100 million. The successful partnership between GE and DOE has created a world class product and given the GE facility a competitive advantage over foreign owned manufacturers. It is difficult for me to imagine that EPA would initiate a rule undoing the progress we have made in developing the next generation of gas turbine systems. Have you spoken with EPA regarding their regulatory control over the ATS and if so what is their position?

Answer. At the time, DOE and GE entered into a cooperative agreement to develop the ATS turbine, turbine efficiency goals of over 60 percent and NO_X emissions below 10 ppm were extremely challenging given that the industry was able to guarantee only 25 ppm on NO_X emissions. The NO_X emissions target for the ATS was made an even more formidable challenge due to the higher inlet temperature needed to achieve higher efficiency. The higher temperature makes it more difficult to reduce NO_X levels. The development of the ATS turbine represented a major breakthrough in turbine technology.

We have not yet met formally with EPA on the issue of NO_X reduction to 2.5 ppm as we are in the process of assessing the impact that the lower NO_X standard would have on these advanced turbines. However, we have been advised that industry representatives have met with EPA officials and have shared with EPA their concerns with regard to the 2.5 ppm NO_X restriction. The turbine industry is concerned that this more stringent regulation could result in additional costs and no net environmental benefits. Under the more stringent rules, the use of SCR would require an added ammonia management system introducing additional environmental issues. If net costs of the turbines were higher, then investments in the new turbines might not be made, less efficient existing turbines with currently higher NO_X output would continue to operate, and the full potential of highly efficient clean gas turbine systems might not be realized to meet the increased electricity demand. If the cited NO_X levels (which are based on thermal input into the turbine and do not factor in turbine efficiency) were adjusted to take into account turbine efficiency (i.e., NO_X output per unit of electricity output), the 9ppm NO_X levels of the ATS turbine would be reduced by another 20 percent compared to the 50 percent efficient turbine.

Question. If their position is that these turbines should use SCR, what is DOE's next step?

Answer. DOE is conducting an assessment of the net effect of incorporating SCR to reduce NO_X to 2.5 ppm could have on the deployment of these new turbines in the power market due to the added cost, and the attendant impact on overall cumulative emission reductions. In addition, if EPA maintains their position on lower NO_X at 2.5 ppm for new turbines, then DOE will evaluate the need for pursuing additional R&D to look for cost effective ways, with or without SCR, to meet these levels.

CONCLUSION OF HEARINGS

Senator GORTON. I thank you very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:44 a.m., Tuesday, April 11, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2001

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 ENERGY

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 supporting 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 is highly supportive and seeks enhancements of the Administration's fiscal year 2001 request for energy efficiency and alternative energy programs. The BCSE believes that the least intrusive and most efficient means of addressing our environmental challenges is by promoting 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 focus on several programs that the BCSE believes illustrate the value of the Federal Government's energy efficiency effort.

DISTRIBUTED POWER TECHNOLOGIES

The electric and natural gas systems are opening to the competitive marketplace, while greater emphasis is being placed on issues such as system reliability and power quality. Distributed systems can flourish in such a market, and can help advance our national goals of environmental improvements, energy security and a high-quality and reliable energy system. But the transition to a competitive marketplace has the effect of sharply diminishing available private sector research initiatives for these promising technologies. This is therefore a critical juncture for Federal RD&D support for these technologies.

Gas Turbine Technologies

Microturbines are small, 25–300 kilowatt (kW) gas turbines derived from automotive and truck turbochargers, aircraft or tanks auxiliary power units and small jet engines for drone aircraft. They are designed for distributed generation, combined heat and power (CHP) and mechanical drive prime mover applications. Technology improvements in materials, ceramics 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 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 9–40 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 $3 million above DOE's current request of $7 million for microturbine engine development research.

Advanced reciprocating engine systems (ARES) are the leading customer choice for distributed generation and CHP applications in the 300–3,000 kW 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 40,000–60,000 tons per year and CO_2 emissions reductions of 7.6–11.5 million tons.

Estimated annual savings in unburned natural gas (from improved efficiency) are approximately 110–170 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 $8 million for this research, $5 million over the DOE request.

Fuel Cell Technologies

BCSE member Plug Power, Inc. is developing Proton Exchange Membrane (PEM) fuel cells for residential applications. The 7 kW units provide enough power to run an average home and are the size of a small refrigerator. These units, which run on clean natural gas, are currently being field-tested and will be commercially available in 2001. Meanwhile, R&D efforts continue on units that run on other fuel sources and on combined heat and power units that will provide all the heat, hot water and electrical needs for America's families. The BCSE advocates an increase of $4 million for microcogeneration fuel cell research and development in the Office of Building, State and Community Programs.

BCSE board member Ballard Generation Systems recently began field trials on 250 kW natural gas PEM fuel cells. 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 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.

A key to the successful commercialization of the PEM fuel cell vehicle will be the availability of a safe on-board hydrogen storage device. BCSE member 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. 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. BCSE believes that the proposed DOE budget should be more aggressive in light of these benefits and urges the Committee to increase funds targeted to these technologies by $3.2 million.

Heat Pumps, Natural Gas Cooling & Appliances

Natural gas cooling technologies are especially energy efficient when measured on a life-cycle and/or full-cycle basis. In addition, 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, enabling this technology to play a significant role in offsetting the costliest electrical energy demand. 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), lower maintenance and use of environmentally-friendly refrigerants. DOE is working with industry to develop commercially feasible GAX heat pumps for commercialization. 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 is highly supportive of 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. In both the desiccant and the natural gas cooling areas, a recent roadmapping process has identified the combination of on-site power generation with these technologies, (Buildings Combined Cooling Heat and Power, or BCHP), to further reduce energy cost and use. The BCSE supports an increase of $2 million in the gas cooling area for integration of on-site power generation and space conditioning equipment.

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.

Buildings-related combined cooling, heating and power is a new initiative at DOE and fully supported by the BCSE. By integrating the various air ventilation, appliance, heating and cooling systems in a building with on-site power generation, such as the fuel cells or turbines mentioned above, you can improve efficiencies to over 80 percent and save consumers money on their utility bills.

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.

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 continued popularity of low fuel economy sport utility vehicles, pickup trucks and vans used for personal transportation, coupled with an expanding economy, increasing numbers of drivers and increasing miles traveled by each vehicle continues to raise overall national fuel consumption despite the run up in fuel prices. Spurred by 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. One of its singular accomplishments was the Ovonic Nickel-Metal Hydride (NiMH) electric vehicle battery developed by Ovonic Battery Co., a subsidiary of BCSE member Energy Conversion Devices. The Ovonic EV battery met or exceeded 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 tests. 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.

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. In fact, NGVs can reduce carbon monoxide (CO) emissions 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. When the Energy Policy Act was enacted in 1992, no original equipment manufacturers offered NGVs for sale and few NGV fueling stations were available. Today, over 93 NGV models are available and there are over 1,300 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. In fact, Italy has four times the number of NGV vehicles on the road compared with the U.S. (300,000 versus 75,000), demonstrating that the commitment to this technology in Europe is far greater than in the U.S., despite the fact that the United States is a leader in the development of these technologies. Additional research is required to reduce the initial cost of NGVs, which will encourage their widespread acceptance by the public.

DOE 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. The BCSE requests an additional $4.5 million appropriation for RD&D activities associated with the Advanced Combustion Engine R&D/Health Impacts Program, the Alternative Fuel/Environmental Impacts Program, and the Alternative Fuel/Medium and Heavy Duty Truck program. These appropriations would enable industry and the government to continue necessary toxicology and nanoparticulate research and promote the development of advanced NGVs. The BCSE also supports an additional $2.5 million for the Lightweight Materials Technology/Heavy Vehicle High Strength Weight Reduction Materials Program, to develop a prototype low pressure CNG fuel system.

The Clean Cities program is designed to accelerate the use of AFVs throughout the country. In fiscal year 2001, this program will focus on proven markets—such as school buses, transit buses, airport shuttles, taxis and delivery fleets—while expanding the critical infrastructure. Support for Clean Cities coalitions is provided through the DOE's State Energy Program (SEP) grants. BCSE supports the Administration's request for the Clean Cities program and respectfully requests an additional $5 million for SEP Special Projects.

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 utility 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 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.

INFRASTRUCTURE AND OPERATIONS

BCSE strongly supports and commends the DOE for its recognition that changes in the marketplace are adding new stresses to our energy delivery systems. The budget provides modest sums for modeling and research on the electric grid, to identify changes being caused by deregulation to flows of power. It also recognizes that the growing marketplace in the use of natural gas as a fuel will require adjustments to that infrastructure. DOE predicts that domestic natural gas use will increase by 47 percent by the year 2020. Such increased natural gas use would provide myriad benefits, but will also strain the existing delivery infrastructure.

FEDERAL ENERGY MANAGEMENT

The BCSE is extremely supportive of the Federal Energy Management program (FEMP) efforts at reducing Federal energy use through the use of energy service performance contracting, reducing energy use while minimizing up-front capital outlays. The Federal Government spends nearly $4 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, just like those occupied by private industry, often can be economically upgraded and retrofitted, reducing the energy required to provide essential building energy services. We believe every Federal Government agency should increase its utilization of energy service performance contracts to take advantage of this approach for upgrading facilities and reducing energy expenditures. To that end, the BCSE strongly supports the Budget Request of $31 million for FEMP activities with Federal agencies.

CONCLUSION

The Council recognizes that this fiscal year 2001 request for energy efficiency programs represents an increase over fiscal year 2000. 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 a variety of challenges from climate change to overdependence on imported oil.

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 the full potential of the "Industries of the Future" program can only be realized through appropriate funding levels deployed in ways that recognize the different nature of all the industries involved. 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 pre-competitive and crosscutting technologies, and the development and demonstration of advanced technologies beyond the normal risk profile of industrial companies.

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 2001 request of $185 million for the Office of Industrial Technologies.

Because of the complexity, size, and diversity of the chemical industry (more than 7,300 companies), CCR believes that additional and continuing activities to develop and renew the research agenda of Vision 2020 should be funded within the fiscal year 2001 request. Specific research programs should be funded in areas where technology roadmaps have been developed, including polymers and other materials, catalysis, separations, bio-processing, 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. OIT 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.

OIT's mission is well-aligned with that of the chemical industry; both stress significant reductions in energy, material, and water consumption per pound of chemical produced. OIT recognizes that the chemical industry faces costly economic cycles, high capital intensity, and new global competition that have reduced profit margins. The Office knows that the industry needs new technological solutions for its own R&D is being sacrificed to pay for high development costs aimed at incremental improvements. Despite its modest funding, the "Industries of the Future" framework plays a key role and exerts high leverage for the development of needed technologies.

The real impetus for economic growth will come from multi-disciplinary programs which link such fields as agricultural and forest products research with chemicals and petroleum processing technologies. To accomplish this, R&D will need to aggressively move into new fields like nanotechnology, biotechnology, and microreactors. These types of creative solutions require a close partnership among the three components of the research enterprise—industry, academia, and government. In today's technology-driven, global economy, these partnerships are essential. 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. Federal funding of the types of programs administered through OIT are the cornerstones for getting technology into the marketplace.

PREPARED STATEMENT OF HYDROCARBON TECHNOLOGIES, INC.

Hydrocarbon Technologies, Inc., respectfully asks for the Subcommittee's consideration when preparing the Interior and Related Agencies bill for fiscal year 2001 for the addition of $3 million to the Advanced Clean Fuel Research Programs for Coal under the Fossil Energy Research and Development Budget, B&R No. AA10200 (AS–89X213.91).

This additional funding is required to accelerate the development of ultra clean fuels utilizing HTI's carbon-coated (carbonous) catalysts with syngas. These catalysts will solve the inherent technical problems experienced by DOE and others with current iron and cobalt based catalysts and processes. This novel carbonous (carbon-coated) catalyst can be used in both slurry and fluidized (ebullated-bed) reactors using natural gas, oil, coal and/or biomass as the feedstock. The carbon-coated catalyst system doubles conversion, conserves energy, and will save 30 percent on the cost of producing ultra clean, high efficiency fuels versus conventional technology. Present stumbling blocks in the DOE-Gas to Liquids GTL) program, i.e. separation of the slurry catalyst from wax, excess catalyst attrition losses and, high product costs, can be overcome by this carbon-coated catalyst approach.

HTI is presently under contract with the U.S. DOE with a three-year ($583,000) contract that started in October, 1999. Our initial test results are extremely encouraging; showing a two-fold increase in catalyst strength and a 60 percent increase in surface area. With HTI's 40 years of experience in fluidized bed and supported catalyst processes, we believe this technology can and should be leap-frogged by a

$3 million/year program add-on. This would accelerate the program to the point of commercial demonstration within three years.

We realize the Committee has many competing issues to consider, and we appreciate your past consideration and assistance for our energy and environmental programs. We are now looking forward to working with the Committee to accomplish this technological breakthrough; this is an important issue for our nation as evidenced by the decrease in the domestic supply of fuels, the price escalation of oil beyond $30/per barrel and the new EPA clean fuel initiatives.

ADVANCED CLEAN FUELS RESEARCH—CARBON COATED (CARBONOUS) CATALYSTS IN EBULLATED BED REACTOR

The primary objective of this program is to develop and scale-up active, attrition-resistant, carbonous catalysts that will be used in the application of isothermal ebullated (fluidized) reactors to produce ultraclean fuels that are competitive with conventional fuels, and specialty chemicals from natural gas, biomass or coal.

Introduction

Fischer-Tropsch technology is a proven method to produce ultra-clean fuels that are essentially free of sulfur, nitrogen and aromatic compounds, which are the major cause of air pollution in the United States. Additionally, this process can be utilized to produce various chemical feedstocks. Natural gas, oil, biomass and coal can be reformed to synthesis gas which is then converted to high value liquid fuels and chemical feedstocks using the Fischer-Tropsch technology.

Historically, iron based catalysts have been the most commonly used catalyst in Fischer-Tropsch technology. Iron based catalysts are inexpensive and readily available, but are unable to stand up to the harsh conditions at which the process operates. Other problems are also inherent and have limited the full commercialization of the technology. Cobalt-based catalysts are also used, but the high cost of cobalt coupled with the inability to recover the cobalt catalyst exasperates the problem further by increasing costs.

HTI has invented and is developing a novel carbonous (carbon-coated) catalyst capable of addressing the inherent technical problems experienced with current iron and cobalt based catalysts. HTI's novel carbonous catalyst can be coupled with both slurry and ebullated-bed reactors. HTI presently is under contract with the United States Department of Energy (DOE) to further the development of this attritionresistant carbonous catalyst. Very positive results have been achieved and further work needs to be accelerated to prove the technical and economic feasibility of this novel carbonous catalyst and to bring this process to market.

Market/Economics

The energy market in the United States is growing and will continue to grow to meet rising energy demands. The environmental and supply impact to meet this energy need is coming under tremendous scrutiny and will require innovative technology to ensure that our environment is fully protected and that the use of domestic resources is maximized. Fischer-Tropsch technology can help to resolve the environmental and domestic resource issues in an economical way.

The products that result from the Fischer-Tropsch Process are clean transportation fuels (diesel and gasoline), petrochemical and specialty chemicals for consumer goods (coatings, cosmetics, health care products, adhesive, etc.) and high purity waxes.

Based on current economics of gas to liquid (GTL) processes, cost/barrel of product will be higher than those derived from petroleum; however, the products are cleaner, purer, have desirable diesel fuel characteristics and a portion is suitable for higher priced specialty markets. The products are also more environmentally friendly and more efficient thus would command a higher selling price. Current estimates indicate that at a 15 percent return the costs for this premium, high mileage fuel are about 1.25 times current crude oil price/barrel, if based on natural gas. With coal as the syngas feed, prices can be competitive with crude at current prices.

Environmental Impact/Benefits

Because of their very low sulfur and nitrogen content the fuels (diesel and gasoline) are clean burning. They are free of sulfur, nitrogen and other aromatic compounds. The U.S. Department of Energy has shown that the diesel fuels produced can yield "cetane" numbers of over 60 which yield auto transport mileage of up to 80 miles/gallon, thus greatly reducing greenhouse gas emissions. Sulfur dioxide emissions can be eliminated and particulates, nitrogen oxides (ozone) and carbon monoxide can be reduced by up to 30 percent.

A process will result that can produce a broad range of hydrocarbons safely, and economically since it avoids separation, attrition, erosion, and uniformity problems associated with current technologies. It will also provide much greater flexibility since various catalyst promoters can be applied and operated at steady state. Current processes operate as fixed-beds or slurry-beds. The fixed beds experience large temperature extremes, hot spots and catalyst deactivation and have to be shutdown to replace the catalyst. The slurry bed reactors have problems where erosion and separation of the catalyst from the waxy products is very difficult.

The proposed ebullated-bed carbonous catalyst process avoids these costly deficiencies. Ebullated-Bed reactor technology is currently commercially practiced for heavy-oil and distillate hydrocracking with over 12 plants world-wide.

The process using carbonous catalysts will produce ultra clean, high mileage transportation fuels, high value chemicals and wax products. It will result in a major improvement in Gas to Liquids (GTL) technology and provide us, if the program is accelerated as requested, with a domestic and secure fuel source for our transportation needs in the first quarter of the new millennium.

PREPARED STATEMENT OF THE ELECTRIC VEHICLE ASSOCIATION

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. A complete membership list is attached.

In 1994, the Association developed a ten-year commercialization plan for the development and commercialization of battery electric vehicles (BEVs), hybrid electric vehicles (HEVs) and fuel cell-electric vehicles (FCEVs). Phase I of the ten-year plan called for the successful entry of battery electric vehicles into limited early markets. 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. Some automakers also are considering the development of small, neighborhood battery electric vehicles (NEVs) which have niche applications in such areas as planned communities, college campuses, in station car applications and other urban settings where space and travel distances are limited and the air quality is poor.

All of these vehicles continue to be expensive. Until greater volumes are achieved, prices are likely to remain high. EVAA urges the Congress to assist industry in helping to reduce the cost to the early purchasers of EVs. By increasing the number of vehicles sold or used, the price of these emission-free modes of transportation will decrease.

Several automobile manufacturers have offered, or soon will offer, hybrid EVs to the market. Honda already is marketing the Insight hybrid vehicle into the U.S. and Toyota has announced that it will sell the Prius hybrid vehicle in the United States later this year. Other automakers have announced plans to bring hybrid electric vehicles to market in the near-term.

SECONDARY USE OF ADVANCED BATTERIES

Since the cost of advanced batteries has been, and continues to be, a major barrier to the successful commercialization of electric vehicles into the marketplace, the Association believes that the development of a secondary market to re-use EV batteries after their useful life in a vehicle could substantially reduce costs. A battery system that has been used in an electric vehicle is projected to retain up to 80 percent of its initial capacity after being used in the vehicle. The electric utility industry may be in a position to utilize these "used" batteries for peak shaving, transmission deferral, back-up power, and transmission quality improvements. The creation of a secondary market able to pay between $100–$200/kWh for EV batteries would reduce the net cost of such batteries for installation into vehicles to the $100–$150/kWh range if 10,000 such batteries were purchased annually in a secondary-use market. (The current price for nickel-metal hydride batteries ranges from $800–$1800/kWh.) At lower volumes (2000 packs annually) net costs would still be reduced dramatically to below $300/kWh. The challenge first is to demonstrate on a large scale the applicability of used EV battery packs in secondary use applications. The Association urges Congress to consider directing and funding the Department of Energy to undertake a multi-year program to demonstrate that EV batteries can be successfully used in a number of utility, stand-by, peak-shaving and transmission

quality improvement programs. Initial estimates suggest that a three-year $6 to $9 million cost-share program would address the questions about secondary uses. The objective of the program would be to gain sufficient experience to demonstrate that a secondary market for advanced batteries is available while also providing electric utilities and others with important information regarding the reliability, uses, and cost of EV batteries for these different types of applications.

CLEAN CITIES PROGRAM

The Department of Energy's Clean Cities Program is achieving results. This voluntary Federal program is accelerating and expanding the use of alternative fuel vehicles in communities across the country and providing refueling and maintenance facilities for their operation. As of January 2000, seventy-seven communities have joined the Clean Cities program. The fiscal year 2001 budget request includes $10 million for the Clean Cities program. The Association believes that, to the extent possible, additional funds should be allocated to this important program to assure that communities throughout the U.S. have the funds available to purchase electric vehicles and supporting infrastructure.

While the Department should be applauded for establishing the Clean Cities AFV Rebate Program, which allows Clean Cities to obtain a $2,000 rebate for each dedicated AFV purchased and/or leased, EVAA would encourage the DOE to allow electric ground support equipment, neighborhood electric vehicles and electric bikes and scooters to be eligible for these rebate funds. Expansion of the rebate program would encourage communities to incorporate additional clean, transportation alternatives into their transportation plans.

UNITED STATES ADVANCED BATTERY CONSORTIUM

In addition to identifying secondary markets for advanced batteries, the Association continues to support funding for the USABC and the Exploratory Technology Research Program at the $9.7 million level requested by the Administration. The USABC is a battery research and development program critical to the advancement of EVs. Through USABC's nickel-metal hydride battery development contracts, industry and government, working together, have achieved the cost reduction targets to meet USABC goals. Nickel-metal hydride batteries are now being utilized by many of the automobile manufacturers in their EV product offerings which significantly increases vehicle range and performance. This year, the program will support research and development on long-term advanced lithium-based batteries for EVs. The potential of lithium-based technology is to offer even greater range and lower cost.

HYBRID SYSTEMS RESEARCH AND 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 fiscal year 2001 goals include an emphasis on power electronics and high power energy storage, two critical enablers for hybrid propulsion systems. DOE also intends to conduct studies to determine the potential for improving the fuel efficiency of sport utility vehicles (SUVs) by combining applicable advanced automotive technologies with technology improvements unique to SUVs. The Administration's fiscal year 2001 budget request for the Hybrid Systems Research and Development Program is $47.8 million.

VEHICLE FIELD TEST AND EVALUATION PROGRAM

The Administration's fiscal year 2001 budget request includes $4 million for the Vehicle Field Test and Evaluation Program. These funds would be used to begin acquisition of light, medium and heavy-duty hybrid electric vehicles for performance and emissions testing.

EVAA believes that this program should be used to help fund the increased use of AFVs by the Federal agencies. In fact, EVAA applauds DOE for utilizing $2 million in fiscal year 2000 funds to assist the United States Postal Service (USPS) with the acquisition of 500 electric vehicles for use by postal services in Southern California and Greater Washington, D.C. Depending on the success of this initial EV purchase, it is anticipated that the USPS will issue a solicitation for 5,500 additional electric vehicles over the next four years.

OTHER DEPARTMENT OF ENERGY PROGRAMS OF INTEREST

In order to assure that the marketplace is prepared and receptive to new forms of transportation like EVs, the Association encourages full funding, at the levels re-

quested by the Administration, for two other DOE programs: the EPAct Replacement Fuels Program and Fuel Cells Research and Development. The Administration's fiscal year 2001 budget request includes $2 million for the EPAct Replacement Fuels Program to track and improve compliance with EPAct alternative fuel vehicle programs. A total of $41.5 million in funding is 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 investments by DOE encourage investment by industry and help to build market acceptance for alternative fuel vehicles.

CONCLUSION

The success of electric vehicles in the marketplace continues to require industry and government, working together, to bring down the costs of these environmentally superior technologies. The Federal Government's role should continue to focus on participating with industry in efforts to advance electric transportation technologies through programs like the USABC; to join industry in the test and evaluation of the latest EV/HEV technologies through programs like the Vehicle 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 EVs; and, to use the purchasing power of the Federal Government to increase the market for EVs. 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 NATIONAL RESEARCH CENTER FOR COAL AND ENERGY, WEST VIRGINIA UNIVERSITY

Chairman Gorton and Members of the Subcommittee: Thank you for the opportunity to offer testimony and make recommendations regarding the programs of the U.S. DOE in fossil energy and energy conservation.

RECOMMENDATIONS CONCERNING FOSSIL ENERGY PROGRAMS

Forecasts prepared by the Energy Information Administration and many other credible organizations predict increased reliance on coal for power generation. We are dissatisfied with the Administration's budget recommendation that funding for Coal and Power Systems research be reduced by almost $19 million from the fiscal year 2000 appropriations and also with the proposed overall reduction of $28 million for Fossil Energy Research and Development. For fiscal year 2001, funding for Fossil Energy R&D should be increased to at least $433 million, the level recommended in the 1997 PCAST report on Challenges for the 21st Century. Most of these funding increases should be allocated for coal research. We will cite specific program elements in the remainder of our testimony where increased funding is recommended.

Transportation Fuels and Chemicals.—In addition to coal's traditional role in electric power generation, recent economic losses associated with the increased price of petroleum mandate expanded use of coal in the production of clean transportation fuels and value-added chemicals. We recommend that the Transportation Fuels and Chemicals line item be increased by $3 million to initiate a partnership program with academic and industrial researchers to develop technology for producing chemical blending stocks, additives, and lubricants for transportation fuels and chemicals. Co-production plants which generate electric power along with fuels and chemicals are a vital key to deployment of advanced coal technologies under the Vision 21 program. We support the new initiative in Ultra Clean Fuels in cooperation with the Office of Transportation Technologies. One third of Fossil Energy's share of the funding should be used for developing coal-based fuels.

Advanced Separations.—The Administration has requested only $377,000 for a program in Advanced Separations for developing new technologies for solid-solid and solid-liquid separations directed toward fuels production and use. These technologies will apply for transportation fuels and chemicals production, increase the reliability of advanced systems such as Vision 21 plants which involve many solids handling processes, and increase the efficiency of producing fuels and minerals while protecting the environment. We recommend that funding for this line item be increased to $3 million.

Vision 21 and Advanced Energy Systems Programs.—We are concerned about the low rate of deployment of new technologies into the power generation sector. Federal support is greatly needed to bring the new technologies developed over the past decade to market readiness. Power generation developers will be making decisions in

the near future about selecting plants that will last for another fifty years. We need a vigorous program of research which will enable rapid commercialization of advanced technologies. In some of these advanced technology sectors which are integral modules of Vision 21 plants, European countries are taking the leadership initiative from us. Unless we can develop our technologies to deployment status in the near future, our window of opportunity for commercializing new technologies will be missed. We support full funding for the carbon sequestration program outlined in the Administration's budget and express similar support for other elements of the program such as fuel cells, gas turbines, and the development of advanced materials and systems.

Carbon Products and Advanced Fuels Research.—Coal can also be used for generating high value products such as carbon fibers and foam. West Virginia University is developing innovative ways to generate such products based on technologies using advanced processing techniques. We request $1.7 million to continue our research program which was initiated last year by the Subcommittee at a level of $300,000 in the Advanced Fuels Research program.

Oil and Natural Gas Research Programs.—The methane hydrates program offers potential to recover vast amounts of fuel which is low in carbon intensity. In support of recent action by the House on H.R. 1753, we recommend that funding for this program be increased to at least a level of $8 million for fiscal year 2001. We also recommend support for the Infrastructure Technology initiative to increase the reliability of the gas transmission and distribution network. This program is necessary to ensure that gas supplies can be delivered when needed during critical periods in addition to implementing technologies which will reduce the emission of methane, a greenhouse gas, to the environment. The National Energy Technology Laboratory will receive proposals by April 24, 2000 regarding Phase III of the coal mine methane program supported by the Subcommittee last year. We recommend continued funding of this program to enable completion of the projects to be selected. While we estimate that at least $3 million will be needed for fiscal year 2001, we recommend that the Subcommittee request a report from NETL regarding funding needs after the proposals are received. The Petroleum Technology Transfer Council Resource Center program is a valuable asset to our small producers in West Virginia and should be continued.

National Energy Technology Laboratory Initiatives.—We have observed that the number of industrial laboratories conducting energy research, especially in coal, has decreased over the past decade. There is need for a national center which conducts advanced research in fossil energy in all areas from extraction to byproduct utilization. We recommend that funding for this newest laboratory be enhanced to enable it to provide leadership in research and provide opportunities to nurture our future energy scientists through enhanced opportunities for academic research programs. Three new centers of excellence were proposed for NETL for fiscal year 2001 in the areas of Supercomputing, Sequestration, and Advanced Natural Gas Studies. We are appreciative of NETL involving West Virginia University as a partner in sharing access to high speed computing connections into our State to support their Morgantown Center. We support full funding for these Centers of Excellence as outlined in the Administration's request.

RECOMMENDATIONS CONCERNING ENERGY CONSERVATION PROGRAMS

Office of Transportation Technologies

The Administration has requested a funding increase of 12 percent for transportation technologies programs for fiscal year 2001. We support this request and will address our comments to several aspects of the OTT program. The OTT staff are commended for their interaction with industry in developing their programs.

Research is needed to enable deployment of diesel engine technology into lighter weight vehicles in addition to improving the performance of Class 7 and Class 8 vehicles. Our window of opportunity to develop these technologies will likely close by 2004 when manufacturers will need to make choices for the future. Funding for engine research should be provided to enable an aggressive program to be completed in a meaningful time frame for deployment.

OTT will invest at least $17 million in the Advanced Petroleum-Based Fuels and Ultra Clean Fuel initiatives in fiscal year 2001, including an emphasis on combustion and after treatment R&D. Cleaner fuels with a sulfur content of less than 15 ppm are needed to meet proposed EPA mandates for heavy duty diesels. Cars will face similar limits in sulfur content for gasoline fuels. The C–1 Chemistry program offers opportunities to develop technologies using our indigenous resources of natural gas and coal to produce high quality liquid fuels which have reduced emissions. We recommend continued support at a level $1.2 million for fiscal year 2001 for the

C–1 Chemistry program conducted by the Consortium for Fossil Fuel Liquefaction Science.

Other areas which should be emphasized include work in developing materials for fuel cell systems, performance and life cycle testing of advanced lithium-based batteries, and materials development for natural gas storage in carbon fiber systems. We recommend emphasis on developing effective natural gas systems for vehicle applications. The research programs proposed for PNGV applications using hybrid natural gas systems will enable new technologies to be developed for application to both the automobile and the light truck markets.

We urge the Department to move more aggressively to meet the targets outlined in the Energy Policy Act of 1992 in finding alternative fuels to displace petroleum imports and to increase the deployment and operation of alternative fueled vehicles. Technology Deployment initiatives proposed for fiscal year 2001 will be enhanced by cooperation with State governments. Strengthening of the State Energy Program (SEP) grant award program will increase opportunities for deployment of alternative fueled vehicles at local levels. We recommend the funding and deployment of a natural gas cylinder inspection program to provide additional support for maintenance and infrastructure development in deploying natural gas vehicles.

Office of Industrial Technologies

The Administration has recommended an increase of 5 percent for the OIT programs for fiscal year 2001. We find these programs to be relevant to West Virginia and are supportive of this recommendation. For example, 53 percent of the total manufacturing in West Virginia, exclusive of the mining sector, occurs in industries in which there are IOF programs. Our industries have worked closely with the DOE IOF program for many years through the development and implementation of a State IOF program. We find the State IOF program to be of value and recommend that the Department develop a technical assistance program designed to assist other states in integrating more fully with the national IOF activities. This technical assistance program should be implemented in 2001 at the latest.

The Mining IOF program is particularly important in view of the absence of a federal mining technology laboratory and the continued decline in the number of in-house research laboratories supported by the mining industry. We recommend continued strengthening of this component of the IOF program.

We commend IOF staff on their interactions with industry in the development of research programs.

Thank you for the opportunity to appear before the Subcommittee to provide oral testimony. We will be pleased to provide additional information at your request.

PREPARED STATEMENT OF THE NATIONAL CORN GROWERS ASSOCIATION

The National Corn Growers Association (NCGA), representing 30,000 corn growers in 48 States, appreciates the opportunity to provide the Subcommittee with our recommendations regarding the fiscal year 2001 Interior appropriations bill. We, strongly, urge you to provide a minimum of $13 million in funding for the Agricultural Vision, the Plant/Crop-Based Renewable Resources Vision 2020 program that is funded under the Department of Energy's Industries of the Future (specific) program within the Energy Conservation budget.

Since 1996, the U.S. agricultural, forestry, and chemical communities have worked with DOE to develop a long-term, strategic vision based on increased utilization of renewable inputs for basic, chemical building blocks that would be used to produce a wide range of everyday consumer goods, such as plastics, paints, carpet fibers, adhesives, anti-freeze, and personal care products. The Agricultural Vision is for plants, instead of petroleum, to serve as the feedstock for 10 percent of the chemical building blocks market by 2020 and 50 percent 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. If plants were the feedstock for 10 percent of this market, farm income would increase by more than $5 billion per year, greenhouse gas emissions would be reduced, recycling opportunities would be increased, and, most importantly, our dependence on foreign oil would decrease.

As we have experienced first hand over the past few months, the power of unstable oil exporting countries affects, dramatically, the price of gasoline, heating oil, and many consumer goods, such as plastics, due to 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 will grow to over 65 percent.

While we have a finite supply of fossil fuels, we have abundant plant/crop-based resources that are renewable over short periods of time (e.g., annual and perennial

crops). The most significant opportunity to help offset the need for imported oil is the use of alternative feedstocks that can be derived from renewable plants and crops. Renewable materials, from American-grown crops can provide many of the same basic, chemical building blocks as petrochemicals, and can provide others that petrochemicals cannot.

Currently, the U.S. chemical industry utilizes about 900 million barrels of oil annually (approximately 12–14 percent of total U.S. oil consumption) to produce organic chemicals. The carbon contained in 900 million barrels of oil can be produced from renewable feedstocks on about 80 million acres of land, about equal to current corn production. Using historical, average prices for corn and oil, the cost of carbon from corn approaches the cost of carbon from oil. The recent escalating fuel prices should serve as a wake-up call for research that will provide us with a secure, long-term supply of durable, high performance raw material inputs.

To achieve the bold vision, we must begin laying the research foundation today. If we are to realize, fully, the potential for bio-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 Agricultural 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 Technology 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 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 separation methods—membranes, distillation, etc.; and
—Utilization—understand structure function relationships for plant constituents (protein, starch, etc).

While each of these individual areas of opportunity is important, it is critical for us to develop all of the areas simultaneously and to develop integrated strategies for chemical production. We need funding for projects that will cover the full scope of the R&D needs, from basic plant science to utilization. Multi-disciplinary research, along several different pathways, will be necessary to improve the performance of plant resources as raw materials.

We are at a unique place in history as the tools that are revolutionizing plant-based science and technology are beginning to be available. The advantage of modern molecular tools is that we will meet future demand with the increasing use of renewable resources as basic, chemical building blocks. The disadvantage is that for modern science to deliver the "leap-frog" technology to achieve our goals, projects must be large, multi-institutional including public and private sector participants, and multi-disciplinary with emphases on biology, chemistry, and engineering. Of necessity, these projects are expensive and a significant level of funding must be provided if they are to be successful.

While the Administration requested $13 million for the Agricultural Vision, the budget proposes to take $5 million of that amount (almost 40 percent) and put it into the Administration's Bio-Energy Initiative where the funding could also be used for research on power and fuels. While we support the bi-partisan, Bio-Energy Initiative, we do not want to sacrifice funding for the Agricultural Vision.

We appreciate that the Administration proposes to increase funding for the Agricultural Vision to $8 million; however, funding for the Agricultural Vision pales in comparison to the bio-power and bio-fuels programs at DOE. As you know, the DOE bio-power and bio-fuels programs are both proposed to be funded in the $40–$50 million range. Our greatest opportunities over the next few years are in the bio-products area and funding in this area is substantially below the level needed for multi-disciplinary research that has clear linkages across all of the highest priorities in the Roadmap. The Agricultural Vision is the only program focused, solely, on increasing the use of renewable resources for chemicals (for bio-products) and is the only program focused on the R&D agenda outlined in the Agricultural Vision's Technology Roadmap. A 50 percent cost-share is required for all of the projects funded under the Agricultural Vision program and the projects must address the OIT mission of improving energy efficiency and environmental performance.

We will be able to reduce our reliance on imported oil much sooner if we focus our efforts towards the ambitious Agricultural Vision and act now to fund much needed research. 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 $13 million, devoted to R&D needs outlined in the Agricultural Vision's Technology Roadmap, funding could be provided for projects that address the highest priorities in each of the four major research categories listed in the Roadmap.

We, strongly, urge you to provide a minimum of $13 million for fiscal year 2001 for OIT to implement, more fully, the Agricultural Vision's Technology Roadmap. This funding will help to decrease our dependence on imported oil. We look forward to working with you as we lay the foundation for renewable chemical building blocks.

Thank you, again, for this opportunity to provide you with our recommendations for the fiscal year 2001 Interior appropriations bill.

PREPARED STATEMENT OF THE SCHOOL OF MINERAL ENGINEERING, UNIVERSITY OF ALASKA, FAIRBANKS

I strongly encourage the Subcommittee to support DOE's fiscal year 2001 budget request of $8.5 million for the Emerging Processing Technology Applications program within the Fossil Energy-Natural Gas Research budget. This program includes $4.4 million to continue the ceramic membrane-based ITM Syngas project, an 8½ year, $87 million cost-shared project that promises to significantly lower the cost of converting natural gas to a liquid fuel, resulting in the use of vast domestic remote resources of natural gas that cannot be economically delivered via pipeline to market.

Experts estimate that there is more than 38 TCF of recoverable remote gas on the Alaskan North Slope. In a recent circular, the United States Geological Survey estimates that there is more than double that amount of technically recoverable remote reserves in undiscovered fields in Alaska as well as offshore reserves in deep waters in the Gulf of Mexico and along the Pacific coast.

Alaska's challenge for years has been how to economically produce and transport its remote natural gas to market in an environmentally responsible way within a very competitive international economy. Domestic oil production, especially the large fields in Alaska, is on a decline, and petroleum imports are projected to exceed 60 percent of our national needs by 2010. Already, in Alaska, 4 out of 11 (36 percent) operating pumping stations for the Trans Alaskan Pipeline System (TAPS) have been shut down and placed on standby. As the production decline continues, the long-term viability of the TAPS is uncertain. Therefore, developing a means to recover and transport remote natural gas in Alaska is of vital importance to the Alaskan economy, the nation and potentially to the future of the TAPS. Unfortunately, current technologies are far too costly for reserve owners to bring most of Alaska's gas to market.

A promising solution is to convert the remote gas to transportable liquid products, which could be easily delivered to the market in the lower 48 States using the existing petroleum infrastructure in Alaska. The University of Alaska, Fairbanks, School of Mineral Engineering, is working with the Department of Energy to conduct an evaluation of various methods for transporting gas-to-liquid (GTL) products, commonly called "white crude," through the existing TAPS. Utilizing the TAPS for GTL product transport will significantly increase its operating lifetime. In addition, it will further enable the recovery of 1–2 billion barrels of oil from the North Slope, which would remain unrecoverable if the pipeline were to be prematurely shut down.

However, utilization of gas-to-liquids conversion technology is dependent on developing a low-cost alternative for synthesis gas production, the first processing step in which natural gas is converted to a mixture of hydrogen and carbon monoxide before being processed by Fischer-Tropsch (FT) technology to make liquids. Through a team led by Air Products and Chemicals, Inc. of Allentown, Pa., the Department of Energy's Natural Gas Research Program has been sponsoring a multi-phase development of an important new synthesis gas technology—referred to as ITM Syngas. This technology is based upon a novel ceramic membrane reactor that could significantly reduce the cost of syngas production, enabling economic gas-to-liquids conversion. Completed conceptual process design and economics for ITM Syngas show a >33 percent capital cost savings versus conventional autothermal reforming/cryogenic air separation. The University of Alaska, Fairbanks, School of Mineral Engineering, is a participant in the ITM Syngas project team, along with Pacific North-

west National Laboratories, Ceramatec, Chevron, Norsk Hydro, Eltron Research, McDermott International, the University of Pennsylvania and Penn State University. When successfully developed, this technology will result in a major step change in the conversion of natural gas to hydrogen and synthesis gas for liquid fuels, and for chemicals.

Over the past few years, the project team has made significant progress at the laboratory scale in the parallel path development of new materials, catalysts, seals, reactor designs, ceramic powder and membrane fabrication, process design and engineering and economic evaluation. The first phase is being successfully completed and the project is moving forward into Phase 2 where the technology developed in Phase 1 will first be validated in a process development unit operating at a nominal scale of 24,000 SCF per day of synthesis gas product (equivalent to 0.75 bbl/day of liquid fuel products) and scaled-up to an engineering prototype system operating at a nominal scale of 500,000 SCF per day (equivalent to 15 bbl/day of liquid fuel products).

The continued development of the ITM Syngas process will require a substantial financial investment by both the private and the public sector before a commercial technology can be realized. Since initiating this project in 1997, in response to a competitive DOE procurement, the Air Products-led project team has provided 50 percent cost-share of ITM Syngas development and has agreed to full payback of the Federal funding contribution should the technology be successfully commercialized.

The FT GTL product is exceptionally clean burning, high cetane diesel fuel that is environmentally acceptable. Further, in a climate of high gas prices due to world crude supply restrictions, the Alaskan North Slope GTL process, made economically feasible by ITM Syngas, will reduce the U.S. dependency on oil imports.

In addition, the ITM Syngas process is ideally suited to generate hydrogen in the size ranges required for the distributed hydrogen required for future fuel cell powered vehicles and stationary fuel cell power generators. Cheaper hydrogen made possible by ITM Syngas will also help the petroleum refineries meet increased hydrogen demand for Clean Air Act-driven oxygenated gasoline, reformulated gasoline, lower-sulfur diesel fuels and upgrading of heavier and high-sulfur crude oils.

A major reduction in the cost of producing synthesis gas via ITM Syngas will also have a cross-cutting impact on many U. S. industries which depend upon synthesis gas as a raw material in the manufacture of commodity chemicals and consumer goods, such as clean-fuel additives, rubber, polyester textiles, urethane foam, plastics, paint, detergents, and fertilizers.

Furthermore, the ITM Syngas technology will have a favorable environmental impact on the North Slope due to a substantial reduction in the emission of greenhouse gases and pollutants (CO_2, CH_4, NO_X and SO_X). A viable GTL technology will virtually eliminate the need for the current practice of flaring the associated natural gas and will reduce gas combustion requirements for wellhead reinjection, all of which are sources of pollutants.

In conclusion, I would like to restate the importance of the Department of Energy's Emerging Processing Technology Applications program within the Fossil Energy-Natural Gas Research budget. This shared investment by government, industry, universities and national laboratories in developing new energy technology to efficiently use our natural gas resources is integral to our nation's efforts to protect our future economy from escalating energy costs and to improve environmental quality. I strongly believe that new gas processing technology, such as the ITM Syngas will not only benefit the citizens of Alaska, but will also enhance the global competitiveness of our nation as we move forward into the 21st century.

PREPARED STATEMENT OF THE 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 2001 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 Surface Mining, the Bureau of Land Management and the Forest Service.

[1] The NMA has not received a Federal grant, contract, or subcontract in fiscal years 2000, 1999, or 1998.

OFFICE OF FOSSIL ENERGY

The Department of Energy's (DOE) 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 fiscal year 2001 budget request for coal and power systems shows a decrease of $18 million from fiscal year 2000 levels, $212 to $194 million. At a minimum, given the importance of coal to the existing generating mix and the need to develop technologies to allow the currently operating fleet to meet new environmental and efficiency requirements, the fiscal year 2001 budget should be above fiscal year 2000 levels.

The Clean Coal Technology Program has been one of the most successful cooperative R, D &D efforts between the government and industry having demonstrated a number of first of a kind technologies to enable coal to meet current environmental and performance standards. However, the current program lacks the means to move these emerging technologies from demonstration to commercialization. The DOE fiscal year 2001 budget request calls for rescinding $105 million from appropriations for the Clean Coal Technology Program. NMA opposes this rescission. However, if funds are available from this program the NMA recommends that they be redirected to address the need for the development and commercial application of lower cost retrofit and re-powering technologies for existing coal-based generating facilities.

To address ever expanding environmental requirements, NMA supports inclusion of funding for low emission boiler systems and the ongoing work on pressurized fluidized bed combustion, primarily at the Wilsonville Power System Development plant.

Vision 21 looks to the future where highly efficient power plants will continue to use coal and other fossil fuels to provide Americans with low-cost energy and other products. At the same time, air emissions will be reduced completely with any remaining carbon offset through sequestration. Vision 21 will incorporate and expand many of the technologies developed in the Clean Coal programs (e.g., PFBC and IGCC). The work that DOE is proposing for fiscal year 2001 is critical if Vision 21 technologies are to be demonstrated by 2015. This program is of sufficient importance to support funding above the requested $41.2 million. The Department's plan to defer needed Coal Technology funding should be rejected. We also advocate the Los Alamos National Laboratory's research request of $1 million to assist with the development of the Zero Emission Coal Alliance project. ZECA will improve existing technology to double the net efficiency of coal-based generation and produce a concentrated stream of carbon dioxide that can be sequestered.

Carbon Sequestration Methods offer an alternative to emitting carbon dioxide to the atmosphere. They will provide an opportunity to use the Nation's existing energy infrastructure and the new plants developed by Vision 21. Most of these projects will be a longer term, with the exception of projects such as the ZECA project described above. Research is needed now to determine whether carbon can be sequestered safely underground or in the ocean, as well as in greater amounts through increased vegetation. NMA supports DOE Fossil Energy's request for an increase in carbon sequestration funding to $19.5 million although this request could certainly be sharply higher. We would also encourage additional funding of $3 million to continue Los Alamos National Laboratory's promising research in sequestering carbon in semiarid lands first utilizing abandoned mine lands.

Coal Research and Development.—It is important to continue funding for coal preparation and liquefaction technologies. Advanced coal preparation technologies promise to reduce the cost of continued use of coal in traditional applications in large industrial and electric utility boilers. It is important to continue the industry cost-shared research work on technologies for the manufacturing of carbon products. Research in the areas of advanced technologies for solid-solid and solid-liquid separations directed toward fuel production and use is equally important. DOE has requested $377 thousand for this advanced separation technology initiative. NMA requests that the budget allocation for this effort be increased to $3 million to support this long-term high risk project.

NMA supports increasing the DOE Fine Particulate and Hazardous Pollutants budget by $1.765 million to continue funding the Steubenville Comprehensive Air Monitoring Program (SCAMP). SCAMP will develop information that is essential for defining the relationship between fine particulate matter (PM) concentrations in ambient air and the fine PM concentrations to which individuals are exposed. SCAMP is co-funded by the Department of Energy, the Ohio Coal Development Office, the National Mining Association, the American Petroleum Institute, the Electric Power Research Institute, the American Iron and Steel Institute, and CONSOL Inc. SCAMP will provide fine particulate data to assist State and Federal environ-

mental authorities in assessing the relationship between the source and concentrations of fine PM in ambient air and personal exposure. DOE initiated the program with fiscal year 2000 funds that were used to purchase equipment, prepare operating manuals, conduct studies to establish data comparability, and begin work by the Harvard School of Public Health, Ohio University, Wheeling Jesuit University, St. Vincent College, and Optimal Inc. to operate and maintain ambient air sampling and monitoring stations.

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 option.

OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

The Mining Industry of the Future Program.—The research priorities developed through this industry/government partnership offer important direction to the Department of Energy, industry and Congress as the research agenda needed for a sustainable mining industry in the 21st Century. In 1999, a technology roadmap was completed which defines research requirements that address all aspects of the industry and two solicitations for crosscutting technology proposals were issued.

Ten projects were awarded funding under the first crosscutting solicitation although 23 worthwhile proposals were received. Sixty-two proposals are being evaluated in response to the second crosscutting solicitation. These proposals total about $52 million—at 50 percent, DOE's cost share would be about $26 million. The $4 million dollars that DOE has requested for mining for fiscal year 2001 is clearly too low to meet the needs of the program. NMA respectfully requests that the Mining Industry of the Future Program be funded at $8 million in fiscal year 2001.

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 for the purpose of providing "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 equal to fee receipts; however, we strongly oppose the proposed 10-year extension of the AML tax on coal operators. Any change in the AML tax must be closely scrutinized before any proposal to change the current scheme is considered. Among the things that should be analyzed is the amount of money that is used to administer the program and whether the Federal administration is effective in light of the maturity and effectiveness of the Federally—approved State AML programs.

NMA has often expressed its concern over the lack of adequate funding for States under the Title V grant program. States have long ago shown the expertise and the will to manage strong and effective surface mining programs. NMA is pleased to note that the Administration is seeking an increase in the funding level for State implementation of SMCRA. NMA is further encouraged by the agency's proposal to fully-fund minimum AML program states in the statutorily authorized amount of $2 million.

BUREAU OF LAND MANAGEMENT AND THE FOREST SERVICE

For years, NMA has maintained that static funding of the mining, minerals and geology functions at the BLM and the Forest Service is insufficient to carry out the agencies' mining and minerals function effectively. In October 1998, Congress adopted the Interior Appropriations for fiscal year 1999 that provided $800,000 for the National Academy of Sciences ("NAS") to conduct a comprehensive study to determine the adequacy of the existing Federal surface management rules regarding hardrock mining. One important finding of this NAS report was that the BLM and the Forest Service should review the adequacy of staff and resources devoted to regulating mining operations. In light of this finding, NMA is deeply concerned by the fact that neither the BLM nor the Forest Service has referenced the report or made an attempt to justify existing funding levels or increase funding to ensure that the existing array of Federal mining regulations (that were found by the NAS to be generally effective in protecting the environment) are effectively implemented.

Instead of proposing to adequately fund its existing hardrock regulatory program as recommended by the NAS, the BLM has proposed a massive rewrite of its regulations which the agency says will cost an additional 25 to 35 percent more than the existing underfunded program will (according to its own Draft Environmental Impact Statement.) It appears that the Administration has set its mining regulation program on self-destruct in order to create the illusion that the existing Mining Law must be completely rewritten.

NMA also questions the reasoning behind the failure of the Forest Service to request the necessary funding to maintain the national forest transportation system while simultaneously using an $8.4 billion backlog of deferred road maintenance and reconstruction as an excuse to deny the American public access to its land. This action, combined with the actions of the Secretary of the Interior and the President in unilaterally withdrawing millions of acres of potentially valuable mineral lands from public use, is extremely dangerous for a Nation whose citizens consume 47,000 pounds of newly mined minerals each year.

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 minerals 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.

CROSSCUTTING ACTIVITY

The NMA, the Interstate Mining Compact Commission and several Federal agencies (OSM, BLM, DOE, and USGS) have actively participated in the Acid Drainage Technology Initiative (ADTI) since 1995. The ADTI is a nationwide technology development program with a guiding principle of building a consensus among Federal and State regulatory agencies, universities and consulting firms, to predict and remediate acid drainage from active and inactive coal and metal mines. It is not a regulatory or policy development program.

This collaborative effort receives funding and other support from industry and several Federal agencies for specific projects. For example, the Office of Surface Mining has provided the ADTI $200,000 for the last two fiscal years which has been a consistent source of funding for activities related to acid mine drainage from coal mining and has been instrumental in accomplishing the ADTI's short-term goals. No similar source of funding has been available for activities related to acid drainage from metal mining to date. If each of the Federal agencies, OSM, BLM, DOE, USGS, and other agencies as appropriate, were provided funds to commit $100–200,000 toward ADTI, approximately $1 million would be available to support the work of this vital initiative.

PREPARED STATEMENT OF THE COAL UTILIZATION RESEARCH COUNCIL

These written comments are submitted on behalf of the members of the 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 and chemical companies. Members of CURC share a common vision of the strategic importance for this country's continued utilization of coal in a cost-effective and environmentally acceptable manner. The CURC membership also believes that coal-based generation should be preserved to ensure a diversity of fuel supply, produce affordable and reliable electricity, maintain a strong U.S. economy and help stabilize the balance of payments.

INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

CURC has developed a strategic R&D program designed to ensure the continued use of our Nation's coal resources. The coal-based R&D program is described in a CURC technology "roadmap" which is an essential tool by which the CURC membership judges the adequacy and timeliness of R&D programs.

The roadmap identifies a number of advanced coal-based electricity generating systems that, if fully developed, would insure continued cost effective, efficient and environmentally acceptable use of coal. Because the ultimate economic viability and technical feasibility of any single coal utilization technology cannot be assured, CURC strongly advocates the development of a portfolio of options. The roadmap identifies a number of high-priority, advanced coal-based power systems as well as the timeframes and performance requirements of the components for those systems. If critical components of a particular system are not developed in a timely manner, a promising technology may not materialize.

CURC believes that funding of the Department's fiscal year 2001 budget request as well as future funding requests should be guided by the roadmap's R&D goals. In a number of important areas DOE's fiscal year 2001 budget request falls short of the roadmap's goals. In fact, this year's request is actually lower than amounts appropriated in fiscal year 2000. We believe that funding levels in several areas need to be increased or at least maintained at current levels if the technology objectives defined in the roadmap are to be achieved in a timely fashion. In consideration of the technologies and goals identified in the roadmap, the CURC is recommending that the Committee modify the budget request as follows:

—*Advanced research (formerly AR&TD)*.—Coal Utilization Science and Materials—While the budget for "advanced research" programs has been increased overall, the request for coal utilization science (basic research) has been reduced. In addition, in that area judged by the CURC membership to be among the most important to future coal-based power systems—basic materials—a modest $350,000 increase has been requested for the materials program. Rather than increase funding in science and materials, the DOE requested increase is to support a new international initiative, a coal technology exports program and new funding for a "center of excellence." Advanced materials as well as basic science are central to technology improvements and increased funding is essential. Included in CURC's recommendations is work to advance high temperature heat exchanger materials, including novel alloys and ceramics, to enable power plant efficiency improvements. CURC also recommends that industry and government undertake an advanced materials program to be funded for multiple years. (RECOMMENDED INCREASE: Add $2.0 million of new appropriations to initiate a multi-year advanced materials program in support of central system power stations. Restore $1.0 million for coal utilization science and utilize these funds, in part, to continue support for university research programs. Further, we recommend that the proposed international initiatives be clarified for relevance with respect to the development and deployment of advanced technologies in countries DOE has specifically targeted. We also recommend that the Department consult directly with industry in the development of the proposed coal technology export program.)

—*Advanced systems*.—Integrated Gasification Combined Cycle (IGCC) and Pressurized Fluidized Bed (PFB)—Funding requests for the PFB and IGCC systems have been reduced from fiscal year 2000 levels by more than $4.0 million. These systems are among the most promising technologies and central to achieving the environmental, efficiency and cost goals encompassed in the roadmap. Funding should be restored to last year's levels and increased in light of both increasing natural gas prices as well as increased reliance upon natural gas imports (15 percent of U.S. consumption was imported in 1999). (RECOMMENDED INCREASE: Restore $4.0 million and increase the overall ad-

vanced systems program (i.e., indirect fired cycle, IGCC and PFB) by $1.0 million to better insure that these technology options are available when needed.)

—*Advanced systems*.—Indirect fired cycle—Funding for this program has been reduced by $5.0 million below levels appropriated in fiscal year 2000. The core components of the HIPPs technology development program should be pursued if the indirect fired cycle is to be matured and contribute to future technology advances. These components will be useful in other system configurations. Further, the phase II objectives of the HIPPs program, including emissions and performance testing on existing pilot plants, should be completed. (RECOMMENDED INCREASE: Restore $5.0 million for completing the phase II objectives of the HIPPS program and continue core component development.)

—*Transportation fuels and chemicals*.—Feedstock conversion—Funds should be added to initiate a partnership program with the chemicals industry to target the use of coal in the production of useful chemicals. (RECOMMENDED INCREASE: Add $1.0 million to the DOE transportation fuels and chemicals program. These funds should be used to initiate a program with academic and industrial researchers to develop technology for the production of chemical blend stocks, chemical additives, and lubricants produced from coal for transportation fuels and chemicals)

—*Oil technology—Ultra clean fuels*.DOE is requesting $10.0 million to initiate an ultra clean fuels program. CURC recommends that coal be specifically included in this request; otherwise the program will continue to rely primarily upon a feedstock derived from overseas energy resources. (RECOMMENDED ACTION: At least $2.0 million in this new program should be directed at using coal as the feedstock for ultra clean transportation fuels. This appropriation will enable continuation of laboratory R&D for the next generation of cleaner fuels from coal.)

—*Sequestration R&D*.—Greenhouse gas control—The Department should expand the carbon sequestration program to accelerate the development of the most promising technology options and to acquire a continuing independent analysis of process concepts that are being pursued. Also, concurrent with sequestration R&D, the tools and methodologies need to be developed and applied to assess the technical, environmental, safety, permitting and economic feasibility of CO_2 capture, separation, and sequestration concepts. This will ensure that relevant know-how is available, tested and reliable, when needed. (RECOMMENDED INCREASE: Add an additional $3.0 million to support climate change research being conducted in the DOE. These funds should be targeted specifically to the conduct of a independent analysis of process concepts. Also, added funding should be directed at the development and application of the tools and methodologies described above. Finally, because a number of DOE offices are involved in sequestration R& it is important that these various programs be coordinated and not duplicated).

—*Innovations for existing plants (formerly AR&ET)*.—Fine particulate control/air toxics. The existing fleet of coal-based generating facilities is facing ever increasingly stringent environmental restrictions. As a result, the need for cost-effective compliance options to maintain the fleet's economic viability is more pressing than ever. Like the budget for advanced research, funding increases in this program are the result of a new initiative to implement an "international clean energy initiative." Use of clean, advanced technologies abroad in countries that will use increasing amounts of coal is important and necessary for the global environment and to support U.S. manufacturing interests. Addressing environmental concerns domestically is even more important and should be supported accordingly. DOE is currently evaluating mercury control concepts related to electricity generation. These activities need to be pursued in coordination with IGCC demonstration projects that are operating in a testing/demonstration mode. This effort requires added funding and a multi-year commitment. In addition, the Department's comprehensive fine particulate monitoring program should be fully funded (equipment is procured already) and studies related to the apportionment from various sources needs to be continued. (RECOMMENDED INCREASE: Restore $1.0 million in funding to maintain current year levels for the mercury control program and increase the fine particulate program element by $2.0 million.)

—*Innovations for existing plants (formerly AR&ET)*.—Waste management—Evaluating the stability of HAPs captured in flue gas desulfurization processes, on fly ash, in scrubber gypsum and in products made of these materials needs to be undertaken. (RECOMMENDED INCREASE: As the EPA determines the regulatory requirements for HAPs it is important that the wastes

from coal-fired power plants be managed in acceptable ways. An additional $1.0 million is recommended for this initiative.)

CLEAN COAL TECHNOLOGY RESCISSION

The fiscal year 2001 budget requests that $105 million in previously appropriated clean coal technology demonstration funds be rescinded. The CURC strongly recommends that this requested rescission be rejected. At a critical juncture when the budget request for coal and power systems has been reduced by more than $18.0 million below levels appropriated last year, when we are reminded again of the vulnerability of this country to an international oil cartel, and when the price of other energy resources, particularly natural gas, is increasing dramatically, now is the time to seek other appropriate uses for these funds in support of cleaner, more efficient, technologies to use coal in an environmentally sound fashion.

The members of CURC are actively engaged in a consultative industry-wide process to agree upon a specific recommendation to the Congress for the use of clean coal funds now recommended for rescission. For example, the CURC is examining opportunities to reduce costs and significantly improve the operations of technologies that might be utilized on existing powerplants. Technology development will assure that the existing fleet of coal-fired plants can meet the current challenges of both environmental performance and capability for greater operating flexibility in a de-regulated electrically market Investment in technologies to support the existing fleet would need to be accelerated in the next 1–2 years. An accelerated program would ensure that the technologies are commercially viable and available in a timeframe that will assist owners/operators of existing coal-fired power plants to meet pending emissions requirements. Such an accelerated R&D program would focus resources on development and demonstration of advanced SOx, NOx and mercury control systems. Additional resources could be allocated to conduct research into ulta low-Nox burners and other combustion modifications, artificial intelligence, such as neural based controls to optimize plant operations to reduce NOx, CO, PM 2.5 and other airborne emissions, improve plant heat rates, and provide generating asset owners real-time knowledge of incremental capacity availability in order to improve overall national power grid stability during peak capacity needs. Additional resources might be allocated for solid waste management and utilization, or for improved SCR catalysts performance, particularly on units firing low sulfur western coals where worldwide experience is limited. In addition, funding could be made available to employ HIPPs and other advanced systems into field demonstrations as repowering techniques or strategies. Such a program, if successful, could reduce consumer costs and greatly benefit the environment. A portion of these funds also could be used to increase the budgets of the programs described in this statement. Or, these funds might be available to support advanced coal systems in new facilities. We expect to complete our analysis and provide the Congress with more specific recommendations and funding allocations within the near future.

REASONS FOR THE CURC RECOMMENDATIONS

A number of specific and recent events add to the urgency of these recommendations. The dramatic increase in world crude oil prices and the resultant increase in the price of petroleum products, most notably gasoline, re-emphasizes the need for maintaining a variety of energy choices and options. And while the nation's vulnerability to crude oil price fluctuations is somewhat removed from the sustained use of U.S. coal resources it nevertheless serves as a stark reminder that dependence upon one fuel—especially one not derived from domestic resources—is dangerous to our economy and our national security. Recent increases in natural gas prices may escalate the time frame during which electricity power generators will consider the cost-effectiveness of new or refurbished coal powered generation as an alternative to natural gas. Natural gas is viewed as the "fuel of choice" for new generation and predicted to be so for the near term. Increased gas prices not only change that outlook but, unless newer more advanced clean coal technologies are made available sooner than expected, new coal-based generation will be constructed using current technology, which is economical and reliable, but does not apply advances in both efficiency and maximum environmental performance. Also, worth remembering is the fact that major new natural gas capacity will be imported from western Canada to supply the U.S. Midwest and from the east coast of Canada to supply the Northeast. U.S. coal is the indigenous domestic primary energy source that will act as an anchor to pricing of other fuels.

Further, use of domestic coal resources will lend leverage and stability when there are political pressures elsewhere in the world that threaten to disrupt the economy as well as energy markets. And finally, new low emissions focused coal based com-

bustion technologies for world markets need to be led by the U.S. Energy growth in markets like China and India will rely on western technologies. If we do not advance these coal-based technologies for emerging world markets, besides the loss of U.S. export business, we will ultimately pay the price in global environmental degradation.

PREPARED STATEMENT OF THE 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 appropriations for the Fossil Energy and Energy Conservation programs of the Department of Energy. The 125,000-member ASME is an international engineering society focused on technical, educational, and research issues. Energy research and the deployment of effective energy supply systems remain among the most important topics of interest to ASME members.

NEED FOR ENERGY RESEARCH TO SUSTAIN THE UNITED STATES ECONOMY

Virtually all predictions for energy use both nationally and globally show an increase in demand that will require more reliance on fossil fuels for electricity generation and for transportation.

Annual growth rates for U. S. electricity generation are projected to range from 1.5 percent to 2.4 percent. Fossil fuels are forecasted to provide an increased share of our electricity generation mix by 2020 as compared with their present 65 percent share. Regulations issued recently by the Environmental Protection Agency (EPA) will require the installation of more efficient pollution control technologies, especially for coal fired systems, which could challenge the reliability of the electricity supply and increase electricity costs in some regions. Liquid fuels will continue to dominate the transportation sector, with about 97 percent of our transportation fuels currently being provided from petroleum-based feedstock. Our programs must develop increased fuel production technologies—including alternative fuels—to meet future expectations for supply and fuel quality.

The economic boom our nation is currently experiencing is based in part on inexpensive energy supplies and the development of more efficient end use technologies, especially in our high energy intensive industries. We need a varied portfolio of vigorous energy research programs in both the Office of Fossil Energy and the Office of Energy Efficiency and Renewable Energy to ensure inexpensive, environmentally-friendly energy systems for continued economic growth. Our energy programs must maintain a diverse fuel mix for the power generation and transportation sectors.

PROGRAMS IN THE OFFICE OF FOSSIL ENERGY

General comments

The COE Energy Committee is greatly disappointed that the proposed funding for Fossil Energy R&D projects has been reduced by $28 million compared to fiscal year 2000, especially the reductions in coal and power systems technologies. In order to meet the challenges of the 21st century, this account should be increased at least to the level of $433 million recommended by the PCAST report of 1997. The Committee recommends that the increased funding be used primarily to enhance coal programs.

The number of academic institutions offering graduate programs in the fuel and mineral sciences is markedly reduced compared to previous levels such that the supply of future scientists and engineers will be jeopardized unless we maintain funding for graduate student support. Programs specifically targeted toward university-based research should be increased by $3 million and expanded to include oil and natural gas.

The role of, and funding for, the new National Energy Technology Laboratory in conducting research should be enhanced. Given the reduction in the number of industrial energy research laboratories over the past decade, there is need for a national center of excellence which can provide new ideas, conduct research, and preserve the current knowledge base in both the extraction [mining and related technologies] and utilization of fossil fuels. We recommend investments in the proposed Centers of Excellence at NETL in the areas of supercomputing, sequestration research, and advanced gas studies outlined in the budget request.

Coal & power systems programs

The COE Energy Committee recommends increased emphasis on the role of coal in our national energy mix, and reiterates its disappointment in the Administration's proposed cuts in coal and power systems programs. In addition to its traditional role in electric power generation, recent fluctuations in the supply and price of petroleum mandate an expanded role for coal in the production of clean transportation fuels and chemicals from coal. We are concerned that funding for the new Ultra Clean Fuels initiative is housed in the Oil Program budget; we recommend that at least one third of the $10 million allocated to this program be marked for developing coal-based fuels. Planned integration of the Ultra Clean Fuels program with the Office of Energy Efficiency is commended. Funding for the Transportation Fuels and Chemicals line item should be increased by at least $3 million to enable these programs to reach economic competitiveness with petroleum-based fuels and chemicals more readily, thereby promoting our energy and economic security. Vision 21 programs emphasizing the production of transportation fuels and chemicals from coal and the demonstration program for early entrance co-production plants should be continued and enhanced.

Gas turbines and fuel cells offer the promise of dramatically increasing the efficiency of power generation. Funding for the turbine program must be increased to allow the development of mid-sized turbines, a "missed" market niche for central stations and dispersed applications. The very successful industry/university turbine consortium should be strengthened. Funding for solid state fuel cells, a technology of very high potential, needs to be increased. Research programs should be structured to ensure that coal can continue to be an option for fueling these new energy systems despite the current emphasis on natural gas fuels. Sufficient research should be done to ensure that advanced gas turbines could operate effectively from synthesis gas derived from coal. Gas separation systems must be developed to ensure realistic future options for using coal as the feedstock for fuel cell systems. We are supportive of the budget request for capture and sequestration technologies.

While our research planning must ensure the development of future technologies, there is continued need to improve present coal-fired systems in view of their important role in the national energy mix and their projected deployment by developing countries. There is continued need for improvement in materials, pollution control technologies, and the development of advanced cycles based on coal-fired power generation systems. Power generation developers will be making decisions in the near future on the purchase of plants that will last at least 50 years into the future. Improved technologies are needed now to affect that decision process. We recommend that an additional $10 million be allocated to these programs for advanced coal-based power systems.

Oil and natural gas programs

The COE Energy Committee supports the proposed programs on improving technology through the development of "rigless" oil and gas drilling systems guided by "smart" sensors. Emphasis on ensuring the reliability of the natural gas infrastructure is necessary, especially since the demand for natural gas is projected to increase for applications such as power generation and transportation fuels. Deepwater frontiers offshore present significant opportunities to locate, drill, and produce large quantities of oil and natural gas. Significant R&D resources are required to produce and transport fuels from these regions. Additional research is needed to provide electrical power and to improve injection and separation technologies at the seabed; we recommend that an additional $3 million be allocated for such programs. We are excited about proposed new programs on the reliability of gas transmission and distribution systems, which we believe is a critical public policy issue in deregulated energy markets.

Methane hydrates continue to offer promise as a vast source of natural gas once effective technologies for their recovery are at hand. The COE Energy Committee is strongly disappointed to learn that increased funding for methane hydrates was not appropriated last year and is even more dismayed at the lower level of funding recommended by the Administration for fiscal year 2001. Funding for methane hydrates research should be increased to $8 million. The continued development of drilling and reservoir technologies to promote the sequestration of carbon dioxide, while simultaneously producing oil and natural gas, is recommended.

ENERGY CONSERVATION PROGRAMS IN THE OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

General comments

The COE Energy Committee applauds the Administration's continuing effort to work with the nation's industries and the public to sustain a stronger economy, a cleaner environment, and a more secure future by developing and deploying less polluting energy efficient technologies. The recent large increase in oil prices has made R&D in advanced energy conservation technologies more pressing. At a strategic level, we recommend strengthening crosscutting research in thermal sciences and new materials to increase energy utilization efficiency in the transportation, industry, and building sectors. We urge continued emphasis on developing more energy efficient end-use technology options and the increased use of alternative fuels, which emit fewer pollutants.

Office of Transportation Technologies

We support the Administration's funding request for the Office of Transportation Technologies (OTT). A major component of the proposed program is directed toward improving the efficiency of diesel systems and reducing emissions. These programs focus on the development of better engines, reduced weight and advanced materials for the overall vehicle, and advanced concepts that include hybrid systems. Customer preferences for light trucks such as sport utility vehicles emphasize the need for developing more efficient engines for this market. The COE Energy Committee also recommends continued funding for alternative fuel programs, especially natural gas systems, to reduce our dependence on imported petroleum. The return on investment for the proposed 40 percent increase in the biofuels program should be evaluated with respect to the viability of this technology in an open fuels market. Since our international neighbors rely more heavily on biofuels, we can attain economic benefits from deploying our own technologies while promoting a better global environment.

We support the goals of the Partnership for a New Generation of Vehicles to develop automobiles with fuel economies approaching three times the current level. Attention should be paid to the overall automobile to ensure its acceptance by the public, including the effect of personal comforts such as air conditioning on the vehicle's overall performance. As a partnership program, interaction with the relevant industry sectors is necessary, and the COE Energy Committee commends OTT for its working relationships with industry participants.

Continued emphasis should be placed on technology deployment and technician education programs to facilitate acquiring, deploying, and using alternatively fueled vehicles in the public and private sectors

Office of Industrial Technologies

We support the Administration's funding request for the Office of Industrial Technologies (OIT). The Industries of the Future program is focused on developing energy efficient, environmentally friendly processes for our most energy intensive industry sectors. The current emphasis on agricultural programs is welcomed. We recommend strengthening funding in key crosscutting areas that include not only existing programs, such as advanced materials and combustion, but also thermal sciences and emission reduction technologies not currently pursued by OIT. We recommend continued cooperation with Fossil Energy on programs in distributed generation and combined heat and power systems.

The Mining Industries of the Future program should be strengthened and OIT's continued cooperation with Fossil Energy should be encouraged, especially in related areas such as advanced separations. The Mining IOF program is particularly important in view of the absence of a federal mining technology laboratory, and the continued decline in the number of in-house research laboratories supported by the mining industry.

In view of the merits and success of the IOF program, we support increased investment in technical assistance for initiation of State IOF programs and deployment of advanced technologies by industry.

Office of Building Technology

While the COE Energy Committee supports the overall increase in funding recommended by the Administration for the buildings sector, we are concerned that insufficient funding is available for the science-based building research program. We support increased funding for building technology R&D, especially in under-funded program elements such as for energy-efficient refrigeration equipment and for commercial buildings integration. We recommend that an additional $5 million be allo-

cated for the underfunded program elements cited above within the present funding request.

We also support the expanded efforts in the State Energy program and the Building America initiative. We recommend that the deployment of advanced building technologies in K–12 schools be made as a priority item in these programs.

As a general closing comment, the COE Energy Committee recommends that the Offices of Fossil Energy and Energy Efficiency increase support for programs targeted toward academe to stimulate new ideas in energy research and education.

Thank you for the opportunity to offer testimony regarding the fossil energy and energy conservation budgets proposed for the Department of Energy. ASME's COE Energy Committee will be pleased to respond to requests for additional information or perspectives on other aspects of our nation's energy program.

PREPARED STATEMENT OF GENERAL ELECTRIC POWER SYSTEMS

This statement is submitted by General Electric Power Systems on behalf of GE Company (GE) for the information of the Committee during its review of the Department of Energy's fiscal year 2001 budget requests for Fossil Energy and Energy Efficiency and Renewable Energy programs. The testimony addresses several key Department of Energy programs: the Advanced Turbine Systems (ATS) program, the Next Generation Gas Turbine Systems program, Distributed Energy Resources, and Lighting Research and Development.

ADVANCED TURBINE SYSTEMS

GE strongly supports continued funding for the Advanced Turbine Systems (ATS) program, within the Fossil Energy budget account, and in particular, the Administration's $8.86 million request for utility-scale advanced turbines. GE has participated in the ATS program since its inception, and greatly appreciates the strong Congressional support for the program. The benefits to the nation of the ATS program will be realized through greater efficiency in the generation of electricity, leading to lower costs and reduced emissions, and producing jobs retention and growth in the turbine-related manufacturing industry.

Through the government's partnership with industry, the ATS program has supported the development of the world's most efficient gas turbine, securing U.S. leadership in this critical technology area. In February, GE unveiled the 7H gas turbine, based on the new-generation H SystemTM technology, at the GE manufacturing facility in Greenville, South Carolina. The turbine passed a critical verification test—full speed, no load testing—in Greenville on February 11, 2000. The H SystemTM meets the ambitious technical goals established for the ATS program:

Energy efficiency/lower costs.—The H SystemTM will operate at 60 percent efficiency in combined cycle operation, delivering significant gains and signaling a new era in U.S. energy technology leadership. GE's H SystemTM gas turbine is the world's first gas turbine to use steam from the steam turbine, rather than air, to cool the stationary and rotating hot gas path parts of the gas turbine. Advanced bucket and airfoil materials, along with revolutionary new steam-cooling technology, enable the H SystemTM to operate at the higher turbine inlet temperatures required to break the 60 percent efficiency barrier. The most efficient combined cycle systems currently operating reach only 57–58 percent efficiency. Because fuel represents the largest single cost of running a power plant, an increase of even a single percentage point of efficiency can reduce operating costs by $15–20 million over the life of a typical gas-fired plant in the 400–500 megawatt range.

Reduced emissions.—With increased efficiency comes decreased emissions per kilowatt hour generated, another central goal of the ATS program. Utilizing the advanced dry low-NO_X combustion system, the H SystemTM will be the cleanest central power station option, and will achieve the goal of the ATS program of single digit emissions of NO_X without post-combustion controls. The system's NO_X emission levels of 9 parts per million will be half of the average of the turbines now in use, making this technology suitable for siting in environmentally constrained areas. The H SystemTM will emit the fewest tons of carbon dioxide per kilowatt hour of electricity generated of any gas turbine.

Commercialization.—The goal of the ATS program was to produce technology ready for commercial deployment as demand for new electric power generation grows. This goal, too, is being met. Plans have already been made for the first commercial application of the H SystemTM technology. Two 60-hertz 7H turbines will be used to power the 800 MW Heritage Station plant in Scriba, New York, being developed by Sithe Energies. The facility is scheduled to go online during 2002.

Risk to ATS technology.—In spite of these successes, however, GE would like to call the Committee's attention to a potential threat to the public-private investment made in producing the world's cleanest electricity generation technology. The Environmental Protection Agency (EPA) has begun a process to determine whether to mandate selective catalytic reduction (SCR) on new, high efficiency, low-NO_X gas turbines. Requiring SCR as "best available control technology" (BACT) on such turbines would reduce NO_X emissions from 9 ppm to 3.5 ppm.

As the Committee is aware, the ATS program was premised on achieving emissions of NO_X of 9 ppm without the use of post-combustion controls. This level represents a very substantial reduction from earlier turbine technologies. Imposition of an SCR mandate to achieve small additional reductions in NO_X emissions not only would be inconsistent with the longstanding objective of the ATS program, but also would have adverse environmental impacts. The use of SCR can result in significant emissions of ammonia, and greenhouse gas emissions result when the ammonia byproduct is converted to nitrous oxide. Using SCR also creates the problem of disposal of spent catalyst hazardous waste, and increases emissions of particulate matter. Moreover, advanced gas turbines were designed to reduce NO_X emissions without any compromise in efficiency. Installing SCR on a high efficiency gas turbine does reduce the turbine's efficiency, thereby resulting in increased carbon dioxide emissions per kilowatt hour generated.

An SCR mandate will encourage use of existing higher emitting, lower efficiency turbines. It will be less costly to install SCR on older, higher emitting units than on ATS technologies. As a result, requiring SCR on low-NO_X, high efficiency natural gas turbines will make these advanced turbines less attractive economically, threatening the hundreds of millions of dollars invested in developing this technology by government and industry. The investment is substantial: GE has invested $500 million in the development of the H SystemTM, while the DOE cost share through the ATS program approaches $100 million.

At the time this testimony is being submitted, GE is in discussions with EPA. GE remains hopeful that future EPA regulatory requirements relating to NO_X will not undermine the remarkable success of this public private partnership.

Summary.—The need for high efficiency, low emission turbine technology has never been clearer. 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—completed on time and on budget—will assure the availability of more efficient, lower emission domestic technology to meet this demand.

NEXT GENERATION GAS TURBINE SYSTEMS

GE Power Systems has responded to DOE's request for proposals for a systems study evaluation of "Next Generation Gas Turbine Systems." It is DOE's and GE Power Systems' intent to perform conceptual evaluations of advanced gas turbines in the 30–150 MW electric power generation range, with an emphasis on characteristics desirable for the restructuring U.S. electricity market. The criteria that will be used in evaluating aeroderivative and heavy frame concepts are rapid starting, high simple cycle efficiency, low life cycle system cost and lowest possible emissions. GE has participated in all the DOE workshops conducted during the formation of this program, and strongly supports this important DOE initiative.

DISTRIBUTED ENERGY RESOURCES

Against the successful background of DOE's cooperative efforts with industry in the Advanced Turbine Systems program, the Department has moved to consolidate and strengthen its distributed energy resources portfolio. GE encourages the Committee to join with industry stakeholders in strongly supporting the recent organizational changes made within the Department designed to maximize the organization and prioritization of the distributed energy portfolio. Having the commitment of the talents and skills of DOE's fossil energy and energy efficiency offices will bolster industry efforts to recognize the full potential of distributed energy.

A major focus on distributed generation within the Department is especially timely now, as restructuring in the electricity industry and technological advances create opportunities for new and more efficient distributed generation technologies. It will be critical for the electricity marketplace of the future to have a diverse mix of efficient technologies available to meet demands for reliable, high quality power. Potential roles for distributed generation in the restructured electricity market include supporting available capacity to meet peak demands, providing critical loads with emergency standby power, improving power quality, supporting grid reliability and providing low cost energy in combined heat and power applications. Potential cus-

tomers for distributed generation run the range from commercial and industrial users, to distribution utilities, power marketers and residential consumers.

Key technologies being addressed in DOE's distributed generation portfolio include microturbines and fuel cells. Microturbines are small combustion turbines, generally with outputs in the 30kW to 200kW range. Microturbines are fuel flexible, and can be sized for a variety of applications, including commercial buildings and light industrial applications for cogeneration or power. Improving the efficiency of microturbines is a key technical challenge. Applications for microturbines will range from peak shaving to cogeneration, chillers, standby emergency power, and providing premium power demanded by the increasingly digital economy.

Fuel cells will become an integral part of the new economy for the energy industry. Quiet, clean-running fuel cells hold the potential for very high system efficiency and low emissions. Today different technologies are in different stages of development and deployment. Fuel cells offer opportunities for cogeneration, onsite power, peaking and peak shaving. Major issues still to be addressed include reducing the cost of this technology and meeting manufacturing challenges.

Advances in key enabling technologies also are necessary to support the introduction and utilization of distributed generation. Some of the challenges in distributed generation, such as the need for advanced materials, will be familiar to the Committee from the ATS program. Great progress has been made in the area of advanced materials, through the cooperative work of industry and the Department, including the Oak Ridge National Laboratory. Other challenges in distributed generation include the development of control technologies that will permit the effective deployment of distributed power generation options. There is a need for research and investments in the architecture, communications and grid controls that will connect generation systems, both distributed and central systems, and optimize overall energy performance.

GE urges the Committee to provide adequate funding for initiatives in enabling technologies, sensor and control technologies and distributed energy resources, within the energy efficiency budget. DOE's budget request for distributed generation reflects a reduction from $27.3 million in fiscal year 2000 to $17.3 million in fiscal year 2001. While this reduction may be attributed to reduced requirements for the industrial ATS program, given the challenges and opportunities for microturbines and other distributed generation technologies, funding more in keeping with prior year levels would be appropriate.

LIGHTING RESEARCH AND DEVELOPMENT

Finally, GE supports the request for $6.36 million in lighting research, within the Building Research and Standards line item. GE would like to recognize the efforts of this Committee, and the Department, in focusing and prioritizing work in the area of lighting research. The buildings research portfolio, and its lighting component, has been substantially revitalized over the last several years. In particular, the institution of broad based solicitations has proven very successful in assuring the competitive selection of high quality R&D projects.

This lighting R&D program is poised to contribute to the technology breakthroughs necessary to substantially increase energy efficiency while producing a lighting product that meets the needs of and is affordable to consumers. Major progress is being made: GE will launch a compact fluorescent lamp this summer that provides long life, improved color and higher energy efficiency. Importantly, this lamp will cost under $10. This dramatic decrease in price was enabled in part by DOE funded research at GE.

PREPARED STATEMENT OF THE URBAN CONSORTIUM ENERGY TASK FORCE

The Urban Consortium Energy Task Force (UCETF) submits this statement to advise the Committee of the progress of the applied energy research and development activities undertaken through the Department of Energy's (DOE) Municipal Energy Management Program (MEMP). As funding for MEMP is not included in the Administration's fiscal year 2001 budget request, the UCETF also wishes to take this opportunity to highlight the many significant accomplishments of the MEMP program over the years that have enhanced the ability of local governments to design, implement and administer cutting edge energy policies and programs.

BACKGROUND

The UCETF is one of five task forces of Public Technology, Inc.'s (PTI) Urban Consortium. PTI is a not-for-profit organization founded in 1971. PTI is the tech-

nology, research, development and commercialization arm of the National League of Cities, the National Association of Counties, and the International City/County Management Association. PTI's mission is to bring the benefits of technology to local governments.

The Urban Consortium (UC) is a one-of-a-kind network of large local governments created to find practical, economic solutions to urban problems. Membership is composed of local government officials from America's largest and most progressive urban cities and counties. The UC serves as a catalyst for research and development of emerging technologies that can solve problems facing all local governments.

For two decades, the UCETF has been a leader in developing and testing energy solutions, and sharing knowledge with local governments nationwide. The UCETF is made up of local government energy policy makers and administrators from major urban areas around the United States. Currently, 27 jurisdictions are represented on the UCETF: Albuquerque, NM; Austin, TX; Chicago, IL; Columbus, OH; Dayton, OH, Denver, CO; Fairfax County, VA; Greensboro, NC; Hennepin County, MN; Kansas City, MO; Little Rock, AR; Long Beach, CA; Memphis, TN; Monroe County, NY; Montgomery County, MD; New York, NY; Norfolk, VA; Philadelphia, PA; Phoenix, AZ; Portland, OR; San Diego, CA; San Francisco, CA; San Jose, CA; Santa Monica, CA, Santa Fe County, NM; Seattle, WA; and Washington, D.C.

The goal of the PTI/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 has met this objective, in part, by managing a competitive energy program with funding provided by DOE through MEMP. As the program was administered by PTI/UCETF, jurisdictions leveraged federal, state and local funds to conduct competitively selected energy research and technology transfer projects. The UCETF developed an annual solicitation for research projects to address the energy-related topics of the greatest common concern among local governments. The solicitation was broadly circulated throughout local governments across the nation, through PTI's sponsoring organizations. Proposals received in response to the solicitation were competitively evaluated and peer reviewed by local energy officials. Criteria used to select proposals included energy and dollar savings, innovation, job creation and economic development benefits, technology transfer opportunities, partnerships and cost sharing, benefits to the environment, and overall benefit to the community.

More than 400 projects in over 60 different jurisdictions across the United States have been conducted through the PTI/UCETF-administered applied energy program over the years. From its early focus on energy emergency response and creating an energy management capability in local governments, the PTI/UCETF applied energy program grew to emphasize technology advances that can save energy and money, assure environmental quality and enhance prospects for local economic growth. The MEMP program served as a source of information and technical assistance to enable local governments to address the broad range of energy issues facing local communities. These issues include: the impacts of restructuring in the electricity industry, the opportunities for cost savings and environmental improvement through energy efficiency, and the opportunities for local economic growth associated with the deployment of renewable energy technologies.

PTI/UCETF also undertakes a variety of technology transfers 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. PTI/UCETF will continue to perform these vital functions for local governments in the future.

THE ONGOING UCETF APPLIED ENERGY PROGRAM

The 1999–2000 PTI/UCETF applied energy research and development program is supporting the following energy technology development/application and technology transfer projects:

Distributed Generation/Options for Local Governments in A Restructured Electricity Marketplace.—PTI/UCETF has long been in the forefront of efforts to prepare local governments and local communities for the changes coming in the electricity market. As an extension of these activities, the MEMP program is supporting several projects focusing on issues in restructuring, including new opportunities for the deployment of distributed generation technologies. Phoenix, AZ plans to demonstrate the effectiveness of using microturbine generators in medium-sized municipal facilities. Barnstable County, MA is examining the role of local government in advancing distributed generation technologies in a competitive utility marketplace. Lincoln County, ME is considering how non-urban customers and small businesses in small communities will fare in a restructured utility marketplace. Memphis, TN

is implementing a residential fuel cell demonstration project. Washington, D.C. is considering how the use of city government procurement policies can assist in the aggregation of low-income customers to enable these customers to take advantage of competition in the energy marketplace. San Francisco, CA is developing tools to facilitate municipal building energy retrofits in a changing electricity industry.

Community Based Approaches to Energy Issues.—Jurisdictions conducting projects in this area are developing and implementing community based initiatives to respond to local energy priorities. Portland, OR is developing a model approach for local governments to acquire resources from state "public benefits" funds established as part of electric restructuring for use in local energy efficiency projects. Seattle, WA is investigating the productivity benefits of sustainable commercial building practices, and the demand for such benefits from developers and tenants. Chisago, MN is developing a county-wide energy plan. Hennepin County, MN is addressing the need for educational, marketing and public outreach support for the creation of an E85 refueling infrastructure in the Twin Cities area.

Solar.—Jurisdictions are investigating energy efficiency and solar energy applications to meet local needs. San Jose, CA is considering emergency disaster applications for photovoltaics and developing a sustainable energy emergency action plan for the city. Albuquerque, NM is demonstrating municipal applications integrating photovoltaics and light-emitting diodes (LEDs) for outdoor lighting applications. Santa Barbara, CA is calculating the benefits of and developing an outreach campaign for the local deployment of solar energy systems. The Yavapai-Apache Nation, AZ is studying power quality and reliability issues unique to the local Native American community.

Technology Transfer.—The UCETF is conducting three projects specifically designed to document, transfer and apply lessons learned through local government energy programs. Tucson, AZ is planning for the implementation of Cool Communities concepts on a small-scale basis. Anaheim, CA is implementing an electric vehicle car-sharing program, and documenting the implementation methodology for replication in other areas. Cheshire, CT is exploring outdoor lighting applications deployed in other jurisdictions, including projects developed under the auspices of MEMP, to develop appropriate applications for the county.

SIGNIFICANT ACCOMPLISHMENTS OF THE UCETF/MEMP PROGRAM

The Municipal Energy Management Program has greatly increased the ability of local governments to identify, design and implement energy policies that support local economic objectives, including job growth and retention. For many years, MEMP was the only Federal energy efficiency research, development and technology application and transfer program directed by local governments and responding to the specific energy-related needs of local governments.

Energy solutions developed with the help of the UCETF have already saved millions of dollars, measurably cut energy consumption across the country and made breathing easier for millions of Americans. The UCETF has achieved these results one community at a time. For example,

—*Denver, Colorado.*—Local governments in the Denver area are saving hundreds of thousands of dollars by implementing an innovative system they learned about through the UCETF. By replacing the Denver metro area's 1,200 incandescent traffic lights with energy-efficient LED signals, the city and county save almost a quarter million dollars a year, and substantially reduce air emissions.

—*San Francisco, California.*—The City of San Francisco is evaluating the energy efficiency services emerging within the newly restructured electric utility industry. The city is developing guidance for local governments across the country in evaluating the increasingly complex services offered by energy service companies (ESCOs), and developing "in house" energy management services so cities can hold down the amount they pay to ESCOs.

—*Memphis, Tennessee.*—Memphis is implementing a plan for a building automation network that will centralize monitoring and control of heating, ventilation and air conditioning (HVAC) equipment by electronically linking city buildings. The system will save money by making overall management of energy use by city HVAC equipment more efficient.

Every day, technology becomes a more and more important part of finding the energy solutions local governments need. The Urban Consortium Energy Task Force is creating new options and opportunities for every local government to cut costs, boost revenues, improve services, and enhance the quality of life of their citizens.

CONCLUSION

Local governments are and must remain a crucial component of the effort to maintain the United States' position as the world's leader in developing, applying and exporting sustainable, environmentally benign and economically competitive energy technologies. PTI/UCETF will continue to provide important opportunities for hands-on applied energy research in local communities, serving as an urban laboratory for the development, testing and deployment of new energy and renewable energy technologies, programs and practices.

PREPARED STATEMENT OF THE DAIMLERCHRYSLER CORPORATION, FORD MOTOR COMPANY, AND GENERAL MOTORS CORPORATION

Through the United States Council for Automotive Research (USCAR), DaimlerChrysler, Ford, and General Motors coordinate collaborative, pre-competitive basic research with the U.S. Government (USG) over a broad range of technologies. One of the federal agencies that is critical to the success of many USCAR endeavors is the Department of Energy (DOE). DaimlerChryster, Ford, and General Motors provide this statement in support of DOE's fiscal year 2001 automotive research budget.

PROGRAM OVERVIEW

An important element of DOE's budget proposal is the Partnership for a New Generation of Vehicles (PNGV) program. Through this initiative, USCAR and several federal agencies are jointly researching leading edge, "breakthrough" automotive technologies. The three goals of the partnership are to: (1) enhance manufacturing productivity, (2) improve the fuel efficiency of conventional vehicles, and (3) pursue high risk technologies that could lead to a fuel efficiency improvement of up to three times that of today's vehicles, without compromising safety, performance, utility, or affordability. The program relies extensively on the technical contributions of the federal labs; many small, high technology U.S. businesses; universities; and a broad cross section of the supplier community.

With respect to the third goal, the program is structured to evaluate advanced technologies in three principal phases. In the first phase, the partnership identified those technologies considered to be the most promising for achieving the aggressive fuel efficiency target. During the second phase, which is drawing to a close, concept vehicles incorporating, key technologies are being developed to demonstrate technical feasibility. The final phase is aimed at developing production prototypes by the year 2004 that will demonstrate cost effective manufacturing feasibility. Research on the most promising technologies will continue in parallel with the vehicle systems research efforts in phases two and three.

MAJOR MILESTONE REALIZED

Over six years into the partnership, PNGV continues to report solid progress toward developing enabling technologies for affordable family sedans capable of achieving up to 80 miles per gallon with very low emissions. DaimlerChrysler, Ford, and General Motors realized a major milestone in the program early this year with the unveiling of PNGV concept cars. The DaimlerChrysler ESX3, Ford Prodigy and the General Motors Precept have each incorporated several PNGV technologies, including Compression Ignition Direct-Injection (CIDI) engines in hybrid configurations with advanced batteries, lightweight materials, improved aerodynamics, and low rolling resistance tires. However, the designs of all three vehicles, as well as their expected performance, are quite unique. This resulted from each company employing a different integration strategy in an attempt to meet the very aggressive goals of the Partnership.

While the concept vehicles demonstrate the technical feasibility of achieving the PNGV fuel efficiency goals, continued focus and research is needed to bring these technologies to an affordable, production-ready state. PNGV's goal is to build production prototypes in 2004. The research plans and portfolio are designed to support that event.

In addition to the hybrid-electric concepts, the three companies also revealed new demonstrations of fuel cell technology in concept vehicles. Specifically, DaimlerChrysler debuted the NECAR 4, a driveable compact fuel cell powered vehicle; Ford unveiled its driveable P2000 hydrogen fuel cell vehicle; and General Motors revealed the Precept fuel cell concept vehicle with an advanced hydride hydrogen storage system.

RECENT RESEARCH PROGRESS

In addition to these new concepts, progress has also been demonstrated in each of the four key system areas that PNGV has chosen to focus and accelerate its research and technology development efforts: direct-injection engines, fuel cells, lightweight materials, and electric traction systems for both hybrid and fuel cell vehicles. Examples of recent work in each area follow.

Direct-Injection (DI) Engines

—Advanced Fuels Testing

[Participants: PNGV Fuels Working Group, 4SDI Technical Team, SwRI]

The auto industry has recently completed an evaluation of several advanced diesel fuel formulations.

The testing was performed on each company's proprietary CIDI engine at a variety of common speeds/load points. The results directionally confirm earlier results from SwRI that advanced fuels help reduce emissions, namely NO_X and particulates. A second phase of testing, to optimize engine calibration for the various fuels and to include aftertreatment systems, is being discussed.

—Mixing and Transport of EGR

[Participants: PNGV 4SDI Technical Team, DOE, Sandia National Laboratory]

Exhaust gas recirculation (EGR) can be an effective way of reducing emissions. However, at the high EGR levels needed for PNGV, many engines exhibit cylinder-to-cylinder variations. Excessive EGR causes particulates to increase and causes poor transient engine response. This project has demonstrated a fully functional engine equipped with optical access to each port with data acquisition in progress.

—CIDI Aftertreatment Demonstration

[Participants: PNGV 4SDI Technical Team, Los Alamos National Laboratory, Sandia National Laboratory, Pacific Northwest National Laboratory]

Developed aftertreatment technologies capable of up to 50 percent reduction in oxides of nitrogen (NO_X) under the high efficiency lean bum conditions of advanced diesel engines.

Fuel Cells

Fuel cells combine hydrogen and oxygen to generate electricity, which is used to power a motor that drives a vehicle's wheels. Accomplishments in the area of fuel cells include:

—*Full-Scale Microchannel Gasoline Vaporizer (Pacific Northwest National Laboratory, Epyx).*—A microchannel gasoline vaporizer 1/10th the size of conventional units has been successfully tested for 50 kW_e fuel processing systems. A pressure drop of less than 2 psi through the microchannels was realized.

—*Fuel Processing Catalyst (Argonne National Laboratory).*—ANL developed a fuel processing catalyst that allows a 30 percent reduction in shift reactor volume.

Lightweight Materials

—Lightweight Hybrid Body Completed Testing and Validation

[Participants: PNGV Materials & Vehicle Engineering Technical Teams, Multimatic]

The Multimatic hybrid construction ultra-light weight body achieved 67 percent weight reduction (96 kg vs. 269 kg reference). In 1999 the body completed static and validation testing and was crash tested into a barrier at 30 mph.

—Design & Product Optimization for Cast Light Metals

[Participants: PNGV Materials Technical Team, Lawrence Livermore National Laboratory, Sandia National Laboratory]

Non-Destructive Evaluation (NDE) & Sensor Technologies.—LLNL has developed Infrared Fiber Optic Sensors that have been installed in two production aluminum casting molds. One application is for gravity cast, and the other is for a high pressure die cast mold cavity. These sensors offer rapid response when compared to standard thermocouples. The new sensors can measure mold temperature, metal temperature, and cavity fill. The fiber optic is sensitive enough to measure cooling curves for the specific alloy being cast. This has the potential to allow determination of alloy composition and/or modification state.

Mechanical Property Simulation Model.—A math-based model has been developed by SNL to accurately predict static and dynamic failure. The SNL model is a constitutive damage model which tracks damage (crack nucleation, propagration, coalescence, fracture) occurring under various load conditions. The model has been validated on a cast aluminum lower rear control arm.

—Advanced Forming Technologies for Aluminum

[Participants: PNGV Materials Technical Team, University of Michigan, Alcoa, Troy Design, Erie Press]

The participants successfully improved the formability of aluminum sheet (without wrinkling and/or ZD tearing) through warm forming and binder load control.

Warm Forming of Aluminum.—This process was successfully demonstrated on a Neon door panel.

Variable Force Binder Technology.—The force on the edge of a stamping part (binder force) regulates the flow of material into the die so that no wrinkles or splits occur. By varying the force on the blank (a sheet of flat metal) during the stamping process, the window (percentage of blank size that can be used) for producing good parts may be enlarged. In October 1999, this technology was successfully demonstrated at Troy Design.

Electric Traction Systems

In the area of advanced power electronics, DOE has selected two teams to research, develop and demonstrate Automotive Electric Motor Drives (AEMD). Delphi Automotive is pursuing a 325 volt AC induction motor system, while Delco Remy is investigating a 132 volt DC brushless configuration. Final reports are due in 2002.

Progress continues to be made in the area of high-power energy storage. Electrochemistry for longer life lithium-ion batteries has been identified (3–5 years; up from 2 years). Detailed production cost studies have been completed, with cost reductions needed in all cell core materials.

These accomplishments are impressive. However, the ultimate goal of PNGV is that customers realize the benefits of these technologies through vehicles that cost no more to own and operate than comparable conventional vehicles. Additional technology breakthroughs and advancements will be required to realize that goal. In addition, new Tier 2 emission standards announced by the EPA will require breakthroughs in the areas of engine combustion, controls, and aftertreatment.

KEY ELEMENTS OF THE PARTNERSHIP

PNGV has become one of the most visible examples of a successful partnership between industry and government. By working cooperatively on pre-competitive, basic research, the program strategically aligns tile goals of the three industry partners and suppliers with those federal agencies and labs that are engaged in similar or complementary research programs. This permits a large number of previously separate projects to be channeled into a coherent, focused program that eliminates duplication of efforts, reduces costs, and enhances learning through team participation.

Not surprisingly, this program has become far more than a Washington-Detroit partnership. In addition to automotive suppliers and federal labs, PNGV has also benefited from the participation of universities, small businesses, and individual inventors. In fact, this program has sponsored more than 1200 projects at 622 sites around the country, representing 47 states. This broad-based participation provides an alternative pathway for some of the technologies developed under PNGV to be implemented in other important industries. The result is a true national effort, using strategic alignment of both private industry and Federal Government resources to produce considerable technology research leveraging opportunities for all parties. Without USG support, much of this would not be possible.

The PNGV objectives include development of the basic technology breakthroughs needed to significantly improve the next generation of automobiles and the manufacturing research necessary to produce them. These research goals are in the public interest because research and development of breakthrough technologies hold the promise of addressing societal concerns about reducing dependence on imported oil, improving air quality, and enhancing the global competitiveness of our products and companies. Our belief is that cooperation between government and industry is more effective than traditional command and control regulations. For example, within PNGV, the voice of the customer is achieved by maintaining a vehicle systems perspective. This is critical to the successful introduction of advanced technology into the marketplace. Keeping customer interests (such as comfort, performance, utility, and affordability) prominent in the decision process helps to ensure market acceptance and a greater likelihood that high-technology products will proliferate more quickly. A vehicle systems perspective helps keep the component research focused on the key barriers. Conversely, regulation aimed at improving air quality and achieving energy consumption reductions do not reflect the demands of the market, often run counter to consumer needs, and result in competitive market distortions, job losses, and reduced affordability of vehicles.

SUMMARY AND RECOMMENDATION

DaimlerChrysler, Ford, and General Motors believe strongly in the merits of research being conducted under collaborative programs such as PNGV and are committed to maintaining a meaningful level of effort and resource expenditure on such programs. Just as critical to the successful completion of program objectives is sustained government participation. The National Research Council Standing Committee's Fifth Review of the Research Program of the PNGV (May, 1999) concurs that progress in on-track. "In the past year, more progress was made towards meeting PNGV goals than in previous years." Later, the report supports the need for continued and additional resources. "Despite these positive developments, the Committee believes the PNGV program will need additional resources."

DaimlerChrysler, Ford, and General Motors strongly urge continued support of this program, which we believe is in the best interests of consumers, industry, government, and the nation as a whole. In particular, the DOE's transportation technology programs in the areas of direct-injection engines, fuel cells, lightweight materials, and electric traction systems for both hybrid and fuel cell vehicles reflect PNGV's highest priorities. These programs are vital to the success of PNGV. Significant cuts in the level of federal funding would undoubtedly delay achievement of many research goals and perhaps necessitate a revision to the scope of the program.

PREPARED STATEMENT OF THE STATE TEACHERS' RETIREMENT SYSTEM OF CALIFORNIA

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 second annual installment payment of compensation due in fiscal year 2000 to the State for its interest in the Elk Hills Reserve. This was done by means of an advance appropriation of $36 million to become available at the beginning of fiscal year 2001.

The President's fiscal year 2001 Budget includes a request for an advance appropriation for payment to the State of the remaining five annual installments of compensation due to the State, to be payable in fiscal years 2002–2006 and to be made available on or about October 1 of each fiscal year, as follows: for fiscal year 2002, $36 million; for fiscal year 2003, $36 million; for fiscal year 2004, $36 million; for fiscal year 2005, $60 million; for fiscal year 2006, $60 million.

The California State Teachers' Retirement System respectfully urges the Subcommittee's serious consideration of including in the fiscal year 2001 Interior Appropriations bill an advance appropriation to provide for the remaining annual installments of Elk Hills compensation due to the State. At a minimum, Congress should appropriate for fiscal year 2001 the $36 million to fulfill the Federal Government's obligation to make the third annual installment payment of compensation, due in fiscal year 2001 under the settlement that Congress directed the Administration to achieve.

The entire 52 Member California House delegation recently signed a letter of strong support for the Elk Hills appropriation.

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 (fiscal years 1999–2003) and the balance of the amount due split evenly between years 6 and 7 (fiscal year 2004–2005).

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

the Elk Hills School Lands Fund for the express purpose of compensating the State. (The balance in the Elk Hills School Lands fund has been reduced by an approximately $26 million "hold-back" from the State's share pending the final equity determination of the Federal Government's share of the Elk Hills field vis-á-vis its co-owner prior to the sale, Chevron. This escrow will be released once the final equity shares are determined.)

THE PRESIDENT HAS REQUESTED APPROPRIATION OF THE REMAINING ANNUAL INSTALLMENTS OF COMPENSATION DUE UNDER THE SETTLEMENT AGREEMENT

In the Administration's Budget for fiscal year 2001, the President has requested an advance appropriation for payment to the State of the remaining five annual installments of compensation due to the State under the Settlement Agreement, to be payable in fiscal years 2002–2006 and to be made available on or about October 1 of each fiscal year, as follows: for fiscal year 2002, $36 million; for fiscal year 2003, $36 million; for fiscal year 2004, $36 million; for fiscal year 2005, $60 million; for fiscal year 2006, $60 million. (The Administration's requested appropriations do not include the $26 million "holdback" from the State's share pending the final determination of the Federal Government's equity interest in Elk Hills or the State's 9 percent share of any additional sales proceeds that the Federal Government would receive upon increase of its equity interest.)

CONGRESS SHOULD APPROPRIATE THE FUNDS DUE UNDER THE SETTLEMENT THAT CONGRESS DIRECTED THE ADMINISTRATION TO ACHIEVE

The California State Teachers' Retirement System respectfully urges the Subcommittee's serious consideration of including in the fiscal year 2001 Interior Appropriations bill an advance appropriation to provide for the remaining annual installments of Elk Hills compensation due to the State under the Settlement Agreement with the Federal Government. At a minimum, Congress should appropriate for fiscal year 2001 the $36 million to fulfill the Federal Government's obligation to make the third annual installment payment of compensation due in fiscal year 2001 under the settlement that Congress directed the Administration to achieve. The entire 52 Member California House delegation recently signed a letter dated March 17, 2000 to the House Interior Appropriations Subcommittee strongly supporting the Elk Hills appropriation.

PREPARED STATEMENT OF THE CONSORTIUM FOR FOSSIL FUEL LIQUEFACTION SCIENCE

C1 chemistry is the conversion of carbon-containing gases that contain one carbon atom per molecule, such as natural gas, synthesis gas and carbon dioxide, into transportation fuels and other 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 2001. This represents a modest increase over the $1.4 million of funding provided for this program by DOE in fiscal year 1999 and fiscal year 2000. The CFFLS research program on C1 chemistry is a cooperative program jointly supported 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 by gasification of coal, biomass, or organic wastes, and by reforming of natural gas with steam or carbon dioxide. C1 chemistry is currently used to produce nearly all hydrogen and methanol and many valuable chemicals. Because of new environmental standards now being promulgated, C1 chemistry is likely to become a major source of clean, high efficiency, transportation fuel in the U.S. early in the next century.

In order to insure that our research produces results that are of practical value to industry, we have established an Industrial Advisory Board (IAB) to review and focus our C1 chemistry program. The IAB includes members from Chevron, Daimler-Chrysler, Eastman Chemical, the Department of Defense, and Teir Associ-

ates. In cooperation with the IAB and DOE, the Consortium has identified several research topics that are being emphasized in this program, which are listed below.

—Development of new Fischer-Tropsch technology to produce oxygen-containing transportation fuels that produce less emissions and have higher efficiency.

—Development of new fuel additives to improve the efficiency and decrease emissions of diesel fuel and gasoline. These additives could replace MTBE.

—Development of novel processes for producing syngas and hydrogen.

A brief summary of the progress that has been made in the CFFLS program for each of these research topics is given below.

Improved Fischer-Tropsch fuels.—A principal goal of the U.S. 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. Several catalysts have been identified in the CFFLS C1 program that promote the incorporation of oxygen into diesel fuel produced via the Fischer-Tropsch process. This should cause easier ignition and more complete burnout of the fuel. Consequently, higher mileage per gallon and lower emissions of fine particulate matter should be the result of this fuel modification.

This will be tested in future diesel engine experiments at the National Energy Technology Laboratory (NETL).

New fuel additives.—Good progress has been made on the development of catalysts and processing conditions for the production of a number of compounds that may make excellent additives for transportation fuel. These additives are expected to improve the efficiency and decrease emissions of diesel fuel and gasoline. The most widely used transportation fuel additive, methyl tertiary butyl ether (MTBE), has been found in the ground water in California and is likely to be banned soon in that State. The compounds we are working on include dialkyl carbonates and higher ethers and alcohols containing from six to nine carbon atoms per molecule. Such compounds are much less volatile and much less soluble in water than MTBE and therefore are much less likely to be dispersed into the ground water. The dialkyl carbonates are biodegradable into carbon dioxide and water.

Production of syngas and hydrogen.—There is an abundance of remote natural gas, such as that associated with the Alaskan oil fields, that is currently being wasted. Therefore, it is important to develop more effective technology to convert natural gas into liquid products that can be transported by pipeline or tanker. The costliest step of this process is converting the natural gas into syngas. 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 on this topic is focused on catalytic reforming of natural gas with carbon dioxide or mixtures of steam and carbon dioxide. The goal is to develop novel catalysts with higher activities and longer lifetimes.

Hydrogen research is focused on the development of nanoscale catalysts to produce hydrogen from syngas, methanol, natural gas or higher hydrocarbons. 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. Consequently, we will explore methods of extracting hydrogen from various liquid fuels. An alternative approach is the development of safe, stable, hydrogen storage materials for use on vehicles.

ECONOMIC AND ENVIRONMENTAL BENEFITS

Technology to be developed in this program could have significant economic and environmental impact. The value of the products produced by C1 chemistry (diesel fuel, transportation fuel additives, hydrogen, etc.) could eventually exceed $70 billion per year, while oil imports could be significantly reduced. At the same time, emissions of fine particulate matter, carbon dioxide, and sulfur and nitrogen oxides could be reduced by as much as 10 percent.

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, syngas, carbon dioxide, and methanol) into ultra clean, high efficiency transportation fuel. The CFFLS is requesting $1.6 million from the Department of Energy to support this program in fiscal year 2001. This would be a modest increase over the $1.4 million allocated for the program in fiscal year 1999 and fiscal year 2000. The five Consortium universities will provide $0.25 of cost sharing for every $1.00 of federal funding, or $400,000 in fiscal year 2001.

PREPARED STATEMENT OF THE NATIONAL RESEARCH CENTER FOR COAL AND ENERGY, WEST VIRGINIA UNIVERSITY

Dear Chairman Gorton and Members of the Subcommittee: We are writing to request your support for the C–1 Chemistry research program of the Consortium for Fossil Fuel Liquefaction Science. Our research is focused on producing clean alternative liquid transportation fuels from feedstocks such as coal and natural gas. We seek funding at a level of $1.2 million for fiscal year 2001 in the budget of the Office of Transportation Technologies of the U.S. DOE Office of Energy Efficiency and Renewable Energy. This request is an increase of $0.2 million over the level supported by your Subcommittee for fiscal year 2000.

Recent forecasts by the Energy Information Agency of the U.S. Department of Energy predict that our nation's dependence on foreign oil will increase from its present level of around 50 percent of our total consumption to about 63 percent of consumption in the next fifteen years. Our energy security will be increasingly in jeopardy unless we can develop alternative sources of liquid transportation fuels.

In the near future, the Environmental Protection Agency is expected to propose tightening diesel fuel and diesel engine sulfur emission standards. The sulfur content of diesel fuels is projected to be reduced from the current standard of 500 parts per million to 15 parts per million in 2006. Fuel for cars and light trucks would be limited to no more than 30 ppm, a 90 percent reduction over the sulfur content in most gasoline currently on the market.

The national concern over the current rise in prices at the gasoline pump has driven home our dependence on liquid transportation fuels. Increased fuel costs are already causing unwanted adverse changes in our overall economy.

These factors demonstrate the relevance and importance of our research program.

C–1 Chemistry begins with the conversion of natural gas or coal into synthesis gas, a mixture of carbon monoxide and hydrogen. When syngas is produced from coal by gasification, undesirable minerals such as sulfur can be readily removed, thereby ensuring that a clean transportation fuel can be made upon further processing. When natural gas is used as a feedstock, C–1 Chemistry processes require fewer clean-up steps, but the initial fuel cost is higher than coal. Further processing of syngas streams by using tailored catalysts can produce a wide variety of liquid fuels and fuel additives, including hydrogen. Some processes utilize carbon dioxide, thereby reducing the emission of greenhouse gases.

C–1 Chemistry processes are an integral part of important national energy programs. C–1 Chemistry can be applied in the conversion of remote natural gas, as in the Alaskan oil fields. Under the Vision 21 program, gasification units are integrated into co-production facilities to produce turbine fuels for power generation or to produce liquid transportation fuels or chemicals. Our research also contributes to the Ultra Clean Fuels initiative proposed by DOE for their fiscal year 2001 program.

Investments in C–1 Chemistry research are required for optimizing the conversion of feedstock fuel into final products, for evaluating the characteristics of fuels and fuel additives produced, and for testing these fuels in engine systems. Further research will reduce the cost of producing fuel to enable our nation to more readily meet its transportation needs using indigenous resources. Value added chemicals will be a useful byproduct of this research program.

Our Consortium provides 20 percent of the cost of the research. We work closely with DOE program managers in both Fossil Energy and Energy Efficiency. An Industry Advisory Board provides guidance to our program.

Our program integrates well with the major transportation fuel initiatives of the U.S. Department of Energy. The relatively modest cost of basic research investments will be reflected in cleaner and cheaper transportation fuels in future years. In addition to economic and energy security benefits, these initiatives will provide increased health benefits as harmful emissions from cars and trucks are reduced.

We are appreciative of your past support. We urge your funding of the C–1 Chemistry program of our Consortium in fiscal year 2001. We would be pleased to provide additional information about our programs and accomplishments.

PREPARED STATEMENT OF THE CONSORTIUM FOR FOSSIL FUEL LIQUEFACTION SCIENCE, UNIVERSITY OF UTAH

In your considerations for the fiscal year 2001 Budget, I recommend support for the Consortium for Fossil Fuel Liquefaction Science (CFFLS), a five-university research consortium with approximately 90 participants from: the University of Kentucky, West Virginia University, the University of Utah, the University of Pittsburgh, and Auburn University. Over the past three 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 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 initiated a basic research program on C1 chemistry that was included in the DOE budgets for fiscal year 1999 and fiscal year 2000.

The Consortium made a thorough study of C1 chemistry to determine which research topics should be emphasized to meet our national energy needs and environmental goals. In order to insure that the research produces results that are of practical value to industry, the Consortium has established an industrial advisory board (IAB) to review and focus the Consortium's C1 chemistry program. The IAB includes members from Chevron, Daimler-Chrysler, Eastman Chemical, the Department of Defense, and Teir Associates. In cooperation with the IAB and DOE, the Consortium has identified several research topics that are being emphasized in this program, which are listed below.

—Development of new Fischer-Tropsch technology to produce oxygen-containing transportation fuels that produce less emissions and have higher efficiency.
—Development of new fuel additives to improve the efficiency and decrease emissions of diesel fuel and gasoline. These additives could replace MTBE.
—Development of novel processes for producing syngas and hydrogen.

The CFFLS is requesting $1.6 million from the Department of Energy to support this program in fiscal year 2001. The five consortium universities will provide $0.25 of cost sharing for every $1.00 of federal funding, or $400,000 in fiscal year 2001. Your support for this important program is requested.

PREPARED STATEMENT OF THE UNIVERSITY OF PITTSBURGH

We are offering this testimony in support of a request for continued funding for research on C1 chemistry which involves the conversion of simple molecules such as natural gas, synthesis gas (a mixture of hydrogen and carbon monoxide), carbon dioxide and methanol into efficient, environmentally clean fuels and chemicals. This research is being conducted by the Consortium for Fossil Fuels Liquefaction Science and is supported by the U.S. Department of Energy. The Consortium includes the Universities of Pittsburgh, Kentucky and Utah as well as West Virginia and Auburn Universities.

There is a growing need for efficient diesel fuel that has little or no sulfur, nitrogen or aromatic material, substances responsible for harmful emissions, especially of particulate matter consisting of black sooty material. The Consortium is engaged in research to produce clean, high cetane diesel fuel containing built-in oxygen atoms, by adding certain oxygenated compounds to petroleum-derived diesel fuel or by oxidizing petroleum diesel by blowing air through the fuel.

Work is also being conducted on converting heavy materials such as Fischer-Tropsch waxes and waste polymers to diesel fuel or to gasoline, both environmentally clean and fuel efficient. A new and robust catalyst has been found that can convert heavy materials by hydrocracking and hydroisomerization to diesel fuel, jet fuel and, in the future, to needed lubricant oils. Work on using carbon dioxide as an oxidizing agent to convert various materials to high volume, high value chemicals is also proceeding.

The Consortium is a much-needed resource team to provide trained engineers and chemists who will supply the talent to meet the needs of industry, especially those concerned with supplying the energy that is crucial to our economy. Students who have been trained by Consortium researchers are already important contributors to major firms.

The work of the Consortium is of great value to the health and wealth of this country. It is recommended that funding for the Consortium, now at $1.4 million, be increased to 1.6 million in fiscal year 2002. The undersigned recommend and request your strong support for the much-needed program and budget proposed for the Consortium.

PREPARED STATEMENT OF AUBURN UNIVERSITY

Auburn University, in conjunction with the universities of Kentucky, West Virginia, Utah, and Pittsburgh, is a member of the Consortium for Fossil Fuel Liquefaction Science (CFFLS). In 1999, this consortium initiated a new basic research program in C1 chemistry. C1 chemistry is the conversion of carbon containing gases with one carbon atom per molecule such as synthesis gas, methanol, and carbon dioxide, into transportation fuels. The fuels, hydrogen and methanol, made through C1 chemistry bum cleanly and provide a new source of environmentally friendly fuels. C1 chemistry also offers the opportunity to make (produce?) valuable fuel additives that promote the clean burning of petroleum fuels.

Research at Auburn University is directed toward the development of processes to synthesize higher ethers from synthesis gas and methanol that will serve as additives to gasoline and diesel fuels. These oxygen-containing additives promote combustion and assist petroleum fuels in burning more completely and efficiently. The addition of these additives decreases the emissions from the combustion of diesel fuels and gasolines. Higher ethers provide a more environmentally favorable alternative to MTBE because the higher ethers are less soluble in water and have a lower vapor pressure. These chemical characteristics of higher ethers decrease the likelihood of ground water contamination.

Auburn University researchers are also engaged in developing a novel approach to Fischer Tropsch synthesis of transportation fuels. State-of-the-art research in supercritical fluid reaction chemistry is being applied to the production of fuels from synthesis gas. Supercritical fluid conditions allow fine-tuning of the reaction environment to mediate the current heat and mass transport limitations and to enhance the selectivity and conversion of synthesis gas to the desired products in Fischer Tropsch synthesis.

Auburn University supports the request of $1.6 million by the CFFLS from the Department of Energy (DOE) for this C1 chemistry research program. The request is for $1.2 million from the DOE Energy Efficiency and Renewable Resources Office of Transportation Fuels and the DOE Fossil Energy Advanced Research and Environmental Technology division. Auburn University, like the other four consortium members, will provide $0.25 of cost sharing for every $1.00 of federal funding.

PREPARED STATEMENT OF THE BIOMASS ENERGY RESEARCH ASSOCIATION

This testimony pertains to the request for appropriations in fiscal year 2001 by the Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy (EERE), for three, specific, mission-oriented, biomass research programs included under the general title Energy Conservation, Industry Sector. These programs are supported by EERE's Office of Industrial Technologies (OIT): The production of organic commodity chemicals from biomass feedstocks in the Industries of the Future (Specific), Agriculture Vision; The development of advanced biomass gasification processes in Industries of the Future (Specific), Forest and Paper Products Vision; A variety of advanced biomass technologies in Industries of the Future (Crosscutting), Enabling Technologies. A separate statement has been prepared in support of the biomass research funded by the Energy and Water Bill.

Specifically, the Biomass Energy Research Association (BERA) recommends that $43,826,000 be appropriated for these programs in fiscal year 2001. The high priority activities and the dollar allocations recommended for each program in fiscal year 2001 are:

—Continuation of the chemicals-from-biomass core research ($5,000,000) and incorporation of the requested Bioenergy/Bioproducts Initiative (BBI) ($8,000,000). This program should include assessments of biomass feedstock production and needs in collaboration with the U.S. Department of Agriculture (USDA) and independent contractors if needed, and a clear definition of the potential con-

tribution that each project can make to meet program objectives before an award is made.

—Continuation of the core research started in fiscal year 2000 to develop advanced biomass gasification technologies such as integrated gasification-combined cycle (IGCC) processes and their demonstration in the field for waste biomass including black liquor ($13,726,000). This program, which will be implemented through the National Energy Technology Laboratory (NETL), should fully utilize the large background already in existence on gasification technologies developed over many years, most of which is readily available.

—Continued development of advanced biomass technologies for the forest and paper industries ($12,100,000) and incorporation of the requested BBI ($5,000,000) into the program. Although these biomass-related activities are important projects for both national and industry goals, the OIT is urged to provide more supporting detail in future requests. (See next item)

—In the OIT's future requests for appropriations, new projects and existing projects scheduled for continuation in the next fiscal year and terminated projects from the current fiscal year should be described in sufficient detail, as is done in EERE's funding requests under the Energy and Water Bill, so that it is possible to determine specific expenditures that are planned for each project and the cost-shared amounts from the private sector already in-hand and expected for each of the scale-up projects.

—Continued internal coordination and joint management of all DOE biomass programs at DOE headquarters.

BERA is a non-profit association in Washington, DC. It was founded in 1982 by researchers and non-governmental 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. BERA does not accept federal funding for its efforts.

I would like to thank you, Mr. Chairman, on behalf of BERA's members for the opportunity to present BERA's position on the federal funding of these biomass programs. Continued support of this research 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.

PROGRAM INTEGRATION, COORDINATION, AND MANAGEMENT

For several years, BERA has urged that all of the biomass-related research funded by DOE should be internally coordinated and jointly managed at DOE headquarters. The program managers at DOE Headquarters should be heavily involved in this activity. Multi-agency agreements to expand the coordination of biomass energy research programs between two or more federal agencies do not seem to have been too effective in the past. Implementation of the Bioenergy Initiative enacted by Congress for fiscal year 2000 to identify each federal agency that provides funding related to producing biomass energy, each agency's programs, and the expenditures by each agency, coupled with President Clinton's Executive Order 13134 issued on August 12, 1999, "Developing and Promoting Biobased Products and Bioenergy," should make it possible to extend the coordination of all of these programs through a National Coordination Office to all federal agencies involved in biomass energy development, as proposed in the Executive Order.

BERA strongly recommends that these initiatives be continued and incorporated into the overall federal biomass RD&D program. In fiscal year 2001, it is especially important that the biomass research of DOE and the USDA be closely coordinated. If the initiatives are fully implemented, the value of the federal expenditures on biomass research to the country will be enhanced in many different ways.

In addition, BERA strongly urges that at least 50 percent of the federal funds for biomass research, excluding the funds for scale-up projects, are used to sustain a national biomass science and technology base via subcontractors outside DOE's national laboratories. While it is desirable for the national laboratories to coordinate this research, increased support for U.S. scientists and engineers in industry, academe, and research institutes that are unable to fund biomass research will encourage commercialization of emerging technologies and serious consideration of new ideas. It will also help to expand the professional development and expertise of diverse researchers committed to the advancement of biomass technologies.

BACKGROUND

Organic commodity chemicals from biomass (agriculture vision)

This program was started by OIT in fiscal year 1999 ($1,981,000) and continued in fiscal year 2000 ($4,000,000). A third solicitation to support project R&D is scheduled for fiscal year 2001 ($8,000,000 requested including a BBI of $5,000,000). Specific projects and project areas are not described in the formal budget request for fiscal year 2001. Additional solicitations will support projects to integrate technology, markets, and policies for using crops and agricultural wastes to produce fuels, power, and biobased products in biorefineries ($5,000,000 requested including a BBI of $3,000,000).

Several reports on the Agriculture Vision program and the information presented in the request for appropriations for fiscal year 2001 have been examined. The overall goal is to develop the technologies necessary to displace 10 percent of the U.S. market for fossil feedstocks with biomass for the production of organic commodity chemicals and chemical products by the year 2020. We are pleased to note that BERA's recommendation last year to include the displacement by biomass of process energy consumption supplied from fossil fuels appears to have been incorporated into the program objectives. It was previously recommended that the program goal be expanded to include both fossil feedstock displacement and the use of biomass energy, biofuels, and other renewable energy resources to displace the fossil energy inputs used for processing. In addition, reductions in process energy consumption through higher efficiency unit operations and process energy conservation should be part of this goal. This year, DOE has reported that they expect to achieve a 30 percent reduction per pound of chemicals produced in energy consumption, materials used, water consumption, and pollutant and toxic dispersion by 2020. This is important because the total fossil feedstock converted to organic commodity chemicals in the United States last year, for example, in terms of barrels of oil equivalent (BOE), was approximately 1.26 million BOE/day. Ten percent of this value is 126,000 BOE/day, while the corresponding process energy consumption was about 136,000 BOE/day.

BERA believes that this program is very worthwhile. Successful implementation of the chemicals-from-biomass program in the Agriculture Vision is expected to result in many regional and national benefits. Virtually all basic organic chemicals (including plastics and petroleum- and natural gas-derived chemicals (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 federal farm subsidy payments and trade deficits will be reduced. The displacement of fossil feedstocks by virgin and waste biomass will also help reduce atmospheric pollutants emitted by conventional manufacturing plants that use fossil feedstocks, such as sulfur oxides and unburned hydrocarbons, each of which contributes heavily to subquality air.

As stated last year, the potential amounts of fossil feedstock and process energy displaced by biomass feedstock and biomass energy and biofuels should be estimated for each contract before an award is made. Each respondent to a competitive solicitation should address this question in the proposal. A simple analysis is sufficient 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 basic assessment, along with preliminary economic analyses, when applied to development of this program, will help ensure its success. There is no indication in the request for fiscal year 2001 that this will be performed for each project. However, the contracts already awarded for this program and the progress made in fiscal year 2000 are not discussed in the request for fiscal year 2001.

An in-depth assessment of the availabilities, 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, is required to properly structure the Agriculture Vision program and to select optimum biomass feedstocks. This assessment 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 to energy and fuels is about 50 to 75 miles. Note also that 1.0 quad (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

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 assessment 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. The EERE and its predecessor groups in DOE, USDA, and others have performed such assessments. The results of this work should be incorporated into the assessments of the Agriculture Vision.

Advanced biomass gasification processes (enabling technologies)

This program was started by the OIT in fiscal year 2000. It involves preliminary design studies scheduled for completion in fiscal year 2001 with black liquor feedstocks, critical R&D needs for systems in industrial plants, and a competitive solicitation ($10,726,000 requested). Supporting areas include sulfur management, gas clean-up, materials, system integration, and other combustion-related studies ($3,000,000 requested). It is anticipated that perfection of this technology with black liquor and wood waste feedstocks will open new applications in the pulp and paper industry.

The federal and private sector funding provided over the last few decades to perfect biomass gasification technologies and to develop advanced processes such as IGCC systems is substantial. Some of this work is on-going and includes other EERE projects in progress that are currently funded at a reduced level under the Energy and Water Bill. Significant processing improvements and innovative advancements have been and continue to be made. However, the gasification of black liquor, a major biomass energy resource, has not been developed.

This program, if successful, could result in the initiation of new projects to perfect biomass gasification and can help this fledgling technology make the successful transition to commercial use. The program, which will be implemented through NETL, should fully utilize the large background already in existence on gasification technologies developed over many years, most of which is readily available. It is strongly recommended that the history, information, and data accumulated to date be carefully examined, and where appropriate utilized by proposers before awards are made by DOE to design and build new biomass gasifiers.

Advanced biomass technologies for the forest and paper industries (forest and paper products vision)

All of the Forest and Paper Products Vision ($17,100,000 requested including a BBI of $5,000,000) has been categorized by DOE as biomass energy RD&D. This program is described by various titles as follows: Energy Performance consists of approximately 12 projects on efficiency, heat recovery, wood and paper drying, environmental impacts, and Kraft pulping ($3,280,000 requested); Environmental Performance consists of approximately 10 projects on developing advanced pollution prevention technologies such as volatile organic compound (VOC) emissions reduction in Kraft mills and commercial VOC extraction and collection from lumber drying ($2,073,000 requested); Improved Capital Effectiveness consists of approximately 7 projects focused on system and process efficiency, such as a tool to predict corrosion rates in a Kraft chemical recovery boiler that will be commercialized ($2,172,000 requested); Recycling consists of approximately 8 projects to develop a new screening technology to reduce energy consumption during the removal of contaminants from recycled fiber ($1,678,000 requested); Sensors and Controls consists of 8 projects for optimizing paper mill operations such as a project to develop an apparatus for measuring properties on the wet end of a paper machine ($2,073,000 requested); Sustainable Forestry consists of approximately 5 projects to improve the conversion of solar energy to woody biomass such as a project to increase stem growth rates of loblolly pine ($824,000 requested), and approximately 7 additional projects to implement the relevant results ($2,000,000 BBI requested) and 8 additional projects that involve biorefineries ($3,000,000 BBI requested).

This program has shown and continues to show significant value in addressing both national and industry priorities and has significant matching funds from industry. However, in future funding requests, OIT should provide brief status reports of each project, including the results for the current year, plans for the next year, and the level of industry participation.

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 45 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 2001 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 2001. 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 2001 to approximately $850.5 million, 12 percent above the fiscal year 2000 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 $142.5 million 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 CO_2 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 $339.8 million to restore previous reductions to these energy partnership programs. Among them are Rebuild 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 promote adoption of motors and motor-driven equipment that increase energy efficiency, enhance productivity and improve environmental quality. By the year 2001 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 $100 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 2000. 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 some 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 2001 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 2001 represents an increase of nearly $4 million above the fiscal year 2000 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 Institute (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 2001, the cost-shared contract calls for DOE support in the amount of $41.5 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 2001 request of $83.9 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 2001 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.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

The National Association for State Community Services Programs (NASCSP), a member organization comprised of state directors of the Weatherization Assistance Program and the Community Services Block Grant, is pleased to submit testimony in support of continued funding for the Weatherization Assistance Program operated through the U.S. Department of Energy's (DOE) Building and Technology Assistance. DOE's Weatherization Assistance Program is the largest residential energy conservation program in the nation, serving more than 65,000 families each year. Its purpose is to increase the energy efficiency of homes occupied by low-income persons, particularly the elderly, those with disabilities, and families with children, while ensuring their health and safety. The Weatherization Assistance Program exists in all fifty States, the District of Columbia, and on several Native American reservations.

The Weatherization Assistance Program regulations stipulate that the Program will serve families who have incomes at or below 150 percent of the poverty level, as established each year by the Office of Management and Budget, or at 60 percent of state median income. The income level for qualified families is established by each State in adherence to these rules. Currently, the average household served by the Program has an income of less than $8,000 per year. These families spend between 14 to 20 percent of their income to pay their energy bills, while typical households spend only 3.5 percent of their income on home energy. The Weatherization Assistance Program serves a vital function in helping these less fortunate families control their energy consumption, thereby reducing their energy costs and increasing usable income to provide vital necessities like food, shelter, clothing, and health care.

The Oak Ridge National Laboratory report entitled State Level Evaluations of the Weatherization Program in 1990–1996: A Meta-evaluation That Estimates National Savings revealed that the Program has significantly improved its energy savings results during the past several years. In 1996, the Program showed savings of 33.5 percent of gas used for space heating—up from 18.3 percent savings in 1989. The increase in savings was based in large part on the introduction and use of more sophisticated diagnostic tools and audits. The report also concluded that the Weatherization Assistance Program possessed a favorable cost-benefit ratio of 2.40 to 1.0. Simply stated, the federal funds provided to support the Program have a 140 percent return on investment or more than $2 in benefits for every dollar invested. This positive ratio of benefits continues to increase as state and local agencies integrate advanced technologies and constantly improve their return on investment.

We believe the Weatherization Assistance Program has an even greater national impact and serves national interests by creating the technological and programmatic foundation for the individual state programs it funds. The Program's contribution in achieving national energy and social goals includes:

—Reducing harmful green house gas through reduced CO_2 emissions—the avoided energy production resulting from this conservation effort reduced CO_2 emissions by tens of thousands of metric tons that would otherwise have been released into the air;

—Reducing consumption of imported fuels by reducing residential energy consumption, especially important in these times of sky-rocketing oil prices;

—Reducing demand on other social programs like the Low-Income Home Energy Assistance Programs (LIHEAP), housing, and health care; and

—Promoting the use of innovative energy conservation technologies and the transfer of this technology into the private market.

These are examples of how the Weatherization Assistance Program helps conserve energy and advances national interest. There is a greater story centering on the Program's ability to incorporate new technologies and constantly re-engineer itself. Since the 1990 reauthorization in the State Energy Efficiency Programs Improvement Act (Public Law 101–440), the rules promulgated by the DOE insure greater flexibility in the program which has led to even greater energy efficiency and savings in the homes of low-income families. Based on this reauthorization language, the Program now includes services to reduce the cost of cooling homes. The language also called for a review of the factors in the funding formula, leading to the development of an entirely new funding distribution method. The new formula addresses issues of equity between States who use energy to heat their homes (north) and those States that use the greatest portion of energy to cool their homes (south). The Weatherization Assistance Program is no longer characterized as a "cold climate" program, but one that acknowledges energy as a basic commodity that every American household needs.

The Weatherization Assistance Program, like all successful businesses, understands the need for change and self-improvement. When the 1990 evaluation noted that greater savings were achieved by the use of more sophisticated auditing techniques, States moved immediately to incorporate them. Other important advances included the increased use of blower-door directed air infiltration reduction, in-depth furnace efficiency analysis, duct system diagnostics, and air quality improvement measures. Nearly 6,000 trained professionals employed by 970 local agencies use state of the art diagnostic equipment and techniques along with twenty years of practical experience to make homes more energy efficient, safer, and more affordable.

The DOE supports state program efforts to ensure that the individuals involved in the implementation of the program at the local level have adequate training on the latest and best energy conservation practices. The States of New York and Vermont joined together to create the Building Performance Institute (BPI) to set competency standards and establish a training curriculum that can be transferred throughout the country. Illinois uses the community college and vocational education systems to offer ongoing standardized training. Indiana, Ohio, North Carolina, California, Virginia, West Virginia, and Pennsylvania have created their own training centers to support technological advances. In Florida, the Solar Energy Center provides training on warm climate weatherization measures. In Washington State, a peer circuit rider program has been developed to meet locally-determined training needs, especially new diagnostics implementation. These are only examples of the States' commitment to providing skills training for those who provide this valuable service. Whichever option is selected for transferring technology and skills improvement, the results are the same—highly skilled, competent people using the latest technologies are providing the most cost effective and energy efficient services in low-income households throughout the country.

The DOE has invested significant amounts of money in energy conservation research through its laboratories. The Weatherization Assistance Program serves as a testing ground and provides a fertile field for the deployment of their research. The Oak Ridge National Laboratory developed the National Energy Audit (NEAT) for use by local agencies in assessing cost effectiveness of service delivery. The NEAT audit, as well as other comparable and approved auditing methods, helps local agencies make decisions about which services are best suited for the home and helps set priorities for federal investments so that the most cost-effective energy conservation services are installed. Oak Ridge is currently investigating the cost effectiveness of including certain base load measures into the Program and continues to test other protocols and material installation techniques to help State and local agencies improve their field operations. The Florida Solar Energy Center and the State of Hawaii are working on the development of cost effective solar hot water heaters. The State of New York, working in concert with the local utility companies and the State Energy Research Development Authority, has implemented a refrigerator replacement program to test the impact of providing base-load services to conserve energy and reduce costs for eligible multi-family residents. We are hopeful that Weatherization Assistance Programs throughout the country will remain on the front line in the deployment of these technologies and that the citizens of their States continue to benefit from these technological advances.

One of the major positive effects of field deployment through the Weatherization Assistance Program is that the private sector will eventually adopted these technologies. This pattern has been established with several technology advancements including blower door-directed air infiltration, duct system testing and sealing, fur-

nace efficiency standards, and insulation/ventilation protocols. The rigorous conservation standards of the Weatherization Assistance Program are not usually found in the building industry. The acceptance of these standards and protocols by the private sector is enormously important as builders attempt to construct new properties or rehabilitate existing ones using a conservation philosophy.

The electric and gas industries are in the midst of changes that will affect nearly every American business, institution and household. These changes are a result of utility restructuring and will have a major impact on low-income households. It is more crucial than ever that the Weatherization Assistance Program retains an economically viable presence and the core capacity of the Program remains intact to guide the residential energy conservation efforts during the next decade as utilities begin investing in energy efficiency programs as part of their restructuring requirements. The continuation of federal support for the Weatherization Assistance Program will ensure that it remains a catalyst for utility involvement and that low-income energy conservation activities remain a priority in local case settlements.

The House Interior Appropriations Subcommittee recently placed a new requirement on the Program during 2000 that requires all States and eligible recipients (e.g., Native American tribes who receive funds directly from DOE) to provide a 25 percent cost share using non-federal funds. This requirement has resulted in a mixed reaction from States that administer the day-to-day operations of the Program. Members of Congress and the White House received letters in opposition of this cost share from several Governors and top-ranking officials from the following States: New Hampshire, Montana, Washington, Wyoming, Georgia, Vermont, and West Virginia.

Some States will easily provide the 25 percent cost share (equivalent to a 33 percent match) using State-appropriations or funds provided by utility companies or other local sources. Other States may be able to pass the cost share responsibility to local agencies and require local participation in order for contracts to be executed within their State. Unfortunately, there will be a certain number of States and probably all the Native American tribes that will not be able to offer a cost share from non-federal sources. With approximately half the States reporting in as March 27, we are aware of eight States that have indicated that they may not be able to meet the cost share requirement (KS, LA, ME, NH, TN, UT, WV, and WY). The low-income families living in these States or on those affected Native American reservations will be denied access to this extremely valuable and, in some cases, life-saving service because of this very restricted and penalizing addition to the law. We are confident that no one ever intended to enact a law that would punish low-income families and deny them services and ask that this Committee act to repeal the language found in H.R. 3423 related to the 25 percent cost share requirement.

While we support the Administration's request for $154 million in fiscal year 2001, we believe that the Weatherization Assistance Program remains slighted by this Committee in terms of funding recovery. In 1995, the Weatherization Assistance Program suffered a 47 percent cut in funding (from $214 million to $110 million). Over the past five years, the Program has had a small recovery from this loss to $135 million in 2000. The Program still remains 37 percent below the 1995 funding level while programs for research and development, corporate technology investment, fuel subsidies, and other energy related programs have been fully restored. Low-income families deserve to have their services restored as well. We strongly support a funding level of $250 million for the Weatherization Assistance Program. This figure represents full recovery to pre 1995 funding levels, adjusted for inflation over that same time period. These funds would be used to increase the number of homes receiving services from 65,000 to more than 125,000 homes weatherized each year and would serve as the catalyst to promote an additional $80 million to $100 million in leveraged resources. By the evidence provided herein, this Committee can be assured that the increase in the number of low-income families served will result in greater energy savings, more economic investments, increased leveraging of other funds, and less reliance on high cost energy like foreign oil—outcomes that will benefit the country.

PREPARED STATEMENT OF THE DETROIT DIESEL CORPORATION

Detroit Diesel Corporation (DDC) strongly supports the Administration's fiscal year 2001 budget request for the Office of Transportation Technologies' (OTT), Office of Heavy Vehicle Technology (OHVT) and Office of Advanced Automotive Technologies (OAAT) activities. Specifically the Vehicle Technologies R&D, Fuels Utilization R&D and Materials Technologies budget line items are the focus of this statement. We believe that the aforementioned program elements under the combined

leadership of OHVT and OAAT Program Offices forge a formidable United States Government-Industry coalition that will bring forth substantial and tangible results to the nation's economy, energy independence and clean air improvements. We also believe that the Transportation Technologies roadmap deserves the collective and combined support of policy and decision makers from the U.S. Government, networked with key industrial partners.

DDC is a U.S. company with its world headquarters in Detroit, Michigan. DDC's 1999 net revenues were $2.4 billion, with R&D at 4.5 percent of revenues. DDC designs, manufactures and sells diesel-fueled and alternative-fueled engines for heavy duty, light duty and automotive applications for on-highway and off-highway throughout the world. The DDC Series 60 engine has revolutionized the truck engine technology. It has consistently set new global performance, emissions, fuel economy and durability standards and has been the most popular heavy duty truck engine in the United States for the past 8 consecutive years. DDC is the world's largest independent manufacturer of automotive diesel engines and is part of the Penske group of companies.

The proposed fiscal year 2001 Advanced Combustion Engine R&D program element includes Combustion and Aftertreatment R&D, Light Truck Engine, Heavy Truck Engine and Health Impacts, having a total budget request of $46.9M. This program element encompasses competitive vertical teams of industry, national labs and academia competing for the development of far-reaching technologies to enable clean and efficient diesel-based transportation for people and goods. Horizontal teams have also been formed with the direction and leadership of DOE's OTT seeking pre-competitive, high risk and fundamental breakthrough technologies. This too is leveraging the resident expertise in the nation's national laboratories and elsewhere. Such developments are urgently needed for a substantial and pervasive impact on energy independence, emissions reduction, CO_2 reduction (the climate change action plan), and for sustaining the growth in U.S. jobs and our international competitive edge. Further, this program element deserves more emphasis now due to the increased shift towards light truck (pickups and sport utility vehicles) use for personal transportation, the unprecedented increase in fuel prices, and the accelerated mandated emissions reductions that have been recently enacted.

We draw special attention to the Advanced Petroleum-based Fuels program under the Fuels Utilization R&D subject category with a combined request of $12M. The compression ignition piston engine combined with an effective aftertreatment device is undisputedly the most efficient clean power plant that has a potential of practical applications in the transportation sector for the near- and mid-term future. Current diesel fuel properties, such as sulfur content and aromatics, are known as major barriers to further improvement in the engine-aftertreatment system performance and emissions. Lab-scale advanced fuels under idealized test conditions have confirmed the potential for realistic achievements with advanced petroleum-based fuels. The proposed program is but a small investment with a potential significant payback for the U.S. energy independence and cleaner air.

The Transportation Materials Technology program request of $17.5M covers the areas of Propulsion Materials Technology, Lightweight Materials Technology and the High Temperature Materials Laboratory (HTML). It has been long recognized that advanced materials is a key critical technology area for the U.S. global competitiveness. The most-popular DDC Series 60 truck engine touts applications of structural ceramics and advanced tribological coatings for many years, and it is still a worldwide first in our industry. This program element includes investigation of smart materials application for advanced systems and controls as well as maintaining and enhancing HTML world leadership.

In summary, the proposed DOE/OTT (OHVT+OAAT) fiscal year 2001 budget requests will continue the trend-setting partnership between the United States Government and a key industrial base to address the Country's and the global needs in critical areas of the economy, environment and the United States competitiveness. The exemplary track record through competitive leveraging of Government funding by substantial industry cost share of 50 percent and more in many instances, and the emerging high potential results of these partnerships warrant continued endorsement of the Administration's budget request. Such endorsement offers a unique potential for a justifiable and highly effective return on investment of the U.S. taxpayers' money. We petition your strong support of the aforementioned programs' budget requests.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

PREPARED STATEMENT OF THE YUROK TRIBE

Before addressing our specific tribal issues, the Yurok Tribe would like to express our wholehearted support of President Clinton's proposed Native American budget for fiscal year 2001. It is not nearly enough to redress centuries of theft and neglect, but it is the best we can hope for at this time, under these circumstances, and we urge the Committee to join with the Administration in honoring the United States' commitments to all tribes of this nation.

The Yurok Tribe appreciates the support provided by the Committee since the 1988 Hoopa-Yurok Settlement Act (Public Law 100–580, "the Act") split the former Hoopa Valley Indian Reservation between the Yurok Tribe and the Hoopa Tribe. One stated intent of the Act was to equitably divide the resources of the former reservation between the two tribes. Because the one Yurok resource mentioned in the Act—the chinook salmon—is severely depleted, the Yurok Tribe finds it necessary to submit this request for additional funding in the amount of $12,423,025.00 in order to continue implementation of the Act.

BACKGROUND

The Yurok Reservation consists of approximately 56,000 acres on the lower 45 miles of the Klamath River canyon, in Humboldt and Del Norte Counties of far northern California. This bioregion—the Lower Klamath Basin—is in grave danger. The fishery on which the Yurok people depend for their survival, and which was central to Congress' determination of "equity" in the Act, is close to dying. Federal task forces have been measuring the cumulative impact on the fishery of 150 years of careless and abusive land use practices. It is now obvious that the salmon runs will not in the near future return to their former richness, and cannot therefore be depended upon to provide any viable means of economic development.

The vast majority of the Yurok Reservation (approximately 80 percent) is owned in fee by Simpson Timber Company. With the purchase of 6,000 acres of cut-over land, the Tribe has recently increased its total holdings, fee and trust, to a little over 13,000 acres. The Tribe acquired the land in an effort to consolidate a Tribal landbase, to protect the watershed and to save as much land as possible within the watershed from wasteful logging practices. However, the purchase of the land, through a USDA Rural Development loan guarantee, has placed the Tribe heavily in debt.

Community and physical infrastructure on the Reservation (which is mostly rugged, steep river canyon) are limited or nonexistent. Residents in the upper Yurok Reservation live in near third world conditions, without sewer, electricity or telephone services. Community policing and fire protection are virtually unavailable.

The lower Yurok Reservation contains the only land currently available for economic or housing development. However, the majority of the flat land is periodically and consistently flooded. In 1964 the entire town of Klamath was wiped off the map. The "new" Klamath townsite was built on what is basically a landfill, and the 35-year-old infrastructure is outdated and insufficient for true development. Heavy flooding in 1997 and 1998 caused further heavy damage. No further development can occur without additional public investments.

Pursuant to the Settlement Act, the Yurok Tribe formally organized under a tribal constitution in 1994. Since that time, we have achieved Self-Governance status. Even so, our efforts at self-determination and self-sufficiency have been hampered by a severe funding shortage, caused by the actions or inactions of federal interests who continue to ignore our needs and to resist any attempt at government-to-government negotiations. Jurisdiction and control over our own affairs are constantly challenged by the very agencies who are supposedly entrusted with the federal responsibility for oversight of tribal interests.,

The Yurok Tribe has made great strides in community and administrative services, despite the resources promised but never allocated under the 1988 Act. Yurok people have been looking to the Yurok Tribe as their only means of achieving an above-poverty status for the first time in their lives. The Tribal organization represents a hope of positive development. To deny the Tribe its promised resources is to deny the people equity in their lifestyles.

These funding requests will enable the Yurok Tribe to fully carry out the mandates and intent of the Act. The increased funding will enable the Tribe to address the needs of a tribal membership that is more than twice as large as the original Base Roll provided by the Bureau of Indian Affairs, which was used to determine

the Tribe's base funding levels. That original Base Roll, because of bureaucratic oversight, did not include any Yuroks born after 1978.

The Yurok Tribe has carried on the work of organization and development without the resources promised and allocated under the Act. Our achievements over the last five years have been the result of bootstrapping in the truest sense. We have suffered under an overall shortfall of federal funding that we conservatively project to be $17,297,180, not including the amounts listed below. However, our current requests are related only to the requirements and intent of the Hoopa-Yurok Settlement Act. Our requests for fiscal year 2001 total $12,423,025:

—$2,500,000 (Miscellaneous Payments to Indians) for land acquisition
—$5,765,625 (Miscellaneous Payments to Indians) for development of energy systems and telephone services on the Yurok Reservation
—$687,000 (Wildlife & Parks, Tribal Management) for law enforcement activities on the Reservation
—$450,000 (Realty Services) for continuation of the Yurok Reservation Boundary Survey and completion of the Yurok Orthographic Survey.
—$3,020,400 (Tribal Priority Allocations) to make up the shortfall in base funding due to the Yurok Tribe.

DETAILS

$2,500,000 (Miscellaneous Payments to Indians) Funding for land acquisition pursuant to Public Law 100–580. The Settlement Act resulted in an extremely lopsided division of the former Hoopa Valley Reservation without the participation or consent of the Yurok Tribe. Because we received less than 10 percent of the lands of the former Reservation, the Act authorized not less than $5,000,000 for land acquisition, of which the Congress has previously appropriated $2,500,000.

—Because of the inequitable division, the Yurok Tribe lacks an adequate land base to consolidate tribal jurisdiction and speed up the process of economic self-sufficiency. Tribal attempts at augmenting the land base with commercially producing forested lands have stalled due to poor weather and poor market conditions.

$5,765,625 (Miscellaneous Payments to Indians) Provide support for and finance construction of energy development and a telecommunications system for the upper Yurok Reservation. According to a Telecommunications Survey commissioned by the Tribe, linking the entire unserved area with a telephone system would cost $2,500,000. The Tribe is finalizing plans for implementation of a tribally managed Reservation-wide Utility Authority, which will assume administrative and maintenance responsibility for the system. An additional $3,265,625 would finance further energy development for the Reservation.

$687,000 (Wildlife & Parks, Tribal Management) To enhance law enforcement activities on the Reservation. Due to bad roads and steep geography, there is effectively no law enforcement on the upper Reservation. The Yurok Tribe was forced to choose not to compact BIA law enforcement, because there is currently insufficient funding to make compacting a viable option for the Tribe. The Yurok Tribe has outgrown its tribal court system, which currently has jurisdiction over only fishing violations among Yurok Tribal members.

—The Klamath River salmon fishery is identified in the Act as a key resource of the Yurok Tribe. The Klamath River fishery management and law enforcement activities must be expanded in order to insure that the Tribe can effectively manage the Yurok tribal fishery and remain an effective co-manager of the Klamath River fishery resources.

$450,000 (Realty Services) For continuation of the Yurok Reservation Boundary Survey. In 1992 Congress supported our request to begin and continue the process of surveying and fixing the boundaries of the Yurok Reservation through a Cadastral Survey. Support ceased in 1996 and the survey has not been completed. The funding is technically a BIA budget item, but the BLM does the actual work, pursuant to statute. The amount requested is the amount the local BLM staff determined is necessary to work at the same level as previous years. An additional $100,000 is requested to complete an orthographic survey that will establish the boundary of the Reservation in accordance with the State Coordinate System and provide GIS templates of the entire Reservation Basin.

$3,085,400 (Tribal Priority Allocations) to make up the shortfall in base funding due the Yurok Tribe. Based on a formula of $1,000 per tribal member, the 4,100 member Yurok Tribe should be receiving Base Funding of $4,100,000. Instead, the Tribe received Base Funding of $1,014,600 for fiscal year 1999, which has created a budget shortfall of $3,085,400.

PREPARED STATEMENT OF THE AMERICAN DENTAL ASSOCIATION

Over the past 30 years, the American Dental Association (ADA) has worked in partnership with the IHS Dental Program to improve the oral health of American Indians and Alaska Natives (AI/AN). Every three years the Association evaluates selected IHS dental clinics. In recent years, we testified before this Committee about our findings from our 1997 visit to the Navajo Reservation. We discovered a significant gap between the oral health of Indian people and the people we see in our practices every day. We look forward to our upcoming visit in July to sites in Arizona and will report our findings to you next year.

The Association would like to thank the Committee for its continued support for oral health care and specifically for its actions on the fiscal year 2000 IHS appropriations. We believe that the Committee's strong directives have directly influenced the Administration to make a real commitment in its fiscal year 2001 budget to reverse the alarming trends and move towards eliminating the significant disparities in oral health status of the AI/AN people. We have come today to support the Administration's request for fiscal year 2001 appropriations and request minimal increases.

BACKGROUND

For 45 years the IHS has made steady progress to build a system of oral health care delivery for AI/AN. Included in this effort has been the development of structures to recruit highly qualified staff, and opportunities for training to enhance knowledge and skills in the treatment and prevention of oral diseases. In addition, skills in public health administration and human resource development, adult education, community development, and applied research have been developed to coordinate the program and facilitate growth in AI/AN Self-Determination. As a result of this process, the IHS Dental Program has developed a core of trained, experienced and committed dental professionals who serve a multitude of clinical and administrative leadership roles, which have maintained and enhanced the program's ability to serve the AI/AN population. Until very recently this system has resulted in progressive improvement in the oral health status of Indian people.

It is well documented that AI/AN people have among the highest oral disease rates reported in the world. The IHS has just concluded its most recent survey of Oral Health Status and Treatment Needs. The preliminary data indicates that the oral disease rates of children have worsened since 1991. During that same time, IHS also reports that access to dental care has declined from about one third of the population receiving dental care each year in 1992 to a current level of 25 percent of the user population receiving dental services each year.

It is not surprising that AI/AN consumers have consistently identified dental health as a high priority, and Tribes taking over control of health programs have frequently increased dental funding. However, overall the IHS has a relatively low level of funding for dental care compared to the nation as a whole (i.e., 3.5 percent of health expenditures in IHS versus 6 percent for the nation). Thus, the IHS has been faced with the formidable task of reducing the ravages of oral disease at rates almost twice the national level but with a workforce (i.e. dentist to population ratio) roughly half the national average.

DECLINE IN DENTAL SERVICE

Probably the most compelling evidence that the IHS Dental Program is losing its capacity to serve the AI/AN population is that annual utilization of dental services dropped to approximately 25 percent since 1996 from a high of 33 percent in the early 1990s. Equally disturbing are the findings of the most recent IHS fluoridation monitoring program that documents a dramatic reduction in the number of water systems monitoring fluoride levels and the number of these reporting systems with samples in compliance with standards. Through the late 1980's and early 1990's, about 700 water systems submitted samples for evaluation. Of these, about 500 were found to be within compliance levels each month. In fiscal year 1999, only 192 water systems were delivering fluoride, with only 26 systems (about 14 percent) within compliance levels. Such a drop in coverage of one of public health's most cost-effective preventive tools is unequivocally resulting in higher rates of decay in the AI/AN population. This discouraging trend, coupled with the documented reduction in access to dental care, will rapidly wipe out the gains in oral health status that were achieved in the 1980's and early 1990's. Therefore, we strongly urge the Committee to support the Administration's request for $500,000 for improving community water fluoridation.

The reasons for these declines in dental services (i.e., clinical and fluoridation) to AI/AN people are complex and multi-factorial. However, through our visits to IHS sites over the years, our ongoing partnership with the IHS Dental Program, and experience in evaluating other Federal, State and local dental programs, the ADA offers several plausible insights and suggestions for reversing these alarming trends.

At the most global level, it is clear that the IHS Dental Program's infrastructure has been eroded as a consequence of budget constraints and the reorganization of the IHS. Since 1992 the IHS has not received full mandatory cost increases to maintain services. This lack of funding has deprived the dental program of $9 million and has significantly diminished the dental program's capacity. As a result, 60 percent of Area and Headquarters dental staff (including training and prevention positions) have been lost. Presently, several Area offices have no staff assigned to support dental programs. These vacancies have directly affected their ability to recruit and retain clinical providers and oral health promotion/disease prevention coordinators. As a result, vacancy rates for clinical dentists are now the highest in IHS history with one out of four positions vacant.

Thus, the ADA recommends that Congress assure that the IHS Dental Program have the resources necessary to maintain a capable dental public health infrastructure with the capacity to support both clinical care and community-based preventive activities.

RECOMMENDATIONS FOR RESTORING IHS DENTAL PROGRAM CAPABILITY

The ADA suggests that the IHS adopt an oral health goal of restoring access to dental services over the next three years to the 33 percent annual utilization rate that existed in the early 1990s. This goal is consistent with the Administration's goal to eliminate racial and ethnic disparities in health status.

INCREASE ACCESS TO DENTAL CARE

The Administration has embarked on an ambitious initiative to eliminate health disparities among disadvantaged populations by the year 2010. The Association supports this initiative as well as the Administration's request that $1 million be appropriated to increase access to oral health care in fiscal year 2001. We believe, however, that the disparities for AI/AN people require a significantly larger increment if the Administration is to achieve its goal. The ADA recommends that an additional $1.7 million be added to the IHS dental budget to increase access to oral health care.

ENHANCE LOAN REPAYMENT FOR DENTISTS

In recent years, the IHS has experienced difficulties recruiting and retaining dentists because the average starting salary for an IHS dentist remains below a similar trained and experienced dentist in private practice. The lack of parity in pay has been lessened with the recently passed optional pay bills for military and Commissioned Corps dentists, which the ADA supported. However, a pay disparity still exists and combined with the heavy burden of debt from educational loans, the IHS is experiencing a dental workforce crisis evident by:

—over 130 dental officer vacancies;
—a pool of less qualified applicants from which to select dentists;
—high turnover rates of 20 percent to 25 percent; and
—a dwindling number of experienced dentists to serve in more technically demanding positions.

The Loan Repayment Program has proven to be a powerful recruitment and retention tool for the IHS. The Association is pleased that the Administration has identified an increase for the loan repayment program and that a "significant portion" will be used for dentists. Availability of these funds would facilitate filling 40 positions and over time reverse a trend of decreasing retention rates. However, the ADA believes that to seriously address this the Committee needs to earmark $2,000,000 for loan repayment for dentists instead of a "significant portion."

EXPAND USE OF CONTRACT DENTAL CARE

Opportunities for enhancing AI/AN access to dental care in more populated regions could be immediately and significantly enhanced through the private sector if funding were available. We note that IHS expenditures for dental care through its Contract Health Services Program have declined in recent years from about $12 million in 1992 to about $7 million in fiscal year 1999. In that same period, the overall Contract Health Services budget has increased from $309 million to $386 million. This is a very disturbing trend since it occurred at a time when oral health

status and access to dental care for Indian people were declining. We are pleased that the Administration has chosen to make dental care a priority for the Contract Health Services Program in fiscal year 2001 by requesting a $1 million increase earmarked for dental care. We do not believe that request goes far enough and recommend restoring the amount of Contract Health Services for dental care to fiscal year 1992 levels. The ADA recommends that the Committee support the Administration's request for an additional $1 million in Contract Health Services funds for dental care and that a total of $12 million be earmarked from within the contract medical services budget specifically for dental services.

DENTAL FACILITIES AND HOUSING

The Association is pleased that the Administration has included $1 million in the facilities appropriation for modular dental units. The Committee has supported replacement of these units for many years and because of that support dental care is now available in many underserved locations. We urge you to continue to support this effort.

In recent site visits to IHS facilities we have observed many remote locations where dentists have substandard housing or must commute great distances because there is no housing available near the clinic. Providing basic housing for dentists and other health professionals must be a priority if IHS is to recruit and retain an adequate health professional workforce. The ADA recommends that $1 million be appropriated for modular dental units and an additional $1.5 million for staff quarters for dentists at those sites where housing is not currently available.

REBUILD THE DENTAL PUBLIC HEALTH INFRASTRUCTURE

The Association's final recommendation is in response to the cumulative set of challenges facing the IHS Dental Program, which have been the result of continued loss of its public health infrastructure. We are pleased to see that the Administration's request builds upon the fiscal year 2000 appropriation and describes a rational and cost-effective approach to restoring essential dental public health capacity. That request includes the following items:

—$750,000 to establish three additional Clinical and Preventive Support Centers to provide training and technical assistance in preventive and clinical care provision in IHS, Tribal, and Urban Indian clinics. This request would increase to a total of 7 the number of centers established to meet the needs of IHS dental clinics.

—$222,000 to increase training in dental specialties to enhance access to specialty care. We support enhanced training for IHS dental staff but note that the amount is very likely to be inadequate. Over 1200 dental staff currently work in IHS dental programs. We feel that a total of $2 million is required to meet long and short term training goals.

—$500,000 to enhance support for community water fluoridation.

—$485,000 to enhance capacity for management of dental data.

—$300,000 for three additional grants to treat advanced periodontal disease among individuals with diabetes. This would increase to a total of 6 the grants available to implement recently developed non-surgical treatment regimens for individuals with diabetes and advanced periodontal disease.

The ADA believes that this request represents a relatively "bare bones" approach to rebuilding the dental public health infrastructure and is essential to accomplishing increased access to care as well as meeting the accountability requirements of the Government Performance and Results Act. The ADA recommends that an additional $6 million be appropriated above the President's request to support the initiatives in our testimony.

CONCLUSION

The ADA recognizes the multitude of funding priorities Congress must reconcile; however, the continued inadequate funding of the IHS Dental Program impairs its ability to meet the growing needs of the AI/AN population. The overall IHS budget as proposed represents only a modest commitment to reverse this trend, and must not be reduced. To do so at a time of national prosperity would represent an inexcusable broken promise to the "First Americans." The Association respectfully request that this subcommittee support the program enhancements discussed above, as they offer an efficient and effective means of restoring access to dental services.

PREPARED STATEMENT OF THE WINNEBAGO TRIBE OF NEBRASKA

This testimony addresses the fiscal year 2001 budget request for programs in the Bureau of Indian Affairs and the Indian Health Service. The Tribe is concerned about funding for the Indian Health Service, and supports the Administration's proposed increases for the Tribal Priority Allocation account, Law Enforcement and the Tribally Controlled Community Colleges program within the BIA.

The Tribe and Economic Development.—The Winnebago Tribe of Nebraska is a federally recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934. Our forefathers were forcibly relocated from lands in and near what is now the state of Wisconsin. Our Treaty of 1865 is the first in history to require that the United States provide health care services to tribal members. The Tribe's 120,000-acre reservation includes lands in both Iowa and Nebraska and only about 30,000 acres of land within the reservation is now tribally controlled. There are 3,764 enrolled members, of who about 1,238 reside on the reservation.

The Winnebago Tribe of Nebraska is very active on the economic front. The Tribe operates several business enterprises, including the WinnAVegas Casino in Sloan, Iowa, and the Heritage food store and the Company A Convenience Mart, both in Winnebago, Nebraska. Additionally, the Tribe has developed a small strip mall located on the reservation; leasing tribal land to outside agricultural interests generates added tribal revenue. Ho-Chunk, Inc., a wholly-owned tribal development corporation, owns & operates a Ramada Inn hotel in Lincoln, a tobacco outlet shop in Omaha, a computer business, WINCOMP in South Sioux City, Nebraska and a Native American Products Internet business located in Winnebago. Even with the economic contribution of these projects, tribal per capita income remains significantly below the poverty level at just over $5,000.

Unlike states, the tribes have little or no tax base or other revenue sources with which to operate tribal government programs. Gaming has given a jump-start to our economy but those revenues are decreasing because of commercial competition. The Tribe still relies heavily on federal funds to provide even the most basic level of services to tribal members.

As Chairman of the Winnebago Tribe I would take some of my five minutes and four pages to express the gratitude of my people for the positive response we received on our 1999 funding requests.

Our written testimony that year contained several items of concern and need. We only shared three of those issues in our testimony at the public witness hearings, the reason being, if our hospital funding, tribal college request and law enforcement funding did not receive a favorable response, our several items in the written testimony were of little consequence. As a result . . .

INDIAN HEALTH SERVICE

We received funds to complete the A & E phase of our hospital (950 K) and $10 million minus across the board cuts to begin phase one of the construction. We would thank the Committee and senate for their continued commitment for better health care to all native people. However:

It is our understanding that continued funding is not automatic and must be requested annually. We therefore would request $12.2 million for phase two of construction in fiscal year 2001. It would certainly be a cruel hoax to complete the foundation and not be able to continue construction. Thus the request.

TRIBAL COLLEGES

The Winnebago Tribe supported the administrations request to increase funding by $5.5 million. Again a thank you by this tribe is in order.

Little Priest Tribal College did submit a self-study and received a site visit by the North Central Accreditation Agency. As a result, today Little Priest is an accredited college, taking only four years to do so.

May the Lilly Foundation's Public Announcement to fund Indian Colleges not diminish the governments continued commitment to Indian education.

BIA

Again the request for Law-Enforcement funding was favorable to the Winnebago Tribe. Again a thank you from the Winnebago people. However . . .

As a result of the funding requests, we in Indian country have well trained, well uniformed, and well equipped officers with good vehicles but poor facilities to accommodate our officers, courts and detention.

We request or recommend that more of the funding be designated for construction of criminal justice facilities in fiscal year 2001.

LAW ENFORCEMENT CENTER

The Winnebago Tribe of Nebraska is requesting a centralized Facility to house our Tribal Court, BIA Law Enforcement, Tribal Law Enforcement, Law Enforcement Communications Services, Adult Detention Services, and Juvenile Detention Services on the Winnebago Reservation. Projected costs for this project would be $11,000,000 for site preparation and construction, $630,760 to meet staffing requirements for detention facilities, and $657,000 to meet operational costs for this facility. The Winnebago Tribe is currently developing plans and options for cost share on this needed facility for our community. As mentioned earlier juvenile detention costs are reaching prohibitive amounts for the tribe. Adult detention requires a number of adults ordered to detention to be transported to facilities in South Dakota approximately 150 miles from our reservation. Costs of transportation, officer-transporting time, report filing time, and returning of prisoners to the Winnebago Reservation are costs that can only be estimated. Adults and juveniles that must be placed under house arrest because of funding limitations defeats the process of punishment for law violations. It is our hope by jointly working with federal agencies, state agencies, and our tribal government there will be affordable solutions in cost sharing to enable this project to proceed in a very timely matter. As part of this request the Winnebago Tribe ask that General Services Administration (GSA) begin the process to work out a long term lease with the tribe to secure needed operational costs. And possible loan repayments for this facility.

PREPARED STATEMENT OF THE LOWER ELWHA KLALLAM TRIBE

ELWHA RIVER RESTORATION—TRIBAL CONCERNS

Beginning in fiscal year 2001 a $400,000 increase to the funding base for the Olympic National Park was promised by the Department of Interior (DOI) to fund the activities of the Lower Elwha Klallam Tribe associated with restoring the Elwha River pursuant to Public Law 102–495, the "Elwha River Ecosystem and Fisheries Restoration Act." It has since been removed from the administration request. The Lower Elwha Klallam Tribe respectfully requests that the $400k be put back into the National Park Service budget to fund tribal response and participation in the Elwha Dam Removal Project.

The Lower Elwha Klallam Tribe respectfully requests $1,000,000 to design and construct a stock preservation channel. The purpose of this channel is to provide a safe haven and spawning habitat for all species of salmon while the Elwha River dams are being removed. The channel will be adjacent and parallel to the main river channel, and allow mature, returning fish to spawn off the mainstem where the damaging effects of sediment transport during dam removal will be significantly reduced, to ensure spawning success.

Elwha River Ecosystem and Fisheries Restoration Act (Public Law 102–495, Section 7: Tribal Land Acquisition and Development)

Section 7 of EREFRA authorizes appropriation of $4,000,000 for land acquisition by the Lower Elwha Klallam Tribe for housing, economic development, and moorage for the tribe's commercial fishing fleet. The tribe requests appropriations of funds for the authorized acquisition and costs of that acquisition. Parcels must be evaluated, prioritized, appraised and purchased. Negotiations with sellers, use and development plans, cost of title insurance and the fee-to-trust process are all tasks necessary to acquiring land that will serve this purpose of the act. The tribe therefore requests an additional appropriation of $100,000 to address this section.

TRIBAL FISHERIES

The Lower Elwha Klallam Tribe remains committed to pursuing an out-of-court settlement with the Shellfish Growers and private tideland owners of Puget Sound. The tribe desires access to traditional shellfish resources for the purpose of pursuing Treaty reserved shellfish rights in a manner consistent with the needs of the Shellfish Growers and private tideland owners. The tribe requests the support of Congress to implement the settlement when it is finalized.

The tribes are responsible for the management of 50 percent of the shellfish resources within Puget Sound, yet receive no funding to support our management or enforcement activities. The tribe requests that Congress include funding for the tribes at a level which ensures the ability of the tribes to provide proper manage-

ment of the resource. The tribe fully supports the funding requests that have been annually submitted by the Northwest Indian Fish Commission on behalf of the western Washington tribes.

Emergency Hatchery Water Supply.—Flooding during the winter of 1998–99 altered the Elwha River mainstem channel, causing the majority of the river's flow to migrate a quarter mile to the west of the Lower Elwha Klallam Tribe's hatchery water supply intake. During summer low flows there will be insufficient water quantity at the hatchery to support fish production. The construction of a pipeline from the City of Port Angeles's industrial water supply to the hatchery would provide an emergency source of water for the hatchery, as well as a reliable source of hatchery water for the long term. Preliminary engineering cost estimates for this action are $526,350. The tribe requests the support of Congress to provide the funding for this emergency need.

This past year the tribe and the USFS reached an out-of-court settlement regarding road maintenance, watershed analysis and habitat restoration within the Olympic National Forest. The success of this settlement is dependent upon the USFS receiving adequate funding to conduct the activities required. The tribe requests that Congress specify funds in the USFS budget to complete the tasks required in the agreement.

The tribe would like to thank Congress for funding tribal participation in recovery planning and habitat restoration for threatened Puget Sound chinook salmon. We ask that you continue to appropriate the funds necessary to ensure recovery of this important resource.

POINT NO POINT WILDLIFE PROGRAM

The wildlife program serving the four Point No Point Treaty Tribes has become the premiere tribal wildlife program in western Washington, and has been critical in achieving the necessary cooperation between our tribes and the State. It has provided the needed biological date, coordination and facilitation to resolve state-tribal and inter-tribal disputes over wildlife management on the Olympic Peninsula.

The wildlife program has been funded since 1993 by a combination of grants. However, this source of funding is extremely precarious, and it is impossible to conduct long-term planning without a permanent source of program funding. We support funding for this crucial program in the amount of $300,000.

Subsistence and ceremonial hunting of wild game is an essential cultural activity for our tribal people. The tribes are committed to responsible wildlife management based on sound biology. Prior to our wildlife program, little biological data existed for the culturally important elk herds on the Olympic Peninsula. Our wildlife program has conducted extensive surveys and shared all our data with the State and other Olympic Peninsula tribes. As a result of our surveys, for the first time elk are being managed by both the State and tribes based on hard biological data.

Elk in the east Olympic mountains had declined to such low levels that all hunting had to be eliminated for several years. It was only through a remarkable, cooperative effort between our tribal wildlife program and Washington State that we were able to rebuild the herds: with a combination of relocating elk, and habitat enhancement and protection. Finally, in 1997 we were able to reopen a limited hunt for both state hunters and our tribal people.

There is an on-going need for research and reliable data on which to base our management decisions. It is only through sufficient funding for this program that we can responsibly continue to co-manage our essential wildlife resource.

INDIAN HEALTH SERVICE

The Lower Elwha Klallam Tribe is appreciative of the increases provided by congressional appropriations in the current year's budget. We also appreciate the increases in funding for health included in the administration request for 2001. However, as a member tribe of the Northwest Portland Area Indian Health Board, we support the analysis prepared by the board, which points out that mandatory pay cost increases are not included in the administration request. We respectfully request the inclusion of mandatories in the fiscal year 2001 appropriation for IHS.

PREPARED STATEMENT OF THE JOSLIN DIABETES CENTER

INTRODUCTION

Mr. Chairman, thank you for this opportunity to provide a status report on the Diabetes Project conducted jointly by the Joslin Diabetes Center in Boston, MA and the Indian Health Service, for which you provided $1 million in the fiscal year 2000

Appropriations Act. Our request for fiscal year 2001 is to continue this project with IHS at $1 million. I am Dr. Sven Bursell, Principal Investigator of the project and Associate Professor of Medicine at the Harvard Medical School.

BACKGROUND

As you may recall, the fiscal year 1999 Conference Agreement urged the Indian Health Service to work with the Joslin Diabetes Center in a collaborative effort to utilize Joslin's advanced diabetes detection technology to bring state of the art diabetes care to the patient population of the IHS. The recommended funding level for fiscal year 1999. Due to the late obligation of funds, $250,000 was allocated by IHS in fiscal year 1999 for the commencement of this cooperative effort.

The current fiscal year (fiscal year 2000) Conference Agreement reiterated Congressional intent on this project. We are close to obtaining the full year funding of $1 million set aside for this purpose in the current fiscal year.

The Phoenix Indian Medical Center (PIMC) was selected by the IHS as the most appropriate site to locate the initial Joslin technology and presence.

The Joslin Vision Network (JVN) will be deployed to three additional sites with current year funding. The JVN employs telemedicine technology to image the retina of patients with diabetes, through an undilated pupil, and produces a digital video image that is readable in multiple formats.

PIMC will serve as the repository for images and will provide initial image evaluation and review. The new sites for fiscal year 2000 are Sells Reservation in the Tucson region, one site in the Bemidgi, MN region, and one site in the Billings, Montana region.

Joslin Diabetes Center will provide training, certification and quality assurance services to the newly deployed sites. The deployment and installation of these systems will include a comprehensive maintenance and support program, which also will include upgrade of the current JVN application to the newly designed and enhanced JVN system.

The IHS staff will participate in the design and development workshop Joslin will conduct in June 2000 to identify and incorporate needs that are specific to the IHS program into the JVN application.

IHS officials are enthusiastic about the promise of incorporation of Joslin diabetes detection, prevention and care methods and technology into the IHS health care system. The initial phase of such incorporation involve the trial deployment of Joslin technology to several sites in order to refine the Joslin technology to meet the specific needs and parameters of the IHS system and patient population.

It is estimated that two more years of development and training will be required before the IHS fully incorporates this technology system wide within the IHS.

FISCAL YEAR 2001 BUDGET REQUEST

It is our understanding that the IHS fiscal year 2001 Budget Request includes $1 million for the continuation of this project. We request that the Committee approve this portion of the fiscal year 2001 Budget for continuation of the project at $1 million in fiscal year 2001.

The fiscal year 2001 plan for activities includes continuation of fiscal year 2000 activities and sites and the following additional activities:

—Upgrade four existing sites to the newly refined JVN system;
—Deploy enhanced JVN system to additional sites as determined by IHS;
—Certify Image Acquisition and Image Reviewers at each site;
—Provide the support and infrastructure for a reading center at PIMC;
—Assist in conversion to providing reading services to additional sites;
—Provide an ongoing mechanism for quality assurance for the PIMC reading and coordinating center; and
—Provide a maintenance and support agreement for all newly and previously deployed sites.

CONCLUSION

Thank you for this opportunity to present this fiscal year 2000 status report and this request for approval of the fiscal year 2001 IHS Budget Request of $1 million for the IHS/Joslin project. This project is viewed by IHS and Joslin Diabetes Center as a significant medical technology breakthrough for the patients and health care system within the Indian Health Service.

PREPARED STATEMENT OF THE 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 today addresses the proposed fiscal year 2001 budgets for the Bureau of Indian Affairs and the Indian Health Service with the following requests and comments:

—Extension of a Bureau of Indian Affairs loan to assist the construction of a new elementary school at Warm Springs;
—Bill language directing B.I.A. law enforcement services funding to be eligible to pay for tribally-hired patrol officers and corrections personnel whose pay under the Justice Department's COPS program is expiring.
—Bill language directing the Indian Health Service to fully honor its funding commitment to the Warm Springs Wellness Center under the terms of the unique Joint Venture with I.H.S.; and
—Bill language directing the I.H.S. to conduct an assessment to measure the financial impact of Self-Governance activity on Direct Service Tribes.

Below, I discuss each of the above requests in detail.

Extension of a Bureau of Indian Affairs loan to assist the construction of a new elementary school at Warm Springs.—As you know, construction of a new K–5 elementary school at Warm Springs has been a top priority for our Tribe for the past several years. This has become even more urgent because the Madras Public School District will clearly have increased student population resulting from anticipated growth when a new prison is built in Madras in 2002. Our school officials also tell us that our students will have an increased rate of high school graduation if they spend additional time in school on the reservation before transferring to Madras. The Madras Public School District, which operates the current outdated and undersized elementary facility at Warm Springs, has offered to cover about half the $8 million cost of a new school in Warm Springs. Because the School District does not believe a bond measure to fully fund a new school at Warm Springs would pass, they have challenged the Tribe to come up with the balance of the construction costs, something we are unable to do on our own.

Last year, we sought B.I.A. funding to assist building a new facility, but the Interior Department has rebuffed those efforts and noted a statutory bar to providing such funds for non-BIA system schools. Consequently, in seeking alternative means of assistance, we request that a $5 million 1979 BIA loan to the Tribe for twenty years at no interest for purposes of construction of our Pelton Reregulating Dam Hydroelectric Project, which was statutorily authorized in the fiscal year 1979 Interior Appropriations Act and which came due in late November, 1999, be extended under the same terms for another twenty years to assist in financing the new school. We are presently developing a proposal to the BIA to restructure the loan, and hope that proposal will at least defer the loan's transfer to the Treasury Department for collection, so that a statutory extension through appropriations can be considered. We are currently investigating whether a statutory extension of the loan could be accomplished just by changing "20 years" to "40 years" in the 1979 Interior Appropriations Act, BIA Construction.

Bill language directing B.I.A. law enforcement services funding to be eligible to pay for tribally-hired patrol officers and corrections personnel whose pay under the Justice Department's COPS program is expiring.—We urge that BIA law enforcement funding be made specifically eligible to pay for tribally-hired patrol officers and corrections personnel, particularly those whose funding under the Department of Justice's COPS program is expiring. The COPS program has provided desperately needed law enforcement assistance to reservations such as ours where the BIA itself does not directly or through Public Law 93–638 provide police services. At Warm Springs, our limited number of tribally-funded officer positions have been substantially assisted by funding under the Justice Department's COPS grants. But as the COPS grants expire, we will not be able to sustain those positions, and will have to again scale back to an insufficient force. Meanwhile, the B.I.A. has significantly increased permanent funding for its law enforcement program over recent years (for fiscal year 2001, B.I.A. law enforcement is requested to increase $16 million to $156.6 million), but it has dedicated those increases principally to those reservations where the B.I.A. directly provides law enforcement services. To help alleviate the impact of expiring COPS grants, we request that B.I.A. law enforcement funding for fiscal year 2001 be prioritized to replace expiring COPS grant funding for tribally-hired law enforcement personnel.

Bill language directing the Indian Health Service to fully honor its funding commitment to the Warm Springs Wellness Center under the terms of our unique Joint

Venture with the I.H.S.—The Indian Health Service directly provides health services to the members of the Warm Springs Tribes. Prior to 1993, the IHS clinic at Warm Springs was old and unable to comply with federal standards for health care delivery, yet a new facility for Warm Springs was so far down the IHS construction ranking that it would have been many, many years before a new facility would be built. So, in 1987, our Tribe developed and proposed to the Indian Health Service the idea of a Joint Venture, whereby the Tribe would build a new facility to IHS specifications and then turn it over at basically no cost to the IHS. In exchange, the IHS would fully staff, equip, and maintain the clinic as if it were its own new facility. The Joint Venture was authorized in the 1991 Interior Appropriations Act. The Tribe spent $5 million to build the new clinic, which the IHS staffed in August 1993, at the designated level for such a new facility.

Since that time, IHS staff funding for the Warm Springs clinic has not been sufficient to maintain all the positions initially placed there. To make up the difference, the clinic has had to draw upon ever-increasing amounts of funds collected from third parties. Those funds have always been intended for use for the staff training and equipment replacement needed to maintain the clinic's accreditation. With those funds diverted to maintain existing staff, the clinic is unable to address those needs, and although the Joint Venture is only seven years old, the quality of the IHS health care at the clinic is already being eroded. The alternative is to lay off staff and cut services. While the Warm Springs have fulfilled our obligation under the Joint Venture, the IHS needs to be directed to fulfill its obligations to the Tribe under the Joint Venture by fully supporting the full complement of staff and level of service promised.

Bill language directing the I.H.S. to conduct an assessment to measure the financial impact of Self-Governance activity on Direct Service Tribes.—We are requesting that Congress direct the Indian Health Service to conduct an assessment to measure the financial impact of Self-Governance activity on Direct Service Tribes. This assessment should identify actual costs and services that have been decreased to the Service Units and the Indian Health Service should be directed to consult with Direct Service Tribes for this information. Once the specific costs are identified we request that Congress provide funds to the Indian Health Service specifically to offset the costs the Direct Service Tribes incurred due to the adverse impacts caused by Self-Governance activity.

The Confederated Tribes of Warm Springs has estimated the financial impact of the Self-Governance Demonstration Project on the Warm Springs Health and Wellness Center to be approximately $200,000 per year. This excludes the loss of service provided to our Health and Wellness Center from the Portland Area Office due to downsizing caused by Self-Governance activity.

Mr. Chairman, that concludes my testimony. Thank you for this opportunity. I would be happy to respond to any questions you may have.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

INTRODUCTION

On behalf of this nation's Tribal Colleges and Universities, which comprise the American Indian Higher Education Consortium (AIHEC), we thank the Subcommittee for allowing us this opportunity to present our fiscal year 2000 appropriations request for the 25 tribally controlled colleges funded under Public Law 95–471, The Tribally Controlled College or University Assistance Act. The United States Department of Interior, Bureau of Indian Affairs, administers this program, also known as the Tribal College Act. AIHEC respectfully requests full funding for the Act's authorized programs; however, we realize step-by-step increases are a way we can meet that goal over time.

As our top priority, we specifically request $44,220,000 for Title I and II operational grants, an increase of $10 million over fiscal year 2000 funding and $7.1 million over the president's budget request. Additionally, we seek: $2 million for Title III Endowments with matching provision; $2 million for Title IV Economic Development; $5 million for facility renovation; and $214,000 for technical assistance.

The total amount under the Act is $53,434,000.

AIHEC's membership also includes institutions of higher education funded under separate authorities within the Department of Interior Appropriations Act, and AIHEC fully supports their independently submitted funding requests. These include Haskell Indian Nations University; Southwestern Indian Polytechnic Institute; the Institute for American Indian Arts; United Tribes Technical College and Crownpoint Institute of Technology.

AIHEC was founded in 1972 by the first six tribally chartered and controlled community colleges. Today, AIHEC is a cooperatively sponsored effort on the part of 33 member institutions throughout the United States and Canada, almost all of which are fully accredited or accreditation candidates. Tribal Colleges have been developed over the last 32 years to bring greater access to higher education opportunities to American Indians living on remote and economically disadvantaged reservations. Located in 12 States, 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 development in American Indian education history, promoting achievement among students who would otherwise never know educational success.

In addition to our focus on academic excellence, Tribal Colleges have always addressed the many problems and challenges of our welfare system by providing GED, literacy training, remediation and other college preparatory courses. Through the Tribal Colleges, American Indian communities are being effectively developed and tribal members are moving off welfare rolls into gainful employment.

Tribal Colleges and Universities have had an immediate economic impact on local communities through the creation of jobs, services, and role models, but even more significant are their long-term promotion of workforce development, entrepreneurship and small business growth, and efficient, environmentally sounds practices in agriculture and natural resources. Over the past few decades median income has been growing faster on Tribal College reservations than on similar reservations without such schools. Together, our colleges represent the most significant and successful development in American Indian education history, promoting achievement among students who would otherwise never know education success.

BACKGROUND AND FUNDING DISPARITIES

The Tribally Controlled College or University Assistance Act authorizes funding for the basic operating budgets or "core funding" of one qualifying institution per federally-recognized tribe based on a full-time American Indian student enrollment formula. Unfortunately, the amount appropriated under the Act has never reached the authorized level. Today, the colleges remain grossly underfunded. Despite a much appreciated increase in our appropriation of $4 million in fiscal year 2000, the Tribal Colleges still operate at a dramatically less than average level of $3,433 per full-time Indian student (ISC). The amount is far short of the current $6,000 per ISC authority level.

Enrollment gains

Compounding existing funding disparities is the fact that Tribal College enrollments continue to steadily increase(the 25 Tribal Colleges funded under this Act now serve approximately 22,000 students every year. Title I Tribal Colleges recorded a remarkable 275 percent increase in full-time Indian students from 1981 to 1999. Additionally, funding for Tribal Colleges has not kept pace with inflation. In fiscal year 2000, the Title I Tribal Colleges received only $602 more per Indian student than they received in 1981. This represents a small increase of 21 percent over a 19-year period. When inflation is factored in, however, the payment's value actually decreased by more than $1,000 (in constant 1981 dollars, $2,831 to slightly less than $1,800), or 36 percent, over this period.

Tribal Colleges, in many ways, fall victim to their own successes(the dramatic enrollment increases recorded by our colleges, coupled with a growing number of Tribally Controlled Colleges, have forced Title I colleges to slice an inadequate pie into smaller and smaller pieces. The Carnegie Foundation for the Advancement of Teaching, in two separate studies, praised the Tribal Colleges for addressing longstanding barriers to the advancement of disadvantaged reservation populations. They noted the colleges' success in providing access to students, strengthening communities and rebuilding cultures and called on the Administration and Congress to fund suffering basic operational budgets under the Tribal College Act, at fully authorized levels.

Our request for Title I would amount to only $4,539 per full-time Indian student, still significantly less than the average amount under which mainstream community colleges operate and only 75 percent of the authorized amount of $6,000.

Patchwork funding

Tribal Colleges are forced to survive on a patchwork of smaller, competitive, short-term grants because of insufficient levels of core operations funding. This is not a stable way of funding an institution of higher learning, but Tribal Colleges have little choice. Several colleges face serious struggles because of their funding instability. Accrediting agencies have warned many of our colleges about the hazards of relying too heavily on temporary funding. None of the colleges under this Act are

forward-funded, and most do not have adequate reserves or endowments. Unlike the state institutions, Tribal Colleges are young and still developing and have not built the reserves common at older institutions. The lack of expected appropriations and lack of reserves actually forced two Tribal Colleges to cease operations during the Government furloughs and the budgetary impasse of 1996. In more recent years, Congressional Reconciliation Packages have caused continuous strain on already difficult situations.

The absence of State core funding

While mainstream institutions are able to fall back on a foundation of stable state support, Tribal Colleges are reliant on the Federal Government for operational funding because we are located on federal trust territories. States have no obligation to fund the federal responsibility, and, in most cases do not fund the Tribal Colleges. In fact, most States do not even fund our colleges for our non-Indian state-resident students who account for approximately 20 percent of our enrollments. Yet, if these same students attended any other public institution in the State, the State would provide "core funding" to the institution in an amount ranging from $4,600 to $11,000 or more, per full-time student.

Local tax and revenue bases

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. Unemployment for American Indian residents of reservations served by Tribal Colleges is 55 percent on average, and can reach as high as 85 percent.

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 where gaming is not highly profitable. Indeed, only a handful of very small and urban tribes account for well over 50 percent of all tribal gaming profits. Therefore, gaming has not been a significant or stable source of income for the majority of our colleges. In addition, we believe gaming tribes should be held to the same standard as States: the Federal Government does not require States to share their gaming revenue with other States, nor does the Federal Government pin block grant of state formula funding on a particular state's lottery or gambling revenues.

Trust responsibility—Government functions

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 more than 400 treaties, several Supreme Court decisions, prior congressional action, and the ceding of more than one billion acres of land to the Federal Government. Beyond the trust responsibility, the fact remains that Tribal Colleges are providing a public service to all American people that no other institutions of higher education are willing or can provide. We are helping the Federal Government fulfill its responsibility to the American people, particularly in rural America. 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 justifications

Tribal Colleges provide access to critical postsecondary education opportunities that would otherwise be out of reach.—Almost half of Tribal College graduates are the first in their families to attend college. Most American Indian reservations are located in extremely remote areas, and their populations are among the poorest in the nation. On average, median household income levels on reservations served by Tribal Colleges are only half of the level for the U.S. population as a whole. As a result, the cost of attending a mainstream institution is usually prohibitively high, especially when tuition, travel, housing, textbooks, and all other expenses are considered. In addition, for many American Indian communities, the nearest mainstream institution is several hours away, making attendance virtually impossible.

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.—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. In contrast to the high rates of unemployment in most reservation communities, three-quarters of recent Tribal College graduates were employed and using the skills gained

through their educational experiences. Of these graduates, significant percentages employed in "high need" occupational areas such as elementary and secondary school teachers (13 percent) and nurses/health care providers (16 percent). Just as important, the overwhelming majority of Tribal College graduates(almost 85 percent(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.

Tribal College students and faculty 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 of the Title I and II colleges have completed a detailed economic development plan that strongly justifies the need for the economic development appropriation (Title IV) recommended in this statement.

Tribal Colleges meet the strict standards of mainstream accreditation boards and offer top-quality academic programs.—Several colleges, including Turtle Mountain Community College, Sitting Bull College, Fond du Lac Tribal and Community College and Stone Child College, have been granted a ten-year accreditation term—the longest term allowed for any higher education institution. The quality of the colleges' programs is reflected in the high rates of satisfaction reported by their graduates: about 90 percent of Tribal College graduates reported being very satisfied or satisfied with courses in their major field of study and with overall instruction.

Tribal Colleges serve as highly effective bridges to four-year postsecondary institutions.—While most Tribal Colleges are two-year institutions offering associate's degrees and certificates, their transfer function is significant. A recent survey of Tribal Colleges indicated that almost 50 percent of graduating students continued their education during the year after their graduation, with the majority pursuing bachelor's degrees. Nationally, about 35 percent of community college graduates who received associate's degrees remain enrolled in higher education the next year. The overwhelming majority of the continuing Tribal College graduates felt that the programs at Tribal Colleges had prepared them well for further education. 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.

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 to rural America. Most of the colleges have business assistance centers that provide help to both students and the wider community.

Tribal Colleges have become centers for American Indian language and cultural research, preservation, and revitalization.—Many Tribal Colleges now serve as tribal archives, and all offer courses in tribal history, literature, government, language, and other aspects of American Indian culture.

HIGH PRIORITY AREAS OF NEED

Like mainstream institutions, each Tribal College strives to fully develop its institution and to expand services to address the needs of its increasing student body.—If each college received full or at least increased core operational funding in fiscal year 2001, Tribal Colleges could focus high priority areas of need, such as (1) maintaining accreditation by stabilizing core operational budgets and moving away from piecemeal core budgets; (2) improving instructional capabilities and enhancing student support services; (3) expanding library services and collections; (4) maintaining and improving facilities and enhancing laboratory facilities; (5) expanding technology through the Tribal Colleges' High Technology Plan, which includes T1 or greater access at all tribal Colleges; (6) expanding child care facilities; and (7) constructing community or cultural centers.

BUILDING ON THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2001

The President's budget request reflects a $2.9 million increase for the core operations grant funding under Titles I and II of the Act. Although we are very appreciative for this increase request and acknowledge that it will be helpful to the 25 institutions funded under the 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 attained will equal

educational opportunities begin to exist for American Indians, and only then will Tribal Colleges have the resources 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, we strongly urge the Subcommittee to increase funding for Tribal Colleges. Fulfillment of AIHEC's fiscal year 2001 request will strengthen the missions of our 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 19 years. Our institutions have proven themselves as a sound federal investment, and we ask for your continued support.

PREPARED STATEMENT OF THE CENTRAL COUNCIL OF TLINGIT AND HAIDA INDIANS TRIBES OF ALASKA

GREETINGS FROM ALASKA! My name is Edward K. Thomas. I am the elected President of the Central Council of Tlingit and Haida Indian Tribes of Alaska (hereinafter "Tlingit Haida"), a federally recognized Indian tribe from Southeast Alaska with over 23,000 members. I have served as the elected President of my Tribe since 1984. Thank you for the opportunity to submit written testimony to this Subcommittee regarding the fiscal year 2001 budget request for Indian programs within the Bureau of Indian Affairs. My testimony will address two issues: First, the overall funding levels requested by the Clinton Administration for fiscal year 2001 Indian programs. Second, the contract support cost funding crisis that has nearly strangled my Tribe's operations.

THE INCREASES IN THE FISCAL YEAR 2001 BUDGET REQUEST ARE LONG OVERDUE

While its record with regard to Indian affairs has caused me and the Tribe I lead to be a persistent critic of the Clinton Administration over the years, I applaud the Administration for substantially increasing its overall budget request for fiscal year 2001 Indian programs. During the past seven years, Tlingit Haida and many other Indian Tribes have been greatly disappointed by the non-responsive of both the Clinton Administration's requests and the Congress's funding levels, in relation to the grossly unmet needs that persist in most Native American communities and especially in much of Alaska. However, we are pleasantly surprised to see, in its last year in office, the Administration put forward a request with increases that would begin to make substantial progress toward eradicating our huge, unmet needs. Tlingit Haida urges the Senate Interior Appropriations Subcommittee in particular, and the Senate Appropriations Committee in general, to support the significant increases for Native American programs, government-wide, which are requested for fiscal year 2001. We note that, in addition to proposing increases for a number of core programs in the BIA and IHS—ranging from housing to roads to replacement schools to health disparities—the Administration's fiscal year 2001 budget proposal requests other increases and new programs in other agencies, such as the Departments of Justice, Housing and Urban Development, Education and Commerce, with these proposed increases totaling $1.2 billion overall. We hope that this Committee and the Congress will concur by appropriating the full amounts requested.

FIX THE CSC FUNDING SHORTFALLS THAT CHOKE OUR OPERATIONS

My Tribe, and many other Indian tribes who lack a revenue base other than Federal grants, are in a state of crisis as a result of the calculation method and the underpayment of indirect costs, also known as Contract Support Costs (CSC). Both the Congress and the Administration are responsible for this crisis. At the end of my testimony, I propose some language which would, as an interim measure, resolve part of the problem even as the Congress considers more comprehensive solutions. I ask that the Subcommittee add our proposed bill language to direct the Department of the Interior to "de-link" certain funds from the calculation of indirect cost rates. Unless our language is added, the increases in direct funding that are reflected in the fiscal year 2001 budget request will compound our problem. As described below, Tlingit Haida will not be able to afford to accept increased direct funding under Head Start and other similar non-BIA programs because that will

hike our indirect cost rate and enlarge our unfunded shortfall in contract support costs.

Tlingit Haida's Administrative Costs Are Kept to a Minimum.—I am proud to report that the Tlingit Haida has, year after year, restrained the pressures to increase its administrative spending. We have kept our increases below the national rate of inflation, despite the fact that our unemployment rates are exceedingly high and the resulting pressure from our membership is to make job creation the priority above all other program and service priorities.

History of Tlingit Haida's Shortfall.—Despite our administrative cost restraint, for the period between 1996 through 1999, the BIA failed to deliver to Tlingit Haida a total of $953,781 in contract support cost funding which the BIA's own negotiators, applying uniform federal rules, had determined was due Tlingit Haida for our operation of BIA-funded programs. This shortfall of $953,781 represents actual expenditures that were approved and allowable. In fact, if we did not spend this $953,781, our receipt of BIA funds would be jeopardized, because this $953,781 is part of the overall contract support costs we are required to spend in order to assure proper management of the BIA program dollars we administer. The only way we can continue to qualify to administer the program funding is if we find some non-federal source of funds to pay for this shortfall. But Tlingit Haida, unlike some other Tribes, has no substantial revenue source other than grants. Without a land base, Tlingit Haida is unable to operate any significant economic enterprises or otherwise gain permit or tax revenues. The only income producing asset we have is our modest tribal trust fund. Tlingit Haida jealously guards the interest income from that fund, seeking to expand the principle for the sake of future generations, and to apply a limited portion of its proceeds to tribal programs targeted at meeting the emergency needs of tribal members. If we use our trust fund income to replace the Federal Government's contractual obligations regarding contract support costs, we rob ourselves of opportunities to address the many problems facing our people whose unemployment rates are on the average twice that of unemployment rates during the Great Depression of the last century.

Throughout the past decade, our BIA contract support costs have been severely under funded. In 1996 we recovered only 87 percent of our contract support need. This meant we faced a 1996 shortfall in funding of $129,418. We did not learn about this shortfall until about halfway through our program year. Leases had been signed. Purchases made. Employees hired. We were well into our budget year, with expenditures meeting plan when suddenly we were told to our complete surprise and without any warning that the equivalent of about six weeks of operations would be unfunded. We were forced to pull $129,418 out of our modest Trust Fund earnings in order to meet the costs we were stuck with by the United States. In 1997, BIA again notified us mid-way through our budget year that we would be underfunded, this time we were to receive only 77 percent of our BIA-generated contract support funding requirements. This amounted to an actual under-recovery of $299,287, nearly one-fourth of our annual, BIA-approved budget. Halfway through 1998, BIA notified us our payment be only 80 percent of our contract support need. This amounted to an actual shortfall of $302,400. In 1999, the BIA informed us that available funding permitted BIA to send us only 88 percent of the indirect costs associated with our operation of BIA-funded programs, creating a 1999 shortfall of $222,676.

Indirect Costs are Fixed Cost Requirements.—If indirect costs were not primarily "fixed" costs, the recurring problem of a shortfall in BIA contract support cost funding would, perhaps, be survivable. But most of our actual indirect costs are "fixed". For example, typically the most cost-effective way to acquire facility space or equipment is through a long-term lease with locked-in costs. Similarly, package deals for telephone and some forms of transportation offer significant cost savings over time. And obviously, the salary and benefit costs of accounting, administrative, and management staff must be treated as "fixed" or else we cannot hire and retain employees. Tribal indirect cost funding is a "requirement", not a "need". CSC levels are determined by rates that are used uniformly by federal agencies with all contractors, including universities and the defense industry. The rates use actual expenditures from prior years to project costs in the future year. Once set, the rates must be applied uniformly to all our programs. We would spiral into bankruptcy if we chose to not spend at the budgeted amounts. Failing to pay certain fixed costs would actually increase our costs (breaking leases, terminating employees, breaching contracts). Deferring certain costs to the following year aggravates the hardship of the shortfalls that cripple that year.

Sources of the CSC Shortfall Problem.—There are several reasons why we have the present shortfall crisis in BIA contract support funding. The GAO study released in June, 1999 details them in adequate fashion. Here I wish only to note that

if Congress and the Administration had set up a separate appropriations account for the direct funds under tribal contracts, like the separate account set up for indirect costs associated with the operation of those tribal contracts, Congress would have been better able to identify the gap in growth of these two inter-related accounts. GAO reports that between 1989 to 1998, the growth in actual funding of "indirect" costs by BIA and IHS was less (224 percent) than the growth in "direct" cost funds placed in contracts and compacts (238 percent). In other words, although direct and indirect funds were "de-linked" some time ago, no attention was paid to how out of proportion they were becoming.

A Partial Fix for the Shortfall Problem—Change How Interior Calculates our Rate.—Obviously, the simplest way to fix the shortfall problem is to increase funding for CSC. But until that can happen, there is another partial solution that has no budgetary impact. Changing how our rate is calculated would remedy an existing, practical inequity that causes some tribes to be hurt more than others by the shortfall. Tribes who receive nearly all their revenue from BIA and IHS sources, and tribes who have non-federal resources from tribal revenues at their disposal, both have an incentive under the present system to classify more costs as indirect, thereby hiking their rates and obtaining higher shares of contract support funds even with the shortfalls. Tribes like Tlingit Haida who receive funding from a variety of sources in addition to the BIA, but have little or no tribal revenues, have no such incentive but also have no ability to make up the difference from the shortfall. Tribes like ours are in crisis as the shortfalls recur year after year.

While the Public Law 93–638 protections against theoretical under-recovery do help with respect to BIA funding shortfalls, they still do not cushion our Tribe from the difficulties of dealing with shortfalls in non-BIA programs for which we must, by law, use the same indirect cost rate. If in year one we don't spend uniformly on all programs, BIA and non-BIA alike, this will lower the rate negotiated for the following year because the rate must be based on actual expenditures for the prior year. That lower rate is applied across the board to all programs, BIA included. When the BIA "requirement" is calculated by the rate, the BIA then applies an additional reduction to reflect the pro rata shortfall in appropriations earmarked for the BIA contract support cost fund. The bottom line is that our bottom line gets smaller and smaller, year after year while our expenses remain steady or rise with inflation. Accordingly, to enable grant-dependent Tribes like Tlingit Haida to be able to continue to administer federal funds from non-BIA agencies (e.g., Head Start funds whose administrative costs are statutorily capped at a very low level), we need to have the flexibility to remove such funds from the pool of costs which Interior uses to calculate our overall indirect cost rates. To do this, statutory language will be needed. We ask that the Subcommittee include the following language in the administrative provisions of the fiscal year 2001 Interior Appropriations Act:

"Notwithstanding any other provision of law or circular or regulation issued thereunder, a tribe or tribal organization may elect to have any grant or other type of funding, as well as all associated indirect cost funding whether negotiated as a lump sum or otherwise, excluded from the indirect and direct bases of funds from which the indirect cost rate of the tribe or tribal organization is calculated by the Secretary of the Interior: *Provided,* That such exclusion may be made only with respect to funds other than those appropriated to the Bureau of Indian Affairs or Indian Health Service and upon which a statutory or other limitation is placed by the funding source on the amount of administrative or indirect costs associated with such funding."

Thank you very much, Mr. Chairman and Members of the Committee, for the opportunity to present this testimony on behalf of Central Council of Tlingit and Haida Indian Tribes of Alaska and its citizens we serve.

PREPARED STATEMENT OF THE KETCHIKAN INDIAN CORPORATION

Greetings. My English name is Stephanie Rainwater-Sande and my Haida name is Dat Kan San, which means "asking for something". I am the Tribal Council President of the Ketchikan Indian Corporation (KIC). Thank you for this opportunity to provide written testimony on the fiscal year 2001 budget request for the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS).

Ketchikan Indian Corporation (KIC) is a federally recognized tribal government created under the Indian Reorganization Act (I.R.A.); the Secretary of the Interior approved the KIC Constitution in 1940. We currently have 4,300 members, and our enrollment has been growing each month.

In 1976, KIC was one of the first Indian Tribes to assume, under the newly enacted Public Law 93–638, the Tribal operation of BIA-funded programs. In 1993, KIC was one of several Tribes in Alaska that first participated in the first BIA Tribal Self Governance demonstration program. Since then, we have managed our federally funded programs with increased flexibility and an equal measure of increased accountability.

Through Self-Governance, we have shifted the focus of our welfare-assistance programs more towards Tribal employment and training. Years before policy-makers in Washington D.C. decided that handing out a welfare check was not a solution with a future, the KIC Tribal Council decided in 1993 to refocus the BIA-funded General Assistance grant program to provide training and other tools designed to end dependency, encourage self-sufficiency, and foster permanent, full-time employment. This program is now known as the Tribal Welfare-Employment Program or TWEP used by many Indian tribes. Our Tribal administration is also responsible for the operation of other programs not covered by this Subcommittee (for example, in 1997, KIC established a Housing Authority and became a HUD Indian Housing Block Grant recipient. Our HUD housing grant now totals nearly one million dollars annually.).

Tribal Self-Governance has strengthened our Tribal administrative and management control systems, allowing the Tribe to grow and better target our delivery of services. Our increased Tribal economic activity during the last decade has had a visibly beneficial impact on our non-Native neighbors who have been hit hard by the closing of so many of the timber industry facilities and the downturn in regional commercial fishing. In these difficult times, we have entered into agreements with community and federally funded agencies to leverage our program funds to provide the maximum possible benefits. We have merged the administration of our BIA and IHS funded social service programs to achieve greater efficiencies and more comprehensive services. Other programs we have integrated include Higher Education and Vocational Training. Our original program Johnson O'Malley (JOM) still operates within the public school system, offering a rich Knowledge of our Alaska Native heritage and culture to all students. However, the JOM funding we receive is at an all time low and so our Tribe has allocated additional sums to supplement that program from our general Tribal Priority Allocations funding. We encourage the Subcommittee to increase the JOM funding available, given how valuable is the knowledge that it encourages to be gained by our children and their non-Native friends who must learn how the diversity of cultures is something to be celebrated and cherished.

KIC's various economic development enterprises likewise continue to flourish, providing additional employment opportunities for Tribal members and revenue for Tribal services. Despite all of our efforts, and those of this Subcommittee, tremendous unmet needs still exist among our people, many of whom struggle with extreme poverty and hardship. KIC is committed to improving its efforts to efficiently and effectively meet these unmet needs by aggressive marshaling federal funds even as KIC makes significant strides toward increased self-sufficiency.

HEALTH FUNDING

KIC is a member of the Alaska Native Health Board (ANHB) and supports the ANHB testimony seeking additional IHS patient travel funding for Alaska. Another $10 million is needed to supplement the expense that Tribes and tribal organizations in Alaska experience due to our extreme conditions. The burden of travel expense is much higher in the expansive and rugged geographical terrain of Alaska.

For example, Ketchikan is located in the rural Southeast portion of Alaska where the only access to IHS-funded hospital facilities and specialty services is by air travel. This has become a tremendous burden on KIC's health budget. In 1998, $110,610 was expended on travel costs alone for 197 KIC hospital patients. In 1999, $64,000 was spent on the travel costs of 146 patients. These travel expenses take away from other health services that could be offered by the Tribe.

In large part due to the financial cost and personal toll imposed by an out-dated IHS health care delivery system, KIC has been compelled to insist that IHS provide it with all of the funding associated with the hospital-related programs, functions, services and activities that KIC has assumed under its Compact and Annual Funding Agreement with the IHS. The IHS has refused to do so, claiming an adverse impact will arise from the resulting (approximate) 10 percent reduction in the funding the IHS has previously allocated to an IHS-funded hospital in Sitka, Alaska for the benefit of patients from Ketchikan. KIC's claim under the contract Disputes Act is for $1,856,947, which is the adjusted amount of fiscal year 2000 funds appropriated and allocated for the hospital-related activities KIC has assumed under its

fiscal year 2000 AFA, as well as the indirect costs associated with these direct dollars pursuant to KIC's negotiated indirect cost rate.

The KIC Tribal Council decided to file its Contracts Disputes Act lawsuit because KIC seeks to spend its hospital-related fiscal year 2000 appropriated funds principally at the local Ketchikan General Hospital ("KGH") rather than at the IHS-funded Mt. Edgecumbe Hospital in Sitka. In previous fiscal years, the KIC Tribal Council adopted resolutions authorizing a tribal organization, the Southeast Alaska Regional Health Consortium ("SEARHC"), to provide hospital-related activities for KIC's benefit at the Mt. Edgecumbe Hospital. But given the increasing costs and risks of travel, continued use of a hospital far from Ketchikan makes no financial nor personal nor policy sense in this day and age.

KIC is located within one of the largest urban areas of Alaska. The health clinic operated by KIC is located next door to the KGH, which is one of the largest hospitals in Alaska. Sitka where the IHS-funded Mt. Edgecumbe Hospital is located is 12 hours away from Ketchikan by ferry and nearly an hour away by jet. Flying between Sitka and Ketchikan is further complicated by adverse weather conditions at both places (fog, strong winds and low visibility). Transporting KIC patients and their families by air from Ketchikan to Sitka for basic hospital services wastes scarce health dollars and imposes great cost inefficiencies, unnecessary medical risks and needless personal hardships on the patients for whom KIC is responsible. The additional costs of lodging, delayed treatment, and family disruption are immense. Moreover, another separate but significant portion of KIC's health care funding has been withheld, with the continued consent and support of KIC, for the provision of sophisticated hospital-based and specialty services at the new Alaska Native Medical Center ("ANMC") in Anchorage. Anchorage is nearly a half-day's travel by airplane from Ketchikan. Having one backup hospital (ANMC) an airplane flight away is enough. Using two hospitals at distant and hard-to-reach cities is a waste of critically needed health care funds in the context of KIC and its unique placement next to KGH. This type of redundancy has been a concern repeatedly raised by both KIC and the Alaska Congressional delegation. But given IHS's unwillingness to transfer to us our hospital-related funding, KIC has been forced to sue for relief under the Contract Disputes Act. We ask only that the Congress not interfere with the judicial and administrative resolution of that litigation under the Contract Disputes Act.

We ask that the Subcommittee continue to work to bridge the gap in health care services and conditions that exists between Americans as a whole and Native Americans. This will necessarily require increased health funding for Native Americans, which at present are funded at half the level that is spent on the rest of America's citizens. We also ask this Subcommittee to support the legislative efforts Reps. Don Young and J.D. Hayworth to establish contract support cost (CSC) funding as entitlement rather than discretionary spending. KIC opposes any reallocation of health CSC funding on a pro-rata basis. KIC supports the IHS policy of promoting stability by not reducing CSC being paid to a tribe from one year to the next.

We also ask that the Subcommittee not enact further authority like that in Section 314 of the fiscal year 1999 Omnibus Appropriations Act which attempts to limit the liability of the IHS and BIA for past failures to fulfill contract support obligations to tribes and tribal organizations under Public Law 93–638, as amended. IHS has used Section 314, we believe in error, to deny payment to KIC of $325,000 in startup costs that were due KIC under our Compact for the startup of our clinic operations in 1997–1998. We ask that fiscal year 2001 bill language be included which expressly permits legitimate startup costs from prior years, like KIC's $325,000, to be paid from the fiscal year 2001 funds.

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. KIC supports the $60 million request proposed by ANHB for the funding of inflation adjustments. Despite increases in appropriations from fiscal year 1993 to fiscal year 1998, there has been an 18 percent decline in the adjusted per capita expenditures, or purchasing power, of IHS funding. The immediate solution would be to place inflation or population growth safeguards in the budget. Population growth is a large part of the equation. The methodology used to determine our Compact budget is based on the 1990 census, which said we had 1,566 members within our service area. But our current membership is now 4,300 people, and we now 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. 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 human limits. The methodology of funding these costs has proven to be

completely inadequate; it has created shortfalls which have had to be absorbed by the Tribe and by service reductions. Of the $127 million inflationary shortfall identified by the IHS for fiscal year 1999, only $60 million was appropriated. Congress must identify a more logical response and methodology of keeping up with this inflationary shortfall. An increase in funding is needed beginning in fiscal year 2001 to alleviate this detrimental erosion of the Indian health care system.

BIA CONTRACT SUPPORT FUNDS AND PROGRAMS

We share the concerns of other tribes that the inability of the BIA to fund 100 percent of identified contract support costs serves as a disincentive to increased contracting or compacting of federal programs. Over the last five years approximately 80 percent of the tribal indirect costs have been funded. This shortfall greatly reduces the ability of a Tribe like KIC to meet its obligations to administer and manage its Compact operations. Inadequate funding weakens and imperils the effective delivery of all program services. Significant increases must be applied to this account in order to assure adequate administrative control of vital program services being provided by Indian tribes.

We wish also to note our objection to how the BIA has altered the Housing Improvement Program (HIP) funding allocation system. Without meaningful consultation, BIA abruptly changed the funding allocation methodology from use of a housing inventory data base to an untested system that purported to allocate funds based on the individual eligible applicants. At the very least, the change was disruptive, and we doubt it does anything but add to existing inequities. It also appears to forever consign recipients to a dependency status of poverty that precludes them from ever owning a home.

CONCLUSION

The BIA and HIS funding for tribal programs falls far short of tribal needs. The growth of funding for Indian programs has not kept pace with the rise in basic unmet need, nor with the demands of inflation and population growth. KIC, like other tribes, uses our own resources to supplement our BIA and IHS funding. KIC, like other tribes, seeks to maximize administrative efficiency and creatively to address the shortfall.

Our tribal members are excited about this new chapter in our Tribe's history. We see a bright future that includes the growth of tribal enterprises which provide more employment opportunities for tribal members and more revenue for tribal governmental programs. We thank you for this privilege to provide testimony. If the Committee has any questions concerning these requests or comments, we would be glad to respond.

PREPARED STATEMENT OF THE ST. GEORGE TRADITIONAL COUNCIL OF THE ALEUT COMMUNITY OF THE PRIBILOF ISLAND OF ST. GEORGE, ALASKA

Mr. Chairman, Members of the Committee, on behalf of my people I thank you for this opportunity to provide this testimony on Indian Health Service (IHS) and Bureau of Indian Affairs (BIA) issues.

My name is Boris Merculief. 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 Aleuts of all ages who reside on St. George Island.

We are a small Aleut community located on a remote Pribilof island that has been the homeland of our people 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.

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 been engaging in a discussion with other Pribilof Island entities and with our Alaska congressional delegation on how best to proceed to gain a fair resolution of our various claims against the United States for the harm it has caused our people and our Island by taking away our entire means of livelihood—the fur seal harvesting that was our economic

mainstay for generations until a complete moratorium was imposed in the early 1980s by interests far from our Island. 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 two centuries.

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 #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 is required to serve everyone, regardless of whether they are Aleuts or other Alaska Natives.

Our health Clinic facility is dangerously dilapidated. For years, we have been promised a replacement Clinic by the IHS but nothing has been done. 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. But housing is in very short supply. The lone, 10-room hotel on St. George charges $130 per night, sorely taxing our scarce health services budget.

Meanwhile, across the street from our Clinic is a National Oceanic and Aeronautic Administration (NOAA) facility that is mostly unused and empty. 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 infrequently by National Marine and Fisheries Services (NMFS) supervisory personnel when they visit our Island.

We estimate that NMFS and other Federal personnel use "Cottage C" only about 10 percent of the year. The cost by NOAA to maintain this building for that amount of usage is not a good use of funds. When the Federal government pulled out of St. George Island in 1983, both the City of St. George and Tanaq, the ANCSA village corporation, received facilities and staff quarters which were transferred to them by various Federal agencies. However, as the entity that is responsible for all medical care on St. George Island, the St. George Traditional Council has no quarters to house medical personnel that visit the Island.

IHS funds for basic specialty health services like dental and eye care have been quite limited. 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.

With the reorganization of IHS, we have been notified 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 added 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 these medical visits.

In addition to serving as temporary staff housing, "Cottage C" could also provide some 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 literally were forced to lay them in the hallways and as we did not have adequate bedding, 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.

In short, we ask this Subcommittee to set in motion the immediate transfer of ownership and control of "Cottage C" to the St. George Traditional Council for its use for public health purposes on the Island of St. George. 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 #2.—Special Add-On or Ear-Mark to Repair Our IHS Clinic.

Our existing IHS Clinic is facing major structural problems that may force us to close it in the immediate future. Its plumbing system is nearly completely destroyed and inoperative. Its central heating system is completely inoperable. The Clinic rests on a bad foundation that is causing structural damage. We are now 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 were run through the concrete slab foundation and 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 9 recommendations (we would be pleased to provide a full copy of the engineering report to the Subcommittee upon request) of which the most significant was the need to build a replacement Clinic. The cost estimate for this construction was $980,000.00, 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. The 1999 report of the independent engineering firm concerns us greatly. We may be without any Clinic facility in the very near future. The costs for replacement now stand at $2 million.

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 that the health facilities on St. George are to be maintained and constructed, with all costs charged to the budget of the Secretary of Health and Human Services.

Accordingly, we ask this Subcommittee to add-on or earmark $2 million to permit emergency repairs and immediate replacement of our health Clinic facility given the serious deterioration and the public health hazard that our health Clinic has become. Thank you.

PREPARED STATEMENT OF THE 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 written testimony on the fiscal year 2001 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

Support for $97,500 for the Squaxin Island Shellfish Management

Regional

Support for $6.5 million 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;

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;

Support additional funding of $3.048 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 and vessel subsidized payment account

$300,000 for the Point no Point Wildlife Program; and,

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 issues

Provision of Contract Support Funding in BIA and IHS at the level of need documented by Tribe for existing and emerging programs;

Joint BIA/IHS CSC Policy should be model more in line with that of the IHS rather than that of the BIA;

Competitive Awards in the IHS should be identified after consultation with Tribes to determine the areas for such awards;

Provide a minimum of $25 million in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;

Support at a minimum, existing funding levels within the Bureau for Trust Responsibility, Tribal Priority Allocation, and Self-Governance that pertain to Fisheries Management and U.S.-Canada Pacific Salmon Treaty at fiscal year 2000 levels;

Provide $201 million for IHS mandatory, inflation and population growth increases needed to maintain existing health care services;

Support Tribal Court funding to $58.4 million; and,

Support the requests and recommendations of the National Congress of American Indians and the National Indian Health Board.

NARRATIVE SUMMARY OF REQUESTS

SE 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 $6.5 million 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 $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 additional funding of $3.048 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 Contract Support Costs (CSC) in the BIA and the IHS at the level of need documented by the Tribe up to 100 percent. 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 requests and recommendations of the Northwest Portland Area Indian Health Board, the and Northwest Indian Fisheries Commission. 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 S. 979, a bill to make Self-Governance a permanent tribal option in the IHS

—Support S. 299, 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 THE UNITED KEETOOWAH BAND OF CHEROKEE INDIANS IN OKLAHOMA

INTRODUCTION

The United Keetoowah Band of Cherokee Indians in Oklahoma (UKB) is a federally recognized tribe in the fourteen northeastern counties of Oklahoma. Known as the "Western Cherokees" for their unilateral decision to avoid assimilated Cherokees who remained in the East until removal, the UKB is a Band of Cherokee Indians

which has remained separate from other Cherokee groups for political, religious and ethnological reasons since the early 1800's.

The UKB chose its own chiefs and captains, engaged in a distinct culture and government, and acted separately from the mainstream Cherokee Nation in numerous treaties with the United States. The Federal Government subjected the Eastern Cherokee, which remained in Georgia and Tennessee, to the Removal Policy and forcibly marched approximately seventeen thousand (17,000) Cherokees at gunpoint onto the seven million (7,000,000) acres the UKB received under the Treaty of 1828. These federal actions caused a forced administrative joinder of the UKB and what became the Cherokee Nation in the mid-1830's.

Tense relations between Keetoowahs and the newly arrived Eastern Cherokees led to fierce clashes, also when the Keetoowahs sided with the Union in the Civil War. The Keetoowahs resisted submitting to the Dawes Roll and administration, so most of the allotments of the seven million (7,000,000) acre reservation went only to non-Keetoowahs. The U.S. Government promised the UKB possession and use of the unallotted lands within the Cherokee Nation but still ignores this promise. As a result, the UKB has no lands in trust. In 1993, the Department of the Interior reaffirmed the status of the UKB as an autonomous historical tribe. In 1998, the UKB began to administer its own federal programs for exclusive UKB members.

LONG AND SHORT RANGE GOALS FOR SURVIVAL/SELF-SUFFICIENCY

With limited federal funding, the UKB Tribal Council has actively worked for many years to maintain lines of communication between tribal members and the tribal government despite a denial of federal funding. The UKB conducted a needs assessment survey and compiled statistics for HUD under a Community Development Block Grant. The UKB works with local BIA Agency and Area Offices, RDA, EPA, the Corps of Engineers, and other agencies to address housing access and other community needs.

UKB GOALS

The long range plan of the UKB relating to governance and addressing social needs reflect the UKB Charter (I and II), Constitution (Article III) and By-Laws, and Tribal Council Resolutions (see Attachment). These include:

—Strengthening the ability of the UKB Council and Administration to govern and provide for the social and economic needs of all tribal members, particularly the elderly, disabled and youth;

—Providing for unmet education and social needs of tribal members; reclaiming and preserving the legal, historical and cultural heritage of the UKB;

—Achieving self-sufficiency through the generation of income by tribal enterprises; maintaining economic solvency by diversifying income sources.

UKB EFFORTS TO ADDRESS CONGRESSIONAL DIRECTIVES

To date, there have been NO formal meetings inclusive of all the tribes affected by Congressional Directive BIA 99–4, SR 105–227 (July 1998). There have been informal verbal exchanges among UKB Councilmembers and administrators and representatives of Cherokee Nation of Oklahoma and the Delaware Tribe of Oklahoma in the months since the passage of the fiscal year 2000 budget. UKB administrators informed the Muskogee Area Office of efforts to address the Directive. On 22 June 1999, John Berry, Assistant Secretary-Policy, Management and Budget, Department of the Interior, provided a summary of issues and the status of BIA efforts to address the Directive, noting:

—The fiscal year Annual Funding Agreement for the Self-Governance Compact with Cherokees includes a provision to allow for division of funds among the Cherokee, Delaware and UKB pending the outcome of court actions results of legislative proposals; and, development of plans, procedures and methodologies for determining non-duplicative service populations and service areas.

—Presently, members of the UKB and Delaware receive all Bureau-funded program services through the Cherokee Nation of Oklahoma. Neither of these two tribes currently receives any program funds from the BIA, except the UKB has a contract with the BIA for Aid to Tribal Government funds.

—Personnel from the Muskogee BIA Area Office have met with each of the three tribes in an attempt to bring the parties together. While the BIA can facilitate discussions among parties, each of the three tribes is responsible for service. Individuals with dual enrollment may have to choose the service provider tribe. These tribal disputes go back many years and are unlikely to be resolved soon.

—The UKB has never received New Tribes funds though the Delaware Tribe did Informal discussions with staff of the local BIA and other agency officials since

July 1998 relating to Congressional Directive 99–4, SR 105–227, although productive, have not resulted in material progress toward assurance the UKB will obtain a proportional share of the Self-Governance Compact funds based on the service population of the UKB, which the Cherokee Nation of Oklahoma has included in its headcount without providing services. If the BIA has "tried to bring the parties together" to negotiate these matters, those efforts have not included the UKB . . . perhaps because efforts to bring the CNO to the table are unavailing. The UKB has undertaken the following independent actions consistent not only with the need to address the Congressional Directive, but also the overall UKB goals:

Objective I: The UKB has identified the number of exclusive UKB members as indicated in the BIA Certified Audit.—In 1990, in cooperation with the Muskogee Area Office, the UKB compiled data on the exclusivity of UKB members and, in 1992, Rosella Garbow reported the UKB had approximately four thousand, seven hundred (4,700) exclusive members. The UKB has required all new applicants for membership to voluntarily relinquish membership in any other federally recognized tribe since September 1990. The UKB automated its enrollment system by June 1999. On 21 September 1999, at the request of the UKB, Muskogee Acting Area Director James E. Fields provided a certified audit of the number of UKB tribal members residing within the State of Oklahoma.

As of this date, the membership of the UKB is six thousand (6,000). In the following months, the State of Oklahoma entered into both a Motor Fuels Tax Agreement and a Cigarette Tax Agreement with the UKB based upon the UKB enrollment audit. The UKB automated database includes the names of six thousand, one hundred, thirteen (6,113) persons to date, representing the total service-eligible UKB membership.

Objective II: Progress toward identifying (1) UKB-owned lands, (2) unallotted lands within the Old Cherokee Nation, (3) the number of exclusive UKB members who have interests in restricted lands and mineral claims.—In 1999, the UKB identified some eight thousand (8,000) acres of unallotted acres of Cherokee lands which the United States promised to preserve for the benefit of the UKB by 1950 and identified and contacted over two hundred (200) exclusive members with interests in restricted lands and mineral claims throughout the nine UKB Districts in the fourteen northeastern counties of Oklahoma.

Objective III: Progress toward identifying lands within the Old Cherokee Nation for use as a federal trust land base.—The UKB is investigating opportunities to acquire property in the fourteen northeastern counties of Oklahoma and adjacent to the present three acres at 2450 South Muskogee Avenue, Tahlequah, Oklahoma, 74465, on which the UKB tribal headquarters are located. The UKB has acquired over twenty (20) parcels of land in Oklahoma, in addition to other small parcels, from UKB members and donors since 1980 and has asked the Secretary of the Interior to place several parcels in trust for community services and economic development. The UKB is examining distribution, density and economic characteristics of the UKB population for planning purposes.

Objective IV: Progress toward identifying funding needs of exclusive UKB members.—The UKB developed 2-year, 5-year, 10-year, and combined multi-year programmatic and economic development plans in 1999, now under review in the course of partial implementation.

Objective V: Progress toward identifying contract and programmatic funding needs for exclusive UKB members.—The UKB is seeking to implement plans for the responsible use of funding.

Year	Source	Project Type
1992–1998	Dept. of Education	Library Grant
1998–2000	BIA	Aid to Tribal Governments
1998, 2000	NAHASDA	Low-Income Housing
1998	CDBG	Education
1999	USDA	Land Acquisition & Tribal Center Construction
1999		Planning

Prepared Statement of the Port Gamble S'Klallam Tribe

This testimony is submitted on behalf of the Port Gamble S'Klallam Tribe in Washington State, regarding the President's fiscal year 2001 budget request for tribal programs in the BIA and IHS. This statement is presented on behalf of the elect-

ed members of the Tribal Council and on behalf of the Port Gamble S'Klallam people.

Our testimony addresses four particular program areas for which the Tribe urges Congress to support funding increases in fiscal year 2001:

—*Point No Point Tribal Wildlife Program.*—Provide $300,000 to enable long-term management regarding subsistence and ceremonial hunting of wild game on the Olympic Peninsula by the Point No Point Treaty Tribes.

—*Cleanup of Kitsap County's Hansville landfill.*—Provide resources to assess the hazards to tribal members' health and begin a process for cleanup of reservation groundwater and soils resulting from Kitsap County's Hansville landfill.

—*Contract Support.*—Provide additional funds to both BIA and IHS for tribal contractors to meet the needs and expenses associated with the programs they have assumed on behalf of the Federal Government.

—*Tribal Courts.*—Support proposed increases through BIA (and DOJ) for Tribal Courts, as authorized under the Indian Tribal Justice Act of 1993.

POINT NO POINT TRIBAL WILDLIFE PROGRAM

The Wildlife Program serving the four Point No Point Treaty Tribes has become the premiere tribal wildlife program in western Washington, and has been critical in achieving the necessary cooperation between our Tribes and the State. It has provided the needed biological data, and coordination and facilitation to resolve state-tribal and inter-tribal disputes over wildlife management on the Olympic Peninsula.

The Wildlife Program has been funded since 1993 by a combination of grants. However, this source of funding is extremely precarious, and it is impossible to conduct long-term planning without a permanent source of program funding. We support funding for this crucial program in the amount of $300,000.

Subsistence and ceremonial hunting of wild game is an essential cultural activity for our tribal people. The Tribes are committed to responsible wildlife management based on biology. Prior to our Wildlife Program, little biological data existed for the culturally important elk herds on the Olympic Peninsula. Our program has conducted extensive surveys and shared all our data with the State and other Olympic Peninsula tribes. As a result of our surveys, elk are for the first time being managed by both the State and Tribes from hard biological data.

Elk in the east Olympics had declined to such low levels that all hunting had to be eliminated for several years. It was only through a remarkable cooperative effort between our tribal Wildlife Program and Washington State that we were able to rebuild the herds, through a combination of relocating elk, habitat enhancement and habitat protection. Finally in 1997 we were able to reopen a limited hunt for both state hunters and our people.

There is an on-going need for research and data on which to base our management decisions. It is only through funding this program that we can continue to responsibly co-manage our essential wildlife resource.

CLEANUP OF KITSAP COUNTY'S HANSVILLE LANDFILL

The Port Gamble S'Klallam Reservation, located in Washington State, is held in trust by the United States for the benefit of the Tribe. 100 percent of our reservation is in trust status; none of our lands have ever been individually allotted.

Kitsap County sited a landfill uphill from the Port Gamble S'Klallam Reservation in 1962. For nearly 40 years, virtually all of the hazardous chemicals from the landfill flowed directly into the Reservation groundwater and soils. Although there has been monitoring of groundwater, we don't know how much pollution to expect or how long it will persist. It is also not known whether the pollution has impacted the Tribe's drinking water, our shellfish and the salmon reared in the reservation hatchery. The tribal diet and economy both center on these resources. It appears that at least 25 percent of the Tribe's land may be subject to use restrictions to protect public health.

There is an immediate and critical need for financial and technical support to:

—ensure that adequate sampling and monitoring of the Reservation's environment occurs;

—complete a risk assessment on the hazards to the health of tribal members is prepared, based on the best scientific evidence available;

—ensure that the United States' and the Tribe's legal rights are protected; and

—secure an alternate source of drinking water.

CONTRACT SUPPORT

In fiscal year 2001, Contract Support Costs are proposed for a total level of $128.7 million within the BIA Tribal Priority Allocations account. Although this amount is

$3.5 million over the fiscal year 2000 enacted level, it will still leave a shortfall of approximately 12 percent (nearly $17 million). An additional $5 million is requested for new and expanded contracts under the Indian Self-Determination Fund. Within IHS, the budget proposes a $40 million increase for Contract Support Costs, for an fiscal year 2001 total of $268.8 million. Of this total, $40 million is for new and expanded 638 contracts and Self-Governance compacts. These increases will go a long way towards assisting contracting and compacting Indian tribes in meeting the incidental needs and expenses associated with the Federal programs they have chosen to administer for the benefit of their Indian communities.

We are aware that Congress has provided increases for both BIA and IHS Contract Support Costs in both the fiscal year 1999 and fiscal year 2000 appropriations bills, and that the Appropriations Committees have labored with tribes and agency representatives to address contract support cost funding disparities among tribes. These increases and this work have been productive; unfortunately, they have not provided tribes with all the resources necessary to assume tribal administration of Federal programs under the Indian Self-Determination Act, as Congress had envisioned. We urge this Subcommittee to support the proposed increases for fiscal year 2001 for both BIA and IHS Contract Support Costs.

The Port Gamble S'Klallam Tribe has consistently been in the bottom of the heap on IHS Contract Support Costs. Funding levels have been at 70 percent from 1994 through 1998, with a slight increase to 76.28 percent in 1999. The Tribe waited for five years on the Indian Self-Determination list for full funding, only to have the new 1999 funds distributed to all tribes, rather than those who had been on the list the longest. This was another promise that was not kept.

As the court determined in Ramah 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 2001 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, which has resulted in more cost effective and efficient delivery of services. Because of the contract support shortfall, 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 to use funds otherwise identified for a particular program—such as daycare, education and senior citizen housing—to cover the contract support shortfall.

TRIBAL COURTS

In the BIA's fiscal year 2001 budget request, an additional $1.3 million is requested within the BIA's Tribal Priority Allocations account for tribal courts, as initial funding pursuant to the Indian Tribal Justice Act of 1993, to provide financial and technical assistance for the development and enhancement of tribal judicial systems. We urge this Subcommittee to support this proposed increase for Tribal Courts. (We also wish to express our support for the $15 million for Tribal Courts through the Department of Justice.)

We also feel we must note that the amount requested by BIA for fiscal year 2001 is nowhere near the level of funds authorized under the Tribal Justice Act or what is needed to support strong tribal judicial systems. Adequate funding for tribal justice systems will help ensure equal access to justice and the tools necessary to implement justice so that whole communities, individuals, local businesses, service vendors and contractors, schools, and local government benefit. Adequate funding for our court and all tribal courts enables tribal governments to provide the necessary judicial services to all the citizens of the reservation, both Indian and non-Indian, and to respect the civil rights of each individual in that judicial system.

The Port Gamble S'Klallam Tribe's court is part of the Northwest Intertribal Court System, and hears cases on criminal, civil, traffic, child welfare, juvenile, domestic violence, hunting, fishing, housing, and adult protection issues. Our tribal court staff is made up of a judge, prosecutor, court administrator, court clerk, court compliance officer and support staff. 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.

Thank you for this opportunity to submit this testimony on fiscal year 2001 funding for tribal programs in the BIA and IHS.

PREPARED STATEMENT OF THE STOCKBRIDGE-MUNSEE COMMUNITY BAND OF MOHICAN INDIANS

Thank you for this opportunity to submit the testimony of the Stockbridge-Munsee Community Band of Mohican Indians to the Senate Interior Appropriations Subcommittee regarding the President's fiscal year 2001 budget request for programs within the Indian Health Service. Our testimony focuses on fiscal year 2001 funding for one specific program, which the Tribe strongly supports. We respectfully request this Subcommittee's favorable consideration to fund the IHS Joint Venture Construction Program in fiscal year 2001 at a level of $15 million. The Joint Venture Program is an innovative approach to enable tribes and the Federal Government to construct or acquire facilities in order to provide meaningful health care to Indian people. We hope that Congress will support this program by providing funding in fiscal year 2001.

Background on the Stockbridge-Munsee Tribe.—The Stockbridge-Munsee Tribe was once located in what is now the northeastern United States. However, in the early 1800s, we were removed from our ancestral lands to Indiana, and later relocated to what became the State of Wisconsin. Since 1856, our homeland has been a 46,000-acre reservation in central Wisconsin. The Tribe has nearly 1,500 tribal members, over 800 of whom live on the reservation. The Tribe employees approximately 700 people—members and non-members—in our tribal programs and economic enterprises, including our small but successful casino and bingo operation, and is the largest employer in Shawano County, WI. Currently, the Mohican North Star casino employs some 550 people, about three-fourths of whom are non-tribal members. The Community uses our modest gaming proceeds to supplement funding for all our tribal governmental programs, including Elderly Assistance, Higher Education and Vocational Training, Housing Assistance, and Economic Development. However, gaming revenues make up only approximately 40 percent of the Tribe's fiscal operating budget.

Support for fiscal year 2001 Funding for IHS Joint Venture Construction Program.—As the Subcommittee may know, the IHS joint venture demonstration projects program was authorized in 1990 under the Indian Health Care Improvement Act (25 U.S.C. 1680h(e)). The Stockbridge-Munsee Community is a member of the Tribal Nations Joint Venture Coalition for Health Facilities, a coalition of some 20 tribes from across the United States which would like to use the joint venture approach to draw upon non-federal funds to construct health facilities in our communities. Under the current joint venture demonstration program, a tribe would use tribal, private sector or other available non-tribal funds, including loan guarantees, to acquire or construct a health facility under a 20-year, no-cost lease. IHS would then provide equipment, supplies and staffing to operate and maintain that facility. To date, $1.66 million has been appropriated under the program, and was used by tribes in Oregon and Oklahoma to build facilities which were completed in the early 1990's.

Report language accompanying both the fiscal year 1999 and fiscal year 2000 Interior appropriations bills directed the IHS to consider reinstituting the joint venture facilities construction program in the next budget cycle, as well as to continue to work with tribes to identify and implement alternative and innovative approaches to funding construction of health care facilities.

We are aware that in its needs-based fiscal year 2000 budget submission to the Secretary of the Department of Health and Human Services, the IHS requested $15 million for the Joint Venture Program, which the Department supported. IHS and the Department of Health and Human Services, in fact, appealed a level of $15 million for the Joint Venture Program, which the Office of Management and Budget declined to include in the budget request. For fiscal year 2001, IHS and the Department again supported an initial level of $15 million, and appealed a funding level of $5 million, and again, OMB rejected this request. We applaud IHS and the Department for their support for the Joint Venture Construction Program, and regret that in the scheme of overall budgetary priorities, fiscal year 2001 funding was not requested.

Facilities construction—whether schools, water treatment, health care or jails and detention center facilities construction—is a huge unmet need in Indian Country. Understanding that need, we applaud the Administration's significant funding increase, proposed for fiscal year 2001, through the Bureau of Indian Affairs for replacement education construction, as well as the funds requested for a new Indian school construction bonding initiative. We also support the Administration's fiscal year 2001 budget request for IHS' Construction account, of which total $65.2 million is requested for Health Care Facilities Construction, to continue construction of two

hospitals and an outpatient facility, and $2.5 million for the Small Ambulatory Grant program.

In developing its needs-based budget request for fiscal year 2001, IHS determined that the need for health facilities infrastructure, maintenance and equipment needs is more than $7 billion.—The facilities which are on the IHS Facilities Priority List deserve funding; however, if tribes' only option for a health care facility is to be funded under the Construction Priority System list, tribes lowest on the queue will not see construction begun for at least 30 years. Given the facilities backlog, we believe that an alternative such as the Joint Venture Program also deserves Congress' support for fiscal year 2001 funding.

The Stockbridge-Munsee Tribe has been participating with other tribes in discussions on legislation to reauthorize and amend the Indian Health Care Improvement Act. We are pleased that legislation which is currently pending before the House of Representatives (H.R. 3397) includes provisions for the IHS/tribal facilities joint venture program. We especially support new language included in H.R. 3397 which would provide that a tribe that "has begun and substantially completed the process of acquisition or construction of a health facility shall be eligible to establish a joint venture project with the Service using such health facility." As explained below, the Tribe has expended its own funds and obtained non-IHS funding in order to start construction on a new health care facility.

How the Joint Venture Program Would Benefit the Stockbridge-Munsee Tribe.—Currently, the Stockbridge-Munsee Tribe has a small, 14,000 square-foot health clinic which was built in 1973. During a typical month, the clinic provides medical services to over 1,200 patients, dental care to 200 patients, and fills over 1,000 prescriptions at the pharmacy. Annually, the current staff of some 42 full-time and one part-time employees and six full- or part-time physicians and dentists provides necessary and essential medical treatment to over 2,300 people—tribal members and Indians who are members of other tribes but live on our reservation, and numerous non-Indians who live within the original boundaries of the reservation.

The severe space limitations, existing structural problems and poor condition of the clinic have made providing necessary medical services very difficult. After two additions to the clinic, future additions are not economically efficient, or even practical. In 1996, the Tribe received a HUD Community Development Block Grant toward the construction of the new health clinic and wellness center. The Tribe paid for the costs of designing the facility out of tribal funds, and provided the funds to hire an architectural firm which prepared a preliminary cite evaluation and the design of the layout and floor plans of the new facility. In the fall of 1999, the Tribe began construction of the new Stockbridge-Munsee Community Health Center, which will provide direct health care services to a projected user population of 2,900 Indian patients. The Tribal Council also authorized taking tribal funds from other programs in order to fund this priority for the Stockbridge-Munsee Community. We estimate that the Tribe will have expended some $4.5 million of our own tribal funds for this facility construction project.

Since the Tribe is expending these funds for construction of the facility, we need funding for staffing, supplies and equipment. The Tribe would like to be able to "joint venture" with the Indian Health Service for personnel, supplies and equipment.

The Stockbridge-Munsee Tribe has been actively participating in the Tribal Nations Joint Venture Coalition for Health Facilities in meetings with IHS and OMB. We are aware that some issues have been raised—such as flexibility to negotiate terms of the project arrangement; scoring, especially in the outyears; and from which IHS account funding would come, since the Joint Venture Program would involve both the Services and the Facilities accounts when providing for personnel and equipment costs after the facility has been constructed or acquired. We believe these concerns can be addressed satisfactorily in the Indian Health Care Improvement Act reauthorization process.

We strongly urge the Congress to provide an fiscal year 2001 funding level of $15 million for the IHS Joint Venture Construction Program. Although the IHS has made some steps toward holding consultations with tribes regarding the initial development of a methodology for how funds would be allocated under the Joint Venture Program, if appropriations are provided, we would also suggest the Subcommittee consider report language, encouraging further methodology discussions.

Thank you again for this opportunity to submit this statement to this Subcommittee on behalf of the Stockbridge-Munsee Tribe. We appreciate your consideration of this request, which will enable us to provide our people and members of the surrounding community with adequate health care services.

PREPARED STATEMENT OF THE QUINAULT INDIAN NATION

Mr. Chairman and members of the Committee: It is my pleasure to submit testimony as President of the Quinault Indian Nation to this Committee to present the position of the Quinault tribal government with respect to the fiscal year 2001 BIA and HIS appropriations requests.

The Quinault Nation urges this Committee and other members of the Senate to support the Administration's budget request for Indian Country. Although every additional dollar included in the Administration's proposal is needed and we welcome the increases included in the request, for too long the real needs of Indian Country have been neglected. The problems we must speak to as tribal leaders are complicated and expensive to fix: we are behind in almost any measure of quality of life and opportunity for our people. Although this budget request represents a significant increase in resources, we see it as one step on a long road. But that road leads to opportunity for our tribal members and we are determined to walk it.

Across Indian Country two federal programs have a direct impact on our individual tribal members: the law enforcement programs and the Indian health services programs. In particular, I ask that you support the almost $20 million addition requested for the highly successful Law Enforcement in Indian Country Initiative, as well as for the $220 million additional funds requested for Indian Health Services programs. Before they can take advantage of any opportunity our tribal members must be safe and healthy.

In his historic visit to the Pine Ridge Reservation in July last year, the President called this country's attention to the conditions that exist in many Native communities today. The President declared that the federal government is asking what needs to be done in our communities and offered tribes the tools and support to accomplish those tasks for our children and their future. I am asking that this Committee as well as all members of Congress listen with open hearts and minds to what really is needed in my part of Indian Country—the Quinault Indian Reservation, in Washington State.

QUINAULT INDIAN NATION REQUESTS: TRIBAL PRIORITIES

A continuing theme you will note in this list of priorities is the need for facilities construction funding. There are very few sources of funding available through the federal government for new facilities—only the HUD CDBG program and the notoriously under-funded IHS and BIA facilities construction line items, which are primarily sources of funding for federal, not tribal, facilities. Within Indian Country, there are very few tribes that have unencumbered funds they can use to borrow the money needed to build new facilities nor do we have a tax base to turn to. Attention needs to be paid to how the federal government can assist tribes with their facilities construction needs. There are alternative approaches to financing tribal facilities, such as co-financing, joint ventures, loan guarantees and bonding. We urge the Committee to help us develop these options as a substitute for dependence on Congressional appropriations.

IHS—Health Facilities Construction/Assisted Living Center—Increase $500,000

Again this year, the first priority of the Quinault Nation for the fiscal year 2001 is the construction of an assisted living facility for tribal elders on the reservation. As with all tribes, we value our Quinault elders and desire to provide a reservation-based facility to care for those elders in need of care. Because of the remote location of our reservation villages, there are no resources for this population. Therefore, we urge the Committee to support increased appropriations for IHS Facilities Construction to cut back on the $1 billion identified backlog. With respect to the Quinault Nation, we again request that at least $500,000 be identified within the IHS budget for the first phase of an Elders Assisted Living Facility on the Quinault Reservation and to continue the planning and development phase for a new clinic in Taholah.

Queets Fish Buying Station $500,000

The Village of Queets is located on the northern boundary of the Quinault Reservation and is the second largest concentration of people on the reservation. The Queets Fish House is an important part of the village economy and must continue to operate to support many people in the village. The present structure is dilapidated and has, in fact, been condemned. The structure continues to be used simply because there is no alternative. The Nation has been seeking funding to construct a replacement for this building for several years. Replacement costs have been esti-

mated at $500,000. We request that this amount be identified in the fiscal year 2001 appropriations specifically for this purpose.

Tribal Court and Reservation Law Enforcement $750,000

The Quinault Nation supports the $1.5 million request for Tribal Courts contained in the Presidential Initiative on Law Enforcement in Indian Country. The Tribal Court for the Quinault Nation is housed in a trailer owned by the BIA. The Tribal Court is expected to deal with an expanding array of cases in a facility that is in a state of practical ruin. The structure itself leaks and has an unstable floor. In the Courts most recent annual report, the Chief Judge notes the need for a new courthouse and a need for additional staff to keep pace with increased caseloads.

An example of the need for new court staff is the need for a Process Server. Presently court summons and subpoenas are delivered by tribal police officers. Since process service is not priority for on-duty officers, this sometimes means a considerable delay in delivering documents. This illustrates the link between law enforcement and judicial services. It also points to the desperate need for additional funding for all aspects of reservation law enforcement. In fiscal year 2000, you approved a $20 million increase for law enforcement on reservations. As important as that increase was, more is needed.

The Quinault Nation needs additional police officers and equipment if it is to meet its enforcement responsibilities. Currently, the Quinault Tribal Police Department is under the supervision of a Chief of Police and is comprised of seven patrol officers, four fisheries enforcement officers, two forestry trespass officers, one game warden, four corrections officers, one corrections/animal control officer, and support staff. The Washington State Criminal Justice Training Commission has certified each officer in the Quinault Tribal Police Department. The Nation under a Self-Governance Compact with the Bureau of Indian Affairs operates the Tribal Police Department.

The Quinault Nation Police must provide all forms of law enforcement on the 200,000 acres reservation, 24 hours a day, 365 days a year. In addition to general duties in the two villages and on the roads and highways of the reservation, tribal police are responsible for enforcing tribal hunting, fishing and gathering activities on the reservation (including 26 miles of coastal shoreline); and in "usual and accustomed places" off the reservation. In addition, the Department is responsible for enforcing tribal jurisdiction on the Pacific Ocean out to the territorial limits. Our officers cannot enforce tribal or federal laws over ocean activities because of lack of communications and other equipment capable of reaching from shore to ocean-going vessels. It would be difficult to identify another law enforcement agency at any level of government with a more diverse set of responsibilities than the Quinault Tribal Police Department.

The Police Chief has indicated that the Department needs to add an officer specifically to work with juvenile offenses. He has also requested the installation of surveillance equipment to address "trouble spots" in Taholah to reduce drug activity and vandalism. The Nation has not been able to access Department of Justice programs such as COPS due to certain restrictions placed on the program by DOJ. The tribe is not able, for example, to guarantee funding for new officers beyond the life of the COPS grant. In addition, the administrative cost limits imposed by the DOJ program force the tribe to defer applications for these funds. We must therefore request additional funds from the BIA to develop law enforcement capacities on the reservation.

Addressing issues of the "Digital Divide" $200,000

In the area of telecommunications and technology, the phrase, "digital divide" has gained prominence in recent years. The phrase denotes the creation of a class of "haves" and have-nots" in the use of technology and telecommunications. The Quinault Nation has committed considerable effort and resources to incorporate the appropriate use of technology into tribal operations. However, again due to our location in a remote, rural area, issues of resources have created the threat of cutting the Quinault people off from the main flow of the information superhighway.

This issue is closely related to the needs of law enforcement discussed earlier. For some time, the Nation has sought to improve communications for the police and the rest of the community by installing a new communications tower on the reservation. A new tower would enable more reliable police communication and enable the department to communicate with boats at sea. The tower would also enable other tribal operations in Taholah to communicate more effectively with tribal offices in Queets. The limitations of local telecommunications company equipment make it impossible to install high-speed network connections between the main tribal offices in Taholah and satellite operations in Queets. Developments in wireless networks

combined with the proposed tower would permit tribal government to connect its various operations to its network. The nation seeks this Committee's support in obtaining an appropriation of $200,000 to install this much-needed telecommunications facility and related equipment.

Disaster Relief for the Quinault Reservation $250,000

During the winter of 1999 Washington's Olympic Peninsula experienced extreme storm damage. On the Quinault Reservation floods destroyed several bridges connecting the north and south part of the reservation and destroying the evacuation route in the event of a tsunami. The Village of Queets is located 11 miles "as the crow flies" from the Village of Taholah, the seat of tribal government and home to most tribal services. Despite the fact that the two villages are fairly close together, the physical separation of the villages is complicated by geography and the whimsy of the public road system. As noted in much of this testimony, the connection between the two villages is important to the growth of our tribal nation. Before the flood damage, the trip from Taholah to Queets could be made in 30 to 40 minutes, after the flood, it is now a 75 mile trip taking close to two hours.

The floods also devastated miles of vital salmon spawning habitat. This environmental disaster will almost certainly result in even greater hardship for our already besieged tribal fisheries. Last year I reported to this Committee that a combined grant and loan program was needed to fund a program for distressed tribal fishermen. The floods of 1999 will undoubtedly increase that need. Already this year, the Quinault Nation has had to restrict its own harvest to protect the few fish that are returning to spawn in reservation waters. The impact on families that have for generations depended on salmon for their livelihood is nothing short of catastrophic. The Quinault Nation again asks for fiscal year 2001 funds to design a program to retrain tribal fishermen by putting them to work in habitat restoration projects that will provide the opportunity for future generations of Quinault people to harvest restored salmon runs.

Finally, as members of the Washington State delegation are well aware, the Quinault Nation has patiently and tenaciously worked for five years to resolve a dispute between the Department of the Interior and the Nation over the use of tribal lands for endangered species. Although personally I am very frustrated, I remain committed to finding a solution. I look forward to working with members of this Committee to see the proposed solution become a reality. I would like to thank the members of the Committee for considering the testimony of the Quinault Nation.

PREPARED STATEMENT OF THE SPOKANE TRIBE OF INDIANS

On behalf of the Spokane Tribe of Indians, I am pleased to submit to this distinguished Subcommittee our Tribe's testimony on the Administration's proposed fiscal year 2001 budget request for programs in 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.

Let me begin by expressing the thanks and strong support of the Spokane Tribe for the President's fiscal year 2001 budget request, which contains $1.2 billion in increases over the fiscal year 2000 enacted level for tribal programs within a number of federal agencies. The budget request would provide a total funding level of $9.4 billion in fiscal year 2001 for new and existing federal programs serving American Indians and Alaska Natives. While we recognize that the Subcommittee has many priorities which demand its attention, we urge you to support particularly the proposed fiscal year 2001 funding increases under the "First Americans: Stewardship, Investment and Hope Initiative" in the Bureau of Indian Affairs, and the significant $230 million increase proposed for programs within the Indian Health Service. Our more specific requests are described below.

BUREAU OF INDIAN AFFAIRS

General.—In general, the Spokane Tribe supports the overall increase of $331.9 million over the fiscal year 2000 enacted level for programs within the Bureau of Indian Affairs. In particular, we support the $5 million requested for new and expanded contracts under the Indian Self-Determination Fund and the additional $3.5 million for Contract Support for on-going contracts; the proposed increase of $2.9 million for Operating Grants for Tribally Controlled Community Colleges; and the proposed increase of $18.8 million for BIA Law Enforcement to fund tribal personnel, equipment and detention services.

UPPER COLUMBIA UNITED TRIBES (UCUT)

The Upper Columbia United Tribes (UCUT) program serves the vital interests of the Confederated Colville Tribe, and the Coeur d'Alene, Kalispel, Kootenai and Spokane Tribes, which are the five tribal entities in the geographic region above the Grand Coulee Dam. Operations of hydroelectric facilities, as well as contamination from mining, industrial and sewage facilities, and 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.

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.

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. Despite this significant addition, not to mention needed adjustments for inflation, UCUT has only received the most modest of funding increases over the past four fiscal years.

Within BIA's Other Recurring Programs—Resources Management account, Rights Protection Implementation program, the President's fiscal year 2001 budget requests $318,000 for UCUT, a $9,000 increase over the fiscal year 2000 enacted level. The Spokane Tribe requests that this Subcommittee consider providing a level of $650,000 for fiscal year 2001 for this program. This amount would provide 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. This funding level would help 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.

LAKE ROOSEVELT MANAGEMENT

A second program within BIA's Rights Protection Implementation program which the Spokane Tribe strongly supports is the Lake Roosevelt management program. As the distinguished Chairman of the Subcommittee knows, Lake Roosevelt was formed when the Grand Coulee Dam was constructed in the early 1940s. Both the Spokane and Colville Tribes participate in the management of the environment and the recreational uses of the area surrounding the Lake, pursuant to a cooperative management agreement entered into between the Tribes and the Department of the Interior.

For fiscal year 2001, the President's budget request proposes a $17,000 increase for Lake Roosevelt management, for a proposed level of $631,000. The Tribe supports the proposed increase. For the Subcommittee's information, the Spokane Tribe's contract amount, which supports salaries and vehicle costs for three rangers is $185,000. The actual, documented need is $285,000, an amount which would enable the Tribe to fund the parks maintenance staff, vehicles and supplies. Therefore, the Spokane Tribe requests an additional $100,000 earmarked for the Tribe's management contract for Lake Roosevelt.

WESTERN WASHINGTON TIMBER-FISH-WILDLIFE PROJECT

For the Western Washington Timber-Fish-Wildlife Project, the President's fiscal year 2001 budget request does not propose to continue the additional funding of $3.1 million which Congress provided in fiscal year 2000 for the TFW Initiative.

The Spokane Tribe has one TFW biologist who covers all forest practices on and adjacent to the Spokane Indian Reservation. The Tribe's base funds have remained flat, as have those for all the Washington TFW tribes, even though we are expected to be active participants on timber harvest activities (participating in numerous processes, complying with federal regulations, etc.). Given the importance of the TFW program to the Spokane Tribe and others, we urge the Subcommittee to restore funds for this program in fiscal year 2001.

INDIAN HEALTH SERVICE

The Spokane Tribe strongly supports the proposed increase of nearly $230 million over the fiscal year 2000 enacted level in fiscal year 2001 for Indian Health Service programs. This significant increase of nearly 10 percent is wonderful news, since virtually every health program now operated by the IHS, by tribes and by urban programs is seriously underfunded and has been for years. We hope that the Subcommittee will support this additional funding.

It is easy to be overwhelmed by the extreme level of need in Indian communities, especially for health care. Even the strong IHS funding request for $2.6 billion in fiscal year 2001 gets virtually lost against the $15.1 billion needed to achieve parity in health care for American Indians and Alaska Natives with that provided to the U.S. population in general. A request for $60.7 million in pay-related costs is small compared with the need: $117 million for pay costs, inflation and additional medical inflation. And, ultimately, no funds were requested for population growth, for which $44.5 million is needed in fiscal year 2001. We urge the Congress to support the requested increases and provide additional resources—such as fully funding mandatory cost increases for current services—to address the critical health needs of Indian people.

In particular, the Spokane Tribe urges the Subcommittee to increase funding for the Community Health Representatives (CHR) program to at least the proposed fiscal year 2001 level of $51.1 million. The Spokane Tribe strongly supports the CHR program, which was impacted by the rescissions imposed under the fiscal year 2000 omnibus appropriations Act. The proposed level for this important preventive health program represents only a 3 percent increase over the previous year's amount.

While we appreciate the Administration's commitment to address racial and ethnic Health Disparities by including funding for diabetes, elder health, maternal and child health, and domestic and community violence—all of which are certainly critical issues in Indian country—we are concerned that those proposed funding increases are at the expense of current services, which, as already noted, are severely strained because of population growth and inflation.

The Spokane Tribe also supports the testimony of the Northwest Portland Area Indian Health Board in its entirety. The Spokane Tribe actively participates with the Board and in the budget formulation process with IHS, which we have found to be an effective dialogue in truly representing to the Administration and the Congress the funding needs for health care by tribes and urban centers.

Thank you very much for the opportunity to present to the Senate Interior Appropriations Subcommittee the fiscal year 2001 funding requests of the Spokane Tribe for the BIA and IHS. We hope that the Congress, as the Administration has proposed, will see the fiscal year 2001 appropriations cycle as an opportunity for stewardship, investment and hope for the First Americans.

PREPARED STATEMENT OF THE YAKAMA NATION TRIBAL COUNCIL

Dear Chairman Gorton and Members of the Interior Subcommittee, my name is Lonnie Selam Sr. and I am the duly elected Chairman of the Yakama Nation Tribal Council located in Toppenish, WA. My purpose in writing you is to request additional congressional appropriations necessary for the Yakama Nation to adequately address its governmental functions in fiscal year 2001. Note that this full request adds to and slightly modifies the priorities of the March 6 request submitted to Kari Vander Stoep of your staff.

The Yakama Nation has tremendous responsibility for many square miles of natural resources, and timber is the basis of our economy. The President's budget request, and the likely budget from Congress, while providing welcome additions to education, law enforcement, and trust fund reform, has left natural resources funding flat. We turn to you for help in arresting the decline of the these resources so important to the Yakama people both economically and spiritually, and to help us with declines in the social services that our people depend upon.

The following requests represent our most immediate needs, and are listed highest priority first. Please be aware that the process of triage has forced us to exclude dire needs for additional education funding, alcohol treatment funding, adult education, scholarships, economic development projects, and other items relating to the guarantee and benefits agreed to in the Treaty of 1855 including hunting, fishing, grazing and gathering.

Please include our written testimony in the permanent record.

Background: The Spruce Budworm Infestation

The Yakama Reservation forest is the host of a Spruce budworm infestation, and a related buildup of Douglas fir bark beetles, that presently impacts approximately 300,000 acres, or roughly ½ of our forest. The situation is the worst Spruce budworm epidemic in the western United States. This infestation directly results from past management practices by the Bureau of Indian Affairs. We have identified 200,000 acres in need of forest development treatment, which was acknowledged by the Bureau of Indian Affairs Central Forestry Office. Our forest management needs are also documented by a General Accounting Office report stating that we are not able to accomplish all of the regular forest development work even when approximately one-half of the projects are paid for with tribal funds (GAO/RCED–91–53, March 1991).

This situation presents the possibility of a landscape-level wildfire at worst and extreme loss of income from unsalvaged timber at best. Because this situation threatens not only the economic well being and sacred resources of the YN, but the forest products industry of central Washington as well, the YN Tribal Council declared a state of emergency in September 1999. The three highest priority requests below are directly related to the budworm epidemic.

Signal Peak Road Repair $1,845,000

This item is so important that we submitted it as a request for the fiscal year 2000 Supplemental Appropriations bill, which, according to the most recent news reports, may not happen this year.

The Signal Peak road normally handles truck traffic related to the hauling of 90 million board-feet of timber annually. Last year, to deal with salvaging as many infested trees as we could before they became unmerchantable, the Signal Peak road handled the output of 225 million board-feet of timber. We will not be able to haul trees out of our forest if it is not repaired, and those trees will then become useless as a result of budworm damage. Total costs for road repair are over $13 million, but we could make do for a period of time with the repair of the worst sections as identified in the study conducted by G N Northern, Inc. These sections are Mileposts 26–30 (through the "Cinder Pit"), a section that has already failed, and Milepost 31.2, where springs have surfaced through the pavement. Total cost for this scaled back repair is $1.845 million, which includes field engineering, surveying, project management, materials testing, construction and maintenance of a traffic bypass.

Spruce Budworm Epidemic: Field Assessment $425,000

The YN is requesting $425,000 in new programmatic money to initiate forest management activities relating to the control of the Spruce Budworm epidemic.

This request will focus on the planning, conditioning, and implementation of alternative timber sales, consistent with all ESA, NEPA, and tribal guidelines, in those areas impacted by the infestation. The funds will support a field-based inter-disciplinary team whose job will be to rapidly condition the budworm sale area consistent with the above obligations. Without this support, the gains in time delay accrued by the Bt spraying project of fiscal year 1999 (thank you!) may not be realized, as the areas in need of harvest greatly exceed the capacity of the existing staff to structure timber sales.

Spruce Budworm Epidemic: Forest Development $400,000

In order to continue sound forest management practices we ask for the continued appropriation of the current $600,000 Congressional add-on funds for this program and request an additional $400,000 of new funds. These monies will be used for forest development treatments on approximately 30,000 acres of the most severely infected Spruce Budworm stands. Forest development activities include reforestation, timber stand improvements, and related investments that enhance productivity. Funds for the program are used to establish, maintain, and improve the growth of our sacred forest. These projects create jobs, provide positive economic return, and aid in maintaining forest health.

Yakama Nation Housing Assessment $250,000

The Housing Improvement Program (HIP) program was to end in 2000, however only 1/3 of the program was funded and there is still need. The Yakama Nation is still anticipating $3,400,000, which was requested 15 years ago. The continued lack of funding created an inability of the program to meet all the community's expectations. There were approximately 600 low-income homes built on the reservation during the eighties, and none since then, despite an increase in population from 7,427 in 1986 to over 9,300 in 1999. The existing homes are now in need of repair, and

the best estimate is that an additional 600 plus homes are needed to fulfill current need. The $250,000 would be used to assess current community needs, prioritize these needs, and provide repairs to homes that have health-threatening defects. The $3,400,000 would then be used to complete a portion of the original mission. After the assessment and original commitment were completed, an estimate of unmet needs could be calculated.

Yakama Nation Justice Department $5,180,000

The Yakama Nation is in desperate need of a new detention and court facility, an upgrade of the judicial computer software system, and recruiting and retaining high quality employees. The current facility is near condemnation and a new facility would benefit both the Yakama Nation and local municipalities, which would use the detention facility. The estimated total cost of the facility is $35,000,000. The requested $5,000,000 would be used to start the planning preliminary work necessary for this type of facility. Yakima County, multi-cultural and agrarian, has one of the highest levels of unemployment in the state and maintains a median household income near the poverty level. The proposed facility would provide jobs and community-wide service. $100,000 would be used to upgrade the technologies of the court, which are currently primitive and inefficient. The remaining $80,000 would be used to train and maintain staff, and to keep our wages competitive with the rest of the state. Good jobs keep employees here on the reservation.

Contract Health Services $800,000

The current annual funding received from the Federal Government has, since the early eighties, been approximately $800,000 less than we need each year and the Indian Health Service. Population Reports clearly demonstrate the dire need for additional funding. To ensure the health and well-being of the Native population living on and near the Yakama Reservation, this increase in funding will allow the Yakama Nation to provide adequate services. We provide services to non-members and welfare recipients with coupons, and all of us suffer from rising cost of health care.

Support of Wapato Irrigation (WIP) Conservation Plan implementation ... $250,000

The WIP Conservation Plan is authorized by Title XII of Public Law 103–434, the Yakima River Basin Water Enhancement Project. It is anticipated that the total dollar amount needed to fund this project is $2,750,000 and the $250,000 which is being requested—on a non-reimbursable basis—will be used for the initial implementation plan. 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.

Repair of the Wapato Irrigation Project (WIP) facilities $500,000

To fully fund this project the total dollar amount needed is $9,500,000 and the $500,000 which is being requested, again on a non-reimbursable basis, will be used for the initial repairs needed for the WIP facilities. 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.

Fish and Wildlife Resource Management $300,000

The YN is requesting continued support of the current $560,000 in Congressional add-on appropriations for its Fish and Wildlife Resource Management program and requests an additional $300,000 in new programmatic money for this endeavor. The $300,000 in new programmatic money will be shared jointly by the Fisheries and Wildlife programs to further those habitat directed and watershed restoration based projects that lead directly to increased salmon production.

The YN has been a regional leader in watershed restoration techniques and the habitat directed approach to increased salmon production. The technology and approach behind the recent success that we are realizing in the Yakima River basin can, and should, be expanded in this basin and exported to other areas. These funds will provide the technical and managerial means for the tribe to exercise its co-management functions and disseminate these techniques by participating in the myriad

of local, state, and regional watershed processes' addressing the decline of our region's fish, wildlife, and their habitats. We believe this effort will be successful and will provide the short-term leadership required to prove the value of the habitat directed approach to restoring salmon.

Thank you for your consideration of our needs.

PREPARED STATEMENT OF THE INTERTRIBAL TIMBER COUNCIL

SUMMARY

Mr. Chairman, I am Fred Matt, President of the Intertribal Timber Council (ITC). I request that the Committee provide funding within the Bureau of Indian Affairs (BIA) fiscal year 2001 Forestry program budget to support two vital initiatives:

—Add $750,000 to Central Office Natural Resources General designated to initiate the statutorily required second national report of the Indian Forest Management Assessment Team; and

—Add $1,950,000 to address serious deficiencies in forest management capabilities within the BIA.

INTERTRIBAL TIMBER COUNCIL BACKGROUND

The Intertribal Timber Council is a twenty-four year old organization of seventy forest owning tribes and Alaska Native organizations. Collectively, our members own 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 BIA trust management. It is vitally important to tribal communities that their forests are properly managed to meet our physical, cultural, and economic needs.

INDIAN FOREST MANAGEMENT ASSESSMENT TEAM (IFMAT) REPORT

The Intertribal Timber Council believes a second national independent assessment (IFMAT 2) is critical to the ability to credibly evaluate the status of Indian forests and forestry. It goes, we believe, to the very heart of the federal trust responsibility, providing a key tool for maintaining that obligation both today and into the future. We urge the Subcommittee to provide the requisite appropriation.

Within three years of enactment of the National Indian Forest Resources Management Act (NIFRMA, Public Law 101–630, Title III, Section 312), the first Indian Forest Management Assessment Team report (IFMAT report) was completed, published, and submitted to Congress and the tribes. The seven member blue ribbon assessment team visited more than thirty reservations throughout the nation, providing invaluable information on deficiencies and corrective strategies at both the reservation and national levels.

A second independent assessment is now required by NIFRMA. Based on the $1 million cost over two years to conduct the initial IFMAT study, IFMAT 2 is estimated to require $750,000 in fiscal year 2001 and $750,000 in fiscal year 2002.

The Intertribal Timber Council urges the Subcommittee to initiate IFMAT 2 with a $750,000 appropriation for fiscal year 2001 specifically designated within the BIA Central Office Natural Resources General budget for the following reasons:

—Section 312(b) of NIFRMA requires an independent assessment of the status of Indian forest lands every ten years after the November, 1990 date of enactment. "On each 10-year anniversary of enactment of this title, the Secretary shall provide for an independent assessment of Indian forest lands and Indian forest land management practices under the criteria established in subsection (a) which shall include analyses measured against findings in the previous assessments."

—The U.S. has a trust responsibility to ensure that Indian forests are properly managed. Through its independence, professionalism, and comprehensive scope, the assessment will help assure proper management of tribal forests and help the U.S. avoid potential trust mismanagement lawsuits. As evidenced by the present crisis in trust funds management and looming litigation over the Bureau's trust management of oil and gas resources, serious deficiencies in the management of trust assets can lead to costly and protracted litigation and potential liabilities for the United States. Rather than waiting for tribes to file suits for mismanagement, the U.S. should take a more responsible approach of credibly evaluating the quality of its management and then taking actions as necessary to correct deficiencies. An independent, periodic assessment of a trust asset would prove to be vital in helping the U.S. to proactively meet its trust responsibilities for management of Indian forests.

—IFMAT 2 will give the Congress, tribes and the U.S. Department of the Interior a current and comprehensive report on the status of Indian trust forests and their management measured against other contemporary forests and against the IFMAT 1 reported some ten years earlier. This comparison of change over time makes IFMAT 2 particularly important and significant, both as a means to evaluate the physical condition of the forests themselves, but also in the degree to which management practices have responded to developments in a wide range of activities, such as changes in the timber market, changes in the philosophy and science of forest management, and increased tribal contracting and compacting of forest management functions.

—IFMAT 2 is not the "new start" of an activity in the Bureau's budget. Instead, it is the renewal of a periodic program that was commenced in 1991. At $750,000 for each of two years, its funding is a relatively modest change in the Bureau's budget. And because the independent assessments are periodic, their funding does not commit the Bureau to budget increases every year thereafter.

—The regular conduct of independent, professional, and comprehensive assessments of Indian trust forests also advances Self-Determination by providing the Bureau, as trustee, with a long-term tool for monitoring its trust forests as tribes assume greater responsibilities for management direction. Establishment of such key oversight capacity will help safeguard the trust, enabling more hands-on management activities to be carried out by the tribes themselves.

—Beyond serving as a national monitoring and evaluating tool, the assessments can have practical benefits for Indian forests. A reservation visit by the assessment team focuses the attention of the tribe on improvements that can be made for the management of their forest lands to meet the needs of their communities. As part of the initial assessment, the IFMAT team fostered tribal review of their forests by providing a reservation-specific critique to many of the tribes it visited. Additionally, the initial IFMAT report identified the need for more prescribed burning in Indian forests that directly led to increased BIA participation in the Department's prescribed fire program.

A CONTINUING CRISIS IN FOREST MANAGEMENT PLANNING

We also request that an additional $1,950,000 be added to the BIA's forestry budget to address worsening deficiencies in inventory and analysis capabilities that are essential to support management planning for tribal forests.

Today, only 27 percent of the 17 million total forest acres held in BIA trust (both timberland and woodland) has approved management plans. Among tribal commercial timberlands, only 59 percent of the 5.8 million acres in BIA trust have approved management plans, a decrease from 1998's 66 percent with approved plans. This decline has been caused by: (1) substantially reduced Forestry T.P.A. funding; (2) a 7.2 percent increase in forest acres under trust management since enactment of Public Law 101–630 in 1990; (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 Regional Office Forestry personnel who provide the planning expertise for the great majority of smaller forested reservations.

A November 13, 1998 Interior Solicitor's opinion determined that "Indian trust timber may not be harvested until an approved forest management plan has been established." A subsequent policy directive issued by the Assistant Secretary for Indian Affairs responded by allowing otherwise expired forest management plans to be extended on an interim basis while tribes await renewal of their full ten year plans. This may forestall the cessation of timber harvest on those reservations where the ten year plans have expired, but the underlying cause of the problem remains unchecked. Unless funding for the development of new plans is increased, an increasing number of reservations will be forced to rely on interim plans and outdated data, creating a serious question with respect to the adequacy of the BIA's management of these trust assets. Further, the policy directive is not for an indefinite period, creating the situation where tribes may be deprived of the ability to utilize their resources as a result of the BIA's failure to provide essential information.

Last year, ITC fiscal year 2000 testimony to this Subcommittee identified specific funding increases needed to assure that the most basic rudiments of forest planning can be provided tribal forestlands. We believe these funding needs are still critical, and again request that a total of $1,950,000 be added to the BIA's forestry appropriation for this purpose. Our request includes: (A) the addition of $300,000 to the Regional Office Forestry budget for four additional professional foresters; (B) the addition of $150,000 to the Central Office Natural Resources General forestry budget

for two additional professional foresters; (C) the addition of $1 million to Forest Management Inventory and Planning; and (D) the addition of $500,000 to Woodlands Management.

Beyond the basic funding increases needed to maintain the integrity of BIA's forest management planning capability, we also requested 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. We ask that the Subcommittee refer to the ITC's fiscal year 2000 testimony for additional information on those requests.

While additional funding for improved forest management planning capability is essential to ensure proper management of Indian forests, for fiscal year 2001, we wish to underscore that our highest priority is the addition of $750,000 to Central Office Natural Resources General specifically designated for the initiation of the second Indian Forest Management Assessment Team report, as directed by Public Law 101–630. At the very least, we believe the tribes, the Department of the Interior, and the U.S. Congress should have a ten-year status report on how Indian trust forests and their management are faring.

Thank you.

PREPARED STATEMENT OF THE BAD RIVER BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

Mr. Chairman and members of the Committee. I am Eugene Bigboy, 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 2001 appropriations.

Law Enforcement

The Bad River Band strongly supports the President's Indian Country Law Enforcement Initiative. Crime in Indian country including at Bad River is a serious and growing problem. The Administration's Law Enforcement Initiative calls for an $18 million increase over last year for BIA/tribal law enforcement across 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 allocations of law enforcement funds. At Bad River, the fundamental problem in this regard is that we lack any primary law enforcement presence. 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 pays $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. Response time is also a problem. For example, depending on where an incident takes place, it may be up to an hour for the sheriff to arrive. In essence, we are a Tribe seeking to address a serious crime problem, with no resources available.

During 1997 (the most recent year for which statistics are available), the sheriff responded to 439 calls on the Reservation. The calls to law enforcement involve matters ranging in severity. Recently, we have had incidents including a gang related vehicle arson and an aggravated assault with a deadly weapon. 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.

Indian Health Service

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 $845,000, this means we have a per patient allocation of $280 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. For example, an individual with painful gall stones cannot obtain needed surgery until his condition deteriorates to the point that emergency surgery

is needed. This is no way to treat our people. The Budget calls for a $41 million increase in contract health care. We support the increase, and urge the Committee to do all it can to fund contract health care.

Diabetes.—Diabetes and the complications from this disease has been the major source of morbidity and mortality on the Bad River Reservation. About 30 percent of Bad River adults, ages 40 and over have Type 2 diabetes. Statistics show that for every member affected, there is another undiagnosed tribal member with diabetes. We have over 200 diabetes patients. We have seen a marked increase in the number of juvenile and gestational diabetes patients, as well as a tragic increase in the number of amputations associated with diabetes. We appreciate the Committee's recognition of the scope of this problem, and we urge you to continue to work with the tribes to see that sufficient resources are provided to further reduce this problem throughout Indian country.

Dental services.—Our dental program is able to pay only for emergency dental work for adults. With a current budget of $104,800 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 $250,000 to provide services to those now waiting for needed dental care.

Education

Mashkisibi School.—Over the years, we have learned at Bad River that not all of our students thrive in a typical public school environment. Some students particularly those with a history of difficulties in the public schools as a result of emotional or other problems need an alternative environment. At Bad River, we have taken the initiative to address the needs of these children by establishing the Mashkisibi School, an alternative school for grades 9–12. The School, established in 1995, serves 20 to 35 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 in the long term, we will need federal support. To operate the school providing salary to our fine staff we need $137,000 for fiscal year 2001. And, to have a proper facility for our School, we need $240,000. 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.—In addition to the school, the Tribe runs a number of important education programs for our people. We support the President's requested increase of $2.8 million for higher education scholarships. We run the Higher Education Grant Program—to provide scholarships to needy tribal members to attend college. While providing higher education opportunities for our people is vital the future of the Tribe, we have continued to have worthy applicants who could not be provided with the funds they need to attend college. With current funding, we have been able to meet only 59 percent of the need of our college bound students.

The Tribe also runs Adult Vocational Training and Direct Employment Assistance programs. Both of these programs have shortfalls at Bad River. The Adult Vocational Program provides grant funds for vocational training, and the Direct Employment Assistance Program 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 Tribe maintains a Johnson-O'Malley program to serve the needs of our students in public schools. In fact the JOM 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. There is no question that the personal attention provided by JOM staff has helped innumerable students complete high school and go on to higher education. This year, the President is proposing to cut JOM again this time by $352,000. 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 $260,700 for fiscal year 2001. This includes an inflation increase of $75,000 and $185,700 in new equipment and personnel.

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.

Our Reservation land base remains deeply fractionated. Pursuant to the Federal Government's failed allotment policy, the United States allotted about 97 percent of our Reservation lands. The legacy of this is a Reservation which is badly checkerboarded, in a manner that creates a jurisdictional nightmare. Among other things, this interferes with the Band's ability to zone culturally sensitive areas of the Reservation, and to protect tribal members from the harmful effects of raw sewage, air pollution and water pollution that destroy our fisheries, rice beds and waterfowl. In addition, the problem of fractionated ownership of land contributes in substantial measure to the BIA's inability over the years to effectively manage Indian trust funds. As long as trust land ownership is in disarray from fractionation, the BIA's efforts to properly manage trust funds will continue to be compromised.

The land consolidation project is a worthy investment to promote tribal self-determination, to facilitate appropriate and economically beneficial land use, and to contribute to the long overdue reform of the management of trust funds. We urge the Committee to support the President's $12 million request for the land consolidation pilot project.

PREPARED STATEMENT OF 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 $60.4 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 $30.6 million for scholarships for Indian students to attend accredited post-secondary schools, an increase of $2.24 million 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.

We are also disappointed that the BIA budget request of $17 million for the Johnson O'Malley program is $352,000 less than the fiscal year 2000 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 $19.989 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 $12.5 million for tribal courts and the DOJ's 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 $18 million increase over last year for BIA/tribal law enforcement for the second year of the President's Indian Country Law Enforcement Initiative.

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.

INDIAN HEALTH SERVICE

The President's budget requests a total of $3.1 billion for overall IHS services and construction. This is a $230 million increase over the fiscal year 2000 level. 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 19959.1 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.

TRIBAL COLLEGES

We support the Administration's request of $37.1 million for tribal colleges which is a $2.89 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 THE GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

Fiscal year 2001 Appropriations Requested.—$4,039,291 (includes the Administration's fiscal year 2001 base funding of $3,614,000, the Administration's proposed COLA increase of $63,000, and an increase of $362,291 to meet tribal self-regulatory needs).

Summary of fiscal year 2001 Funding Priorities.—The Commission supports the Administration's proposed budget in maintaining the current funding base, securing $63,000 for salary cost of living adjustments, and providing additional funds to meet

contract support needs. In addition, the Commission requests an increase over last year's funding levels to:

Priority #1.—$146,300 to replace aging equipment, and meet increased operating costs to conduct ceded territory fish assessments and manage data.

Priority #2.—$136,491 to replace GLIFWC's nearly obsolete law enforcement radio system, continue community safety programs (i.e. hunter safety, boater safety, snowmobile safety, ice rescue), and replace 3 patrol boats.

Priority #3.—$79,500 to implement ceded territory gathering rights on public lands and to assist tribes in providing biologically and culturally based input into federal, state, and county forest planning processes.

Program Justification.—GLIFWC is an intertribal organization which implements federal court orders and various interjurisdictional agreements governing tribal harvest of off-reservation fish, game, and plant resources within a number of Chippewa ceded territories. GLIFWC was established by tribal governments in 1984 as a cost efficient option to conserve natural resources and to effectively self-regulate harvests of natural resources shared among treaty signatory Tribes.

BACKGROUND

Consistent with numerous other federal court rulings on the Chippewa treaties, the United State Supreme Court recently affirmed the existence of the Chippewa's treaty-guaranteed usufructuary rights (Minnesota v. Mille Lacs Band, Case No. 97–1337, March 24, 1999).

To implement these federal court rulings, eleven tribal governments established the Great Lakes Indian Fish and Wildlife Commission (GLIFWC).

GLIFWC provides an essential governmental function by enabling tribes to implement federal court orders and various interjurisdictional agreements regarding the conservation of natural resources and the exercise of treaty-guaranteed hunting, fishing and gathering rights. Under these orders and agreements, tribes must meet high standards for self-regulation including development and enforcement of tribal conservation codes, biological monitoring of tribal harvests, and adjudication of alleged violators in tribal courts.

To meet these standards, the tribes have authorized GLIFWC to implement a conservation-based intertribal self-regulatory structure. The treaty signatory tribes share ceded territories with each other. Nevertheless, each tribe only has jurisdiction over its own members. The tribes thus recognize that no tribe on its own can effectively manage and regulate the exercise of ceded territory treaty rights. Therefore, the tribes have adopted various intertribal agreements, protocols and natural resource management plans that establish binding mechanisms and procedures for shared, intertribal management and regulation.

In addition, GLIFWC serves an important role in the context of the tribes' relationships with other jurisdictions. At the tribes' request, it participates in a wide range of cooperative management activities with local, state, federal, and foreign governments. GLIFWC also has entered into partnerships and cooperative relationships with local lake associations, educational institutions and non-governmental organizations as part of the tribes' commitment to conserve and enhance natural resources as economically as possible.

Budget	
Base funding	$3,614,000
COLA	63,000
Subtotal	3,677,000

CONTINUING THE FISHERY ASSESSMENT PARTNERSHIP—$146,300

In Wisconsin, fears about the impact of tribal treaty reserved fishing rights were put to rest by a federal, state and tribal task force that studied the status of Wisconsin's fishery resource and the impact of Chippewa fishing.

This joint fishery assessment of Wisconsin's ceded territory waters B undertaken by the U.S. Fish and Wildlife Service, Bureau of Indian Affairs, Wisconsin Department of Natural Resources, Great Lakes Indian Fish and Wildlife Commission, and its member tribes B also recognized the value of interagency cooperative management activities.

The task force's report, Casting Light Upon the Waters: A Joint Fisheries Assessment of the Wisconsin Ceded Territory (United States Department of the Interior, 1991), provided information about the health of Wisconsin's fishery resource and the impacts of Chippewa spearfishing activities occurring throughout the ceded territories. Its conclusions are unambiguous: Chippewa fishing has not harmed the resource; however northern Wisconsin's fishery resources are dynamic and stressed by

many factors, particularly environmental degradation and harvest by all user groups; and thus Athe fishery require(s) a continuation and further expansion of joint monitoring and assessment efforts" (Casting Light Upon the Waters, p.93).

The Casting Light task force was a catalyst for the development of the Commission/Service fishery assessment partnership. Since 1990, this partnership has undertaken walleye population estimates and walleye juvenile recruitment surveys. In 1997 GLIFWC sampled 18,793 walleye from 18,785 acres of water to determine the adult spawning populations on 16 ceded territory lakes. GLIFWC also conducted juvenile recruitment surveys on 100 lakes and 1 river in Wisconsin, 14 lakes in Minnesota, and 7 lakes in Michigan.

The Commission must now replace aging equipment and address increasing operating costs of $146,300 if it is to continue this valuable work. A flatline budget and annually increasing costs for these vital fishery assessments since fiscal year 1995 have already compelled the Commission to reduce the number of fishery assessments conducted on ceded territory lakes. Inadequate equipment will further impede these efforts.

This jeopardizes the cooperative success of the Casting Light task force. As Wisconsin's DNR Secretary noted 5 years after the Casting Light report, AWorking together and pooling resources, we've learned far more than we ever knew about the fishery resources of northern Wisconsin, which means for better management.@ Secretary George Meyer, Wisconsin Department of Natural Resources, ACasting Light Upon the Waters@ video, 1996.

MAINTAINING GLIFWC'S CONSERVATION ENFORCEMENT INFRASTRUCTURE—$136,491

The Commission has established a community-based policing program to enforce tribal off-reservation conservation ordinances. Commission conservation wardens, who live and work within tribal communities, more effectively detect fish and game violations.

While enforcement of off-reservation conservation codes is the key focus of GLIFWC's wardens, they have become a critical component in the overall law enforcement and public safety infrastructure across the ceded territories. When emergencies occur, GLIFWC wardens respond to requests from local, state, and federal law enforcement agencies.

To protect its Officers and to ensure continued coordination with other agencies, GLIFWC's radio system needs to be upgraded at a cost of $68,824

Beyond what the Administration has requested, GLIFWC needs $68,824 to replace 12 mobile vehicle radios and 4 radio tower repeaters used by its conservation law enforcement officers.

Commission wardens are the tribe's primary ceded territory conservation law enforcement presence. They are cross-deputized with the Wisconsin Department of Natural Resources (WDNR). Given this cross-deputization agreement, and the fact the WDNR wardens can issue citations to tribal members for adjudication in tribal court, it is essential that adequate communications be maintained.

GLIFWC's existing radios and associated equipment are quickly becoming technologically obsolete. Replacement parts are becoming increasingly more costly and harder to find. In addition, the FCC will likely require all licensed radio operators to divide their current frequencies from 25 kHz to 12.5 kHz (see FCC PR Docket Nos. 92–235, 92–257 and 96–116). This would require GLIFWC to convert its equipment to be compatible with the new frequencies.

GLIFWC's law enforcement program cannot function without a viable, properly-functioning radio system. GLIFWC officers work throughout the ceded territories in rural and remote areas. Through GLIFWC's successful community-based policing program to enforce tribal off-reservation conservation ordinances, the officers live and work within the tribal communities they serve. In this context, GLIFWC's radio network is essential for both the safety of GLIFWC's officers and for the proper functioning of the interjurisdictional emergency mutual assistance networks in the ceded territories.

The radio network enables GLIFWC officers to communicate with each other and with other law enforcement and emergency services agencies.These include the Wisconsin Department of Natural Resources, Minnesota Department of Natural Resources, Michigan Department of Natural Resources, U.S. Coast Guard, USDA-Forest Service, State Patrols, county sheriffs departments, local fire departments and emergency medical services.

GLIFWC's radio system has been vital in numerous examples where GLIFWC officers have responded to a variety of emergencies:

—as trained first responders, GLIFWC officers routinely respond to, and often are the first to arrive at, snowmobile accidents, heart attacks, hunting accidents, and automobile accidents (throughout the ceded territories);
—search and rescue for lost hunters, fishermen, hikers, children, and elderly (Sawyer, Ashland, Bayfield, Burnett, and Forest counties in Wisconsin and Baraga, Chippewa, and Gogebic counties in Michigan)
—being among the first to arrive on the scene where officers from other agencies have been shot (Bayfield, Burnett and Polk counties in Wisconsin);
—responding to weapons incidents (Ashland, Burnett, Sawyer and Vilas counties in Wisconsin);
—assisting with drowning incidents (St. Croix River on the Minnesota/Wisconsin border, Sawyer county in Wisconsin, Gogebic county in Michigan);
—searching for lost airplanes (Ashland, Forest and Washburn counties in Wisconsin);
—organizing and participating in rescues of ice fishermen on Lake Superior (Ashland and Bayfield counties in Wisconsin);
—assisting with Lake Superior boat rescues (Baraga county in Michigan and with the U.S. Coast Guard in other parts of western Lake Superior);
—assisting sheriffs departments with natural disasters (e.g. floods in Ashland county).

Simply put, investing to upgrade GLIFWC's law enforcement radio system will not only protect GLIFWC's officers, but it will enhance intergovernmental efforts to protect public safety and welfare throughout the region.

To continue community safety programs and emergency responses certifications, the Commission needs an additional $67,667

GLIFWC conservation enforcement officers are certified instructors for hunter safety, boater safety, snowmobile safety, and ATV safety classes. From 1996 to 1998, GLIFWC conservation officers taught various safety classes attended by 361 tribal members and 454 non-Indian neighbors. This work directly benefits the entire region, ensuring ceded territory lands and waters are safe for all user groups.

The Commission is requesting additional funds for equipment and training so Conservation Officers can maintain First Responder certification. First Responder certification ensures the Commission's staff are adequately trained in advanced emergency first aid techniques when called upon for hunting, boating, snowmobile or automobile accidents. Given the remote nature of the ceded territory, often GLIFWC conservation officers often are the first on the scene of emergencies.

The Commission is also requesting funds to equip Conservation wardens with ice rescue equipment. Snowmobiling and ice fishing are increasingly more popular forms of recreation in the ceded territories and constitute an increasingly larger share of the local economy.

Unfortunately a combination of aging equipment and increased operating costs will prevent the Commission from continuing these vital community services as extensively as in the past.

IMPLEMENT CEDED TERRITORY GATHERING RIGHTS AT $79,500

Also beyond what the Administration proposes, the Commission seeks $79,500 to implement off-reservation gathering rights on federal, state, and county public lands.

The Commission has worked with community leaders and timber industry representatives to 34740.1 mitigate citizen's concerns regarding an agreement between its member tribes and the USDA-Forest Service. This agreement provides for the exercise of treaty-guaranteed gathering rights on National Forests within the ceded territories (see attached map) and establishing processes for government-to-government consultation regarding the federal government's management of those Forests.

In building upon over 5 years of discussions, a number of interim arrangements, and various cooperative management and habitat improvement initiatives, a number of GLIFWC member tribes and the forest service ratified a Memorandum of Understanding (MOU) in 1998. The tribes and the Forest Service began implementation of the MOU in 1999.

Tribes are also working with State Forest Managers in Wisconsin to implement off-reservation gathering rights and have held discussions regarding long range plans being prepared for these regions.

The Commission is requesting funds to staff a Forest Ecologist who would not only assist the tribes in the implementation of the gathering rights but also in providing biologically- and culturally-based input into the Federal, State, and County Forest planning processes. Forest management plans have far reaching effects on the abundance of natural resources harvested by tribal members and upon tribal

culture. Providing tribes with the ability to address issues of concern will help prevent resource and cultural conflicts.

Funding is also being requested to:

—purchase GIS/GPS computer equipment and software that will be compatible with what the Forest Service uses;

—conduct a cooperative field study with the Forest Service to assess future impacts of selective logging practices upon understory plants; and

—undertake public education efforts regarding the MOU.

PREPARED STATEMENT OF THE LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

The Lac du Flambeau Band of Lake Superior Chippewa Indians, located in Wisconsin is submitting this written testimony which reflects the needs, concerns and issues of the Tribal membership arising from the President's fiscal year 2001 Budget.

In general the Lac du Flambeau Band supports the President's funding initiatives in his Budget submitted to Congress and hopes that the Appropriations Committee will support the increases in Indian education, health, law enforcement and Tribal Priority Allocation. The Band is concerned with the lack of increases in appropriations within the Wildlife and Parks, Tribal Management and Development and Tribal Fish Hatchery Operations line items of the Bureau of Indian Affair budget. We hope Congress increases this portion of the budget in response to the needs of the Tribes.

INDIAN EDUCATION

The Band is encouraged by the fact that education is one the primary focuses of the President's fiscal year 2001 Budget and we applaud this initiative. Even though this funding is not part of the Department of Interior bill, we urge the members of this Subcommittee to support the President's request.

At the Lac du Flambeau Public School, our student population is 93 percent Native American, yet less than 4 percent of the teaching staff is Native American. Currently at the Lac du Flambeau Public School, there are 54 professional staff, of which only two are of Native American ancestry. The effort to recruit Indian teachers is a priority for the Band and we support the President's fiscal year 2001 Budget. The President has requested $10 million to recruit and train 1,000 new Indian teachers, who will serve in public school districts with high concentrations of Indian children. We hope the recruitment and training program associated with this program will be flexible enough to allow applicants to be trained by local educational agencies and to serve as interns in the schools where they will be teaching.

Along with recruiting new teachers, the Band also supports the President's $5 million American Indian Administrator Corps initiative. This will help recruit, train and support in-service development of 500 American Indian and Alaska Natives to become effective school administrators. Currently, the Lac du Flambeau School has only one Native American Administrator working as the Federal Program Coordinator.

The Budget proposes $1 billion (a $547 million increase) to enhance after school and summer school programs across the country and is part of the Administration's efforts to end social promotion in public schools. We support this initiative, but the Band urges Congress to set aside at least $100 million for Public School Districts with at least 85 percent Indian student enrollment, tribal and BIA Schools. The Band strongly believes that the more time our children are in school, the better chance they will be successful.

The Band supports the President's request for increased funding for Tribal Colleges and the Tribal College Endowment Fund. However, there is also a great need to increase funding to support Higher Education within the Bureau of Indian Affairs. For example, the Lac du Flambeau Band had 64 tribal members in fiscal year 2000 who were not able to receive funding for college due to funding shortfalls. Currently, a Higher Education Budget of $154,000 supports less than 33 full time college students. To fully support 97 college students an additional $299,000 is required for the Band alone.

In 1988, Congress authorized appropriations through Public Law 100–297 for Tribal Education Departments. To date no appropriations have ever been allocated to Tribal Education Departments either by Congress, nor has any been requested by the President. The Band joins the National Indian Education Association in requesting $5 million to fund Tribal Education Departments.

INDIAN HEALTH SERVICE

While there is a significant increase for the Indian Health Service in the President's 2001 Budget, the per capita funding for the health care of American Indian and Alaskan Native people remains far below the annual health expenditures of the general U.S. population. Between 1993 and 1997, the per capita expenditure by Indian Health Service for health care for American Indian people in Wisconsin actually fell by 14 percent when adjusted for inflation.

We are concerned that Congress is not keeping pace with inflation in Indian health care and we urge Congress to increase funding for critical areas, such as community health representatives, dentistry, and diabetes screening.

The Band is very concerned that little has been done to address the severe backlog in facilities construction. There is a priority list for this, but it is unlikely that we will ever see the day when we see the end to that list. At Lac du Flambeau we are planning new construction of a 50,000 square foot health facility. We are using a portion of our own funds to construct this desperately needed facility. We urge Congress to support our efforts and earmark $10 million to aid in the construction and equipping of this facility.

LAW ENFORCEMENT

In 1999, the Lac du Flambeau Tribal Police Department logged 24,000 man-hours answering 3,441 complaints. The 11, member Police Department consists of 10 full time officers and 1 administrator. The officers issued 1,117 citations for violations ranging from domestic violence to juvenile cases including runaways, burglary, fraud, battery and vandalism. The workload for the Tribal Police Department also increased dramatically, since a Tribal/State/County Agreement was enacted making it imperative to enforce all laws, codes and ordinances 24 hour per day. As a result of this Agreement, the Lac du Flambeau Tribal Police not only responds to tribal complaints but also provides services to the non-Indian community, as well. Our Police Department also aids surrounding community police departments (Oneida and Iron County Sheriffs and Woodruff, Minocqua and Eagle River Police Departments). The 10 officers retain their State certification, which requires 24 hours of in service training annually, and maintain a 24-hour per day, 7 days a week work schedule.

Currently, our fiscal year 2000 Budget for Law Enforcement is $180,776 and the Band's proposed budget for fiscal year 2001 is still $550,000. The Band will experience a shortfall of $369,224. In fiscal year 1999 the Band's fiscal year base funding for law enforcement was $220,303 and was decreased to $180,776 in fiscal year 2000. This year the BIA is proposing a base of $153,000 for 2001, a reduction of $27,776.

NATURAL RESOURCES

In past testimony, the Band has 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. The Reservation is located in the heart of Wisconsin's tourism and sport-fishing region. Tourism and related industries provide livelihoods 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 funding to assure that we can 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 Resource 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, and administering timber stand improvement projects on the 92,000 acre reservation. We urge this Committee to increase the Wildlife and Parks budget by $10 million 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) has been instrumental in preserving and rehabilitating our Nation's wetlands and waterfowl populations. Wetlands are important in providing

flood control, clean water and recreation. Waterfowl are a very important source of food for tribal members and also support hunting opportunities for many up and down the Mississippi Flyway. Twenty tribes, the Great Lakes Indian Fish and Wildlife Commission, and the 1854 Authority have identified $936,000 in funding needs for this critical program. We urge the Committee to continue to support this initiative and increase the President's Budget by $342,000 for this very worthy program.

Forestry

Within the 92,000-acre reservation, we have 45,000 acres of forested land that support not only logging but hunting and gathering opportunities for tribal members. Proper management of the forest is essential to sustain our subsistence lifestyle. The Forestry Program now consists of two foresters and two technicians, who conduct broad management activities, including tree planting, prescribed burning, timber road design and maintenance, timber sale administration and integration with wildlife management. The Forestry Program is funded through Tribal Priority Allocation (TPA) within the Bureau of Indian Affairs budget, and has been historically under funded. It is difficult for the Forestry Program to compete for TPA funds when child welfare, education and HIP programs are also competing for the same funds. Basic human needs must be met first. Thus, we request this Committee to provide a $70,000 increase for the Lac du Flambeau Forestry Program. This add-on can be supported by the increase in the President's TPA request.

Tribal Historic Preservation

The Lac du Flambeau Tribal Historic Preservation Office was established for the purpose of protecting and regulating our cultural resources. In August 1996, we assumed Tribal Historic Preservation Office status (THPO) through the National Historic Preservation Act. We are one of 20 Tribes in the Nation to assume the duties of the State Historic Preservation Office for all lands within the exterior boundaries of the reservation. Five more tribes are expected to assume this responsibility in fiscal year 2001. For fiscal year 2001, the President has requested $2,595,000 for THPO'S and Tribal Historic Preservation Grants within the National Park Service (Historic Preservation Fund). This is the same amount as was enacted in fiscal year 2000. As you know, there is a significant disparity in funding between State Historic Preservation Offices (SHPO) and Tribal Historic Preservation Offices (THPO). The smallest SHPO receives $250,000 while Navajo Nation only receives $89,000. By way of comparison, the land base of Navajo Nation is slightly larger than West Virginia's, but the West Virginia SHPO receives $400,000—more than 5 times the funding for the Navajo Nation. We urge the Committee to increase the budget to $10 million, this increase will provide a base of $275,000 for all tribes currently in the program and the five more expected to join.

Land Management

The Tribal Land Management Department has a vast array of responsibilities associated with the administration and management of trust properties under the jurisdiction of the Band. The Department is divided into two programs, which include the Land Use Office and Real Estate Services. The Department's responsibilities include land acquisition, processing and monitoring leases and rights of way, estate management, record maintenance, and land surveys. The Department must coordinate its efforts with tribal members, non-tribal members, state and Federal agencies. The workload associated with complying with Federal, tribal, state and local laws, codes and ordinances is overwhelming. Currently, this Department is accomplishing the above with 4 employees.

The Band supports the President's request for $12 million for the Land Consolidation Project. The Band, currently is one of the Tribes participating in the Pilot Land Consolidation Project. In order to fully implement this project in fiscal year 2001 and all of the above responsibilities, the Band requests an earmark of $75,000. This add-on can be obtained from the increase in the TPA portion of the President's request.

American Indian Natural Heritage Restoration Program

The American Indian Natural Heritage Restoration Program is a new collaborative initiative to reintroduce, manage, inventory and/or protect native fish, wildlife and plants that are threatened and endangered and are important to American Indian heritage and cultures. Thirty-three Great Lakes Tribes and organizations located in Wisconsin, Minnesota and Michigan are requesting Congress to provide $1.0 million to fund this program. The tribal fish and wildlife habitat base in the tri-state area includes 41.2 million acres of forested land, 2.2 million acres of lakes, 4.7 million acres of wetlands and 9,437 miles of rivers and streams. These encompass ecosystems upon which numerous native, threatened or endangered species of

fish, wildlife and plants depend. The Lac du Flambeau Band requests Congress to support this initiative by providing $1.0 million.

TRIBAL PRIORITY ALLOCATION (TPA)

Many key programs such as child welfare, courts, education, roads, forestry, land management, HIP are included within TPA. This allows the tribes to move funds from one TPA program to another, in line with the priorities set by the Tribe. Unfortunately, the TPA program has been severely underfunded, and 34582.1 has not met the needs in Indian country. This has forced tribes to "rob Peter to pay Paul"—even though neither Peter nor Paul had enough in the first place. The President has requested $761.18 million for Tribal Priority Allocation. The Band supports this request. However, the need is much greater and we would urge the Committee to focus on the fact that TPA funding improves the lives of our elders and our children. Without this funding, many people would not have adequate shelter, food or an education.

CONTRACT SUPPORT COST

The President's TPA budget includes $128,732,000 for Contact Support, which is an increase of $8,247,000 over last year's level. This is an important start but it falls well short of the need, as this will only meet up to 87 percent of the total BIA contract support needs in Indian Country. Contract support costs are a part of the promise made by the United States in return for tribes agreeing to take over responsibility for Federal programs. Unless that promise is kept by fully funding contract support costs, the ability of tribes to provide services to their people will be seriously compromised and the Self-Determination policy will fail. We urge Congress to fully fund contract support costs.

GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

The Band supports the Administration request of $4,039,291 for the Great Lakes Indian Fish and Wildlife Commission. We also support the Commission's request of $136,491 for radio replacement as per the revisions of the national radio frequency system, $146,300 to replace aging equipment and cover increased operating costs associated with ceded territory fish assessments and $79,500 to support a Forest Ecologist position needed 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 of Wisconsin, Minnesota and Michigan.

PREPARED STATEMENT OF THE RAMAH NAVAJO CHAPTER

The Ramah Navajo Chapter is pleased to submit this statement on the fiscal year 2001 budget request of the Department of Housing and Urban Development (HUD). The statement focuses on providing the resources to adequately fund the Indian Housing Block Grant Program and a Ramah Navajo Chapter-specific allocation for a Housing Emergency Pilot Program.

The Ramah Navajo Chapter is a certified chapter of the Navajo Nation government. As a governmental entity of the Navajo Nation, the Chapter has been authorized since 1986 by the Nation to contract directly with various agencies, including HUD, the Bureau of Indian Affairs and the Indian Health Service, to provide services to the over 3,000 tribal members living in the RNC area. Our community, located in the west central mountains of New Mexico, has a land base of 154,553 acres—comprised of a "checkerboard" of trust land, individual allotted land, and fee land purchased by or for the Chapter. According to a recent survey,[1] 43.9 percent of the workforce is unemployed, 69.2 percent of households (605 households) live in poverty, and an additional 81 households were found to have very low income. Forty-eight percent of households were found to own their own homes.

The Chapter's 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 of self-sufficiency through self-determination; and by maintaining respect for our traditional values of cultural heritage and family. In furtherance of our mission, the Chapter seeks funding to participate in a housing emergency pilot program.

Housing Needs.—Housing in the Ramah Navajo Community varies widely, including many older log houses and hogans, owner-built houses of various materials, and

[1] 1997 Household Survey, conducted by the Chapter and Navajo Nation Data Resource.

standard HUD-built units. Some families live in "shacks" or converted outbuildings that lack electricity and/or running water.

In a recent study of 587 owner-occupied housing units, 425 (or 72 percent) were found to be substandard. Of these substandard units, 174 units require major repairs or renovation, and 66 units are so badly deteriorated that they must be replaced. In addition, 200 families were found to be sheltering with relatives or others and therefore in need of a home of their own.

A serious and complicating factor to ensuring safe and adequate housing for our members is the presence of Hantavirus-infected rodents. The Ramah area is a prime habitat for rodents carrying the Hantavirus and may be a reservoir area for the infection. To date three deaths in the Ramah area have been attributed to Hantavirus infections; one death in 1994 and two deaths 1999. Additionally, a fourth person contracted the disease in Ramah but passed away in another community.

According to the Center for Disease Control (CDC), the four-county area within which Ramah is located has the highest rate of Hantavirus Pulmonary Syndrome in the United States, at a rate of three cases per 1000,000 population per year. At that rate, Ramah Navajo Chapter could have expected .09 cases per year, based on its population of 3,000. In actuality, however, three cases within the Ramah community over seven years is six times the expected rate for this area, a rate which would be equivalent to 285,000 fatalities in the United States over the same period.

Unfortunately, dilapidated housing provides habitats for these infected rodents and most of the homes in the Ramah community are in substandard condition. Cracks and openings common in the substandard units allow virus-carrying rodents to enter or nest in the walls and roof. Those most susceptible to the Hantavirus are the poorest families in the community, who are also those whose housing is in the worst condition, most likely to be living in crowded conditions, and least likely to afford to make substantial repairs to their homes.

Housing Emergency Pilot Program.—To address the most critical renovation and repair needs of the community, the Ramah Navajo Chapter requested and received a planning grant from the Navajo Housing Authority. The Authority has provided the Chapter $408,150 from the HUD Indian Housing Block Grant Program funds allocated to the Navajo Nation to use for pre-engineering activities related to implementing a Housing Emergency Pilot Program. The planning grant will also help us develop an ongoing community housing program, the primary focus of drawing and coordinating housing resources from multiple sources to address the housing needs of the community. The Chapter is working with the CDC to develop its comprehensive, community-based Hantavirus prevention initiative, and is a key participant in the CDC's Hantavirus control study. The Housing Emergency Pilot Program is one portion of the comprehensive initiative.

In summary, the goal of the multi-year Housing Emergency Pilot Program will be to rodent-proof existing units and replace those that cannot be repaired using construction methods to protect against rodent intrusion. The Chapter will ensure that: the project, designed to aid the low-income members of the community, follows the project priorities established by the community; a program plan is developed; and eligibility criteria for the beneficiaries is developed and implemented. Where appropriate, community residents will be used in renovation and construction of the homes.

As part of the program, a rodent Disinfectant Response Team will be established to protect construction workers, and to provide clean up at suspected Hantavirus contamination sites. The emergency response team will provide education, training and supplies to community residents.

Request.—The Ramah Navajo Chapter requests a special allocation of $960,000 under the fiscal year 2001 appropriations for the Department of Housing and Urban Develop to replace six homes and renovate 30 of the units most critically in need of repair or replacement. The Chapter will continue to seek funding from all possible sources to complete the multi-year Housing Emergency Pilot Program that is critical to ensure the health and welfare of our members.

The Ramah Navajo Chapter thanks you for the opportunity to provide our comments and for your consideration of our request.

PREPARED STATEMENT OF THE UPPER LAKE POMO RANCHERIA

On behalf of the Upper Lake Pomo Rancheria, I am honored to present to the Subcommittee our views on the fiscal year 2001 budget requests for the Bureau of Indian Affairs and the Indian Health Service. Our statement will focus on:

—$3.88 million increase for diabetes program

—$3.5 million increase for BIA contract support costs, $5 million for a BIA Indian Self-Determination Fund, and a $40 million increase for IHS contract support costs as requested by the Administration

—Additionally, we ask Congress to encourage the BIA to place more emphasis on the needs of the Indian Child Welfare program.

The Upper Lake Pomo Rancheria, located in the northwest California, is a federally recognized tribe, with its recognition being restored in 1979. The Rancheria has contracts programs and services from the Bureau of Indian Affairs (BIA) and the Indian Health Service under Title I of the Indian Self-Determination Act. The focus of the tribal government is to develop a strong community, provide the community much-needed services such as health, housing, law enforcement, and increase economic development opportunities to increase employment opportunities for the Rancheria members. The following concerns address the most pressing needs of the Rancheria in relation to these goals.

Diabetes funding increase.—The Administration proposes a $3.88 million increase for diabetes-related activities. While the Rancheria supports this modest increase, we are concerned that amount requested will not be adequate to meet the needs in Indian country. As you may be aware, the incidence of diabetes throughout Indian country is almost four times higher than the prevalence of the disease across all races in the U.S. and has been identified as the top health problem in all of the IHS Areas.

For our community, we would like to focus on prevention education, early screenings, and assistance to help our diabetics control their conditions with lifestyle changes. However, increased costs resulting from medical complications that diabetics may develop and limited healthcare funds have forced us to direct our resources to direct health services.

The Rancheria therefore requests that the Subcommittee recommends funding, at a minimum, the Administration's budget request for diabetes activities.

Indian Child Welfare.—The Administration requests $11.5 million for Indian Child Welfare Act-related services, a decrease of $1 million from the fiscal year 2000 level. However, according to the recent BIA Report on Tribal Priority Allocations, there is an estimated unmet need of over $21.5 million to support the programs, functions and activities under the Housing Improvement Program. These funds are also in competition with other programs under the BIA Tribal Priority Allocation category. This means that if there is an urgent need to increase funding for other programs such as road repairs, employment and training services, or emergency burial assistance services, Child Welfare Assistance funds may be subject to reduction.

Tribes rely on these funds for a myriad of services required under the Indian Child Welfare Act. ICWA funds are used to "protect Indian children and prevent the separation of Indian families" (BIA Budget Justification, BIA–55). Data collected by the Bureau indicates that Indian children are at risk fur abuse and neglect at a rate three times greater than the general population (TPA Report, p. 55). Yet, under the limited funding we receive, tribes must respond to all reports of child abuse and neglect, fulfill the tribal government responsibilities in adoption cases involving Indian children, provide training in dangers of child abuse or neglect, and other services as required by the duties and responsibilities required by the Indian Child Welfare Act.

For these reasons, the Rancheria requests the Subcommittee to encourage the BIA to place more emphasis on the needs of the Indian Child Welfare program. We also note there are two bills pending which would help to address our concerns in the Indian Child Welfare area—S. 1478 (Direct Tribal Access to Foster Care and Adoption Assistance Entitlement Funding) and S. 1213 (Indian Child Welfare Act Amendments)—that we ask you to support when it comes to the Senate floor for consideration.

Contract Support Costs.—The Rancheria supports the $3.5 million increase requested by the Administration for BIA contract support cost funds and $5 million to reinstate the BIA Indian Self-Determination Fund. We note, however, the Bureau estimates that the current on-going shortfall is about $17 million, which will result in only about 88 percent of a tribe's negotiated indirect cost rate being paid. We also support the Administration's request of a $40 million increase for IHS contract support costs.

The Upper Lake Rancheria would also like to comment on two matters which are necessarily a part of the appropriations bill, but which are great importance to us. The issues are:

Medicare/Medicaid Direct Billing.—The Rancheria supports pending legislation (S. 406) to extend and expand the Medicare/Medicaid direct billing demonstration project, which is authorized in Section 405 of the Indian Health Care Improvement

Act. Section 405 allowed four tribal health contractors who operate an entire IHS hospital or clinic to bypass IHS and directly bill for and receive payments for services provided to patients who are Medicare- or Medicaid-eligible.

The project has reduced delays in receiving payments, improved eligibility determinations, and increased the accuracy of the claims submitted. The ability to be reimbursed in a more timely manner allows the participants to deposit and earn interest on these funds. These additional funds earned are used for Medicare/Medicaid-eligible activities.

Labor Union Issues.—The Rancheria support the concept in pending legislation (H.R. 2992) which provides that states cannot require tribes to include a labor agreements as part of the gaming compact negotiations discussion. While the Rancheria is bound to follow the terms and conditions the compact as "negotiated" with the State of California, we firmly believe that discussion of a process for representation of rights for employees should be between the tribe and its employees (or their representatives).

The Upper Lake Pomo Rancheria appreciates the opportunity to provide our views to the Subcommittee regarding the fiscal year 2001 budgets for the Bureau of Indian Affairs and Indian Health Service.

PREPARED STATEMENT OF THE 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 2001 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'Klallarn 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. We further recommend that you not consider any provisions which limit Tribal governmental discretion to re-design programs and reallocate funding to meet local priorities and needs as authorized under the Indian Self-Determination and Education Assistance Act, as amended. This is consistent with the Administration and Congress' devolution initiatives in which the Federal Government is ceding more authority to local units of government.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

$534,000 one-time funding for construction of a dental clinic to serve our Tribal community;

$600,000 one-time funding for the purchase of two parcels of land, one adjacent to our existing reservation and one near our reservation; and,

$35,000 increase in BIA Tribal base funding for unfunded Operations & Maintenance programs.

LOCAL/REGIONAL REQUESTS AND RECOMMENDATIONS

$300,000 for the Point no Point Wildlife Program; and,

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

Restore and expand $1,000,000 increase to the DOI Office of Self-Governance for planning and negotiation grants;

Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;

Provide $201,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services; and,

Support all requests and recommendations of the National Congress of American Indians.

Tribal-Specific Appropriation Priorities

Construction of a Community Dental Clinic—+$534,000

The Tribe has recognized a need to locally provide dental services to Tribal members. In this isolated rural community, dentists are unwilling to provide services to Medicaid patients because of the low rate of reimbursement for those services. Clallam County in general, and our Tribal community in particular, has a large percentage of people on Medicaid. We could serve these people at our own facilities. If we continue to rely on private dental service providers, we will not have any way to acquire services for our Medicaid-eligible Tribal members. The Tribe is proposing to construct a 3,300 square foot dental clinic with 4 chairs, offices, and laboratory facilities at our Tribal campus. Costs include specialized equipment and furnishings, parking and all construction costs and fees.

Establishment of Tribal Land Base—+$600,000

For the past 9 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 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 in adding to 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 four acre waterfront property site, on Sequim Bay (as is the Tribe's reservation) still remains available for purchase at approximately $450,000. In addition, there is a ten acre site, near the reservation which is available to the Tribe at approximately $150,000. These land acquisitions would allow us to expand our Tribal government 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 contiguous 4 acre tract and a third party purchases and develops it, 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 continues to exist. The 10 acre site would be an excellent location for, among other things, a Tribal health and wellness clinic. It would also be a good site for the placement of future additions (7–20 years) to the Tribe's water and wastewater infrastructure.

Increase in BIA Tribal Base Funding For Operations & Maintenance—+$35,000

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 $35,000. 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 $35,000 annually.

Local/Regional Requests and Recommendations

The Wildlife Program has been funded since 1993 by a combination of grants. However, this source of funding is extremely precarious, and it is impossible to conduct long-term planning without a permanent source of program funding. We support funding for this crucial program in the amount of $300,000.

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

Increase Self-Governance Grants within Non-Recurring Programs by $1 million dollars.—In order to restore planning and negotiation grants for tribes wanting to enter into Tribal Self-Governance and for tribes wishing to negotiate an annual

funding agreement with a non-BIA bureau within the Department of the Interior. This funding for planning and negotiation was deleted several years ago. This increase supports BIA's GPRA goal: "To provide Tribes with the resources they need to foster strong and stable Tribal governments and exercise their authority as sovereign nations." It also supports long-term goal #1 that states: "By 2005, the Bureau will promote Indian Self-Determination by enhancing training and technical assistance by 50 percent and minimizing impediments to Tribal contracting, compacting and grants." This increase will allow for 10 advance planning grants of $35,000 each, 10 negotiation grants of $25,000 each and 10 planning and negotiation grants of $40,000 each for non-BIA programs.

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 2001 includes a modest increase for CSC, an additional $60 million is needed in IHS and an additional $25 million is needed in BIA to fully fund CSC. This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Further, this shortfall threatens to pit tribe against tribe as mature contractors are asked to absorb all inflationary increases in order to fund new contractors. 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 $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments.—Although the Administration's budget request for fiscal year 2001 includes a $60.5 million increase over fiscal year 2000, this is the second year in a row that 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 3.5 percent inflation adjustment for existing Tribal programs and services.

Provide $201,000,000 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. In fiscal year 2000, IHS and Tribal programs had to absorb over 50 percent of mandatory and inflationary cost increases; in fiscal year 1999, 50 percent was absorbed; and, in fiscal year 1998, 70 percent was absorbed. This has been the pattern for the past 8 years. These IHS and Tribal programs simply cannot afford to continue to lose real resources. Mandatories should be the first consideration in budget formulation. 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. This funding is an obligation stemming from solemn commitments of the U.S. to Indian people to provide basic health, safety, education and economic security. 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 THE NORTHWEST INDIAN FISHERIES COMMISSION

On behalf of the Northwest Indian Fisheries Commission (NWIFC) member tribes, I want to thank the Subcommittee for the opportunity to present testimony on our fiscal year 2001 fisheries and habitat management needs that fall within the Bureau of Indian Affairs budget.

SUMMARY OF FISCAL YEAR 2001 APPROPRIATIONS REQUEST

In general, the NWIFC supports the Administration's appropriation request that is presently before the Subcommittee. Specifically, the NWIFC requests funding and direction which will achieve the following for fiscal year 2001:

—Support for the $6.5 million western Washington tribal shellfish management, and enforcement funding request to implement tribal treaty rights through the further establishment of tribal shellfish programs;

—Continued support of the existing $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 continued earmarking of $400,000 for the Wild Stock Restoration Initiative;

—Support the base funding level of $3.048 for the Timber-Fish-Wildlife Agreement, and increase this amount by $1.0 million to implement tribal obligations under new state and private forest practices rules and regulations pertaining to ESA obligations;
—Support, at a minimum, existing funding levels within the Bureau for Trust Responsibility, Tribal Priority Allocation, and Self Governance that pertain to Fisheries Management and U.S.-Canada Pacific Salmon Treaty at fiscal year 2000 levels; and,
—Provision of Contract Support Funding at 100 percent levels necessary for existing and emerging programs.

INTRODUCTION

Twenty-six years ago, the *U.S.* v. *Washington* case was decided by the Federal court system. Just this last year, tribal rights were once again upheld when the U.S. Supreme Court denied cert. on our decade long shellfish litigation. These decisions, respecting the treaty rights of our member tribes, have 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 NEED CONTINUED SUPPORT

Natural resource management in the Pacific Northwest is at a critical juncture. For the tribes, this circumstance comes after 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 new management obligations are many. Highly difficult complexities abound, many precipitated by the demands of the Endangered Species Act (ESA) and the Clean Water Act (CWA). We are challenged, in our area, with four separate ESA listings of threatened salmon and bull trout populations, and over 666 water bodies listed under Section 303 (d) of the CWA. Treaty rights to harvest shellfish are thwarted due to pollution in marine waters. 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 some new funds 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 ensure that the Western Washington-Boldt Implementation and the Pacific Salmon Treaty base budgets be fully funded as proposed in this year's budget request.

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 arose, 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. After over five years in the courts, the tribal rights to harvest have been clarified, when the Supreme Court last year 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. However, Tribes need monies to implement this right, in much the same way as they did after the original *U.S.* v. *Washington* case was decided. 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. Without new resources this success will be short-lived.

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 will not only impact fisheries and the resource as a whole, but will make 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 shell fisheries industry. 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 $6.5 million to tribal fishery management contracts as part of the permanent base. This request is supported by a wide range of individuals, organizations, and governments and is necessary to effectively manage the shellfish resource and enforce laws and regulations.

WILDSTOCK RESTORATION INITIATIVE, WATERSHED RESTORATION, NORTHWEST FOREST PLAN, AND ENDANGERED SPECIES ACT IMPLEMENTATION

Last winter, 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 fall, the Bull Trout was listed as threatened by the U.S. Fish and Wildlife Service. This ESA listing process is triggering a cascading chain of events, and will culminate 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 stocks and poses a threat to the individual's 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 continued support from the Subcommittee for additional funding beyond our base program.

We are requesting that the Subcommittee continue to provide $400,000 for the Wild Stock Restoration Initiative (WSRI) 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 has been essential in developing a state-wide habitat inventory base that greatly affects appropriate salmon restoration efforts in the state. The remaining $2.6 million from this initiative will continue to allow tribes throughout the Pacific Northwest to continue to conduct watershed analysis and watershed restoration within their Usual and Accustomed Areas. This approach is identical to last year's request, which the Subcommittee supported.

TIMBER-FISH-WILDLIFE AGREEMENT EXPANSION

We are supporting additional funding to tribes for expansion of our Timber-Fish-Wildlife (TFW) 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. Over the past two years, a series of contentious negotiations culminated in the development of the TFW, Forest and Fish Report. Most all of the tribes were extremely concerned about one or more of the key provisions in the report. However, most all agreed the only way to actually resolve these issues would be to ensure that a strong monitoring and adaptive monitoring process be put in place. Therefore, we were most appreciative when the Subcommittee provided $3.048 million of new funding to the tribes to facilitate our participation in monitoring, research, data analysis, and adaptive management processes that are a cornerstone to the TFW process.

As part of this effort, the tribes have included a strong centralized coordination component at the NWIFC, a regional coordination component for eastern Washington, and are focusing their implementation efforts at their local watersheds. The strategy calls for two tracks. One is aimed at supporting the development of the Habitat Conservation Plan (HCP) development process within the TFW process. A second track supports tribal participation in TFW in a continuing effort to shape and steer forest management practices toward greater fish protection.

For fiscal year 2001, we are again requesting the Subcommittee's support of $3.048 million, plus an additional $1.0 million to further develop tribal participation in the TFW Forest and Fish effort. On a related note, tribes are watching closely the Commerce, Justice and State Subcommittee on Appropriations treatment of the Department of Commerce Coastal Salmon Recovery Initiative of $100 million. Without these monies and a set aside for the tribes, our ability to work through the TFW and other ESA processes will be severely constrained.

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 forced 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 2000, 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 program costs (rental, telephones, support service) 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.

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 THE LUMMI INDIAN NATION

My name is William E. Jones, Sr., Chairman of the Lummi Indian Nation. The Lummi Indian Nation, located on the northern coastline of Washington State, is the third largest tribe in Washington State serving a population of over 5,200. On behalf of the Lummi Indian Nation I want to thank you and the members of the Committee for the opportunity to express our concerns and requests regarding the fiscal year 2001 BIA, IHS, and Natural Resources appropriations.

The following testimony presents the Lummi Indian Nation's funding priorities, as well as regional and national concerns and recommendations for your consideration. Further, the Lummi Indian Nation strongly opposes any bill, language or legislative riders that undermine tribal sovereignty. The Lummi Nation stresses the continued implementation of Executive Memorandum 13087 which requires all departments of the federal government to enter into direct coordination and consultation with tribes on issues that directly affect the functions and role of tribal governments.

TRIBAL SPECIFIC 2001 APPROPRIATION PRIORITIES

+$18,000,000 Replacement School Construction Program

Lummi supports the Presidents request of $15,570,000 and seeks an additional $2,430,000. The increase covers construction of additional square footage for a permanent school facility to house a student enrollment level of at least 750.

+$3,500,000 Semiahmoo Reinterment and Recovery Effort

Provide the Lummi Nation with funding to ensure the sensitive recovery, handling, and preservation of ancestral human remains disturbed at a known traditional tribal cemetery site, Si'ke.

+$750,000 Water & Sewer Infrastructure Planning

Provide the IHS Sanitation Facilities Construction Program with funds tribally earmarked to support the planning of water and sewage system infrastructure development projects.

+$1,300,000 Water Negotiations

Provide for the following water negotiation costs: $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)

+$700,000 Increase to Lummi Nation Shellfish Hatchery Operation

Provide support to the ongoing operation of the tribal shellfish hatchery consistent with the expansion of the Boldt decision to shellfish.

+$2,000,000 Support BIA General Assistance Program

To assist and train Lummi fishermen suffering from the collapse of the Fraser River Sockeye fishery.

+$740,000 Support Realty

Provide the Lummi Nation realty services and managerial support i.e.—land consolidation, land records management, tribal probate, staff training.

TRIBAL SPECIFIC APPROPRIATION SUMMARIES, JUSTIFICATION

Replacement School Construction Program $18,000,000

The BIA has estimated $15,570,000 to construct this school. The Lummi Nation requests an additional $2,430,000 for a total estimated cost of $18,000,000 to build this school. The Lummi Nation and the BIA Facilities Management Construction Center are working to resolve this miscalculation in the enrollment size for the new school. This request is concurrent to our application submitted in 1999. An estimated enrollment of 750 students is expected over the next five years. Current ISEP enrollments plus notarized affidavits justify this request. Current population growth on the reservation is 4.8 percent annually, which is double the BIA's growth rate of 2.5 percent as supported by the 1990 Census and housing survey in 1995. The

total appropriation request the tribe seeks to complete the construction phase is $18,000,000.

Semiahmoo Reinterment and Recovery Project $3,500,000

The Lummi Nation is requesting $3,500,000 to ensure the sensitive recovery and reinterment of over 100 disturbed burials that were removed from a traditional cemetery during the construction of a local sewage plant. Without tribal knowledge and/or consent, the Lummi community was shocked to learn the discovery of ancestral remains that were insensitively disturbed and eventually transported out of state. The expansion of the plant was financed with federal funds and permitted by the state-of course the disaster was not foreseen but it happened and the Lummi Nation needs financial assistance to implement a Semiahmoo Reinterment and Recovery Plan. The Reinterment and Recovery Plan is expected to take at least two years to complete utilizing sensitive archeological excavation and handling techniques to map, gather, identify, handle, catalog and reinter ancestral remains and cultural artifacts.

The construction project involved the removal and transporting by dump trucks of soil which possessed human remains and artifacts to a site that currently comprises over 10,000 cubic meters of cultural deposits covering a 3.5 acre landfill. This Recovery Effort will ensure that the Lummi community is able to respectfully reinter all human remains in a culturally appropriate manner and bring closure to this catastrophic event.

Water & Sewer Infrastructure Planning $750,000

The Lummi Reservation supports a population of nearly 5,200 persons, which has pushed water and sewer system capacities to their limit. Additional capacity must be obtained now to support the existing population. In the short-term, water and sewer systems redesign and upgrades will handle the problem. However, the long-term solution must include additional treatment capacity and water source location and development. Public Works infrastructure development and investments like these require substantial planning. The Lummi Nation is not able to undertake this level of planning without the assistance requested herein. Lummi Nation recommends the IHS Sanitation Facilities Construction Program to receive earmarked funds to support tribal planning of water delivery and sewage treatment system infrastructure for the existing and projected population of the Lummi Indian Reservation.

Water Negotiations $1,300,000

The Lummi 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 2001: $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. Lummi Nation recommends that the BIA receives a special earmark to support the increase in the Water Rights Negotiation/Litigation, Attorney fees and technical studies.

Lummi Nation Shellfish Hatchery Operation $700,000

The thirty-year old hatchery supplies oyster and clam seeds to a majority of Northwest Washington Indian tribes and growers. The recent shellfish case decision to uphold the shellfish ruling supports the need to provide both the treaty and non-treaty growers for oyster seed, clam seed, enhancement projects. These dollars benefit both the tribal government and Washington State. The Lummi Nation recommends that $350,000 increase be earmarked to Lummi Nation through the BIA Hatchery Operational program.

Support BIA General Assistance Program $2,000,000

The commercial harvest forecast for CY–2000 Fraser River Sockeye is bleak. Lummi Nation has 500 fishermen whose primary household income source is this valued fishery. The Lummi reservation is an economically distressed community due to the following events: (1) closure of the nation's casino 1997; (2) 1999 Fraser River Sockeye fishery cancellation; and (3) restrictions to fish harvest under ESA, 99–00. (4) Closure of major tribal commercial shellfish beds due to pollution; Lummi is requesting General Assistance funds to support affected fishers and helping tribal

member's to diversify and build new vocational skills through education and retraining program.

Support Realty $2,000,000

The Lummi Nation has a multi-year plan to address the realty tribulations. It's major elements include land consolidation, land records management, tribal probate process, revision of realty procedures, backlog elimination, and training. Land consolidation requires untangling the heirship disarray by conducting research to land titles, appraisals, surveys, subdivision and other technical work. Land records management requires development of a tribal land database with an electronic connection to BIA databases. The current process involving tribal probates is time consuming which is further complicated because the land is so fractionated. Development of an on-site process using Lummi Tribal Court is needed to shorten the processing time.

Regional Requests and Recommendation.—Support the requests and recommendations of the Affiliated Tribes of Northwest Indians, the 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;

Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;

Provide $201,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services;

Law Enforcement funding: BIA $20 Million; DOJ $83 Million (Total $103 Million);

Support the President's Education Initiative to increase from $133 million to $300 million

Increase tribal court funding to $58.4 million as authorized under the Indian Tribal Justice Act, Public Law 103–176; and,

Support all requests and recommendations of the National Congress of American Indians.

I appreciate your consideration of the fiscal year 2001 requests and recommendations of appropriations for the BIA, HIS, and Natural Resources on behalf of the Lummi Nation. Thank you.

PREPARED STATEMENT OF THE SAUK-SUIATTLE INDIAN TRIBE

The Sauk-Suiattle Indian Tribe, in Washington State, has 240 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. The requests for increases are to be added to the base budgets in the fiscal year 2001 on the following priority. Tribe's total request is $7.89 million.

TRIBAL LEVEL APPROPRIATIONS PRIORITIES

+$190,000 to Tribal Budget Base for Government Operations in the BIA TPA Tribal Government Account for core staffing & equipment. Request 100 percent Contract Support (not 75 percent);

+$3.5 million for Imminent Threat to the reservation due to (a) river flow change, (b) mud slides. The river has moved 1000 ft., With no dike protection, one high flood would flood the reservation. Due to the Wild & Scenic Status of the river, no changes can be made to it. For new land purchase and community infrastructure development;

+$1.5 million for Safe Drinking Water, replacing the current 360,000 gallon cement domestic water storage tank which leaks and water pipes that are not safe;

+$350,000 for Cultural Research funding for anthropological study specific to Sauk-Suiattle. Also, for Land Acquisition Study, tribal history study, and restore language. To be added to the BIA Office of Trust Responsibility Account;

+$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;

+$50,000 to add to Housing Base funding for HIP and administrative management;

+$1.6 million for restoring Mountain Goat Herd depletion in North Cascades & for a 5 yr. study. Parts of goat are used for Cultural purposes (horns, hoofs, etc.), last hunt was 5 yrs. ago;

+$100,000 to BIA Law Enforcement, addition for operations, increase in salary, equipment, training, and jail contract funds. To be added to the BIA TPA, Public Safety and Justice, Law Enforcement Tribal Agency Account;

+$50,000 Higher Education scholarships in the BIA Education Program Account;

+$375,000 to develop economic enterprises, added to BIA Tribal Government Account;

+$100,000 to do a Needs Assessment, a one-time non-recurring cost to TPA, BIA.

Request streamlining of the Fee-to-Trust process, make less complicated. 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;

Request to place allotments under 19638 Management and Request title for the Tenas Creek and Suiattle Cemetery lands, plus two additional 50 acres surrounding the two cemetery parcels. Need to clear up the ownership, multiple jurisdiction and joint responsibilities that now exists. It will clear up the U.S. Forest Service, BIA, or Sauk-Suiattle ownership.

REGIONAL APPROPRIATIONS PRIORITIES

Support Affiliated Tribes of Northwest Indians:

For Northwest Portland Area Indian Health Board fiscal year 2001 request on appropriations

Contract support increase funding of 100 percent by NWPAIHB

Support for Sovereign Immunity, against taxation, for Land-Into-Trust

Contract Support Costs (Indirect Cost) Funding at 100 percent for Tribes.

BIA Forest Development, Woodland Management, Northwest Forest Plan, $3.0 million. "Jobs in the Woods" initiative, from this amount $400,000 for Wild Stock Restoration.

Washington Tribal Shellfish Management, Enhancement, and Enforcement Funding to Implement Tribal Treaty Rights through the Establishment of Base Shellfish Operations $6.5 million.

Pacific Salmon Treaty at fiscal year 2000 levels.

Timber, Fish and Wildlife Agreement $3.048 million, increase by $1 million to implement tribal obligations per new State and private forest practices rules and regulations re. ESA.

NATIONAL APPROPRIATIONS PRIORITIES

Support the Administration's Request for BIA and for IHS

Full Funding of Contract Support Costs, support President's budget for BIA $134 million & IHS $40 million.

BIA TPA request, plus for the small and Needy Tribes Appropriation minimum.

Elevate IHS Director to Asst. Sec.; Increase IHS funding for HIV/AIDS, Diabetes—inflation, increase of medical costs, related medicines, breast & cervical cancer

Law Enforcement funding: BIA $20 million, DOJ $83 million (total $103 million)

Reauthorize Indian Tribal Justice Act of 1993 (Public Law 103–176). Increase tribal court funding to $58.4 million as authorized under the Indian Tribal Justice Act, Public Law 103–176.

Support the President's Education Initiative to increase from $133 million To $300 million

PRIORITY REQUESTS-NARRATIVE

Increase in Core Tribal Government Staff.—The Tribe has had a great turnover in its core management positions (Executive Director 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 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, not just 75 percent as fiscal year 1999.

Imminent Threat.—The imminent threat to the reservation is due to (a) river flow change, (b) mud slides. The river has moved 1000 ft. within two years. With no dike protection, one high flood would flood the reservation. The other side is a glacial area and when it melts, it causes mud slides. Due to the Wild & Scenic Status of the river, no changes can be made to it. This will also be for new land purchase and infrastructure development of the Tribe.

Safe Drinking Water.—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 17 years old, is 60 feet high and 20 feet across. The pipes also need replacing. Because it was done under one Federal agency, no other Federal agency will provide funds to fix or restore it, as the original Federal agency is now defunct.

Cultural Research Funding & Special Appropriation for Land Acquisition Study.—The Sauk-Suiattle Tribe has 240 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 an increased 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 $350,000 to the BIA for the Sauk-Suiattle Tribe to perform a land acquisition feasibility study (archaeological study) on identified sites, including a tribal history study and report on our language and restoration of the language.

Increase in BIA Indian Child Welfare.—Sauk-Suiattle requests that a $75,000 appropriation be added to the Tribe's base budget of $50,000 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. There are 80 member children under the age of eighteen.

Housing.—Addition to the Housing Improvement Program (HIP) to repair and improve current houses of the Tribal members, plus for providing for administrative costs to the housing program. The $50,000 request would provide the funds to cover these costs.

Mountain Goat Herd.—For the restoration of the mountain goat herd which has depleted in the North Cascades. The mountain goat is food supply and parts of the goats are used for ceremonial purposes such as the horns, hoofs and other parts of the goat. The last hunt by Tribal members was 5 years ago due to lack of sufficient number of goats. The $1.6 million, requested would assist in providing funds to buy and breed in a controlled manner the restoring of goats in the North Cascades range, and a five year study.

Increase in BIA Law Enforcement.—The Tribe has only one police officer, jail facilities are hours away. The Tribe requests a $100,000 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 increase the salary to comparable level of surrounding area, provide jail contracts for detention, training academy of one officer, uniform and equipment for the officer, a mobile mounted camera on police vehicle, car computer, software of state police, and operation costs.

Increase Higher Education Program.—The Tribe's 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 $50,000 to provide educational opportunities to Sauk-Suiattle (60) Tribal members to attain their higher education. Our base budget includes less than $4,000, even with almost half of the population of college age.

Increase Economic Development Enterprise.—The Sauk-Suiattle Indian Tribe is focused on developing economic self-sufficiency. 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 business plan, (3) developing business codes, (4) initiate a viable financial enterprise(s). The tribe has calculated a three year cost of $375,000 for this project.

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.

Needs Assessment.—For Social and Demographic Needs Assessment of the Tribal population to determine social, economic, education, housing, environmental and cultural preservation needs of the general Tribal membership which will allow for

short and long term Tribal planning to enhance the delivery of coordinated services to Tribal members. This request of $100,000 is for a one-time, non-recurring cost.

Fee to Trust.—The Tribe request that the Fee-To-Trust process be streamlined and make it less complicated . 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.

Allotments.—There are also several thousand acres of unresolved Tribal allotments which should be factored into study. These lands (5000+ acres) were allotted to Tribal members and then taken without compensation in 1897 when the Mt. Baker—Snoqualmie National Forest was created. The cemetery sites are sacred sites and need protection. We need documents of Forest Service which show their "holding in trust" of the reservation sites. This proposal is for 19638 management of these sites by the Tribe under the BIA trust status. This will clear up the ownership issue.

We urge the Congress remember our small tribal government, our management problems and needs, and provide support with sufficient appropriations. We urge that funding for tribes, their programs and their developments be given the highest priority. Thank You.

PREPARED STATEMENT OF THE NATIONAL AMERICAN INDIAN COURT JUDGES ASSOCIATION

On behalf of the National American Indian Court Judges Association (NAICJA), I am pleased to submit this testimony on the fiscal year 2001 budget for the Interior Department's funding for the Indian Tribal Justice Act (Public Law 103–176) and Tribal Courts (under the Tribal Priority Allocations). The NAICJA is a voluntary national representative membership association (non-profit organization incorporated in 1969) of current and former tribal court judges throughout the United States. NAICJA, which represents more than 350 tribal justice systems nationwide, has a thirty-year track record of providing quality training and technical assistance services for tribal justice systems.

INTERIOR DEPARTMENT FUNDING INDIAN TRIBAL JUSTICE ACT AND TRIBAL COURTS

Full Funding for Indian Tribal Justice Act.—NAICJA strongly supports full funding ($58 million) for the Indian Tribal Justice Act (Public Law 103–176). While NAICJA supports the Interior Department's fiscal year 2001 budget request of $1.3 million, we strongly support FULL FUNDING of the Act as promised in 1993. NAICJA actually supports funding at a much higher rate since the number of tribal courts and their needs have substantially increased since the Act was made law in 1993—more than 7 years ago.

Tribal Courts (under the Tribal Priority Allocations).—NAICJA strongly supports increased funding for Tribal Courts under the Tribal Priority Allocations (TPA). While we support the Interior Department's fiscal year 2001 budget request of $12, 585,000 (an increase of $1,537,000 over fiscal year 2000 level), this increase represents only a minimal first step towards meeting the vital needs of tribal justice systems. It is important to note that funding has steadily decreased since the passage of the Indian Tribal Justice Act. The needs (as recognized by Congress), however, have only been compounded with the passage of time, the increase in tribal courts, the increase of caseloads, population growth, and rise in crime rate in Indian country.

Native American tribal courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—While the crime rate, especially the violent crime rate, has been declining nationally, it has increased substantially in Indian Country. Tribal court systems are grossly under-funded to deal with these criminal justice problems.

—Number/complexity of tribal civil caseloads have also been rapidly expanding.

—Congress recognized this need when it enacted the Indian Tribal Justice Act in 1993. Congress specifically found that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation".

—While the Indian Tribal Justice Act promised more than $58 million per year in additional funding for tribal court systems starting in fiscal year 1994, tribal courts have yet to see ANY funding under this Act.

—Since Congress enacted the Indian Tribal Justice Act, the needs of tribal court systems have continued to increase, but there has been no corresponding increase in funding for tribal court systems. In fact, the Bureau of Indian Affairs funding for tribal courts has actually decreased substantially since the Indian Tribal justice Act was enacted in 1993.

As Attorney General Janet Reno stated in testimony before the Senate Indian Affairs Committee on, it is vital to "better enable Indian tribal courts, historically under-funded and under-staffed, to meet the demands of burgeoning case loads." The Attorney General indicated that the "lack of a system of graduated sanctions through tribal court, that stems from severely inadequate tribal justice support, directly contributes to the escalation of adult and juvenile criminal activity."

The vast majority of the approximately 350 tribal court systems function in isolated rural communities. These tribal justice systems face many of the same difficulties faced by other isolated rural communities, but these problems are greatly magnified by the many other complex problems that are unique to Indian country. In addition to the previously mentioned problems, tribal justice systems are faced with a lack of jurisdiction over non-Indians, complex jurisdictional relationships with Federal and state criminal justice systems, inadequate law enforcement, great distance from the few existing resources, lack of detention staff and facilities, lack of sentencing or disposition alternatives, lack of access to advanced technology, lack of substance abuse testing and treatment options, etc. It should also be noted that in most tribal justice systems, 80–90 percent of the cases are criminal case and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse.

NAICJA has repeatedly testified concerning the needs of tribal justice systems. For example, see the testimony of former NAICJA President (and current NAICJA First Vice President) Jill Shibles before the Senate Committee on Indian Affairs on June 3, 1998 and February 24, 1999. Many of the remarks of Judge Shibles from prior testimony are incorporated below.

IMPORTANCE OF TRIBAL COURTS

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increasingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government. . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995)). Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. Attorney General Reno acknowledged that, "With adequate resources and training, they are most capable of crime prevention and peacekeeping " (A Federal Commitment to Tribal Justice Systems, 79 Judicature No. 7, November/December 1995, p. 114). It is her view that "fulfilling the Federal Government's trust responsibility to Indian nations means not only adequate Federal law enforcement in Indian Country, but enhancement of tribal justice systems as well." Id.

Tribal courts agonize over the very same issues state and Federal courts confront in the criminal context, such as, child sexual abuse, alcohol and substance abuse, gang violence and violence against women. These courts, however, while striving to address these complex issues with far fewer financial resources than their Federal and state counterparts must also "strive to respond competently and creatively to Federal and state pressures coming from the outside, and to cultural values and imperatives from within." (Pommersheim, "Tribal Courts: Providers of Justice and Protectors of Sovereignty," 79 Judicature No. 7, November/December 1995, p. 111). Judicial training that addresses the present imperatives posed by the public safety crisis in Indian Country, while also being culturally sensitive, is essential for tribal courts to be effective in deterring crime in their communities.

There is no federally supported institution to provide on-going, accessible tribal judicial training or to develop court resource materials and management tools, similar the Federal Judicial Center, the National Judicial College or the National Center for State Courts. Even though the NAICJA annually sponsors the National Tribal Judicial Conference, the three-day conference cannot provide the in-depth extensive judicial training necessary to make tribal justice systems strong and effective arms of tribal government.

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that tribal justice systems are, and historically have been, underfunded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." Almost ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

As indicated by the Civil Rights Commission, the critical financial need of tribal courts has been well documented and ultimately led to the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"). Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Affirming the findings of the Civil Rights Commission, Congress further found that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation base funding support for tribal justice systems in the amount of $50,000,000 for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Seven years after the Act was enacted, how much funding has been appropriated? None. Not a single dollar was even requested under the Act for fiscal years 1994, 1995, 1997, 1998 or 1999. Only minimal funds were requested for fiscal year 1996 and 2000. Yet, even these minimal funds were deleted. Even more appalling than the lack of appropriations under the Act is the fact that BIA funding for tribal courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993.

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are the keystone to tribal economic development and self-sufficiency. Any serious attempt to fulfill the Federal Government's trust responsibility to Indian Nations must include increased funding and enhancement of tribal justice systems.

We welcome the opportunity to comment on the Interior Department's Budget Request for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations). Thank you very much.

PREPARED STATEMENT OF THE COALITION FOR HEALTH FUNDING

The Coalition for Health Funding joins with the Friends of Indian Health to urge that the Subcommittee on Interior and Related Programs Appropriations provide $2,715,114,000 in fiscal year 2001 for the Indian Health Service. This request level reflects both professional budget judgement and tribal budget consultations.

While the Coalition sincerely appreciates the Administration's unprecedented request for a 9.25 percent ($229.7 million) increase for health care services for American Indian and Alaska Native communities, we recognize that this is the largest increase in over two decades. Two decades of flat or small increases means that this year's robust budget request can only represent a good first step in an effort to "catch up" to the real needs facing these communities in the absence of appropriate levels of resources for a generation.

We hear a great deal these days about health disparities and the increasing opportunities of a wealthy nation to address them. The discrepancies between health indicators for all Americans and health indicators for American Indians and Alaska Natives (AI/AN) show that the AI/AN populations suffer the greatest rates of disease and death. A 1997 national study conducted at Harvard University and sup-

ported by the Centers for Disease Control and Prevention found that the lowest life expectancies in the nation, including inner city areas and both men and women, exist in Indian populations. The Indian Health Service has published data showing the 1995 age-adjusted death rates for all Americans at 503.9 per 100,000 deaths and for Indian Health Service areas 699.3 per 100,000 deaths—a 38 percent difference in life expectancy, which translates into far less overall life expectancy for American Indians.

Infant mortality rates, another basic health indicator, are less dramatic with recent improvements in rates for Indian Americans and Alaska Natives, but still lag significantly behind overall U.S. rates. The Indian Health Service reports that in 1995 infant mortality was 7.6 per 1,000 live births for all U.S. babies, but 9.3 per 1,000 live births for those served in Indian Health Service areas.

Other health disparities exist in higher rates of diabetes, alcoholism, injuries, and oral diseases for AI/AN populations. But because Indian health services have been underfunded for 20 years, fewer resources have been provided to address these greater health problems: the per capita health care expenditure for the whole U.S. is $3,147, but only $1,425 for American Indians served by the IHS; the physician ratio is 229 per 100,000 population for non-Indian communities and only 90 per 100,000 in communities served by the Indian Health Service.

Because funding has not kept pace with need, the Indian Health Service has experienced the following reductions in basic primary care services:

—20 percent decline in well child services between fiscal years 1992–1996;

—14 percent decline in physical exams between fiscal years 1994–1996;

—18 percent decline in dental services between fiscal years 1994–1996.

For all of these reasons, the Coalition for Health Funding urges you to exceed the President's budget request for fiscal year 2001 and provide $2,715,114,000 for the Indian Health Service. The additional funding would be used to extend clinical services; preventive health services; targeted health services, such as diabetes translation and substance abuse treatment; and support for improved sanitation and health care facilities construction, both neglected but critical needs in many American Indian and Native Alaskan communities.

The Coalition for Health Funding is the nation's oldest, most broadly-based private, non-profit organization supporting the agencies of the U.S. Public Health Service. The 38 member organizations and their 40 million health professionals, lay volunteers, researchers, patients and families believe that improved health outcomes must be addressed by adequately supporting the continuum of biomedical, behavioral and health services research; community based prevention and health promotion strategies; targeted health care delivery; and health professions education. A list of the Coalition's member organizations follows.

COALITION FOR HEALTH FUNDING MEMBERS

AIDS Action Council
American Academy of Pediatrics
American Academy of Physician Assistants
American Association of Colleges of Pharmacy
American Association of Dental Schools
American Association for Dental Research
American Association of University Affiliated Programs for Persons with Developmental Disabilities
American College of Cardiology
American College of Preventive Medicine
American College of Rheumatology
American Dental Association
American Foundation for AIDS Research
American Heart Association
American Lung Association
American Nurses Association
American Optometric Association
American Psychological Association
American Psychological Society
American Public Health Association
American Society for Microbiology
Association of American Medical Colleges
Association of Chiropractic Colleges
Association of Maternal and Child Health Programs
Association of Public Health Laboratories
Association of Schools of Public Health

Association of State and Territorial Health Officials
Association of Teachers of Preventive Medicine
Association of Women's Health, Obstetrics, and Neonatal Nurses
Citizens for Public Action on Blood Pressure and Cholesterol
Community Health in Focus
Cystic Fibrosis Foundation
March of Dimes Birth Defects Foundation
National Association of Children's Hospitals
National Association of Community Health Centers
National Association of County and City Health Officials
National Mental Health Association
Planned Parenthood Federation of America
Society for Neuroscience

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF GRAND RONDE COMMUNITY OF OREGON

Mr. Chairman and members of the Committee, my name is Kathryn Harrison. I am Chairperson of the Confederated Tribes of the Grand Ronde Community of Oregon. I am here today to testify on the budgets of the Bureau of Indian Affairs and the Indian Health Service for fiscal year 2001. The Tribe's requests on these issues are as follows

Indian Health Service

Increasing I.H.S. mandatories by $89 million above the President's fiscal year 2001 budget recommendation.

The Confederated Tribes of Grand Ronde support the President's fiscal year 2001 $40.9 million budget recommendation for Contract Health Services.

Increasing Catastrophic Health Emergency Fund (CHEF) funding by $18 million above the President's fiscal year 2001 budget recommendation.

Increasing Contract Support by $50 million above the President's fiscal year 2001 budget recommendation to eliminate the current shortfall.

Increasing Diabetes funding by $3.8 million above the President's fiscal year 2001 budget recommendation to fund basic health education and disease prevention activities.

Fund Alcohol and Drug Regional Treatment Centers at $10 million.

Bureau of Indian Affairs:

Adding funds to Tribal Priority Allocations to meet Tribal needs for community services, education, natural resources, and tribal court services.

The Tribe is please to see that the President's budget reflects a 9.6 percent, or about $230 million, increase in the I.H.S. proposed budget. However, it is estimated that I.H.S. budgets include the aforementioned sources above and beyond the President's requests. We also would like to ask for support of the Analysis and Recommendations of the Northwest Portland Indian Health Board for the fiscal year 2001 Indian Health Service budget.

In 1954, members of the Confederated Tribes of the Grand Ronde lost Federal recognition under the Western Oregon Termination Act. This legislation destroyed out Tribal Government, took away remaining Tribal lands, and brought about numerous socio-economic problems to our members. In 1983, the Tribe regained its rightful place among Indian Nations when Congress passed the Grand Ronde Restoration Act.

A survey of our Tribal membership completed in 1985 revealed the ugly impacts of termination. The Tribe's unemployment rate was 23 percent. 38 percent of our population 19 years or older had not completed high school. Finally, 34 percent of our households had incomes below the poverty level. The survey also revealed serious health issues, including many members with high blood pressure, heart disease, arthritis, vision, hearing, and alcohol and substance abuse problems.

We have since come a long way in fighting the problems that we have had to face with respect to termination. Despite some of the current positives that are taking place in Indian Country, and specifically Grand Ronde, there is still a great deal of unmet need that exists with our Tribal community. We have the unfortunate task of trying to make up for 29 years without support or services, and while we do our best to provide for our membership, as well as the community, we still fall short. We will continue to strive for the best, and we are proud that today we are a Self-Governance Tribe with both the B.I.A. and the I.H.S.. Self-Governance allows us some opportunities that we are pleased with to use limited B.I.A. and I.H.S. dollars for Tribal priorities.

We are honored one again to be able to speak in front of you about the status of our Tribal community. We are proud to be Native Americans, and we are also very proud to be Oregonians, as well as citizens of the United States. We look forward to continuing to be able to work harmoniously on a government-to-governments basis with the United States Congress.

Thank you. That concludes my remarks.

PREPARED STATEMENT OF THE NATIVE AMERICAN FISH & WILDLIFE SOCIETY

Mr. Chairman and Distinguished Committee Members: My name is Ken Poynter, and I'm the 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 and Related Agencies. 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 2000 level of $491,000 for fiscal year 2001.

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.

At this time, the Society includes a membership of 214 tribes (which consists of 65 Alaskan Native villages and non-profit corporations), over 2,400 individual members, numerous regional commissions, as well as other Native organizations. All of these various constituents are supportive of tribal fish and wildlife development and of the various programs and services provided by the Native American Fish & Wildlife Society.

The concept of the Society is based on the need 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.

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 officers, and land use managers and planners who currently manage tribal land bases throughout the country.

Society members are involved in technical initiatives sponsored by the Society, the development of tribal fisheries, as well as 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 Society's Technical Services office is responsible for responding to inquiries, along with the assessment, coordination and delivery of requested technical assistance (TA). The Technical Services Director has developed an informative and extensive national network of professionals who further enhance his ability to assist with requests received by his office. Due to his professional expertise, as well as the availability on an extensive in-house, natural resource library at his disposal, the organization has gained a reputation for its ability to provide timely and accurate information. To date (in fiscal year 2000), the Society has provided technical services and assistance to over 120 tribes. In addition to direct tribal support, this department has assisted many Federal, state and non-governmental agencies in their capacity to initiate and/or enhance their work with tribal governments.

In order to facilitate the transfer of information and provide essential forums that address important resource management issues, the Society coordinates and sponsors seven annual regional conferences, as well as one annual national meeting. Regional conferences generally address issues pertaining to the region, where as the national meeting brings the regions together providing an opportunity for participants to focus on pertinent national issues.

Recognizing the importance of education to build and enhance tribal resource management capacity, the Society has made a major commitment to filling this otherwise un-met need. Emphasis has been placed on providing periodic training to professionals working in the various disciplines related to tribal natural resource management. The Society continually provides support for periodic training semi-

nars in each of its seven geographical regions. These training sessions have become a mainstay of the organization and are a good example of our effort to assist tribes in the area of natural resource management and protection. 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.

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 that are held at the most convenient time and location. As a result of utilizing this form of training identification, sessions are generally regionally specific and collectively diverse.

In order to maximize financial resources and member benefits, the Society continues to identify and work with other entities as co-sponsors of these important training workshops. In fiscal year 1999 over 30 separate training and/or educational sessions were conducted with a collective participation of over 1,800 individuals. This impressive accomplishment was made possible by working in conjunction with over 30 different partners. Although too numerous to list individually, the group included the U.S. Fish & Wildlife Service, U.S. Forest Service, Department of Agriculture, the University of Alabama, Colorado State University, individual volunteers and numerous tribes (such as the Southern Ute, Hopi, Bois Forte and Navajo Nation to name just a few).

The following list contains the titles of the majority of seminars conducted in fiscal year 1999 (the number in parentheses after some of the titles represent the total number of times that particular session was conducted): Hazardous Materials (Haz Mat) Awareness Level Training (14), Haz Mat Incident Command Training (6), Field Identification of Contaminants, Conservation Officer Hazardous Materials Recognition & First Responder, Wildlife Conservation on Indian Lands, Wildlife Diseases, Conservation Officer In-Service Training (2), Habitat Conservation Restoration and Management, Black Tailed Prairie Dog Management (3), Game Fish & Non-Game Management, Fish and Wildlife Management and Integrated Resource Management Planning.

To augment information disbursement and exchange, the Society publishes and distributes four quarterly newsletters, a comprehensive annual report, promotional publications, informational management brochures and other management reports, and publications to members and other interested parties. The aforementioned partnerships also provided opportunities to further maximize the federally appropriated funds received by the organization by covering a portion of the printing costs of some of these publications.

Native youth will someday become the Stewards of their tribal lands and are considered to be the culture's most precious resource. The Society has developed an award-winning summer program for Native Youth to help ensure that there will be educated, professional Native people available in the future to protect and manage tribal lands.

This annual program, entitled the Native American Environmental Awareness Summer Youth Practicum (Youth Practicum) is designed to instill in its participants a respect for the natural environment, as well as to nurture their interest in pursuing natural resource management careers. This unique national program was acknowledged and honored by the Department of the Interior in 1999 for its outstanding contributions in developing Native American youth as the natural resource managers of tomorrow. The Society's Youth Practicum Programs received the distinguished Conservation Service Award from the Department of the Interior.

The Youth Practicum brings thirty-five Native American youth together for two weeks of in-class instruction and hands-on field experience in virtually every aspect of natural resource management (NRM). Five students are selected from each region and brought to Colorado from all parts of the country. The Program's instructors and counselors are active Society members and volunteer their time to the program. Being Native themselves, as well as working professionals in some discipline of natural resource management, these volunteers serve as both instructors and role models.

This year marks the 10th anniversary of this program and represents an important milestone for both the organization and the nationally acclaimed project. Organizationally, this year's annual program signifies the importance and commitment the Society has placed on educating Native Youth. For the program, this 10th year is evidence of its value, its strength, its success, as well as proof of the real need it fulfills.

The Society is proud to share data obtained from a 1998 survey of former Youth Practicum students which clearly attests to the success of this renowned annual program. To date, over 270 students have received instruction in the fundamentals of

natural resource management and environmental science. The survey, as well as personal contacts with former students, revealed that at least 6 former students have already graduated with degrees in some aspect of natural resource management. The survey had a 37 percent return and further revealed that at least 25 former students have earned post-secondary degrees, with one currently attending law school and specializing in environmental law. In addition, over 60 percent have completed some college work or are currently in college.

The information provided by the survey is strong evidence of the importance and positive impact this critical program has had on Native youth. It is also clear evidence that the program is successful and working as it was designed. To me, the most important and special event indicating its success is that this year, one of the program's first students (with a recent degree in natural resource management and a new position with the Bureau of Land Management) will be returning as a volunteer instructor and a second generation role model. The Youth Practicum is one of the organization's most important and successful programs and will continue to receive priority allocation of budget funds from the organization's annual Federal appropriation.

As in past years, the Society's intent is not to ask for additional funds to meet the increasing cost of the programs we have developed, but to again express our appreciation to the Subcommittee and our supporters for the faith they continue to show in our ability to accomplish our stated goals. Focusing on raising an endowment large enough to completely sustain the organization was beginning to affect the time and focus required to successfully accomplish Society projects. Recognizing this, the Society formed the Native American Fish & Wildlife Foundation (Foundation) as the fund-raising arm of the organization. The Foundation will focus entirely on raising endowment funds, allowing the Society to concentrate on delivery of its projects and services.

The Society is currently the only national Native organization that provides technical assistance to tribes, Federal, state and local Governments, as well as others working in the area of tribal resource management. It is also the only national Native organization providing valuable training for and in-direct support of tribal natural resource management professionals. Society programs and services clearly provide direct benefit to tribes and the lands they manage.

In light of the fact that there is a short-fall of Federal funding available for tribal natural resource management activities, the Society considers itself a valuable resource positioned to support and assist tribes. The continued funding at the $491,000.00 level received last year would ensure that the Society is able to continue providing its beneficial services and assistance to tribes.

To reiterate our request to the Senate Appropriations Subcommittee on Interior and Related Agencies, the Society is requesting a Total of $491,000.00 for fiscal year 2001.

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 2001 request for $199,500 from programs in the Department of the Interior (DOI) and report language regarding the Critical Ecosystem Studies Initiative in the National Park Service's budget. The Tribe requests 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; and

—language in the Interior Department's appropriation bill's report specifying that, in lieu of a designated level of funding for Seminole water studies, the Tribe will receive a preference in competition for funding from the Critical Ecosystem Studies Initiative (CESI) account in the National Park Service budget for activities related to the Tribe's Everglades Restoration Initiative on the Big Cypress Reservation.

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 fiscal years 1998 and 1999, which is $12 million. Last fiscal year, the Administration cut the CESI account by one-third, despite the important research that it funds; such research helps support critical Everglades ecosystem restoration. In this current fiscal year, the CESI account was funded at $8 million. The Tribe requests that Congress the restore the $4 million cut to the CESI account.

With the $12 million funding level, DOI allocated $1 million to the Seminole and Miccosukee Tribes to share. Prior to last fiscal year, the Miccosukees did not participate in this program, so the Seminoles research was adequately funded at the $1

million level. When CESI's funding level was cut to $8 million, the Tribal allocation was cut to $460,000, a disproportional reduction. Also, the Miccosukees started participating in the program after the funding was out. The effective reduction, due to reduced funding and the Miccosukees rightful participation, has prevented the Seminole Tribe from pursuing and completing scientific research necessary for ecosystem restoration.

To address the reduced level of funding, the Park Service proposed that the Tribe no longer receive a dedicated portion of the CESI funds, but that the Tribe compete through the funding decision process with the provision of a preference as a Tribe, and where applicable to specific projects, a preference for existing, previously CESI-funded projects. Because, in fiscal year 2001, the Tribe anticipates only requesting funding for its ongoing, previously CESI-funded projects, the Tribe anticipates that each of its requests will get a double preference. The Tribe requests that the Committee include in its report a notation of this selection process including the preferences for the Tribes and for previously funded projects.

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 South Florida ecosystem. The Seminole Tribe has been working with the U.S. 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. On January 7, 2000, the Tribe and the COE signed a Project Coordination Agreement for design and construction of the western portion of the Big Cypress Reservation, along with a canal that transverses the Reservation, as a Critical Project under the authority of the Water Resources Development Act of 1999. 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; a Wetland Reserve Program site is almost completed and another soon to begin. 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.

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 2000. In addition, through the NPS, Interior provided the Tribe with $390,000 in fiscal year 1997, $920,000 in fiscal year 1998, and $684,125 in fiscal year 1999. A $460,000 appropriation was provided to both the Seminole and Miccosukee Tribes in the fiscal year 2000 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 ecosystem degradation and developing plans to arrest the harm.

The Tribe has also developed a water conservation 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 working hard to realize the environmental benefits the Reservation and the surrounding ecosystem need. The Tribe is making 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 THE STANDING ROCK SIOUX TRIBE

For thirty years, United Tribes Technical College (UTTC) has been providing postsecondary vocational education, job training and family services to Indian students from the Great Plains and throughout the nation. An inter-tribally controlled educational institution, UTTC was assisting Indian people in moving from public assistance to economic self-sufficiency long before the 1996 Welfare Reform Act. Our placement rate has a sustained rate of well over 80 percent. The request of the United Tribes Technical College Board for the fiscal year 2001 Bureau of Indian Affairs budget is:

—$2,570,000 in BIA funds for UTTC, which is $140,000 over the Administration's request and $200,000 over the fiscal year 2000 enacted level.

—Increased BIA funding for contract support costs. We annually absorb approximately $100,00 in contract support costs and have unrecovered costs over the past 10 years of $1.4 million.

—Requirement that the BIA to place more emphasis on job training and vocational/technical education. The Adult Vocational Training program, funded at $9.6 million in fiscal year 2000, is but 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 the 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: Unique Inter-tribal Educational Organization.—Incorporated in 1969, 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 367 students from 32 tribes and 14 States. In addition, we serve 159 children in our pre-school programs and 148 children in our elementary school, bringing the population for whom we provide direct services to 654. 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. We do not receive funding through the TCC Act. We have much in common with the other tribally-controlled colleges and are part of the American Indian Higher Education Consortium. What distinguishes us from the other tribally controlled colleges is that we are chartered and controlled jointly by multiple numbers of tribes and our primary focus is postsecondary vocational education. Additionally, our campus-based family housing is unique.

UTTC Course Offerings/Coordination with Other Educational Institutions.—UTTC offers 9 Certificate and 15 Associate of Applied Science degree programs (see attached list). We are very excited about the recent additions to our course offerings, and the particular relevance they hold for Indian communities. These new programs are:

—Injury Prevention
—Dietetics Technician
—Tribal management, including gaming management
—Computer Science Technology
—Distance Learning programs for the Denver Indian Community

Dietetics/Diabetes.—Through collaborative efforts with the American Diabetes Association, UTTC will develop the only accredited Dietetics Technician's Degree program in the State. We will meet the challenge of fighting diabetes through education. As this Subcommittee knows, the rate of diabetes is very high in Indian county, and with some tribal areas experiencing the highest incidence of diabetes in the word. About half of Indian adults have diabetes ("Diabetes in American Indians and Alaska Natives, NIH Publication 99–4567, October, 1999).

Injury Prevention.—Through our Injury Prevention Program we are addressing the injury death rate among Indians which is 2.8 times that of the total U.S. population (Source: IHS fiscal year 1999 Budget Justification). We received assistance through the IHS to establish the only degree granting Injury Prevention program in the nation.

Distance Learning.—UTTC is bridging the "digital divide" by providing critical computer and Internet skills to American Indians residing in the Denver, Colorado area. Technology training allows all American Indians an opportunity to overcome barriers such as geographic isolation and access to information. We take to heart the statement of Senate Indian Committee Chairman Ben Nighthorse Campbell that, "It is imperative that the Digital Divide is narrowed in all communities, but especially in Native American communities." Through technology partnership programs, UTTC is meeting the challenge of providing technology skills and training to Indian country.

UTTC is, in addition, a member of the Interactive Video Network of North Dakota's colleges, universities and tribal colleges since 1994. This allows for articulation agreements with other college and universities, expanding the educational opportunities for our students.

Job Training and Economic Development.—UTTC is a designated Minority Business Center serving Montana, South Dakota and North Dakota. We also administer a Workforce Investment Act program and an internship program with private employers. And, thanks to a Kellogg Foundation grant, 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 Needy 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 childcare for 20 children of state-referred TANF recipients.

In North Dakota, only 30 percent of state TANF recipients are allowed schooling as a work activity. And 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 take 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 to 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 Contributing to Education and Job Placement.—We believe that a primary reason for UTTC students' success, is that we serve the student's 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 145 children, ages birth to five years and an additional 15 elementary children for extended care.
—The Theodore Jamerson Elementary School (grades K–8) serving 148 students;
—A health clinic whose services include 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;
—A local transportation system for students for school activities and necessary appointments. 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 to replace our aging water, sewer and gas system in 1997.

Our elementary school received a competitive Department of Education grant for computer technology and was one of 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. And this year we received a $75,000 grant form U.S. West to assist in developing a series of distance learning classes at the Indian Center in Denver, Colorado. Additionally, our Injury Prevention Program has been assisted through IHS funds.

The above mentioned grants are highly competitive, restrictive, one-time grants and they cannot provide day to day operations. We cannot survive without the basic operating funds which come through the Bureau of Indian Affairs.

UTTC Needs.—While we are not proposing a large increase in BIA funding for UTTC, below are some of the 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 any state college system. North Dakota salaries for higher education faculty are the lowest in the nation—but the average faculty salary at UTTC are even lower than those in the N.D. State system.
—*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.. Continuing a course of non-repair 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 damage caused by inclement weather, including blizzards and extreme low temperatures.

Thank you for your consideration of our request.

PREPARED STATEMENT OF THE NATIONAL INDIAN CHILD WELFARE ASSOCIATION

Mr. Chairman and members of the subcommittee my name is Terry Cross. I am the Executive Director of the National Indian Child Welfare Association (NICWA) located in Portland, Oregon. My statement is offered on behalf of the association. My comments will focus on the following budget items and requests:

—Provide an increase of $4.0 million over the BIA fiscal year 2001 Budget Request ($11.5 to $15.5) relating to Indian Child Welfare Act under the Tribal Priority Allocations (TPA) budget category.

—Restore historic funding of Indian Child Welfare Act (ICWA), Title II off-reservation grant programs ($3.0 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 2001.

—Require the BIA and IHS to provide more detailed information on 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, Child Welfare Assistance under TPA and the IHS Mental Health and Social Services and Contract Health Services budget categories (specific recommendations described below and in conclusion section of testimony.)

Organization 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 welfare 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 National Congress of American Indians.

Measuring Need.—Under TPA 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. 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. The BIA provides only superficial data to justify budget requests. For example, it is virtually impossible to know how many clients receive child welfare services, what the outcomes were from services provided and how need for child welfare services compares to the level of services being funded. One recent improvement made by the BIA is the inclusion of data in their justification regarding child abuse and neglect referrals from 1998 and the number of referrals that involved some form of substance abuse (see page BIA–55). The caseload data on page BIA–55–57 is a potentially helpful addition with regards to Child Welfare Assistance, 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 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 numbers of children being referred for abuse and neglect.

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).

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.

Tribes across the country are trying desperately to develop services agreements with states for Federal resources they cannot access directly, but are often met with reluctance by state governments and sometimes the BIA. 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 and tribes in an effort to get greater access to Federal child welfare funding and stimulate tribal/state agreements, but the BIA continues to provide little support or initiative in this area.

We think that more can and should be done by the BIA, especially in light of BIA budget requests that continue to reduce funding for child welfare services.

Tribal Child Welfare Programs.—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 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 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 $3.0 million. This has enabled the BIA minimally fund about 40 programs a year serve the 65 percent of the Indian population that lives in primarily 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. In addition, reductions in state services have also left Indian children under state care with fewer effective options.

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, (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 "specialized mental health services for populations, such as children are often minimal. . . ." They also admit "many critical components of mental health . . . are not available . . . to Indian communities" (see page IHS–49). 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 ACF 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 that 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. 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:

—Provide an increase of $4.0 million over the BIA fiscal year 2001 Budget Request ($11.5 to $15.5) relating to Indian Child Welfare Act under the Tribal Priority Allocations (TPA) budget category.

—Restore historic funding of Indian Child Welfare Act (ICWA), Title II off-reservation grant programs ($3.0 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 2001.

—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 THE RAMAH NAVAJO CHAPTER

On behalf of the Ramah Navajo Chapter, I am pleased to submit the Chapter's statement on the fiscal year 2001 budget request for the Bureau of Indian Affairs. The statement focuses on:

—$880,000 for a public safety facility for the Ramah Navajo Chapter and support in full Committee for the Administration's request of $34 million for construction and rehabilitation of tribal jail facilities;

—$31.8 million for the Housing Improvement Program within the TPA category, and support in full Committee for the Administration's request of $650 million for the Indian Housing Block Grant Program contained in the Housing and Urban Development budget;

—$3.5 million increase for BIA contract support costs, $5 million for a BIA Indian Self-Determination Fund as requested by the Administration.

The Ramah Navajo Chapter is a certified chapter of the Navajo Nation government. 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.

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 of self-sufficiency through self-determination; and, by maintaining respect for our traditional values of cultural heritage and family. The following concerns address the most pressing needs of the community in relation to these goals.

PUBLIC SAFETY INITIATIVE

The Ramah Navajo Chapter (RNC) is the only chapter of the Nation to operate its own police department. The RNC Police provide services to approximately 3,000 Navajo residents of the community, located in the west central mountains of New Mexico, an area covering over 154,000 acres. The land base is comprised of a "checkerboard" of trust land, individual allotted land, and fee land purchased by or for the Chapter. As the closest responding unit, the RNC Police are often called by the several thousand non-Navajos residing in the Ramah area and provide the only regular, visible police presence in the non-Indian town of Ramah.

Given the role that the RNC plays in providing critical emergency services for the area, we are in desperate need of a public safety facility to enable us to add a fire protection unit and replace our aging detention facility/police station. The present RNC Police station and detention facility was built over 25 years ago as a temporary, 48-hour holding facility, which also housed the tribal court. The Tribal Court has since been relocated to another building that better addresses its functional and space needs.

Fire Protection.—Most of the Ramah community, including large numbers of families living in federally funded homes, lacks adequate fire protection service. In 1999 alone two homes burned completely because the nearest fire protection unit, located 12 miles away from the fires and outside the Chapter, arrived too late to be of assistance.

Detention Facility.—Since the Ramah detention facility was to only be a temporary holding measure, long-term prisoners were to be transported to Navajo Nation jails in Window Rock and Crownpoint. These jails are, however, overcrowded and under court order not to accept additional prisoners from the Ramah Navajo area. This has resulted in a serious problem for the Ramah Navajo Police Department, which is forced to use what was a short-term holding facility for long-term prisoners.

The three-cell detention facility, designed to hold six male prisoners and four female prisoners, has become substandard and found to be in violation of the BIA Design Capacity v. Rated Capacity Standards. According to the new draft "Bureau of Indian Affairs Standards for Adult Detention Facilities," no more than five prisoners should be housed in this facility. However, the facility houses a daily average of 13 prisoners, and has "peaked" as high as 38 inmates over each of the past several years.

The RNC Police have utilized the space vacated by the Tribal Court for administration, clerical and training/conferences purposes. Due to the space and design limitations, it is not possible to adequately secure police weapons, ammunition, legal files and documents, or provide adequate storage space for law enforcement equipment and supplies. The facility also lacks the necessary locker room or shower facilities for the officers to change uniforms, so they have had to make do with a used travel-trailer parked near the law enforcement facility.

Needless to say, there are no secure or separate rooms for visitation, recreation or dining. Furthermore, security and supervision is a constant problem, with some cell areas invisible from outside the cell. In addition to the overcrowding and security issues, the facility is also unsafe because of susceptibility to rodents carrying the Hantavirus. The inability to protect against these rodents creates not only a health hazard for police officers, staff and prisoners but is also a potential source of liability for the Chapter.

To address our detention facility and fire protection problems, the Chapter has withdrawn 15 acres of Chapter land and designated to the Police Department for the development and construction of a new public safety facility. We will, however,

need Federal funding to achieve this goal. Unfortunately, the Bureau no longer requests funds for detention facilities construction and the amount appropriated under the Department of Justice for tribal detention facilities construction and renovation has barely begun to address the need in Indian country. We understand that the waiting list for these discretionary grants is long and under the existing criteria, there are no plans to fund community-based facilities, rather the goal is to construct regional detention facilities.

Because of the extreme need for an adequate detention facility and fire protection services to ensure the safety of our community, the Ramah Navajo Chapter requests $880,000 to construct a safe, secure modern detention facility. The Chapter will continue to seek funding from all possible sources to complete the public safety facility that is so badly needed. We also urge the Subcommittee to strongly support the Administration's request of $34 million in Department of Justice formula grant funds for the construction and rehabilitation of tribal jail facilities.

HOUSING IMPROVEMENT PROGRAM

The Ramah Navajo Chapter is pleased to see that the Administration is finally addressing the desperate state of housing in Indian country by proposing a significant increase for the Housing Improvement Program (HIP). The Bureau estimates the proposed increase of $16.3 million would be used to construct 147 new homes and renovate approximately 290 existing units. We note, however, that according to the recent BIA Report on Tribal Priority Allocations, there is an estimated unmet need of over $418.7 million to support the programs, functions and activities under the Housing Improvement Program. (The comparison used the amount received by tribes under the fiscal year 1998 TPA and other sources of income against the amount expended by a comparable agency or program.)

Further, in the fiscal year 2001 budget justification, the Bureau estimates the average cost to renovate a house at $17,500 and $55,000 to construct a new home. We have found, however, that due to our remoteness and other factors, our estimated cost to renovate is $18,000 per unit and $75,000 to build a new unit.

Nonetheless, the Chapter urges the Subcommittee to support, at a minimum, the Administration's proposed funding level of $31.8 million for the HIP portion of the TPA. We also request that the Subcommittee support full funding of the $650 million requested for the Indian Housing Block Grant Program contained in the Housing and Urban Development budget.

CONTRACT SUPPORT FUNDING

The Bureau's budget request for contract support costs has consistently 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 2001, the proposed contract support budget is $128.7 million, or $3.5 million over the fiscal year 2000 level.

The Bureau acknowledges that, even with the increase, there will continue to be a shortfall in fiscal year 2001 of about $17 million to fully fund the contract support costs for on-going contracts. At the proposed funding level, only about 88 percent of a tribe's negotiated indirect cost rate would be paid. Since the Ramah Navajo Chapter lacks other tribal resources and is thus totally dependent on Federal funds to operate its programs, we will continue to face undue hardship to operate our programs in a manner that meets the needs of our members.

We respectfully request that Congress fund, at a minimum, the budget request amount of $128.7 million for the Contract Support Cost Funds.

The Ramah Navajo Chapter thanks the Subcommittee for the opportunity to provide our views and your consideration of our requests regarding the fiscal year 2001 Bureau of Indian Affairs budget.

PREPARED STATEMENT OF THE METLAKATLA INDIAN COMMUNITY

The Metlakatla Indian Community provides this statement on the fiscal year 2001 budget for the Bureau of Indian Affairs and the Indian Health Service. In summary our requests are:

—$8 million for a health clinic and associated quarters for the Metlakatla Indian Community. This is a new proposal and is $9.4 million less than the IHS estimate for this project.

—$18.8 million increase for BIA law enforcement as requested by the Administration

—$12.6 million for tribal courts as requested by the Administration.

—$3.5 million increase for BIA contract support costs, $5 million for a BIA Indian Self-Determination Fund, and a $40 million increase for IHS contract support costs as requested by the Administration.

—Support in full Committee of the Administration's request of $34 million for construction and rehabilitation of tribal jail facilities and $15 million for tribal courts in the Justice Department budget.

A New, Less Costly Proposal for Clinic and Quarters Construction ($8 million).—Once again, we request funding for construction of a new health clinic and associated quarters in our Community. But this request differs from what that contained in the IHS Priority Construction list. We have reviewed our needs against the plans developed by the Indian Health Service and determined that it should be possible to build the clinic and associated quarters to meet the essential needs of the Community's IHS-funded health program at substantially less cost than projected by the IHS Health Facility Construction Priority System. We have been assisted by the Yukon Kuskokwim Health Corporation on engineering aspects of this proposal, an organization which has recently built its own clinic. And we have been in close communications with Senator Stevens office during the development of this proposal.

We propose that the facilities be constructed by the Community through "force account " (construction done with our own employees) with funds provided by the IHS through the Community's annual funding agreement under Title III of the Indian Self-Determination and Education Assistance Act. A total project cost and breakdown showing clinic construction and equipment, and quarters construction is attached. The total clinic construction cost is $6 million (in comparison with $11 million projected by IHS). The total quarters construction cost is $2 million (in comparison with $6.4 million projected by IHS).

As you know, the Metlakatla Program Justification Document for our clinic and quarters was completed by the IHS in April 1995, and this project has been identified on the list of approved projects in the IHS budget requests to the Congress since that date. The PJD construction schedule included a target date for the completion of the project by April 2000. However, funds have not been provided to date for this construction.

The present facilities in which the Community provides health services are woefully deficient. As long ago as 1985 the IHS (which then operated the program directly) reported that the facilities failed to meet the standards of the Joint Commission on the Accreditation of Health Organizations and requested immediate replacement of the clinic. In successive "Deep Look" surveys the IHS has continued to identify the substandard conditions in these facilities.

The Annette Islands Service Unit Health Center—our only health clinic—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 keep them open. But we must keep our health center open. It is the sole source of health care on the Annette Islands Reserve which is accessible only by small float planes, and even then only when the weather permits.

The Community fully supports the proposal for a model demonstration for the purpose of illustrating an innovative approach to address a situation which severely handicaps the provision of health services to Indians and Alaska Natives through a crash construction program which bypasses the IHS Health Facility Construction Priority System and allows tribes to construct with force account and under construction standards which they themselves adopt. While the model demonstration would not be subject to IHS construction standards, we agree that it should be subject to the requirements of the Joint Commission on the Accreditation of Health Organizations and the Uniform Building Code so that essential health and safety requirements apply and that our health program is not adversely affected by the waiver of IHS standards. The details of the proposed 14,500 square foot clinic, as well as a breakdown of construction costs, are contained in the enclosed summary document.

The Community has reviewed the staffing requirements of the new facility in the light of the new construction approach and concluded that at least 16 full time employees should be added to the present clinic staff at a total annual staffing cost of approximately $856,426. See the enclosed listing of the positions to be added when the new clinic is operational. IHS should be requested to include staffing for the new facility in the budget request for the first year that the clinic will be in operation and thereafter. The attached quarters construction cost document (4 duplexes, $2 million) reflects the reduction in staffing requirements from that projected in the PJD.

Finally we wish to emphasize that the plan for force account construction is critical to the Community not only in order to bring the clinic on line as soon as possible but also to address the unusually severe rate of unemployment at Metlakatla (85 percent) resulting from the closing of the Community's timber processing facilities. By expediting the construction of these health care facilities, Congress will address its responsibilities for health care in this Indian reservation community and alleviate an economic crisis while longer term economic solutions are pursued.

We will be happy to supply further information and documentation of this construction request to the Subcommittee.

LAW ENFORCEMENT

The Annette Islands Reserve is reachable only by boat or, weather permitting, by small floatplanes. Therefore the inherent difficulties associated with Indian reservation law enforcement, such as inadequate funding, poor equipment, insufficient detention facilities, and difficult working conditions, are compounded by our stark isolation. The Community's small police force and limited court system are taxed heavily by the needs of the resident Indian population. The Community does not have a resident state or federal law enforcement personnel or court system. Additionally, under federal law, except for fisheries enforcement, non-Indian residents and visitors are not subject to tribal criminal authority. Therefore, absent a crime taken seriously by state authorities, non-Indian criminal conduct is virtually free from jeopardy.

Staffing.—The Metlakatla Indian Community strongly urge the Subcommittee to support the requested increase of $18.8 million for the BIA Law Enforcement program.

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. In fiscal year 1999, the Bureau dedicated $4 million of the $20 million increase for BIA Law Enforcement to hire uniform police officers, but only BIA-operated programs were eligible for these funds.

The Community's primary concern in this area is recruiting and retaining adequate manpower to properly staff Metlakatla's police force. The Community simply cannot meet the salary expectations of trained law enforcement personnel. Isolation, inadequate housing and high living costs are additional obstacles we encounter.

Further, the Metlakatla police force has the added responsibility of offshore law enforcement exacerbating an already under-manned and under-funded program. Our maritime boundary extends 3,000 feet offshore 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. However, the Bureau dedicated over $5 million of the fiscal year 1999 $20 million increase to replace police vehicles (sedans and SUV's only with 100,000 miles or more).

Detention Facilities.—We urge the Subcommittee to strongly support, at a minimum, the Administration's request for $34 million in Department of Justice appropriations for the construction and rehabilitation of tribal jail facilities.

The Community's detention facility, built in 1966, was designed to hold 6 male and 4 female prisoners. In all of 1999, 213 men and 60 women were detained at this facility. A recent compliance survey of the facility found numerous violations of health standards due to the age and overcrowded conditions we must operate under. Because of our isolation, we cannot transfer our prisoners to a nearby facility, if they had room to accommodate our needs. You can no doubt appreciate that our officers are at extreme risk from a security standpoint.

While we firmly support the proposed funding level of $34 million for detention facilities construction under the Department of Justice, we also realize that it will be at least four or five years before the Community could receive any assistance for its detention facility problems. Additionally, under the existing criteria, there are no plans to fund community-based facilities; rather the DOJ goal is to construct regional detention facilities.

TRIBAL COURTS

The Metlakatla Indian Community urges the Subcommittee to support the Bureau's request of $12.6 million for Tribal Courts funding and the $15 million requested under the Administration's proposal for the Department of Justice.

The increased law enforcement resources appropriated over the past two fiscal years have resulted in increased demands on the tribal justice systems. Additionally, increased federal initiatives such as welfare reform, Indian Child Welfare, and community policing have contributed significantly to the Metlakatla Indian Community's tribal court caseload, as have other tribal justice systems faced increased demands.

As you know, BIA tribal court funding is within the Tribal Priority Allocations (TPA) budget category. Therefore, without a significant general increase to the TPA, tribal court funding increases are minimal-depending on its ranking within all categories of the TPA. Further, any increase is distributed among all tribes with tribal court programs, which in 1999 the Bureau reported as 250 tribal judicial systems (including Courts of Indian Offenses that serve multiple tribes). According to the recent BIA Report on Tribal Priority Allocations, there is an estimated unmet need of over $17 million to support the programs, functions and activities of tribal courts when the level of funding is compared to the amount received by tribes under the TPA and other sources of income.

CONTRACT SUPPORT COSTS

We respectfully request that Congress fund at least the amounts identified in the IHS; and BIA budget requests for the Contract Support Cost Funds.

The Community supports the $3.5 million increase requested by the Administration for BIA contract support cost funds and $5 million to reinstate the BIA Indian Self-Determination Fund. However, the Bureau estimates that the current on-going shortfall is about $17 million, with only about 88 percent of a tribe's negotiated indirect cost rate being paid. We also support the Administration's request of a $40 million increase for IHS contract support costs.

On behalf of the Metlakatla Indian Community, we appreciate the opportunity to provide our views to the Subcommittee regarding the Bureau of Indian Affairs budget for fiscal year 2001 and regarding our health clinic construction proposal.

PREPARED STATEMENT OF THE ROCK POINT COMMUNITY SCHOOL OF THE NAVAJO NATION

Mr. Chairman and Members of the Committee: Rock Point Community School wishes to express its appreciation for this opportunity to share our concerns regarding the education of our children and the education of the Native American Children in general.

While the entire United States is striving to improve education, we at Rock Point and other Native American communities axe still far behind the national norm. As we reported to you last year, we continue to need adequate funds to train and retain qualified teachers. This still holds true for this school year. The funds available to us are considerably less than the National expenditure per student.

Our main concerns are about funding for ISEP, Transportation, Administrative Costs Operation and Maintenance, and Facilities Improvement and Repairs are outlined as follows

INDIAN SCHOOL EQUALIZATION PROGRAM (ISEP)

This appropriation provides for direct classroom instruction. The Weighted Student Unit (WSU) for school year 1999–2000 was $3,390.00, In 1991, an ISEP Task Force had determined $3,499 as the minimum need per WSU, however, presently it is still far below what the Task Force had recommended. The Weighted Student Unit funding and allocation does fluctuate from year to year, so it is hard to plan a program if we do not know the amount of funding for upcoming school years. Rock Point Community School is far removed from the nearest major big town—we must travel 2 hours to town to get—needed supplies. Costs of classroom instruction including annual salary step increases and increased costs for more trained and qualified teachers is increased well over 6 percent per year. We most emphasize that the National Per Capita average is estimated at $6,500.00 per student.

Recommentation.—We recommend that the Appropriation Subcommittee appropriate $360.0 million for BIA–ISEP School operation. This will increase the WSU to $4,000 consequently, we will, be able to purchase updated classroom supplies, text books, library books and also purchase innovative instructional materials and equipment such as computers and relevant educational so softwares.

School transportation

In all these past years, all Bureau funded schools have been underfunded, therefore, a considerable portion of ISFP funds which is for classroom instruction has

been used to pay for the transportation of students, We run. our buses on unpaved and paved roads so most of the buses do need constant maintenance, all maintenance is done in town (2 hours away), so taking buses back and forth really adds expense. The national average expenditure for a mile of transportation in the school year 1993–1994 was $2.92, but we received only $2.26 per mile in the current school year. The current increase in fuel costs has started to eat into our transportation and ISEP budget. The Cost of Living Adjustment (COLA) is a factor and not added into the current rate. It is not right to take funds away from classroom instruction and use these to offset school transportation costs. GSA also continues to raise their annual rates on leased buses, vehicles and mileage rates. These are added costs and are beyond our control, yet we but have to continue to absorb these. Moreover, extra curricular activities are offered to the students, these are extra costs to our transportation and does eat away another substantial portion of our ISEP and transportation budget.

Recommentation.—We strongly request that $5O million be appropriated to Indian Schools so at least we are comparable with the national average of $2.92 per mile. We have been under funded for years, it is about time that Indian schools are funded adequately.

Administrative cost grant

The last three years Congress has "capped" the Administrative Cost Grant at $42.2 million. This has hurt all Grant/Contract schools financially. Every year we set our educational goals to implement within the 12 month period, but if we are funded at 81 percent this school year, we cannot fully accomplish or meet goals that we have set, therefore, we are hard-pressed to meet National or state standards as expected of us. Public Law 100–297 also gives an option to Bureau funded schools to become grant schools, so if more BIA schools "go Grant", the shared costs for grant/contract school decreases. The administrative and technical support functions previously provided by BIA at Agency of Area level are now mostly the responsibility of Contract and Grant schools. Unfortunately, This school year, we had to cut services as well as personnel to operate within the allotted funding.

Recommentation.—Since Administrative Cost is one of the most pressing concerns, we strongly recommended that the Administrative Costs Grant be funded at $57.9 million. BIA OIEP's request is a $4.1 million increase over the frozen level of $42.2 million for the past three years. This is not enough. The current appropriation language still. retains the "cap" on the amount of BIA fund, that can be spent on Administrative Cost Grant. Public Law 100–297 allows that the AC grant be funded at 100 percent. We also recommend that the "cap" be removed from the budget.

FACILITIES OPERATION AND MAINTENANCE AND FACILITIES IMPROVEMENT AND REPAIR

Rock Point School's total square footage for all buildings totals 161,027 sq. ft. Out of this, the elementary school complex, built in 1963–1966, has an area of 101,027 sq. ft. These buildings are starting to depreciate and we contemplate that within another two to three years, constant maintenance will be required. For fiscal year 1998–1999, the facilities budget constrained at 66 percent and again this school year we were constrained at 66 percent. With all these budget constraints, all the major maintenance cannot be addressed on annual basis and some of these uncorrected students are moved into the Facilities Improvement and Repair (FI&R) account. Not enough funds are appropriated by Congress in the FI&R account, this is not enough to take care of the major back-logged safety items. Bureau system. wide, the FI&R currently is back-logged at over $800 million.

Last year, BIA and Congress agreed to separate the school facilities operation and maintenance accounts into two accounts; "facilities operation" and "facilities maintenance". In fiscal year 2001 budget request, BIA proposed an even more dramatic Structural change which might have major impact on school funding as well as any policy changes within the bureau—They are proposing to move $27.8 million of Facilities Maintenance to construction and also to the FI&R account. There is no explanation for this proposal nor is there any assurance whether the FACCOM formula used to distribute Facilities Maintenance funds to schools will continue to be used. Recently, we were informed by OIEP that they will withhold 4 percent of our O&M funds for their administrative cost. We have protested this withholding and all O&M funds should be distributed to us. These are arbitrary decisions that axe being made by OIEP without proper tribal consultation.

Recommentation.—We recommend that $57.0 Million be funded for the Maintenance account. This will at least take care of some of the maintenance cost. We also recommend $57.0 million be appropriated for the Operation account. Thirdly, it is requested to fund the FI&R account in the amount of $300 million to Lake care of some of the major backlog items in Bureau-wide schools.

Family and Child Education Programs (FACE)

We support the BIA–OIEP proposal to add twenty-two more FACE programs in the amount of $6 million, as requested in tile budget. This request will double the FACE programs. We plan to write a proposal to this; program enabling us to implement an Early Childhood Program which is an essential foundation part of child development both psychologically and academically. We know FACE program can strengthen our children's attitudes toward school and their outlook on life.

PREPARED STATEMENT OF THE ALASKA NATIVE HEALTH BOARD

The Alaska Native Health Board (ANHB) submits this statement on the Administration's proposed fiscal year 2001 Indian Health Service budget. In summary, our recommendations are that the IHS budget be increased over the fiscal year 2000 level in order to address the following health priorities:

—$60 million for inflation
—$1.2 million increase for the Alaska Village Built Clinic Lease Program for a total of $5 million
—Support at a minimum the Administration's proposed $41 million increase in Contract Health Services to help address patient and family housing needs in Alaska and to reduce deferred health services
—Support at a minimum the Administration's proposed $40 million increase for Contract Support Costs, but distribute the increase consistent with the January 20, 2000 Circular signed by IHS Director Trujillo.
—Fund design and construction of health centers at St. Paul and Metlakatla
—Increase funding for diabetes
—Increase funding for access to dental care
—Support at a minimum the Administration's proposed $6 million increase (for a total of $18 million) for the Community Health Emergency Fund, in part to assist with emergency patient travel costs in Alaska

Because the length of appropriations testimony is limited to four pages, we refer you to our Federal Legislative Priorities booklet of February 4, 2000 which describes in more detail our legislative and appropriations recommendations.

Built-in Costs (Inflation).—While the proposed budget includes funding for required pay cost increases, no funding is provided for inflation. IHS indicates that approximately $60 million is needed to cover the cost of inflation, and we urge Congress to provide funds for this purpose. Tribal and IHS health care providers annually see the value of their program dollars diminish because they must absorb substantial portions of built-in costs. The proposed fiscal year 2001 program increases are in part off-set by the lack of funding to cover medical and non-medical inflation.

Village-Built Clinics.—Village Built Clinics and the Community Health Aide/Practitioners who staff them are the source of all health care in rural Alaska. Community Health Aide/Practitioners serve 169 villages with populations ranging from 50 to 1,500.

The $1.2 million increase we request (for a total of $4.9 million) consists of $965,000 for inflationary costs and to mitigate the fact that the lease income from the facilities is in many cases lower than reasonable local rates. The remaining $278,000 is requested for eight additional leases for village-built clinics.

Contract Health Care: Deferred Services; Patient and Family Housing.—The Administration requested a $41 million increase in Contract Health Care for a total of $447 million. While this may seem like a large increase, the need in Alaska and elsewhere exceeds by far the budget request. In Alaska, we have a serious problem with deferred services and with covering the cost of patient and family housing due to inadequate contract health care funding.

In Alaska alone, there were 9,416 deferred health services in fiscal year 1999 due to inadequate IHS contract health care funding.

And the housing needs of patients, escorts, and family members who must travel away from home for medical care services are uniquely pressing in Alaska, where services are frequently sought hundreds of miles away in areas where hotels and other public lodging may be scarce or prohibitively expensive.

In Anchorage, this need is partially met through the availability of Quyana house, a patient hostel connected to the Alaska Native Medical Center. Quyana House has 50 rooms and 108 beds and is almost always filled to capacity. Patients must seek off-campus housing in hotels or with family and friends. In the long term we hope that funding, possibly through HUD, can be obtained to build more housing on the ANMC campus, but in the interim we need additional funds through Contact Health Services to assist in the provision of patient and family housing in Anchorage, Sitka, Dillingham, Barrow, Kotzebue, Nome, Kodiak, and Bethel.

Contract Support Costs.—We support the Administration's proposed $40 million increase (for a total of $268 million) for Contract Support Costs. But we disagree with the proposed bill language, which would apply the entire increase to new and expanded programs, with any unused funds being distributed to ongoing contracts. We believe the funds should be distributed consistent with the IHS contract support circular which was signed by IHS Director Trujillo on January 20, 2000 which provides one pool of funding for new contracts and another for ongoing contracts. And we would continue to oppose a pro-rata distribution of contract support funds, an idea which was considered last year by the Appropriations Committees.

St. Paul and Metlakatla Clinics.—ANHB urges Congress to appropriate fiscal year 2001 funding for the St. Paul and the Metlakatla health centers so that the communities can finally begin the construction process for these desperately needed health facilities. The St. Paul and the Metlakatla Indian Community health centers and associated staff quarters are next on the IHS priority list to receive funding (assuming that Congress funds the design of the Pawnee clinic as requested by the Administration). St. Paul and Metlakatla are both island communities who are the sole source providers of health care for Native and non-Native populations.

St. Paul Health Center.—The Pribilof Island of St. Paul is the northern most island in the Aleutian chain. It is located in the Bering Sea, 800 miles from Anchorage, and is arguably one of the most isolated communities in the nation. The current health facility at St. Paul was built in 1929—the oldest facility in the IHS system. The present clinic has many documented physical and environmental deficiencies and is much too small to adequately serve the Native and non-Native population. While the clinic serves the approximately 900 permanent residents of St. Paul Island, it also is the sole source provider of health services to 3,000 fishermen during fishing and crabbing seasons and to tourists who come to see the sea birds. Accident rates on St. Paul are very high, attributable to both the harsh environment and the high risk of the fishing occupation. Medical emergencies among fishermen is a daily experience.

Metlakatla Indian Community Health Center.—The Metlakatla Indian Community of the Annette Islands Reserve has a population of over 1,500 and a land base of 87,000 acres in southeast Alaska. Health services are housed in four modular units that were built in the 1970's. The facilities are set on pilings and are connected by open, elevated, wooden walkways. Over time the buildings have settled unevenly, posing an unsafe environment for people seeking health services (18,000+ visits per year). The buildings continue to deteriorate. In the past few years the walls continued to drop or resettle, causing expensive emergency repairs and in some cases, evacuation of rooms. And the facilities are overcrowded and the utility systems inadequate to support the modernization of medical equipment.

Diabetes.—The Administration requested a $3.88 million increase for diabetes, but given the incidence of diabetes throughout Indian country we urge Congress to provide an increase larger than the amount requested.

According to a recent report released by the National Indian Council on Aging, there is an emerging epidemic of diabetes among Alaska Natives, who until recently had registered relatively low rates of the disease. While the rate of diabetes in the Anchorage Service Unit is relatively normal, in some areas of Alaska, the prevalence of diabetes is almost four times higher than the prevalence of the disease across all races in the U.S. In areas that have traditionally had very little diabetes, such as the Y–K Delta and Norton Sound, the rate of increase is alarmingly rapid—over 150 percent in twelve years.

Dental Care.—We urge Congress to at least double the IHS funding for dental care services and education. We urge the development of a system for training Community Dental Health Aide Practitioners to provide some types of dental services in villages. And we recommend that dental hygienists be trained so that their duties can be expanded (e.g, traumatic restoration of teeth). We need additional incentives (e.g, through the IHS loan repayment program and retention bonuses) so that we can recruit and retain more dentists in Alaska.

Access to dental services for Alaska Natives, which historically has been limited, has now reached crisis proportions. In almost all Alaska Native dental programs, the available care is tightly rationed. Most dental programs in Alaska have unreasonably long waiting times for appointments, up to a year for many services. Some programs have stopped making new patient appointments altogether as they are barely keeping up with basic preventive care for children and treatment already in progress for adults.

Patients with toothaches, living in villages, sometimes suffer for months while waiting for the next itinerant dental visit. In some cases, these patients spend hundreds of dollars traveling to an already overcrowded dental clinic hundreds of miles away.

Children with rampant dental decay often go untreated because of lack of access to dental care. It is not uncommon to see children with 12 out of their 20 baby teeth severely decayed. The rate of decay among children in Alaska is 2½ times the national rate. And rates of oral cancer among Alaska Natives are higher than in any other IHS area. Oral cancers are often detectable through routine oral exam and biopsy. These cancers generally appear in adults, the segment of the Alaska Native population with the least access to dental care.

Travel Subsidy for Patients.—ANHB recommends that an additional $10 million be added on a recurring basis to the IHS Hospitals and Clinics budget for patient travel in Alaska. Additionally, we support the Administration's proposed $6 million increase for the Comprehensive Health Emergency Fund, some of which can assist with the costs of emergency medical travel in Alaska.

Due to Alaska's unique geography and the lack of a developed road system in most of the state, access to care is a critical issue facing Alaska Natives. While the Community Health Aide/Practitioner Program and physicians assistants ensure basic health care at the village level, many diagnostic services and treatment procedures are not feasible in village clinics. The majority of rural Alaska Natives who need a physician's care must travel by air to receive these services from regional hospitals. When rural regional hospitals are not staffed or equipped to provide specialized diagnostic or treatment services, Alaska Natives must travel further by air to the Alaska Native Medical Center in Anchorage.

Citizens in other parts of the United States access health care through federal or state subsidized highway systems. We need comparable consideration in funding of access to health care in Alaska.

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 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. 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 2000 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 years 1996–2000)
—Salmon catch (age-sex-length) sampling (fiscal years 1996–2000)
—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 years 1994–2000)
—Eldorado River, Pilgrim River & North River salmon counting towers (fiscal years 1996–2000)
—Regional subsistence harvest surveys (fiscal years 1994–2000)
—Public forums: project planning (fiscal years 1994–2000)

Yukon River

—Chum salmon micro-hatchery development (fiscal years 1994–1995)
—Toklat fall chum salmon productivity analysis (fiscal years 1994–2000)
—Pilot Station main river salmon counting sonar operations (fiscal years 1994)
—Anvik River terminal harvest test seine fishery (fiscal years 1994)
—Kaltag Creek salmon counting tower (fiscal years 1994–2000)
—Nulato River salmon counting tower (fiscal years 1994–2000)
—Tanana Village salmon abundance test fishwheels (fiscal years 1994–2000)
—Mountain Village fall chum salmon abundance test fishery (fiscal years 1995–2000)
—Andreafski River coho salmon counting weir (fiscal years 1995–2000)
—Galena village fall chum salmon abundance test fishwheel (fiscal year 2000)
—Tanana River fall chum tag & recapture population estimate (fiscal years 1995–2000)
—Clear Creek salmon counting tower (fiscal years 1996–2000)
—Pilot Station sonar local Native technician (fiscal years 1996–2000)
—Nenana River salmon spawning surveys (fiscal years 1996–2000)
—Lower Yukon (Emmonak) local Native fishery technicians (fiscal years 1997–2000)
—public forums: subsistence management plans & project planning (fiscal years 1994–2000)

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 years 1994–1995)
—Chum salmon migration timing and spawning distribution study (fiscal year 1995)
—Kanektok, Takotna and Kwethluk salmon counting towers (fiscal years 1996–2000)
—George River salmon counting weir (fiscal years 1996–2000)
—Aniak River sonar local Native technician (fiscal years 1996–2000)
—Tatlawiksuk River salmon counting weir (fiscal years 1999–2000)
—public forums: inseason management and project planning (fiscal years 1996–2000)

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 2001 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 both the 1998 and 1999 seasons saw widespread salmon run failures throughout western Alaska. Not only were chum salmon returns weak as in the 1993 crash but chinook returns were unexpectedly poor and coho and sockeye returns were also below average. These unforeseen stock declines point 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.

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 BRISTOL BAY AREA HEALTH CORPORATION

The Bristol Bay Area Health Corporation (BBAHC) submits this statement on the Administration's proposed fiscal year 2001 Indian Health Service budget. In summary, our recommendations are:

—Support the recommended increase for Contract Health Care;
—Increase the funding and leasing authority for Village Built Clinics;
—Provide funds for Patient Travel specifically for Alaska programs and funding for patient transport vehicles;
—Support the recommended increase for contract support costs, which should be distributed in accordance with the January 20, 2000, IHS Circular;
—Support continued funding for Telemedicine program; and
—Correct unintentional effect of section 325 (Public Law 105–83).

The BBAHC also joins in concurrence with the Alaska Native Health Board recommendations to increase by $60 million funding for Built-in Costs to cover the cost of inflation as well as increased funding for diabetes and access to dental care.

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—an area covering 46,573 square miles. 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.

CONTRACT HEALTH CARE FUNDING

The BBAHC supports the Administration's request for a $40.9 million increase for the Contract Health Care program. This funding allows us to "purchase" those health services that we are not otherwise able to provide at our Dillingham regional hospital or village clinics. Such services include OB–GYNs and other health care specialists who are not on the permanent staff of the hospital. Through purchasing

the specialized services, we are able to bring the medical personnel to our hospital for special need patients.

We are concerned, however, that the Administration's request does not include increases for inflation or other built-in costs even though contract health services is especially impacted by the medical inflation rate. Failure to provide for the increased costs due to inflation requires tribal and IHS programs to absorb the costs, thereby restricting the extent of services we could otherwise provide.

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. The lease agreements, usually with local city governments or tribal governments, enable us to provide health care in rural Alaskan villages. However, because of limited funding for the program, we have been unable to start up the village clinics in these two communities. At our existing village clinics, adequate space to perform on-going clinic services is often at premium. Not only are we facing increased patient loads, when visiting doctors are using the clinics to treat patients, staff must perform the regular clinic services from their homes.

Additional funds of at least $1.2 million are needed to fund additional leases for village-built clinics, cover inflationary costs, and mitigate for lease income from these facilities being lower than the reasonable local rates. The village clinics are vital to enabling the Community Health Aide Practitioners, doctors, dentists and others to provide health services to village residents.

PATIENT TRAVEL/PATIENT TRANSPORT VEHICLES

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. Further, planes coming in to pick up or return patients must meet Federal Aviation Administration regulations which require that landing strips be located further away from villages than in the past.

The Community Health Aid Program and physician assistants provide essential basic health care at the village level. As you know, there is a critical lack of a well-developed highway system in Alaska. Consequently, those who need a doctor's care or other diagnostic procedures must rely on air travel to obtain those services at the regional hospitals or the Alaska Native Medical Center (ANMC). Not only are the air travel costs expensive, there are related costs such as lodging and meals for the patient or family member(s) accompanying the patient. As reported in the 1991 "Access to Care: Crisis for Alaska Natives" report, 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.

Although the ANMC in Anchorage provides limited accommodations for family members accompanying a patient, it is not sufficient to house all those in need. At the regional hospitals, hotels or other accommodations are either very expensive or scarce.

The BBAHC urges Congress provide for the Alaska health care programs an increase of $10 million for patient travel, added on a recurring basis to the IHS Hospitals and Clinics line item.

A related patient transportation development arises from the aforementioned Federal Aviation Administration regulations. Previously, most airplane landing strips were located on the edge of villages or in villages. With the revised safety regulations in place, the airstrips now range up to seven miles away from the village clinics in our area. While this has resulted in less danger of airplanes hitting power lines, we are no longer 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 may become an issue for JCAHO accreditation.

For these reasons, vehicles in which to transport patients to and from airstrips/airports and village clinics are necessary. The BBAHC estimates its need at $1.4 million to purchase 16 patient transport vehicles and construct heated buildings in which to store them.

CONTRACT SUPPORT COSTS

The BBAHC very much supports the Administration's proposal for an increase of $40 million in IHS contract support costs. Without these additional funds, tribes will continue to be impeded in their right to assume local control over federal Indian programs, such as health care, or be financially penalized for electing to exercise that right.

We join ANHB in opposing the proposed bill language that would apply the entire increase to new and expanded programs, with any unused funds being distributed to ongoing contracts. Rather, we believe the funds should be distributed consistent with the IHS contract support circular that was signed by IHS Director Trujillo on January 20, 2000. That circular provides one pool of funding for new contracts and another for ongoing contracts.

TELEMEDICINE

The BBAHC urges that Congress fund, at a minimum, the Administration's budget request of $4 million in the IHS budget for the third year of the Alaska Federal Health Care Access Network (AFCAN). The AFCAN, a multi-year telemedicine and telehealth technology project, will eventually 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.

CORRECTION TO SECTION 325 OF PUBLIC LAW 105–83

We urge your Committee to include in the fiscal year 2001 appropriation act language that would correct what we believe to be an unintended effect of section 325 of Public Law 105–83. Under that section, the Alaska Native Tribal Health Consortium is required to provide the statewide services of the Alaska Native Medical Center and the Area Office. These services are defined as those services of the ANMC and Area that were not under contract or an annual funding agreement with any other tribe or tribal organization as of October 1, 1997. IHS legal counsel has interpreted this provision as overriding agreements which the IHS had previously entered into with tribal consortia that funds for certain Area Office programs, functions, services, and responsibilities (which the consortia could have elected to take as "tribal shares") could remain with the IHS until such time as the tribal consortia decided to assume these programs.

If it had not been for section 325, BBAHC would have clearly had the right to contract for these Area Office tribal shares in fiscal year 2000. Instead, IHS maintained that these funds could, by law, only be provided by IHS to the ANTHC. Our legal counsel advised us that these funds remained with IHS subject to our contractual right to withdraw them and that the terms of our annual funding agreement assured that these funds should be regarded as "under contract or annual funding agreement as of October 1, 1997," although we had not yet elected to assume the programs, services, responsibilities, or functions. The issue was not resolved in AFA negotiations for fiscal year 2000 but was officially memorialized as a dispute between the parties.

We have not brought suit to enforce our rights to these funds. We do not think we should have to expend scarce resources litigating with the United States on the enforceability of the agreement that IHS had with us that these funds remained in its hands only as long as we chose that they should. We ask, therefore, that the provisions of section 325 be amended by adding the following proviso at the end of the first sentence of section 325:

"Provided, However, that Area Office tribal shares retained by IHS as of October 1, 1997, as specified in a tribe's or tribal organization's fiscal year 1997 Annual Funding Agreement shall not be considered statewide health services under this subsection."

Thank you for the opportunity to share BBAHC's concerns on the health needs of people in the Bristol Bay Area in Alaska and of Native people throughout the nation.

PREPARED STATEMENT OF THE NEZ PERCE TRIBAL EXECUTIVE COMMITTEE

The Nez Perce Tribe is requesting the following funding amounts for fiscal year 2001, which are specific to the Nez Perce Tribe:

—$875,050 through the Bureau of Indian Affairs Indian Rights Protection account for Water Rights Negotiation and Litigation to enable the Tribe to continue its participation in the Snake River Basin Adjudication, the largest water rights adjudication in the country.

—$600,000 through the U.S. fish and Wildlife Service for the Tribe's Gray Wolf Recovery Program.

—$530,000 through the Bureau of Indian Affairs Law Enforcement for the addition of police and law enforcement staff in order to provide adequate, 24-hour services to our communities.

—$438,700 for Child Welfare Grant Program and 638 Contract Administration Costs for Tribal Social Services Programs contracted through the Bureau of Indian Affairs.
—$300,000 through the Bureau of Indian Affairs for upgrading Lapwai water and waste water systems.
—$200,000 through the BIA for Tribal involvement in the Federal Energy Regulatory Commission's re-licensing of Idaho Power's Hells Canyon Complex.
—$95,000 through the U.S. Department of Agriculture/Forest Service Road and Trail Construction Program to provide biological control organisms for noxious weed control.

The Tribe strongly supports the Administration's $9.4 billion Native American fiscal year 2001 Budget Initiative, with specific proposals in the initiative and other requests discussed below.

Snake River Basin Adjudication Negotiations Funding: BIA—$875,050

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 own in-house counsel and by the Native American Rights Fund (NARF) in Boulder, Colorado.

In December of 1998, the SRBA Court ordered the parties to the Nez Perce claims into mediation. The mediator jointly selected by the parties and appointed by the SRBA Court is Francis McGovern, a law professor whose mediation skills are internationally recognized.

For fiscal year 2001, the Nez Perce Tribe requests that Congress earmark $875,050 in the BIA's Indian Rights Protection account for Water Rights Negotiation and Litigation for the Tribe, enabling us to continue 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.

Gray Wolf Recovery Program: Fish and Wildlife Service—$600,000

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 developed 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 to begin delisting. Funding support has failed to keep pace with the needs of the people of the region as the population of wolves has grown from 35 released wolves to just over 150 animals. Currently only 30 percent of the wolf population is fitted with radio collars. Our management plan, approved by the Fish and Wildlife Service, has a goal of maintaining collars on half the animals in the population. An increase in our funding level is needed to support ongoing research partnerships and to provide more collars for animals, more staff to collar the animals, and additional monitoring flights to track their movements, especially as new packs form in previously unoccupied wolf habitat. The data gathered is shared with the people most affected by the recovery so they area aware of the presence of the animals and can take actions as allowed under the terms of the program to address their concerns. The recovery effort is ahead of schedule but requires more staff and equipment to do this complex and important work. The Tribe is requesting an increase of $300,000 annually to bring the amount appropriated for wolf recovery in Idaho to $600,000 annually.

Staffing of Nez Perce Tribal Police Department: BIA Law Enforcement—$530,000 increase

The Nez Perce Tribal Police Department provides law enforcement services to both Indian and non-Indian populations of more than 30,000 citizens within the boundaries of the Nez Perce Reservation. The Reservation, which covers an area of more than 1,200 square miles, includes four county and five cities. In fiscal year 1999 the Nez Perce Tribe was able to increase its patrol officers from 6 to 12, due to Congress' funding increase for BIA Law Enforcement. We are grateful for Congress' support, but we still fall short in our staffing needs: the Tribe needs five more patrol officers to reach the minimum 17 officers necessary to perform patrol duties around the clock. The Tribe also lacks funding for a Communications-Dispatch center that would require a staff of seven; the construction of a proposed adult-juvenile detention center ultimately will require 13 more positions. With the addition of the

patrol and dispatch positions in fiscal year 2001, our police department would be equipped to provide around-the-clock services to our communities and develop increased interagency cooperation between the multiple law enforcement organizations on the Reservation. These twelve positions will require an additional $530,000 in our current annual Public Law 638 contract with the BIA, an amount which is only about one half of one percent of the Administration's requested BIA law enforcement budget increase of $103 million from last year. We strongly support the Administration's request of $439 million for BIA Law Enforcement programs and urge that a portion of these the funds be provided to the Nez Perce Tribal Police Department to pay for crucial law enforcement services.

Tribal Social Services Program: BIA—$438,700

The Nez Perce Tribe has contracted with the BIA through a 638 contract to run the Social Services Program, which administers many different tribal assistance programs. In the past five years, services to individuals on the reservation have increased by at least 300 percent, while funding levels for contract support costs have decreased each year. This has seriously jeopardized the Tribe's Social Services Department from updating equipment and hiring adequate staff to meet the needs of their clients in Tribal assistance programs.

Indian Child Welfare and BIA Welfare Assistance are just two Social Services programs the Tribe operates. The Indian Child Welfare Programs tries to prevent the break up of Indian families, as well as handle child abuse and neglect cases, court interventions and foster care placement. Because the Tribe's share for the Indian Child Welfare Program is only $50,200, there is only one welfare worker to provide services to the 75 families and children in crisis who currently receive services under this program. The BIA Welfare Assistance Program run by the Tribe services hundreds of cases under this program, yet it will only receive $126,500 for fiscal year 2000. The Tribe's established share for contract Administration costs for fiscal year 2000 is $132,000, $2,500 less than last year. For these programs' overall fiscal year 2001 budget, the Tribe is requesting $438,700, which includes increases of $50,000 for 638 Contract Administration costs, $30,000 for Indian Child Welfare, and $50,000 for Welfare Assistance.

Lapwai Water/Wastewater System Upgrade: BIA—$300,000

The Nez Perce Tribe has several water systems in desperate need of upgrade and improvement, and several new water systems will be required to provide service to Tribal members currently receiving either insufficient or no services. Funding would be used to conduct further assessments of the current drinking water and waste water systems, upgrade existing systems, identify future needs, and further the Tribe's ability to independently manage the drinking water/waste water systems.

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 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 the Tribe has been a participant in the relicensing process since it began 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. The funding requested would allow the Tribe to participate in this process.

Noxious Weed Control—$95,000

The Nez Perce Tribe has implemented a program to develop biocontrol agents (primarily insects) to address the problem of noxious weed management as part of Idaho's Strategic Plan for Managing Noxious Weeds. This funding, from the USDA/Forest Service, would be used to provide biological control organisms and technical assistance to Cooperative Weed Management Areas. Biological control of noxious weeds is seen by experts as the best way to stop the spread of many types of weeds. The Tribe is pursuing this project because the need for controlling noxious weeds

throughout the Reservation. Tribal staff are working at all levels of government to improve noxious weed management through cooperative efforts. The Nez Perce Bio-Control Center's mission is to provide a full service biological control of weeds program to landowners and managers throughout Idaho. The Center will rear and distribute hard-to-establish biological control organisms and newly available organisms, to address the needs of range and wild land resources. The Center will become a centralized clearinghouse of biological control of weeds resources and information, develop and maintain a standardized biological control agent tracking system and host technology transfer workshops and informational seminars. These funds will enable the Center to focus upon providing desired services in a coordinated manner to Cooperative Weed Management Areas throughout Idaho as part of Idaho's Strategic Plan for Managing Noxious Weeds. Appropriated funds will be used to cover salary and development of nurseries for available agents The Center will promote and seek opportunities to create quality employment for Nez Perce people.

SELECTED ITEMS OF GENERAL SUPPORT

Transportation

The Nez Perce Tribe strongly supports the Administration's budget request of $375 million, a 50 percent increase over 2000, to improve roads, bridges, highway safety and transportation services on Indian reservations. The Tribe recommends that two percent of the request be set aside, separate from construction and maintenance accounts, to provide support for tribal transportation planning. Transportation planning is a critical and required first step in any Tribe's decision-making process regarding reservation roads. It gives us a clearer view of the future, guiding decision-making today. Our Tribe's transportation department estimates that it will cost about $150,000 annually to do the necessary planning for future road projects. The Nez Perce Reservation, which encompasses more than 770,000 acres, has numerous roads and bridges in dilapidated or even dangerous condition which could be improved with funds from this request. The Administration's request for $32 million of BIA funds to be used to supplement Department of Transportation funding for Reservation roads and bridges is also strongly supported by the Tribe.

Economic Development

The Nez Perce Tribe supports the Administration's request for $54 million in Tribal funding for the Department of Commerce, $49 million of which will further the Economic Development Administration's infrastructure, planning and public works projects on Indian Reservations. Last year the Nez Perce Tribe received an EDA grant for the joint construction of a sewer line in cooperation with the City of Lewiston, Idaho. This important project would not have been possible without EDA funding. The Tribe has plans for additional development which will require EDA infrastructure funding.

Health Services

The Nez Perce Tribe strongly supports the Administration's request of an additional $230 million to the Indian Health Services budget, totaling $2.6 billion, for fiscal year 2001, including $104 million in program increases for services and facilities. The Tribe is in the process of securing sufficient funding to construct badly-needed new health care facilities on our reservation. Our clinics now are overcrowded and outdated and Tribal members are under served; new clinics will provide increased and improved health care for our people. The Tribe also strongly supports the Administration's proposed "Healthy People 2010" initiative and its goal of achieving equivalent and improved status for all Americans over the next ten years. It is well known that Native Americans suffer from significantly poorer health than other citizens, and this disparity must be addressed.

Natural Resources: Independent Forest Assessment Review

The Nez Perce Tribe supports an allocation of $750,000 from the BIA to fund an Independent Forest Assessment Review as required under the National Indian Forest Resource Management Act. This study will provide a valuable benchmark in assessing the status of Indian forest resource management and the health of this valuable resource.

Thank you for your consideration of the Nez Perce Tribe's appropriation requests for fiscal year 2001.

PREPARED STATEMENT OF THE ROUGH ROCK COMMUNITY SCHOOL

INTRODUCTION

My name is Dr. Bob Roessel and I am the Executive Director of the Rough Rock Community School on the Navajo reservation. For those who may be unfamiliar with this institution, formerly this institution was known as the Rough Rock Demonstration School when it started back in 1966. At that time, it was the first school in the United States contracted directly between the BIA and a local community at Rough Rock. This first contract school has been copied by approximately 270 other contract /grant schools located throughout Indian country. At that early period, the school was a leader and innovator in Indian education. The two principles on which this school was founded, and is still based today, are: First, control by an all Navajo School Board and second, brought into the school curriculum elements of Navajo history, language, and culture. The Rough Rock experiment was the result of interest and pressure brought by Navajo leadership and a local Navajo community supported by BIA people such as Area Director, Graham Holmes, and Bud Benham, Director of Schools for the Navajo, and a climate that was conducive to the formation of such a school. Today, the school continues to exist with its name changed to the Rough Rock Community School. This school continues to be a leader in both Navajo and Indian education. The school is an active participant in all matters and affairs affecting Indian education in general and Navajo education in particular. My wife and I started the Rough Rock Demonstration School and came back to this school three years ago given the charge to reestablish it on its original foundation of emphasis and respect for Navajo history, language, and culture. There have been great changes, not all of them for good, that differentiates the first contract school started in 1966 and the same school in the year 2000. Today, there is a far greater acceptance of the responsibility and right Indian people have to direct and control their education. There is a greater recognition of necessity for Indian people, and all people for that matter, to have a positive self image and to look upon themselves with pride. However, today there is an attack on schools such as ours by the BIA for reasons we do not understand. There are those individuals in the BIA and the Department of the Interior who evidently feel that the Rough Rock Community School is rocking the boat and saying and doing things that these individuals feel will harm or hurt their perception of Indian education.

INTENSE RESIDENTIAL GUIDANCE

Currently, our major problem is the lack of Intense Residential Guidance money for our dormitory students. We have been given the opportunity and responsibility to recruit from throughout the entire Navajo reservation for students because of our exemplary Navajo Studies program. This meant that last year we had 74 chapters represented out of a total of 110. IRG moneys have been appropriated by Congress in recognition of the special needs of dormitory students who have problems in such areas as substance abuse, grades and academics, tutoring, recreation, and etc. The IRG funds are used to hire counselors, tutors, and provide these special services to students who need them. The Rough Rock Community School requested 241 (238) of our dormitory students as requiring IRG services. Important factor that occurred during Count Week was the murder of the individual who had the responsibility of tracking and keeping records on all our IRG students. The police cordoned off the building for a period of several weeks. We then had to totally refurbish the room in which she was stabbed to death by removing the rug, floor, wall boards, etc. which had been covered with blood.

Finally, we had to have ceremonies that would allow Navajos to go back in there, without fear. All of this took a period of nearly a month. It was true that the audit occurred towards the end of October that we had signed all IRG folders on that date. The BIA assumed that no IRG services had been provided during Count Week which was not so. The BIA line officer which audited our student count denied all IRG students because of they were dated a month late. It is important to recognize that we told the BIA immediately after the murder of this individual that we would be late and they said there would be no problem. In any event, the BIA line officer said while she couldn't approve the IRG students, she thought they would readily be approved in Washington if we were to appeal. We then appealed to the BIA Washington and in conversation with one of the two people directly responsible for this program, that individual said there should be no doubt about your receiving the moneys: "I think it's just a big mistake." The Appeal Committee asked for certain information which we provided but they denied our appeal. We then appealed directly to the Assistant Secretary, Kevin Gover, but have not heard from him. This is but one of a series of difficulties the Rough Rock Community School has experi-

enced with the BIA. One of the top BIA officials in Washington said: "It's because you are always fighting the BIA and pointing out its many problems." Whether that is true or not, it is very true that the BIA is not acting in a manner in which we hope they would act and expect them to act.

Our testimony is aimed at pointing out the inequities of the BIA. They have no respect nor concern for the students and the programs and funds appropriated by Congress to help those students. The BIA continues to be in a bureaucratic mess without a heart and without a soul. The IRG moneys that we were to receive are for this year! Kevin Gover, Assistant Secretary, thought they were for next year but that is no so. We have not been able to provide all the services for the IRG students listed because of absolutely no money. We have certain of our IRG staff on board, we did not RIF them, and we are providing IRG services to them to the limit of these individuals. During the early fall we lost an IRG counselor to cancer and we lost another counselor who left. We've not replaced these individuals because of the lack of money. We do not know what is keeping the Assistant Secretary from either accepting our appeal or denying our appeal of he denies. We will appeal through formal channels. Why it takes months for a decision to be made we do not understand.

We want the record to show that the Rough Rock Community School since we returned in August of 1997, have done battles with the BIA over issues and matters that directly effect our school and other Indian schools. Here is a partial list of the letters and battles we have been fighting with the BIA.

Report Cards.—The BIA issues a report card which we feel is far too limited. We believe in report cards but only if they measure a far more considerable area that they currently are focused upon. They should utilize certain of the goals and objectives of the school and determine whether or not those goals and objectives are met. For example, as stated earlier we have an emphasis on Navajo Studies and it would be important for the report card to have some measure showing the degree whether or not we are meeting the objectives in that area. The report fails to accept other than short answers. We have extensive parent involvement programs that we reported but were left out of our report card.

Line Officer's Conducting the Audit.—One of the prennial problems we have discussed with the BIA for the past three years is the conflict of interest that occurs when a BIA line officer is responsible for the student count and for the related audit. We have longed maintained that this a direct conflict of interest. The BIA line officer's job is dependent upon BIA schools and not contract and grant schools. This makes having such a person conduct the audit to be grossly unfair if not illegal. We have proposed that an independent, group/organization conduct the audit about which there would be no possible taint of impropriety.

Financial Mismanagement.—Another area we have discussed and presented to BIA and others is that we believe there are existing laws that require and protect the fiscal integrity of contract and grant schools. We do not believe it is necessary because of the financial mismanagement of one, two or three contract and grant schools to subject all such schools to additional regulations and requirements. Indian Self-Determination Act, as well as in the Tribally Controlled Schools Act, contain provisions that require audits reports and criminal penalties for fiscal mismanagement. We have always maintained that contract and grant schools, are not as they have often been depicted in Washington, as a source of mismanagement and fiscal stealing and need to be brought under closer control. I have been on the Navajo reservation since 1951 and I can't begin to count the number of BIA schools in that period that had money stolen and had fiscal mismanagement. We never heard of the necessity to put those schools under tighter management and scrutiny. We have always stood for fiscal responsibility and proper money management! We just don't feel that we need to have additional restrictions placed on contract and grant schools: there are in place adequate provisions.

Contract/Grant Schools Are Not BIA Schools.—It is vitally necessary to distinguish between a school operated and controlled by the BIA and contract and grant schools that are funded by the BIA. All too often the BIA and others look upon these different types of schools as being one and the same. When we started the Rough Rock Demonstration School, we announced and proclaimed that our school was totally different from the BIA and should never be considered a BIA institution. Over the intervening years, the distinction of contract/grant schools have become blurred and today, we are considered by the many people in the BIA to be one of their own. This is not so! There are three major systems of education on the Navajo reservation today: public schools (Bilagaana Yazhi Bi'olta—Little white man's schools); BIA schools (Washington Bi'olta—Washington's schools); and contract/grant schools (Dine Bi'olta—Navajo Schools). It is absolutely necessary not to confuse grant/contract schools as being BIA schools!

School Construction.—Another matter we have fussed with the BIA over is the new school replacement priority system that currently is in place. The logic that laid behind the creation of a set of new standards and requirements were to develop in a fair and unbiased method of ranking school construction projects. This is an admirable good! The problem doesn't lie with the fact that such a list was developed the problem lies in that the new system did not eliminate politics and prejudice. The Rough Rock Community School submitted a request for total school construction, as were advised, involving certain facilities. Specifically, we requested construction of a high school dining room and kitchen. We requested construction of a media center/library and auditorium. We have neither of these structures at this time! These are vitally important components in any adequate high school facility. In addition, we included renovations to our Elementary, Middle School, and High School plus faculty housing. When the rankings came out we were listed 78 in a list of 96 projects. We believe that in spite of statements to the contrary the new school ranking system is not able to determine schools in greatest need and that politics and pressure still play a part in the school rankings. We've never had a high school auditorium, media center/library.

We've never had a high school kitchen/dining area. We submitted our proposal as we were told to do that listed all of our needs. Had we been allowed to do so, we would have listed just these two needs as our most acute. Nevertheless, we were ranked 78 out of 96. This is incomprehensible to us. There are schools that on the top 15 will be funded this year that I visited in the last several months that have no where near the needs the Rough Rock Community School has. Why certain schools were allowed to submit request for a single item, for example a dormitory and we were forced to submit a request for everything is beyond me.

We truly suspect that the Bureau of Indian Affairs is trying to get even with the Rough Rock Community School because we complain and because we raise questions and because we fight battles. We were told that there were representatives on the Review Committee from contract and grant schools and that they were involved in the rankings. We were given the names of Elmer Guy and Thomas Atcitty. We checked with these two individuals only to find they had never saw an application and they did not rank anybody. Who ranked these schools? We have a document sent to us by the BIA that explains the elaborate procedures they alleged to have followed. We are very unhappy over this and believe Congress should investigate not the procedures outlined but the manner in which those procedures were carried out.

PREPARED STATEMENT OF THE 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. I am pleased to submit this testimony about our work in civic education with students and educators from the Pacific Islands and from American Indian and Alaska Native communities.

First, on behalf of all of us at Close Up, I want to express our appreciation for the continuing support this Subcommittee has given to the Foundation for its efforts with these special populations. The funding provided by the Subcommittee to the Department of the Interior has enabled us to positively affect thousands of students and educators who have participated in Close Up's civic education programs.

Although progress has been made, Pacific Islanders, Native Americans, and Alaska Natives remain among the underserved populations in the United States. Close Up has used a variety of ways to reach these constituents through the years and has established considerable expertise and a solid reputation in meeting their civic education needs

Our work with Pacific Islanders has been ongoing for seventeen years. Participants are from American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, and the Republic of Palau. It has been gratifying to watch the educational progress in these emerging democracies and to come to understand the unique challenges that small, remote island nations and territories face. They have made great strides but much remains to be done, and a knowledgeable, active citizenry is vital to continued progress.

American Indians and Alaska Natives face similar challenges to Pacific Islanders. They are often geographically isolated and lack adequate classroom resources. They must confront the issue of balancing and blending their traditional cultures with mainstream American lifestyles and modern technology. Close Up's work with these special populations has provided opportunities for students and teachers to learn

more about democratic principles and to reflect on these principles in light of their own cultural traditions.

Our programming with each of these special populations produces certain common results. Participating students gain a sense of efficacy. Teachers report that when students return home from a Close Up experience they exhibit a wide variety of positive behaviors such as speaking out in class, asking more questions, expressing their opinions, getting better grades, volunteering in the community, and taking on leadership roles. On their part, teachers return home refreshed with newfound knowledge, teaching methodologies, and self-esteem, and they are eager to put their new skills to work in the classroom.

Based on the continuing educational needs of these special populations, we would like to expand our programming with them in 2001. Therefore, we respectfully request $1.5 million in fiscal year 2001 funding for Pacific Islands programming and $300,000 for programming with American Indians and Alaska Natives for a total of $1.8 million.

Should the Foundation's fiscal year 2001 appropriations request be fully funded, our programs will include: a two-week Washington High School Program for Pacific Islanders; local programs in the Pacific Islands; a Pacific teacher training institute; a ten-day program on technology and culture for all three special populations; and one-week Washington High School Programs for American Indians and Alaska Natives. We will elaborate on the programs in the following paragraphs.

WASHINGTON HIGH SCHOOL PROGRAM FOR PACIFIC ISLANDS

The fiscal year 2001 Washington High School Program for Pacific students includes: a week in Washington on the Close Up High School Program with students from around the country; 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. Overall, the program gives students opportunities to develop leadership skills, to consider their islands' relationships to the United States, and to learn about the common issues that citizens confront as well as island-specific issues.

Teachers who accompany their students participate in their own professional development program that parallels the student program. The program for educators includes exposing educators to the unique educational, cultural, and historical resources of the capital; introducing them to the Washington "insiders" who make, shape and report the policy of the United States; providing them with in-depth resources and experiences about current foreign and domestic issues; and inspiring them with curriculum-building workshops. Overall, the program for educators is designed to rejuvenate and energize classroom instruction in civics and social studies.

LOCAL PROGRAMS IN THE PACIFIC ISLANDS

An outgrowth of the Washington High School Program has been local civic education programs conducted annually in several of the islands and involving many more students than are able to participate in Washington-based programs. Not only do local programs focus students on the pressing issues facing their islands, but they also help prepare those students who participate on the Washington Program to be good representatives of their islands. Most local programs include face-to-face exchanges between students and local governmental officials and experts. These interactions have both empowered the young people and impressed the local leaders with the students' grasp of and concern for important current issues and their resolution.

PACIFIC TEACHER TRAINING INSTITUTE

Teacher training consistently remains high on the needs list whenever Close Up has conducted needs assessments, whether formal or informal, in the Pacific. Although training continues as a high priority, it is gratifying to see that past efforts have produced results and that Close Up workshops have challenged teachers to use more active teaching strategies in their classrooms.

In 2001, Close Up would again like to offer a teacher training institute. The last institute conducted was a Training of Trainers Institute. We now would like to focus on classroom teachers to provide them with an intensive experience to develop their classroom teaching skills, to broaden their knowledge of state-of-the-art teaching resources, and to provide them with a variety of teaching tools. The institute would be held in Washington, D.C., to take best advantage of the city's and Close Up's resources.

TECHNOLOGY AND TRADITION: PRESERVING CULTURE IN THE INFORMATION AGE

Close Up plans to initiate a new ten-day program about technology and culture. Technology plays a part in the blending of cultures, but it can also be used as a vehicle for cultural preservation. School officials in remote areas have brought technology to their classrooms, but not all educators know how to use this technology to preserve cultural traditions. Students are often the most technologically savvy residents of a community, but they do not always see the consequences-positive and negative-that technology can have on their culture.

This new program will include participants from communities with large Alaska Native populations; from American Indian tribes, especially in the western region; and from U.S.-affiliated island entities in the Pacific. Although these traditional societies differ in many respects, each group faces similar challenges related to cultural preservation and technology.

In a departure from other of Close Up's programs, there will be a higher ratio of teachers to students in this new venture. Teachers would attend in area teams, consisting of technology specialists and social studies teachers. The teacher teams would be expected to produce lesson plans that would be published on the Web. Meanwhile, student participants would produce pictures and captions for the Web, describing their culture.

PROGRAMMING FOR AMERICAN INDIANS AND ALASKA NATIVES

For the past three years, Close Up has conducted a special program for the Unified South and Eastern Tribes (USET). Young people from these tribes have come to Washington at the same time as their tribal leaders are attending a conference in the city. The young people participate in a program that includes a service-learning component and return to their communities with a plan to conduct a community service project. This program has been well-received by USET.

Close Up also has a long tradition of participation by American Indian students from schools on reservations as well as schools with large native populations. Often, these students are mainstreamed and participate during a regular Close Up program week. In addition, Close Up staff have attended the conferences of national Indian education organizations, and in several cases, telecast shows over C-SPAN from those conferences. Through the years, more and more tribes have come to know of Close Up's work.

Each of the models that Close Up has used to reach Native Americans has yielded positive results. We would like the opportunity to continue to support several models of programming that have proven successful and have been enthusiastically received by our participants. We would also like the opportunity to test new models. It is particularly important to offer a number of options because of the differences in needs and interests among the various tribes and the Alaska Natives. One size does not fit all within this underserved population because of different political structures, geographic characteristics, economic circumstances, and the like.

By providing program opportunities that mesh with the differing needs, Close Up has been able to produce similar results among students of each of the Native groups. Teachers say that students return home as more active and outgoing participants in their school and community. They more frequently take leadership positions than their peers who do not attend the program. In addition, students often are inspired to consider different career options based on their interactions with Native speakers while on program. Likewise, teachers who participate in our programs have been able to return to the classroom reenergized with new ideas and methodology to share with their students and colleagues.

Mr. Chairman, the Close Up Foundation has always considered it a privilege to work with students and educators from the Pacific Islands and from American Indian and Alaska Native communities. We are proud of the programs we have conducted and believe we have had a significant impact on the civic well-being of these special populations. As I stated earlier, we recognize that much of our work with these underserved populations would not have been possible without the support of this Subcommittee. We believe our plans for fiscal year 2001 will continue to contribute measurably to the educational progress of these populations regarding civic understanding and action and the value they place on democracy and democratic institutions. Therefore, we strongly believe that our work continues to justify your support. We would be pleased to respond to any questions and to provide any additional information. Thank you very much.

PREPARED STATEMENT OF THE WIDE RUINS COMMUNITY SCHOOL

Wide Ruins Community School (WRCS) is located on the Navajo Reservation in the upper northeast portion of Arizona. This year, 1999–2000, the School is serving 261 students in the kindergarten through eighth grades.[1]

WRCS began operation as a BIA School in 1930 and a portion of the School's facility was built at that time of fitted rock. A steel frame addition was built in 1960. On February 1, 1998, with the authorization of the Navajo Nation, the School began operation under Public Law 100–297 (the Tribally Controlled Schools Act). It is governed by a locally elected Board and is funded primarily though grants from the BIA.

Despite the adverse conditions of the School's facilities, its students are performing well. A study in 1998 indicates that WRCS students scored higher on the Stanford 9 NCE averages than students in neighboring public schools.

Replacement School Construction Funding is the School's most urgent need. The School's main facility is 70 years old. The addition is 40 years old. Submitted with this Position Statement is a bound pictorial document setting forth WRCS' facilities needs.

A 1999 school study found that school replacement construction costs for WRCS would be less expensive than renovation. Replacement cost is estimated at $4,740,517, but would save more than $11,944.691 over fifteen years. In addition to cost effectiveness, new construction will ensure the health and safety of WRCS's students and staff. In addition, new construction would permit the creation of a more effective learning environment and infrastructure.

The August 1999 ranking of replacement school applications by the BIA ranked WRCS 12th out of 96 schools who applied for school replacement. In all candor, WRCS believes that it should have been ranked even higher. Federal appropriations to the BIA for replacement school construction has been minimal for a number of years. The BIA system, which includes 185 schools, received only $17.4 million in fiscal year 1999 for replacement school construction.

Last year, however, this began to change. For fiscal year 2000, Congress provided $62.8 million for replacement school construction. And the President has proposed $126.1 million for fiscal year 2001. However, even this level does not begin to adequately address the deficiencies that have built up over the many years of neglect. WRCS urges Congress to provide at least $252.2 million for replacement school construction for fiscal year 2001. This funding will provide for 20 new schools, including replacement construction for WRCS.

ISEP Funding.—Although the average per student expenditure by public elementary and secondary schools was $7,317 in 1996–97, the President's proposal is based upon $3,685 per Weighted Student Unit (WSU). Furthermore, the President's budget assumes a reduction in BIA student enrollment, when WRCS and other Tribally Controlled Schools on the Navajo Nation are experiencing significant increases in enrollment. WRCS urges Congress to appropriate $360 million for the ISEP program. This is based upon $4,000 per WSU and assumes no reduction in enrollment.

Transportation Funding.—Per mile funding should be increased to at least the national average of $2.92 per mile. Transportation on Reservation roads is extraordinarily expensive. Furthermore, fuel costs are increasing rapidly. WRCS urges Congress to appropriate $50 million for transportation.

Administrative Costs.—The President's proposal would fund administrative costs at only 75 percent. These costs should be funded at 100 percent WRCS urges Congress to fund the administrative costs portion of the Tribally Controlled School Program at $57.9 million. Furthermore, the caps on administrative costs should be eliminated. If additional costs are incurred, and if the School has other monies out of which those costs can be paid, the School should be able to budget accordingly.

Facilities.—Appropriations for facilities operations and maintenance have been "constrained" for several years, and is currently only 66 percent of costs. This is a downward spiral and should be reversed. WRCS urges Congress to fund facility costs at 100 percent of need, including $55.6 million for operations and $57 million for maintenance. Furthermore, this year the Bureau of Indian Affairs is withholding a portion of the funds appropriated for Tribally Controlled Schools to fund BIA line offices. This should be prohibited.

FI&R.—Because of past failures to fully fund Facility Improvement and Repair budgets, there is an $800 million backlog of needed facility improvements and repairs at BIA funded schools. One-half of this backlog should be addressed fiscal year

[1] WRCS operates a BIA funded, Tribally Controlled School program for the kindergarten through sixth grades. WRCS also operates a State funded Charter School for grades seven and eight.

2001, along with on-going needs. WRCS urges Congress to appropriate $471.2 million for Facility Improvements and Repairs—including $400 million to address the backlog and $71.2 million for current program needs.

Family and Child Education (FACE) Program.—This has been one of the BIA's most successful early childhood programs, yet the number of schools permitted to participate has been artificially frozen for a number of years. The BIA proposes to allow 22 new school sites to join the program. This is a step in the right direction. WRCS urges Congress to approve the Administration's request of $20.6 million for fiscal year 2001. Furthermore, this program should not be capped. All eligible schools should be permitted to participate, and future funding should be increased accordingly.

Therapeutic Models.—None of these programs have been established on the Navajo Nation. Instead, funding for traditional therapeutic programs is being taken to fund the new "therapeutic models." If the BIA is going to start or expand this new program, it should seek special funding for that purpose. Funds should not be taken from existing IRG and Special Education programs for this purpose.

Reservation Charter Schools.—The State of Arizona is discriminating against Reservation Charter Schools. Only Reservation Charter Schools are having their state funding reduced because they receive federal funding. Although most off-reservation charter schools receive federal funding, their state aid is not reduced. WRCS urges Congress to prohibit Arizona from reducing State Aid to Reservation Charter Schools if the State wishes to continue to receive federal funding for education.

Last year, as a part of the Interior Appropriations Bill, Congress established a requirement if Tribally Controlled Schools use State Charter Schools to offer expanded grades with State aid, the Charter Schools must pay the BIA for their prorata share of the costs of the facilities, etc. used by the Charter School. Any cost reimbursement should go to the Tribally Controlled School—not to the BIA. These charter schools are fully funded by State aid and there is no additional expense to the BIA. WRCS urges Congress to change this administrative provision to require that the Charter School pay the Tribally Controlled School the Charter School's prorata share of the costs incurred.

The "moratorium."—For about ten years, the BIA has had a moratorium on grade expansions at existing BIA schools. This has artificially restricted the ability of Tribally Controlled Schools to fully serve the needs of the communities they serve. WRCS urges Congress to abolish the moratorium on grade level expansions at existing BIA funded schools and to fund these schools for this expansion.

Training funds.—In the past, training funds for individual schools has not been distributed to the schools but given to certain identified organizations to be used for funding. Some of these organizations have done well, others have not. WRCS urges Congress to require that these training funds be allocated directly to the schools, who can contract with those training organizations who most effectively meet their needs.

Tribal Departments of Education.—Tribal Departments of Education should be funded directly. No funds should be withheld from schools for this purpose. WRCS urges Congress to include funding in fiscal year 2001 for Tribal Departments of Education for those Tribes who have at least three schools.

Other.—BIA funded schools serve remote areas of the Nation's Indian Lands. In many areas fire fighting programs are not available. WRCS urges Congress to provide funding for fire fighting equipment and programs for BIA funded schools.

Thank you for your consideration of these requests. For further information call Albert A. Yazzie, Executive Director of Wide Ruins Community School at (520) 652–3215.

PREPARED STATEMENT OF THE 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 written testimony on fiscal year 2001 appropriations for the Department of Interior and Related Agencies.

The Fond du Lac Reservation was established by Treaty with the United States on September 30, 1854 and encompasses 110,000 acres of land in northeastern Minnesota. There is a population of 6,500 Indian people that live within the service area of the Reservation with the Band providing employment or services to most of them.

In 1997 the Minnesota Supreme Court held that certain traffic regulations including speeding, driving without a license, and driving with no insurance are "civil-regulatory" in nature and under Public Law 280 are 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 the roads within Indian Reservations in the State. In order to fill this void, the Band has undertaken the establishment of it's own Tribal police force. In addition, the Band has worked with all local law enforcement agencies to establish a cross deputization agreement that ensures maximum law enforcement protection for the Reservation and it's citizens by allowing all law enforcement agencies within the Reservation boundaries to enforce each others laws. However, because of the limited financial resources of the Band, there are significant unmet needs in this area. At Fond du Lac, we need long term monies to pay for staff and equipment to adequately ensure the safety of the Reservation population. We are requesting $1.4 million to be added to our base budget to help implement and staff the court and enforcement for the Band.

We strongly support the Administration's request of additional funding under the Indian Country 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 dollars 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 towards Tribal police departments located in Public Law 280 states. We support the Administration's request for investment in strengthening Indian Country's Law Enforcement and Criminal Justice System and ask that this Committee consider placing these initiatives into the BIA's permanent base budget.

The Band employs four police officers, six conservation officers, one records clerk, one prosecuting attorney, one clerk of court, one part time court recorder, and one part time judge. All of these staff positions are located within the Resource Management division. Along with this staff are twenty other permanent full time staff and fifteen full time seasonal staff housed in a building that was designed to house twenty. With the increased responsibility assumed by the Band there is an ever increasing need to expand the staff and it's capabilities. With this in mind we request a one time allocation of $4 million to the Band for expansion of the office space for the Resource Management division.

Under Treaties with the United States made in 1837 and 1854, a large portion of central and northeastern Minnesota, the Fond du Lac Band has reserved rights to hunt, fish and gather on the lands 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 re-affirming the Band's hunting and fishing rights in the 1837 Ceded Territory.

Under established Band law, exercising these off-reservation treaty rights requires the Band to take the steps necessary to ensure proper use and management of the natural resources. This means the Band is responsible for member's hunting, fishing and gathering activities over approximately 8,000,000 acres of land. The Band has adopted, along with the federal courts, a code and a resource management plan that protects the exercise of treaty reserved rights and the resources. In order to proceed to the next logical step the Band is in the final phase of completion of the Fond du Lac Integrated Resource Management Plan. The Plan allowed Band members to identify and rank the natural resources in order of importance to them. The Band, however, needs to ensure that it can sufficiently complete the work identified in this Plan, which requires the assistance of additional conservation officers, fish and wildlife biologists, technicians and related equipment. To do this, we are seeking an additional $500,000 to be added to the Band's base budget.

It is essential that the Band also manage it's on-reservation resources in order to meet the demands 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 the forest resources of the reservation are vitally important to it's members as these resources provide the foundation for 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 with the remaining acres being used by individual land owner for housing and development. The increasing resident population and development are placing all resources under great stress. The loss of wild rice acres, wildlife habitat, and the decline of our forest are of great concern to the Band. Therefore, we are seeking an additional $300,000 to be added to the Band's base budget for on-reservation natural resource programs to enable us to address the challenges we face in this critical area. It is imperative that we continue to protect these resources for the future generations on Fond du Lac.

We ask that the Committee support the Fond du Lac Band and other Indian tribes in coordinating their educational activities with other school districts as authorized under 25 U.S.C. § 2010 (f), to expressly authorize the Secretary of Interior

to use funds allotted to Bureau Schools to implement cooperative agreements with local public school districts, to expressly defer to the Band to determine the content of such agreements and to enact the congressional intent underlying the cooperative agreement provision to encourage the development of tribal education programs which are responsive to the particular educational needs of the tribal community. The Band and the Cloquet Public Schools are currently in their third year of an historic cooperative agreement that has been widely applauded for its innovativeness and effectiveness in providing culturally appropriate remedial education to American Indian students who are enrolled in a public school. The Commissioner of the State of Minnesota Department of Children, Families and Learning congratulated both the public school and the tribal school for their ". . . innovative efforts in creating new agreements and structures to better serve students . . ."

Additionally, the Band is in full support of Assistant Secretary Kevin Gover's fiscal year 2001 budget request of $2.2 billion. Within this budget New School Construction is a high priority in order to make schools safe and adequately equipped to meet the diverse needs of all American Indian students. We strongly support the Bureau's budget request of $300.5 million to replace older, unsafe, and dilapidated schools on reservations. We also support the Bureau's budget request of $103.4 million for maintenance and repair projects that would reduce the backlog of needed repairs to BIA school facilities. Critical health and safety concerns exist at many Bureau schools throughout the country; these poor facility conditions have a dramatic impact on the learners, teachers, and community members. If education is a priority, our building structures must convey that meaning by being safe, healthy, and comfortable learning environments.

Furthermore, the Band strongly supports the Bureau's fiscal year 2001 budget request of $761.2 million for Tribal Priority Allocations. Included in this budget request, Education programs such as Scholarships ($30.7 million), Adult Education ($2.5 million) and the Johnson-O'Malley ($17.1 million) Program would receive needed increased funds that would continue to provide the basic necessities critical to the quality of life on our reservation. Along with the Bureau's budget request of $582 million for Other Recurring Programs. Included in this budget request, the BIA's Education, School Operations-ISEP Formula Funds, is $333.3 million. These funds are critically needed in order for tribal schools to compensate education staff with comparable wages. Rising wage and fringe costs are not adequately funded in the existing formula, and increasing the ISEP Formula amount would begin to address this issue. And, lastly, we support the budget request in ISEP Program Adjustments ($667,000.00), Early Childhood Development ($20.6 million), Student Transportation ($38.6 million), Institutionalized Disabled ($3.8 million), Facilities Operations ($55.6 million), and Administrative Cost Grants ($46.3 million). These funds are critically needed to maintain the current level of services as provided in view of increased wages, inflation, and the rising cost of fuel and utility costs.

The Band recently received fiscal year 2000 construction funds to build a New School (pre-k through grade 12) with a target construction date of June 2000. We express a sincere Miigwech (thank you) for the support, confidence and assistance received from the Bureau of Indian Affairs, Senators, Congressman, and Committee staff, with a special thank you to Senator Paul Wellstone, Senator Rod Grams, Congressman Martin Sabo, and Congressman James Oberstar. Their continued support has provided the Fond du Lac Band with an historic opportunity to provide its community with an education facility that will dramatically increase educational opportunities for the entire community.

In 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 we enter the 21st Century with a renewed sense of hope.

Miigwech. Thank you.

FOND DU LAC LAW ENFORCEMENT DEPARTMENT

Project Goal.—The establishment of a full time police force for the protection of all residents within the boundaries of the Fond du Lac reservation through increased staff and patrol capabilities.

Project Objectives.—(1) To provide 24 hour, 7 day a week patrol. (2) To provide an adequate court system for the Reservation. (3) To staff and equip the department to provide adequate enforcement for the Reservation.

Problem Statement.—In 1997, the Minnesota Supreme Court held that certain traffic regulations including speeding, driving without a license, and driving with

no insurance are "civil-regulatory" in nature, and under Public Law 280 are unenforceable by state police officers on the Reservation.

Justification.—The ruling left a jurisdictional void with regard to law enforcement on the roads within Indian Reservations in the State. In order to fill this void, the Band has undertaken the establishment of it's own Tribal police force. In addition, the Band has worked with all local law enforcement agencies to establish a cross deputization agreement that ensures maximum law enforcement protection for the Reservation and it's citizens by allowing all law enforcement agencies within the Reservation boundaries to enforce each others' laws. The Band currently employs four police officers, one records clerk, one part time prosecuting attorney, one part time clerk of court, one part time court recorder, and one part time judge. With current staffing patterns and the increased responsibility assumed by the Band there is an increased need to expand the staff and it's capabilities. Additional funding in the Band's base budget would allow these efforts to bring about the enforcement capabilities for the Law Enforcement Department.

Fiscal year 2001 Request—$1,400,000

FOND DU LAC RESOURCE MANAGEMENT CENTER

Project Goal.—To provide adequate space for the Resource Management staff to allow for increased capabilities.

Project Objectives.—(1) To allow for needed expansion of staff. (2) To keep staff centrally located for better coordination and communication.

Problem Statement.—The Resource Management Staff of the Band has increased to 35, with expansion to 50+ in the next year, and are currently housed in office space designed for 20.

Justification.—The Band is assuming more responsibility in the management of it's treaty reserved resources, it's on reservation resources, and it's civil regulatory authority. In doing so, the staff has had to increase in numbers and capabilities. With the increase in responsibility and staff has come a need for an increase in the space available for housing these programs. The current building does not allow for expansion as it is constructed in a manner that would not support further expansion. A new facility would allow the Band to meet all current needs and serve the Band with future development.

Fiscal year 2001 Request—$4,000,000

FOND DU LAC CEDED TERRITORIES PROGRAM

Project Goal.—To implement the Fond du Lac Integrated Resource Management Plan (FDLIRMP)to protect, manage and enhance the natural resources of the Ceded Territories of the Band with increased staff capabilities.

Project Objectives.—(1) To implement the FDLIRMP. (2) To staff and equip program to complete identified projects. (3) To maintain and enhance the Band's exercise of Treaty reserved rights

Problem Statement.—The population of the reservation is on the increase and the competition for fish, wildlife, and plant resources has reached an all time high. The Band must turn to the Ceded Territories to relive some of the pressure on the reservation resources.

Justification.—Over the past 20 years the Band has experienced a population migration back to the Reservation. The standard of living has increased with the availability of housing and jobs has enticed many band members to return and take part in the development of the Reservation. This development has taken it's toll on the Reservation resources through a decrease in available habitat and an increase in pressure from an ever increasing population. The limited land base and natural resources of the Reservation has forced the Band to look elsewhere to provide these opportunities for Band members. The obvious place was the Ceded Territories as the Band has Treaty reserved rights in these areas. But, along with the exercise of these rights comes the responsibility to manage them. The Band has taken an active role in the exercise of Treaty reserved rights and management of the natural resources used by band members with the hiring of 2 biologists and 4 enforcement staff. This staff was not adequate but, were able to manage the 1854 area now, with the addition of the 1837 area, staff is stretched thin and management efforts are suffering. And lastly, since 1990 the Band has operated on stagnant base budget. In order to meet the increase in responsibilities and the demand from a larger Reservation resident population the Band is seeking additional funds be added to it's base budget.

Fiscal year 2001 Request—$500,000

FOND DU LAC NATURAL RESOURCES PROGRAM

Project Goal.—To implement the Fond du Lac Integrated Resource Management Plan (FDLIRMP) to protect, manage and enhance the natural resources within the boundaries of the Fond du Lac reservation with increased staff and project capabilities.

Project Objectives.—(1) To implement the FDLIRMP. (2) To implement the highest priority projects on Reservation. (3) To staff and equip the program to complete identified projects.

Problem Statement.—The responsibility of the Band has expanded tremendously over the past ten years without any increase in it's base budget.

Justification.—The land base of the Band is undergoing changes from a variety of directions. An increase in the population has placed greater demand for development of housing and industrial use which in turn are competing with the demands for cultural and traditional uses. The protection of these resources are dependent upon a balanced approach to ecosystem management which would include implementing the Band's IRMP. An increase in funding of the Band's base budget would allow the program to integrate the changes in population and the demands on the natural resources in a manner that will bring back balance to the reservation's ecosystem.

Fiscal year 2001 Request—$300,000

PREPARED STATEMENT OF THE BLACK MESA COMMUNITY SCHOOL

Mr. Chairman and Members of the Committee: Thank you for this opportunity to submit written testimony regarding the fiscal year 2001 budget for Bureau of Indian Affairs (BIA) programs relating to school operations. Black Mesa Community School is a grant school, serving students from kindergarten through eighth grade in Kitsillie, a mountainous area of the Navajo Nation in Northern Arizona. We are pleased to see that there is an increased focus on Indian education in the Administration's fiscal year 2001 budget request. While we understand that the pressure on your committee to shrink the Interior budget is great, we hope that you will pursue the following funding for programs within the BIA Office of Indian Education Policy to begin to address recognized need:

—$248,000 to construct a maintenance facility at Black Mesa;
—$57.9 million for Facilities Operations, $57 million for Facilities Maintenance, an exploration of the reasons for shifting maintenance funds out of the school operations budget, and language to protect these funds from BIA skimming;
—$57.9 million for Administrative Cost Grants.

FACILITIES AT BLACK MESA COMMUNITY SCHOOL

In 1984, the Bureau of Indian Affairs constructed a school building to replace the used trailers that had served as our sole facilities for nearly ten years. The original building plans for the 1984 construction also included planning for housing facilities, a transportation building, athletic fields, and site improvements. We were deeply appreciative of your committee's 1999 approval of our request to utilize our surplus savings to construct employee housing, and have entered the planning stages of this project in cooperation with the BIA. In 1999 we were also granted three 2-room. modular buildings from the BIA to address our need for additional classroom space. But our dire need for transportation and maintenance facilities remains.

Due to our remote location, we must conduct a wide range of plant management and school bus maintenance onsite. At present, we conduct all plant management activities out of a small, locally constructed shed. In the winter, harsh weather forces the maintenance personnel to conduct their work in a small janitor's closet inside the school. We have no protected facilities for bus maintenance.

We ask the committee to follow through on the 1984 building plan by appropriating funds to allow our school to construct a small multi-purpose facility to serve as an operations and maintenance shop, emergency generator room, transportation maintenance area, fire bay station, and storage area. The BIA's 1984 estimate for this facility was $219,200, and we estimate that such a facility would cost approximately $248,000 to construct today. The School Board has located a 50′ by 100′ steel building available for sale at $20,000 that could meet these needs for a fraction of the estimated price.

FACILITIES MAINTENANCE

We hope to get many years of use from our school facilities, which will require consistent maintenance over the life of the buildings. As such we are concerned both

with shortfalls in funding for facilities maintenance and with radical structural changes that have been proposed in the Administration's fiscal year 2001 budget.

As directed by Congress, BIA developed the so-called "FACCOM" formula to distribute facilities O&M funds to the 185 schools in the system. But funding for this area has fallen one-third below the amount needed to fund the FACCOM formula. Now, after separating the O&M budget into two separate line items last year, the BIA proposes that the entire amount for "school facilities maintenance" be moved from Operation of Indian Programs into Construction—specifically, to the "Facilities Improvement and Repair" (FI&R) line item. The budget materials released so far by the Bureau provide no explanation of the objectives or ramifications of this proposal.

The 185 BIA-funded schools rely on facilities Operations and Maintenance funding to support their routine operational needs (such as the cost of utilities and janitors) and on-going maintenance needs (for boilers and building systems, water and sewer systems, etc.) for an enormous inventory of federally-owned buildings. FI&R funds are distributed on a project-by-project basis, not by formula. We can see no rational reason why BIA would want to combine funding for routine maintenance with funding for one-time projects (such as major renovations and repairs, asbestos removal, etc.). The purposes of the two funding line items are entirely different.

Even if the formula-based distribution of facilities maintenance funding would continue under this structural shift, the attempted move could severely limit the ability of local school boards to develop their facilities budgets to prudently respond to their local circumstances.

BIA is already this year taking steps to control facilities budgets. In January, more than 3 months after the fiscal year began, BIA told some schools that no facilities funding would be released until an acceptable "annual work plan" was provided. In effect, they are holding these funds hostage. They are imposing an unauthorized requirement on schools in order to force them to do things the "BIA way" if they want their funds for the year. We fear this inefficient and irrational top-down control will only increase if the proposed structural change in the budget is permitted.

We hope you will retain school facilities maintenance funding in the School Operations budget, and assure that all appropriated funds are distributed by the formula. We also ask you to provide sufficient funding for BIA-funded schools to properly maintain the federal facilities we operate. Please meet the BIA's request of $57 million for Facilities Maintenance and increase the Facilities Operations funding to $57.9 million to address the maintenance needs identified by the FACCOM formula.

ADMINISTRATIVE COST GRANTS

Last year, Congress focused considerable attention on the "contract support" funding needs for tribally operated BIA and IHS programs and provided commendable increases in funding for contract support. But not one dollar more was supplied for Administrative Cost Grants—the schools' equivalent of contract support costs. In fact, the appropriation for AC Grant has been frozen at the same level for three consecutive years.

As a result, in the current school year, we are receiving only 84 percent of the amount dictated by the statutory formula for our administrative needs. That percentage will drop to 81 percent next school year. (Under the "forward funding" system, the fiscal year 2000 appropriation, frozen at the fiscal year 1998 level, will supply our AC Grant funds for school year 2000–2001.) The BIA request for fiscal year 2001 (for use in school year 2001–2002) will only meet 80 percent of need. 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.

More and more schools are converting to tribal operation each year, but not one dollar of additional funding has been provided to support their administrative costs. This severely threatens the continuing viability of existing contract and grant schools.

We implore your Committee to recognize that tribal schools' needs for administrative costs are just as great as those of other tribally-operated BIA and IHS programs. Please provide $57.9 million to fully fund AC Grants in fiscal year 2001.

CONCLUSION

All of us at Black Mesa thank you for your attention to these basic requests. While they represent a drop in the federal budget bucket, these dollars will have a dramatic effect on the day to day function of our school and the education of future generations in our community. We thank you for your ongoing work in support of Indian education, and look forward to working with you in the years to come to

assure that our students have a learning environment that will empower them in achieving their highest aspirations.

Thank you very much for your support.

PREPARED STATEMENT OF THE GREASEWOOD SPRINGS COMMUNITY SCHOOL, INC.

Mr. Chairman and Members of the Committee: The Greasewood Springs Community School, located on the Navajo reservation, serves the educational needs of 349 students from 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. I would like to take this opportunity to commend the Administration for its proposed increases for Indian programs within the fiscal year 2001 budget. However, in the area of Indian education, a great deal more needs to be done simply to address widely acknowledged shortfalls in the areas of Administrative Cost Grants, Facilities Operations and Maintenance, Student Transportation, and Indian School Equalization Program funding. Specifically, we request the following funding levels within the BIA Office of Indian Education Policy:

—$57.9 million for Administrative Cost Grants;
—$352.2 million for the ISEP Formula program;
—$42.2 million for Student Transportation;
—$57.9 million for Facilities Operations and $57 million for Facilities Maintenance, as well as an exploration of the reasons for shifting maintenance funds out of the school operations budget and language to protect these funds from BIA skimming.

ADMINISTRATIVE COST GRANTS

AC Grants provide funds to tribes or tribal organizations for school operations 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.

For school year 2001–2002, the BIA projects that 133 schools will be operated under contract or grant status. However, the requested increase from the Administration would only cover 80 percent of the need for Administrative Cost Grants. This is an unconscionable violation of Federal law.

In this year's budget request, a great deal of emphasis is placed on alleviating the shortfalls for Contract Support within BIA and IHS, but there is hardly a mention of the need for increased funding for Administrative Cost Grants. AC Grant funding has been frozen at $42.16 million for three years, despite the fact that dozens of additional tribes have contracted to take on school operations. The requested increase of approximately $4 million does not even cover the increase in schools requiring these funds, let alone begin to address the chronic acknowledged shortfall from the need identified by formula for Administrative Cost Grants.

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.

FACILITIES OPERATIONS AND MAINTENANCE

Facilities Maintenance Line Item.—The Facilities Operations and Maintenance account was separated into two line items in the fiscal year 2000 budget, a decision that the BIA says was based on a February 1998 Interior Department report on facilities maintenance issues. But in the BIA proposed budget for fiscal year 2001, the newly separated line item for Facilities Maintenance has been shifted into the budget for Facilities Improvement and Repair (FI&R). FI&R funds are distributed on a project-by-project, one-time basis rather than by formula as O&M funds are currently distributed. We hope that before accepting this shift your Committee will make an inquiry into BIA's reasons for shifting this account, and will make a critical accounting of what if any beneficial results will be obtained by this move. If this move will in any way change the formula for distributing these funds to schools

or will reduce the desperately needed funds which schools receive under the current formula, we ask that you reject it. Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for contract and grant schools.

Operations and Maintenance Funding.—At present, the formula distributions for O&M are grossly inadequate, often insufficient to cover even basic utilities, let alone basic maintenance. We ask that funding for Facilities Operations and Facilities Maintenance be increased to $57.9 million and $57 million, respectively, in order to provide sufficient funding for BIA-funded schools to properly maintain the Federal facilities we operate. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students. There are an absurd number of BIA-funded schools in desperate need of new school construction at present, partially as a direct result of chronic under-funding of basic maintenance at existing school facilities. Congress can save a great deal of money in the long run by investing sensibly in basic maintenance today.

OIEP "Skimming".—A number of Bureau-funded schools have begun to receive communications from the BIA's Education Line Officers in their area instructing that a percentage of their Program Administration funds will be kept by the BIA for purposes of oversight and technical assistance. This runs counter to the entire principle of self-governance and deals a devastating blow to schools that are already struggling to stretch inadequate O&M dollars to meet their basic needs. The BIA already reserves funds for these purposes, and it is indefensible that the OIEP has authorized ELOs to skim further funds from the bare-bones funding that BIA-funded schools receive for operations and maintenance expenses. We ask that the Committee include language in the fiscal year 2001 budget to disallow such "skimming" of scarce school resources.

INDIAN SCHOOL EQUALIZATION PROGRAM

The ISEP program, which provides basic instructional funding for students in BIA-funded schools, remains under-funded in the proposed fiscal year 2001 budget. Under the proposal, ISEP would be funded at $333.3 million, resulting in a Weighted Student Unit (WSU) of approximately $3,685. As you know, this level is far below similar expenditures for students in every other school system in the U.S. Unless additional ISEP funding is provided, our educational program will suffer and our students will remain at an inexcusable disadvantage.

Our students need to know that they are just as important as other kids in the U.S., and that their education is just as important to Congress as the education of students in other school systems. We ask that you take advantage of the focus on education within the BIA budget to finally do something about this terrible short-shifting of Indian students. We support the National Indian Education Association (NIEA) recommendation of at least $352.2 million for the ISEP Formula program in fiscal year 2001, which would yield a WSU of approximately $4,000 per unit.

STUDENT TRANSPORTATION

The BIA's budget justification estimates that, given a likely increase of approximately 600,000 in school bus mileage in school year 2001–2002, the $38.2 million requested by the Administration for school transportation will allow a payment rate to schools of $2.30 per mile. This is still far below the national average of $2.92 reported for public schools for school year 1993–1994, a figure which is likely much higher today. The discrepancy between funding for student transportation and the actual cost to schools widens every year, forcing many to dip into their education funds to cover unavoidable transportation costs.

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 to enable us to get students to school and back home safely. We are perpetually short of adequate bus drivers under the current level of transportation funding, which leads to transportation problems for many students.

Our transportation budget is hit especially hard during the winter months, when bad road conditions cause our buses to break down on a regular basis. We lack a garage or repair facility to deal with these breakdowns, causing small repairs to require time-consuming and expensive maintenance trips. For example, every single tire repair must be taken to Holbrook, more than 50 miles away. In addition, the lack of a diesel fuel pump at the school forces us to pay extremely high prices for fuel at the Greasewood Trading Post, the closest fuel outlet.

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. We have appreciated your support over the years, particularly in the fiscal year 1998 fulfillment a promise made by the BIA over a decade ago for construction of a new gymnasium at our school. We are nearing completion in construction of the new gym, and our students look forward to putting it to good use. The administration, school board, teachers, and students of Greasewood Springs Community School thank you for your assistance.

PREPARED STATEMENT OF THE RAMAH NAVAJO SCHOOL BOARD, INC.

Thank you for this opportunity to submit testimony for the record regarding the fiscal year 2001 Bureau of Indian Affairs education budget. We are very pleased with the emphasis that has been placed on Indian education in the proposed fiscal year 2001 budget. This focus is long overdue and represents an important step toward addressing the critical construction needs of Bureau-funded schools. But despite this emphasis, some areas of critical concern to the educational program in these schools have been overlooked in the proposed budget. Our testimony demonstrates the need for the following changes to the budget for BIA Office of Indian Education Programs:

—$57.9 million for Facilities Operations and $57 million for Facilities Maintenance, an exploration of the reasons for shifting maintenance funds out of the school operations budget, and language to protect these funds from BIA skimming;
—funding to meet 100 percent of the need for Administrative Cost Grants;
—at least $352.2 million for the ISEP Formula program in fiscal year 2001;
—student transportation funding at approximately $42.2 million.

Like most Bureau-funded schools, we find ourselves caught in an annual catch–22: with every element of our budgets from the Indian School Equalization Program to Facilities Maintenance funded far below actual need, something has to give. We have no choice but to pay our utility bills. We have no choice but to fuel and maintain the vehicles that transport students to and from school. Often we have no choice but to address immediate facilities crises that spring up in physical plants that suffer from years of delay in necessary maintenance. Unfortunately, it is the students who ultimately pay the difference out of their already inadequate education funding. As we discuss below, the proposed budget does not address several critical, chronic budget shortfalls that are affecting the quality of Indian education.

These shortfalls should not be allowed to continue for another year. You hold the power to make an incredible difference in the educational opportunities afforded our kids. We look forward to working with you to forge an Indian education budget that provides true educational opportunity for Indian youth as well as viable mechanisms for tribes to exercise self-determination in school operations.

FACILITIES MAINTENANCE AND OPERATIONS

Facilities Maintenance.—Despite objections from many schools, the Facilities Operation and Maintenance line item was split into two parts last year. But in the BIA proposed budget for fiscal year 2001, the newly separated line item for Facilities Maintenance has been shifted into the budget for Facilities Improvement and Repair (FI&R). We are deeply alarmed by this shift, as FI&R funds are distributed on a project-by-project, one-time basis rather than by formula as O&M funds are currently distributed.

The formula distributions for O&M are already alarmingly inadequate, often insufficient to cover even basic utilities, let alone basic maintenance. Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for contract and grant schools. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students.

We ask that you request a thorough explanation for this shift from the BIA, and an accounting of what if any beneficial results will be obtained by this move. If this move will merely result in more BIA bureaucratic red tape, we ask that you reject it. Please insist that Facilities Maintenance remain in the School Operations budget, and provide sufficient funding for BIA-funded schools to properly maintain the Federal facilities we operate. Please increase Facilities Operations to $57.9 million and Facilities Maintenance to $57 million in order to fully address the needs identified by the formula.

OIEP "Skimming" of O&M funds.—We recently received a communication from the Education Line Officer from the BIA's Southern Pueblos Agency requesting that we set aside 13 percent of our Program Administration funds "to allow (the line officer) to—assure compliance to all code and other requirements that must be met for facility Management Operations. This will allow (the line officer) to travel to these locations when necessary and on a routine basis to do inspections for safety compliances (sic) and other regulatory requirements." This request was made in response to a memo from OIEP's head office instructing that the ELOs may use their discretion in withholding funds for providing "oversight and technical assistance". In our view, this flies in the face of the self-determination policy and serves to deepen the financial crisis faced by Bureau-funded schools. We ask that the Committee include language in the fiscal year 2001 budget to disallow such "skimming" of scarce school resources.

ADMINISTRATIVE COST GRANTS

Administrative Cost Grant funding has been held at the $42.2 million level for three years. Despite increasing awareness of the importance of adequate contract support and an initiative to increase contract support funding in other areas of the proposed budget, Administrative Cost Grants received an increase of only $4 million in the request, for total proposed funding of $46.3 million. This is actually less than last year's request. According to the BIA's budget justification materials, this will address only 80 percent of the need for Administrative Cost Grants. With the possibility of new schools converting to grant status, shortfalls in funding for Administrative Cost Grants could get even worse in fiscal year 2001 if Congress does not significantly increase this funding level.

We believe that it is unreasonable to ask that schools operate with less than 100 percent of acknowledged need for Administrative Cost Grants.

INDIAN STUDENT EQUALIZATION PROGRAM

We are dismayed to see that the ISEP program, which provides basic instructional funding for students in BIA-funded schools, remains underfunded in the proposed fiscal year 2001 budget. Under the proposal, ISEP would be funded at $333.3 million, resulting in a Weighted Student Unit (WSU) of approximately $3,685. As you know, this level is woefully inadequate when compared with similar expenditures for students in any other school system in the U.S. Unless additional ISEP funding is provided, we will continue to lose our best teachers to salary freezes or teacher layoffs, and our students will suffer decreased instruction hours and inadequate instructional materials. There is no reason that the discrepancy between funding for BIA schools and Department of Defense or public schools should be accepted as a given.

We ask that you take advantage of the focus on education within the BIA budget to finally do something about this terrible short-shifting of Indian students. We support the National Indian Education Association (NIEA) recommendation of at least $352.2 million for the ISEP Formula program in fiscal year 2001, which would yield a WSU of approximately $4,000 per unit.

TRANSPORTATION

In the 1999–2000 school year the Bureau-funded transportation rate was $2.26 per mile, still far short of the nationwide average of $2.92 that was reported for public schools five years earlier. Under the proposed budget, transportation would be funded at $38.3 million, an increase of approximately $2 million from the fiscal year 2000 enacted level. With wear and tear and repair costs well above average due to the remote locations and inadequate infrastructure of tribal communities, we believe this request would fall short of addressing the actual cost of student transportation for schools like ours.

Despite the shortfalls in ISEP funding which we have described, the Ramah Navajo School Board, Inc., Pine Hill School has been forced to use $100,000 to $150,000 of its annual ISEP funding to cover the discrepancy between funding and actual costs for its transportation program in recent years. This should not be a trade-off that schools are forced to make. We ask that you increase the BIA budget for student transportation to a level that can at least support a per-mile rate equivalent to the last computed national average of $2.92 per mile, which the NIEA estimates would require at least $42.2 million.

PREPARED STATEMENT OF THE LUKACHUKAI COMMUNITY SCHOOL BOARD OF EDUCATION, INC.

Mr. Chairman and Members of the Subcommittee: My name is Phillip Belone. I am the Executive Director of the Lukachukai Community School Board of Education, Inc. (LCBE, Inc.), which oversees a BIA-funded school serving 400 students from grades K through 8 in our area of the Navajo Reservation. On behalf of the Lukachukai Community Board of Education, I thank you for this opportunity to appear before you regarding the fiscal year 2001 budget.

We wish to highlight several aspects of the President's request in the area of School Operations for which we believe that additional funds or different funding mechanisms are needed. Particularly, we hope that your Committee will expand upon the President's request for funding for new school construction in Indian Country, so that the full backlog of pressing school construction needs, including the dire need for new facilities at Lukachukai, may finally be addressed.

Facilities Construction Needs at Lukachukai. School Facilities.—We commend the Bureau of Indian Affairs (BIA) for requesting funds to construct the first six of the schools included on its most recent new school construction priority list. This request would fund the three schools that have waited on the list for construction since 1993, as well as three of the 10 new schools on the list. The Committee should act favorably on this request at a minimum, and would be well within reason to seek funding for additional schools beyond the BIA request. Further delay seems unconscionable given the extend of acknowledged need in this area—we should not wait until the current generation of students are parents themselves before addressing the terrible condition of Indian Country's schools. Behind this short list wait dozens of schools like our own with pressing facilities needs that have yet to even be considered. We believe there is no room for years of delay when the health and safety of young people is at stake.

The structures and utility systems of the existing school facilities at Lukachukai are in extremely poor condition. While most educational facilities are built to last for only thirty years, the newest of our facilities are over thirty-six years old. Our facilities are not in compliance with disabilities accessibility codes. Our parking lot accommodates only 18 cars for a school with a staff of 86, and lacks lighting of any kind. Our limited space forces us to load students into school buses on the main road. The school's fire alarm system is outdated and rings in only one section of the building. The existing waterlines are completely rusted and dispense orange-colored water from water fountains, forcing us to import bottled water for student and staff consumption. Last March, severe winds blew off the Kitchen, Residential Hall, and Gymnasium roofs. The repair and maintenance of the roofs cost $140,000 and resulted in two weeks of school closure.

High-density archaeological and burial sites on the existing school grounds make construction to update or expand existing facilities extremely difficult to undertake. Nevertheless, severe overcrowding at our school and our low ranking on the list for new school construction have pushed us to explore renovating the four 1914 native sandstone classroom buildings on our campus that have been condemned by the BIA. We are projecting that it will take approximately three to five years just to get this project through the bureaucratic maze of BIA, tribal, and historic preservation requirements.

Research has demonstrated that poor facilities such as ours distract significantly from the educational program of a school, and we believe that our students deserve better in their formative years. To address the health, safety, and educational risks posed by these deteriorating facilities as well as the school's inevitable expansion needs, the Board of Education for Lukachukai School proposes to construct a new grant school on 44.28 acres of land on the former Lukachukai airstrip in Lukachukai, Arizona.[1] This facility would serve 450 youths from kindergarten through eighth grade from Lukachukai, Round Rock and Tsaile/Wheatfields Chapters. The land is currently used for grazing purposes and has been withdrawn form that use for the construction of the proposed school.

We have conducted archaeological, environmental, and cultural resources inventories of the proposed site, and have found that no new impacts would be imposed on wildlife, vegetation, cultural resources, or socioeconomic factors. The proposed new grant school at Lukachukai is project ready and should receive high priority ranking on the Bureau of Indian Affairs Priority List for new school construction. But to our dismay, we are ranked 66th on the list at this time.

[1] The new campus would consist of classrooms and administration buildings, a residential hall, gymnasium, playground, basketball court and football field, parking lot, bus garage, traditional hogan, greenhouse, cafeteria, and staff housing.

Unfinished BIA renovation project at Lukachukai.—Some of our immediate needs for classroom space could be alleviated if the BIA would complete renovation of a large building on our campus (formerly used as a dormitory) that was begun several years ago but never completed. This building has sat in its partially renovated state since 1992. The work needed to be done to make it suitable for occupancy includes installation of floors, ceilings, restrooms and electrical fixtures. We estimate this work could be accomplished for under $200,000. It is a waste for this building to sit unfinished and unoccupied, particularly since BIA has already devoted substantial Federal dollars to the renovation.

Staff Housing Improvement and Repair.—The Lukachukai Community Board of Education has 47 housing units for 85 employees, all of which contain asbestos in the floor tile and tile mastic. Of these, three units have been vacated due to facilities problems and all must be renovated to meet minimum safety requirements and to provide adequate protection from the elements in winter months. Because of these conditions we ask that new staff housing be considered as part of the new school construction application, including 10 to 15 new units to address overcrowding and replacement of the 47 existing unsafe units.

Facilities Operation and Maintenance.—Despite objections from many schools, the Facilities Operation and Maintenance line item was split into two parts last year. But in the BIA proposed budget for fiscal year 2001, the newly separated line item for Facilities Maintenance has disappeared, reportedly merged into the budget for Facilities Improvement and Repair (FI&R). We are deeply alarmed by this shift, as FI&R funds are not distributed by formula to schools but are doled out on a project-by-project, one-time basis.

Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for contract and grant schools. Facilities Operations and Facilities Maintenance have been consistently underfunded for Bureau-funded schools, with the previous combined line item often barely covering utilities costs for schools. Most of our buildings at Lukachukai are nearly 40 years old and contain asbestos. Because we have never received adequate Operations and Maintenance funding, they will continue to deteriorate rapidly and soon will need replacement. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students.

We hope that you will ask the BIA to explain why the facilities maintenance line item was removed from the school operations budget and what beneficial results will be obtained by this move. If this move will merely result in more BIA bureaucratic red tape, we ask that you reject it. Please insist that Facilities Maintenance remain in the School Operations budget, and provide sufficient funding for BIA-funded schools to properly maintain the Federal facilities we operate. Please increase both Facilities Operations and Facilities Maintenance funding by at least one-third in order to fully address the needs identified by the formula.

Administrative Cost Grants.—Administrative Cost Grant funding has been held at the $42.2 million level for three years. The Navajo Area School Board Association (NASBA) and BIA schools in the Navajo Area have developed an education plan to convert 50 schools to contract or grant status by the year 2003. The Lukachukai Community Board of Education fully supports this plan, but we fail to see how it will be possible to take over these education functions while the "pie" for Administrative Cost Grants remains inadequate to meet the needs of even the existing contract and grant schools.

Despite an initiative to increase contract support funding in other areas of the proposed budget, Administrative Cost Grants received an increase of only $4 million in the request, for total proposed funding of $46.3 million. This is actually a reduction from last year's budget request of $47.7 million, which was not approved. Present funding fulfills only 84 percent of the need for Administrative Cost Grants. The request for fiscal year 2001 is projected to cover only 80 percent of the need. With the possibility of new schools converting to grant status, shortfalls in funding for Administrative Cost Grants could get even worse in fiscal year 2001 if Congress does not significantly increase this funding level.

Student Transportation.—Lukachukai is located in the foothills of the Chuska Mountains, elevation 7000 ft, with students spread among three Navajo chapters over a radius of 20 miles. Access to our community is primarily via dirt roads. During the winter months, these roads become extremely muddy and icy, forming deep ruts that stay frozen for months. These treacherous conditions place a great deal of wear and tear on our school buses and other school vehicles, most of which are old and in poor condition. The closest bus maintenance and service location is a 250-mile round trip.

In the 1999–2000 school year the Bureau-funded transportation rate was $2.26 per mile, still far short of the nationwide average of $2.92 that was reported for public schools five years earlier. Under the proposed budget, transportation would be funded at $38.3 million, an increase of approximately $2 million from the fiscal year 2000 enacted level. With wear and tear and repair costs well above average due to our location and GSA rental and mileage rates escalating at a rapid rate, we believe this request would fall short of addressing the actual cost of student transportation for schools like ours.

If BIA transportation reimbursement rates continue to lag behind actual costs for student transportation in fiscal year 2001, we will be forced to continue to use a distressing 28–29 percent of our classroom funds to supplement our transportation budget. This shortchanges our students and forces us to stretch our extremely limited education dollars even further. We ask that you increase the BIA budget for student transportation to a level that can at least support a per-mile rate equivalent to the last computed national average of $2.92 per mile, which the NIEA estimates would require at least $42.2 million.

Indian Student Equalization Program (ISEP).—The ISEP program, which provides basic instructional funding for students in BIA-funded schools, has been consistently underfunded. The proposed fiscal year 2001 funding level of $333.3 million would result in a Weighted Student Unit (WSU) of approximately $3,685. As you know, this level is woefully inadequate when compared with similar expenditures for students in any other school system in the U.S. Unless additional ISEP funding is provided, we will continue to face a large turnover of qualified and experienced teachers, decreased instruction hours, teacher layoffs, and teacher salary freezes.

We support the National Indian Education Association (NIEA) recommendation of at least $352.2 million for the ISEP Formula program in fiscal year 2001, which would yield a WSU of approximately $4,000 per unit. By funding ISEP at this level Congress could come closer to offering real educational opportunities to Indian students that are more comparable to those enjoyed by other children in this country.

CONCLUSION

We thank you for your support for Indian Education programs and of the Lukachukai Community Board of Education, Inc. We hope that this testimony will prove useful to your efforts to craft a fair and reasonable budget for BIA education programs. We would be pleased to provide you with any additional information about our school and our priorities and concerns, and we look forward to working with you over the coming years to assure that every Indian child gets the education they need and deserve. Thank you.

PREPARED STATEMENT OF THE ALAMO-NAVAJO SCHOOL BOARD, NAVAJO NATION, MAGDALENA, NEW MEXICO

Mr. Chairman and Members of the Committee: My name is Burton Apache. I am President of the Alamo-Navajo School Board, a tribal organization of the Navajo Nation.

While called a "School Board", our organization does much more than run a BIA-funded school. Our 10-square mile reservation is isolated in south-central New Mexico, 250 miles from the Big Navajo Reservation. Because of our remote location, the Navajo Nation and its political subdivision, the Alamo Chapter, authorize the School Board to administer the education, health care, road maintenance, job training, Head Start and other community programs that serve our nearly 2,000 Navajo people. On an annual basis, we operate over $9 million of Federal and state supported programs.

SUMMARY OF REQUESTS

Obtain further details about BIA proposed re-location of school facilities maintenance funds into the Construction/Facilities Improvement & Repair account

Fund school facilities maintenance at $57 million

Fund school facilities operations at $55.6 million as requested by BIA

Fund Administrative Cost Grants at $57.9 million

We support the budget request for Education Facilities Improvement & Repair

Provide $150,000 for a replacement fire truck for the Alamo Navajo Reservation

BIA SCHOOL OPERATIONS

Facilities operations and maintenance funding

We are concerned about the BIA's proposed alterations in the structure of school facilities funding. Last year BIA asked and Congress agreed to separate the single "school facilities operation and maintenance" account into two—"facilities operation" and "facilities maintenance". There was no advance consultation with tribal and school officials about this change (as required by law), and little explanation of its objective in the budget justification.

Now in the fiscal year 2001 budget, BIA proposes a more dramatic structural change. It seeks to move the entire amount for "school facilities maintenance"—$27 million—from the Operation of Indian Programs into Construction—specifically, to the "Facilities Improvement and Repair" (FI&R) line item. The budget materials released so far by the Bureau provide no explanation of the objectives or ramifications of this proposal.

The 185 BIA-funded schools rely on facilities operation and maintenance funding to support their routine operational needs (such as the cost of utilities and janitors) and on-going maintenance needs (for boilers and building systems, water and sewer systems, etc.) for an enormous inventory of federally-owned buildings. These run the gamut of schools, dorms, administrative offices and gyms to bus garages and repair shops, storage units, fire stations, and utility systems.

As directed by Congress, BIA developed the so-called "FACCOM" formula to distribute facilities O&M funds to the 185 schools in the system. While the Congressionally-supplied funding has fallen one-third below the amount needed to fund the FACCOM formula, at least the schools could expect to be equally treated in the formula distribution of the funds made available.

The attempted move of "school facilities maintenance" funds to the FI&R line in the Construction account is of concern for several reasons:

(1) It could severely limit the ability of local school boards to develop their facilities budgets to prudently respond to their local circumstances. With combined facilities operation and maintenance funds, we can apportion our funds to meet our most pressing needs—such as paying our electricity, heating and water bills and janitor salaries. Sometimes this means that some facilities maintenance needs have to be put off. If, however, the facilities maintenance functions are moved from the "Operation of Indian Programs" account to the "Construction" account as BIA proposes, our ability to make needed budget apportionment decisions at the local level would be limited solely because of this structural change in the organization of the BIA budget.

(2) The BIA budget justification does not indicate whether the Congressionally-ordered formula-based distribution of facilities maintenance funding would continue. Funding for maintenance is already dangerously low. If the school system were to lose some $27 million from the amount available for formula distribution, school boards would not have the ability to do even routine maintenance; this would jeopardize the government's investment in these facilities and the well-being of the students and staff who occupy them.

(3) FI&R funds are distributed on a project-by-project basis, not by formula. Therefore, we can see no rational reason why BIA would want to combine funding for routine maintenance with funding for one-time projects (such as major renovations and repairs, asbestos removal, etc.) The purposes of the two funding line items are entirely different. If, however, they are combined into one account, BIA will make the sole decision as to how they are spent. If formula distribution is not used any semblance of equality between schools will be destroyed. And it will be difficult, if not impossible, for Congress to adequately supervise the expenditure of these funds.

(4) BIA bureaucrats would control the flow of funding to schools and decide what the money would be spent for rather than having these decisions made at the local level where school authorities know precisely what their building needs are. BIA is already this year taking steps to control facilities budgets. In January, more than 3 months after the fiscal year began, BIA told some schools that no facilities funding would be released until an acceptable "annual work plan" was provided. In effect, they are holding these funds "hostage". They are imposing an unauthorized requirement on schools in order to force them to do things the "BIA way" if they want their funds for the year. We fear this inefficient and irrational top-down control will only increase if the proposed structural change in the budget is permitted.

BIA has for years "skimmed" considerable funding off the top of the facilities O&M funds, further reducing the amount made available to the individual schools. These funds are used to pay BIA staff and support roads and other projects at BIA's

discretion, without any input or agreement from the schools whose formula funds were "skimmed" and without any direction from Congress.

As we reported in our fiscal year 1999 budget testimony, an internal draft of the budget justification for that year admitted that even a $77 million appropriation (the amount requested that year for facilities O&M) 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." This admission was deleted from the final justification sent to Congress so you did not get to read it. Meanwhile, our facilities costs—especially utilities and heating oil—continue to out-pace both budget requests and appropriations.

Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for all schools in the system.

Please require that the BIA first comply with the law requiring consultation with tribes and school officials before you agree to consider their budget restructuring. We and you need to know what objectives BIA hopes to achieve and whether those objectives have beneficial results. If this move will merely result in more centralized control and bureaucratic red tape, it should be rejected..

We hope you will retain school facilities maintenance funding in the School Operations budget, and assure that all appropriated funds are distributed by the formula. We also ask you to provide sufficient funding for BIA-funded schools to properly maintain the Federal facilities we operate. Please increase the Facilities Maintenance funding to $57 million in order to fully address the maintenance needs identified by the FACCOM formula.

Administrative cost grants

Last year, Congress focused considerable attention on the "contract support" funding needs for tribally operated BIA and IHS programs and provided commendable increases in funding for contract support. But not one dollar more was supplied for Administrative Cost Grants—the schools' equivalent of contract support costs. In fact, the appropriation for AC Grant has been frozen at the same level for three consecutive years.

As a result, in the current school year, we are receiving only 84 percent of the amount dictated by the statutory formula for our administrative needs. That percentage will drop to 81 percent next school year. (Under the "forward funding" system, the fiscal year 2000 appropriation, frozen at the fiscal year 1998 level, will supply our AC Grant funds for school year 2000–2001.) The BIA request for fiscal year 2001 (for use in school year 2001–2002) will only meet 80 percent of need. 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.

We implore the Congress to recognize that tribal schools' needs for administrative costs are just as great as those of other tribally-operated BIA and IHS programs. Please provide $57.9 million to fully fund AC Grants in fiscal year 2001.

More and more schools are converting to tribal operation each year, but not one dollar of additional funding has been provided to support their administrative costs. This severely threatens the continuing viability of existing contract and grant schools.

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.

School facilities improvement & repair

We applaud the BIA for the larger budget request for school FI&R projects, but we would point out that the budget request figure of $171.2 million is somewhat inflated because BIA has transferred the school facilities maintenance activity and funding into the FI&R line item:

—$27.8 million of fiscal year 2000 appropriations for school facilities maintenance has be "moved" to the FI&R line item and is included in the "2000 enacted to date" amount of $67.8 million (the actual fiscal year 2000 appropriation for FI&R was $40 million); and

—$37.8 million of the fiscal year 2001 FI&R budget request is identified for school facilities maintenance (which we hope will continue to be distributed to all schools under the existing formula).

Thus, the actual amount requested for FI&R projects at schools is $133.4 million, a laudable increase over the fiscal year 2000 appropriation of $40 million for these projects.

Alamo enthusiastically supports this requested increase. We are well aware that there is a tremendous need for FI&R projects throughout the BIA school system. At Alamo alone, our backlog of identified FI&R needs is $1.5 million. Some of the work we need done includes replacement of the school HVAC system, replacement of water heating units and roof repairs.

FIRE SAFETY

The Alamo Reservation, geographically the size of the District of Columbia, has only one fire truck. This vehicle is more than a quarter of a century old, and carries only 500 gallons of water. It might be laughable were it not the sole means of fire protection for $25 million in Federal facilities and more than 1,000 homes. We again urgently request the Committee's assistance in obtaining a new fire truck for the Alamo Reservation.

In its Construction budget (Public Safety and Justice/Fire Protection), the BIA requests funding to purchase new fire trucks for three locations. We hoped that Alamo Navajo would make the list, but we did not. Our need for a new fire truck is critical.

We are puzzled that the Bureau's estimate for each fire truck to be purchased in fiscal year 2000 is $170,000 (BIA Budget at p. 275), while its estimate cost per truck in fiscal year 2001 is $160,000 (BIA Budget at p. 280). It seems unlikely the per-truck cost would decrease.

Alamo asks the Subcommittee to add us to the list of locations that would receive a new fire truck and fire safety equipment in fiscal year 2001. If Alamo Navajo does the purchasing itself, we probably could obtain what we need for approximately $150,000, somewhat less than either of the BIA's per-truck cost estimates.

PREPARED STATEMENT OF THE PINON COMMUNITY SCHOOL BOARD, INC.

Thank you for this opportunity to submit testimony regarding the fiscal year 2001 Bureau of Indian Affairs education budget. We are pleased with the long-overdue emphasis that has been placed on Indian programs in the proposed fiscal year 2001 budget. But despite this emphasis, some areas of critical concern to the educational program in Bureau-funded schools have been overlooked in the proposed budget. In our testimony, we request the following programmatic changes and funding increases for the BIA's Office of Indian Education Policy:

—$57.9 million for Administrative Cost Grants;
—$360 million for the ISEP Formula program;
—$50 million for Student Transportation;
—$20.6 million for Early Childhood Development;
—$126.1 million for New School Construction;
—$57 million for Facilities Operations and $57 million for Facilities Maintenance, an exploration of the reasons for shifting maintenance funds out of the school operations budget, and language to protect these funds from BIA skimming.

ADMINISTRATIVE COST GRANTS

Administrative Cost Grant funding has been held at the $42.2 million level for three years, despite ever-increasing numbers of schools converting to grant status. The BIA's 2001 budget justification admits that even the Administration's proposed $4 million increase would only cover eighty percent of the amount that the Federal Government is required to be providing to schools for Administrative Cost Grants. The effect of this ongoing shortfall is simply devastating in our school.

We do not understand how this gap between Federal obligations and actual appropriations can be allowed to widen further, despite increasing awareness of the importance of adequate contract support and an initiative to increase contract support funding in other areas of the proposed budget. The Administration's request of $46.3 million is actually less than last year's request. This unconscionable underfunding represents a de facto abandonment of the Federal Government's self-determination policy. How can tribes even consider taking on school operations when the administrative costs associated with operating the schools for the Federal Government will only be funded at 80 percent of the need?

We believe that it is unreasonable to ask that schools operate with less than 100 percent of the acknowledged need for Administrative Cost Grants. We ask that at least $57.9 million be appropriated to address this critical Federal obligation. We also ask that you reject 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.

Finally, we ask that no new schools be added to the overstrained budget in this area until the Federal Government fulfills its commitment to fund Administrative Cost Grants at 100 percent of its obligation for existing schools. Schools should not be converted to grant status only for their new operators to find themselves all but doomed to failure as a result of inadequate funding.

FACILITIES MAINTENANCE AND OPERATIONS

OIEP "Skimming" of O&M funds.—We recently received a communication from the Education Line Officer for the Chinle Agency informing us that four percent of our Operations & Maintenance funds will be withheld for "oversight and technical assistance". This effort to "skim" off of our O&M funds will further diminish our already desperately inadequate Operations and Maintenance formula distributions. In addition, the agency has requested that we "submit a written Budget Plan and Annual Work Plan for the said funds before distribution is made". We feel that this is an outrageous and improper reassertion of BIA control over our school, creating unnecessary paperwork for funding that is obviously critical to our school and needs no justification. We ask that the Committee include strong language in the fiscal year 2001 budget to disallow such "skimming" of scarce school resources appropriated by Congress, and we ask that the BIA be discouraged from requiring more bureaucratic work to justify receipt of funds that Congress has appropriated.

Facilities Maintenance.—The formula distributions for O&M are alarmingly inadequate, often insufficient to cover even basic utilities, let alone basic maintenance. As directed by Congress, BIA developed the so-called "FACCOM" formula to distribute facilities O&M funds to the 185 schools in the system, but funding for this area has fallen one-third below the amount needed to fund the formula.

Despite objections from many schools, the Facilities Operation and Maintenance line item was split into two parts last year. But in the BIA proposed budget for fiscal year 2001, the newly separated line item for Facilities Maintenance has been shifted into the budget for Facilities Improvement and Repair (FI&R). We are very concerned by this shift, as FI&R funds are distributed on a project-by-project, one-time basis rather than by formula as O&M funds are currently distributed. Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for contract and grant schools. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students.

We ask that you request a thorough explanation for this shift from the BIA, and an accounting of what if any beneficial results will be obtained by this move. If this move will merely result in more BIA bureaucratic red tape, we ask that you reject it. Please insist that Facilities Maintenance remain in the School Operations budget, and provide sufficient funding for BIA-funded schools to properly maintain the Federal facilities we operate. Please increase both Facilities Maintenance and Facilities Operation funding to $57 million each to address the needs identified by the FACCOM formula.

INDIAN STUDENT EQUALIZATION PROGRAM

The ISEP program, which provides basic instructional funding for students in BIA-funded schools, remains underfunded in the proposed fiscal year 2001 budget. Under the proposal, ISEP would be funded at $333.3 million, resulting in a Weighted Student Unit (WSU) of approximately $3,685 in school year 2001–2002. As you know, this level is far below similar expenditures for students in public schools and Department of Defense schools. Unless additional ISEP funding is provided, we will continue to lose our best teachers to salary freezes or teacher layoffs, and our students will suffer decreased instruction hours and inadequate instructional materials. We ask that you take advantage of the focus on education within the BIA budget to finally do something about this discrepancy. We ask that Congress fund the ISEP Formula program at $360 million in fiscal year 2001, which would yield a WSU of approximately $4,000 per unit.

TRANSPORTATION

In the 1999–2000 school year the Bureau-funded transportation rate was $2.26 per mile, still far short of the nationwide average of $2.92 that was reported for public schools five years earlier. Under the proposed budget, transportation would be funded at $38.3 million, an increase of approximately $2 million from the fiscal year 2000 enacted level. With wear and tear and repair costs well above average due to the remote locations and inadequate infrastructure of tribal communities, we believe this request would fall short of addressing the actual cost of student transportation for schools like ours. We ask that you increase the BIA budget for student transportation to a level that can at least support a per-mile rate equivalent to the last computed national average of $2.92 per mile, which we estimate would require at least $50 million.

EARLY CHILDHOOD DEVELOPMENT

We strongly support the President's request for $14.95 million in increased funding for Early Childhood Development, of which $6.8 million would be dedicated to doubling the number of FACE sites in Indian Country and $8.2 million would be used to initiate the Therapeutic Residential Model at six pilot sites.

FACE (Families and Children Education).—Research has demonstrated that each dollar spent on early childhood and family literacy programs comes back six fold in savings on remediation, welfare, and teen pregnancy. FACE is not only an innovative program, but a wise Federal investment. We are preparing to assume a FACE program here at Pinon Community School, and we hope that you will assure that this effort to invest in our future becomes a reality by meeting the Administration's request in this area.

Therapeutic Residential Model.—We strongly support the Administration's proposal to implement the Therapeutic Residential Model at six pilot sites. The program as proposed would represent a similarly wise investment in addressing the special needs of young people in BIA schools. The Centers for Disease Control report that American Indian students attending BIA schools are at very high risk for problems associated with substance abuse, depression, poverty, neglect, homelessness, and physical abuse. We believe that this program would serve students at Pinon well, and we hope to be considered as a future site for implementing this model program.

PROGRAM EXPANSION

We urge the Subcommittee to lift the current moratorium barring schools from offering instruction to grades other than those that were approved by the Secretary as of October 1, 1995. We would like to expand our programs to include a K–6 grade program, and have been unable to do so as a result of this moratorium. We believe that schools should be empowered to make decisions about grade expansion where it is warranted to address the needs of students in their area, as well as geographic and other factors that may make such expansions advisable for a community.

NEW SCHOOL CONSTRUCTION

We strongly support the Administration's request of $126.1 million for new school construction for fiscal year 2001. While this may seem to be a steep increase to stomach in a tight budget year, it is an absolute minimum step toward addressing the shameful backlog of school construction needs in Indian Country. Many dozens of schools with facilities that are unfit or even unsafe await new construction, and at the rate that Congress has been funding this area, the current generation of students will be grandparents before many of these crumbling facilities are replaced. It is time for concerted action to address this backlog of need.

While we believe that new, creative means by which to approach this massive need are well warranted at this time, we are concerned that the School Bond Initiative contained in the President's request would not be guaranteed by the Federal government. It would be very difficult for poor tribes to make any significant contribution of tribal revenues to pay back bond principal. The fact that these bonds would not be guaranteed by the U.S. would make it very difficult for tribes without a good bond rating to find buyers for their bonds. Some tribes may not even have a bond rating. Because of this, we ask that the President's $126.1 million request be dedicated entirely to direct school construction at this time until an improved bonding proposal can be generated.

CONCLUSION

Thank you for your attention to these concerns. We realize that you have a difficult job before you, and that your allocations for this year are extremely limited. However, the needs discussed in our testimony are not pie in the sky-they are very real, concrete needs for the day to day function of our schools, the health and safety of our students, and the development of our future leaders. We feel very strongly that it is time to put aside the politics of budget crunching and live up to the Federal commitment to educate Indian children. We thank you for your efforts to support this end.

PREPARED STATEMENT OF THE NAVAJO NATION

The Navajo Nation welcomes this opportunity to support the proposed bipartisan federal fiscal year 2001 budget that acknowledges critical needs in Indian Country from health care to education to economic development. The recommended Executive Branch fiscal year 2001 budget is commendable as a first step in bridging the disparity between Indian communities and the rest of the United States.

The Navajo Nation commends the BIA and IHS for being strong advocates of Indian Self-Determination. However, the Navajo Nation challenges the BIA to go beyond providing basic services and look toward developing strong economies.

The traditional "Indian funding" within the Department of the Interior budget does little to compliment the bold economic development initiatives elsewhere within the fiscal year 2001 budget. Understandably, this Subcommittee oversees Interior appropriations, yet the Navajo Nation concerns are comprehensive with respect to other federal Departments' budgets. The Navajo Nation agrees with Congress in that Indian Self-Determination is inextricable from economic development. "The Congress declares that a major national goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve a measure of self-determination essential to their social and economic being." 25 U.S.C. Section 450a(c).

The 17.5 million-acre Navajo reservation presents many challenges in providing access to services that are otherwise readily available to most Americans such as water, electricity and telecommunications. Further, there are only 21 grocery stores, 42 restaurants and or fast food facilities, 13 hotels, 6 banks and 77 gasoline convenience stores to serve a population of approximately 231,000 Navajos. Many Navajos have no option but to travel hundreds of miles to off-reservation grocers, automobile dealers, clothing retailers and banking institutions. With these challenges in mind, the Navajo Nation Branch Chiefs identified economic development as one of eight priorities for the next three years. However, in order to attain economic development there must be infrastructure.

INFRASTRUCTURE

The Navajo Nation is all too familiar with the challenge of attracting businesses to an economic environment that has little or no infrastructure. Each month several businesses explore the possibility of locating to the Navajo Nation before realizing the obstacles of inadequately paved roads and the lack of electricity, water, telecommunication services, not to mention police and fire protection.

Roads

The Navajo Nation currently has 6,184 miles of roads within the BIA's Indian Reservation Roads (IRR) program. Of this amount, 1,373 miles are paved with 4,811 miles, or 76 percent, of the roads being unimproved dirt roads. The Department of Transportation and BIA administer the IRR program. The Navajo Nation supports the proposed budget in the amount of $349 million for the IRR program, an increase of $117 million over fiscal year 2000. This funding will provide road and bridge construction in Indian Country. The Navajo Nation additionally supports the proposed budget for the road and bridge maintenance program within the BIA at $32 million, an increase of $6 million over fiscal year 2000.

Water

There is a tremendous need for water and sanitation services within the Navajo Nation. Under the IHS, there is a proposed sanitation construction funding of $96.6 million for fiscal year 2001 for Indian Country. The Navajo Nation commends this proposal to help address part of the backlog of sanitation construction needs, commonly known as the BEMAR.

IHS—Facilities

With respect to the budget proposal of the Indian Health Service (IHS), Department of Health and Human Services, the Navajo Nation fully supports the $2.2 billion for health services and $349.4 million for facilities requested for fiscal year 2001. These amounts partially reflect the Navajo Nation's recommendations and input provided to IHS during last year's budget development process.

Specifically, we support the $40 million requested for the construction of the Fort Defiance Hospital ($38,715,000) in Fort Defiance, Arizona and the design of the staff quarters ($1,400,000). The current facility in Fort Defiance was built in 1938 and its user-population surpasses the current bed capacity and level of resources. It's estimated that the Fort Defiance Service Unit is equal to, or comparable in size to the entire Oklahoma Service Units.

The Navajo Nation is concerned with the fact that neither of the Navajo health centers in Red Mesa and Pinon, Arizona was considered for fiscal year 2001 funding. These health care facilities are needed to address the Navajo Nation's rural health problems. The Navajo Nation also requests the Subcommittee to continue to support those projects identified on the IHS Facilities Construction List for fiscal year 2001 and beyond.

Law Enforcement

The Navajo Nation supports the full funding of $156 million for law enforcement for Indian Country, an increase of $18 million over fiscal year 2000. This funding would tremendously help address needs for the Navajo Nation, provided these funding increases are distributed based on need.

No comprehensive plan or formal assessment has been developed between the BIA and the Navajo Nation to properly address funding standards and methodologies associated with crimes. There is a ratio of 0.9 police officers per 1,000 population for the Navajo Nation. The Navajo ratio is dangerously below the necessary minimum rural-setting ratio of 3 officers per 1,000 population. Based on this comparison, the Navajo Nation lacks 402 commissioned personnel.

Justice Systems

The Navajo Nation continues to be concerned with the lack of adequate funding for Indian nation justice systems. The fiscal year 2001 budget proposes a mere increase of $1.5 million for all Indian judicial systems under the Indian Self-Determination Act while proposing $15 million for undefined Justice Department "Tribal Court Program" competitive grants. Instead the Navajo Nation strongly recommends that the $15 million be appropriated for strengthening Indian judicial systems.

The federal "tribal court enhancement" initiative began in 1988, and the Navajo Nation committed a large amount of resources to get the Indian Tribal Justice Act of 1993 passed. To date, the Navajo Nation has not received any of the proposed benefits of the Act including adequate base funding. Therefore, we ask the Subcommittee to refocus on providing adequate funding for the day to day needs of our courts.

ECONOMIC DEVELOPMENT

Unfortunately, the BIA's fiscal year 2001 budget does not propose any funding for economic development. The Navajo Nation commends other federal Department budgets for addressing the needs in this area. Specifically, the Department of Commerce proposes $49 million for its Economic Development Administration to assist with technology, economic and business development in Indian communities. In addition, the Community Development Financial Institution proposes a first time $5 million set-aside for Native American tribes to establish training and technical assistance programs which would focus on eliminating barriers to capital access. In the fiscal year 2001 budget, an additional $2 million has been requested within the Community Development Block Grants program to establish a Native American Economic Development Access Center that will link over 12 federal agencies so that existing expertise can be accessed through a toll-free number. The Navajo Nation supports the Small Business Administration's proposed $4.5 million that would create Small Business Development Centers to provide professional and technical assistance to Indian businesses.

These innovative programs are a step in the right direction. The Navajo Nation suggests the Subcommittee direct BIA to begin exploring ways to compliment the economic initiatives of other Departments.

EDUCATION

Construction

The Navajo Nation strongly urges this Committee to support the BIA's request of $126 million for BIA Replacement School Construction for fiscal year 2001. The Navajo Nation appreciates the level of commitment the Bureau has provided to education and we hope the Subcommittee will support the Bureau's recommendation of $126 million as three of the six schools targeted for replacement serve Navajo students. Nearly 40 percent of the BIA schools (69 of 185 schools) are located on or near the Navajo Nation and the Navajo student population amounts to approximately 45 percent of the total BIA student population. The $126 million included in the School Construction Program will provide funds for Tuba City Boarding School, Baca/Thoreau Elementary and Wingate Elementary.

In addition, $171 million is requested for Facilities Improvement and Repair (FIR) of schools. Many of the projects slated for FIR funds will affect the education of Navajo children. The combined total of over $300 million identified above is unprecedented and will go a long way towards reducing the backlog which exceeds $800 million nationwide.

Assistant Secretary Gover's commitment to improving the educational facilities across Indian Country is fully supported by the Navajo Nation, including the Education Committee of the Navajo Nation Council, the Navajo Area School Board Association, the Association of Navajo Community Controlled School Board and the Native American Grant School Association. In this respect and in response to the Senate Committee on Appropriations recommendation to the BIA to establish a demonstration project to allow tribes with schools on the replacement list to cost-share construction costs, the Navajo Nation requests this Committee to work closely with the BIA to carry out the recommendations highlighted in S. Rpt. 106–99, and support the efforts of the Navajo Preparatory School. The Navajo Nation also supports the written and verbal testimony submitted to the Subcommittee by the Alamo and Lukachukai schools for fiscal year 2001

Adult Care Rehabilitation

The Navajo Nation also supports the $1 million request for Adult Care Facility Rehabilitation to improve four long-term adult care facilities on the Navajo Nation as budgeted in the Human Services portion of the Tribal Priority Allocations. Approximately, 350 Navajos, and their families will greatly benefit from this appropriation. Upon rehabilitation, these facilities will be able to access State Medicare and Medicaid funds. These facilities presently do not meet standards to be eligible for those funds.

Tribal Education Departments

The Improving America's School Act of 1994 authorizes appropriations for Tribal Education Departments through the U.S. Department of Education and the Department of Interior. The Navajo Nation recommends this appropriation be funded. Tribal Education Departments would advance Self-Determination by allowing tribes to control and maintain educational standards, policies, curriculum, certification, and funding.

HOUSING

The BIA's Housing Improvement Program (HIP) is slated to receive $31.8 million, an increase of $16.2 million. This funding presents a unique opportunity for Navajo individuals to access capital without being penalized by the TPA distribution methodology. The HIP funding is distributed based on eligibility of individuals. The Navajo Nation strongly encourages full funding of the HIP as it demonstrates equitable distribution of funding.

GRANT FUNDING

The Navajo Nation utilizes grant funding for a majority of its health, social services and justice programs. This funding is currently distributed through a competitive mechanism, which is inconsistent with the Federal Government's trust obligations. The Navajo Nation recommends the fiscal year 2001 funding for basic services to the Navajo people be based on trust principles, not create an antagonistic environment among the competing tribes.

Consistent with the Navajo Nation's position on TPA distribution methodology, all said funding should be allocated on the basis of tribal population, caseloads, number of personnel, the size of the areas served, and like factors.

PREPARED STATEMENT OF THE 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, funds shall be directed through the Department of the Interior, Bureau of Indian Affairs (BIA), Wildlife and Parks, Blackfeet Tribe, for the following items. Listed by priority, they are: $6,800,000. to construct a Trout Fish Hatchery facility; $300,000. annual 638 Self-Determination contract for hatchery operations; $100,000. addendum 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 total $200,000. annually; $80,000. 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 total $200,000 annually; $600,000 5 year, Public Law 93–638 Self-determination contract for St Mary Bull Trout Study Project; $145,000 annual Public Law 93–638 Self-determination contract for Bull Trout/Westslope Cutthroat Supplementation Program. Department of Interior, Bureau of Indian Affairs (BIA), Water Resources, Blackfeet Tribe for the following item: $22 million. St Mary, Milk River Irrigation Project, Public Law 93–638 Self-determination contract for system modifications.

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, irrigated crop 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 habitat.

The Blackfeet Tribe has identified the need for a Trout Fish Hatchery on the Blackfeet Indian Reservation, and has initiated inter-agency cooperative measures for planning, development and construction of a facility. 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 foster associative socio-economic interests and productively promote the commercial expansion of Tribal and Non-Tribal private businesses.

The Blackfeet Tribal lake fisheries have historically produced trophy trout in impressive numbers and has been said to be the fly fishermen's best kept secret in the Northwest. The revenue generated through sales of Tribal fishing permits is substantial and is an important source of income for the Tribe. The Tribal fishery benefits many private enterprises locally and supports business in the surrounding Montana rural communities. Revenue from permit sales help meet the expense of conservation law enforcement and fisheries management. In the arena of a stressed reservation economy the revenue generated by the Tribal fisheries is significant and if jeopardized will irreparably damage the economic interest of the Tribe.

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 the various benefits derived from this trust responsibility. The Tribe deems the stocking program to be successful in many economic categories, but has grown strongly concerned by recent USFWS changes in policy direction and reductions in appropriations for Federal hatcheries. Over time, policy and priority restructuring has had the effect of a disturbing decline in stocking rates which has raised alarm over the integrity of the Tribal fisheries. Any further reductions will have negative impacts creating a serious situation for the Tribe. A depleted fishery is a serious situation, which lends justification to expedite the necessary acquisition a Tribal Hatchery.

The Blackfeet Tribe has worked cooperatively for five years with the U.S. Fish and Wildlife Service and the Bureau of Reclamation to complete preliminary requirements for the hatchery site. Interior agency technical assistance has enabled the Tribe to ensure the best facility design for current fish culture practices and assure environmental and biologic quality control. The hatchery facility design will ensure quality production and maintain species integrity. The Tribe shall utilize a three phase production approach. Phase one shall include the engineering and design details to conform to production requirements. Phase two for construction shall

be defined on the basis of phase one. Phase three shall involve operational OMB performance to achieve progressional development. The parameters and requirements for phase one have been logistically defined. Phase one will require a design to refine and document a final product that will allow the Tribe to shift to phase two and phase three. The Hatchery will have a 50 year operational capability, and all production shall be exclusively used to support closed lake systems in Indian Country. In addition, as the hatchery matures production capacity shall have the future potential to provide Fish to the other qualified Federally recognized Tribes residing in Montana.

The Blackfeet have typically been regarded in terms of the Tribes special relationship with the buffalo, to be included, all fish and wildlife species were honored with equal respect and spiritual reverence. Specifically, the Tribal use of fish has a significant spiritual role where consumption of fish is used at the commencement of ceremonies. In addition, the advent of western society has placed subsistence burdens on the people of the Tribe since the late 1880's. To offset imposed adversity the Tribe has incorporated fish more frequently into daily diets, and like other western societal introductions, fish have evolved to portray an active culturally important role to the society structure. Today, within the reservations stressed economy the Tribe has a substantial vested interest in the procurement of the best stewardship for the Tribal fisheries.

The Blackfeet Tribe Blackfeet Fish and Wildlife Department (BFWD), receives an annual Public Law 93–638 contract for the purpose of achieving fish and wildlife conservation management for purposes that include law enforcement, management operations, project work, and administrative support. The Tribe enjoys ever increasing fish and wildlife resource opportunities. This expansion generates new responsibilities and requires additional funding to support essential operational management needs. 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 management 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 species of concern. The BFWD must provide the protection aspect of management for these ESA species. Big and small game species including nongame 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, and coyotes. The BIR's pothole system plays a very important role for waterfowl and migratory birds. The BFWD responsibility is for the management of all species within 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 strident management efforts. 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 or wolves. The TES program works equitably and cooperatively with Federal, State, and Tribal agencies to manage all threatened and endangered species.

TES current level of funding is not adequate to maintain quality of service or meet federal mandates. Unlike Federal and State agencies Indian Tribes are not eligible for funding under section (6) of the Endangered Species Act. Much of the equipment is 10 years old and needs replacement. Costs for operations have increased while contract 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 attention. The

TES mission dictates additional human resources and support equipment to meet increasing demands and facilitate Tribal Self-Determination.

The St Mary Bull Trout Study Project has been conducted in cooperation with the Blackfeet Tribe, U.S. Fish and Wildlife Service, Bureau of Reclamation, Glacier National Park, Alberta provincial government, and the Blood Tribe of Alberta. The study is entering its third year. Annually, the project is threatened by unavailable funds. All participants recognize the unique secular habitat conditions that exist within the St Mary drainage. Due to the undeveloped nature of large portions of the Blackfeet Indian Reservation and adjoining Glacier National Park nearly all necessary habitat requirements for recovery and sustainability are intact. The St Mary/Milk River Irrigation Project remains as the primary limiting factor. The study continues to collect data to monitor and identify parameters to assist recovery plans. The Tribe considers the probability of recovery of the Bull Trout in the St Mary drainage to have a high degree of success. The project area is unencumbered, experiencing very limited agriculture or industrial development use, with sparse residential populations, the St Mary Bull Trout situation is a recipe for success unlike anywhere else. Funding to procure the best research and management is vital to avoid a missed opportunity. A five year project appropriation is adequate to complete investigations.

The St Mary/Milk River Irrigation Project includes water delivered from the St Mary River Drainage to the Milk River Drainage. The overall structure is dilapidated after nearly one hundred years since its construction. The system of water works negatively impacts the sustainability of the (ESA) Threatened Bull Trout and ESA candidate Westslope Cutthroat Trout. Renovation and reconstruction of key system elements would alleviate impacts on Bull Trout and reduce insufficient operation. Funding will allow work on four central structures; Modifications to the dam outlet will allow necessary ESA/NEPA instream flows and reduce the likelihood of 100 year rainfall event disasters; Replacement of the headworks to the canal system with adequate fish screens will prevent unnecessary Bull Trout mortalities and obstruct introduction of Bull Trout in the Milk River where it is a non-native species; Replacement of the St Mary Diversion Dam with an incorporated fish ladder will allow fish passage during critical Bull Trout Migration; Installation of a liner in the canal to reduce water seepage loss and increase St Mary water capacity; Engineering, planning, and development will be required for all structure work. The Tribe believes that without these improvements the Bull Trout will not be able to recover, and federal restrictions will be in effect for perpetuity, impeding advancements of Tribal interests.

The Blackfeet Bull Trout/Westslope Cutthroat Supplementation Program, is the Tribes effort to work cooperatively to implement USFWS policy objectives which orient management towards native endemic species in Stream Systems. The Bull Trout and Westslope are native endemic species in the BIR streams. The Tribe will rely on the USFWS Federal trust responsibility for technical assistance in all stream fisheries management considerations. The BIR has 900 miles of streams and envisions the establishment of endemic species as a benefit to the Tribes economy and ensure cultural use for future generations to enjoy.

The Blackfeet Tribe will continue to meet challenges in the best interest of the fish and wildlife resource with your help. The commitment demonstrated by the appropriation Committee strongly confirms a sincere pledge to promote self-sufficient efforts and foster realization of tangible measures towards Self-Determination.

BUREAU OF LAND MANAGEMENT

PREPARED STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA

Dear Senators Gorton and Byrd: On behalf of the Izaak Walton League of America and our 50,000 members and supporters nationwide, I am writing to submit written testimony for the record regarding the fiscal year 2001 Department of the Interior and Related Agencies Appropriations bill. As a threshold matter, the League expresses its genuine appreciation for the Subcommittee's efforts during the past several years to secure additional funding for a variety of worthwhile programs. The stewardship of the nation's natural resources and the protection of its environmental quality not only provide incalculable benefits the current generation of Americans, but also insures a prosperous future for generations yet to come.

The Subcommittee has, as always, a daunting challenge in allocating federal dollars among a variety of worthwhile programs. In general, we strongly encourage the Subcommittee to fund each of the natural resource management agencies under its purview at least to the level recommended in the Administration's fiscal year 1901

Budget Request. At the same time, we feel it appropriate to highlight several federal programs that are especially deserving of full or increased funding levels:

U.S. FISH AND WILDLIFE SERVICE

National Wildlife Refuge System (NWRS) Operations and Maintenance.—The 93 million-acre NWRS, the only system of federal lands established specifically to conserve fish and wildlife resources, has suffered immensely from decades of deficient funding. However, during the last two years, the Subcommittee has provided much needed increases for addressing the maintenance backlog on the 516 refuges within the system. In order for the Service to continue its efforts toward eliminating the maintenance backlog, begin to effectively address backlogged operations projects, as well as meet the new requirements of the National Wildlife Refuge System Improvement Act, it is imperative that the Subcommittee continues to provide substantial funding increases for the NWRS. Consistent with the funding levels proposed by the Cooperative Alliance for Refuge Enhancement (C.A.R.E.), the League recommends $297 million for Operations and $69 million for Maintenance, for a total of $366 million (an $84 million increase above the Administration's fiscal year 1901 Budget Request).

State Non-Game Wildlife Grants Fund.—The League wholeheartedly supports the administration's request for $100 million to fund a new grants program for states, tribes and U.S. Territories to utilize for wildlife management activities, education and recreation related to non-game species. In recent years, state fish and wildlife agencies have found it necessary to spend substantial time, manpower and money performing biological assessments of impacts to non-game fish and wildlife from proposed activities in order to comply with a variety of federal environmental laws. The International Association of Fish and Wildlife Agencies estimates that non-game fish and wildlife needs amount to approximately $1 billion nationwide. Currently, however, less than $100 million is specifically directed toward state non-game management programs. Non-game fish and wildlife, which comprise 85 percent of the species that exist in the U.S., play critical, though often poorly understood, roles in the complex ecosystems upon which all species depend. Moreover, it is far less difficult and expensive to prevent a species from declining than to attempt recovering it after it has become listed as a federally threatened or endangered species.

BUREAU OF LAND MANAGEMENT

Wildlife & Fisheries and Threatened & Endangered Species.—The 264 million acres managed by BLM supports a diverse array of fish and wildlife, including more than 250 species listed or proposed for listing under the Endangered Species Act. Unfortunately, staffing and funding shortfalls have severely impaired the ability of the BLM to restore, protect and enhance the fish and wildlife resources under its care. The League believes the President's request of $26.7 million for Wildlife, $14.1 million for Fisheries and $23.7 million for Threatened and Endangered Species is insufficient for the agency to meet its fish and wildlife management responsibilities (a mere $9.2 million increase above fiscal year 1900 enacted funding levels). Therefore, we urge the Subcommittee to provide additional funding for BLM's Wildlife, Fisheries and T & E Species accounts beyond that requested by the Administration.

Range Management.—Monitoring of grazing operations on public lands managed by the BLM continues to be a critically important, yet woefully underfunded, agency responsibility. Increased funding in range management will enable BLM to provide enhanced stewardship of rangeland and to reduce adverse impacts of livestock grazing operations on sensitive riparian and aquatic ecosystems. We urge the Subcommittee to fund the BLM Range Management activity at a level above the $72.8 million requested by the President's in fiscal year 1901 in order to provide at least $6 million for expanding the agency's rangeland monitoring program.

U.S. DEPARTMENT OF AGRICULTURE, NATIONAL FOREST SERVICE

Wildlife and Fisheries Habitat Management.—The Forest Service is charged with managing some of the most ecologically diverse and important fish and wildlife habitat in the nation. Unfortunately, the Forest Service has often been under-funded in areas unrelated to commodity production, significantly hampering the agency's ability to meet its multiple use mandate. In recent years, however, there has been an increasing emphasis on funding natural resource stewardship programs in recognition of the necessity to promote healthy forest ecosystems and the growing economic importance of recreational use of the National Forest System. The proposed new budget structure for the Forest Service, however, presents us with a great deal of difficulty in expressing support for particular programs and subsequently, tracking the expenditure of those funds. The League typically has supported and con-

tinues to support robust funding levels for the agency's Wildlife and Fisheries Habitat Management, which is now rolled into the Ecosystem Conservation line item. We ask the Subcommittee to provide at least $140 million for Wildlife and Fisheries Habitat Management for fiscal year 1901.

Inventory and Monitoring.—The League urges the Subcommittee to fund the Inventory and Monitoring program (now included in the Ecosystem Assessment and Planning line item) above the administration-requested level by $6 million (for a total of $199 million) in order to enhance and expand rangeland monitoring on the National Forests. Rangelands on the National Forests not only provide forage for livestock, but also support a diverse array of wildlife species. Unfortunately, however, roughly one-quarter of the 93 million acres of Forest Service rangeland is not in proper functioning condition and the condition of another 46-percent is practically unknown.

Forest Legacy Program.—The Forest Legacy Program (FLP) is a federal program created in 1990 and extended under the provisions of the 1996 Food Security Act ("Farm Bill") to provide funding for efforts to protect the long-term integrity of the nation's non-industrial private forestlands. The primary objective of the program is to identify environmentally important forestlands that are threatened by present or future conversion to non-forest uses and to protect them from conversion. For example, the FLP provides funds to States to acquire forested properties or to purchase conservation easements on forested lands at fair market value from interested landowners. Typically, Congress has appropriated less than ten percent of the funding needed to address identified project opportunities. This pattern of annual funding level is simply insufficient to allow for maximum realization of the program's potential conservation benefit. Accordingly, the League strongly supports the requested funding level of $60 million in fiscal year 1901.

LAND AND WATER CONSERVATION FUND:

Although generally considered a landmark piece of natural resource legislation, the promise of the Land and Water Conservation Fund (LWCF) has been largely unfulfilled during the past two decades. Multi-billion dollar paper balances for the fund are meaningless, as inadequate annual appropriations have prevented federal and state acquisition of ecologically significant lands and allowed vital fish and wildlife habitat to be lost forever. Full funding of the LWCF at the $900 million authorized level is essential for local, state and Federal Government agencies to protect natural resources and provide the full range of outdoor recreational opportunities that many Americans expect and all Americans deserve.

Although it should go without saying, the League also urges the Subcommittee to vigorously resist any efforts to attach legislative riders to the fiscal year 1901 Interior Appropriations bill. The American public has grown increasingly frustrated with this deceptive practice and given the complications associated with the appropriations process during the last few years, it would be unwise and inappropriate to allow it to reoccur.

In closing, I wish to thank you for your thoughtful consideration of these views. As the appropriations process moves forward, the League looks forward to working with you and your staff to insure conservation of the nation's natural resources and preservation of our outdoor heritage. If you have any questions or require additional information, please contact me at (301) 548–0150, ext. 225.

PREPARED STATEMENT OF THE CALPINE CORPORATION

GEOTHERMAL POWER PLANT DEVELOPMENT IN THE GLASS MOUNTAIN AREA

Mr. Chairman and Members of the Subcommittee. My name is Joseph Ronan, and I am Vice President of Calpine Corporation. With me today is Dr. L.R. Lawrence, Jr, President of Bob Lawrence & Associates, a consulting firm which supports us in Washington, DC. Calpine is the nation's largest generator of electric power from geothermal resources. We are also leading the nation in new, natural gas fueled electric power plants. We are proud of our role in providing the cleanest, most efficient electric power available from both fossil and renewable resources, using the finest, most efficient, cleanest, state of the art generation technology available.

We come before you today to discuss a significant problem which poses a substantial and needless threat to our nation's environment. We, and our geothermal colleagues CalEnergy Corporation, are presently attempting to develop just under 100 Megawatts of geothermal electric power in the Klamath/Modoc Forests in accordance with the National Forest Plan and all associated, applicable laws. We have been involved in the project for a number of years now, following all necessary legal

requirements; however, we have presently encountered an extra-ordinary obstruction by the Forest Service which is causing the unnecessary emission of many thousands of tons, per year, of nitrogen oxides, sulfur dioxide, and carbon. Specifically, from the EIA Annual Energy Outlook 1999, Electric Generation in 1997 was 3192 Billion Kilowatt Hours of Electricity, responsible for 532.4 Million Metric Tons of carbon emitted, 12.31 Million Short Tons of Sulfur Dioxide emitted, and 5.89 Million Short Tons of Nitrogen Oxides emitted. Using these numbers as a reference, the impact of the 100 Megawatts of geothermal generation to be implemented at Glass Mountain, assuming 8000 hours per year of operation at full capacity, would be annual emissions savings of about 133,000 metric tons of carbon, 3,080 short tons of Sulfur Dioxide, and 1,470 short tons of Nitrogen Oxides. In other words, each year that implementation of our geothermal power plants is delayed causes the unnecessary emission of these amounts of pollutants that our geothermal power would, otherwise, offset.

According to the National Renewable Energy Laboratory, a nominal carbon removal rate from the atmosphere by an acre of trees is 2.77 metric tons of carbon per year. Trees remove neither Sulfur Dioxide nor Nitrogen Oxides from the atmosphere. Therefore, the atmospheric benefit of the 100 MW of geothermal power is the equivalent of 48,014 acres of trees in terms of atmospheric carbon removal. The geothermal power offsets substantial quantities of nitrogen oxides and sulfur dioxide, on which trees have no effect at all. Therefore, one year of delay of geothermal power plant implementation is the equivalent of the destruction of 48,014 acres of forest, not including the sulfur dioxide and nitrogen oxides effects.

Calpine owns geothermal leases issued by the BLM for utilization of geothermal steam resources within federal lands in the Glass Mountain Known Geothermal Resource Area (KGRA) in Northern California. To utilize these resources, Calpine seeks to construct and operate a geothermal power plant, well field, and a transmission line, known as the Fourmile Hill Geothermal Development Project (Project). The Forest Service (FS) administers the surface of the lands that Calpine seeks to use for the Project, which is located within the Klamath and Modoc National Forests.

The proposed geothermal facilities are in a broad landscape area encompassing the Glass Mountain KGRA, known as the Medicine Lake Highlands which surround Medicine Lake. This area contains paved roads, a campground, cabins, a boat ramp, and an active pumice mine. Motor boat use for water skiing, fishing and other pursuits occurs regularly on Medicine Lake. Extensive logging has occurred in the area. Needless to say, it is not a "pristine" area.

On October 2, 1998, the FS and BLM, as joint lead agencies under the National Environmental Policy Act (NEPA), published a final Environmental Impact Statement (EIS) to address the environmental impacts associated with issuing permits for the Project. In addition, we and our geothermal colleagues, CalEnergy, invested over $180,000 in an ethnographic study, carefully coordinated with the Forest Service, to ensure that we would not desecrate any historic or traditional Native American cultural or religious sites. However, after more than 18 months of delay, the FS and BLM have not yet issued a Record of Decision (ROD) authorizing the required permits.

The leases now owned by Calpine were originally issued by the BLM, consistent with federal law and policy on geothermal leasing, and in cooperation with the FS to predecessor lessees, between 1981 and 1988. The agencies then prepared environmental assessments (EAs) and supplemental documents for issuance of the leases, and identified resource protection measures in relation to potential development, production, and utilization at that time. The EAs identified the Medicine Lake Highlands as an area used by Native Americans for cultural and religious practices, but no surface occupancy restrictions were required in the leases. The EAs determined that consultation would be an appropriate mitigation measure to reduce potential conflicts.

In 1994, Calpine completed drilling a temperature core hole well at the location of the proposed Fourmile Hill power plant. In 1995, Calpine submitted a Plan of Operations to BLM for an exploration well drilling project at the current development Project location. The exploration project encompassed the leases and five well pads and related roads which are part of the proposed current development Project. An EA for the exploration project was issued in December 1995, addressing, among other issues, potential impacts and mitigation measures for cultural resources and Native American concerns. The exploration project was approved by the BLM and FS in April 1996, with a finding of no significant impact on the environment (FONSI).

In 1996, Calpine submitted to the FS and BLM a proposal to develop the Project on its geothermal leases. The Calpine 49.9 MW power plant and well field area

would be located about three miles northwest of Medicine Lake, within the Glass Mountain KGRA on Calpine's Federal geothermal leases CACA 21924 and CACA 21926.

The formal process for preparing an EIS for the Project began in June 1996. The Bonneville Power Administration ("BPA"), which is expected to purchase the electricity produced by the Project, was a cooperating agency in completion of the EIS. The EIS also served as an environmental impact report ("EIR") for state and local agency authorizations and for compliance with the California Environmental Quality Act ("CEQA"). Environmental groups which have supported the project in writing include the Center for Energy Efficiency and Renewable Technology (CEERT), Renewable Northwest Project, Natural Resources Defense Council, Northwest Energy Coalition, Northwest Environmental Associates, and the Citizens' Utility Board of Oregon.

Meetings with affected tribal groups between October 1995 and April 1996 indicated concerns about impacts on spiritual/religious use of the area and cultural resource sites. These concerns were addressed throughout the EIS process. During the EIS and ethnographic study process, the lead agencies and/or the ethnographer met and consulted with the affected tribes at least 19 times. The final EIS includes mitigation measures that reflect Calpine's ability and intent to complete the Project in a manner that will minimize its impact on traditional cultural values of tribes with interests in the area as well as other public resources and uses.

The final EIS documents the low overall level of environmental impacts of the Project. The powerplant itself is not large and will not be visible from Medicine Lake or any other key areas. Similarly, the well drill pads and related facilities occupy little surface area and present limited visual impact.

Calpine Agreements with Tribes and Tribal Bands

Calpine has directly pursued consultation and agreement with the various interested tribes to resolve Native American concerns regarding the Project. Calpine completed an agreement with the Shasta and Upper Klamath River Canyon Tribes in April 1999 and with the Klamath Tribes in November 1999. The Hewise Pit River Band agreed to support the Project in June 1999 and assisted Calpine in discussions with several of the other Pit River Bands from the Alturas area. These agreements provide for protection of Native American cultural sites and burial grounds, the hiring of tribal monitors during construction, Native American sensitivity classes for the Project workforce, preferential hiring for project construction and operation, job training and scholarships. Calpine is also discussing with the Tribes the establishment of a fund from a portion of the Project cash flows to provide scholarships and grants for cultural and educational activities. The fund would be independently managed and available to all Native Americans in the area, including those who oppose the Project. As a result of these and other efforts during and after the EIS process, the majority of the tribal groups in the area now support the Project. These Native Americans—the Klamath Tribes, the Shasta and Upper Klamath River Canyon Tribes and the Hewise Band of the Pit River Tribe—understand that Calpine will complete the Project in a manner that will protect their traditional cultural uses. They recognize the employment and other economic benefits of the Project, the environmentally responsible production of energy that the geothermal project represents, and the serious and substantial measures that Calpine is taking to accommodate cultural resources and other concerns. This is reflected in several letters in favor of the Project. A single group, the Pit River Bands from the area around Burney, California (some 35 miles away from the project site), remain the principal Project opponents, and have been hostile to attempts to open a dialogue with them. We respectfully suggest that, while all views on such issues deserve consideration, this group represents a distinct minority of the Native Americans which may be affected by the Project.

It is wrong, unreasonable, and substantially environmentally harmful for the FS and the BLM to withhold Record of Decision (ROD) approval of the project.

Congress and the Council on Environmental Quality ("CEQ") have not required universal time limits for completion of an EIS and issuance of a ROD. However, NEPA and its implementing regulations clearly embody a policy against delay. As stated in CEQ NEPA guidance, "even large complex energy projects would require only about 12 months for the completion of the entire EIS process." Under NEPA procedures, the FS and BLM were otherwise free to issue ROD approval of the Project no later than 30 days after the October 2, 1998 publication of notice of the availability of the final EIS. Instead, over 18 months has passed since publication of the final EIS. There is no justification for this FS and BLM delay in ROD approval.

In 1998, Calpine was awarded a $20.8 million incentive payment from the California Energy Commission (CEC) New Renewable Resources Account to assist the Project's economics during its first 5 years of operation. ROD delay has already caused Calpine to lose the first year of incentive funding for the Project, totaling nearly $4 million. Calpine faces the threat of losing over $4 million in second year CEC funding from impacts on the lease drilling and development schedule if a ROD is not issued in the Spring of this year. Continued delay in ROD approval threatens the geothermal energy development needs identified in the Geothermal Steam Act and by BPA in carrying out its statutory mandates. Employment and other economic benefits for the communities and tribes in the Project area are also at risk as well as the environment.

Calpine requires a decision approving this Project prior to proceeding with further exploratory well drilling and other investments and actions critical to Project and lease development. If the drilling and related actions are not performed during the upcoming spring and summer operating season at the Project site, the Project development schedule will slip yet another year with all attendant, negative, environmental and societal impacts.

Therefore, Mr. Chairman, we respectfully request that you and the Subcommittee exert whatever authority you deem proper to enable ROD approval of this project immediately so that our country and its environment may benefit from this exceptionally important development. We thank you for your attention to this matter.

PREPARED STATEMENT OF THE PELICAN ISLAND PRESERVATION SOCIETY

I am Walter O. Stieglitz from Micco, Florida. I am the President of the Pelican Island Preservation Society, a group of 80 highly dedicated volunteers united to support and protect the Pelican Island National Wildlife Refuge.

The Pelican Island Refuge is in trouble and urgently needs the help of the Congress! When tiny Pelican Island, the Nation's first national wildlife refuge, was established in 1903 it had a staff of one. Today, the refuge contains over 5,000 acres and is managed as a complex with the nearby Archie Carr National Wildlife Refuge. The refuge has become urban in nature and is severely threatened by development. Management demands have multiplied many fold yet the complex still has a staff of one! Despite its great historical significance, the refuge has no public use facilities and is not even close to meeting its full potential. It is also totally lacking in administrative and maintenance facilities.

In addition to its historical significance, Pelican Island Refuge is unique for the important fish and wildlife habitat it provides. The Indian River Lagoon, of which the refuge is a part, and its associated wetlands, islands and mangroves form a major ecological system that supports a tremendous diversity of subtropical and temperate plants and animals. According to the Florida Marine Resources Council, the Lagoon has more species of plants and animals than any other estuary in the United States. The refuge provides habitat for 11 listed threatened and endangered species. In addition, several State listed Species of Special Concern are found on the refuge.

The refuge's greatest threat from development lies on its east side where an ongoing project to protect a 300 acre buffer area is centered. Up to this point 107 acres have been acquired. We wish to thank the Congress for appropriating a total of $6.5 million over fiscal years 1999 and 2000 which, along with a $900,000 donation from the private sector, have enabled the acquisition of the 107 acres. The $6.3 million requested in fiscal year 2001 is urgently needed to acquire an additional 85 acres of strategically located lands (please see attached map). Willing sellers are available. The lands in question are on the barrier island and are highly sought after by development interests. Unless quick action is taken these lands will be lost forever and the integrity of the refuge will be threatened. We could see condominiums on the shoreline within ¼ mile of Pelican Island itself.

The Pelican Island Refuge is badly in need of public use facilities. The Fish and Wildlife Service and Indian River County have jointly planned low impact facilities to be located on the barrier island portion of the refuge. These facilities will be cost shared by the county and the Service; however, the Service's share has not been funded. Because of its unique location, with easy access from major highways, the potential for refuge visitation is in the hundreds of thousands. In order to accommodate this level of visitation a moderately scaled visitor center is badly needed to provide information about the refuge as well as administrative facilities for refuge staff. The ideal location for this facility is the historic Kroegel Homestead in Sebastian. A center on this site would also provide environmental education opportunities for thousands of students in northern Indian River County and southern Brevard Coun-

ty. The Service has requested $530,000 in fiscal year 2001 to cover planning and engineering costs for a visitor center and we urge the Committee to support this amount. Ideally, funding for construction would be appropriated in fiscal year 2002 to ensure that the center would be completed by Pelican Island's 100th birthday on March 14, 2003.

If the Pelican Island/Archie Carr refuge complex is to ever reach its full potential additional personnel must be assigned and operations and maintenance (O&M) funding increased substantially. To supplement the existing single employee, 3 additional PFT personnel are needed now. Completion of the visitor center and other facilities will require an additional 3 PFT employees. The need is to increase the current O&M funding of $83,000 to $400,000 in fiscal year 2001. By 2003 O&M funding should be increased to the $900,000 level.

We wish to express our sincere appreciation to your Committee and the Congress for their providing $6.5 million over the last two fiscal years for acquisition of critically threatened lands at Pelican Island. We urge you to appropriate the full amount requested by the Fish and Wildlife Service in fiscal year 2001 for land acquisition ($6.3 million) and construction planning ($530,000). We also ask that you consider an add on for O&M funding in the amount of $317,000 and the provision of an additional three permanent full time positions.

There is very strong local support for the refuge and its development. In addition, 11 friends of refuge groups with over 2,500 members, and scattered across the U.S., have endorsed the enclosed plan for the refuge.

Thank you again for your past support and for the opportunity to provide input on the critical needs of our first national wildlife refuge.

PREPARED STATEMENT OF THE 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 and Staffing for Wildlife and Endangered Species Programs.—We at the Institute are very concerned about the lack of funding for the Bureau of Land Management, particularly its wildlife and Endangered Species programs. We are concerned that the President's requests for the Wildlife ($26.653 million and 244 full time employees) and the Threatened and Endangered Species Programs ($23.672 million and 230 full time employees) are inadequate to meet the severe wildlife habitat problems existing on BLM lands, as evidenced by the large number of listed species, candidate species, and species proposed for listing under the Endangered Species Act.

Nearly 100 species on BLM lands are already listed or proposed for listing under the Endangered Species Act. Several others are on the verge of being listed, including the sage grouse (petitioned), the lesser prairie chicken (warranted, but precluded), Columbian sharp-tailed grouse (petitioned), and the black-tailed prairie dog (warranted, but precluded). An appropriate investment in habitat conservation for sensitive species should yield enormous savings by averting future listings and the usually restrictive actions on land use that follow.

To prevent future listings, the agency has identified two habitats for large-scale, 5-year restoration programs: sagebrush in the Intermountain West and the short and mixed-grass prairie in Montana, North and South Dakota, Wyoming, Colorado and New Mexico.

More than 70 million acres of sagebrush have disappeared because of past management practices and, more recently, severe wildfires that burned 1.7 million acres. This habitat is home for sage grouse, Columbian sharp-tailed grouse, gray partridge, California and mountain quail, chukar, mule deer, pronghorn antelope, and Rocky Mountain and California bighorn sheep. About 80 percent of the remaining sage grouse habitat is on BLM lands and a listing will greatly affect how this land will be used and managed in the future.

Much of the short and mixed grass prairie has been converted to agricultural lands. The BLM manages some of the last remaining unbroken prairie in the United States, which is home to more than five listed or potentially listed species, including the black-tailed prairie dog, blackfooted ferret, lesser prairie chicken, and the piping plover.

These two initiatives also provide an opportunity for the BLM to proactively and comprehensively become involved in conserving a variety of birds species through active involvement in the North American Bird Conservation Initiative (NABCI). Coordination of federal land-management agency plans and on-the-ground work are two of the most important parts of this interagency, multiple partner effort. The

agency's conservation of riparian areas has been a true success for declining and listed birds. Sagebrush and grasslands habitats are equally important in addressing declines in bird populations before they reach a crisis.

We commend the Bureau of Land Management for developing long-range plans targeting these two large-scale habitat types. The agency has identified specific projects from the field and has built in accountability to determine whether the identified projects are being completed and whether they are improving habitat for the sage grouse, lesser prairie chicken, and many other wildlife species.

Unfortunately for whatever reason, these two projects are dramatically underfunded in the agency's fiscal year 2001 budget request. In fiscal year 2001 alone, the Bureau identified $2 million in sagebrush projects that will remain unfunded. Most important is mapping and inventory to ground-truth GIS mapping efforts and beginning the inventory of all priority species in the sagebrush ecosystem through an interagency program. Applied research is needed to determine habitat relationships and the effects of disturbances from wildfire, mining activities, rangeland treatments, invasive plants, and disease. Other projects that will follow include reducing wildfire fuels, improving watershed and riparian areas, controlling invasive weeds, as well as specific wildlife and fish habitat projects.

The prairie grasslands projects on BLM lands need an additional $2 million in fiscal year 2001. The most immediate critical need is for an inventory of existing habitat and species at risk on BLM managed lands. Another $1 million is needed for applied research (1) to determine the consequences of habitat changes from land uses and lack of fire, oil and gas development, and other mineral extraction; (2) to control invasive species; (3) to develop techniques for restoring native grasslands; and (4) to determine the effects of habitat on plague in black-tailed prairie dogs. Once this is done, out-year projects include burning native grassland communities, improving riparian areas, controlling invasive species, such as leafy spurge, spotted knapweed, Canadian thistle, and purple loosestrife in wetland areas.

Lastly, we are concerned that the agency is overly conservative in its FTE ceilings, particularly in the number of biologists of all categories. With the large number of species at risk in the western United States, staffing should be increased to address this ongoing problem. Currently, there is about one biologist per million acres of land. This is assuming that the distribution of biologists is uniform across all States, which it is not. With the large number of species at risk in the western United States, staffing should be increased to address this ongoing problem. We also suggest that BLM be asked to identify the agency's needs for specific problem species and habitats.

Western Wyoming Gas Development.—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 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.

A specific dilemma not addressed in the BLM budget is lack of monitoring for wildlife and other renewable resources as a foundation for major land-use decisions. Proposed gas development on the Pinedale Anticline will, according to a recent BLM Draft EIS, have major impacts on large mule deer and antelope herds, one of the largest remaining sage grouse flocks, and Class I trout streams. These impacts will likely last more than 50 years.

To manage for these adverse impacts, the BLM suggests that monitoring will occur, yet they acknowledge in the Draft EIS that baseline monitoring called for in the existing Resource Management Plan has never been done because of lack of resources. We do not see this addressed in the BLM budget and request that it be included. Further, the BLM budget does not address mitigation of the impacts acknowledged in these decision documents. Active management to help get these herds, flocks, and streams through the long development period and comprehensive monitoring are needed if BLM is to discharge its stewardship responsibilities. These needs for staff and funds should be addressed in the fiscal year 2001 agency appropriations. Furthermore, these needs should be factored into future budget requests.

Revision of Old Plans.—We support the agencies request for an additional $19 million and 108 full time employees in the fiscal year 2001 budget to revise land-use planning documents. According to a recent report to Congress on Land Use Planning for Sustainable Resource Decisions, the BLM's land-use planning documents are woefully out of date. To quote this document, "Of the 162 plans BLM cur-

rently uses to guide resource management on over 264 million acres of public lands, only 13 percent can be considered current to today's needs. The other plans are varying stages of decline and will continue to degenerate in usability as they continue to age . . . as they age, the more suspect they become and the credibility of the BLM's management effort comes into question as well, opening the door for costly litigation." We agree with this statement and are appalled that the agency has waited so long to rectify this problem.

Riparian Management.—We support the Bureau's 2001 request for riparian management ($26.653 million); however, we are concerned this amount is inadequate. 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.

Control of Wild Horses and Burros.—We support the Administration's request for the Wild Horse and Burro Program. The agency estimates that by next year it will have 50,600 more animals than the land can sustain. Overpopulation of these herds has severely affected range habitat and riparian areas and increases the risk that sage grouse and other special status species will be listed. We support the increased funding of $9 million as a wise investment in land stewardship.

Challenge Cost Share.—We support the BLM's Challenge Cost Share Program and the $3 million request for this program; however, any amount earmarked for Challenge Cost Share should also be a budget add-on. We are concerned about the earmark for the National Fish and Wildlife Foundation of $1.4 million. This should be an add on to the current wildlife subactivity rather than an earmark. The BLM has such a lean budget that earmarks for specific programs under past budgets have caused distortion in the agency's programs.

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, such as the Rocky Mountain Elk Foundation. So far, more than 800,000 acres of big game range has been improved.

An estimated $600,000 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.

In conclusion, we are very concerned about funding for the BLM, particularly its wildlife and Endangered Species 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. The current state of BLM lands affects all interest groups from ranchers, environmentalists, sportsmen and sportswomen to fishers, miners, and developers. If listings are to be averted, efforts to recover habitat on these lands will require a unified approach widely supported by these and other groups. If I or the Wildlife Management Institute can be of any assistance in this endeavor, please let me know.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

Dear Chairman Gorton: Support for fiscal year 2001 Federal Funding of $5.2 Million for the Department of the Interior—Bureau of Land Management's Salinity Control Program

Your support and leadership are needed in securing adequate fiscal year 2001 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 $39,011,000 in BLM's budget for Management of Land and Resources—Soil, Water and Air Management. 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 Honorable Slade Gorton March 16, 2000 Page California's Colorado River water users are presently suffering economic damages estimated at about $750 million per year due to the river's salinity. The potential impact of failing to move forward with the Plan of Implementation for salinity control would be to permit these damages in the Lower Basin to reach an estimated $1.25 billion annually by the year 2015. The Colorado River is, and will continue to be, a major and vital water resource to the 17 million residents of southern California. 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 THE PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM

The Partnership for the National Trails System appreciates your support over the past several years, through operations funding and earmarked Challenge Cost Share funds, for the national scenic and historic trails administered by the National Park Service. We especially appreciate the substantial increase in funding you provided for the Trail of Tears and the first funding for the Potomac Heritage Trail in fiscal year 2000. We also appreciate your allocation of funds to support the trails administered and managed by the Forest Service. To continue the progress that you have fostered the Partnership requests that you provide annual operations funding for each of the 20 national scenic and historic trails for fiscal year 2001 through these appropriations:

—*National Park Service*.—$6.735 million for the administration of 15 trails and for coordination of the long-distance trails program by the Washington Park Service office.

—*USDA Forest Service*.—$1.99 million to administer four trails and $550,000 for portions of 10 trails managed through agreements with the Park Service and Bureau of Land Management; $1.1 million for Continental Divide Trail construction, $250,000 for Florida Trail construction and $500,000 for Pacific Crest Trail construction.

—*Bureau of Land Management*.—$280,000 for administration of the Iditarod National Historic Trail and $1.01 million for the portions of 10 trails managed through agreements with the Park Service and Forest Service; $1.95 million to complete construction of the National Historic Trails Interpretive Center in Casper, Wyoming.

We ask that you increase the appropriation by $2.35 million for the National Park Service Challenge Cost Share Program and continue to earmark one-third of those funds (approximately $1,350,000) for the 15 national scenic and historic trails it administers.

We ask that you appropriate $650,000 to the National Park Service National Center for Recreation and Conservation to support an interagency pilot project to develop a consistent system-wide Geographic Information System (GIS) for the National Trails System.

We ask that you appropriate from the Land and Water Conservation Fund $5 million for acquisition of lands by the USDA Forest Service to protect the scenic quality and continuity of the Pacific Crest National Scenic Trail, $5 million for acquisition of land for the Florida National Scenic Trail, $1 million for acquisition of lands by the Bureau of Land Management to protect the scenic quality of the Pacific Crest National Scenic Trail, and $1.6 million to the National Park Service to acquire the site for the authorized interpretive center for the Ice Age National Scenic Trail.

We also ask that you appropriate from the Land and Water Conservation Fund $2 million to the State of Wisconsin to match state funds available for acquisition of land for the Ice Age National Scenic Trail and $500,000 each to the States of Michigan and New York to match funds available for acquisition of lands for the North Country National Scenic Trail.

The $650,000 we request for GIS will fund the first year of a 5 year interagency effort to develop a consistent Geographic Information System for all 20 national scenic and historic trails. This pilot project will build upon work already underway on the Ice Age, Appalachian, Florida, Oregon, California, Mormon Pioneer and Pony Express Trails to develop consistent procedures for gathering, storing and mapping information that can be applied across the National Trails System. The consistency of the system will allow trail managers and users to share reliable information across nearly 40,000 miles of trails spanning 44 States, hundreds of governmental jurisdictions and thousands of ownership parcels. A consistent system-wide GIS will aid agency managers and citizen volunteers in monitoring, protecting and managing thousands of significant cultural resource sites, occurrences of threatened or endangered species, bridges, signs and other attributes of these trails.

Of the $6.735 million we request for the National Park Service, $1.16 million will finally provide significant operational support for 6 of the trails that have received little funding. Annual operations funding for the Anza, Overmountain Victory, Natchez Trace, California, Mormon Pioneer, and Pony Express Trails ranges from $26,00 to $78,000 and averages about $56,000, barely enough money to pay for a federal trail coordinator with little left for projects that nurture the trail. The funds we request will provide full-time management for each of these trails and support projects, such as marking and interpreting sites along the Juan Bautista de Anza Trail through the heart of California's largest communities, mobilizing local citizen groups and government agencies.

Along the Natchez Trace Parkway and in the southern Appalachian mountains small dedicated organizations are patiently knitting together segments of the Natchez Trace and Overmountain Victory Trails so that someday hikers will be able to retrace the steps of citizen soldiers of the Revolutionary War and returning Mississippi River boatmen of the last century. The additional funding we request will quicken the pace of these efforts by strengthening the capacity for planning and organizing citizen-led trail making projects.

The $577,000 increase we request for the interagency Salt Lake City Trails office will enable the Park Service to better support collaborative management with the Bureau of Land Management and the Forest Service of four national historic trails that stretch 11,000 miles and extend across 11 States. With these funds the three agencies, working closely with citizen organizations, will revise the feasibility studies for the Oregon and California Trails, produce trail map brochures for the California and Pony Express Trails, and expand the GIS for all four trails. Another collaborative project, involving state departments of transportation, will begin to mark the auto tour routes for all four trails across 11 States.

All of these trails are amazingly complicated undertakings, none more so than the 4,000 mile North Country Trail. With more than 600 miles of Trail across 7 national forests in 5 States there is good reason for close collaboration between the Park Service and Forest Service to ensure consistent management that provides high quality experiences for hikers. Limited budgets for both agencies have severely hampered their ability to practice this effective management procedure. The $546,000 we request will give them that ability for the first time while also providing greater support for the trail building led by the North Country Trail Association, hastening the day when our nation's longest national scenic trail will be fully opened for use.

The Ice Age Park & Trail Foundation has pioneered in using a Geographic Information System (GIS) to map and record the many natural and cultural resources comprising the 1200 mile Ice Age Trail. This work has been supported by private and Park Service funding and equipment and office space provided by the Wisconsin Department of Natural Resources. The $631,000 we request will enable the Park Service to expand this GIS capability to more efficiently plan resource protection, trail construction and maintenance to correct unsafe conditions and better mark the Trail for users. The funds will also provide assistance to the Foundation to better equip, train and support the volunteers who build and maintain the Ice Age Trail.

It is equally important that the national scenic and national historic trails administered or managed by the United States Forest Service and the Bureau of Land Management receive similar budgetary recognition as America's Congressionally designated premier trails. Annual operations funding for these trails distinct from the general recreation program appropriations for these two agencies is essential to insure that these trails receive appropriate priority in annual work plans.

Recognizing the special responsibility for administering three national scenic trails and one national historic trail, the Chief of the Forest Service recommended that $1 million be used for those trails in fiscal year 1995. As you have done for several years, consistent operations funding should be provided annually for these trails. We ask you to appropriate $1.99 million as a separate budget item specifically for the Continental Divide, Florida and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail. Recognizing the on-the-ground management responsibility the Forest Service has for 838 miles of the Appalachian Trail, more than 600 miles of the North Country Trail, and sections of the Ice Age, Lewis & Clark, California, Iditarod, Oregon, Overmountain Victory, Pony Express and Santa Fe trails, we ask you to appropriate $555,000 specifically for these trails.

Administration of four national trails, two more than 1000 miles long and two over 2000 miles long, each crossing many management jurisdictions, is a complex endeavor. Each of these long trails passes through tens or hundreds of thousands of acres of land with great variations in topography, plant, animal and human communities. Each trail encompasses cultural and natural resources requiring sensitive management. As management endeavors they are comparable in scale and needs to the national forests, yet the Forest Service does not administer them as distinct entities with annual reliable budgets. These Congressionally authorized trails should be administered as distinct entities with appropriate supervision by the Forest Service. We ask that you provide the funding and direction to do so. Here are several examples of what can be accomplished.

Work is underway, supported by funds you provided for fiscal year 1999 and fiscal year 2000, to close several major gaps in the Florida National Scenic Trail. The Florida Trail Association can now build Trail across Eglin Air Force Base in the Ocala National Forest and along the Suwannee River, adding about 100 miles to the completed Florida Trail. The Partnership requests that you provide an additional $250,000 for fiscal year 2001 to the Forest Service for trail construction on these and other segments of the Florida Trail.

The Continental Divide Trail Alliance, with Forest Service assistance and funding from the outdoor recreation industry, surveyed the entire 3200 mile route of the Continental Divide Trail documenting $10.3 million of construction projects needed to complete the Trail. To continue new trail construction, begun with fiscal year 1998 funding, we ask that you appropriate $700,000 to plan 211 miles of new trail and $1.1 million to build or reconstruct 200 miles of the Continental Divide Trail in fiscal year 2001.

Nearly 300 miles of the Pacific Crest Trail, an original component of the National Trails System, is located on 227 narrow easements across private land. The Pacific Crest Trail Association has surveyed them and identified numerous encroachments that degrade the scenic quality of the PCT, as well as sections of the Trail located on the edge of dangerous highways. A full-time multi-regional Forest Service Trail Administrator is needed to better monitor these easements and manage the 2,650 mile Pacific Crest Trail in a consistent manner across and near 24 national forests, six national parks, four Bureau of Land Management resource areas and several state and county parks. We request $600,000 for the Forest Service to administer the Pacific Crest Trail for fiscal year 2001. We ask that you direct the Forest Service to use these funds to provide a full-time multi-regional Trail Administrator and a dedicated lands team that can work with the Pacific Crest Trail Association and the Park Service National Trail Land Resources Program Center to begin to acquire safe and scenic corridor and provide consistent, collaborative public/private management for the Pacific Crest Trail.

While the Bureau of Land Management has administrative authority for just the Iditarod National Historic Trail, it has on-the-ground management responsibility for 568 miles of two scenic trails and 3,590 miles of eight historic trails administered by the National Park Service and U.S. Forest Service. However, the Bureau of Land Management budget does not reflect this responsibility; the agency receives no funding specifically for these trails. To correct this oversight you directed funds to these trails for fiscal year 1999. We ask that you continue to provide this guidance by appropriating $280,000 for fiscal year 2001 earmarked as a separate budget item for administration of the Iditarod National Historic Trail and $1,009,000 for management of the portions of the 10 other trails under the care of the Bureau of Land

Management. We urge you to appropriate the $41.944 million requested for "Recreation Resource Management" to fully-fund programs and projects benefitting trails.

The Land and Water Conservation Fund provides the essential means to protect critical resources of the national scenic and historic trails. There are many important historical sites and critical stretches of these trails that remain unprotected and vulnerable to destruction or loss for public use. We request that you appropriate the $900 million authorized to be spent annually from the Land and Water Conservation Fund.

The Partnership requests that you appropriate from the Land and Water Conservation Fund $5 million for acquisition of lands by the United States Forest Service to protect the scenic quality and continuity of the Pacific Crest National Scenic Trail and $5 million to connect sections of the Florida National Scenic Trail on the national forests in Florida and St. Marks Wildlife Refuge. We also request $1 million for the Bureau of Land Management to acquire lands to protect the scenic quality of the Pacific Crest National Scenic Trail in California, and $1.6 million for the National Park Service to acquire the site for the authorized interpretive center for the Ice Age National Scenic Trail.

The National Trails System Act encourages states to assist in the conservation of the resources and development of the national scenic and historic trails. Florida and Wisconsin have committed millions of dollars to help conserve the resources of the Florida and Ice Age National Scenic Trails, respectively. Michigan, Minnesota, New York and Wisconsin have funding programs, predicated on matching funds, that can help acquire lands for the North Country National Scenic Trail. The Partnership asks that you provide grants from the Land and Water Conservation Fund to assist and encourage Wisconsin in acquiring land for the Ice Age Trail and Michigan and New York in acquiring land for the North Country Trail.

The essential funding requests to support these trails are detailed in Attachment #3.

Public-spirited partnerships between private citizens and public agencies have been a hallmark of the National Trails System since its inception. These partnerships create the enduring strength of the Trails System and the trail communities that sustain it. They combine the local, grass-roots energy and responsiveness of volunteers with the responsible continuity of public agencies. They also provide a way to enlist private financial support for public projects, usually resulting in a greater than equal match of funds.

The commitment of the private trail organizations toward the success of these partnerships as the means for making these trails grows even as Congress' support for the trails has grown. In 1999 the trail organizations channeled 553,905 hours of documented volunteer labor valued at $7,422,326 to help sustain the national scenic and historic trails. This is a 10 percent increase over the volunteer labor reported for 1998. The trail organizations also directly applied private sector contributions of $5,780,340 to benefit the trails, an increase of $1.4 million over the money contributed in 1998. These contributions are documented in Attachment #1.

The earmarked Challenge Cost Share funds have significantly increased the activity along the trails administered by the National Park Service. For fiscal year 1999 14 of the 15 trails have reported using $640,790 provided by Congress to fund 72 projects with a total value of $1,810,670. The $1,169,880 provided by trail organizations and state and local government agencies to support these projects represents a 1.8:1 match to the Federal investment. Some projects that have been completed with this funding are detailed in Attachment #2.

The Challenge Cost Share approach is one of the most effective and efficient ways for Federal agencies to accomplish a wide array of projects for public benefit while also sustaining partnerships involving countless private citizens in doing public service work. The Partnership supports the Administration's $2.35 million increase in Challenge Cost Share funding as a wise investment of public money that will generate public benefits many times greater than the appropriation made. We ask that you continue to direct a portion of those funds specifically toward the national scenic and historic trails to continue the steady progress underway to make these trails fully available for public enjoyment.

ATTACHMENT 1.—CONTRIBUTIONS MADE IN 1999 TO SUPPORT THE NATIONAL TRAILS SYSTEM BY NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS

ORGANIZATION	VOLUNTEER HOURS	ESTIMATED VALUE OF VOLUNTEER LABOR	FINANCIAL CONTRIBUTIONS
Appalachian Trail Conference	181,521	$2,432,381	$3,262,500
Continental Divide Trail Society	[1] 1,500	20,100	.....
Continental Divide Trail Alliance	[1] 36,000	482,400	[1] 443,000
Florida Trail Association	43,618	584,481	123,500
Ice Age Park & Trail Foundation	60,015	804,201	644,784
Iditarod Trail Committee	[1] 16,800	225,120	[1] 75,000
Heritage Trails/Amigos De Anza Juan Bautista De Anza Trail	[1] 15,640	209,576	.....
Anza Trail Coalition of Arizona	1,318	17,661	.....
Lewis & Clark Trail Heritage Foundation	27,660	179,185	168,116
Mormon Trails Association	4,540	60,836	3,305
Iowa Mormon Trails Association	4,300	57,620	4,000
Natchez Trace Trail Conference	[1] 12,800	37,520	[1] 10,000
National Pony Express Association	1,740	23,316	[1] 14,000
Pony Express Trail Association	2,430	57,051	13,518
Nez Perce Trail Foundation	[1] 595	7,973	1,642
North Country Trail Association	24,476	327,978	127,777
Oregon-California Trails Association	[1] 28,500	381,900	173,100
Overmountain Victory Trail Association	9,144	122,530	2,573
Pacific Crest Trail Association	[1] 30,000	402,000	284,925
Potomac Heritage Partnership	[1] 7,800	104,520	340,600
Santa Fe Trail Association	[1] 16,300	218,420	61,000
Trail of Tears Association	37,208	498,587	37,000
Total	553,905	7,422,326	5,780,340

[1] Estimate.

ATTACHMENT 2.—1999 NATIONAL PARK SERVICE CHALLENGE COST SHARE PROJECTS ON THE NATIONAL SCENIC AND HISTORIC TRAILS

Reports document 72 Challenge Cost Share projects undertaken during fiscal year 1999 valued at $1,810,670 on 14 of the 15 national scenic and historic trails administered by the National Park Service. Projects include:

Trail design and construction.—Construction of several segments of the North Country Trail in Michigan and Wisconsin;

Trail heads and parking facilities.—Informational kiosks and trail registers for the North Country Trail in New York; two trailheads, one with accessible parking for disabled users, on the Ice Age Trail;

Bridges, boardwalks and shelters constructed.—Bridges on the Appalachian, Natchez Trace, and North Country Trails; boardwalks on the Appalachian and North Country Trails; shelters on the North Country Trail in New York and Pennsylvania and on the Appalachian Trail in North Carolina;

Trail mapping and marking.—Mapping of the North Country Trail, initial work to develop a GIS database for the Santa Fe Trail and to produce maps available over the Internet for the Juan Bautista de Anza Trail; trail marking on the North Country Trail in Wisconsin, on the Lewis & Clark Trail in Montana and all known expedition campsites along the Snake and Columbia Rivers in Washington, and auto tour routes for the Oregon, California, Mormon Pioneer and Pony Express Trails through Nebraska;

Interpretive signing installed.—Wayside exhibits for the Ice Age Trail in Dane County and at the Devils Lake State Park Unit of the Ice Age National Scientific Reserve, for the Oregon and California Trails at City of Rocks in Idaho, for the Lewis & Clark Trail at Fort Osage, Missouri and in North Dakota;

Exhibits and brochures developed.—Museum exhibits for the Juan Bautista de Anza Trail in Tucson, Arizona and Monterey County, California; state trail brochures for the North Country Trail; interpretive brochure for the Lewis & Clark Trail in Montana;

Natural resource management/Landscape restorations.—Prairie/grassland restorations on the Ice Age Trail with Dane County Parks Department; natural diversity inventories along the Appalachian Trail in New York and New Jersey;

Information services and educational events.—Development of a trail slide show and chapter operations manuals for the North Country Trail Association; development of a WWWeb page for the Dallas County section of the Selma-to-Montgomery Trail and an audio cassette tour program explaining the 20 mile portage route around the Great Falls of the Missouri River and interpretive programs at Fort Mandan, North Dakota and Fort Clatsop, Oregon on the Lewis & Clark Trail; wagon train commemorating 150th Anniversary of the California Trail;

Funding supported regional skills training workshops for volunteers, development of an interpretive plan, sanitation research and development of guidelines for backcountry outhouses along the Appalachian Trail. Funding supported organizational development training for the North Country Trail Association. Funding also supported development of a trailwide stewardship plan for the Lewis & Clark Trail and other preparations for the approaching Bicentennial of the Corps of Discovery Expedition.

ATTACHMENT 3.—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM FISCAL YEAR 2001 APPROPRIATIONS REQUEST FOR THE NATIONAL TRAILS SYSTEM

AGENCY/TRAIL	FISCAL YEAR 2000 APPROP.	FISCAL YEAR 2001 ADMIN. REQUEST	FISCAL YEAR 2001 PARTNERSHIP REQUEST	PROJECT/PROGRAMS POSSIBLE WITH INCREASED FUNDING
PARK SERVICE:				
Appalachian	$886,000	$894,000	$894,000	Law enforcement and resource management by NPS Park staff and support of volunteer-based trail and land management;
Natchez Trace	26,000	26,000	151,000	Planning, guidance & support for trail development projects with NTTC;
California	61,000	61,000	334,000	Interagency collaboration to produce trail brochure, install Trail markers & interpretive waysides, revise feasibility study and increase GIS data for Trail;
Ice Age	341,000	346,000	631,000	Trail corridor planning and GIS mapping; Support for Trail construction, maintenance and resource management by IAP&TF and local agencies;
Juan Bautista de Anza	77,000	187,000	187,000	Guidance and coordination of Trail site protection, interpretation & development projects with local agencies & organizations;
Lewis & Clark	1,174,000	1,640,000	1,640,000	Planning, coordination & support for local Bicentennial projects;
Mormon Pioneer	78,000	78,000	131,000	Coordinate interpretive exhibits and route marking with 12 states for 4 trails;
North Country	226,000	227,000	546,000	Management consistency through closer collaboration with Forest Service; Trail route planning and mapping; Support for NCTA trail making projects;
Oregon	111,000	115,000	208,000	Interagency collaboration to revise feasibility study, interpret auto tour routes and critical sites like South Pass and expand GIS database;
Overmountain Victory	36,000	36,000	136,000	Fulltime trail administration by NPS; new route signs and interpretive exhibits;
Pony Express	61,000	61,000	219,000	Interagency collaboration to produce trail brochure, install Trail markers & interpretive way sides, and increase GIS data for Trail;
Potomac Heritage	150,000	150,000	250,000	Assistance to local agencies and organizations for trail planning and educational projects;
Santa Fe	[1] 481,000	493,000	680,000	Coordinate systematic cultural resource management and interpretive program;
Selma to Montgomery	100,000	261,000	261,000	Comprehensive management plan developed and trail interpretation begun in collaboration with citizen support organizations & local agencies;
Trail of Tears	249,000	249,000	249,000	Survey, protection & interpretation of critical Trail sites with TOTA;
NTS-Washington Office	217,000	218,000	218,000	Program coordination and special projects funding;
Total	4,274,000	5,042,000	6,735,000	

Challenge Cost Share	1,991,000	[2] 4,333,000	⅓ of appropriation	Challenge cost share grants for trail projects;
Interagency GIS Pilot Project	[3] 200,000		650,000	Development of GIS for National Trails System starting with Ice Age, Florida, Appalachian, Oregon-California, Mormon Pioneer & Pony Express Trails;
BLM:				
Iditarod Trail			280,000	Coordination and support for collaborative management with other Federal agencies, Iditarod Trail organizations and State of Alaska; bridges and cabins;
Continental Divide, Oregon Pacific Crest, California, Anza, Lewis & Clark, Mormon Pioneer, Santa Fe, Nez Perce & Pony Express Trails.			1,009,000	California Trail resource inventories in Wyoming and California; Lewis & Clark Bicentennial preparations in Idaho and Montana; Archaeology at Little Sandy and Dry Sandy Pony Express Stations, WY; Interpretive exhibits for Anza Trail at Painted Rock, AZ; Marking 230 miles of Continental Divide Trail in Wyoming and 120 miles of Pony Express Trail in Nevada; Pacific Crest Trail maintenance in CA; Interagency management collaboration;
Total			1,289,000	
Iditarod Trail		385,000	385,000	Feasibility study for Iditarod Trail Interpretive/visitor Center
Historic Trails Center	2,600,000		1,950,700	Complete construction of National Historic Trails Interpretive Center in Casper, Wyoming
FOREST SERVICE:				
Continental Divide	235,000		935,000	Assumption of full administrative responsibility and leadership for consistent interagency collaboration for each trail; support for ongoing, consistent management with trail organization and local agency partners; trail brochures, signs, project planning etc. $700,000 for planning new sections of CDT, $500,000 for full time Administrator & land acquisition team for PCT;
Florida	150,000		250,000	
Pacific Rest	410,000		600,000	
Nez Perce Trains	205,000		205,000	
		1,000,000		
AT, NCT, IAT, IDT, CAT, L&CT, OT, OVT, PXT, SFT.	350,000	350,000	550,000	Improved trail maintenance, marking, interpretation, archaeological studies, historic site protection and trailhead facilities for trail segments in National Forests; Liaison for collaborative management of North Country Trail with National Park Service;
Continental Divide Trail	462,000		1,100,000	Trail construction projects along the Continental Divide Trail;
Florida Trail	231,000		250,000	Trail construction projects in Eglin Air Force Base, Ocala National Forest, Cross Florida Greenway and along Suwannee River;
Pacific Crest Trail			500,000	Trail construction: new bridges and trail relocations in Regions 5 & 6;
Total	2,043,000	1,350,000	4,390,000	
Nat. Forest System Trail Maintenance	20,445,000	20,000,000	40,000,000	Trail maintenance throughout the National Forest System.

ATTACHMENT 3.—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM FISCAL YEAR 2001 APPROPRIATIONS REQUEST FOR THE NATIONAL TRAILS SYSTEM—Continued

AGENCY/TRAIL	FISCAL YEAR 2000 APPROP.	FISCAL YEAR 2001 ADMIN. REQUEST	FISCAL YEAR 2001 PARTNERSHIP REQUEST	PROJECT/PROGRAMS POSSIBLE WITH INCREASED FUNDING
Nat. Forest System Trail Construction	29,582,000	31,000,000	31,000,000	New trail construction and trail re-construction throughout the National Forest System.
LWCF grant Continental Divide Trail	700,000	.....	150,000	USDA-Forest Service enabled to acquire lands in Colorado and New Mexico to establish new sections of the Continental Divide Trail;
LWCF grant Pacific Crest Trail	1,500,000	.....	5,000,000	USDA-Forest Service enabled to acquire lands in southern California, Oregon and southern Washington to preserve the continuity and scenic integrity of the Pacific Crest Trail;
LWCF grant Pacific Crest Trail	.....	.....	1,000,000	BLM enabled to acquire lands in California to preserve the continuity and scenic integrity of the Pacific Crest Trail;
LWCF grant Florida Trail	.....	.....	5,000,000	USDA-Forest Service enabled to acquire lands to protect 23 miles of threatened Florida Trail corridor and connect trail segments across private land between National Forests, St. Marks Wildlife Refuge & Eglin Air Base;
LWCF grant Ice Age Trail—Wisconsin [4]	2,000,000	.....	2,000,000	Provide assistance to State of Wisconsin to protect threatened Ice Age Trail corridor and connect trail segments across private land in Dane, Columbia, Portage, Washington and Waupaca Counties;
LWCF grant Ice Age Trail	.....	.....	1,600,000	NPS enabled to purchase site for interpretive center authorized for the Ice Age Trail;
LWCF grants North Country Trail:				
Michigan [5]	.....	.....	500,000	Provide assistance to States of Michigan and New York to protect threatened North Country Trail corridor and connect trail segments across private land.
New York [5]	.....	.....	500,000	
Wisconsin	500,000	.....	.....	
Total	4,700,000	.....	15,750,000	

[1] Includes $247,000 for operations of Santa Fe Park Service office, not related to the Santa Fe Trail.
[2] Administration request does not allocate any funds for the National Trails System. The Congressional earmark is needed to accomplish this.
[3] Congressional earmark within existing Park Service operations funding.
[4] This would be a grant to the State of Wisconsin to be matched at least 1:1.
[5] These would be grants to the States of Michigan and New York to be matched at least 1:1.

PREPARED STATEMENT OF THE NEW MEXICO INTERSTATE STREAM COMMISSION

SUMMARY

This Statement is submitted in support of appropriations for the Bureau of Land Management's Colorado River Basin salinity control program activities. Adequate funding needs to be appropriated to BLM for fiscal year 2001 for Colorado River salinity control activities. An amount of $800,000 is requested for specific marking for projects for the Colorado River Basin Salinity Control Program, and $5.2 million is requested in the Soil, and Air Management subactivity of the Management of Lands and Renewable Resources budget line item for Bureau of Land Management Activities in the Colorado River Basin which will assist in controlling salinity from public lands.

STATEMENT

The Colorado River Basin Salinity Control Forum, of which I am a member, is comprised of representatives of the seven Colorado River Basin States and has examined all of the features needed to control the salinity of the Colorado River. Because of the budgeting process utilized by the Bureau of Land Management, I can only presume that there are adequate dollars in the President's budget to proceed with water quality protection programs needed in the Colorado River Basin to ensure that excess amounts of salts are not contributed to the river system.

The Bureau of Land Management is the largest land owner in the Colorado River Basin and much of the lands that are controlled and managed by the Bureau of Land Management are heavily laden with salt. When salt-laden soils erode, silt is carried along for some distances and ultimately settles in streambeds, reservoirs or flood plains. The salts are dissolved and remain in the river system causing water quality problems downstream, affecting the quality of water used from the Colorado River by the Lower Basin States and the Republic of Mexico. Activities of the Bureau of Land Management under its Soil, Water and Air Management subactivity of the Management of Lands and Renewable Resources budget line item assist in controlling salinity contributed to the Colorado River system from public lands.

The Colorado River Basin salinity control program has been adopted by the seven Basin States and approved by the EPA as a part of each State's water quality standards. Water delivered to Mexico in the Colorado River is subject to Minute 242 of the U.S. treaty with Mexico, which sets limits on the salinity of water. By far the greatest portion of the naturally occurring salt load in the Colorado River Basin originates on federally owned or administered lands.

I believe that the Federal Government has a major and important responsibility with respect to controlling salt discharge from public lands and the Congress has charged the federal agencies with proceeding with programs to control the salinity of the Colorado River Basin with a strong mandate to seek out the most cost-effective solutions. It has been determined that the Bureau of Land Management's rangeland improvement programs can lead to some of the most cost-effective salinity control measures available. In addition, these programs are environmentally acceptable, will prevent erosion, increase grazing opportunities and dependable stream run-off, and enhance wildlife habitat.

The Forum believes that $5.2 million needs to be spent in fiscal year 2001 by the Bureau of Land Management for activities under the Soil, Water and Air Management subactivity of the budget line item titled Management of Lands and Renewable Resources. The Forum is particularly concerned that the line item titled Management of Lands and Renewable Resources is adequately funded to include the $5.2 million. Also, the Forum requests that an additional amount of $800,000 be marked specifically for projects for the Colorado River Basin Salinity Control Program. I would very much appreciate any favorable consideration that you may be able to give to these requests. I fully support the statement of the Colorado River Basin Salinity Control Forum in support of appropriations for the Bureau of Land Management for Colorado River Salinity Control Programs submitted by Jack Barnett, the Forum's Executive Director.

BLM has not had a history of adequately reporting its efforts, the associated expenditures and its accomplishments with respect to Colorado River salinity control. There is a bill that has passed the Senate and is now before the House which will require the BLM to report its program for salinity control to the Congress. The Forum supports this requirement. Also, 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 CPRA, by the Bureau of Land Management in such a way that the results of their salinity control activities in connection with expenditures of funds can be reviewed and measured. I fully support the Forum's position concerning the accounting and reporting of salinity control activities by the Bureau of Land Management.

PREPARED STATEMENT OF THE COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

This testimony supports fiscal year 2001 appropriations for the Bureau of Land Management (BLM) to accomplish Colorado River Basin Salinity Control activities and requests Congressional Direction to the BLM to expend $5,200,000 on measures to reduce salinity concentrations in the waters of the Colorado River System. We request that $800,000 of the Management of Lands and Renewable Resources line-item be marked for the Colorado River Basin Salinity Control Program as has been the direction to the BLM from the Committee in past years.

This testimony supports fiscal year 2001 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 2001 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 in October, 1999 and developed funding recommendations for fiscal years 2001 and 2002 needed for 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 2001 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 request that $800,000 from this line-item 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 important, and appropriate, as 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 further, that accounting for expenditures be done to allow oversight on how the funds were used, what resources were benefited and which natural resource concerns were addressed. Wyoming and the other member states of the Forum have been frustrated by BLM's identification of where funds are allocated without identifying what purposes the funding will serve or how those funds will be used to accomplish specific activities, objectives and benefits. The same difficulty exists with regard to the subsequent accounting for how allocated funds have been expended. The BLM remains 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 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 the State of Wyoming's views, and those of the Colorado River Basin Salinity Control Forum, as you carry out the important appropriation work of this Committee.

PREPARED STATEMENT OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Chairman Gorton and Members of the Subcommittee: The Metropolitan Water District of Southern California (MWD) appreciates the opportunity to submit testimony regarding the U.S. Department of the Interior's fiscal year 2001 budget, for the Hearing on Natural Resources, Energy and Other Programs. MWD supports the President's request of $39.011 million for the Bureau of Land Management's (BLM) Soil, Water, and Air Management subactivity contained within the Land Resources activity of the Management of Land and Resources appropriation. BLM intends to use a portion of the funds for watershed and water quality restoration in selected priority watersheds with a specific focus on the Colorado River Basin and other areas. MWD requests that Congress allocate $5.2 million of these funds for BLM's activities that control salt contributions from the lands it manages. MWD urges the Subcommittee to specifically mark $800,000 for the Colorado River salinity control program to focus BLM's efforts in this regard. MWD supports the President's request of $39.275 million for the Geological Survey's Water Data Collection/Management subactivity contained within the Water Resources Investigations activity of the Surveys, Investigations, and Research appropriation. MWD urges the continued funding of the Colorado River system component of the National Stream Quality Accounting Network (NASQAN) Program as proposed by the Geological Survey to the Colorado River Basin Salinity Control Advisory Council in October 1999. In addition MWD requests funding for recreation facilities at the Diamond Valley Lake, located in Riverside County, California. The amount requested in fiscal year 2001 is $14 million.

INTRODUCTION

MWD is a public agency created in 1928 to meet supplemental water demands of those people living in what is now portions of a six-county region of southern California. Today, the region served by MWD includes more than 16 million people living on the coastal plain between Ventura and the international boundary with Mexico. It is an area larger than the State of Connecticut and, if it were a separate nation, would rank in the top ten economies of the world. Included in our region are more than 225 cities and unincorporated areas in the counties of Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura. We provide more than half the water consumed in our 5,200-square-mile service area. MWD's water supplies come from the Colorado River via the district's Colorado River Aqueduct and from northern California via the State Water Project's California Aqueduct. The Colorado River continues to meet more than one-half of these supplemental water needs, and MWD is vitally concerned that the quality of this irreplaceable water supply be maintained.

The Colorado River is a significant component of the regional water supply and its relatively high salinity causes significant economic impacts on water customers in MWD's service area, as well as throughout the Lower Colorado River Basin. MWD and the Bureau of Reclamation completed a Salinity Management Study for Southern California in 1999. The first phase of the study concluded that the high salinity from the Colorado River causes significant impacts to residential, industrial

and agricultural water users. Furthermore, high salinity adversely affects the region's progressive water recycling programs, and is contributing to an adverse salt buildup through infiltration into Southern California's irreplaceable groundwater basins.

In April 1999, MWD's Board of Directors authorized implementation of a comprehensive Action Plan to carry out MWD's policy for management of salinity. The Action Plan focuses on reducing salinity concentrations in Southern California's water supplies through collaborative actions with pertinent agencies, recognizing that an effective solution requires a regional commitment. Based on a 1988 study, Reclamation estimated that water users in the Lower Basin were experiencing in excess of $750 million in annual impacts from salinity levels in the river in 1995, and that impacts would progressively increase with continued agricultural and urban development upstream of California's points of diversion. As part of the Salinity Management Study, the economic impacts have been refined for MWD's service area and have been submitted to Reclamation for its use in updating its Lower Basin estimate. Droughts will cause spikes in salinity levels that will be highly disruptive to Southern California water management and commerce. The Colorado River salinity control program has proven to be a very cost-effective approach to help to mitigate the impacts of higher salinity. Continued federal funding of the program is essential.

The Colorado River Basin Salinity Control Forum (Forum), the interstate organization responsible for coordinating the Basin states' salinity control efforts, issued its 1999 Review, Water Quality Standards for Salinity, Colorado River System (1999 Review) in June 1999. The 1999 Review found that additional salinity control was necessary beginning in 1994 to meet the numeric criteria in the water quality standards adopted by the seven Colorado River Basin states and approved by the U.S. Environmental Protection Agency, with normal water supply conditions. It is essential that implementation of BLM's salinity control program be accelerated to permit the numeric criteria to be met again under average annual long-term water supply conditions, making up the shortfall.

BUREAU OF LAND MANAGEMENT

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. The $5.2 million level of funding which MWD recommends for BLM's continued participation in activities that control salt contributions from BLM managed lands is necessary to meet the salinity control activities schedule that seeks to maintain the water quality standards. The Forum supports this level of funding. Use of these funds would be for immediate implementation of salinity control measures through improvements in rangeland management. MWD urges the Subcommittee to specifically mark $800,000 for the Colorado River salinity control program to provide BLM direction as to its intent.

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. In concert with reducing unnecessary salt addition to this important water supply source, these actions are ecosystem 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.

MWD 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 sa-

linity control for fiscal year 2001. 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.

GEOLOGICAL SURVEY

The Geological Survey's National Stream Quality Accounting Network (NASQAN) program monitors the water quality of large rivers in four of the nation's largest river basins-including the Colorado. Last October, the Geological Survey reported to the Colorado River Basin Salinity Control Advisory Council (Advisory Council), that it was proposing a modified Program beginning in fiscal year 2001 for the Colorado River NASQAN program. The objectives reported are to: provide an ongoing characterization of the concentrations and flux of sediment and selected chemicals, determine the contributions of subbasin source materials, and determine changes and trends in selected chemicals in the Colorado River system. In the Colorado River Basin, the Geological Survey has collected water samples at eight sites through the NASQAN program: the Colorado River near: (1) Cisco, (2) at Lees Ferry, (3) above Diamond Creek, (4) below Hoover Dam, (5) above Imperial Dam, and (6) at the Northerly International Boundary, and (7) the Green River at Green River, and (8) the San Juan River near Bluff. Samples collected have been analyzed for suspended sediment concentrations, and concentrations of dissolved and selected total nutrients, dissolved and suspended organic carbon, dissolved and suspended trace elements, and dissolved pesticides and major ions.

MWD supports the continuation of the Colorado River NASQAN Program as proposed by the Geological Survey to the Advisory Council. MWD urges your Subcommittee to support the President's budget request of $39.275 million for the Water Data Collection/Management subactivity contained within the Water Resources Investigations activity of the Surveys, Investigations, and Research appropriation. Continued gathering of specific conductivity data is necessary for determining the salt load of the Colorado River system. Continued monitoring and analysis of the salt load is needed to determine whether or not the numeric criteria contained in the EPA approved water quality standards for salinity will be exceeded. In addition, MWD requests that the NASQAN program include monitoring and analysis for gross alpha radioactivity and uranium at the eight sites on the Colorado River system. This is necessary to monitor the impact of the uranium mill tailings near Moab, Utah on the Colorado River.

DIAMOND VALLEY LAKE

With the recent completion of Diamond Valley Lake as a major water storage facility for 16 million people, the public's requirement for recreational facilities will need local, state and federal support. At the present time, MWD is working with local communities to secure funding for $58 million to be allocated for purposes of constructing and maintaining a major trail system for pedestrian and unmotorized vehicles in the surrounding areas; along with a Western Center Museum for archaeological and paleontological discoveries. The proposed federal cost share recommended by MWD is $14 million for fiscal year 2001.

PREPARED STATEMENT OF THE YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

ABSTRACT

The Yukon River Drainage Fisheries Association (YRDFA) requests a reauthorization of an appropriation 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. YRDFA seeks a reauthorization of $100,000 in base level funding plus an additional $50,000. 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)].

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 in 1999, the U.S. Fish & Wildlife Service has, at the direction of the U.S. section of the Panel and the negotiation delegation, entered into cooperative agreements with YRDFA in the amounts of $10,000 and $25,000, respectively, to assist the agencies in educating the public about the ongoing negotiations with Canada. Funds were utilized to pay for an annual 4-day fishermen's meeting and for informational newsletters distributed to nearly 3,000 recipients. In the fiscal year 2000 budget Congress authorized a $100,000 appropriation to YRDFA for the program. With this appropriation YRDFA sponsored a 4-day meeting in March 2000 and plans to organize 3 one-day meetings as well as publish 4 newsletters.

For fiscal year 2001 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:

Bi-monthly 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, Athabaskan 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.

PREPARED STATEMENT OF THE 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 Colorado River Basin in fiscal year 2001. 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 than previously. 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 sup-

portive 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 the 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 1999 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. 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.

BLM has not had a history of adequately reporting its efforts, the associated expenditures and its accomplishments with respect to Colorado River salinity control. There is a bill that has passed the Senate and is now before the House which will require the BLM to report its program for salinity control to the Congress. The Forum supports this requirement.

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 be 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 THE ARCHIE CARR NATIONAL WILDLIFE REFUGE

Dear Subcommittee, The U.S. Fish and Wildlife Service (Department of Interior) is currently requesting $6 million for land acquisition in the Archie Carr National Wildlife Refuge (ACNWR) in the fiscal year 2001 budget. I urge you to appropriate these badly needed funds in order to fulfill the 1989 U.S. Congressional mandate to establish and complete the refuge. The refuge is located in Brevard and Indian River Counties on the southeast coast of Florida. Thousands of people have worked for years to make the Archie Carr National Wildlife Refuge a reality. Without these funds lands within the refuge will continue to be sold and developed as private homes and commercial establishments. Once these beach front parcels within the refuge are developed it will make the overall management of the refuge increasingly difficult while also decreasing the quantity and quality of the beachfront sea turtle nesting habitat the refuge was designed to protect.

—The importance of the Archie Carr Refuge can not be understated. The ACNWR is this nations only refuge dedicated to the protection of sea turtles. The coastal lands within the refuge are home to the most important loggerhead sea turtle nesting beaches in the western hemisphere and the most important nesting beaches for green sea turtles in the continental United States. Over 90 percent of all sea turtle nesting in the North America occurs in Florida and the ACNWR encompasses the most important nesting beaches in that state.

—According to the USFWS's 1996 Status Review of Sea Turtles Listed Under the Endangered Species Act, "The major U.S. nesting area for Loggerhead sea turtles is in eastern Florida, which may be the second-most important worldwide nesting concentration. Within this subregion, the greatest density of nesting activity occurs in south Brevard County" (the ACNWR).

—Because of the highly migratory nature of these animals, the protection of Florida's nesting beaches is internationally significant. After hatching on Florida's beaches they travel throughout the Caribbean, the Mediterranean, and the Atlantic Ocean in search of food.

—Sea turtles often take up to 30 years to reach their sexual maturity. Then, after plying the world's oceans, they have a remarkable ability and requirement to return to their natal beaches they emerged from as hatchlings several decades earlier. These giant turtles require undeveloped, unarmored, quiet and dark beaches in order to nest successfully in significant numbers.

—There is substantial acreage within the refuge that still must be purchased in order to be able to effectively and efficiently manage the refuge and ensure protection of the nation's most important sea turtle nesting beaches. The refuge is currently only about 60 percent complete.

—All unprotected lands in the refuge and buffering the refuge are in imminent threat of development. Additionally, land values continue to increase rapidly along the Florida coast. It is only prudent to aggressively purchase lands as they become available, if the refuge is to be completed. The refuge area is currently dotted with "For Sale" signs.

—State and local governments and private foundations have committed more than their fair share of direct funds and staff support for land acquisition surrounding and within the congressionally dedicated refuge. This remarkable and unique partnership is a testament to the state and local support for the refuge and the need to protect the ecological integrity of this barrier island ecosystem (see enclosed resolutions from Brevard and Indian River Counties). The Federal Government has a commitment and a responsibility to more aggressively support this partnership effort. To date the Federal Government has contributed less than 20 percent of the total amount that has been spent on buying these critical beachfront and adjacent upland properties.

Because of the considerable funding provided by local and state government and private foundations, which now greatly exceeds dollars expended for land acquisition by the federal government, substantial amounts of land buffering the 4 core areas of the refuge have been purchased. Funding from non-federal sources has peaked

and is now declining significantly. While this wonderful partnership has gone a long way to securing the lands surrounding the refuge, it is critical that the federal government recognize its full responsibility to continue the funding for and purchase of lands within the Archie Carr National Wildlife Refuge boundaries.

For the last two years the U.S. Congress has not provided any additional funding for land acquisition in the Carr Refuge. The current $6 million budget request would go entirely to the purchase of critical beachfront habitat in the refuge. It is worth noting that by protecting these refuge lands for sea turtles and their nesting habitat we are also protecting the fragile coastline from increased potential for erosion that often results from coastal development, thereby ensuring that these beaches will also be available to the public.

I hope you will work with your colleagues in the House and Senate to ensure at least $6 million in funding in fiscal year 2001 for land acquisition in the Archie Carr National Wildlife Refuge.

PREPARED STATEMENT OF THE COACHELLA VALLEY MOUNTAINS CONSERVANCY

As Mayor of Palm Desert, California, and the City's representative on the Governing Board of the Coachella Valley Mountains Conservancy, I appreciate this opportunity to submit testimony in support of a $1 million appropriation to the Bureau of Land Management for acquisitions in the Santa Rosa Mountains National Scenic Area.

I have some great news to share with you. Then I'll get to the asking for money part. The great news is that the voters in California have passed a major park and open space bond measure, from which the Conservancy will receive $5 million for acquisition. In addition, we are optimistic that additional funds will be forthcoming for acquisition by the state through the Wildlife Conservation Board. And, to sweeten the pot a little more, my city has committed another $1.3 million to acquire land at the toe of slope of the Santa Rosa Mountains.

The mountains rise with breathtaking steepness from the floor of the Sonoran desert in southeastern California to an alpine environment atop San Jacinto Peak at 10,800 feet. The endangered peninsular bighorn sheep and four other endangered species inhabit these mountains. Cultural resources from Native American village sites to rock art and ceremonial sites abound. Palm oases dot the landscape and hidden waterfalls reward those who follow some of the more rugged trails. 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. For all these reasons, my colleagues and I at the city, the Conservancy, the BLM, the Friends of the Desert Mountains, the Building Industry Association, and the residents of the valley are strongly committed to protecting the Santa Rosa Mountains National Scenic Area for posterity.

Since the National Scenic Area was designated in 1990, BLM, the state, the Coachella Valley cities, the County of Riverside, the Agua Caliente Band of Cahuilla Indians, and local non-profits have cooperated in an acquisition program that has protected more than 17,000 acres. While prior to 1990 the state was doing the heavy lifting in land acquisition, since 1990 BLM has been the biggest contributor to the acquisition program, although collectively the local entities, the Conservancy, and the Tribe have come very close to matching BLMs efforts.

Now, we're ready to shift gears. For several decades, we've been running a marathon to protect the mountains. We've been pretty successful, though not 100 percent so, at staying ahead of the threats to the mountains. With the passage of Proposition 12 in California, the listing of the peninsular bighorn sheep as endangered, the progress on completing the Coachella Valley Multiple Species Habitat Conservation Plan, Congresswoman Bono's bill to designate the Santa Rosa and San Jacinto Mountains as a National Monument, and the dramatic upswing in development pressure in the valley and the accompanying enhanced recognition that we are in a race against time to conserve this natural and national treasure, we are ready to start the race for the finish line. With more state funds available, and cities like Palm Desert, and the Agua Caliente Band stepping forward, this local, state, and federal partnership can kick into high gear for the next few years and win this race to protect the irreplaceable.

The Coachella Valley will be experiencing very rapid growth in the next 5 to 10 years, and the pressures on the mountains will be escalating. We need to step up the pace of acquisitions, and we're in a position to do that with the highest level of local, state, and federal partnership yet. It's vital that the Federal Government remains a strong partner. That's why I urge you to support the $1 million appro-

priation to BLM for the Santa Rosa Mountains National Scenic Area, as proposed in the Presidents budget.

Years from now, any one of our grandchildren or great grandchildren, or even their great grandchildren could be taking a hike in the Santa Rosa Mountains on a fine spring day, enjoying the palm oases, the wildflowers, a hidden waterfall, the dramatic views of snowcapped peaks, and the sheer solitude of these mountains, so close and yet so far from the hectic bustle of our everyday urban world. It won't really matter whether he or she knows that we did our job today and conserved lands like this for all time; it will matter tremendously, however, that she or he can be there and savor the beauty and tranquility of these mountains.

PREPARED STATEMENT OF THE VALLEY FLOOR HABITAT CONSERVATION PLAN

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 2001.

First, the Coalition supports the Department of Interior's budget request for the Cooperative Endangered Species Conservation Fund—especially funding for HCP land acquisition.

Second, the Coalition urges the Subcommittee to appropriate additional funding for land acquisition above the funding requested by the President.

Third, the Coalition requests that the Appropriations Subcommittee earmark $1 million to the Kern County program to be used for purposes of acquiring and maintaining habitat preserves.

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 by the beginning of calendar 2001. In 1997 the U.S. Fish and Wildlife Service allocated $500,000 of federal Endangered Species Act Section 6 funds to assist in program implementation. The California State Government has authorized $1 million to augment the federal funds. In order to secure the $6 million total necessary for full implementation of the plan, we will require $2.25 million for fiscal year 2001 and $2.25 million for fiscal year 2002.

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 that 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 and Wildlife Service, Bureau of Land Management, California Energy Commission, California Division of Oil and Gas and Geothermal Resources, California Department of Fish and 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.

Kem 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 represents a departure from traditional endangered species conservation programs which utilize prohibitory controls to assure conservation of species habitat. Instead, it is based on an incentive-based system of selling or trading habitat credits in an open market. This innovative approach, 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 KCVFHCP is in the final stages of development and is scheduled to be completed in 2001. The HCP document and an Environmental Impact Statement will shortly be released, and the Implementing Agreement with the wildlife agencies is being developed.

Numerous agencies, in concert with the State of California and local government entities, as well as the private oil and gas and agricultural industries have contributed funding, time and other resources toward developing the KCVFHCP. The KCVFHCP program will be completed in early 2001, provided there is the necessary federal funding for the acquisition of habitat to mitigate for agricultural and oil and gas operations and development. Additional funding is critical to completing the HCP. This is one of the final steps necessary to implement the conservation strategy. Because of the extensive private, local and state government financial support that went into the development of this program, federal participation in program implementation will demonstrate that the burden of ESA compliance is not being placed exclusively on private property owners. Program funding will also contribute to eventual species recovery.

PROGRAM FUNDING NEEDS

In order for the KCVFHCP to be implemented, the program requires funding in the amount of $4.5 million (augments the $1.5 million in state and federal funding received in 1997) that could be funded in increments over the first several years of the program. A breakdown of the purpose and amount of this funding is as follows:

Long Term Fallow Land Issue

Agricultural practices and the variable availability of water have resulted in situations where substantial amounts of cultivated farm land are placed in a fallow state. If the fallow state persists for several years, endangered species can re-colonize some of these lands (currently estimated at 5,000–10,000 acres) and create potential ESA compliance problems when the land is returned to agricultural production. Many farmers are forced to unnecessarily disc fallow lands to prevent endangered species re-colonization.

The KCVFHCP has devised a strategy that includes the purchase and set aside of approximately 3,000 acres of endangered species habitat to mitigate for species loss resulting from reuse of long-term fallow agricultural lands. The program strategy allocates $3.0 million for acquisition and perpetual maintenance of species reserve areas. With this strategy, farmers would no longer have to be concerned about ESA violations when fallow land is reused. Furthermore, the regulatory incentive to disc fallow lands would be substantially reduced, and foster efforts to increase the temporary endangered species habitat benefits of long-term fallow lands.

Oil Development Issue

A mitigation strategy has been devised that is intended to acknowledge existing oil field activities within Kern County. The strategy proposes to acquire 3,000 acres of endangered species habitat to mitigate for species loss resulting from oil field development outside of established oil field production areas, but within proximity of those areas. This is to allow for reasonable expansion of oil field activities over the life of the HCP program. The program strategy allocates $3.0 million for acquisition and perpetual maintenance of species reserve areas. With this type of strategy, oil field expansion activities would be provided for in the program. This strategy would be of great benefit to the small independent oil and gas companies within the program area,

Together the $6.0 million required for the agriculture and oil field strategies would provide a method to satisfy the programs' endangered species conservation goals, while also providing for continued economic growth of Kern County's oil and agricultural industries. Protected species would benefit from a comprehensive long-term program that creates permanent habitat pressures.

Numerous industries, in concert with the State of California and local government entities, are attempting to do their part, and we come to the appropriations process to request assistance in obtaining a fair federal share of financial support for this important effort. This unique cooperative partnership involving state and local government, as well as private industry, has contributed substantial funds to date, to assist in the development of this program.

The California Industry and Government Coalition appreciates the Subcommittee's consideration of this request for a fiscal year 2001 appropriation to support implementation of this significant program.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

The National Association of Conservation Districts is the nonprofit, nongovernment organization that represents the nation's 3,000 conservation districts and more than 16,000 men and women who serve on their governing boards. Established under state law, conservation districts are local units of state government charged with carrying out programs for the protection and management of natural resources at the local level. Conservation districts work with nearly two-and-half million cooperating landowners and operators each year and provide assistance in managing and protecting nearly 70 percent of the private land in the contiguous United States.

FOREST SERVICE

Conservation districts are key partners with both the Forest Service and state foresters in carrying out programs to promote the health and productivity of the nation's private forestlands—both urban and rural—and related economies. With the nation's growing dependence on goods and services derived from these lands, the role of private forestlands, both nonindustrial and commercial, is becoming increasingly important.

State, local and tribal governments, and private individuals and organizations, own nearly two-thirds of forestland in the U.S. These nonfederal lands are managed by millions of individual owners with diverse goals and objectives. Thus, it is important that the Forest Service, through its cooperative programs, provide for a coordinated approach in maintaining the health of our nation's forests so that they continue to produce the many values desired by the American people.

Recent comprehensive reports indicate that critical trends are emerging on this vast landscape, which, taken together, raise important concerns for the nation. We believe there are crucial national interests at stake. The State and Private Forestry programs of the Forest Service are designed to address these issues by providing technical and financial assistance to promote voluntary stewardship and use of state and private forestlands. Although conservation districts' funding recommendations propose modest increases for these programs, even these levels are not nearly adequate to meet the challenges facing the nation.

To provide needed surveys and technical assistance for insect and disease suppression programs on both federal and cooperative land, conservation districts recommend funding Cooperative Lands Forest Health Management at $28.0 million for fiscal year 2001. This level is necessary to provide adequate cost-share and technical assistance needed by forestland owners in all phases of forest health.

Rural fire protection is a critical component of our present forest management program. As our population continues to expand into rural America, the urban/rural interface continues to grow in terms of fire danger. While states and their political subdivisions have primary responsibility for basic fire protection, the Cooperative Lands Fire Management Program ensures sharing fire protection for cost-effective operations. To assist states in protecting nonfederal wild lands and rural areas from wildfire, we recommend funding this program at $40.0 million for fiscal year 2001. This level of funding is the minimum amount needed to train and equip rural volunteer fire departments to help fight the increasing number of wildfires on private lands.

The programs and partnerships of Cooperative Forestry provide a vital link between federal resource management expertise and private land managers' needs for technical and financial assistance to properly manage and protect private forestlands. Bringing together both traditional and nontraditional interests from the public and private sectors, the Forest Stewardship Program seeks to enable the nearly 10 million nonindustrial private forestland (NIPF) owners—who own 44 percent of the nation's forestland—better manage and use their forest resources. Every state in the nation has a State Stewardship Committee that includes representatives from the fish and wildlife, conservation and recreation communities. Every state has also developed and is implementing a comprehensive management program that, in the long run, will ensure that millions of acres of nonindustrial, private forestlands are managed under stewardship plans. The Forest Stewardship Program, cost-shared with the states, provides high quality technical and stewardship planning assistance. The resulting plans enable landowners to manage their lands for multiple uses, while maintaining a robust forest ecosystem. The number of landowners requesting assistance constantly outstrips the ability to provide assistance. We recommend an increase of funding to $50.0 million for fiscal year 2001.

The Stewardship Incentives Program (SIP) is a companion to the Forest Stewardship Program and provides cost-share assistance to help private landowners implement multi-resource management practices. SIP's intent is to help landowners es-

tablish resource management practices that are not covered by other incentive programs. In fiscal year 1998, these practices were implemented on nearly 200,000 acres of forestland. SIP was not funded in fiscal years 1999 and 2000. To provide needed assistance to forestland owners, conservation districts recommend this program be restored in fiscal year 2001 and funded at $25 million.

Urban and community forestry programs have become increasingly important as American population demographics have shifted. Trees and forests provide many important benefits and are a vital component of healthy urban and suburban ecosystems. In the summer, trees help cool the urban "heat island," resulting in tremendous energy and cost savings—some sources estimate up to $2 billion each year. Trees also help reduce air pollution, retard polluted runoff and provide psychological benefits for residents. The Urban and Community Forestry Program provides the leadership, in cooperation with states, for improving and expanding urban forest ecosystems in the nation's 45,000 towns and cities where 80 percent of our population resides.

The program also provides leadership for state of the art technology and grants to urban areas to improve their quality of life through tree planting, maintenance and urban tree protection actions. More than 8,000 communities and 7,000 volunteer organizations participate in the program with requests for assistance exceeding program capacity by a factor of eight. Conservation districts recommend funding for Urban and Community Forestry at $50.0 million for fiscal year 2001.

The Forestry Legacy Program is intended to conserve environmentally important forests under threat of conversion to nonforest uses. From 1978 to 1994, private forestland tracts of 10 acres or less increased from 11 million to 16.6 million acres. A well funded Forest Legacy Program, through which landowners sell development rights while retaining other rights in private ownership, can help prevent the fragmentation of our forestlands. It operates on a willing seller-willing buyer concept. Conservation districts support the Forest Legacy Program at a funding level of $50.0 million for fiscal year 2001.

Economic Action Programs, begun in 1992, benefit the 72 percent of all counties in the nation that are rural. Of those, 70 percent are highly dependent on natural-resource-based earnings that are often directly associated with public lands activities. This collection of targeted programs—Economic Recovery, Rural Development and Forest Product Conservation and Recycling—develop the business and community knowledge necessary to sustain a locally driven natural-resource-based economy. Conservation districts believe it is entirely appropriate for the Federal Government to catalyze local problem-solving actions and recommend $25 million for Economic Action Programs for fiscal year 2001.

Conservation districts recognize that if the forestlands held in private ownership, which presently produce 80 percent of our timber supplies, are going to remain healthy and productive, we must be willing to invest for long-term gains. Upward-bound population demands reinforce the critical role Cooperative Forestry plays, not only in rural America, but also for all our communities.

U.S. FISH AND WILDLIFE SERVICE

The Partners for Fish and Wildlife Program offers technical and financial assistance to private landowners to voluntarily restore wetlands and other fish and wildlife habitats on their land. The program emphasizes the reestablishment of native vegetation and ecological communities for the benefit of fish and wildlife while meeting the needs and desires of private landowners.

Since 1987, The U.S. Fish and Wildlife Service's Partners for Fish and Wildlife Program (PFWP) has worked with more than 21,557 landowners to restore 464,816 acres of wetlands, 447,953 acres of native prairie, grassland, and other upland habitats 2,769 miles of riparian and in-stream aquatic habitat. In fiscal year 1999, PFWP engaged nearly 2,300 private landowners to help restore fish and wildlife habitats on more than 4,056 distinct sites, including 55,646 acres of wetlands, 106,222 acres of native prairie and grassland, 739 miles of riparian and in-stream aquatic habitat. 8,571 acres of other trust species habitats.

No other Interior Department program is more effective in bringing together private landowners, conservation districts, and the Federal Government to address environmental issues. More than 2,000 landowners are on waiting lists for assistance under the Partners for Fish and Wildlife Program. Conservation districts recommend raising the funding level for Partners for Fish and Wildlife to $32 million in fiscal year 2001 to meet the needs of landowners and fish and wildlife on non-federal lands.

The National Wildlife Refuge Fund was created to fully fund "payments in lieu of taxes" (PILT). These payments were designed to offset revenue lost by localities

when refuge acquisition results in land being removed from tax rolls. A funding level of $20 million is needed to fund agreed-to levels of PILT.

BUREAU OF RECLAMATION

The U.S. Bureau of Reclamation (Reclamation) is the lead federal agency for supplying water to agricultural producers in the seventeen Western states. Reclamation initiated a Water Conservation Field Services Program (WCFSP) in 1997 to encourage the efficient use of water on federal projects, assist water districts develop and implement effective water conservation plans, and complement and support other federal, state, and local conservation program efforts. Working through local irrigation districts, Reclamation's WCFSP is designed to provide technical and financial assistance in conservation planning, conservation education, demonstration of innovative conservation technologies, and implementation of effective conservation measures. In concept, Reclamation's WCFSP, and the assistance opportunities it provides to Western water districts and others, is, in many ways, modeled after the on-farm success of incentive-based conservation programs pioneered by local conservation districts, and their federal technical partner, the Natural Resources Conservation Service (NRCS).

In 1998, Reclamation, NACD, the National Association of State Conservation Agencies and the Natural Resources Conservation Service initiated a "Bridging-the-Headgate" conservation partnership to promote collaboration through the WCFSP, and create new opportunities for working together between traditional "on-farm" and "off-farm" conservation assistance programs throughout the seventeen Western states. The initiative's purpose, in short, is to find ways to work together on the common goal of efficient water management. To support this initiative, conservation districts recommend funding the WCFSP at $16.282 million in fiscal year 2001.

BUREAU OF LAND MANAGEMENT

Last year, at the urging of NACD and others, the Interior and Related Agencies Appropriations Act expanded the use of the Forest Ecosystem Health and Recovery Fund (FEHRF) within the Bureau of Land Management (BLM) to include forestry activities such as forest release from competing vegetation, density control treatments and forest health monitoring. This, combined with increased funding for prescribed burning, has tremendous potential for maintaining and enhancing fish and wildlife habitat, supporting species diversity, and producing other multiple forest benefits.

In spite of the availability of funding under FEHRF for projects, BLM lacks the personnel necessary to plan and administer projects authorized under last year's congressional action. Conservation districts have witnessed a steady 65 percent decline in the BLM forestry management budget since 1981. Adjusted for inflation over the same period, the entire Management of Lands and Resources Budget has declined 10 percent. Conservation districts believe that BLM needs to increase its forest management expertise to take advantage of FEHRF and refocus its efforts on forest restoration. Conservation districts recommend earmarking $1.6 million to support the equivalent of 24 forestry positions to plan and administer forest health improvement activities under FEHRF.

OTHER RELATED AGENCIES

In 1977, Congress enacted the Surface Mining Control and Reclamation Act (SMCRA) to regulate the mining industry and to address the problem of abandoned mine sites—those sites mined before 1977. At the time of its enactment, there were more than one million acres of abandoned sites. In addition to prohibiting companies from abandoning mined sites, SMCRA also required coal companies to reclaim the lands after mining. SMCRA also requires that all active mining operations pay a tax on each ton of coal they produce; at a rate of 35 cents per ton for surface mined coal and 15 cents per ton for deep mined coal. The funds collected from this coal production tax goes into the Abandoned Mine Reclamation Fund and are intended to be used to finance the reclamation of abandoned coal mine sites.

The Rural Abandoned Mine Program (RAMP), administered by the USDA Natural Resources Conservation Service (NRCS), addresses health, safety and environmental hazards created by abandoned mine lands. These hazards, which include dangerous highwalls, contaminated water, severe erosion and sedimentation, dangerous mine openings and abandoned structures, are problems in many areas with abandoned mine lands. Over the past 20 years, only about 40 percent of these lands have been reclaimed.

RAMP has a proven track record in cleaning up hazards and pollution from abandoned mine lands. It also improves rural economies by stimulating job creation. A

portion of the funds from the Abandoned Mine Reclamation Fund (AMRF) are to be transferred to NRCS to help defray the costs associated with mined land reclamation activities. Although the portion of the AMRF targeted for RAMP stands at $250 million, no funds have been transferred in the past 4 years.

Conservation districts strongly support appropriating fully 100 percent of the fees collected from current mining activities for mine land reclamation programs. We recommend funding RAMP at a minimum level of $25 million in fiscal 2001.

Additional detailed recommendations are found in the attached chart.

I appreciate the opportunity to share our funding recommendations for the natural resource programs of the Department of the Interior and related agencies.

FISCAL YEAR 2001 RECOMMENDED APPROPRIATIONS FOR SELECTED NATURAL RESOURCES PROGRAMS ADMINISTERED BY THE U.S. DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

[In millions of dollars]

	Fiscal Year 2000			Fiscal Year 2001	
	Admin.	NACD	Enacted	Admin.	NACD
U.S. Department of Agriculture Forest Service:					
State and Private Forestry:					
Cooperative Lands Forest Health Management	21.400	28.000	21.850	21.118	28.000
Cooperative Lands Fire Management	.....	40.000	28.010	32.504	40.000
Forest Stewardship	28.830	43.000	29.430	29.407	50.000
Urban & Community Forestry	39.540	43.000	31.300	39.471	50.000
Stewardship Incentives Program	15.000	20.000	.....	3.250	25.000
Watershed Initiative	.....	.....	.....	.....	20.000
Smart Growth Loans	10.000	10.000	.....	6.000	10.000
Economic Action Programs	16.305	25.000	20.119	17.267	25.000
Forest Legacy	50.012	50.012	30.000	59.768	50.000
National Forest System:					
Wildlife & Fisheries Habitat Management	123.800	124.000	100.376	135.542	135.542
Rangeland Management	65.000	65.000	57.050	72.494	72.494
Soil, Water & Air Management	67.000	67.000	56.097	69.371	69.371
U.S. Department of the Interior Fish and Wildlife Service:					
Partners for Fish and Wildlife	21.017	29.770	27.157	31.838	31.838
National Wildlife Refuge Fund	18.776	11.100	19.311	18.798	20.000
Coastal Program	8.811	8.811	8.771	8.665	9.000
National Fish & Wildlife Foundation	7.000	7.210	6.724	6.724	7.210
North American Wetlands Conservation Fund	15.000	15.450	15.943	31.000	31.000
U.S. Department of the Interior Bureau of Reclamation: Water Conservation Field Services	14.086	15.000	9.600	16.282	16.282
U.S. Department of the Interior Bureau of Land Management:					
Soil, Water and Air	32.000	32.000	33.256	.....	35.256
Range Management	67.000	67.000	66.667	.....	68.000
Range Improvements	10.000	10.300	10.000	.....	10.300
Wildlife & Fisheries Habitat	35.000	35.000	36.538	.....	37.000

PREPARED STATEMENT OF TROUT UNLIMITED, INC.

On behalf of over 117,000 TU members, we appreciate the efforts of this Subcommittee to fund many federal programs that protect and restore trout and salmon resources. As we look to the fiscal year 2001 Interior bill, we encourage you to support the following programs, many of which leverage non-federal funding. Trout Unlimited believes these programs represent sound investments in the health of aquatic resources. We also ask for your help in stopping harmful riders that undercut the very gains in resource conservation that are achieved by programs funded in your bill.

U.S. FISH AND WILDLIFE SERVICE

Whirling Disease Research.—$2 million

TU strongly urges the Subcommittee to restore the $1 million cut proposed by the Administration for whirling disease research. Over the past three years, Congress has provided the FWS $2 million per year for whirling disease research and other fish health work. Whirling disease remains among the greatest threats to the health of wild trout fisheries in the U.S. TU particularly supports the National Partnership (the primary target of the Administration's proposed cut), which has awarded more than $920,000 in competitive grants to support research and leveraged over $880,000 in matching funds.

Partners for Fish and Wildlife.—$33 million

Stewardship on private land—people restoring and protecting streams, wetlands, prairies, and wildlife habitat—is the best long-term solution for many conservation problems. The Partners for Fish and Wildlife Program provides financial and technical assistance for those voluntary efforts. This is a very popular and cost effective program. Last year it was unable to meet all the requests for assistance made, despite 40 percent of costs coming from non-FWS sources.

Coastal Program.—$8.7 million

Anadromous fish management program.—$8.7 million

Trout Unlimited supports these two programs which directly aid Atlantic salmon restoration.

National Fish and Wildlife Foundation (NFWF).—$8 million

Trout Unlimited requests an $8 million allocation for the Foundation's work with the FWS. We have worked closely with the Foundation on a variety of projects around the nation that have been beneficial to aquatic resources. The Foundation's hallmark is its leveraging of other funding sources and its effective use of partnerships to accomplish conservation objectives. A good example is the funding it provides in Maine aimed at improving riparian habitats on key Atlantic salmon restoration rivers. This type of work is essential for restoring Atlantic salmon.

NATIONAL PARK SERVICE

Rivers, Trails and Conservation Assistance Program.—$12 million

Building on the base increase last year, Trout Unlimited strongly supports additional funding for this invaluable community-led NPS program. We encourage you to view $12 million of funding for RTCA as worthy investment in communities. RTCA's staff excels at increasing local investment, securing foundation grants and garnering business support for community projects. This program is a model for how the Federal Government can successfully cooperate with communities. This small, effective program yields big benefits to communities nationwide, provides them with essential technical assistance and protects valuable fish habitat.

Elwha River Restoration.—$31 million

We urge you to including funding for the Elwha River Ecosystem Restoration at the $31 million level in the President's budget request. This funding will pay for the removal of the Elwha Dam on Washington's Olympic Peninsula. Adequate funding is critical to continued implementation of the 1992 Elwha Act, and to honor the treaty rights guaranteed to the Elwha Klallam people and 3 other Indian tribes. Restoration of the Elwha River may be the single greatest immediate opportunity for successful salmon restoration anywhere in the Pacific Northwest.

U.S. FOREST SERVICE

Fisheries Management Programs

Inland Fisheries.—$28 million

Anadromous Fisheries.—$30 million

Trout Unlimited is grateful for your past support of the Forest Service fisheries programs, as more than half of the nation's trout and salmon habitat lies within Forest Service land boundaries. This program includes the Inland Fisheries Management Program, which protects and restores fish habitat of inland species such as trout, bass, and walleye; and the Anadromous Fisheries Management Program, which protects and restores fish habitat primarily for Pacific and Atlantic salmon.

Road Decommissioning.—$18 million

TU recommends $18 million in fiscal year 2001 for road decommissioning and obliteration, as poorly maintained forest roads contribute to erosion and degradation of otherwise valuable wild fish habitat.

BUREAU OF LAND MANAGEMENT

Fisheries and Riparian Management Program.—$38 million

Trout Unlimited supports the Administration's requests for funding the BLM fisheries program at $14 million and the Riparian program at $24 million. BLM manages some of the most valuable trout and salmon habitats in the west, but also faces some major riparian restoration challenges. Lack of fisheries biologists and other resource professional is a major problem for the BLM as it tries to protect and restore aquatic habitat. The modest increases requested by the Administration will help to keep BLM moving forward on conserving its aquatic resources.

Land and Water Conservation Fund.—$900 million

Trout Unlimited strongly supports full, permanent funding for the LWCF. Encroaching development, jeopardizing water quality, open space and critical habitat for threatened and endangered species threaten environmentally sensitive lands across the country. Fully funding the LWCF will help preserve these lands. As part LWCF funding, we request $500,000 to purchase 177 acres on Whittlesey Creek, Wisconsin and funding to acquire Silsey Creek, Michigan on Lake Superior, which support coaster brook trout.

U.S. GEOLOGICAL SERVICE

Streamgage Monitoring Program.—$25 million increase

The USGS is the nation's premier source of information about the life's blood of rivers, water. The streamgage-monitoring program provides absolutely critical information needed to help reduce the $3 billion per year losses from flooding. But it also provides absolutely critical information needed to assess and restore the health of rivers. Providing more and better streamgaging data is a cost-effective way to reduce flood loss and provides added conservation benefits—a win-win for appropriations. Yet the streamgaging network has been greatly reduced in the last decade. We believe the Administration's request does not begin to address the need. Therefore we request an increase of $25 million.

Columbia River Aquatic Resource Program.—$4 million increase

Trout Unlimited supports the Administration's request for a $4 million increase for the Biological Resources Division's program on Columbia River Aquatic Resources.

Biological Research & Monitoring.—$1 million increase

Trout Unlimited requests this increase to develop immunologic detection systems for infectious salmon anemia (Atlantic salmon) and diagnostic tools to address whirling disease.

Community Federal Information Partnership.—$30 million

Trout Unlimited supports the Administration's request for a substantial investment in cross-cutting agency research programs that enable communities to make informed decisions by using the most accurate biological, hydrological, and geologic data about their natural resources. We are especially interested in the $2 million increase in funding to increase Water Information Delivery through watershed based mapping and the request for an increase of $4 million to expand of Gap Analysis Program to include invertebrates and fresh water aquatic environments.

OFFICE OF SURFACE MINING

Appalachian Clean Streams Initiative.—$12 million

Trout Unlimited requests a funding level of $12 million for this restoration program under the Office of Surface Mining. Acid runoff and drainage from abandoned coal mines have destroyed over 7500 miles of streams, primarily in Appalachia. ACSI targets streams that need immediate clean up where there is active local support for restoration projects. A watershed-based partnership program, ACSI gives grassroots organizations, federal and state agencies, and local residents' full participation in the restoration process.

HYDROPOWER

Fish and Wildlife Service.—$11 million

National Park Service.—$2.0 million

Bureau of Land Management.—$2 million increase

Bureau of Indian Affairs.—$3 million

A large number of FERC licensed hydropower projects are in the process of being relicensed, with more on their way. Relicensing is a once-in-a-lifetime opportunity to balance the energy needs of the country, the economic desires of private hydropower project owners, and the conservation of river resources. In order for the relicensing process to work efficiently and fairly, and to achieve the best results, the resource agencies participating in relicensing must have the financial resources to do their job. The NPS does a particularly good job in helping Trout Unlimited chapters across the country participate in watershed protection projects, on rivers scheduled for hydropower relicensing. These projects rehabilitate stream flows artificially controlled by hydropower dams by returning natural flows to otherwise pristine rivers, allowing for natural spawning of wild fish like Atlantic salmon and shad. The demand for assistance from the Park Service for these projects has increased substantially, and we request additional funding.

Trout Unlimited is a national fisheries group dedicated to the conservation, protection and restoration of our nation's trout and salmon resources, and the watersheds that sustain those resources. We appreciate your support of these programs in the past and urge you to increase funding so these programs can work to their full potential to restore and protect fisheries resources across the United States. Thank you for the opportunity to present our recommendations to the subcommittee.

PREPARED STATEMENT OF THE ORNITHOLOGICAL COUNCIL

The Ornithological Council submits the following written testimony regarding the fiscal year 2001 funding for the following agencies: U.S. Geological Survey, U.S. Fish and Wildlife Service, and USDA Forest Service. The Ornithological Council consists of ten leading scientific ornithological societies—the American Ornithologists' Union, Association of Field Ornithologists, Secc'on Mexicana Consejo Internac'onal 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.

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 request for the U.S. Geological Survey of $895.4 million, including the requested of $82 million, and in particular, the requested 13.6 percent increase for the Biological Resources Division (BRD). Particular programs that we feel are especially worthy of additional support in at least the requested amount are:

—DOI Science Support—$13 million

—Place-based Studies—$1.3 million

—Community/Federal Information Partnership—$30 million, including $8 million to BRD for expansion of the Gap Analysis Program, the National Biological Information Infrastructure, and cooperative programs with state agencies and local communities

—BRD—$700,000 to achieve full staffing for the Cooperative Research Units Other Department of the Interior requests that are particularly well-justified are:

—U.S. Fish and Wildlife Service Office of Migratory Bird Management—$1 million for migratory bird management and conservation

—U.S. Fish and Wildlife Service Office of International Affairs—$1.3 million for neotropical migratory bird management and conservation We also support the Department of Agriculture's request for the Forest Service, and particularly:

—USDA Forest Service Forest and Rangeland Research Program—$13.314 million In addition, we recommend allocations above the administration's request as follows:

—USGS BRD—$15 million/year for three years, to be allocated to the Science Centers
—USFWS—$10 million for migratory bird management
—USDA Forest Service—$7 million for additional full time employees and research funding

FUNDING FOR THE USGS

New funding for the DOI Science Support and Place-based Studies programs

USGS has developed two multidisciplinary programs that are designed to meet the research needs of the DOI land and resource management agencies—Place-based Studies, for which an additional $3.8 million is requested and the DOI Science Priorities Program, for which an additional $9.5 million is requested. The Place-based Studies program is particularly worthwhile, as it helps to correct unforeseen problems that occurred when the research biologists were removed from the agencies to form what was then known as the National Biological Survey. Land managers, some with little or no scientific training, have difficulty identifying research priorities and interpreting scientific data made available to them by BRD researchers. Place-based Studies not only puts biologists back into this critical role, but also brings hydrologists, mappers, and geologists to these same public lands, where, as a team, they help managers identify the research needs of a public land unit and develop an appropriate research program. At present, the areas under study are the San Francisco Bay/Delta, South Florida, the Chesapeake Bay, the Platte River, the Greater Yellowstone area, the Mojave Desert, the Great Lakes, and the Salton Sea. The DOI Science Priorities program is also deserving of funding, as it would fund research identified by the DOI agencies as their highest research priorities. The seven projects identified are national in scope and, like Place-based Studies, would be addressed by multidisciplinary teams from all four divisions of USGS. We encourage the Congress to fund this scientifically-sound approach to developing the information needed to address these pressing problems of natural resource management.

Community/Federal Information Partnerships (C/FIP)

Land use planning is a central function of local and state agencies, which need information collection and interpretation for their planning efforts.These partnerships are needed in all 50 states, to give the state and local partners the information and tools needed for land use planning and resource management. We support the requested increase of $30 million for this program. Two exceptionally critical components of C/FIP are the Gap Analysis Program and the National Biological Information Infrastructure.

Gap Analysis (GAP)

GAP provides regional assessments of the conservation status of native vertebrate species and natural land cover types and to facilitate the application of this information to land management activities. The information is made available to land managers and planners at the federal, state, and local levels. It has proved to be an invaluable planning tool. The requested increase would allow GAP to expand to include invertebrate species and aquatic habitats—including our valuable wetlands and other waters.

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 organization and delivery of information to resource managers through the NBII. Private conservation organizations, academicians, and others can share their information through this system. NBII could be of use to industry, education, policy makers, and management agencies. We therefore support the requested increase of $4 million for NBII.

Cooperative Research Units

The Cooperative Research Units have proven to be extremely effective at addressing the information needs of BRD state partners. We support the proposed increase of $700,000, which will bring existing CRUs up to full staffing for the first time.

Biological Resources Division

We would like to again call the Committee's attention to the need for funding for the BRD Science Centers, where the all biological research for the Department of Interior land and natural resource management agencies is actually conducted. 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 fiscal year 1994 to a low of $139 million in fiscal year 1996. The fiscal year 2001 request of $182 million is, therefore, just approaching 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.

The DOI natural resource and land management agencies have substantial research backlogs and new research needs that are not met because of the chronic shortfall in BRD funding. For instance, the Bureau of Land Management's wildlife and Endangered Species Programs have recognized that nearly 100 species on BLM lands are already listed or proposed for listing under the Endangered Species Act. Several others are on the verge of being listed. An appropriate investment in habitat conservation for sensitive species should yield enormous savings by averting future listings and the usually restrictive actions on land use that follow. To prevent future listings, the agency has identified two habitats for large-scale, 5-year restoration programs: sagebrush in the Intermountain West and the short and mixed-grass prairie in Montana, North and South Dakota, Wyoming, Colorado and New Mexico. For fiscal year 2001, BLM identified $2 million in sagebrush projects that will remain unfunded. Most important is mapping and inventory to ground-truth GIS mapping efforts and beginning the inventory of all priority species in the sagebrush ecosystem. Applied research is needed to determine habitat relationships and the effects of disturbances from wildfire, mining activities, rangeland treatments, invasive plants, and disease. The most immediate critical need is for an inventory of existing habitat and species at risk on BLM managed lands. Another $1 million is needed for applied research (1) to determine the consequences of habitat changes from land uses and lack of fire, oil and gas development, and other mineral extraction; (2) to control invasive species; (3) to develop techniques for restoring native grasslands; and (4) to determine the effects of habitat on plague in black-tailed prairie dogs.

Funding BRD at more than the requested level

The Ornithological Council supports the fiscal year 2001 Budget Request for BRD, and in fact encourages the Committee to consider appropriating $15 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 2003. All or substantially all of this money should be directed to the base funding of the Science Centers.

U.S. FISH AND WILDLIFE SERVICE, OFFICE OF MIGRATORY BIRD MANAGEMENT (MBMO)

The Ornithological Council supports the requested $1 million increase for migratory bird management, but notes that it is not nearly adequate to meet the monitoring and management needs for the 836 species of birds for which the U.S. Fish and Wildlife Service has legal responsibility. The information needs for migratory bird management far exceed the amount requested by the administration The true need is in the range of $50–60 million over a period of several years. We recommend that MBMO funding be increased by an additional $10 million above the requested increase.

U.S. FISH AND WILDLIFE SERVICE, OFFICE OF INTERNATIONAL AFFAIRS

The Office of International Affairs is highly effective, but little-known in the United States. It has implemented a number of programs that have achieved an extraordinary level of conservation with relatively little funding, particularly because it focuses on training graduate students, local resource managers, providing technical literature, and promoting environmental education. We strongly support the request for an additional $5.131 million for its International Conservation Program, and, in particular, for the additional $1.3 million for Neotropical Migratory Bird Conservation. These funds are leveraged with a 3:1 match of funds and in-kind services and will provide training for conservation organizations, protected area managers, and others throughout Central and South America.

USDA FOREST SERVICE FOREST AND RANGELAND RESEARCH PROGRAM

We are particularly concerned about the ability of the USDA Forest Service to conduct the research needed to maintain healthy forests—for wildlife, watershed protection, recreation, and timber resources. The administration's requested increase of $13.3 million for FS research (exclusive of economic research) for fiscal year 2002 covers four categories: vegetation management and protection; wildlife, fisheries, watersheds and air; resource valuation and use; and inventory and moni-

toring. The research budget has been flat for the past two years and under the proposed fiscal year 2001 budget, would remain flat. More than half the 6 percent requested increase represents uncontrollables.

It is easier to understand the implications of this research budget by looking at the magnitude of the research that is needed for the 192 million acres managed by the FS. Southern forests are being destroyed by a non-native invasive insect known as the woolly adelgid, introduced fungi are also devastating the forests, many birds of the grasslands are declining at a precipitous rate, the ability of the forests to hold carbon and protect rivers and streams is becoming increasingly critical, recreational demands are increasing by leaps and bounds. The Forest Service has a laudable Land Bird Conservation Program, which identifies research as one of six key strategies, yet there are only a handful of ornithologists in the Forest Service. The five research stations and one experimental station have a herculean task that they must meet with staffing levels that do not approach that needed. For instance, of the 151 researchers at the Southern Research Station, only seven are wildlife biologists. There is one hydrologist. Two scientists study forest health issues and two others study plant pathology. (Nine are in the social sciences and economics; approximately 60 are involved in forest inventory and forestry research). In the Pacific Northwest, there are 11 wildlife biologists, 5 fisheries biologists, 4 entomologists, and 5 ecologists (along with 25 forestry researchers and 6 economists). Nationally, there are 550 scientists in the Forest Service; of these, only 39 study vertebrates (mammals, birds, turtles, reptiles) and nearly half are forestry researchers concerned primarily with timber yield. The Forest Service has identified $60.4 million in unfunded research needs.

If the proposed Forest Management Planning regulations are made final, the FS scientists will have a substantially heavier burden, for those regulations call for significant input from the FS researchers.

For these reasons, we recommend that the Congress increase funding for the Forest Service Forest and Rangeland Research Program by at least 10 percent ($21.8 million) over fiscal year 2000 enacted.

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 7.3 million supporters nationwide. As the largest animal protection organization in the country, we urge the Committee to address these priority issues in the fiscal year 2001 budget.

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. For that reason, The HSUS strongly supports the Administration's request of $52 million for U.S. Fish and Wildlife Service Law Enforcement Operations and Maintenance, an increase of $12.6 million. Of that amount, $1.8 million is specifically requested for the Clark R. Bavin Wildlife Forensics Laboratory. In addition to the Administration's request, The HSUS asks that additional funds be appropriated as necessary to address the burgeoning trade in bear parts.

RHINO & 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 C including live capture for trade, captive breeding, and entertainment to meet the demand of the public display industry C under the guise of conservation for these endangered animals.

WILD HORSE AND BURRO PROGRAM/FERTILITY CONTROL RESEARCH

Wild horses and burros are a public trust greatly beloved by the American people. Consequently, we strongly believe that the Bureau of Land Management (BLM) should be given the direction and resources it needs to assure the health and prosperity of wild horse and burro herds and the public lands they inhabit. During the

last two years, under the tenure of the Wild Horse and Burro Advisory Board (for which The HSUS was privileged to provide a representative), the BLM has made important progress. There was very significant improvement in the management and administration of the Adopt-a-Horse-or-Burro Program, in the exploration of alternative methods for improving the marketing and adoptability of horses, and in the development of strategies for improving the management of wild horses and burros on the range.

One of the Advisory Board's most important sets of recommendations asked the BLM to develop strategies for setting and attaining appropriate management levels on all herd management areas. The fruit of these recommendations is the "Strategy to Achieve Healthy Rangelands and Viable Herds," incorporated into the BLM's "Restoration of Threatened Watersheds" initiative. This initiative requests a funding increase of $9 million per year above current funding levels for each of the next four years to allow the removal of additional (mostly older) horses from the range. With this funding, the BLM believes it can reach appropriate management levels on all herd management areas.

With some trepidation, The HSUS supports this funding increase. At this time, we see no other way out of the bind in which the BLM Wild Horse and Burro Program finds itself. Past mismanagement and the tendency of the adoption program to drive on-the-range management have led to damage to some parts of the range, and produced an unhealthy predominance of aging horses in many wild herds. Importantly, the initiative should help restore a healthy age balance, reversing the effects of past policies of selectively removing younger animals for adoption. But our support for what could be a massive reduction in the number of wild horses on the range rests on several conditions. First, there must be thorough NEPA review of livestock grazing permits on public lands, so that range deterioration associated with livestock grazing can be stopped, and wild horses and burros not be falsely and fruitlessly blamed for harm to the range caused by livestock. Second, the BLM must justify all removals of horses or burros with current monitoring data, as the law requires. Third, the BLM should protect the viability of small, isolated populations of wild horses and burros, increasing forage allocation to horses and burros or expanding herd management areas if neccessary. Finally, the BLM should revisit its decisions to exclude horses or burros from historically occupied herd areas, and consider reestablishing herds where current conditions allow it. More generally, we recommend that the BLM:

—Fully implement all recommendations of the Advisory Board;
—Assure the public a voice in wild horse management decisions by limiting its use of the "full force and effect" regulations to true emergencies; and
—Use qualified volunteers when possible, to enhance the system for screening potential adopters, perform more post-adoption compliance checks, and investigate what factors lead to successful, long-term adoptions.

Regarding fertility control, since 1992, the BLM has funded research on the use of immunocontraceptives to help control wild horse populations. As a result of that investment, a management tool is almost in hand: there is now a usable, one-shot immunocontraceptive vaccine that prevents pregnancy in wild horses for one year. BLM models indicate that, while the current vaccine is helpful, management use of a one-shot vaccine that prevents pregnancy for two years will significantly reduce both program costs and stress on horses by reducing the frequency of round-ups and reducing the number of horses that must enter the adoption program. Testing of a one-shot, two-year vaccine began in November 1999, and a research assistance agreement with BLM is in place to complete the study. We urge the Committee to specifically provide the Biological Resources Division of the USGS (which now administers this research) with the $200,000 needed to complete the study, so that BLM will have this vital management tool. The HSUS looks forward to continuing to work with the BLM on all these issues.

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 year 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 1999, 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, South Dakota, and California, providing over 50 days of clinics. In 2000, HSUS hopes to expand its program to provide some assistance to more than 15 reservations in Montana, North Dakota, South Dakota, California, Washington, Alaska, Oregon, Idaho, 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); and grants to Native Nation animal control agencies for facilities improvement or construction. The requested funding could be allocated as follows:

—$200,000 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/day honorarium for 3 veterinarians. This honorarium is necessary to recruit local veterinarians who could then be called upon for annual follow-up services.

—$380,000 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 appreciates the acknowledgment of these problems in the fiscal year 2000 Senate Committee Report and Conference Report, and also in the President's justifications accompanying his proposed budget for fiscal year 2001. We urge the Committee to make this much-needed modest investment.

TRAPPING ON NATIONAL WILDLIFE REFUGES

Last year, the House approved an amendment, offered by Appropriations Committee member Sam Farr, to bar the use of tax dollars to administer or promote the use of steel-jawed leghold traps or neck snares for commerce or recreation on units of the National Wildlife Refuge System. The amendment allowed the use of these traps for the purposes of research, subsistence, conservation, or facilities protection. The House approved this measure by a bipartisan vote of 259–166, with a majority of the members of the House Subcommittee on Interior Appropriations fa-

voring the amendment. Unfortunately, the Senate rejected an identical amendment offered by Senator Robert Torricelli, and the Conferees chose not to include any restrictions on trapping in the fiscal year 2000 Interior Appropriations Act.

The House approval came in spite of Interior Department opposition, which was later recanted as the Administration more closely considered the actual reach of the amendment. Interior Secretary Bruce Babbitt indicated, in a July 26th letter to Senator Torricelli, "After careful consideration, I can advise you that your amendment would not impact the ability of the U.S. Fish and Wildlife Service to manage refuges under the Organic Act of 1997." Similarly, F&WS Director Jamie Rappaport Clark stated in an October 1, 1999 letter to Representative Farr that, "we conclude that the amendment will not impair the mission of the National Wildlife Refuge System or individual refuge purposes. Your amendment will eliminate the use of leghold traps within National Wildlife Refuges when the use of those traps has no specifically identified wildlife management, facility protection or public safety purpose C i.e., purely recreational or commercial trapping."

We urge the Committee to incorporate the language of last year's Torricelli/Farr amendment in the fiscal year 2001 Interior Appropriations Act. It is a sensible, humane, and narrowly crafted provision. According to a June 1997 report to the Congress, "Mammal Trapping within the National Wildlife Refuge System: 1992–1996," the Fish and Wildlife Service administered 487 trapping programs on 281 refuges; thus, more than half of the nation's 520 refuges permit some trapping. According to the report, "[e]ighty-five percent of the mammal trapping programs on refuges were conducted primarily for wildlife and facilities management reasons. The remaining 15 percent occurred primarily to provide recreational, commercial, or subsistence opportunities to the public." The Torricelli/Farr amendment would not have an impact on the wildlife and facilities management programs or the subsistence programs. Thus, the amendment would affect less than 15 percent of the trapping programs on the refuges.

The American Veterinary Medical Association, the American Animal Hospital Association, and the World Veterinary Organization have all declared leghold traps to be "inhumane." These traps are designed to slam closed and grip tightly an animal's leg or other body part. Lacerations, broken bones, joint dislocations and gangrene can result. Additional injuries result as the animal struggles to free itself, sometimes chewing off a leg or breaking teeth from biting the metal trap. Animals caught in leghold traps sometimes die from dehydration, starvation, exposure to the elements, or predators. An animal may suffer misery for several days before a trapper returns to check a trap. These traps are as indiscriminate as they are inhumane. Any animal unlucky enough to stumble across a trap will be victimized by it. In addition to catching "target" animals, traps catch non-target, or "trash," animals, such as family pets, eagles, and other protected species. A number of studies conducted by professionals from management agencies reveal that for every target animal caught in a steel-jawed leghold trap, there are from one to ten non-target animals caught. This is an unacceptable level of by-catch.

National Wildlife Refuges should not allow commercial and recreational trapping with inhumane traps. Refuges are the only category of lands specifically set aside for the protection and benefit of wildlife. If we can't protect wildlife from commercial exploitation by cruel means on National Wildlife Refuges, where can we provide protection for these creatures? Voters in Arizona, California, Colorado, and Massachusetts have approved ballot measures to ban leghold traps. New Jersey and Florida have also banned the use of these traps, and many other states have severe restrictions on their use, including Connecticut and Rhode Island. Citizens are now gathering signatures in Oregon and Washington to place measures on November 2000 ballots to restrict these devices. A May 1999 national poll conducted by Peter Hart Research Associates, Inc., revealed that 84 percent of respondents oppose the use of steel-jawed leghold traps on National Wildlife Refuges. There are dozens of wildlife refuges in Arizona, California, Colorado, Massachusetts, New Jersey, and Florida. There have been no adverse impacts on those refuges from the statewide bans.

The Torricelli/Farr amendment would not bar trapping on refuges. Other traps, including foot snares, Conibears, and box and cage traps, could be used for any purpose consistent with law and regulation on the refuges. The Torricelli/Farr amendment would not forbid the use of steel traps or neck snares. It would ban those two devices just for commercial and recreational purposes. We urge your favorable consideration of this language for fiscal year 2001.

Again, we appreciate the opportunity to share our views and priorities for the Interior and Related Agencies Appropriation Act of fiscal year 2001. 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 THE FRONTERA AUDUBON SOCIETY

Frontera Audubon Society requests appropriation of $5 million from the Land and Water Conservation Fund (LWCF) in fiscal year 2001 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 is America's biological treasurehouse—containing greater biological diversity than any similar-sized area of the country.

This richness stems from the Valley's location and variety of ecosystems. The Valley lies farther south than any other parts of the country than Hawaii and the southern tip of Florida. It sits at the junction of four climatic zones—western desert, northern temperate, coastal, and tropical. The result is a mingling of the animals and plants from all those regions. The biodiversity is further enhanced by the joining of two major migratory bird flyways.

There are 465 bird species that reside in or migrate through the Valley—half of all bird species found in the United States. Sixty of these birds live nowhere else in the country. Also living in the Valley are more than 200 species of mammals, reptiles, amphibians, and fish, as well as 300 species of butterflies, and 1,200 species of plants. In fact, more species make their home in the Lower Rio Grande Valley than in any other similar-sized area of the country.

Twenty years ago, visionaries including then-Representative Kika de la Garza recognized the importance of protecting this biological treasure. They decided to create a "wildlife corridor" that would protect an estimated 250,000 acres—owned by a variety of public and private entities and laid out so that wildlife could travel among the protected plots to utilize the various habitats that they need.

The keystone of this network of protected areas is the Lower Rio Grande National Wildlife Refuge. It makes up more than half of the planned total protected area. And by protecting vital strips along the river and its tributaries, and connecting otherwise isolated pockets of habitat, it provides the "corridors" that link habitats ranging from the thorn and riparian forests in Starr County to the wetlands of the coast.

For twenty years, Frontera Audubon Society has asked the Congress to fund land acquisition for the Lower Rio Grande NWR—and the Congress has responded. Currently, the Refuge has acquired 86,246 of its planned 132,500—leaving 46,254 to be acquired. In the current fiscal year, Refuge staff should complete the purchase of approximately 5,000–6,000 acres. (Because funds are available, the Refuge has signed purchase agreements with the owners; as appraisals are completed, the Refuge makes formal offers.) These purchases will bring the total area purchased to above 90,000 acres.

Now is the time to press for rapid purchase of the remaining 40,000 acres.

The Refuge is positioned to continue acquisitions at a pace of approximately 5,000 acres per year. Refuge staff have discussed with willing sellers possible purchase of 48 additional tracts totalling 21,566 acres—lands that meet the Refuge's biological and other criteria. These tracts include 5,684 of Loma Tidal Flats; 4,800 acres of Coastal Brush and Potholes; 220 acres of the unique Sabal Palm Forest; 5,182 of Mid-Valley Riparian Forest; 1,480 acres of Mid-Delta Thorn Forest; 1,100 acres of Woodland Potholes and Basins; 1,356 acres of Upper Valley Flood Forest; 980 acres of Ramadero; and 763 acres of Chihuahuan Thorn Forest. These wildlife lands are worth approximately $22 million.

We are particularly pleased that the Refuge is actively buying acreage in the Coastal Brush and Potholes, Upper Valley Flood Forest, Chihuahuan Thorn Forest, and Ramaderos ecosystems. To date, obtaining examples of these unique habitats has lagged far behind goals laid out in the Refuge's Land Protection Plan. The Refuge recently obtained 1,400 acres of Upper Valley Flood Forest, which include 12 miles of river front. Purchases in calendar year 2000 should include another 1,000 acres of riparian woodland and 650 acres of Chihuahuan Thorn Forest. As already noted, Refuge staff are negotiating with owners of approximately 7,800 additional acres belonging to these previously neglected ecosystem types.

By the beginning of fiscal year 2001, the Refuge will have exhausted available funds. If the Congress does not appropriate a reasonable sum—we suggest $5 million, land acquisition will virtually cease—again. Appropriation of $5 million for the Lower Rio Grande Valley National Wildlife Refuge will allow it to purchase approximately 4,000 acres selected from among the tracts described here. Furthermore, negotiations, preparation of contracts, appraisals, and other work aimed at future purchases can only continue when Refuge staff have funds in hand.

Completing the Refuge enjoys the support of many interest groups in the Valley because of the importance of nature tourism to the region's economy. Tourism is the third largest industry in Texas, worth more than $25 billion. Texas is the number one birding destination in the United States and the Lower Rio Grande Valley is

one of three "birding hotspots" in the State. Most tourists now go to Brownsville, Harlingen, and McAllen; we anticipate that expansion of Refuge holdings in the Upper Valley Flood Forest, Ramadero, and Chihuahuan Thorn Forest ecosystem types can help to draw tourists to the western end of the region, Starr County, which offers interesting historic towns and buildings as well as these unique ecosystems and their associated bird life.

PREPARED STATEMENT OF THE WORLD WILDLIFE FUND

Mr. Chairman and Members of the Subcommittee, on behalf of World Wildlife Fund (WWF), thank you for the opportunity to submit our views on the President's fiscal year 2001 budget for the Interior Department and the U.S. Forest Service (USFS). WWF strongly supports the Administration's request for increased funding of natural resources management and conservation programs.

As the centerpiece of our Living Planet Campaign, WWF has identified endangered spaces, the world's most outstanding harbors of biological diversity, which we call the Global 200 ecoregions. Thirty-two of 116 ecoregions located in North America were found by WWF scientists to be globally outstanding. See Ricketts, et al., Terrestrial Ecoregions of North America: A Conservation Assessment (1999). Five of these ecoregions have been targeted by WWF as immediate priorities for our own efforts: South Florida (Everglades and Keys); Southeastern Rivers and Streams; Chihuahuan Desert; Klamath-Siskiyou Forests; and the Bering Sea.

In addition to endangered spaces, WWF is also working to conserve endangered species, particularly tigers, rhinos, giant pandas, and whales. Furthermore, WWF is working to address global threats to biodiversity. These include unsustainable logging; overfishing; climate change, and toxic chemicals.

Through the Living Planet Campaign, WWF seeks to challenge governments, global institutions, business, and people everywhere to make conservation of threatened species and shrinking habitats a universal goal for the sake of future generations. This Subcommittee can help meet that challenge by approving the President's funding request for natural resources management and conservation.

I will now turn to specific budget proposals that WWF believes are especially important to achieving our goal of leaving our children a living planet.

DEPARTMENT OF THE INTERIOR

Everglades Ecosystem Restoration

The Everglades is one of the planet's only flooded grasslands—a rain-driven wetland that once flowed from Lake Okeechobee to Florida Bay. This River of Grass is also one of the country's most imperiled ecosystems, a globally outstanding ecoregion which scientists believe must be protected. By restoring the Everglades, we will be ensuring that there is water in sufficient quantity and quality to support life, human and wild, throughout South Florida and beyond.

This is a critical time for the Everglades. With the completion of the Comprehensive Plan for Everglades Restoration by the U.S. Army Corps of Engineers last July, authorizing legislation for the Comprehensive Plan and its projects will be a high priority during this session of Congress.

Accordingly, the Administration has requested $143.7 million for its fiscal year 2001 Everglades Interior budget, including $80 million for land acquisition. WWF believes this funding level is adequate given the Department's proposed fiscal year 2001 activities for the Everglades. We believe land acquisition continues to be among the most urgent priorities of the restoration plan. WWF also urges the Subcommittee to support the Administration's $30 million request for land acquisition in seven of South Florida's national wildlife refuges. We also urge the Subcommittee to approve the Administration's $47 million request for matching-funds for the land acquisition program with the State of Florida. This important matching grant program will allow the Federal Government and the State of Florida to cost-share acquisitions necessary to implement the Everglades Restoration Plan. The Florida Legislature is expected to pass a funding bill this session to meet the state's commitment to restoration.

U.S. FISH AND WILDLIFE SERVICE

African Elephant, Asian Elephant and Rhino/Tiger Conservation Funds

WWF supports the President's request for $1 million each for the African Elephant, Asian Elephant, Rhinoceros and Tiger Conservation Funds. Past funding has been of considerable help in arresting the decline of these animals and in encouraging local and international matching contributions from governments, non-govern-

mental organizations, and others. However, additional funds are urgently needed for protected area conservation, anti-poaching efforts, monitoring populations, translocating animals, and mitigating human/wildlife conflicts. Consequently, WWF urges you to fully fund the Administration's proposed increase to $1 million each for the three funds.

Endangered Species

WWF strongly supports the President's $7 million increase in overall funding for endangered species programs for fiscal year 2001. In particular, WWF supports the $7 million increase for Endangered Species Act Section 7 consultations and Section 10 habitat conservation planning. These procedures have been successful at reconciling species conservation with development projects. At the same time, monitoring the impact of the incidental take of species resulting from such projects has been inadequate. Accordingly, WWF urges the Subcommittee to dedicate a large percentage of this budget increase to monitoring existing habitat conservation plans and Section 7 incidental take statements. Such monitoring is essential to ensure that incidental take does not appreciably reduce the likelihood of the survival and recovery of the affected species.

WWF also supports the Administration's increasing emphasis on incentives for voluntary species conservation by private landowners, reflected in proposed increases for Safe Harbor agreements and a $5 million request for the landowner incentive grant program. Providing incentives to the nation's private landowners to conserve endangered species and habitat is vitally important to successful endangered species conservation.

Law Enforcement

WWF is very concerned about the budget crisis currently facing the U.S. Fish and Wildlife Service's Division of Law Enforcement. Though long recognized as a world leader in wildlife law enforcement, the division has not seen a significant budget increase in over 15 years. Because of chronic underfunding, the division presently can only support 303 agents and inspectors, more than 40 fewer than have been authorized. This disparity will only increase due to dozens of mandatory retirements in the next few years. Despite a funding and workforce shortfall, the division is now asked to enforce more statutes and regulations, and protect more species than ever before. Further, the division is increasingly called upon to provide enforcement training and forensics support by states and foreign governments in the global fight to protect endangered species.

The Administration is seeking an increase of $12.6 million for law enforcement operations and management in fiscal year 2001, and $1.8 million to update and expand its world-renowned forensics lab. WWF urges the Subcommittee to approve these critically important funding increases, to support the Division of Law Enforcement's efforts to pursue wildlife crime at home and lend its expertise abroad.

Environmental Contaminants

WWF believes the U.S. Fish and Wildlife Service's Division of Environmental Contaminants (DEC) is woefully underfunded. At the proposed funding level of $10.3 million for fiscal year 2001, the program will not meet its objectives of investigating and assessing the effects of environmental contaminants on wildlife and maintaining a scientifically credible program through proper program support, training, and technical assistance.

It is important to note that a large number of wildlife populations have been extirpated and currently many populations are severely affected by contaminants. Environmental contaminants have caused widespread feminization and demasculinization of male fish, birds, reptiles, and mammals; reproductive loss in populations of fish and bald eagles; inability of young animals to reach adulthood; rupturing thyroid glands in Great Lakes fish; immune suppression in birds and animals; and bird kills caused by legal pesticide use. At the current budget level, the DEC cannot possibly afford the technological advances that would allow it to deal with such immense threats. It is imperative that the DEC's budget be increased to enable it to adequately address these serious environmental problems.

The importance of the DEC's work on environmental contaminants is increased even more by recent recommendations from a federal advisory Committee on screening and testing chemicals and by the National Academy of Sciences. In response to Congress's mandate for the U.S. Environmental Protection Agency (EPA) to establish a screening and testing program for hormone-disrupting chemicals by August 1999, the federal stakeholder advisory Committee (consisting of industry, environmental, and other representatives) reached strong consensus-based conclusions on how such a program should be designed. The National Academy of Sciences, whose

report on hormone disruptors cites substantial evidence of impacts on fish and wildlife, has endorsed these recommendations.

In addition to EPA, which focuses on human health impacts of contaminants, the DEC has an essential role to play in providing information on exposures and effects in wildlife from such chemicals in the environment. However, unless the DEC is given the necessary resources, the impacts of contaminants on wildlife will not be adequately measured. At last year's budget hearings, Representative James Moran asked the U.S. Fish and Wildlife Service's witness about this issue. The official responded that the fiscal year 2000 budget proposal did not include any additional resources to address wildlife contaminants associated with endocrine disruptors. Unfortunately, this appears to be the case in fiscal year 2001 as well.

Under its proposed budget of $10.3 million, the DEC cannot adequately respond to the increasing demands for investigation and public education. Even if its proposed budget were doubled, it would be inadequate. Other nations are taking the lead away from the United States in the field of wildlife toxicology. Indeed, without substantially increased funding, the DEC is unlikely to be able to comply with the requirements of the Government Performance and Results Act. WWF urges the Subcommittee to provide substantially increased funding for the DEC.

U.S. FOREST SERVICE

WWF strongly supports the Administration's roadless area initiative. The USFS should not build new roads in roadless areas. Instead, it should invest in environmentally beneficial activities such as watershed restoration and maintenance of existing roads. The USFS indicates that it only receives about 20 percent of the funding it needs each year to maintain existing roads to federal safety and environmental standards. Road failures continue to be a major forest health problem on public lands and have contributed to slope destabilization and the degradation of fisheries, water quality. Accordingly, WWF supports the Administration's request for $129.5 million for the national forest road system. WWF also supports increased funding for planning and monitoring because it provides critical information necessary to the implementation of the Northwest Forest Plan.

WWF endorses the cooperative activities of the Forest Service through the activities of state and private forestry programs. Thus, we support the agency's Forest Stewardship, Stewardship Incentives, Forest Legacy, and Urban and Community Forestry programs. These highly-regarded programs highlight for the public forestry operations and land protection principles that are based on sound stewardship. However, our experience suggests these programs are largely underfunded and will not be able to keep up with growing demand.

WWF urges the Subcommittee to appropriate $80 million for the Forest Legacy program. The program has a proven track record of protecting environmentally significant privately owned forests from conversion to other uses through purchase of permanent conservation easements. For northern New England alone, the Northern Forest Alliance has identified tens of millions of dollars of specific, high priority Legacy projects that need funding.

We strongly support the new mandate to carry out the USFS Forest Inventory and Analysis (FIA) updates on an annual basis, and we support full funding to carry them out effectively. The FIA is an important process that provides useful data to forest managers and conservationists.

CONCLUSION

In closing, WWF urges you to approve the President's proposed fiscal year 2001 budget for these important natural resources management and conservation programs. In addition, WWF asks that you oppose any efforts to attach harmful riders weakening environmental protection to any appropriations measures this year.

PREPARED STATEMENT OF THE DEFENDERS OF WILDLIFE

On behalf of our more than 380,000 members and supporters Defenders thanks you for the opportunity to testify.

LANDS LEGACY/LAND AND WATER CONSERVATION FUND (MULTI-AGENCY)

Defenders urges full funding of the President's Lands Legacy Initiative, a total of approx. $971 million under the Subcommittee's jurisdiction.—$450 for federal LWCF (DOI/FS), $65 million for the Cooperative Endangered Species Fund (FWS); $150 million for state land acquisition grants (DOI); $50 million for state open space planning grants with the caveat discussed below under USGS (DOI); $60 million for

Forest Legacy (FS); $40 million for Urban and Community Forestry (FS); $6 million for the smart growth revolving loan program (FS); $20 million for Urban Parks and Recreation Recovery (NPS); $30 million for the North American Wetlands Conservation Fund (FWS); and $100 million for State Non-Game Wildlife Grants (FWS). We urge the Subcommittee to fund Lands Legacy at the requested level and to work with the Budget Committee to establish the new budget category proposed to dedicate and protect the total $1.4 billion level for Lands Legacy for future years. Broad support exists in Congress and across the nation for permanent funding for these programs at predictable levels, as evidenced by the array of permanent funding bills pending that have the combined support of hundreds of cosponsors. The Subcommittee has the opportunity to take the initiative and establish this critical new fund.

We wish to highlight several components of Lands Legacy. First, the $450 million for federal land acquisition is needed to protect numerous areas in our Refuges, Forests, Parks, and BLM-managed special areas. Defenders will soon be completing a report that highlights the importance of using LWCF for biodiversity conservation; in it, based on scientific analysis, we will recommend funding of key projects in the President's budget that will contribute to the conservation of endangered ecosystems as identified in Defender's 1995 report, "Endangered Ecosystems: A Status Report on America's Vanishing Habitat and Wildlife." 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, and for land acquisition to support both HCPs and species recovery. Third, the new $100 million funding request for State Non-Game Wildlife Grants is critically needed to provide some reliable funding for conservation of the roughly 90 percent of species that are neither hunted or fished nor federally listed as threatened or endangered. Annual state funding spent on conservation of non-game species is less than one-tenth the amount spent on hunted species. In funding the non-game program, we also strongly urge the Subcommittee to include report language stipulating that each state that has not already done so develop a plan for prioritizing fund expenditures that includes assessing species population status and distribution, habitats essential for their conservation, factors contributing to the decline of the identified species and habits, and actions to address these factors. These non-burdensome planning requirements are almost identical to those in the Fish and Wildlife Conservation Act of 1980, passed to conserve non-game species but never funded; such plans would be extremely cost-effective in providing a comprehensive blueprint for states to more strategically conserve biodiversity and avert new ESA listings. Several states (Florida and Oregon) have already completed plans.

Defenders continues to strongly support Pima County's landmark Sonoran Desert Conservation Plan and related efforts, one of the largest and most complex multi-species conservation plans in the nation, and a model for funding under various components of Lands Legacy such as planning, easements, and state and federal land acquisition. A preliminary plan will be released this summer and an additional $2 million will be needed for fiscal year 2001 to continue and expedite the planning process. Integral to SDCP efforts is continued acquisition for Saguaro National Park West expansion (approved by Congress in 1994 without a funding source) and initial acquisition for Ironwood National Monument; $16 million is needed to complete Saguaro West acquisition and purchase conservation easements and $14.9 million is needed for initial Ironwood NM acquisition and easement purchase. We are extremely concerned that the Administration has not requested any fiscal year 2001 funding for Saguaro NP and Ironwood NM and urge funding for fiscal year 2001, particularly for biologically rich wildlife corridors and ancient ironwood forests threatened by development. Given that this is one of the fastest growing areas in the U.S., if not purchased soon, lands will no longer be available nor affordable.

U.S. FISH AND WILDLIFE SERVICE

Endangered Species.—At the very least, Defenders urges full funding of the President's fiscal year 2001 $115.3 million request for the Fish and Wildlife Service's (FWS) four main endangered species accounts: Candidate Conservation ($8.4 million), Listing ($7.2 million), Recovery ($55.3 million), Consultation ($39.4 million), and the ESA Landowner Incentive Program $5 million). We also urge full funding of the $65 million request for the Cooperative Endangered Species Fund, discussed under Lands Legacy (above).

Defenders supports the increase for Candidate Conservation, but has serious concerns with the FWS implementation of this program. The increased money is needed for status surveys on approximately 265 candidates, development of additional Candidate Conservation Agreements (CCAs) when appropriate, and necessary moni-

toring of CCAs and technical assistance to current partners to ensure biological improvement of covered species and reduction of threats. We cannot, however, support the continued use of these funds to illegally avoid listing species that clearly meet the ESA's criteria for listing. We also question FWS priorities in requesting over a million dollars more for Candidate Conservation than that requested for listing and critical habitat, given that the current resource needs for the latter two program elements is substantially greater than that of the former. FWS funding requests are clearly reflective of a fundamental and what we consider to be improper shifting of ESA program priorities. In its budget justification, FWS considers "[m]aking listing species unnecessary" as one of its three Endangered Species Program's priorities. Noticeably absent from that list, however, is the ESA's most fundamental and important provision—the listing of species determined to be endangered or threatened.

The Listing increase is clearly needed but is inadequate to process listings on species requiring the Act's protection in fiscal year 2001, and to designate critical habitat for the nearly 90 percent of listed species that currently do not have it. The fact that FWS continues to operate under its Listing Priority Guidance, nearly 4 years after the listing moratorium was lifted, is the clearest indication that the agency is failing to request or receive enough money to process needed listing and critical habitat actions. We urge this Committee to appropriate funding for the listing and critical habitat program element that is commensurate with the substantial and growing backlog for these activities. We continue to oppose the Administration's request for statutory language to cap the listing program which is clearly an attempt to avoid having to comply with statutory mandates and court orders. The FWS should instead request an amount for listing and critical habitat that accurately reflects its workload.

The Consultation increase will help address the growing Section 7 consultation workload (more than 40,500 actions projected for fiscal year 2001 and annually thereafter) and continually expanding use of Habitat Conservation Plans (HCPs—more than 550 new and ongoing HCPs projected for fiscal year 2001) 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 is fundamentally flawed and in need of regulatory modifications. The Administration has failed even to finalize its so-called 5-Point Plan which would make modest, nonregulatory changes to the HCP program. We urge this Subcommittee to include report language directing the Administration to remedy the numerous deficiencies in its HCP program and at a minimum to finalize its 5-Point Plan.

The Recovery request will help address the backlog of more than 300 species still without final recovery plans as well as recovery implementation and monitoring for the nearly 1300 listed species expected by the end of fiscal year 2001, a 42 percent increase just since 1995. Recovery is the goal of the Act yet recovery implementation continues to be critically underfunded. 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 needed efforts in the NE on recovery of lynx which has just been listed, $50,000 is necessary. For the successful red wolf program in North Carolina, $1 million will support continued captive propagation, monitoring, and reintroduction. FWS needs $1.2 million to ensure continued Mexican wolf restoration success, specifically to: provide a full-time biologist for the White Mountain Apache tribe; provide funding for biologists from AZ and NM Fish and Game Departments; increase law enforcement; and equipment to manage wolves in remote and difficult to access areas. For the Northern Rockies wolf recovery program, $1.325 million is needed for the FWS of which $600,000 will be passed through to the Nez Perce tribe, while an additional $220,000 (NPS) will pay for management of the program in Yellowstone National Park. At least $380,000 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 Defenders of Wildlife—Page for reintroduced populations. FWS will need $1.65 million in fiscal year 2001 to conduct critical research necessary to identify the cause of a precipitous 17 percent decline in southern sea otter populations over the past 4 years. Finally, for the grizzly recovery program which covers 30,000 square miles in four states, $1.3 million is needed of which $400,000 is for Bitterroot reintroduction (our highest priority), $550,000 is for the base program, $250,000 for an EIS on grizzly recovery in the North Cascades, and $100,000 for enhanced monitoring and nuisance bear work in the Northern Continental Divide ecosystem. Defenders has opposed attempts to derail the Bitterroot grizzly reintroduction in the last few years' appropriations bills and will work to ensure that $115,000 of the grizzly recovery budget will be will be used for finalization of the

EIS, issuance of a ROD and final rule and creation of a citizen management Committee in fiscal year 2001.

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 2001 budget request of $22.8 million for critical activities such as conservation plan implementation, monitoring, and use of scientific information in designing management strategies. Twelve critical projects will be funded with increases including: development of the West Coast Seabird Conservation and Management Plan; strengthening of bird habitat and population evaluation teams; and integration of national objectives into refuge comprehensive plans.

International Affairs.—Under General Administration, Defenders endorses the $11.4 million 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 $600,000 (split evenly between International Wildlife Trade and International Wildlife Conservation within that line item) for personnel and/or contracts to enable FWS to assist the CITES Parties in strengthening national legislation that implements CITES and improving wildlife law enforcement.

National Wildlife Refuge System (NWRS) Operations and Maintenance.—We deeply appreciate the Subcommittee's strong support for the Refuge System and its leadership in providing critically needed 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 again reviewed FWS expenditures and concluded that fiscal year 1999 funds were used as intended, 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 to address the $953 million in operations needs and the $578 million maintenance backlog. FWS is currently working to separate its Refuge Operating Needs System into two tiers as directed by the Subcommittee last year with completion projected for June. The largest portion of Tier One is expected to be the minimum staffing needs estimated to require an additional 1400 full time employees. In its five year plan, CARE has identified a target O&M level of $495 million necessary to bring the Refuge System into a state of health by its 100th anniversary. An additional $85 million over the President's request is needed for fiscal year 2001 to keep pace with the CARE plan; of this $68 million should be focused on operations increases which have not kept pace with those for maintenance. These Operations increases are critically needed to carry out the requirements of the new National Wildlife Refuge System Improvement Act and to implement the FWS blueprint for strengthening the Refuge System, "Fulfilling The Promise—Visions for Wildlife, Habitat, People and Leadership."

Law Enforcement.—We urge a $5 million increase over the President's requested $52 million for Law Enforcement. The current budget does not cover the basic needs of existing staff which total 42 fewer than authorized; pending retirements could reduce staff to 75 percent of the authorized level by the end of fiscal year 2000. The $5 million over request should be allocated as follows: $3 million and an additional 3 full time employees to bring the number of inspectors up to authorized strength and provide resources necessary to monitor increasing wildlife trade flows; and $2 million and an additional 3 full time employees to increase the level of anti-poaching training, CITES enforcement workshops, and technical assistance to countries around the world. Over the years, Defenders has partnered with the FWS on law enforcement efforts by contributing nearly $100,000 in rewards to apprehend illegal killers of wolves, bears, eagles, and cormorants.

U.S. FOREST SERVICE

In general, while Defenders does not pretend to be expert in improvements needed to address FS accountability problems, we have examined the proposed simplification of the FS budget structure and are concerned that tracking and oversight of funding for resource management needs will be more difficult. Major priorities for Defenders for fiscal year 2001 are again 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. Under Forest and Rangeland Research Wildlife, Fish, Water, and Air program, Defenders is concerned that the $43.8 million requested will be inadequate to carry out needed efforts, particularly for TE&S research. The agency has identified $27 million in Wildlife, Fish, Water, and Air research opportunities that will go unfunded at this

level, including critically needed work on forest carnivores (lynx, wolverine, marten, fisher), bats, plants, amphibians, mussels, and crayfish. This program continues to be 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. We therefore recommend a $10 million increase over the President's request for Wildlife, Fish, Water, and Air Research to be targeted at TE&S efforts. Given that the lynx has recently been listed, sound scientific information on this species is more crucial than ever. We opposed language initially included in the fiscal year 2000 Senate report that would have reduced funding for research and targeted it on forest and rangeland health and productivity and targeted Wildlife, Fish, Water, and Air research for deep cuts or termination. We will continue to oppose any similar efforts in the Senate this year. Defenders also strongly urges full funding of the President's requested $33.5 million for TE&S Habitat Management under the Fish and Wildlife Conservation program; however, even the request falls $67 million below identified need. Increases are critically needed to provide for key activities such as: recovery activities for listed species; conservation strategies and agreements for highest priority species where continued viability is of grave concern; and establishment of inventory and monitoring protocols for highest priority TE&S species.

BUREAU OF LAND MANAGEMENT

Defenders strongly supports, at the very least, the requested levels in three important areas.—Wildlife and Fisheries Management ($40.7 million), Threatened and Endangered Species Management ($23.6 million), and Rangeland Management ($72.8 million). BLM manages some of the most ecologically diverse habitat in the U.S., including habitat for 241 listed, 46 proposed, 55 candidate and 1500 sensitive species. To pro-actively deal with final listing decisions expected soon on a number of proposed species as well as continued recovery efforts for listed species, BLM has selected for coordinated conservation efforts two critical ecosystems where habitat for many of these species overlaps: the sagebrush ecosystem affecting sage grouse, Columbian sharp-tailed grouse, Great Basin redband trout and Lahontan cutthroat trout; and the prairie grasslands ecosystem affecting black-tailed prairie dog, black-footed ferret, lesser prairie chicken, piping plover, swift fox and numerous other species. Increases in Wildlife and Fisheries Management and Threatened and Endangered Species Management will be crucial to these comprehensive ecosystem level initiatives; moreover, BLM has identified an additional $4 million in unmet needs for these two efforts even at the level requested. Finally, the request for Rangeland Management will support needed environmental reviews for expiring grazing permits; we opposed the rider in the fiscal year 2000 bill allowing renewal of permits without reviews and will continue to oppose any such riders in the fiscal year 2001 bill.

U.S. GEOLOGICAL SURVEY BIOLOGICAL RESOURCES DIVISION

Defenders supports the President's fiscal year 2001 level of $158.8 million for BRD, as well as increases under other USGS divisions for BRD related activities such as.—Amphibian research and monitoring; DOI science priorities; Livable Communities/Lands Legacy; Decision Support; Aquatic Systems-Columbia River; Place-Based Studies; Science Support; and Facilities. BRD increases are critically needed to allow important research to move forward on amphibians and other declining species like sage grouse and mountain plover; even at the fiscal year 2001 request level, funding will still be about $20 million below the fiscal year 1994 level adjusted for inflation. We wish to note however, that while we support the increase for Livable Communities/Lands Legacy, we are concerned that all of the increase—even for matching grants to communities—seems to be focused on information collection, transfer, and delivery. Increases for efficient transfer of useful data and its integration into important on the ground conservation planning are needed; but we also believe that at least some portion of the matching grant funds should be available to communities for other important activities related to conservation and smart-growth planning. Defenders maintains its strong support for the Gap Analysis Program (GAP), a collaborative effort involving the states and multiple partners to map our nation's biological diversity and areas currently managed for its protection; increases requested will be used to expand the current program to include invertebrate species and aquatic environments.

BUREAU OF INDIAN AFFAIRS

Defenders believes that increased funding should be provided for tribal conservation efforts on reservations. The Nez Perce Northern Rockies wolf program (under

FWS) has been chronically underfunded (as evidenced by staffing and monitoring shortfalls) and two additional tribes, the Umatilla (OR) and White Mountain Apache (AZ) want to manage wolves in their areas. Defenders has contributed or secured funding for all three efforts, but federal funding is needed as well. In addition, the Blackfeet people need $125,000 through BIA for listed species management. Finally, with the determination that listing of the black-tailed prairie dog was warranted but precluded, Northern Great Plains Indian tribes have united to work collaboratively on prairie conservation under the newly formed Inter-Tribal Prairie Ecosystem Restoration Consortium. Tribes have requested the following amounts for prairie conservation plans: Consortium Coordinator, $145,000; Northern Cheyenne tribe, $156,650; Pine Ridge, $98,580; Rosebud Sioux, $248,000; Crow Creek Sioux, $16,800; Lower Brule Sioux, $18,980; Fort Belknap, $100,000; Three Affiliated Tribes of the Fort Bethold Reservation, $37,250; Standing Rock Sioux, $93,600; and Crow Tribe, $100,000. The Cheyenne River Sioux have requested $8 million over the next 4 years to implement Phase II of their Prairie Management Plan at $2 million a year.

EVERGLADES RESTORATION (MULTI-AGENCY)

Defenders urges full funding for Florida Everglades Watershed Restoration, a total of $143.8 million.—(FWS $37 million, NPS $97.5 million, USGS $8.5 million, and BIA $0.4 million). These funds are vital for carrying out the first phases of the most ambitious and critical ecosystem restoration project in history. In July, the Army Corps of Engineers submitted to Congress its Comprehensive Plan to restore the Everglades, a successful collaboration between federal, state and local partners that truly represents an investment in the future of South Florida. Both Governor Jeb Bush and the Florida legislature have indicated that the State will deliver on its commitment to provide half the funding. We urge you to stay the course and fully fund this historic project, which has such unprecedented bipartisan and multi-agency support.

PREPARED STATEMENT OF THE YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

ABSTRACT

The Yukon River Drainage Fisheries Association (YRDFA) requests an appropriation to facilitate the participation of Yukon River village fishermen in the recently-imposed Federal subsistence fishery management process in Alaska. YRDFA seeks an appropriation of $100,000 in fiscal year 2001 funding. 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 Section 809 of the Alaska National Interest Lands Conservation Act of 1980.

INTRODUCTION

Beginning in October 1, 1999 the Federal government through the U.S. Department of the Interior assumed authority in Alaska to provide for a rural subsistence priority in the use of fishery resources. This has lead to the imposition of a cumbersome regulatory structure on top of the existing state structure.

The current State of Alaska regulatory system is structured as follows:

—80 local Fish & Game Advisory Committees (12 of these are in the Yukon River drainage) Members are elected by their communities. Makes recommendations to Board of Fisheries.

—Board of Fisheries (7-member board appointed by the Governor). Sets regulations Regulatory proposals for a specific region such as the Yukon are addressed every 3 years.

The new Federal subsistence fishery management regulatory system is structured as follows:

—10 Regional Subsistence Advisory Councils (3 of these have jurisdiction over the Yukon River; the Yukon-Kuskokwim Delta Council, the Western Interior Council and the Eastern Interior Regional Council). The members of these councils are appointed by the Secretary of the Interior. The opinions of these councils on regulatory proposals and research projects are to be given serious consideration by the Federal Subsistence Board.

—Federal Subsistence Board (composed of one representative each from the National Park Service, Bureau of Indian Affairs, Fish & Wildlife Service, Forest Service and the Bureau of Land Management plus one subsistence user). Sets

regulations for subsistence fisheries and, if necessary to protect the rural subsistence priority on Federal lands, overrides state fishery management actions.

While Federal subsistence management staff have made a good effort to get information to villagers and the regional councils have held some meetings in the villages there is a serious need to improve fishermen participation in the Federal rule-making and regulatory process.—There are more than 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.

Most of all fishermen need a chance to work directly with the regional councils in the formulation of research and regulatory proposals.—This can take the form of regional telephone conference calls followed by village-based workshops at the local level. Final consensus-building would be achieved through a 4-day Annual Fisheries Conference involving all 3 regional councils, the Board of Directors of the Yukon River Drainage Fisheries Association, chairman of the 12 Yukon River State Fish & Game Advisory Councils and the public at large. Finally, rank-and-file fishermen need a chance to interact directly with the members of the Federal Subsistence Board who will set any final policy or regulations.

Unless the residents and fishermen of the Yukon River understand how the new Federal subsistence management system works and most importantly has a chance to participate directly in that system it will be very difficult for Federal regulatory schemes to be accepted by the users themselves.—Without adequate public participation mistrust will build between the rank-and-file and the Regional Councils members who represent them and the Federal agency staff working in the subsistence management program.

Since the Federal Government took over authority for subsistence fisheries management in October 1999 YRDFA staff has been in frequent consultation with both Federal staff and the three regional councils. YRDFA's resources are limited however and therefore we seek this funding for the following activities to improve the participation of village fishermen and women in the Federal decision-making process:

Travel costs for participation at meetings of 3 regional councils with jurisdiction over Yukon River and meetings of Federal Subsistence Board	$40,000
Telephone conference calls between village representatives and Federal subsistence fisheries management staff	10,000
Annual Yukon River Fisheries Conference to facilitate dialogue between 3 regional councils, state advisory committee chairs, YRDFA and village fishermen and women	30,000
YRDFA staff support to organize meetings, calls and conference	20,000

Through such a comprehensive effort the fishermen and women of the Yukon will be fully informed and involved in working with the Federal subsistence fishery management program.

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, Athabaskan 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 a quarterly 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.

PREPARED STATEMENT OF WOOD RIVER LAND TRUST

The Wood River Land Trust (WRLT) would like to submit this letter as written testimony regarding several programs funded under the fiscal year 2001 Interior and Related Agencies Appropriations bill. Specifically, we want to express our support for the USDA Forest Service's Forest Legacy Program, funding for the state grants program of the Land & Water Conservation Fund, and the requested appropriation for the North American Wetlands Conservation Act grants program.

The WRLT uses voluntary methods to work with interested private landowners in central Idaho that wish to conserve their land in perpetuity. To date we have helped landowners protect over 2,300 acres of land in three counties. Federal funding for land conservation is critical in our efforts to advance voluntary land conservation. We ask that you consider appropriating the full amount requested by the Administration for these important programs that provide willing landowners with financial incentives to conserve their land.

FOREST LEGACY PROGRAM

We respectfully request that you allocate $60 million for the USDA Forest Service's Forest Legacy Program. This program provides grants to states for the purchase of conservation easements on commercially important and/or environmentally sensitive private forestland.

Idaho is currently working to become enrolled in this program. Funding it at this level will allow the state—in partnership with entities such as land trusts—to develop several projects that will protect important riparian forest areas as well as sustaining the private forest base for continued timber production.

LAND & WATER CONSERVATION FUND STATE GRANTS PROGRAM

We respectfully request that you allocate $150 million for the state grants program of the Land & Water Conservation Fund (LWCF). This program assists states and localities in protecting important recreational resources for their citizens. The required minimum 1-to-1 match means that each federal dollar is highly leveraged, resulting in more conservation activities that benefit the quality of life for taxpayers.

The LWCF state grants program has had a positive impact across the country. A specific example can be found right here in Blaine County. LWCF funds were instrumental in allowing the City of Ketchum, Idaho, to purchase and develop Atkinson Park—a popular recreation resource in the heart of Ketchum. The park provides the community with soccer and baseball fields, tennis courts, a playground, and a picnic area. Such amenities help to improve the quality of life for residents and were made possible through the LWCF state grants program. Increasing the program's funding will allow more such beneficial conservation successes to occur.

NORTH AMERICAN WETLANDS CONSERVATION ACT GRANTS PROGRAM

We respectfully request that you allocate $30 million for the North American Wetlands Conservation Act grants program. This program provides matching grants for the acquisition, improvement, and/or restoration of wetlands. It is designed to enhance and protect habitat for migrating waterfowl and promote these wildlife resources for the public's benefit.

In Idaho, the program has been used for a wide array of purposes. In Teton County, the Teton Regional Land Trust is working with local, state, and federal agency personnel to purchase and protect critical wetlands on agricultural lands. Here in Blaine County, the WRLT intends to use the program to help restore a riparian area that will serve as community greenway situated in the heart of one of the most highly developed parts of the Sun Valley.

I hope that you will fully fund the Administration's request for these important programs.

Thank you for your consideration of our views.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS

Mr. Chairman and members of the Subcommittee: I am Jason Hall, Director of Government and Public Affairs for the American Association of Museums, presenting written testimony on behalf of a consortium consisting of the American Association of Museums, the Association of American Universities and the Society for Historical Archaeology.

As you know, Section 10 of the Native American Graves Protection and Repatriation Act (Public Law 101–601—"NAGPRA") authorizes the Secretary of the Interior to "make grants to Indian tribes and native Hawaiian organizations for the purpose of assisting such tribes and organizations in the repatriation of native American cultural items" and to "make grants to museums for the purpose of assisting the museums in conducting the inventories and identification required under sections 5 and 6." While we appreciate the Congress and the President agreed in the Interior bill to provide funding of $2.496 million for fiscal year 2000 to allow the statutorily-mandated repatriation process to proceed, we respectfully urge Congress to increase the appropriation to $4 million for fiscal year 2001. We present the following reasons in support of this request.

As you are aware, NAGPRA is remedial legislation. Congress enacted the law in 1990 in large part to assure that Native American remains and funerary and other objects retained by the Federal Government and museum community are returned under the law to appropriate tribes and organizations for reburial or other appropriate treatment. As remedial legislation, NAGPRA will not remedy the problem Congress sought to resolve unless adequate dollars are appropriated so that tribes and museums can complete the repatriation process—which is now under way but which necessarily proceeds slowly in many cases because of essential museum-tribe consultation and other factors. Repatriation is a high priority of the museum and tribal communities, which do not have adequate funds to do the necessary work required by NAGPRA.

Since repatriation is the subject of Federal legislation as well as regulations and administrative guidelines, the U.S. Government has a trust responsibility to Indian tribes and their members in the area of repatriation. This trust responsibility imposes strict, binding fiduciary standards on the conduct of executive agencies, here the National Park Service and the Department of the Interior, in its treatment of tribes in repatriation matters. Adequate funding for tribes, museums and universities in necessary to carry out the statutory mandates of Congress.

At the same time, it is clear that the communities and sovereign Indian tribes represented by the consortium have been called upon to take a much increased role in implementing Public Law 101–601 in the past several years, as the mandated summaries and inventories of museum holdings were largely completed by museums and sent to the tribes in mid-November, 1993, and mid-November, 1995, respectively. Activity has intensified immensely in recent years and will continue to do so as the number of actual repatriations continues to increase. The consortium's testimony provides information on how the requirements of the law are creating significant costs for our communities and seeks your support for funding for the grant program authorized in the law, so that we can continue to comply with it in a timely and responsible way. Let me start by addressing in generic terms the needs of the museum community. In order to comply with Public Law 101–601, museums have to engage in activities falling into four categories: (1) preparation of inventories, in the case of human remains and associated funerary object, and written summaries, in the case of unassociated funerary objects, sacred objects and cultural patrimony; (2) notification and consultation with Native American groups and visitation by those groups to museum collections; (3) research to identify cultural affiliation of human remains and objects; and (4) repatriation.

To prepare the inventories of human remains and funerary objects which were due by November 16, 1995, museums have needed to: physically locate every item within the museum's storerooms; locate and review existing records to compile information necessary to determine whether a funerary object is "associated" or not, and to determine the cultural affiliation of the objects; catalog any remains ad objects that are not catalogued; document (e.g., measure and photograph) and analyze the human remains and funerary objects; and compile an inventory of human remains and funerary objects containing the information required under Public Law 101–601, including cultural affiliation. The delay in promulgation of the final regulations, and the late start and low level of grant funding for repatriation grants to the tribes and museums, have slowed the process such that a significant number of museums were not able to prepare inventories by the November 16, 1995 deadline, despite timely and continuing good faith efforts, and had to appeal for extensions.

With respect to unassociated funerary objects, sacred objects and cultural patrimony, museums were required to and did, prepare a written summary by November 16, 1993 rather than an itemized inventory of their collections. Nevertheless, many museums needed to undertake many tasks similar to those noted above in order to collect the required information. Throughout all of this, museums have needed to consult with native American tribes which might have an interest in the

objects. The time and funds spent on consultation with Native American peoples varies according to the physical proximity of the museum to the particular group.

Once the inventory and written summary are complete, the museum must identify the tribal representatives authorized to accept repatriable objects and formally notify those representatives. Tribal representatives must travel to the museums to examine the objects and consult with the museum. Remains and artifacts must be packed and shipped to the appropriate Native American group. During this process, disagreements may arise as to the disposition of items covered by Public Law 101–601, and these issues must be resolved.

Let me turn to some specific cases. On December 6, 1995, the Senate Committee on Indian Affairs held an oversight hearing on the implementation of NAGPRA. Final NAGPRA regulations, with some sections still incomplete, were published two days prior to the hearing. Two years later, the Interior Department published an interim rule on one of those incomplete sections, the civil penalties section. But as of April 2000, there have been no final regulations issued on the three remaining sections (future applicability, culturally unidentifiable remains, and unclaimed items from Federal or tribal lands.)

Representatives from the National Park Service, the NAGPRA Review Committee, three affected tribes, and a witness representing both the American Association of Museums and an affected museum, testified about compliance with the law. NPS witness Katherine Stevenson noted that the NPS had made 83 NAGPRA grant awards totaling $4.37 million since the beginning of the program, but that over that time, they had received 337 grant proposal requests totaling nearly $30 million, and she conceded that the Interior Department's $2.3 million request for fiscal year 1996 did not meet the valid needs demonstrated in the grant applications from museums and the tribes. Since that 1995 testimony, the situation has remained much the same in terms of funding needs. As of April 2000, the NPS has been able to make 247 NAGPRA grant awards totaling $13.05 million since the beginning of the program, but during that time, it has received 660 grant proposals totaling more than $47.69 million, and funding has essentially been flat at $2.3 million, and more recently $2.5 million annually. The $2.5 million appropriation continues to fall short of valid needs.

The witness representing museums, William Moynihan, President of the Milwaukee Public Museum, testified about the effort of his museum to comply with the law. He noted that the "Milwaukee Public Museum will have committed well in excess of half a million dollars by 1997 to deal with the legislation. Existing staff in our Anthropology/History Section have been reallocated from their normal duties to NAGPRA-related activities, a large team of volunteers assembled, and trained student interns and work-study students hired." He noted that the Museum has been collecting anthropological and archaeological materials for over 100 years, that included in the holdings are the remains of 1,500 individuals, and that the collections are not computerized. Despite these difficulties, the museum had completed a physical inventory of over 22,000 Native American ethnographic objects, and a preliminary inventory of 50,000 archaeological objects; sent summaries to 572 tribes and native Alaskan and Hawaiian groups; followed up with hundreds of calls to tribes; and taken a variety of other actions to comply with the law.

On a broader scale, we have results from the American Association of Museums' 1994 repatriation survey of 500 of its member institutions, including all of its natural history museums and a selected sample of its art and history museums. The survey response rate was 43.6 percent. Of those responding, 76 percent of the natural history museums, 43 percent of the history museums and 23 percent of the art museums had Native American objects. Those respondents—a little more than 200—alone had almost 3.5 million objects which fell into NAGPRA categories, and that does not include 15 responding natural history museums, including 3 large institutions, which could not give an estimate of their NAGPRA-related holdings. An overwhelming number of these institutions noted how lack of final regulations and of NAGPRA grant funding had hindered or prevented their repatriation efforts.

Estimating aggregate costs is not possible from the survey data, given the great disparities in how institutions calculated their own costs. It is clear, however, that thousands of institutions across the country are affected to some degree by NAGPRA costs.

The Native American community is also incurring major expenses in attempting to comply with the requirements and deadlines of NAGPRA. As you know, the repatriation process involves sacred items and, most importantly, human remains, not just artifacts. In this light we must approach the funding issues related to the Act. A 1994 repatriation survey done by the National Congress of American Indians indicated that some tribes had received hundreds of NAGPRA summaries from museums, and that the need for outside funding to hire experts to help them analyze

these materials and subsequent NAGPRA inventory materials is virtually universal. From the dozens of responses to the survey, it is apparent that most tribes do not have the capacity to comply with the Act. For example, the Shingle Springs Rancheria/Miwok/Maidu tribe reported, "Our tribe has been well versed in the purpose and intent of NAGPRA. The response from museums (the sending out of surveys to the tribes at the November 1993 deadline) has been astounding. We have received over 100 notices. However, we cannot respond or take advantage because of lack of funds." This tribe estimated its financial needs at approximately $35,830. And at the December 1995 Senate oversight hearing, Cecil Antone of the Gila River Indian Community noted that the Community had received over 150 letters from various museums and Federal agencies about the disposition of NAGPRA-related collections. The needs of the tribes vary depending on the number of responses they have received, their present and future ability to comply with the Act, and what, if any, experience their tribe has had with projects of this sort. In fact, tribal responses estimating funding needs ranged from "unknown" to "very much" to "$2 million."

In October 1990, the Congressional Budget Office estimated NAGPRA implementation costs to museums of $40 million and to tribes and native Hawaiian organizations of $5–10 million over 5 years, assuming that museums and Federal agencies hold between 100,000 and 200,000 Native American remains and that the cost to inventory and review each remain would be $50–150. Those estimates now appear to be very low in light of our experience since that time. As a result, viable tribal and museum request for grants continue to exceed available funds by a large margin. In addition, museums cannot repatriate to the tribes until appropriate notices go into the Federal Register, and there is currently a backlog of about 150 such notices at the NPS, about a year's worth, due to lack of staff to process them.

In closing, let me add that while the museums and tribes must have this grant program funded simply to comply with the requirements of NAGPRA, it is also true that the grant program will accomplish far more than compliance. Museums and tribes have discovered that the exchange of data required under NAGPRA is yielding new information that helps us all. In the process of identifying sensitive cultural items, museums are learning much more about their entire collections. Delegations of elders and religious leaders have supplied valuable new insights about many objects in the repositories they have visited, and in turn they are discovering items of immense interest to their own tribes, the existence of which had been unknown in recent generations. Few items in these categories are being sought for repatriation; it is simply that access to the collections has led to much better mutual understanding and exchange of knowledge. While the repatriation process will eventually end as the transfer of materials is completed, the long-term relationship created between museums and tribes will continue.

Thus, this funding will not just support expenses mandated by law. It is also an excellent investment that serves the public interest now—and will continue to pay dividends in the future—through more accurate and respectful exhibits and education programs that are the fruits of long-term collaborations.

Finally, we respectfully urge you to keep in mind that we are talking in large part about the reburial of the remains of human beings, and that under a reasonable and dignified standard, such repatriation and reburial should occur with all due haste. Certainly the United States Government has acted urgently with due regard to repatriation of remains of American soldiers killed in foreign wars or missing in action. Native American repatriation and reburial should be treated with the same priority and dignity.

The consortium appreciates this opportunity to testify on this issue.

PREPARED STATEMENT OF MARIETTA COLLEGE

THE SLACK SPECIAL COLLECTION AT MARIETTA COLLEGE

Dear Mr. Chairman and Members of the Subcommittee: On behalf of the Board of Directors of Marietta College and the State of Ohio, I would like to thank you for the opportunity to submit this testimony to the Public Witness Hearing Record regarding an endeavor to foster a partnership with the Federal Government to preserve and digitize a portion of the State of Ohio's tremendous archives, which are housed at Marietta College in southeast Ohio. We sincerely appreciate this Committee's attention to our request for a "Saving America's Treasures" or "Millennium Program" grant of $500,000 to maintain and digitally catalog the collection of documents at Marietta College.

Because of its position in the oldest settlement in the Northwest Territory, at the confluence of the Ohio and Muskigum Rivers, Marietta College has been the recipient of a largess of unique historical materials over many years. The entire collection contains 35,000 books and 28,000 manuscripts, as well as maps, photographs, artwork and archives dating back to the second half of the 18th century. This collection, known as the Slack Research Collection, contains first-hand accounts of the settlement, expansion and development of southeastern Ohio from the arrival of the settlers of the Ohio Company of Associates in 1788 through the nineteenth century, as well as related incidents on the state level. While each collection is historically significant within itself, the collections, considered together, enhance and complement each other, providing researchers with a fascinating and informative view of life on a new frontier in a developing community and state.

Among the individual collections are:

The Manuscripts and Documents of the Ohio Company of Associates, which include the original book of minutes of the directors, the record book of deeds, the survey plats, and the field notes of surveyors. This collection is unique in that no other depository holds the information in these documents. The history of the Ohio Company is interwoven with that of the new nation; many of its members had been comrades-in-arms during the American Revolution, and through the opportunity for westward land, sought to recover from personal and financial woes caused by the war. The lessons of how events on a national level can affect life on the local level are evident in the struggles of the Ohio Company to gain the land on which to make their settlement. The Land Ordinance of 1785 and the later Northwest Ordinance of 1787, which provided for government in the Old Northwest, were crucial to the settlement of the Ohio Country.

The Putnam Papers, which is a collection of 450 items of correspondence, documentation and memoranda of General Rufus Putnam, brigadier-general during the American Revolution, superintendent of the Ohio Company of Associates, and surveyor general. Included in the papers are correspondence from George Washington, Secretary of War and Revolutionary War General Henry Knox, and Secretary of the Treasury Albert Gallatin, among other notable figures of early America.

The Charles Gates Dawes Collection contains documents signed by George Washington and Thomas Jefferson, as well as world-famous statesmen, artists, authors, kings and queens, musicians, philosophers, and scientists.

The Rare Book Collections consist of a library of more than 19,000 volumes of Americana, including published materials on the Northwest Territory and Ohio, Civil War, and Native Americans. The collection also contains volumes dating from 1489. Included are three incunabula, rare dictionaries, 19th century textbooks, and numbers of historical first editions, such as Newton's Opticks. Marietta College has been identified as the holder of 465 titles published before 1800.

With the approaching bicentennial of the State of Ohio in 2003, it is important that these documents be preserved in a fashion that will allow the exhibit to travel and, through digitization, become available to researchers nationally. Sharing resources is a long-standing tradition with libraries. While collections have traditionally participated in this concept by mounting exhibitions, today's technology offers an excellent new method to share primary resources. By developing a searchable special collections web site, researchers could learn more about the resources held by the College, and the use of original documents could be incorporated into courses on a far greater scale than is currently possible. In addition to providing increased access to the materials in special collections, the web site would also provide an opportunity for students to learn new skills. For example, families seeking genealogical information on ancestors would no longer need to travel to Marietta to utilize the resources of the collection. Photographs from the Fischer and Hoag collections provide a visual of the Marietta area. Students could not only help with digitization of materials, but also be involved with the design of the web site and writing the commentary to accompany the images. Digital reformatting is an integrated preservation strategy that achieves the College's dual goals of preserving the collections and offering broad public access to at-risk materials. Marietta College's digitalization program will preserve the collections, both through converting and reducing the handling of fragile and vulnerable materials and by ensuring that the process of scanning is safe for the collections.

The College has already begun much of the work with its own resources, but cannot undertake this endeavor on its own. The documents must be preserved by experts and the process will require many hours of work by College personnel to complete it within the time frame allowed by a Federal grant. In addition to the preservation and digitization of the documents, a suitable repository with appropriately regulated air quality and adequate shelving and storage is needed in order to preserve the collections for use by future generations. Along with the space for collec-

tions, adequate research areas and workspace would aid staff and patrons in utilizing the available resources.

Mr. Chairman, as your Subcommittee deliberates funding requests from many qualified candidates seeking your assistance this year, I urge you to review and consider our request for a $500,000 "Saving America's Treasures" or "Millennium Program" grant to carry out just the first phase of preservation of Marietta College's exceptional collection. This undertaking is extremely important for its historical significance to the State of Ohio and to the nation, and the ensuing results will bring a distinction to Marietta enjoyed by few small colleges.

Thank you.

PREPARED STATEMENT OF THE AMERICAN HIKING SOCIETY

TRAILS AND RELATED PROGRAMS

Mr. Chairman and members of the Subcommittee, good afternoon. I am Mary Margaret Sloan and I represent American Hiking Society's more than 10,000 members and the 500,000 members of our 130 affiliated organizations. American Hiking Society is a non-profit recreation-based conservation organization operating from Maryland for almost 30 years.

My testimony today will focus on two points. First, federal land managers are struggling to keep up with the dramatic increase in trail use in America. The solution is not, I think, to just throw more money at the National Park Service, Bureau of Land Management and USDA Forest Service, but to couple directed increased funding with increased on-the-ground trails coordinators and volunteer coordinators.

Second, American Hiking urges you not to make the fee demonstration program a permanent one just yet. As a demonstration project, the program is not entirely a success. Last month, our board unanimously approved a policy supporting the fee demonstration program in concept but vigorously opposing making that program a permanent one unless and until the agencies redressed the problems our members are raising with the program. Our concerns with the program are three-fold: inconsistent implementation, agency accountability, and equity issues.

TRAILS FUNDING

According to the 1995 National Survey on Recreation and the Environment, hiking and backpacking are the fastest growing forms of recreation. In 1995, 48 million Americans hiked and 15 million backpacked. Hiking increased by 93 percent from 1982 to 1995, and over 70 percent of Americans walked for recreation in 1995. Despite these trends, federal funding for recreation on public lands has not kept pace with demand.

Last fall, alarmed by low recreation budgets and increasing recreation on federal lands, American Hiking Society and ten other national non-motorized recreation organizations compiled the attached Recreation and Conservation Funding booklet. We urge Congress to think boldly about providing increased funding for America's natural heritage as we begin the 21st century. As the uses and the economics of public land shift from extractive industries to recreation, human-powered recreationists believe a similar shift is needed in the budgets of our land management agencies. We make the following recreation and conservation funding recommendations for fiscal year 2001:

USDA Forest Service:

—Recreation Management: $270 million
—Trail Maintenance: $40 million
—Trail Construction/Re-Construction: $30 million
—Wilderness Management: $50 million
—Recreation Research: $12.5 million

National Park Service:

—Rivers, Trails and Conservation Assistance program: $12 million
—National Trails System: $7 million
—Geographic Information System Network for National Trails: $650,000
—Challenge Cost Share Program: 1/3 of total to National Trails System
—Recreation Research: $7.5 million

Bureau of Land Management:

—Recreation Management: $50 million
—Wilderness Management: $30 million
—Visitor Safety on Public Lands: $42 million

Land and Water Conservation Fund—$900 million

—Continental Divide National Scenic Trail: $150,000
—Florida National Scenic Trail: $5 million
—Ice Ace National Scenic Trail: $3.6 million
—North Country National Scenic Trail: $1 million
—Pacific Crest National Scenic Trail: $6 million

I'd like to select out several of these requests and discuss them in greater detail. Geographic Information Systems (GIS) and Global Positioning Systems (GPS) can provide national scenic and historic trails with high-powered tools for managing their resources and integrating a wide variety of data sources. The need to maintain accurate cultural and natural resource information, and constantly changing land use or political boundaries poses problems for managing trails over long distances. These factors, together with development threats, such as the proliferation of telecommunication towers and continual urban sprawl, all suggest the need for accurate locational data, not only for the trails themselves, but all associated resources.

Through GPS, trail staff and volunteers can map centerlines and associated resources from signs to trees, to nearby cultural resources. Once captured, trail specific data can be combined with additional map information through GIS to provide a complete picture of each trail. With an established and populated GIS application, trail agencies and staff can provide the necessary data to their partners and actively participate in the planning process, helping to better manage and protect all trail resources and landscapes.

The National Park Service has conducted a needs assessment for the 20 national scenic and historic trails and recommended the following: Map the trail centerlines; establish a GIS program for each trail and for the National Trails System office; define GIS trail applications; create GIS Trail Internet; implement these recommendations using an incremental approach of four trails per year. American Hiking Society strongly agrees with these recommendations.

The recommendations should be implemented over five years. One of the four historic trails that pass through Salt Lake City, plus the Ice Age, Florida, and Appalachian National Scenic Trails, should be the first to implement these recommendations. Each subsequent year, four more trails will be added until all twenty trails of the National Trails System are on-line. At the end of five years the trails system would have a fully functioning GIS both at the trail and at the national level. The total five year cost is currently estimated at $5.655 million, with Year One costs (fiscal year 2001) at $650,000 for the National Park Service.

We support an increased level of funding for two Forest Service trails programs—Trail Construction/Re-construction and Trail Maintenance. The agency is the largest recreation provider in the United States, managing 133,000 miles of trails. The current investment in Forest Service lands does not match the role recreation plays in the agency. Many facilities are poorly maintained and deteriorating and recreation staff shortages are severe.

We are concerned, as well, that despite the increased emphasis that Chief Dombeck is placing on recreation through the FS' Natural Resource Agenda, that this conversation at the top is not translating to the ground. Very few national forest have even one full time trails coordinator. And despite the number of hiking and other recreation organizations that want to volunteer to build and maintain trails in national forests, very few forests have a volunteer coordinator. Last year, Congress passed a bill directing national wildlife refuges to institute a pilot project for volunteer coordinators at individual or a complex of geographically-related refuges. This could be a great model for the other land managing agencies.

In the National Park Service budget, we strongly support increased funding for the 15 national scenic and historic trails administered by NPS. These include such national treasures as the Appalachian, North Country, and Pacific Crest National Scenic Trails as well as the Lewis and Clark, Pony Express, and Selma to Montgomery National Historic Trails. For most of the national scenic and historic trails, barely one-half of their congressionally authorized length and resources are protected and available for public use. Most offices are understaffed, hindering the ability of the agencies to properly administer and manage these 15 trails. Understaffing also hinders the abilities of the volunteer-based organizations to work with the federal agencies to complete these trails. Increased funding will enhance the volunteer partnerships so critical to the protection of these national treasures. In 1999, volunteer organizations contributed $5.8 million in financial resources and over 550,000 volunteer hours with an estimated labor value of $7.4 million. Congress should at least match the private contribution with $7 million of federal monies. American Hiking Society endorses the specific figures being submitted today by the Partnership for the National Trails System.

One federal agency normally associated with land management, the National Park Service, is at the forefront of offering technical assistance to the states so that they can determine their futures for themselves. This is through the Rivers, Trails and Conservation Assistance program. I'll offer an example: RTCA played an integral role in the revival of Chattanooga, Tennessee, from a city in the early 1980s that was economically depressed, polluted and losing its middle-class, to what it is today-vibrant and connected by trails and green spaces. RTCA was approached in 1989 to help build a greenway along the 20-mile Chicamauga Creek, then, at the invitation of Chattanooga city officials, it helped develop a greenways plan for the city and regional greenways plan for eight surrounding counties. Last year, the Committee increased RTCA's budget by one half million, and, on behalf of the 30 member Rivers and Trails Coalition: thank you. The coalition requests an annual appropriation of $12 million for RTCA, and we urge you to signal your strong support for this program by appropriating that amount.

The Bureau of Land Management manages 85 percent of the National Historic Trails System and requires sufficient funds to manage the rapidly expanding recreational use of public lands and protect the wealth of natural and cultural resources under its jurisdiction. We support increased funding for Recreation Management, primarily so the BLM can begin to address all-terrain recreational vehicle (ATV) usage. The BLM reports that approximately 40 percent of all BLM field offices have identified management of motorized recreation as a priority for recreation. Many offices are experiencing conflicts between ATV recreation and non-motorized uses as well as damage to resources resulting from the recreational use of motorized vehicles.

Annual appropriations through Land and Water Conservation Fund has created the longest greenway in the world-the Appalachian National Scenic Trail. Now that the acquisition program for the AT is complete, we urge you to turn your support toward the remaining national scenic and historic trails, and label them as high priority projects under the LWCF. This year, American Hiking Society strongly supports LWCF funding for the Continental Divide, Florida, Ice Age, North Country and Pacific Crest National Scenic Trails, in the total amount of $15.75 million. This amount is almost exactly the figure Congress appropriated solely for the Appalachian Trail in fiscal year 1999.

RECREATION FEE DEMONSTRATION PROGRAM

In March 2000, the American Hiking Society Board of Directors unanimously approved a policy that supported the recreation fee program in concept, but strongly opposed a permanent program because of on-the-ground problems with implementation, agency accountability, equity issues, and on-going concerns about both administrative and congressional funding offsets. American Hiking does not oppose recreation fees per se. Entrance and user fees provide much needed revenue to agencies with severe budget shortages. Yet there are simply too many unanswered questions that raise concerns about the execution and efficacy of the Recreation Fee Demonstration Program (RFDP).

The agencies manage and implement RFDP inconsistently. These inconsistencies pertain primarily to limited interagency coordination, confusing fee policies and multiple fees, limited innovation by NPS, and the varied policies for volunteers. For example, most regional and annual passes cover entrance fees only. In some parks, hikers must pay entrance fees plus backcountry impact fees for overnight visits. In other areas, backpackers using lands under different agency jurisdiction may have to pay trailhead parking fees, wilderness fees, park entrance fees, and backcountry fees. Also, volunteers contribute hundreds of thousands of hours in support of the national scenic and historic trails each year, yet the agencies do not uniformly recognize these contributions through fee discounts or annual passes.

Equity concerns remain one of the primary causes of fee demo opposition. Equity issues pertain to the effects of fees on low-income populations, different recreation user groups, and non-commercial/non-consumptive users versus commercial users of public lands. NPS claims that displacement of low-income populations is not a major issue, despite the fact that fee surveys focus on park visitors rather than potential visitors. The agencies also contend that the lowest income groups do not participate much in outdoor recreation to begin with and thus are not directly affected by RFDP. The agency responses to equity concerns are simplistic and do not fully address the effects of fees on individuals or households at the margin who may reduce or eliminate their recreation visits to public lands.

Equity concerns regarding different user groups vary and survey results are equivocal. One example is the additional backcountry impact fees that backpackers pay at certain national parks (e.g. Olympic, Glacier), while frontcountry users pay

no additional fees for utilizing extensive infrastructure (e.g. parking lots, visitor centers, etc.). Equity issues also surround fees charged to non-consumptive, non-commercial users of public lands versus commercial interests or extractive industries such as logging, grazing, and mining.

We applaud the Interior Appropriations Subcommittee for continuing to vigilantly oppose any appropriations offsets with fee revenues, and urge you to continue your vigilance both within your own ranks and within the federal agencies. But, until the program runs its course through the end date, Congress should not hastily authorize permanent RFDP status.

CONCLUSION

On June 3, 2000, American Hiking Society will coordinate its seventh "National Trails Day," the goal being to raise public awareness of and appreciation for trails and trail volunteers throughout the year. In 1999, over 1 million people participated in more than 3,000 National Trails Day events nationwide, and American Hiking expects an even greater turnout for National Trails Day 2000. Clearly, trails are important to Americans. By increasing the focus and funding of the recreational programs outlined in this testimony, we believe Congress will protect the American investment in outdoor recreation.

Thank you for the opportunity to speak to you today. American Hiking Society's members and outdoorspeople nationwide appreciate the Subcommittee's support in the past and look forward to continued strong support.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION FOR EQUAL OPPORTUNITY IN HIGHER EDUCATION

Mr. Chairman and distinguished Members of the Subcommittee, I am Dr. Henry Ponder, Chief Executive Officer and President of the National Association for Equal Opportunity in Higher Education (NAFEO). I want to thank you for allowing me to appear before you today as you consider funding priorities relevant to the fiscal year 2001 Interior Appropriations bill. In the time that I have, I would like to highlight many of the accomplishments of NAFEO as well as an initiative that we support and are looking to expand upon in the new millennium.

NAFEO is the national umbrella organization representing the nation's 118 predominately and Historically Black Colleges and Universities (HBCUs). Our mission is to champion the interests of HBCUs through the executive, legislative and judicial branches of Federal and state Government and to articulate the need for a system of higher education where race, ethnicity, socio-economic status and previous educational attainment levels are not determinants of either the quantity or quality of higher education. The organization takes lead responsibility for the development and dissemination of public policy, programmatic efforts, and strategic and educational materials that: (1) enhance the role of HBCUs generally, and (2) promote minority student enrollment and attainment specifically. NAFEO is comprised of institutions of higher education that represent a broad spectrum of interests—public and private, large and small, urban and rural, liberal arts, agricultural, research, scientific and technology development. Of all of the HBCUs that belong to NAFEO, 46 percent are public and 54 percent are private. The organization's membership is comprised of 2-year and 4-year institutions, as well as schools that offer advanced and professional degrees.

Since the organization's inception in 1969, NAFEO has played an indelible and pivotal role in expanding access to higher education for a community whose greatest resource can be classified as an underutilized reservoir of talent and ingenuity. NAFEO institutions historically are responsible for educating the vast majority of African Americans. Today, while NAFEO institutions enroll approximately 18 percent of all African American college students, they confer about 40 percent of all bachelors degrees awarded to African Americans nationally. In some disciplines, such as engineering and teacher education, the number is significantly higher. Moreover, these schools produce the largest number of African American baccalaureate recipients who eventually go on to receive doctorate degrees, especially in the sciences. They are situated in every quarter of the country: in fourteen Southern states, six Northern states, three Midwestern states, one Western state, the District of Columbia and the Virgin Islands.

The National Historic Preservation Act has established a program to provide matching grants to the states and other entities for the preservation and protection of properties on the National Register. Under the Omnibus Parks and Public Lands Management (OPPLM) Act of 1996, Congress authorized $29 million in funding for the restoration of historic properties at selected HBCUs. To date, $22.3 million has

been appropriated for this purpose. Only those historic properties that are either on the National Register or have been determined eligible for listing on the National Register as a result of state historic preservation officer (SHPO) surveys are eligible for federal grant assistance under the National Historic Preservation Act or the OPPLM Act of 1996.

In response to a request from Congress, the General Accounting Office (GAO) conducted a study of historic preservation needs at HBCUs entitled Historic Preservation: Cost to Restore Historic Properties at Historically Black Colleges and Universities (GAO/RCED–98–51, February 1998). GAO concluded that 712 properties on the 103 HBCU campuses surveyed were in need of repairs or structural renovations. Of these 712 properties, 672 (94.4 percent) are buildings, with the remainder being sites, structures or objects, such as smokestacks and courtyards. An estimated $755 million is needed to address these historic preservation needs. The report noted that approximately 8 percent of the total amount had already been set aside to pay the restoration costs for specific properties.

The needs at many of the facilities consist of making the properties more accessible to people with disabilities, replacing leaky roofs, removing health threats such as asbestos and lead-based paint, or wiring for new technologies. It should be noted that in recognition of their historic and present importance, the Park Service in June of 1998 listed all 103 HBCUs on the National Register of Historic Places. This action makes each of the properties identified by GAO eligible for historic preservation funding.

The Department of Interior did note that the magnitude of the repair cost estimates reported by the schools is substantial in terms of the limited level of appropriations available from the Historic Preservation Fund for matching grants available to HBCUs pursuant to the OPPLM Act of 1996. Additionally, any funding for increased appropriations for grants to HBCUs in furtherance of this effort would be subject to authorization. As a result, there are budgetary limitations that must be addressed when considering the restoration of historic properties at these schools. For this reason, in addition to supporting the Administration's request of $7.2 million, the remaining authorized amount under OPPLM, NAFEO also requests report language supporting the development of a long-term strategy to address the findings in the above-mentioned report. It is our recommendation that this report be submitted to Congress no later than April 1, 2001 and that it have a detailed timeline about how the National Park Service plans to address these critical needs on all HBCU campuses in the future.

In order for these institutions to be able to compete with larger, more heavily endowed schools, they need to preserve and renovate these historic facilities which are a part of American history, so they will have the infrastructure needed to meet the complex challenges of the new century, many of which are technology-based. Providing sufficient, long-term funding in the National Park Service's Historic Preservation Fund would enable a significant number of HBCUs to begin preservation activities on the most dilapidated campus facilities. Additional funding would be made available for new projects not currently listed in the 1996 Parks bill. Moreover, including the requested report language directing the Park Service to prepare a plan identifying a timeline and resources needed to address these critical preservation needs at HBCUs will ensure that attention is provided to all of the facilities identified in the GAO report and not a select few which were identified as being at risk over a decade ago.

This concludes my statement for the record. Again, on behalf of the National Association for Equal Opportunity in Higher Education, I want to thank you for the opportunity to submit testimony to this subcommittee.

PREPARED STATEMENT OF THE CENTER FOR MARINE CONSERVATION

The Center for Marine Conservation requests that this statement be included in the hearing record for the fiscal year 2001 Interior Department Appropriations Bill. Specifically we recommend the Interior Subcommittee provide for the following funds to the Department of Interior: $12 million for land acquisition within the Archie Carr National Wildlife Refuge; full funding of the administration's request for Endangered Species Act activities, and $11 million to implement the southern sea otter recovery plan; $143.8 million for Everglades Watershed Restoration; and, $10 million for the Coral Reef initiative.

The Center for Marine Conservation (CMC) is committed to protecting ocean environments and conserving the global abundance and diversity of marine life. Through science-based advocacy, research and public education, CMC promotes informed citizen participation to reverse the degradation of our oceans. CMC is a nonprofit con-

servation organization with 120,000 members with offices in Washington, DC, California, Florida Alaska, Virginia and Maine.

The importance of the Department of the Interior to the protection of the Nation's living marine resources and marine ecosystems cannot be understated. Units of the National Park Service and the National Wildlife Refuge system, as well as territories administered by the Office of Insular Affairs contain critical coastal habitat for threatened and endangered species and invaluable marine ecosystems. We therefore make the following funding recommendations for the Interior Subcommittee's fiscal year 2001 appropriations bill.

THE ARCHIE CARR NATIONAL WILDLIFE REFUGE

CMC urges the Appropriations Committee to approve funding at or above the Administration's request of $6 million in fiscal year 2001, out of the Land and Water Conservation Fund, for the acquisition of vital sea turtle nesting habitat in the Archie Carr National Wildlife Refuge.

The Carr Refuge is one of the most important nesting sites for threatened loggerhead sea turtles in the world. It is also the most significant area for endangered green turtles in North America, and an occasional nesting site for the largest and one of the most endangered of all sea turtles, the leatherback. Every summer, threatened female loggerheads lumber ashore the pristine beaches at Archie Carr laying their eggs at between 12,000–16,000 nests, while endangered green sea turtles lay eggs at several hundred nests. Of thousands of eggs laid, only a few last the 60-day incubation period to become hatchlings due to predators like raccoons, poachers and increasing shoreline erosion. Once they become hatchlings, artificial lighting from increasing coastal development may lead them astray from their journey to the water, and then they face natural predators. When and if they finally reach adulthood, sea turtles encounter mortality from fishing gear, over-exploitation, dredging machinery, oil slicks, plastic pollution and loss of suitable nesting sites due to extensive coastal development.

Sea turtles face an uphill battle, but it is clear that continued survival of these ancient marine animals depends in large part on the number of nests females create during their short nesting season. To nest successfully, females need dark, undisturbed beachfront such as the coastline at the Archie Carr Refuge. To date, the Fish and Wildlife Service has only acquired 128 acres of the 516 acres designated for acquisition at the Carr Refuge, while coastal development is constantly encroaching on its boundaries. Unless Congress provides funds to buy this land, rapid coastal development, ensuing beach erosion and disruptive lighting will destroy nesting habitat, pushing these magnificent creatures closer to extinction.

It is critical that the Archie Carr Wildlife Refuge receive generous funding in fiscal year 2001 for acquisition. Because the Refuge was not funded for the past two years, we strongly recommend that you provide $12 million for this critical habitat in fiscal year 2001. Local and state governments have contributed over $80 million to purchase land within this federal wildlife refuge. However, the total Federal contribution to date is just over $13 million. It is time that the Federal Government makes a substantial investment to preserve a resource that is essential to the survival of sea turtles worldwide.

We deeply appreciate the $2 million the Committee and Congress provided for the Carr refuge in fiscal year 1998. However, efforts to protect sea turtle habitat have been hampered because Congress did not fund the Refuge at all in fiscal years 1995, 1996, 1999 and 2000. At the same time, coastal development has been on the rise. Beachfront property along the east-central coast of Florida is becoming increasingly expensive and less available for purchase. If Congress waits too long there will be no more nesting habitat left to purchase and protect. We trust that the Committee recognizes the urgency of this situation and that you will fund the Carr Refuge at an amount in accordance with its global significance. At the very least we urge you to provide the Administration's budget request of $6 million for fiscal year 2001. We appreciate your consideration of sea turtle protection as you make Federal funding decisions this appropriations cycle.

ENDANGERED SPECIES ACT

CMC supports the Administration's requested increases for Endangered Species Act activities within the U.S. Fish and Wildlife Service. We urge the Appropriations Committee to provide for the President's proposed increases and to approve $11 million to implement the southern sea otter recovery plan, including $3 million of dedicated funding for the implementation of the priority activities in the recovery plan.

The southern sea otter was exploited to near extinction and listed as threatened under the Endangered Species Act in 1977. Although the population increased from

the mid-1980's to mid-1990's, it has been in decline since 1995 at a rate of approximately 5 percent per year. The primary threats to the southern sea otter include habitat degradation—from oil spills and other contaminants—and incidental and intentional take by entanglement in fishing gear and shooting. Because of the low numbers and limited range, this population is especially vulnerable to oil spills along the central California coast—a single spill could cause catastrophic declines posing the risk of extinction. In addition, contaminant levels may decrease resistance to disease and reduce reproductive rates, further hampering the population's ability to recover. Finally, food availability may be a limiting factor in population growth: both habitat destruction and fishery practices could be factors affecting prey abundance.

To save the southern sea otter, its numbers and range must increase. It is vital that immediate actions be taken to implement recovery efforts. To make effective management decisions about this population, scientist must have access to the most current and complete information available on abundance and distribution, overall health, and factors that may be causing the decline or hindering recovery. Therefore, funds are needed to continue population surveys to determine size, rate of change, and distribution, and to conduct investigations of food web interactions and affects of possible food limitations. Funds are also needed to assess the health of the population and research the sources and levels of contaminants in sea otters and their habitat and how this might be contributing to the decline. Federal programs to monitor and enforce activities to eliminate intentional take, efforts to reduce incidental mortality due to commercial fishing, including funding for observers in coastal gillnet fisheries and investigations of how trap and pot fisheries are affecting the population must continue. Finally, it is important to provide sufficient resources to implement management and contingency/response plans to reduce the risk to these otters from oil spills.

EVERGLADES WATERSHED RESTORATION

The Center for Marine Conservation also urges the Appropriations Committee to provide for the full $143.8 million requested by the Administration for Everglades Restoration within the Department of Interior budget. Of particular concern, to CMC is the health and protection of Florida Bay and the coral reef tract of the Florida Keys. These very important marine ecosystems are downstream of the Everglades and are dependent on the proper flow of clean water from the Everglades for their health and survival.

CORAL REEF PROTECTION

We urge the Committee to provide the full funding for the Department of Interior's $10 million to support the critical needs and priority actions identified by the U.S. Coral Reef Task Force. To help ensure that they have resources needed for coral reef, and other living marine resource, research and protection we also urge the Committee to fully funding the Administration's request for the operating budgets of the National Parks, the U.S. Fish and Wildlife Refuges and the Office of Insular Affairs.

The Department of Interior has tremendous responsibilities for protection of living marine resources through units of the National Park Service, Fish and Wildlife Service and U.S. territories under the responsibility of the Office of Insular Affairs. It is estimated that these bureaus have stewardship responsibilities for over 625,000 acres of coral reefs, and most of the Nation's estimated 4.2 million acres of coral reefs has yet to be mapped or assessed. It is for this reason that the President named the Secretary of Interior as the co-chair of the U.S. Coral Reef Task Force established under Executive Order 13089, signed at last the National Ocean Conference in 1998. Coral reefs are rightly known as "rainforests of the sea" are among the most complex and diverse ecosystems on earth. Coral reefs provide habitat to almost one third of marine fish species, serve as barriers to protect coastal areas and important to the tourist industries of many States and territories. Coral reefs also extremely fragile and are facing serious threats from overutilizaiton and pollution around the world and in U.S. waters, making the work of the Coral Reef Task Force and Department of Interior extremely important and worthy of the Administration's funding requests.

Specifically we support: the $2.7 million requested for the Fish and Wildlife Service to increase protection, monitoring and site acquisitions; the $3.6 million requested for the National Park Service to improve management of special reef areas; the $3.2 million requested by the U.S. Geological Survey for research and mapping of coral reefs; and, the $500,000 requested by the Office of Insular Affairs to support territory coral reef initiatives.

We appreciate the Appropriations Committee's consideration of our views.

PREPARED STATEMENT OF THE CITY OF MIAMI BEACH, FLORIDA

Mr. Chairman and members of the Interior and Related Agencies Subcommittee:

The city of Miami Beach, Florida, respectfully submits a community enhancement and parks/open space project for a discretionary fund set-aside through the fiscal year 2001 Urban Parks Restoration and Recovery Program. The city-proposed set-aside of $15 million will be used toward the implementation of a citywide network of bicycle/pedestrian/greenway trails, known as the Atlantic Corridor Greenway Network, which will become natural extensions of the Municipal Parks System. The cost of implementing the network is $35 million, of which approximately $20 million has already been funded by or awarded to local government. Only the $15 million requested herein remains unfunded.

The Atlantic Corridor Greenway Network encompass the trails along the Atlantic Ocean and Indian Creek Waterway, and several inland trails that will provide direct access to the city parks, beaches and waterways, from the residential, entertainment, and tourist areas of the city. One such trail will span a residential causeway over Biscayne Bay and into downtown Miami, affording spectacular vistas of the downtown skyline, the seaport, and Miami Beach. A listing of the elements of the Greenway Network is provided as an exhibit to this testimony.

This integrated network of Greenway Trails will snake its way along the city's parks, beaches, waterways, and other natural ecosystems, and will include rest areas, vistas areas, and water recreation areas, and interpretive signage throughout the Greenways, to provide enhanced heritage and eco-tourism amenities and recreational opportunities for trail users.

The city of Miami Beach park's master plan places great emphasis on preserving and enhancing the Coastal Dune System, Native Vegetation and Sea Turtle Hatchery Program, as well as the creek and waterways natural environment and vegetation. Exotic species will be cleared and new native plantings are proposed for purposes of Dune and seawall stabilization, creation of a visual link from land to sea, and provision of a much needed sense of openness and security.

Two of these greenway trails are presently funded and nearing construction—the North Beach Recreational Corridor Project/Phase One, and the Beachwalk Corridor in South Beach. The North Beach project begins at the North Shore Open Space Park, which, at 34.61 acres, is the largest park in Miami Beach and a highly treasured natural resource by the seashore. Reaching southward, this trail will go through Altos Del Mar, North Shore (Band Shell), and Allison Parks. The other project—the beachwalk trail will connect an existing Oceanfront Boardwalk, Collins Park, and the Cultural Arts Campus, to Lummus Park at Ocean Drive. Subsequently, the Beachwalk Trail will be extended further southward through Ocean Front Park and South Pointe Park, which affords spectacular views of the Atlantic Ocean as well as the Cruise-ship Channel, and Miami.

The Greenway Trails will allow for beachfront and marine access facilities, as well as improved access to local and regional transit stops. A listing of the elements of the Atlantic Greenway Network is provided as an exhibit to this testimony. We wish to emphasize that a $15 million fiscal year 2001 discretionary fund set-aside by the Urban Parks Restoration and Recovery Program is essential to the completion and interconnection of the Miami Beach-proposed Atlantic Corridor Greenway Network, to enhanced eco-tourism opportunities, and to an increased parks and trails cross-utilization by residents and visitors.

Your consideration is sincerely appreciated.

PREPARED STATEMENT OF THE ALACHUA COUNTY, FLORIDA, BOARD OF COMMISSIONERS

Mr. Chairman: Thank you for allowing the Alachua County Board of Commissioners to submit written testimony before your Subcommittee regarding a major initiative for which the County seeks your support.

Alachua County has embarked on a local land conservation program, which the County Commission has selected as one of its highest program priorities for 2000. A separate citizen-initiated referendum called Alachua County Forever is anticipated to raise $17 million from ad valorem property taxes to match federal and state land acquisition funds. The County's Land Conservation Advisory Committee (appointed in November, 1999) is finalizing a system to prioritize which local lands should be conserved, and is creating the tools to accomplish these goals. Eastern Alachua County has been included in the St. John's River American Heritage River

designation, with three suggested projects. A number of eco-tourism and recreational opportunities are being pursued to capitalize on the County's protection of its natural areas. The County, in cooperation with the City of Gainesville, is actively seeking federal and state partnerships to achieve its land conservation goal of an emerald necklace comprising gems of conserved natural areas throughout this part of "the Real Florida."

Land acquisition priorities.—Alachua County has five large-scale projects (5000+ acres) on Florida's Conservation and Recreation Lands (CARL) acquisition list. These include:

—Paynes Prairie additions (a large freshwater wetland and watershed, operated as a state preserve)

—San Felasco Hammock additions (a mature hammock and sandhill forest, with ravines)

—Watermelon Pond (an upland sandhill and scrub forest with important ephemeral wetlands)

—Newnans Lake (a diverse flatwoods forest surrounding a lake with declining water quality)

—Lochloosa Forest (a flatwoods forest, largely in commercial production surrounding two large lakes)

Each of these CARL projects has outstanding land acquisition needs, with state matching money available from Florida Forever (formerly Preservation 2000). The lack of a local source of matching funds has hurt the ability of Alachua County's projects to compete favorably with other local governments which have local land conservation programs, so Federal matching funds (either grants or loans) would greatly assist in finishing the acquisition of these lands before development further fragment them. If the Alachua County Forever referendum passes in November 2000, the County will have a source of matching funds. Federal agencies could help by "challenging" the County with the promise of matching funds for projects of national significance, such as Paynes Prairie.

For this initiative, the City of Gainesville and Alachua County have identified three project areas. The first is Newnans Lake, a large lake in a semi-wild setting with mysteriously increasing eutrophication, yet spectacular recreational and scenic resources. Specific projects requiring funding assistance include: investigations into water quality issues, remedying muck build-up (possibly through a draw-down or mechanical removal), land acquisition (including less-than-fee opportunities with large forestry companies), a multi-user trail system circling the lake and connecting two existing rail-trails, and the designation and enhancement of an informal, but exceptional canoe trail connecting Newnans and Orange Lake down Prairie Creek and the River Styx. The St. Johns River Water Management District is a willing partner, having made substantial commitments in the past and with expressed interest in continuing to conserve the lands and waters of this area, while enhancing public access.

The second project is to clean-up and mitigate Sweetwater Branch, and its impacts on Paynes Prairie (a National Natural Landmark) as well as the Floridan Aquifer. As one of the major watersheds flowing through eastern Gainesville, this creek has all the problems of urban stormwater and wastewater outfall into natural areas. While substantial funds have been received from federal sources for the Depot Stormwater Park, the cost of cleaning up this brownfield area is considerably more than the local governments can handle.

The third project is to clean-up and mitigate impacts to Hogtown Creek, the major watershed in western Gainesville. The City and State have acquired over $3 million of property comprising the Hogtown Creek Greenway, however funds are needed for development of recreational trails, and for sedimentation control. We are seeking $10 million in federal support.

We hope that the Subcommittee will find this critically important project worthy of your support.

Thank you for your consideration.

PREPARED STATEMENT OF THE CITY OF GAINESVILLE, FLORIDA

Mr. Chairman: On behalf of the City of Gainesville, Florida, I appreciate the opportunity to present this written testimony to you today. The City of Gainesville is seeking Federal funds in the fiscal year 2001 Appropriations bill to assist with our East Side Community Recreational Facility. This facility will provide for recreational and other programs and services to serve at-risk youth and their families and a substantial population of low-income citizens in the surrounding area.

EAST SIDE COMMUNITY RECREATION CENTER PROJECT

The City of Gainesville is seeking a funding strategy for a multi-purpose community-based recreational facility on the east side of our city. The site for this project is in one of our highest poverty and minority-populated areas. Once completed, the center will provide a wide range of programs and opportunities to at-risk youth and their families. It will also provide needed facilities and services for the substantial population of low-income elderly in this area of our community, as well as to all our community.

The demographics of the surrounding service area include the following statistics: (a) Population of approximately 12,000 residents living in 4,000 households, with a median family income of $14,708; (b) 41.1 percent of the families have household incomes below the poverty level; (c) 25.3 percent requiring public assistance of some type, and (d) 84.2 percent of the citizens are African-American.

This is a public/private initiative estimated to cost $2.5 million. Funding has been received or pledged in the amount of $1.5 million. The initiative is being led by a grassroots partnership of business leaders, community leaders, professionals and interested/concerned citizens who have organized themselves as the East Gainesville Park Development Group.

The public agencies involved in this effort include the City of Gainesville, Alachua County, the School Board of Alachua County, and the University of Florida. So far, the project has received considerable financial support or pledges from the City, the County, and private individuals. The University of Florida has pledged to provide coaches and mentors. Additionally, the School Board of Alachua County has expressed an interest in this facility to help meet its own recreational facility shortfalls.

The plan for this project is based on the need to provide recreational facilities for families and on the desire to provide our youth with such advantages as leadership skills, team participation skills, and computer skills as well as opportunities to participate in physical and mental exercise, arts and crafts, and social activities, and to receive mentoring and after school tutoring. The educational component will include after school tutoring sessions, computer, anger management, life skills, and teen parenting and pregnancy prevention classes. Parental involvement will be encouraged for all activities.

The facility will be sited on a 36-acre parcel of land zoned for park use. The site amenities will include a multipurpose building (estimated at 6,500 square footage in area), serving as a learning resource center and community center. The facility will house the computer lab with computers promised by IBM, and rooms for after school homework and tutoring. Accommodations for indoor recreational and cultural programs will also be provided. The active outdoor amenities will include an interactive water fountain play area, playground and tot lot, picnic areas, two softball fields, two soccer/football fields, three basketball courts, ¼ mile track, ¾ mile jogging/fitness trail, ¼ mile interpretive nature boardwalk and a concession facility. The City of Gainesville will own and operate the park and improvements.

In closing, Federal support is critical for this initiative. We respectfully request that the Subcommittee give our request every consideration throughout the fiscal year 2001 appropriations process.

PREPARED STATEMENT OF THE COLONIAL WILLIAMSBURG FOUNDATION

Mr. Chairman and members of the Senate Appropriations Subcommittee on Interior and Related Agencies, I want to thank you for the opportunity to talk with you today concerning two proposals that we at Colonial Williamsburg are excited about and feel could help to re-calibrate our national compass and engage future generations in a stimulating discussion about the basic principles of democratic government that have made this country a world leader.

You may know Colonial Williamsburg as John D. Rockefeller, Jr.'s famous restored eighteenth century town. But the significance of this town goes far beyond the bricks and cobblestones. We are the nation's largest outdoor living museum. Our conservancy museums have one of the largest collections of eighteenth century Antiquities in the world. There are over 600 original and restored eighteenth century buildings in our 173 acre Historic Area. We also have a large and talented interpretive staff who can bring American history and the democratic principles of our forefathers to life in a fun and stimulating learning environment. Quite simply, Colonial Williamsburg is an educational institution. Its significance is both public and personal, educational and experimental. Its mission is to tell the story of a diverse group of people who fought to create a new community in a new land, based on new ideals.

Our living history approach creates the environment of the past—a colonial town—and populates the streets, homes, and shops with costumed interpreters. Visitors can actually touch history. They can talk with tradesmen, ask them questions, and examine their crafts. They can sit as a local magistrate at the colonial county courthouse. They can eat a meal in an authentic eighteenth century colonial tavern, help make bricks for the foundation of a house, even engage in a political discussion with George Washington, Thomas Jefferson, or the royal governor. They hear the echoes of Patrick Henry's denunciation of the Stamp Act resonate throughout the halls of the Colonial Capitol. Visitors can literally immerse themselves in the past. The result is a dynamic method of history education that generates an excitement for learning about the ideas and principles upon which our democracy is based.

Over three million people visit our site each year from all 50 States and from many other countries. But our goal of fulfilling Jefferson's objective of an educated populace does not stop with just those guests who are able to visit Colonial Williamsburg in person.

Colonial Williamsburg has long been the leader in providing distance learning with a variety of educational programming activities for over fifty years. Today, with the best technological communication resources at our command, we are able to reach millions of students and teachers throughout the country through broadcast, internet, interactive media and digital satellite. One of the results of these advances in technology is our award winning Electronic Filed Trips that allow students and teachers to "visit" Williamsburg via interactive television programs, while our www.history.org web site offers convenient access to our educational and research resources on the Internet.

Our Electronic Field Trips provide a live, interactive format by Colonial Williamsburg to over one million registered students. These programs are also viewed by another three million students on a delayed basis courtesy of local PBS stations. We provide seven Electronic Field Trip programs each year. The programs deal with a variety of topics from methods of travel in the eighteenth century, to slavery, apprenticeships, and indentured servitude, to tradesmen rebuilding the houses and structures of Colonial Williamsburg. Schools that register for the program receive printed lesson plans, resource materials, internet activities, and other materials to prepare students during the month preceding the program. The program comes live into the classroom and registered students can phone in questions to interpretive staff who appear in the program segment. Over 30 other interpretive and research staff take calls, email, and internet messages and respond to the students. Material remains on our web site for 30 days after the program. During one of our most recent programs, over 1,300 calls from across the country were received.

While we currently reach over four million students with these award-winning, state-of-the-art programs, we feel we have an obligation to help more schools and students meet national standards of learning. We have been informed that in schools using the Electronic Field Trips these scores have gone up. The programs address more than just history SOL's—they cover science, math, and other subjects as well.

We would like to be able to offer our Electronic Field Trips, free of charge to an additional 10,000 schools across the country. This would mean reaching an additional five million students a year. We have already developed the facilities and the high tech programmatic infrastructure for these programs. We have proven how successful they can be in exciting and educating students. We believe that if we can reach these additional 10,000 schools, the programs will become self-supporting. We believe we can convince these schools and others that the seven programs are worth $500 a year. As stewards of an important segment of our American heritage, we are asking for a one-time appropriation of $3 million to reach an additional five million students and to help students, teachers, and schools in all 50 States provide the type of state-of-the-art programs that teachers want and that will use twenty-first century technology to develop an understanding in the students of timeless eighteenth century principles.

We want to expand our educational programs to many more areas and students across the country. The Electronic Field Trips offer stimulating, state-of-the-art, fun, yet challenging programs. They have allowed millions of students and teachers to learn and understand the events that have shaped the nation's history. They also ensure we keep alive John D. Rockefeller Jr.'s goal for Colonial Williamsburg "that the future may learn from the past."

You may accuse me of bias, but I believe Mr. Rockefeller would be proud of our educational programs. He would also encourage us to do more with his vision in mind. The advent of the twenty-first century provides an appropriate time to reflect on America, the democratic values that have influenced representative government,

and the legal principles that have always protected a free society. Indeed, the onset of the new century in an opportune time to focus on the History of America.

Responding to the challenge to learn from the past and prepare new generations of American leaders, the College of William and Mary and Colonial Williamsburg, two of the most prestigious educational institutions in America and preeminent stewards of early American history, are collaborating to establish a unique and challenging residential program for scholarly historical research at Virginia's Colonial Capital. We are tentatively calling it the Institute of American History and Democracy.

The goal of the institute will be to assist the nation in re-calibrating its internal compass to enhance the understanding of college and high school students in our nation's historic journey and to encourage the ongoing review of America's founding principles. The Institute would be open to visiting undergraduates from colleges and universities across the United States and from the international community. Academic credit would be provided by the College of William and Mary.

Joint William and Mary and Colonial Williamsburg faculty, as well as nationally-recognized historians would develop the curriculum and present the courses. Course topics would include early American history, constitutional history, governmental institutions, social history, military history, archeology, and museum-related fields.

During the summer, this joint faculty would provide a similar program of courses for outstanding high school students from across the country. Summer high school students would be able to earn advance college credit for these courses. Colonial Williamsburg has been providing a similar program for teachers for the last ten years. Our Teacher Institutes have helped to avoid teacher burnout and have instead rekindled the passion for history and raised the teaching skills of those attending, several of whom have later been named teacher of the year in their States.

Both Colonial Williamsburg and the College of William and Mary have developed some of this country's most advanced and interactive methods of education. College and high school students who attend the proposed Institute would become involved in interactive and hands-on learning experiences, as well as being exposed to extensive original research materials. These teaching methods along with state-of-the-art technology will engage the students and bring history alive. It is our hope that the curriculum developed for the Institute could also be adapted to our outreach capabilities and thereby made available to an even wider audience.

We are seeking a one-time award of $5 million to cover the initial start-up costs for the Institute including curriculum development, staff training, program marketing, and facility modifications. Housing will be provided by Colonial Williamsburg at existing facilities. Classroom space will be provided by Colonial Williamsburg and the College of William and Mary at existing facilities. Once established, the program will be self-supporting through tuition and private donations.

I should note that Colonial Williamsburg has never sought this type of Federal funding support before. We are seeking this assistance now because we believe these two programs will add significantly to future generations' understanding of basic democratic principles and will help to keep those principles alive and well for many generations to come. We want to help keep the ship of state pointed in the right direction by ensuring all of our citizens understand and can apply the basic principles and ideals of democracy that were established in this country in the late 1700's by the founders of our nation.

Again, thank you for the opportunity to talk with you here today about what we believe are two very exciting proposals. We hope you will agree and will help us make them a reality.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF UNIVERSITY FISHERIES AND WILDLIFE PROGRAMS

The National Association of University Fisheries and Wildlife Programs (NAUFWP) provides this statement on the proposed fiscal year 2001 appropriations for the U.S. Geological Survey (USGS), especially the Biological Resources Division (BRD), U.S. Department of Interior.

Fifty-four universities dealing with natural resources share membership in the NAUFWP. They seek to advance the science and practice of fisheries and wildlife ecology and management, and enhance public understanding and multiple benefits from natural resources.

The NAUFWP is pleased to see the proposed increase (13.6 percent) in funds for the BRD, including $700,000 for the Cooperative Fish and Wildlife Research Unit Program. This proposed overall increase for BRD is the first since fiscal year 1994. But because of past constrained budgets, the fiscal year 2001 budget proposal re-

mains nearly 10 percent behind the rate of inflation between fiscal year 1994 and fiscal year 2001. Nevertheless, the proposed increase is welcomed warmly after the recent trend of overall decreased funding.

We are especially pleased to see continued attention devoted to filling all staff vacancies in the existing Cooperative Research Units and to providing some additional financial support for operations of this essential cooperative program. All of your past efforts to rebuild the staff and provide support for the program are deeply appreciated.

As you and your Subcommittee members know, many activities carried out through the Cooperative Research Units generate essential information, facilitate outreach to the public, and yield graduates required to strengthen management of natural resources in the U.S., particularly by the state and federal agencies, as well as private interests. We believe this unique model of cooperative partnerships among Federal and state governments, universities and private interests, such as the Wildlife Management Institute, should continue to be supported firmly. Cooperative Units should be expanded to meet well-documented needs in the 13 states lacking Units and also in the three states having a Fishery Unit, but no Wildlife Unit.

Another gratifying proposal calls for continuing studies to support Food And Drug Administration approvals and U.S. Environmental Protection Agency registrations of drugs and other chemicals for use in fish husbandry and management. BRD's Upper Midwest Environmental Science Center at La Crosse, Wisconsin is the only laboratory in the U.S. with facilities for this specialized research on chemicals needed in fish management. This important work will take another four years to provide compounds critical to federal, state and private fish hatchery programs.

While the total BRD budget proposes a 13.6 percent increase, we have grave concern about the $3.8 million decrease being advanced in science programs and all Research and Science Centers to offset increases in operations (e.g. salaries, benefits, rent, and telephone). This proposed reduction will only further restrict the already financially constrained needed science programs at the Research and Science Centers. Adjustments are needed in handling these uncontrollable costs without further limiting the scientific work at these important Centers. Continued erosion of base funds for BRD's Research and Science Centers will limit expertise and capabilities substantially, at a time when greater production is needed from all Centers.

Proposed increases in the USGS and BRD budgets seek to strengthen some partnership activities, beyond those carried out through the Cooperative Research Units. The $30 million USGS proposal, including $8 million for BRD, will fund cooperative activities with state agencies, universities and others to collect and integrate essential ecological information into their respective information systems. We understand all of BRD's funds will go directly to these cooperating partners. The Gap Analysis Program and the National Biological Information Infrastructure are two projects that would be advanced through these funds. The NAUFWP supports this partnership and its funding at the requested level of $30 million for USGS, of which $8 million would be for BRD.

The proposed increase for BRD of $2 million for amphibian research and monitoring, and $1 million for studies of fish and wildlife diseases is supported by the NAUFWP. Improved information on a number of diseases, including the deadly encephalitis-causing West Nile virus, avian vacuolar myelinopathy, and infectious salmon anemia, is needed to help develop better understanding of these threats and approaches to prevent their expansion and outbreaks. More information also is required to understand causes of widespread declines of amphibians.

The following recommendations identify specific actions needed on BRD's and USGS's fiscal year 2001 budget:

—That $700,000 be provided for the Cooperative Fish and Wildlife Research Unit Program to fill all remaining vacant staff positions and enhance operational support. This addition would be instrumental in finally rounding out the Unit Program and enable it to be more responsive to the pressing needs for information and technical services.

—That $775,000 be provided to continue the critical work to achieve registration of drugs and other chemicals required in fish husbandry and management. Congress should state that BRD is expected to continue to fully fund this research for another four years to complete the essential work at the Upper Midwest Environmental Science Center.

—That the proposed $3.8 million decrease in BRD's science programs and all Research and Science Centers to offset increases in operations be avoided. As stated earlier, it is recommended that the adjustments in these uncontrollable costs be funded without further limiting scientific work. Continued erosion of base funds for the Research and Science Centers will further limit expertise and re-

search capabilities at a time when greater production is needed from each Center.

—That the proposed $30 million for USGS, including $8 million for BRD, be provided to fund cooperative activities with state agencies, universities and others to collect and integrate essential ecological information into their respective information systems.

—That the proposed increases for BRD of $2 million for amphibian research and monitoring, and $1 million for studies of fish and wildlife diseases, be granted. Better understanding of these threats, such as the West Nile virus which infected dozens of people in 1999 and caused the death of seven, is needed. Similarly, more information is required to understand causes of widespread declines in certain amphibians.

Please include this statement in the official record on the fiscal year 2001 appropriations for the Department of the Interior. Your positive response will be appreciated.

UNITED STATES GEOLOGICAL SURVEY

PREPARED STATEMENT OF THE NATIONAL INSTITUTES FOR WATER RESOURCES

Mr. Chairman, I am Jon Bartholic, President of the National Institutes for Water Resources and Director of the Michigan Institute of Water Research at Michigan State University. This statement is in support of the Water Resources Research Act in the U.S. Geological Survey budget. We are requesting program support of $6.562 million in fiscal year 2001. This represents a $1.5 million increase over the fiscal year 2000 appropriation. Further, we support the fiscal year 2001 USGS budget request, particularly expansion of the long-term monitoring network and expanded watershed planning and management products.

Stresses on our water resources have never been greater. Our water resources are continually being impacted by human activities fueled by population growth. Agriculture, development, municipalities, industry, and innumerable additional human enterprises and activities must utilize and may potentially contaminate water resources. Complex water quantity and quality issues remain to be addressed by state and local government as well as the private sector. These include urban storm water discharges, salinization of irrigated lands, increasing municipal and industrial discharges, and non-point source runoff from agriculture and forestry. EPA data shows that 12.9 million acres of lakes and estuaries and 291,000 river and shoreline miles are impaired. By nearly any measure, these are rapidly expanding water quality and quantity problems for citizens, industry, and government.

The framers of the 1964 Water Resources Research Act in their farsighted vision created legislation to establish and support a water resource research and technology transfer center in each state, territory, and the District of Columbia. The state institutes and their national network were deployed as part of a partnership to perform critical linking of federal and state agencies to local needs; integrating discipline research into meaningful knowledge; and facilitating the transfer of knowledge and expert assistance. This organization of state water resources research institutes now provides a strategically placed network to efficiently address the multiple and complex water resource problems of our Nation.

Legislation reauthorizing this program for fiscal year 2001 through fiscal year 2005 has been introduced in the House by Representative Doolittle (H.R. 4132) and in the Senate by Senator Crapo (S. 2297). I understand the Senate Committee on Environment and Public Works is expected to mark up S. 2297 next week. The Resources Committee is likely to act in the near future.

State institutes link with the university and government research community to tap into the knowledge being generated for addressing critical priority water needs. Since each institute enlists a state-wide advisory Committee who represent Federal, state, public, industrial, agricultural, and local government, their activities remain focused on specific issues of local, state, and national importance.

This program produces research of practical value to local government and water resources stakeholders. The focus provided by each institute's advisory Committee helps insure that their research address real world problems and that the research has an immediate audience available to utilize their findings. Research products are disseminated as part of the technology transfer function. As new knowledge is generated, there is a system in place to facilitate the transfer, adoption, and use of the new findings to better manage our water resources. Thus, the results and benefits from this program are effective and rapid.

We are emphasizing research on water quality and quantity from a watershed approach to protect, manage, and effectively utilize our water resources. Institutes are assisting states in the process of developing total maximum daily loads (TMDL). Institute resources can help with TMDL modeling and the implementation of appropriate management practices. The institutes can also facilitate the development and implementation of watershed plans. This effort will aid in empowering communities to make wise land use decisions which will positively impact water quality and quantity. Working cooperatively with USGS, the institutes can assist local and regional community leaders in achieving sustainable growth. Through research and analysis, the institutes network can bring unbiased scientific observation and data to bear on complex issues related to land use and urban growth impacts on watersheds.

Many institutes are currently involved in the development of decision support and resource management efforts. This is a priority area for USGS, a goal that can be achieved more efficiently through an integrated, synergistic partnership between the Survey and the national network. One of our strengths is that we have experience in assisting local units of government in developing and integrating base map data with geologic, biologic, hydrologic, soils, land cover, and social/economic data for local land use planning that emphasizes sustainability.

The focus of my discussion today has been on groundwater quality and watershed management, but other key research areas include water supply, biological sciences, climate and hydrological processes, engineering, and groundwater flow and transport.

One measure of the program's success is the amount of additional revenue that the institutes generate. They attracted over $17 for every appropriated dollar with about $6 coming from other Federal funds and $11 coming from non-federal sources. Thus, a $5 million program was leveraged into over $71 million. Because each operates with different amounts of state and local funding, total revenues per institute range from approximately $200,000 to over $6.8 million. Revenues also include in-kind contributions made by state universities. None of the Federal appropriated funding is used to pay overhead costs.

The program includes on-campus professional and academic training, and off-campus continuing education. Students receive professional training by participating in institute-sponsored research and information transfer projects. Seminars and specialized course work for graduate and undergraduate students are also sponsored. Over the past five years this program has been responsible for contributing to the education of 665 undergraduate students, 672 students pursuing masters degrees, and 311 doctoral candidates. This is the next generation of water scientists and engineers. During the same period, it has produced 2750 research publications on water-related topics.

On average, the institutes receive four or five proposals for each project selected for funding under the base state program funded through the USGS. Likewise, in the 1999 national competition for regional or interstate research grants, 70 proposals for approximately $8.2 million were received but only 10 proposals for $1 million could be funded. The number of proposals received demonstrates this program is uniquely positioned to tap the research capacity to meet expanding needs. This high level of interest continues to be reflected in this year's competition presently underway, proposals for over $14 million have been received, but the program is able to provide only $1 million to fund grants.

The National Institutes for Water Resources requests an additional $1 million above the budget request for base grant or the Section 104(b) program. These funds will be used to strengthen the research, collaboration, integration, and technology transfer activities. We are asking for a modest $0.5 million expansion of regional and interstate competition, also known as Section 104(g) grants. This funding will strengthen research for improving management options on a watershed basis to reduce nutrients, sediment, bacteria, toxins, and ecological degradation, plus enhance water use efficiency and conservation research.

I want the Subcommittee to know that cooperation between the institutes and the Geological Survey has never been better. The leadership of the Survey recognizes there is a significant role for we have to play in meeting the Nation's water resources needs. For our part, we are looking forward to building on additional partnership opportunities with the Survey.

Mr. Chairman, few people recognize the fact that the Geological Survey fosters much important scientific research. Frequently it is overshadowed by other Federal agencies that support science, such as the National Science Foundation, the National Institutes of Health, etc. However, the research the Survey supports in the natural sciences, particularly water science, is vital to our national well-being. I want you to know that the professional water science community appreciates the

fact that this Subcommittee has helped to foster and advance the Survey's important scientific mission. We believe that mission merits significant growth at a time when Congress and the public are pursuing the commendable objective of doubling funding for our national scientific enterprise.

The national network of state water resources research institutes supported by this program is strategically placed and effectively links research and outreach. It can use existing capacity in the academic community in partnership with government agencies and end users for meeting expanding needs. Achieving the potential for meeting critical water needs will require that existing appropriation levels be rapidly increased. The impact from this investment will be rapid with positive and far-reaching results.

Thank you.

PREPARED STATEMENT OF THE WESTON OBSERVATORY OF BOSTON COLLEGE

Mr. Chairman and members of the Subcommittee, as a Professor of Geophysics at Boston College and the Director of Boston College's Weston Observatory, I appreciate this opportunity to submit testimony on behalf of Weston Observatory in support of the National Earthquake Hazard Reduction Program (NEHRP). Weston Observatory is a seismological and geological observatory that is dedicated to the study of earthquakes and earthquake hazards in the northeastern United States. Weston Observatory's very successful earthquake monitoring and research program has been supported in the past and present by NEHRP funding, and future advancements in understanding the earthquake hazard and in stimulating earthquake hazard mitigation activities in the region depend critically on continued NEHRP support in the future. In this testimony I discuss several reasons why continued and expanded NEHRP funding will lead to improved safety from future earthquakes.

In this testimony, I will briefly describe three reasons why increased NEHRP funding, particularly funding for the new Advanced National Seismic System, will lead to improved earthquake hazard mitigation, both in the northeastern U.S. where I work as well as throughout the rest of the country as a whole. The convergence of sophisticated new seismological analysis techniques, ever-better computer systems, and new seismic instrumentation along with the phenomenal growth of the Internet present an unprecedented opportunity to develop an Advanced National Seismic System that will provide the public with much better information on the potential for and perhaps even the prediction of future damaging earthquakes.

THE ADVANCED NATIONAL SEISMIC SYSTEM

The Advanced National Seismic System, as described in U.S. Geological Survey Circular 1188, is designed to bring to seismology the level of seismic instrumentation and communications that is necessary to greatly advance our understanding of how and why earthquakes happen. Two aspects of the Advanced National Seismic System, if fully funded, are particularly important. First, it will have a much greater number of weak motion and strong motion seismic stations in the seismically active parts of the country than we have at present. Greatly increasing the number of seismic stations in places like the northeastern U.S. means that, for the first time, scientists will be able to locate earthquakes with pinpoint accuracy. High quality earthquake locations are essential if we are to learn which are the seismically active faults, something that is generally not known at present outside of a few States like California in the western U.S. A greater number of seismic stations in the northeast will make it much easier to develop automated systems to locate earthquakes and to provide that information to the public within seconds or a few minutes after an earthquake occurs. The present low number of seismic stations means that each earthquake in the region must be analyzed by hand before the best location and magnitude measurements are made. In many cases this can take more than an hour, frustrating the public and the media who have much other information at their disposal effectively instantaneously.

A second important aspect of the Advanced National Seismic System is that the high speed of the system will enable seismologists to carry out research to develop rapid earthquake warning systems and perhaps even earthquake prediction systems. No longer are either scientists or the public satisfied just to know the location and magnitude of an earthquake. They expect immediate warning that an event is occurring or will occur. The rapid data communications system coupled with the large number of seismic stations of the Advanced National Seismic System will enable seismologists for the first time to conduct research to develop systems that can warn people of the coming of strong earthquake shaking. At present, only in California are there enough seismic stations that such early warning systems are fea-

sible, but even there, much research and development must still be carried out to make such systems work with reliability. Likewise, short-term earthquake prediction schemes will work only if seismologists can both record signals that precede earthquakes and properly interpret those signals before the strong earthquake occurs. Scientists are still trying to understand what diagnostic signals precede earthquakes, and this requires high quality data from future earthquakes. Only after such signals have been recognized, can prediction schemes be designed and implemented.

The funding for the Advanced National Seismic System is needed as soon as possible to begin meeting these goals. Funding levels for earthquake monitoring in many parts of the country, for instance in the northeastern U.S., have decreased over the past decade. This has decreased scientists' abilities to acquire important data for seismic hazard studies. For example, in 1988 a strong earthquake (magnitude 6) was centered in Quebec, north of Quebec City. Strong ground motion instruments, the type of instrumentation used to measure the ground shaking that is damaging to buildings, recorded this earthquake both in Canada and in the U.S. Those data have been very important to seismologists for determining how strong the ground shaking might be from future earthquakes. More such data are needed, since the instrumental records from one earthquake do not reflect the wide variety of earthquakes that can take place in the region. Unfortunately, today there would be no strong motion data in the northeastern U.S. if a similar earthquake occurs. Most of the strong motion stations operated in the northeastern U.S. in 1988 have been closed due to lack of operational costs. The Advanced National Seismic System is needed to reverse this situation and to provide new data on earthquakes that take place in the future.

IMPACT OF NEHRP ON WESTON OBSERVATORY EARTHQUAKE RESEARCH

Weston Observatory carries out earthquake monitoring and research on the causes and effects on earthquakes that take place in the northeastern U.S. and nearby Canada, and it has been engaged in this work for over 70 years. The seismic monitoring stations of the Observatory encompass seven northeastern States. All of the direct funding of the earthquake monitoring and research activities of the Weston Observatory in New England and vicinity has come from NEHRP through the U.S. Geological Survey. Some indirect support of the Weston Observatory effort has come from some of the States of the region, who have provided some manpower assistance for specific tasks as well as access to facilities and equipment. It is vital that NEHRP funding for Weston Observatory's earthquake monitoring and research operations continues for this important work to be carried on in the future.

The NEHRP funding to Weston Observatory has been used not only to monitor the earthquake activity of the New England region but also to study the earthquakes that have been recorded. For example, the earthquakes at Amesbury, Massachusetts in January, 1999 have been used to learn more about the earthquake in 1727 that damaged northeastern Massachusetts and was felt over all of the New England States and to the southwest past Philadelphia. From comparisons of the January, 1999 earthquakes with the reports from 1727, an earthquake epicenter for the 1727 earthquake near Amesbury has been inferred. The magnitude of the 1727 earthquake has been estimated as 5.6. Recent research on the possible ground shaking generated by the 1727 earthquake has indicated that the levels of ground shaking at the towns immediately surrounding the epicenter were probably greater than the seismic design levels in the modern Massachusetts building code. It is through the comparisons of modern earthquakes and older, historic earthquakes that we can understand how strong a region like New England will shake in future earthquakes. In turn, this information can be used to recommend improvements in the building codes of the region.

Weston Observatory welcomes the opportunity to work with the U.S. Geological Survey and with other seismological institutions in the northeastern U.S. to develop and implement the Advanced National Seismic System. The new instrumentation, better data communications, and data archiving of the Advanced National Seismic System will provide Weston Observatory with vastly superior seismic data to study the earthquakes of New England and vicinity. Weston Observatory is particularly pleased that the U.S. Geological Survey report Requirements for an Advanced National Seismic System calls for a significant increase in the funding available for the operation of the system. It is imperative that NEHRP funding to Weston Observatory increase substantially over current levels to ensure that there are seismic experts available locally to oversee, analyze and study the local earthquake data from the region. It is the local scientists who best understand the past data from the region, who are best able to analyze the future data, and who have the best back-

grounds to make important future discoveries about the seismic hazard of the region in which they live.

It is also important to recognize that government officials in a region like New England as well as the general public rely on local experts for their information on earthquakes and how best to cope with them. For example, in December 1999 and January 2000 there was a series of minor felt earthquakes that took place in Maine and New Hampshire. The public was understandably concerned when so many earthquakes were felt over such a short period of time, and Weston Observatory handled numerous inquiries, both from the press and from private citizens, about this earthquake activity. The offices of emergency management in Maine and New Hampshire were also curious about the importance of this earthquake activity. Time and time again Weston Observatory has been the first place the people of New England look to for information about earthquakes and earthquake hazards in the region. Increased NEHRP funding for the Weston Observatory earthquake monitoring and research will enable the Observatory staff to better educate the people of New England about their earthquake hazards. From past experience, I can say that the more education of the public that is carried out, the more earthquake hazard mitigation measures that people will engage in.

NEHRP IS SEEN AS AN EFFECTIVE PROGRAM

In my mind, one of the most important aspects of the NEHRP is that it is viewed by the general public as a program that has had a positive impact on reducing earthquake hazards throughout the country. Seismic design criteria in building codes throughout the country have improved steadily due to the efforts of NEHRP. The awareness of earthquakes in the seismically active parts of the country as well as the potential for future strong earthquakes has increased noticeably in many parts of the country. Educational programs about earthquakes and earthquake safety are no longer an afterthought; they are being included in an increasing way in schools throughout the country.

The earthquake monitoring and the scientific research that have been carried out under NEHRP, particularly that funded through the U.S. Geological Survey, has been one of the primary reasons for the success of NEHRP. As a research scientist, I am struck over and over again by how new research results, especially research results that illustrate some new or previously unknown aspect of the earthquake threat, stimulate people to take action to minimize the effects of future earthquakes. People are much more likely to include seismic design in structures if they understand why that design is necessary. The availability of research results that the public can easily understand is especially important in this regard, and the worldwide web is providing an exciting new avenue through which scientists can present their information to the public.

The implementation of the Advanced National Seismic System will provide an pportunity for NEHRP researchers like those at Weston Observatory to further raise the level of earthquake awareness in the region. Increasing the number of weak motion seismic stations (useful for earthquake locations and magnitude determinations) and strong motion seismic stations (important to collect data about damaging earthquake ground shaking) will undoubtedly uncover new information about heretofore unrecognized earthquake faults as well as a better understanding of earthquake zones already under study. If the public perceives that there is an increase of local research on the causes and effects of local earthquakes, they will respond with greater interest in the results of the research and with greater efforts to plan for the possibilities of future strong earthquakes.

I am aware that the president's budget requests $2.6 million in new NEHRP funding for fiscal year 2001 to be used for the Advanced National Seismic System. I am pleased to see this effort to get this system off the ground, but I would urge your Committee to consider funding at least twice this level. It will take time and careful work by a number of dedicated scientists to establish the Advanced National Seismic System in a comprehensive and effective way. We need to get started now, before the next damaging earthquake strikes somewhere in the United States.

PREPARED STATEMENT OF THE UPPER MISSISSIPPI RIVER BASIN ASSOCIATION

The Upper Mississippi River Basin Association (UMRBA) is the organization created 19 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 U.S. Fish and Wildlife Service has important responsibilities in the Upper Mississippi River Basin, including land management and coordination with other federal, state, and local agencies on river-related ecological issues. Yet Region 3 has been struggling to meet even the most basic needs in the region. The UMRBA strongly supports additional funding to enable the Fish and Wildlife Service to fulfill its responsibilities in the Upper Mississippi River Basin.

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 National Wildlife and Fish Refuge (NWFR), 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 ecosystem and a nationally significant commercial navigation system."

Under the President's fiscal year 2001 budget, the refuges on the Upper Mississippi River are expected to receive approximately $5 million, including $3.164 million in base funding for operations. Despite the fact that the President's budget proposes an increase of more than $20 million for refuge operations, there is no scheduled fiscal year 2001 increase in base funding for the three refuges on the Upper Mississippi River. Of particular concern to the UMRBA is the fact that the refuges on the Upper Mississippi River have responsibility for the operation and maintenance (O&M) of projects that the Corps of Engineers constructs under the authority of the Environmental Management Program (EMP). The current annual O&M costs of these projects is about $330,000. If the refuge operations budget is not increased to accommodate EMP habitat projects, the future of the EMP, which Congress just reauthorized last year, will be in jeopardy. The Fish and Wildlife Service must be able to maintain its partnership role in planning EMP projects as well as operating and maintaining them once they are constructed. In addition, there is a critical need for additional personnel to address law enforcement, biological needs, floodplain forest management, environmental education, and other refuge management needs. For example, the Upper Mississippi River NWFR currently operates with only 33 full time equivalents (FTEs) even though the refuge Master Plan calls for 56 FTEs to properly manage this 261-mile linear refuge. The UMRBA thus supports an increase in the refuge operations funding for the three refuges on the Upper Mississippi River.

The UMRBA also supports the President's proposed increase of $8.8 million for operational projects prioritized through the Refuge Operations Needs System (RONS). The UMR refuges are expected to receive $377,000 in RONS funding, a portion of which will be used on a one-time basis for operation of some EMP habitat projects. While this is an increase of $137,000 over fiscal year 2000 RONS funding, there are still over $15 million in needs.

Under the Administration's fiscal year 2001 budget, the refuges on the upper river expect to receive $340,000 for annual maintenance funding and $1.118 million for backlog maintenance. The backlog funding for fiscal year 2001 is over twice what was provided last year. Yet it falls well below the $14 million maintenance backlog that must be addressed. The President's proposed increase in funding for the Maintenance Management System (MMS) is a step in the right direction.

The UMRBA also supports the President's proposed increase in funding for land acquisition through the Land and Water Conservation Fund. The fiscal year 2001 budget includes $1 million to acquire 3,279 acres from willing sellers for the Mark Twain NWR. However, a $2 million shortfall will make it difficult to acquire currently available strategic and sizeable tracts. In addition, there are land acquisition needs (35,000 acres) for the Upper Mississippi River NWFR that require funding.

Ecological Services.—Funding from the Ecological Services account supports the field offices in Rock Island, Illinois; the Twin Cities, Minnesota; and Marion, Illinois that provide most of the ecological services work on the Upper Mississippi River (UMR) and tributaries, including work on threatened and endangered species, environmental contaminants, and habitat conservation. Despite a five percent proposed increase in the Service's fiscal year 2001 Ecological Services budget, there is no scheduled increase for the Ecological Services program on the Upper Mississippi River. Funding in fiscal year 2001 is expected to be $428,000, which is the same amount allocated in fiscal year 2000.

The UMRBA supports this base funding for Ecological Services offices on the UMR and urges Congress to provide additional funding for the following specific UMR efforts: $650,000 to support the Habitat Needs Assessment in cooperation with

the U.S. Army Corps of Engineers; $300,000 to support water quality related studies; $1.5 million for habitat restoration in UMR watersheds; $500,000 to support mitigation activities associated with federal navigation and flood control projects; $400,000 for needs related to the Endangered Species Act; and $100,000 for administrative support of the Upper Mississippi River Conservation Committee.

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) Fisheries Resource Offices. Fish stocking is done from the 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 proposed for the Fisheries Account in fiscal year 2001. Approximately $853,000 in base funding is anticipated to be provided for fisheries work on the Upper Mississippi River in fiscal year 2001. In addition, $164,000 from the Maintenance Management System is proposed for deferred maintenance work at the Genoa Hatchery. However, there are many unmet needs remaining as identified in the Fishery Operations Needs System (FONS). Additional funds are needed for work on paddlefish, sturgeon, and aquatic nuisance species such as zebra mussels.

U.S. GEOLOGICAL SURVEY

The President's budget request includes an $82.0 million, or 10 percent, increase for the U.S. Geological Survey (USGS) in fiscal year 2001. This would bring the USGS budget to $895.4 million. Despite the Administration's proposed increase for the important work of USGS, the budget still reflects difficult decisions and tradeoffs. As a partial offset for $86.1 million in program increases and $18.1 million for uncontrollable cost increases, the President has identified $22.2 million in program reductions.

Given these constraints, the states are particularly pleased with USGS' efforts to enhance coordination across its divisions. Interdisciplinary approaches among the divisions promise to make the most efficient, effective use of the Survey's considerable scientific expertise. Similarly, an agreement among the Interior Department's bureaus will foster the integrated scientific research and information needed to make sound land and resource decisions. There are several specific research and monitoring programs in the Water Resources Division (WRD) and Biological Resources Division (BRD) that are of particular interest to the UMRBA.

Water Resources.—The Water Resources Investigations account includes an increase of $4.0 million to upgrade the USGS stream gaging network. The UMRBA strongly supports this proposed increase. The stream gaging network is an essential tool for flood and drought forecasting, navigation system management, water quality evaluation, recreational boating, and other activities. A November 1998 report to Congress identified critical gaging needs and Congress responded by providing a $2 million increase in fiscal year 2000. This was the first real increase in federal funding for stream gaging in over a decade. The President's $4.0 million fiscal year 2001 request would build on this increase. It would allow USGS to establish 25 new stream gaging stations, reactivate 25 former stations, and upgrade 100 existing stations. The upgrades would include ensuring that gages can withstand 200-year floods, installing equipment for real-time data transmission, and improving the rating curves used to assess flood potential. In combination, the fiscal year 2000 and 2001 increases would support 17 new or reactivated gaging stations in our five States, including one on the Mississippi River and several more on key tributaries. An enhanced national gaging network is vital to local, state, and Federal Government in protecting public health and safety. In particular, increased support for federally funded gages is imperative if the integrity of a national network is to be maintained over time.

The UMRBA continues to support funding for the National Water Quality Assessment (NAWQA). NAWQA is designed to answer basic questions about the status and trends in the quality of our nation's ground and surface waters. The public expects and deserves answers to these questions. By assessing 59 study units on a rotating basis, NAWQA is providing the data needed for broad scale assessments and comparative analyses. National synthesis reports have already been produced on priority water quality issues, including pesticides and nutrients. Local, state, and federal water managers are also using the data to address more local concerns. Moreover, trends in individual study units will become apparent as the assessment process is renewed on its 10-year cycle. The first study units, initiated in fiscal year 1991, are scheduled for reactivation beginning in fiscal year 2001. Among these first NAWQA units are Western Lake Michigan in Wisconsin and the Ozark Plateaus unit in Missouri. The Upper Illinois River Basin unit will be completing its first

round of data collection next year. The Upper Mississippi River Basin's three other units (i.e., Upper Mississippi, Eastern Iowa, and Lower Illinois) will all be in the "low intensity" phase, awaiting reactivation in fiscal year 2004. The UMRBA urges Congress to provide the continued funding needed to implement the NAWQA protocol.

In addition, the UMRBA supports the modest, but important, $2.3 million increase proposed for the Federal/State Coop Water Program. The Coop Program is an essential tool in meeting state and local science needs. In 1999, cooperators matched every $1.00 in federal funds with $1.53, demonstrating the value they place on the program.

Biological Resources.—The President's budget request includes an increase of $2.0 million for the USGS's portion of the National Plan for Amphibian Monitoring and Research. Amphibians are indicators of overall ecosystem health, and dramatic declines in the distribution and health of many amphibian species are cause for concern. Federal agencies are working cooperatively with state and university researchers to understand the status of these species and to investigate factors that may contribute to declining populations and increased incidence of malformations. The USGS is a key partner in this effort. Of the $2.0 million increase requested by the Administration, $500,000 would go to the WRD's Toxic Substances Hydrology Program to assess environmental contaminants that may influence amphibian health. BRD would receive $1.4 million for monitoring and trend analysis. The Upper Midwest Environmental Sciences Center (UMESC) would receive approximately $200,000 of the increase to support inventory and monitoring work on selected federal lands in the Upper Midwest, including refuges on the Upper Mississippi River. Some of the earliest work on amphibian decline was done in this region and our States have invested significant resources of their own investigating the problem. The UMRBA urges Congress to continue to provide USGS with the funds it needs to serve as an effective partner in this collaborative effort.

The UMRBA also supports funding increases proposed for UMESC under the Interior Department's Ecosystem Monitoring Protocols category. UMESC would receive $100,000 for a survey of river mussels. The Fish and Wildlife Service and state resource agencies are struggling to preserve the river's remaining native mussels in the face of several threats, including the exotic zebra mussel. This survey work will provide important information about the health and distribution of riverine mussels. The President's budget proposal also includes a $95,000 increase for UMESC to conduct inventory and monitoring work as part of the Fish and Wildlife Service's comprehensive refuge planning effort. This information will help the Service manage the river's refuge system in a coordinated, holistic manner. As co-stewards of the river's resources, the states endorse both of these proposed funding increases for UMESC. Among the cuts identified by the Administration to offset uncontrollable cost increases is a $150,000 decrease at UMESC. This cut would primarily affect the Center's Upper Mississippi fisheries work, including main channel assessments and fish passage studies. The states favor restoration of these funds.

CULTURAL PROGRAMS

PREPARED STATEMENT OF THE AMERICAN MUSEUM OF NATURAL HISTORY

The American Museum of Natural History is pleased to submit this statement in support of the Institute of Museum and Library Services.

ABOUT THE AMERICAN MUSEUM OF NATURAL HISTORY

Founded in 1869, the American Museum of Natural History [AMNH] is one of the nation's preeminent institutions for scientific research and public education. Throughout its history, the Museum has pursued its joint missions of science and education, of examining critical scientific issues and educating the public about them. It is renowned for its exhibitions and collections, which serve as a field guide to the entire planet and present a panorama of the world's cultures. Museum collections of some 32 million natural specimens and cultural artifacts provide an irreplaceable record of life on earth. Its explorers and scientists have pioneered discoveries and offered us new ways of looking at nature and human civilization. The Museum's power to interpret wide-ranging scientific discoveries and convey them imaginatively has inspired generations of visitors to its grand exhibition halls and educated its three million annual visitors—500,000 of them schoolchildren—about the natural world and the vitality of human culture.

Since 1887 the Museum has sponsored thousands of expeditions, sending scientists and explorers to every continent; currently more than 100 field projects are

conducted each year, including ongoing research in such countries as Chile, China, Cuba, Madagascar, Mongolia, and New Guinea. Some of the most influential scientists of the twentieth century, including Margaret Mead, George Gaylord Simpson, Roy Chapman Andrews, and Ernst Mayr were either staff members of or affiliated with the Museum.

Today more than 200 active Museum scientists with internationally recognized expertise, led by 47 curators, conduct laboratory and collections-based research programs as well as field work and training. Scientists in five divisions (Anthropology; Earth, Planetary, and Space Sciences; Invertebrate Zoology; Paleontology; and Vertebrate Zoology) are sequencing DNA and creating new computational tools to retrace the evolutionary tree, documenting changes in the environment, making new discoveries in the fossil record, and describing human culture in all its variety. The Museum also conducts graduate training programs in conjunction with a host of distinguished universities, supports doctoral and postdoctoral scientists with highly competitive fellowships, and offers talented undergraduates an opportunity to work with Museum scientists.

In many ways, the AMNH is similar to a research university, with its scientific faculty from diverse fields such anthropology, earth and planetary sciences, astrophysics, and all branches of zoology. Yet the Museum is distinct in that its mission extends beyond research and training. Museum curators are also deeply engaged as exhibition and education advisors and as caretakers of the Museum's ever growing collections. They help to promote public understanding of science, of where we come from and where we may be headed.

In exhibitions, which are among the Museum's most potent educational tools, AMNH scientific knowledge and discovery are translated into three dimensions. The Museum is proud to continue its tradition of creating some of the world's greatest scientific exhibitions. Last month, in one of the most exciting chapters in the Museum's long and distinguished history of advancing science and education, it opened the spectacular new Rose Center for Earth and Space. The Rose Center includes a newly rebuilt and updated Hayden Planetarium that allows visitors to journey among the stars and planets in our own and in other galaxies; and the Lewis B. and Dorothy Cullman Hall of the Universe, where interactive technology and participatory displays elucidate important astronomy and astrophysics principles. The adjoining Gottesman Hall of Planet Earth, which opened in 1999, explores the processes that determine how the Earth works; it in turn leads to the recently opened Hall of Biodiversity. Together, the new planetarium and halls provide visitors a seamless educational journey from the universe's beginnings to the formation and processes of Earth to the extraordinary diversity of life on our planet.

The Museum's Education Department spearheads the AMNH's commitment to promoting public education, particularly in an informal setting. It builds on the Museum's unique resources to offer rich educational programming dedicated to increasing scientific literacy, to encouraging students to pursue science and museum careers, and to providing a forum for exploring the world's cultures. The Department targets its efforts particularly to New York City's diverse and often underserved communities and school districts, to those populations traditionally poorly served by schools, those underrepresented in science, and those for whom museums typically are not a welcoming destination.

Each year hundreds of thousands of students, teachers, and schools participate in workshops, courses for college credit, and visits to the Museum. Annually, more than 500,000 students and teachers visit on school trips, prepared and supported by curriculum resources and workshops. For schools that cannot get to the Museum, Moveable Museums offer off-site access, free of charge. As well, Education Department lectures, field trips and workshops on subjects ranging from birding to earthquakes, gospel music to Native American culture, and Hudson River geology to gorilla conservation attract large audiences of adults, children, and families.

In 1997 the Museum launched in partnership with NASA the National Center for Science Literacy, Education, and Technology to advance science literacy throughout the United States and to extend the Museum's educational reach and impact to a national audience, including local communities. In creating the National Center, the Museum and NASA recognized an opportunity to combine and leverage their incomparable resources, and through new technologies to bring learning and discovery, materials, and programs into homes, schools, museums, and community organizations around the nation.

SUPPORT FOR THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES

The American Museum of Natural History supports the goals and accomplishments of the Institute of Museum and Library Services [IMLS]. The Museum's own

collections of more than 32 million artifacts and specimens are considered to be the largest non-federal museum collection in America, and one of the largest and most significant biological collections in the world. Its Library houses one of the world's preeminent collections of natural history and anthropology materials. It shares IMLS commitments to increasing technological access to the nation's museum and library resources and to building partnerships to address community needs; and it urges increased investment in IMLS so as to advance public access to these vital educational institutions.

Scientific and Cultural Collections

The cumulative result of 130 years of exploration, collecting, and research, the AMNH collections are a major scientific resource providing the foundation for the Museum's interrelated research, education, and exhibition missions. They often include endangered and extinct species as well as many of the only known "type specimens," or examples of species by which all other finds are compared. Within the collections are many spectacular individual collections, including the world's most comprehensive collections of dinosaurs; fossil mammals; Northwest Coast and Siberian cultural artifacts; North American butterflies; spiders; Australian and Chinese amphibians; reptiles; fishes outside of their home countries; and one of the most important bird collections. Collections such as these are historical libraries of expertly identified examples of species and artifacts, associated with data about when and where they were collected. Such collections provide vital data for Museum scientists as well as more than 250 national and international visiting scientists each year. The collections are all located on-site to allow scientists' with ease of access.

The Museum's halls of vertebrate evolution provide an excellent example of the relationship among science, collections, education, and exhibition. In these halls, visitors walk directly along a phylogenetic tree indicated by a pathway on the floor. At each branch in the tree, a visitor can stop and view fossils that exemplify sets of anatomical features that inform scientists about natural groups of organisms. The collections are also the source of the extraordinary "Spectrum of Life" exhibit in the new Hall of Biodiversity. This exhibit features more than 1,000 expertly mounted specimens from 28 scientific classifications; it is perhaps the world's most comprehensive display of the diversity and evolution of life. It includes interactive computer kiosks that visitors use to identify and interrelate organisms on evolutionary trees. The confluence of collections, evolutionary research, and beautiful exhibition makes these halls among the Museum's most compelling educational features.

Natural History Library

The American Museum of Natural History is also home to the largest unified natural history library in the Western Hemisphere. In addition to supporting the work of the Museum's scientific staff, the Library serves the world's scientific and scholarly communities as well as students from the colleges and universities in the tri-state area and interested members of the public. Each year thousands of users visit the Library, and its staff answer more than 26,000 reference questions.

The Library contains over 485,000 volumes, including pamphlets, reprints, books, journals, photos, several hundred films, and rare books dating to the fifteenth century. It also houses the Museum's astronomy collections, including the Perkins Library of more than 35,000 volumes and the Bliss Collection of rare and ancient scientific instruments. The archives contain more than 1,900 linear feet of materials and 250 reels of microfilm. Additionally, the Library maintains approximately 1,000,000 photographic images documenting specimens and scientific work, 3,000 documentary films, and over 2,700 art objects and memorabilia.

Other highlights of the Library collection include over 300 manuscript collections of notable naturalists and scientists; a unique collection of 13,000 rare books that spans over 500 years of scientific and expedition literature; and diaries and logs, including Captain James Cook's account of Australia (1783) and Charles Darwin's zoology of the voyage of "H.M.S. Beagle" (1839–43).

Preservation and Access

By assuming stewardship of these irreplaceable Library scientific collections and Library collections, the Museum serves as custodian of one of the most important records of life on earth. And as steward and custodian, it places the highest possible priority on preservation and access, so that the collections will be protected and available for research, for exhibit, and for education for generations to come.

The Library is engaged in a major pilot effort, with private foundation support, to digitize its holdings and link them to the scientific collections. This model project, illustrative of the digitization initiatives the IMLS supports, will help to pave the way in transforming access to and ways to use the Museum's resources. An expan-

sion of the digitization project would dramatically increase access to them for researchers, students, teachers, and the general public.

The Museum has also undertaken major efforts to improve storage, preservation, and access of its vast collections. This year Museum departments will move into a new nine-story Natural Science Building. This facility will significantly increase exhibition and collections storage space, with 30,000 sq. ft. of climate-controlled compact storage facilities for portions of the scientific collections, along with a digital imaging laboratory.

The Anthropology Division is also nearing completion of a 25-year collection storage upgrade and related digitization project. Scheduled for completion in 2002, and with support from the National Endowment for the Humanities, this upgrade will ensure scholarly access to these vital and magnificent collections. The new digital image database and accompanying electronic catalog will facilitate access for staff, visiting scholars, and off-site researchers.

BIOLOGICAL COLLECTION STORAGE UPGRADE AND DIGITIZATION PROJECT

With the successful Anthropology storage upgrade and digitization project nearly complete, the Museum now turns its focus to critical improvement of other storage facilities and to digitizing the biological collections for upgraded preservation and wider access. The IMLS has a distinguished history of supporting cutting edge collection and technological practices. We do seek partnerships with IMLS that will allow us to provide leadership in collection practices and to serve as a national model in improving public access to museum and library resources through technology.

Technological Innovation for Greater Public Access

Biological science at the Museum centers on expert documentation of species and investigation of their evolutionary and ecological relationships. The collections therefore provide essential baseline data for scientific inquiry. Due to the unparalleled interest in the Museum's biological collections and unwieldliness of the specimens, comprehensive digital imaging and electronic cataloging of many of these collections will allow the Museum readily to share our resources through technology with a national and international audience. We would like to develop a database, with a web front end for worldwide general audience access, to allow digitized specimens and field data to be searched across many fields (for instance, by locality or age). Detailed digital renderings would allow ready and safe access to often fragile archival material and allow off-site researchers and users to peruse the collection and strategically plan Museum visits. If using the database can help researchers to plan Museum visits, the productivity of those visits will be significantly enhanced.

Collection Storage Facilities

Collections preservation and access are top Museum priorities. The Museum's collections are the heart and soul of our scientific research, permanent and temporary exhibitions, and education programs. Access to the collections allows undergraduate, graduate, post-graduate, and even high school students to conduct real research projects in intensive learning programs. As the collections grow, questions about how to curate them, including how to use limited physical storage space, arise. While many similar institutions house their collections separately from their faculty, the Museum is committed to keeping its scientists, educators and collections together by expanding on site. The new Natural Sciences Building, for example, can accommodate a substantial amount of new compact storage, including a unique super-cold storage facility to allow for the preservation of tissue samples for future of DNA study.

As these endeavors demonstrate, the American Museum of Natural History supports the important goals of IMLS to preserve and expand access to library and museum resources and to reach out to broad audiences and diverse communities.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS

Chairman Gorton, Senator Byrd and members of the Subcommittee I am Edward H. Able, Jr. President and C.E.O. of the American Association of Museums (AAM), presenting written testimony on behalf of AAM in support of the fiscal year 2001 Budget requests for the Institute of Museum and Library Services, the National Endowment for the Humanities and the National Endowment for the Arts.

For almost 35 years, the Federal cultural agencies have provided invaluable financial support to museums of every kind as they pursue their education mission to the public. While that support has declined significantly during the recent era of

tight fiscal discipline, it has never faltered. We are, however, rapidly approaching the point of diminishing marginal utility. For example, we have heard from a variety of museums, including zoos, that despite their need for operating funds, they are no longer applying for IMLS General Operating Support (GOS) grants because the demand has become so great relative to the funding available that only a tiny percentage (currently 19 percent and falling) can be funded. As a result, an increasing number of museums both small and large are discouraged from even applying. General operating support funds, critical and fundamental to museum operations, are very difficult to obtain from foundations or corporations, who 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, operations that could be supported significantly by GOS funds.

I strongly urge you to help reverse this downward trend by increasing funding for the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) to $40 million for fiscal year 2001. This increase would accommodate both the president's budget request of $9.07 million for new technology and leadership initiatives and the museum community's request for $7.38 million for a much needed and overdue boost for core programs, such as GOS grants.

In addition, I would encourage the Committee to fund the National Endowment for the Humanities (NEH) and the National Endowment for the Arts (NEA) at the levels requested in the President's budget—$150 million each. As my time is very limited, I will simply mention the critical support the NEH and NEA provide museums and focus instead on one of the core missions of museums, namely education, and the importance to museums of GOS grants in carrying out that mission.

The main reason for establishing the OMS—"to ease the financial burden borne by museums as a result of their increasing use by the public" (Public Law 94–462, Title II, Museum Services Act)—has never been more true than today.

Nine-tenths 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 critical issues in the near future—especially funding issues.

While need has increased, the OMS has shrunk. Funding has dropped dramatically since fiscal year 1995, when it was $28.7 million, to today's level of $24.4 million. This has meant that the General Operating Support program was able to fund only 19 percent of applications in fiscal year 1999, down from 20 percent in fiscal year 1998, and 26 percent in fiscal year 1995, despite outside peer reviewers determining that 59 percent of the grants were worthy of funding.

The proposed $40 million is modest relative to the overall size of the federal budget and the demonstrated need. It has been estimated that funding all of the recommended applications would cost nearly $65 million.

One of the other hallmarks of GOS grants is their flexibility. While these awards cannot be used for construction or renovation, museums are free to use GOS money where each institution determines it is most needed to improve public service. An analysis of GOS reports done within the last three by IMLS showed that

—88 percent of grantees said their grants helped to improve services to visitors
—77 percent said the grant helped to hire new staff
—49 percent said the grant helped to conduct research for exhibition and program development

But most importantly, 94 percent of grantees said the grant improved their educational programs by helping to produce educational kits or traveling program materials; supporting lectures, symposia and workshops; expanding or enhancing existing exhibitions; initiating new exhibitions; and producing videos and publications.

While education has long been central to the work of museums, in recent years it has moved to the forefront of their public service mission. This boom in museum education has in part been spurred on by two external factors:

First is the changing nature of American education. Who teaches, what is taught, where teaching takes place and how teaching occurs are evolving dramatically in communities across America. New developments in educational theory are placing greater emphasis on participatory and out-of-school learning, which find a natural fit in the museum setting.

The second external factor is the emergence of good empirical evidence showing that arts and culture can play a vital role in learning.

In 1992, AAM issued a landmark policy report, entitled Excellence and Equity: Education and the Public Dimension of Museums, reaffirming museums' role in the education enterprise. To quote the report itself: "Museums have a vital place in a broad educational system that includes formal institutions such as universities, schools and professional training institutes and informal agents of socialization such as family, workplace and community. Museums have the capacity to contribute to

formal and informal learning at every stage of life, from the education of children in preschool through secondary school to the continuing education of adults. They add a tangible dimension to learning that occurs in formal settings."

In 1997, IMLS reinforced the importance of museum education when it published "True Needs, True Partners," an 80-page book that profiled museum-school partnerships and the results of a museum survey designed to collect specific information about the full range of educational activities that museums offer to the nation's schools.

For the first time, museums and educational professionals had strong statistical information that confirmed museums and schools are working together to better educate students at all grade levels. The survey found that:

—88 percent of the nearly 10,000 museums in the U.S. provide K–12 educational programming

—At a minimum, museums in the U.S. spend $193 million annually on K–12 programming

—The typical museum provides between 100 and 223 instructional hours to students each year, with a low estimate of 3.9 million hours collectively for all museums

—Museums reported the substantial use of school curriculum standards in shaping museum educational programs for a given subject; survey results tallied 92 percent for math, 87 percent for science, 76 percent for art and 72 percent for history

Unless a museum is financially strong, however, it cannot fulfill its educational potential in a way that ensures broad public access and benefit. That is why OMS–GOS grants are so important.

In a powerful example of the importance of GOS funds, particularly for small museums, I'll like to highlight the Wyck Association. The Wyck Association in Philadelphia, PA preserves an 18th century house, home to nine generations of one family. Wyck is a small museum, with a budget of under $200,000 annually. OMS–GOS funds have helped transform a once financially struggling historic site into a leader in the historic house community. GOS funds have helped the Wyck develop new educational programs targeted to at-risk city school children and new interpretation programs reflective of their audience and community, such as the "Abolition Movement in Germantown", or "Family Life in the 1700 and 1800s."

In the words of the Wyck Association's Executive Director, John Groff, "IMLS has consistently been the funding that has made the difference as we take the next leap forward in achieving our long-range goals. The general operating income has given us the encouragement and the financial edge to make our vision begin to come true."

One last point note about the Wyck: recently the Wyck sought funding from area foundations and individuals for a capital campaign. Proudly citing their IMLS awards as a "seal of approval" from their peers, the campaign surpassed its three-year goal in half that time. Why? Because peer-reviewed OMS grants assure state, local, and private funders that a museum has met high national standards and is worthy of their additional support. In fact, it has been estimated that for every $.50 of public money invested, museums generate an additional $1 in private support.

The $40 million we are requesting is a modest but worthwhile investment that would significantly increase the ability of the agency to help more museums. 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, funds that will help museums further increase and enhance their services to local school systems and other community organizations.

Before I close, let me say that I've focused a good deal of my time on GOS grants but OMS provides enormous support to the museum community above and beyond the GOS.

Our country's museums house an enormous wealth of information—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 developing interactive exhibits and applying new technologies to increase their accessibility through the world wide web.

Since 1998, IMLS has provided grants to state library agencies and to individual libraries for research, digitization and management of digital resources. And 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 that we make

the same advances for museum collections, if we are to maximize their potential impact on the education of our youth.

Recognizing this problem, Congress appropriated money last year to IMLS to begin establishing a museum program to build 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. We support and applaud this action but it is not enough; the technological challenges faced by museums continue to escalate, and we need to do more.

The President's budget calls for $7.136 million in OMS National Leadership Grants for Technology Advancement for museums. We strongly support this request and urge the Committee to continue its demonstrated leadership on this issue by fully funding this initiative and strengthening IMLS' role in providing much needed coordination and focus. This will greatly facilitate museums' efforts to improve their technological base increase public access to their collections and provide distance education programs

Finally, I think it is important to emphasize that OMS, and IMLS in general, should not only be applauded for its effectiveness but its efficiency. With its staff of 20, OMS's total non-program costs—including research—are only 6.3 percent of requested funding, less than its authorized cap of 10 percent. What this means is that over 93 percent of all dollars go directly to museums.

OMS is a valuable agency. It provides an invaluable service to the museum field, and through them the American people, at a minor cost to the taxpayers. It has had an extremely positive impact and can continue to do so with your help. I urge you once again to support funding for the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) at $40 million and funding for the National Endowment for the Humanities (NEH) the National Endowment for the Arts (NEA) at the President's request level of $150 million.

PREPARED STATEMENT OF THE CITY OF NEWARK, NEW JERSEY

Mr. Chairman and members of the Subcommittee, thank you for giving us the opportunity to submit testimony about project under your jurisdiction that are 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 began construction by the U.S. Army Corps of Engineers late this year; a minor league baseball stadium where the Newark Bears began to play last summer; and a planned state of the art sports and entertainment complex, all are changing the face of Newark. But we know that the renaissance of our City cannot just happen in the downtown business and arts center; it must also include the residents and their neighborhoods in meaningful, substantive ways. The proposals for economic development activities outlined herein may be disparate, but they all relate to improvements in the quality of life for residents of and visitors to Newark.

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 5 years younger than the State average. Twenty-nine percent of our population was under the age of 18, and 26 percent lived below the poverty line. For people living in these conditions, there are basic needs which must be met: the availability of open space and recreation areas, the availability of jobs, and the availability of an infrastructure which is conducive to the development of neighborhoods, business and industry.

URBAN PARK RESTORATION INITIATIVE

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. In fiscal year 2000 the

VA/HUD Appropriations Subcommittee recognized the importance of this initiative by including a listing through the Economic Development Initiative for $300,000. In fiscal year 2001 the City is again requesting funds in the amount of $4 million for this important community investment project.

The City of Newark is seeking the support of this Subcommittee 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 City's renaissance. 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 location, a "Friends Of" park association is being formed of citizens who live around the park, and anchoring community institutions, such as schools, the faith—based community, community development groups, and local agencies. Each association will be helped by the City to form a board, create by-laws, 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 "Friends 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.

Federal support will be utilized to match municipal capital investment in improvements. 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. In addition, the Police Department has pledged to create walk-ride units of officers who patrol in and between specific parks, train watch groups who undergo association training, and organize police youth and adult athletic leagues to compete in the parks. 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.

Specific municipal parks have been identified for participation in the demonstration project and unique strategies have been developed for each. For example:

—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. Peter's Recreation Center in the South Ward. Mildred Helms is a long narrow park in the heart of a dense residential neighbor-

hood. 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. Peter's 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 NEWARK MUSEUM SCIENCE INITIATIVE

The Newark Museum seeks $2.0 million to support its new Science Initiative Education. The City of Newark has committed $1.7 million dollars to date toward the preparatory collections care necessary to make this initiative possible. Additionally, The Museum is involved in a $5 million dollar operating endowment fund based upon a public/private partnership to assure adequate on-going support, of which $1.2 million has been raised to date. Research has shown that the ongoing maintenance cost of science galleries is several multiples of that of art galleries.

The plan calls for the creation of a major permanent exhibition based upon its natural science collection. The exhibition, called Making Sense of the Natural World, will explore scientific phenomena through natural history specimens and live animals. Museum audiences will participate in mindful science learning through stimulating and engaging experiences that integrate the collections, Dreyfuss Planetarium and Mini Zoo. This gallery, along with the Museum's plan to institutionalize cohesive science education programs parallel to its distinguished art and culture programs, is the core of The Newark Museum Science Education Initiative.

The cohesive science education at The Newark Museum will entail greater use and dissemination of their science gallery, planetarium and live animal resources, thus providing new learning opportunities for individuals, families, schools, and community organizations. This initiative also allows the Museum to safeguard the thousands of scientific specimens, so critical to its success, in proper housing both in the exhibition and in technologically advanced, environmentally appropriate behind-the-scenes storage.

The Newark Museum is recognized as one of the nation's leading cultural institutions. It is located in Newark, New Jersey's largest city, and within Essex County, the State's most densely populated. The Museum's constituency is economically and ethnically diverse, reflecting the distinctive character of the city, northern New Jersey and the metropolitan region. In 1998, The Newark Museum served an audience of 462,000 children and adults.

The Newark Museum's natural science collections of 74,000 specimens in the areas of geology, botany and biology are being utilized today in programs that allow for participatory and inquiry-driven experiences, to engage visitors in meaningful science learning. Science-related programs draw more visitors to The Newark Museum than any other offering, despite the fact that the science galleries have been closed for more than a decade. Realizing the opportunity to attract larger audiences and better serve Newark and New Jersey residents, the Museum has embarked on a new science initiative. It will enable the Museum to reopen the science galleries and builds upon the Museum's proven track record of excellence in interdisciplinary arts and humanities programs.

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 THE ASSOCIATION OF RESEARCH LIBRARIES, THE COUNCIL ON LIBRARY AND INFORMATION RESOURCES, AND THE NATIONAL HUMANITIES ALLIANCE

INTRODUCTION

The Association of Research Libraries, the Council on Library and Information Resources, and the National Humanities Alliance, for the tenth consecutive year, have joined together to testify in support of the preservation and access activities of the National Endowment for the Humanities (NEH). We encourage the Interior and Related Agencies Subcommittee of the House Committee on Appropriations to approve the $150 million budget requested by the National Endowment for the Humanities, and with this testimony, we pay special attention to the $23,400,000 requested for preservation and access activities.

INCREASED ACCESS MUST MEAN INCREASED PRESERVATION

Every day, the media bombard us with news about what is available online. More and more households have Internet access, and an entire generation of Americans is growing up with computer skills; for many Americans, the Net is the first place to look for information. Both Congress and the White House are of one mind in advocating the use of Federal resources to ensure that the Net carries high-quality educational materials.

Behind the rhetoric of easy access, however, lie tough issues about how we make educational and research materials available. The promise of access can be fulfilled only if we have been responsible custodians of our past. What have we preserved? And how do we ensure that the materials we would like to use in classrooms, libraries, regional historical centers—either digitized and shared on the Internet or made available in reading rooms—survive into the twenty-second century? The Endowment's Rediscovering America initiative is just one of many outreach programs that depend on easy access to the record of the past. Without the rich mix of primary source materials available to citizens, students, and researchers of all ages, such a program would founder. As the demand for access escalates, the need for preservation grows just as fast—or faster.

THE BRITTLE BOOKS PROGRAM

In 1992, Merrily Taylor, the University Librarian at Brown University, hailed the success of the Brittle Books program to date and cited the NEH initiative as a model that had received wide attention around the globe. As she said then:

"The keys to its success are simple: A well developed initial plan; cooperation and collaboration by all this concerned, including research universities that have committed people, ideas, materials, and significant financial resources to make this national program; superior management by the Division of Preservation and Access and strong support for the program by the top NEH leadership; and most importantly-sustained funding to underpin the continuation and expansion of the program."

Eight years later, the collaboration between the library preservation community and the Endowment remains strong. However, it is unfortunate that the level of funding for the program has not remained as strong as it was in 1992. The problem is just as critical now as it was then, the need as great. It is only through coordination and cost sharing at the Federal level that we can secure future access to the contents of millions of crumbling books. Despite the advent of digital technology, the problem of preserving acidic books has not diminished since Congress initiated this far-sighted program in 1989.

Looking back at the progress we have made, the Endowment's leadership in these preservation and access efforts looms large. Without the Congressional mandate given to NEH, it is impossible to imagine what would have happened to our humanities research collections. The leadership of NEH makes itself felt in three ways.

—*Standards*.—NEH has taken the lead in helping libraries define standards for cataloging filmed materials and assuring access to them. Libraries that film must keep a master negative, a print master, and a service copy. They must provide copies of the film to other libraries at cost. In addition, the films must be kept in controlled environments to extend their life.

—*Leverage*.—Federal support means that hundreds of individual preservation efforts aggregate into a large whole that represents a mosaic of heritage assets.

—*Coordination*.—Under NEH auspices, microfilming projects add to the whole and do not duplicate other efforts. By encouraging consortial arrangements, and through the grant review process that involves scholars and librarians from all over the country, NEH ensures that high-quality collections from every type of library, archives, or historical society can become part of what is, in effect, a national heritage collection, easily accessible to citizens of all states and territories.

RECORDED SOUND HERITAGE

We welcome NEH's Recorded Sound Initiative, which clearly marks the agency's intention to address preservation needs in a broadened context. As fragile as our print heritage is, that of our recorded musical history is even more so. Last year, the House expressed its concern that some of "the musical heritage of the nation—as represented by early sound recordings—is irrevocably lost with each passing year" and urged the Endowment to strengthen and expand its support of preservation efforts in this area. This year, NEH is asking for $1 million to help repositories

preserve and make accessible their irreplaceable and fragile collections of traditional musical forms. It is hard to overstate the value of our musical heritage to researchers, creative musicians, and music lovers everywhere. Yet, that heritage exists on such fragile media as acetate discs, magnetic tapes in long-obsolete formats, wire recordings, and wax cylinders. Musical recordings are at risk not only because the media on which they are stored are prone to damage and corruption, but also because the playback equipment is often out-of-date, hard to find, and very hard to keep in good working order. We need to stabilize these recordings and to create preservation copies to ensure their longevity. While many libraries and archives have valuable recordings, only a few have the infrastructure and funding to preserve their collections. This is an area where NEH can help coordinate the many activities that constitute preservation. A national effort is needed to identify where the recordings are, to ensure that they are properly described and made accessible through records that are standard, and that people searching for those voices from the past can find them. All these aspects of preservation and access can best be facilitated with the national leadership of NEH. Another benefit of preserving sound recordings is that, in the process, access is greatly increased.

REGIONAL PRESERVATION NEEDS

Even as the Brittle Books program was started, it was recognized that many of the unique historical resources were housed in local and regional repositories. However, the preservation problem was so large and so immediate that large institutions were funded to handle a critical mass of the endangered materials.

Advances in technology have made it possible for many smaller institutions to become involved in digitization projects that extend access. In talks with regional preservation specialists this year, we have heard many stories of how the interest in "going digital" has led many small repositories to address their preservation needs. What so often happens is that a library, archives, or small historical society invites one of the regional preservation centers to come in to look at the possibility of making its collections available digitally. In the course of the consultation, it becomes clear that the repository could benefit from assistance as its materials are in dire need of preservation. Many times these institutions have no preservation program and, in fact, have never assessed the needs of their collections. Now, through NEH's Extending the Reach program, these institutions—many for the first time—have the opportunity to secure funds for this critical first step in preserving collections and making them available.

CONCLUSION

Enclosed is a copy of a recent publication, Preserving Research Collections; the efforts of NEH and its critically important programs are highlighted in this paper. Congress's support led to the development of a highly successful program focused on the preservation of our national heritage. There is now access to unique resources that have been preserved in libraries throughout the United States. We seek your support for NEH's Preservation and Access program, both ongoing activities in the Brittle Book Program as well a new initiative for sound recordings.

PREPARED STATEMENT OF THE UNIVERSITY OF WASHINGTON

Mr. Chairman and members of the Subcommittee: I am Michael Halleran, Divisional Dean of Arts and Humanities at the University of Washington. It is my pleasure to submit this testimony in support of the fiscal year 2001 budget request of $150 million for the National Endowment for the Humanities (NEH).

This testimony is being submitted on behalf of the Association of American Universities, the National Association of State Universities and Land Grant Colleges, and the American Council on Education. Through their combined memberships, these associations represent all the public and private research universities in the country—institutions that educate large numbers of the nation's undergraduate and graduate students and conduct the bulk of the country's basic research and scholarship.

The humanities represent the endless human attempt to understand our cultural world and our place in it. They encompass stories about our past and our present, and about the world of imagination. They form an ongoing dialogue about meaning and value. The humanities provide a framework for clear and critical thinking, an understanding and respect for history, and a knowledge and appreciation of our diverse cultures. They are the subjects—literature, history and philosophy—that have stood at the center of education for over 2,000 years. More than any other set of

disciplines, the humanities embody the spirit of our civilization. We Americans are wondrously diverse. And our diversity is expressed, preserved and understood in the humanities.

It is worthwhile to think of the humanities as our cultural capital. They are no less important than other forms of capital upon which our society relies. NEH funding helps us to understand and share with all our citizens this capital—our cultural heritage.

The NEH has enjoyed bipartisan support throughout its 35-year history and has been the single most important source of support for humanistic endeavors in the United States. It makes possible a wide range of cultural endeavors that can only be achieved with help and encouragement from the Federal Government. Community colleges, state colleges, small private institutions and research universities all use NEH grants to preserve that national resource. Post-secondary institutions are in a fundamental and etymological sense conservative. That is, part of their mission is to conserve our culture. They conserve, interpret and transmit it to the next generations of Americans.

The fiscal year 2001 budget request offers exciting opportunities and a balanced approach, increasing or initiating funding for a wide variety of programs and constituencies. Funding would be provided not only for programs aimed specifically toward universities or state humanities councils, but also for activities that offer opportunities for joint efforts, such as the new Regional Centers.

The fiscal year 2001 NEH request of $150 million represents a 30 percent increase over the current funding level, and, if approved, would make a huge impact. But even this level of support is still well below the $172 million the agency received in fiscal year 1995. In fact, the 36 percent reduction in the agency's budget in fiscal year 1996 forced NEH to end many effective programs and cut its staff dramatically. The results of these cuts have been severe, and the effects lingering. Full funding of the fiscal year 2001 request would allow NEH to continue the rebuilding begun last year with the $5 million dollar fiscal year 2000 increase. We remain very grateful for that increase.

NEH investments make a major impact on the nation's college and university campuses. Most importantly, NEH on a federal level sponsors significant research projects at institutions of higher education, and supports faculty through fellowship programs. In fiscal year 2000, NEH expects to receive approximately 2,100 applications for fellowships and stipends and to make 306 awards (171 fellowships and 135 summer stipends). At the fiscal year 2001 request level, the program could support 180 fellowships and 135 summer stipends, a total of 315 awards.

Moreover, in fiscal year 2001, NEH is proposing to increase the amount of full-year fellowships from $30,000 to $35,000, and the award amount for Summer Stipends from $4,000 to $4,500. It has been 10 years since these awards were last adjusted, and increases are badly needed. These increases are modest, representing less than the cumulative inflation during this period. I should also point out that these full-year fellowships do not cover a professor's salary, but rather they are typically augmented by the scholar's home institution. The NEH funds thus serve as leverage for other funding and have a greater impact than the dollar amount might suggest.

NEH is also requesting funds to begin a three-year initiative in support of Archaeological Research projects and to establish a new Travel to Research Sites program for humanities scholars. In the latter program, scholars would receive $1,500 stipends to defray some of the cost of traveling to research libraries and archives to consult humanities primary resource material.

NEH investments also make a crucial difference on the nation's college and university campuses in the support of long-term projects that might otherwise be lost. Thanks to NEH underwriting, compelling work is proceeding on projects such as bibliographies, encyclopedias, dictionaries and critical editions that are of national significance, but that are unlikely to be funded by any other institution or state. Only an agency like NEH, with its federal funds, its broad vision, and its long-term commitment, can support these kinds of projects.

I would like to speak briefly about an extraordinary project going on at the University of Washington that recently received significant three-year support from the NEH. In 1994, the British Library came into possession of twenty-nine very old and fragile birch bark scrolls that were covered in what seemed to be a form of Sanskrit, the language of ancient India. To assist them in deciphering these long forgotten texts, they called upon the world's expert in Indic epigraphy (interpreting the ancient writings of India), Richard Solomon of the University of Washington. Dr. Solomon was able to determine that these were the oldest writings ever found dealing with Buddhism. In other words, these were of extraordinary importance for understanding the early stages of one of the world's great religions. Many have compared

this new discovery to that of the Dead Sea Scrolls, the writings of early Christian writers that transformed our understanding of the formative stages of Christianity. As some of you know may know, the Dead Sea Scrolls were embroiled in mystery and controversy and for decades scholars and lay persons alike were denied access to their contents. With the support of the NEH (and other organizations), Dr. Solomon and his team of scholars at the University of Washington have been able to devote much of their time to this fascinating and important project and are committed to early and wide promulgation of their discoveries. The first volume of their work has already been published; the second will be out later this year. Here too, the NEH support has attracted other funding and thus the agency's support has had a multiplying effect.

Most of the major NEH projects, however, touch closer to our soil. Such projects include the preservation of the papers of George Washington, Frederick Douglass and Mark Twain and critical editions of our great philosophers, Charles Peirce, William James, John Dewey and George Santayana. Who has not watched (perhaps more than once) the celebrated film series on the Civil War? This would not have been made without NEH support. The seminars and exhibitions on the Constitution, celebrating our nation's foundational document, also were made possible through NEH support. All of these projects are important to the nation and to the world. Shepherding and nurturing endeavors of this scale and this magnitude—in essence, preserving our heritage—is the government's trust and must remain at the federal level.

The fiscal year 1996 budget cut disproportionately affected many NEH national programs, including preservation activities. For example, approximately 20,000 fewer brittle books, as well as more than 230,000 fewer pages of U.S. newspapers are now being preserved on microfilm each year, thus slowing the NEH's efforts to preserve and increase access to these important intellectual resources. The fiscal year 2001 request would allow NEH to recover some of the lost ground and to initiate support for the digitization of historically significant collections held by museums, libraries, historical organizations, and archives, as well as undertake the preservation of recorded sound collections. The new digital technology can play a crucial role in helping us preserve our country's heritage.

Another way in which NEH funding makes a critical difference is by fostering better teaching. Summer seminars and institutes are an important way to partner with schools and to enhance the education of our students. Each year, many colleges and universities host summer seminars for high school and college teachers, who spend six to eight weeks studying with leading scholars in their fields. These seminars provide an exhilarating boost to the participants, regenerate their enthusiasm and facilitate the transfer of new knowledge. It is one more way in which higher education can reach out to the schools and share our expertise and resources with all Americans.

The fiscal year 2001 request would allow the Endowment to provide much-needed funding relief to the summer seminars and institutes. Increased funding would make possible 62 seminars and institutes for school and college teachers, significantly higher than the 49 awards that the agency made in fiscal year 1999. The increased number of seminars and institutes would provide educational opportunities for an estimated 575 college teachers and 615 K–12 teachers. The fiscal year 2001 request would also allow NEH to expand the reach of seminars and institutes by providing small Humanities Teacher Leadership grants to approximately 75 participants to allow them to disseminate the results of their seminar or institute work to other teachers and schools.

The seminars for K–12 teachers are particularly important. Richard L. McCormick, the President of the University of Washington, has been a leader in moving universities toward playing a greater role in K–12 education. With our new Leadership Institute, under the direction of Rudy Crew, and many other smaller initiatives, the University of Washington is playing a greater role in the education of the K–12 students. The NEH can help us—and many other institutions—fulfill this important part of our mission.

We very much appreciate the Subcommittee's longstanding, bipartisan support for NEH, and urge the Subcommittee to support its $150 million fiscal year 2001 request. Thank you.

MISCELLANEOUS

PREPARED STATEMENT OF THE CALIFORNIA INDUSTRY AND GOVERNMENT CENTRAL CALIFORNIA OZONE STUDY COALITION

Mr. Chairman and Members of the Subcommittee: On behalf of the California Industry and Government Central California Ozone Study (CCOS) Coalition, we are pleased to submit this statement for the record in support of our fiscal year 2001 funding request of $750,000 for CCOS as part of a Federal match for the $8.6 million already contributed by California State and local agencies and the private sector. This request consists of $250,000 from the Department of Energy (DOE), $250,000 from the National Park Service (NPS), and $250,000 from the Forest Service.

Ozone and particulate matter standards in most of central California are frequently exceeded. In 2003, the U.S. Environmental Protection Agency (U.S. EPA) will require that California submit SIPs for the recently promulgated, national, 8-hour ozone standard. It is expected that such SIPs will be required for the San Francisco Bay Area, the Sacramento Valley, the San Joaquin Valley, and the Mountain Counties Air Basins. Photochemical air quality modeling will be necessary to prepare SIPs that are acceptable to the U.S. EPA.

The Central California Ozone Study (CCOS) is designed to enable central California to meet Clean Air Act requirements for ozone State Implementation Plans (SIPs) as well as advance fundamental science for use nationwide. The CCOS field measurement program will be conducted in the summer of 2000 in conjunction with the California Regional $PM_{10}/PM_{2.5}$ Air Quality Study (CRPAQS), a major study of the origin, nature, and extent of excessive levels of fine particles in central California. CCOS includes an ozone field study, a deposition study, data analysis, modeling performance evaluations, and a retrospective look at previous SIP modeling. The CCOS study area extends over central and most of northern California. The goal of the CCOS is to understand better the nature of the ozone problem across the region, providing a strong scientific foundation for preparing the next round of State and Federal attainment plans. The study includes six main components:

—Developing the design of the field study (task already underway)
—Conducting an intensive field monitoring study, scheduled for June 1 to September 30, 2000
—Developing an emission inventory to support modeling
—Developing and evaluating a photochemical model for the region
—Designing and conducting a deposition field study
—Evaluating emission control strategies for the next ozone attainment plans

The CCOS is directed by Policy and Technical Committees consisting of representatives from Federal, State and local governments, as well as private industry. These Committees, which managed the San Joaquin Valley Ozone Study and are currently managing the California Regional Particulate Air Quality Study, are landmark examples of collaborative environmental management. The proven methods and established teamwork provide a solid foundation for CCOS. The sponsors of CCOS, representing state, local government and industry, have contributed approximately $8.6 million for the field study. In addition, CCOS sponsors will provide $4 million of in-kind support. The Policy Committee is continuing to seek additional funding ($9.0 million) for a future deposition study, data analysis, and modeling. California is an ideal natural laboratory for studies that address these issues, given the scale and diversity of the various ground surfaces in the region (crops, woodlands, forests, urban and suburban areas).

There also exists a need to address national data gaps, and California should not bear the entire cost of the addressing these gaps. National data gaps include issues relating to the integration of particulate matter and ozone control strategies. The CCOS field study will take place concurrently with the California Regional Particulate Matter Study—previously jointly funded through Federal, State, local and private sector funds. Thus, CCOS is timed to enable leveraging of the efforts for the particulate matter study. Some equipment and personnel can serve dual functions so that CCOS is very cost-effective. From a technical standpoint, carrying out both studies concurrently is a unique opportunity to address the integration of particulate matter and ozone control efforts. CCOS will also be cost-effective since it builds on other successful efforts including the 1990 San Joaquin Valley Ozone Study. To address these issues effectively requires federal assistance, and CCOS provides a mechanism by which California pays half the cost of work that the Federal Government should otherwise pursue.

For fiscal year 2001, our Coalition is seeking funding of $250,000 from the Department of Energy (DOE) Fossil Program. The California Energy Commission is a

key participant, having contributed $3 million. Consistent with the recently signed memorandum of understanding between the California Energy Commission and the DOE, joint participation in the CCOS will result in: (1) enhanced public interest energy research-, development-, and demonstration programs; (2) increased competitiveness and economic prosperity in the United States; and (3) further protection of the environment through the efficient production, distribution and use of energy.

The CCOS program coincides with DOE's initiative to develop the Federal Government's oil technology program. In fact, the oil industry in California has been working for several years with DOE to identify innovative partnerships and programs that address how changes in those sectors can cost-effectively reduce particulate matter and ozone-related emissions. This approach will likely result in new ideas for technologies to improve oil recovery technologies, as well as improve environmental protection in oil production and processing operations. The overlap of CCOS and the California Regional Particulate Matter Air Quality Study provides a unique opportunity to perform research related to petroleum-based VOC and particulate matter emissions as well as methods to characterize these categories of emissions. The CCOS program will utilize modeling, instrumentation, and measurement to get results that can be used to better understand the impact of oil and gas exploration and production operations on air quality. CCOS program results might also be applied to identify the most efficient and cost-effective methods of reducing emissions from oil and gas operations.

The Department of Energy has been a key participant in many programs with the oil and agricultural sectors. By becoming a partner in this program, DOE will be furthering its own goals of "Initiatives for Energy Security" by aiding domestic oil producers to enhance their environmental compliance while reducing their costs. DOE will also be building upon an established and effective partnership between state and local governments, industry and institutional organizations.

For fiscal year 2001, our Coalition is also seeking funding of $250,000 from the National Park Service (NPS) and $250,000 from the Forest Service. The National Park Service and Forest Service conduct prescribed burns that contribute to both ozone and particulate matter pollution. Prescribed burns are needed for forest health or to reduce fuel loads, and must be carefully managed to minimize public health and visibility impacts.

Improving the fundamental science related to emissions, meteorological forecasting, and air quality modeling will help in designing effective smoke management programs. In addition, attainment of air quality standards is an important goal for protecting national parks and forests. Ozone damage to trees and vegetation in national parks and forests is well documented in California and nationwide. The National Park Service and Forest Service are key stakeholders relying on the success of SIPs in achieving the emissions reductions needed to attain air quality standards. The participants in the CCOS have been partners in regional study efforts addressing visibility and haze impacts on national parks and forests in the West. The results of this study will provide valuable information that will further those efforts on a regional basis.

Scientists at the University of Nevada, Desert Research Institute (DRI) are the principal investigators for CCOS. To expedite research studies related to biomass burning and smoke management for CCOS, it is requested that funds provided by the National Park Service and Forest Service be allocated directly to DRI.

Thank you very much your consideration of our requests.

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