Transition Budget Briefing Book
November 2016

Fish, Wildlife and Parks

Fish and Wildlife Service

National Park Service

Indian Affairs

Bureau of Indian Affairs and Bureau of Indian Education

Insular Affairs

Office of Insular Affairs

Departmental Operations

Office of Wildland Fire Management

Natural Resource Damage Assessment and Restoration Program (NRDAR)

Central Hazardous Materials Fund

Office of the Solicitor

Office of the Inspector General

Office of the Special Trustee for American Indians

Department-Wide Crosscutting Issues

Overview of Department of the Interior Funding

Funding for the Department of the Interior has two primary components – the amounts appropriated by Congress each year, and the amounts directed by Congress which are not subject to annual appropriations.

Current Appropriations
Interior's budget materials refer to annual appropriations as "current" funding authority. It can also be called discretionary or appropriated funding. Current authority presents the amounts Congress appropriates each year for the Department's programs. The Office of Management and Budget displays total funding for the Department slightly differently as "net discretionary funding" to account for certain offsetting receipts for the purposes of scoring. Interior presents its budget materials as current funding for discussions with Congress and internal formulation, including the bottom-line adjustments necessary to match the Office of Management and Budget totals. The Department-wide funding tables included in this book will show total amounts for both "current" and "net discretionary" funding.

The Department's total current appropriations for Fiscal Year (FY) 2016 is $13.3 billion. The Appropriations subcommittees with jurisdiction over funding for the Department of the Interior are the Subcommittees on Interior, Environment and Related Agencies and the Subcommittees on Energy and Water Development. Current discretionary funding is not presently subject to sequestration reductions as Congress has kept annual appropriations below the annual budget caps.

The FY 2017 budget request includes a $290.0 million budget cap adjustment proposal to ensure necessary funds are available in the event of a catastrophic fire without harming other Interior programs. Although this proposal requires legislative action to amend the Balanced Budget and Emergency Deficit Control Act to establish a new framework for funding Fire Suppression Operations, it is presented as part of the Department's total current funding request. Interior's funding tables display totals both with and without the cap adjustment proposal for purposes of comparison.

Permanent Appropriations
The other component of the Department's budget is funding authorized by Congress and made available each year outside of the annual appropriations process. This type of Federal funding is also referred to as mandatory funding. The FY 2016 total for Interior's permanent appropriations is $5.2 billion.

Many of the Department's popular grant and payment programs rely on permanent funding programs, many of which are supported by authorized fees or a specific funding in the U.S. Treasury. Examples of the permanently funded Interior activities are payments to States, Tribes and others from mineral leasing activities, the Abandoned Mine Lands Fund, and the Sport Fish Restoration and Federal Aid in Wildlife Restoration, Cooperative Endangered Species Fund, and North American Wetlands Conservation Fund programs. Recreation fees authorized by Congress and collected across the country at the national parks, refuges, public lands and Bureau of Reclamation recreation facilities, are available for use by these Bureaus to enhance the visitor experience as permanent funding.

Permanent or mandatory funding has been subject to a sequestration reduction for the past several years. The OMB has identified a reduction of 6.9 percent as the sequestration reduction for non-exempt mandatory spending in FY 2017.

Each year, the Department's budget also includes a series of legislative proposals for consideration by the Congress. These proposals are for consideration outside of the annual appropriations process which, if enacted, would affect the Department's permanent appropriations. These proposals and the estimated cost or additional revenue to be generated are incorporated into the permanent funding total for the budget pending before Congress – for the purpose of these materials, the FY 2017 request.

Issue Paper: Updating The Department's Strategic Plan and Use of Agency Priority Goals

I. KEY POINTS

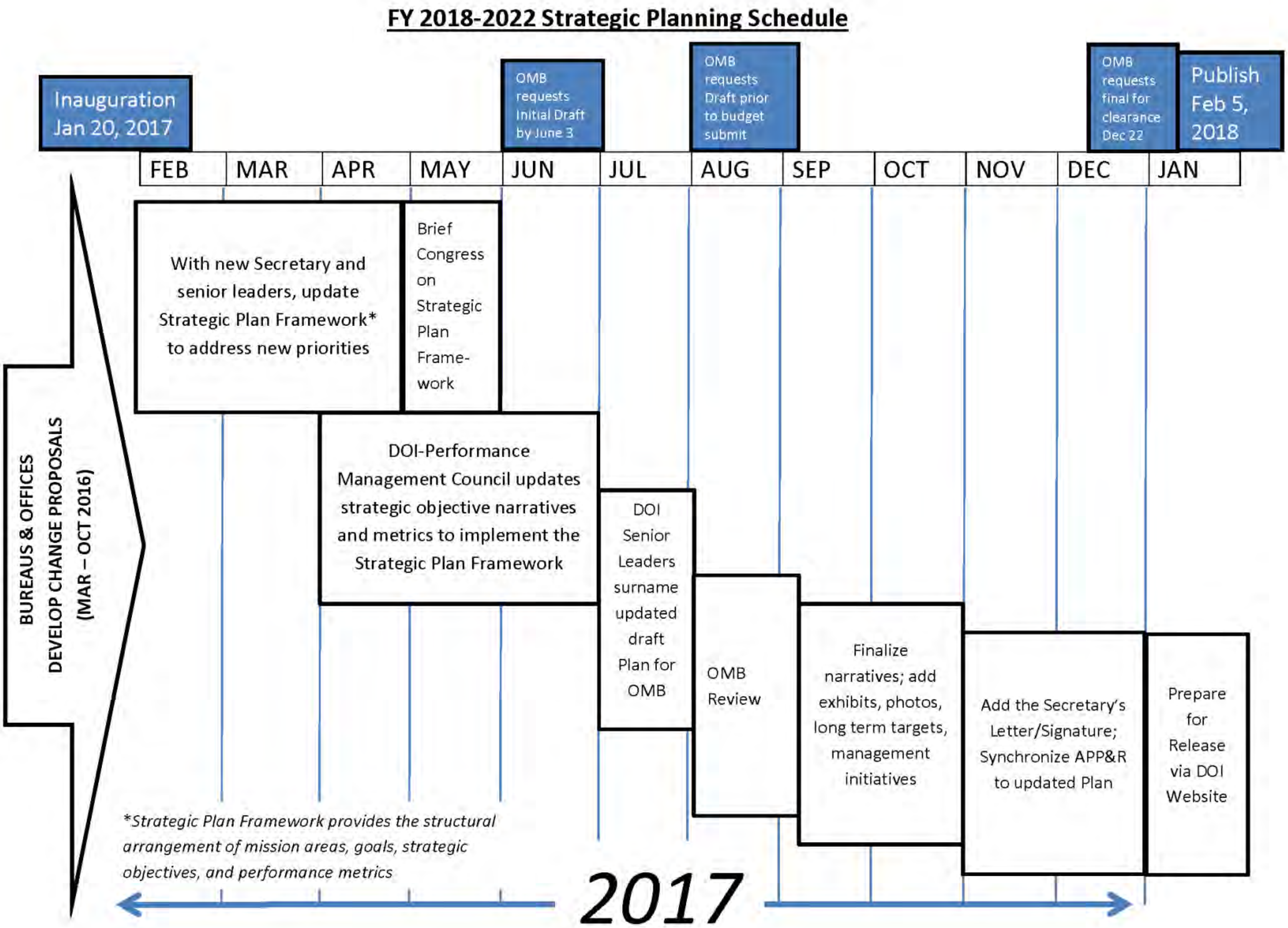
Strategic Plan: The Department-wide Strategic Plan is updated within one year after the President's inauguration (in accordance with the GPRA Modernization Act of 2010). The Strategic Plan typically reflects strategic Secretarial priorities using "Mission Areas" with corresponding goals, achieved through strategic objectives that describe how to realize those priorities, and measured using key performance indicators. The current Plan includes six mission areas corresponding to Secretary Jewell's priorities, as well as 104 key performance indicators that are targeted and reported annually to track progress in achieving objectives. The Office of Management and Budget (OMB) and the Department review accomplishments and potential corrective actions annually during the Strategic Objective Review. These activities are led by the Department's Office of Planning and Performance Management.

Agency Priority Goals: The eight FY 2016-2017 Agency Priority Goals (APGs) are a subset of the Strategic Plan goals. The Department must continue to conduct Quarterly Status Reviews with senior leadership, led by the Deputy Secretary, to assess and report to OMB interim progress on these goals through September 30, 2017. Incoming senior leadership will develop new APGs for FY 2018-2019 to reflect the new Administration's strategic priorities.

II. OPPORTUNITIES AND CHALLENGES

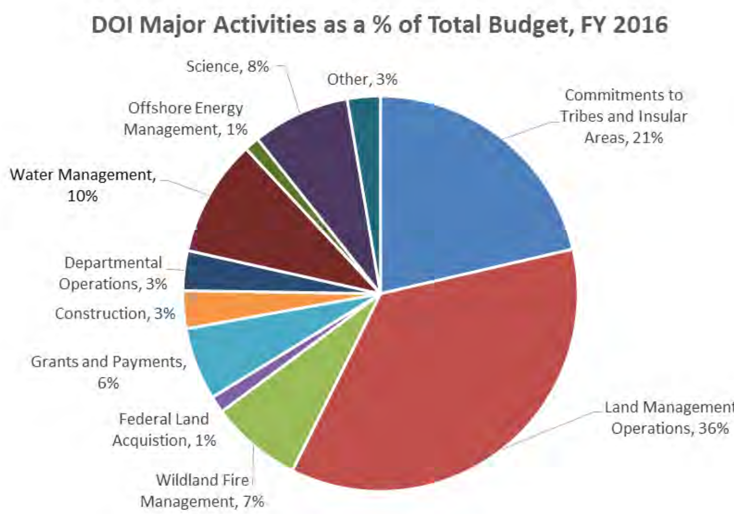
Strategic Plan: Updating the Strategic Plan provides the Department an opportunity to highlight and track the Administration's top priorities and goals, and to communicate this information across the Department and to stakeholders. In 2017, the new senior leadership kicks off the Strategic Plan update process by reviewing a Strategic Plan Framework outlining mission areas, goals, and strategic objectives to determine adjustments needed to best reflect the new Administration's priorities. This framework aligns with the key performance indicators that track progress toward accomplishing the Department's mission. The exact timing for updating the Strategic Plan to accommodate the Administration's strategic priorities depends on when the new Secretary and senior leadership team arrive. Attached is a potential schedule including OMB-specified deadlines.

Agency Priority Goals: APGs help the Department focus resources and effort to achieve selected priorities of the Secretary and the Administration. APGs are a limited number of specific, quantifiable targets from the Department-wide Strategic Plan tracked over a two-year period. For example, the Water Conservation APG sets a goal of facilitating the availability of 1.1 million acre feet of water by the end of FY 2017 through conservation grants, scientific studies, and technical assistance. Priority Goal Leaders and Bureau Directors present interim progress and results to the Deputy Secretary at Quarterly Status Reviews. The APG quarterly results are publicly available on OMB's www.performance.gov website.


FY 2018-2022 Strategic Planning Schedule
Inauguration Jan 20, 2017
OMB requests Initial Draft by June 3
OMB requests Draft prior to budget submit
OMB requests final for clearance Dec 22
Publish Feb 5, 2018
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN
BUREAUS & OFFICES DEVELOP CHANGE PROPOSALS (MAR – OCT 2016)
With new Secretary and senior leaders, update Strategic Plan Framework* to address new priorities
Brief Congress on Strategic Plan Frame-work
DOI-Performance Management Council updates strategic objective narratives and metrics to implement the Strategic Plan Framework
DOI Senior Leaders surname updated draft Plan for OMB
OMB Review
Finalize narratives; add exhibits, photos, long term targets, management initiatives
Add the Secretary's Letter/Signature; Synchronize APP&R to updated Plan
Prepare for Release via DOI Website
*Strategic Plan Framework provides the structural arrangement of mission areas, goals, strategic objectives, and performance metrics
2017

Interior's Major Budget Activities

Interior's annual appropriated budget covers a broad spectrum of activities which are necessary to support the Department's mission. Interior is steward of 20 percent of the Nation's lands including national parks, national wildlife refuges, and public lands, manages the Outer Continental Shelf for renewable and conventional energy development, is the largest supplier and manager of water in the 17 western States, and upholds the Federal Trust responsibilities to Indian Tribes and Alaska Natives. Interior is also responsible for migratory wildlife conservation, historic preservation, endangered species conservation, surface mined lands protection and restoration, mapping and earth sciences for the Nation, and financial and technical assistance for the Insular areas.



The Department's funded activities fall into several discreet components. Budget data is most frequently displayed by Bureau and Office to show the entirety of their program portfolios. In formulating the budget and weighing priorities, it is also useful to consider decisions across bureaus looking at the following major activity categories.

- **Land Management Operations**: Funding for land management operations constitutes 36 percent of the FY 2016 budget and is the broadest category. Land management operations support not only daily operations but also the programmatic initiatives and underlying science undertaken by the land management bureaus. Land management is also the most public facing activity at Interior. Management activities at the national parks, refuges, conservation areas and other BLM lands span from visitor services and law enforcement, protecting natural cultural and historical resources, supporting recreational activities, and permitting and oversight of energy and mineral development. Staffing is one of the most significant investments within land management operations.

- **Commitments to Tribes and Insular Areas:** Interior's programs maintain strong and important relationships with Native and Insular communities, helping to promote efficient and effective governance and support nation-building and self-determination. Indian Affairs programs fulfill important Trust responsibilities to Native Americans providing direct services and supporting tribal self-determination to manage these services should they choose. Programs in this category deliver community social services, restore tribal homelands, fulfill commitments related to water and other resource rights, execute fiduciary trust responsibilities, support the stewardship of energy and other natural resources, create economic opportunity, and expand access to education.

- **Construction and Deferred Maintenance**: Investments in construction and deferred maintenance are important to ensure the continued endurance of Interior's structures and facilities needed to meet Interior's missions. Funding in this category addresses the challenges of aging infrastructure and damages from extreme natural events, increased visitation, Trust commitments to provide quality education facilities, and deferred maintenance backlogs across the bureaus.

- **Land Acquisition**: Interior works collaboratively with private land owners, conservation and recreation groups and State and local governments to conduct land acquisition strategies to advance conservation objectives, bureau land management needs, and improve public access so more Americans can enjoy their public lands for recreational opportunities—from hunting and fishing, to canoeing and bird watching.

- **Grants and Payments**: Partnerships and leveraged investments through grants and other awards are a critical strategy to achieve Interior's mission most effectively. Interior awards grants, cooperative agreements and other vehicles to partners to support conservation, historic preservation, economic development, and Tribal self-determination activities. Many of these activities include a funding match to further leverage Federal resources.

- **Water Management:** Interior manages water for agricultural, municipal and industrial uses, and provides flood risk reduction and recreation for millions of people. To support this role, Interior manages dams, reservoirs and power plants needed to help supply water in the West. In addition to directly supplying water, Interior works with State and local entities to address water resource challenges posed by drought, depleted aquifers, and population increases in the West.

- **Science and Monitoring**: Interior science investments include Landsat satellites, science centers focused on critical issues in every State and Territory, nation-wide monitoring networks and innovative science to inform decision-making. Interior's bureaus and programs focus on resource conservation, management, and responsible use of our Nation's natural and cultural resources, all of which require broad, interdisciplinary scientific understanding.

- **Wildland Fire Management**: Interior invests in fire suppression to limit the impacts of fires when they occur but also attempts to reduce the long term threat of fires by investing in preparedness, fuels reduction and landscape restoration. To ensure maximum efficiency at each stage of the fire cycle, Interior also invests in data and technology to guide decision making and more effectively manage the fire programs.

- **Offshore Energy Management by BOEM and BSEE**: Interior's leasing and regulatory program for offshore oil and gas and renewable energy exploration and development relies on investments in science, information technology, environmental analysis, public input processes and safety considerations.

- **Departmental Operations and Services**: Departmental Operations includes the immediate Office of the Secretary; the offices of the five Assistant Secretaries; and some Policy, Management and Budget staff offices including the Office of Valuation Services and the Office of Natural Resources Revenue. The Offices provide policy and oversight for Departmental functions including budget, finance, information resources, acquisition, and human resources.

- **Other:** Includes Bureaus, Offices and programs not captured above including the Office of Surface Mining and Reclamation, recreation programs in the National Park Service, and Central Hazardous Materials Fund, and Natural Resources Damage Assessment.

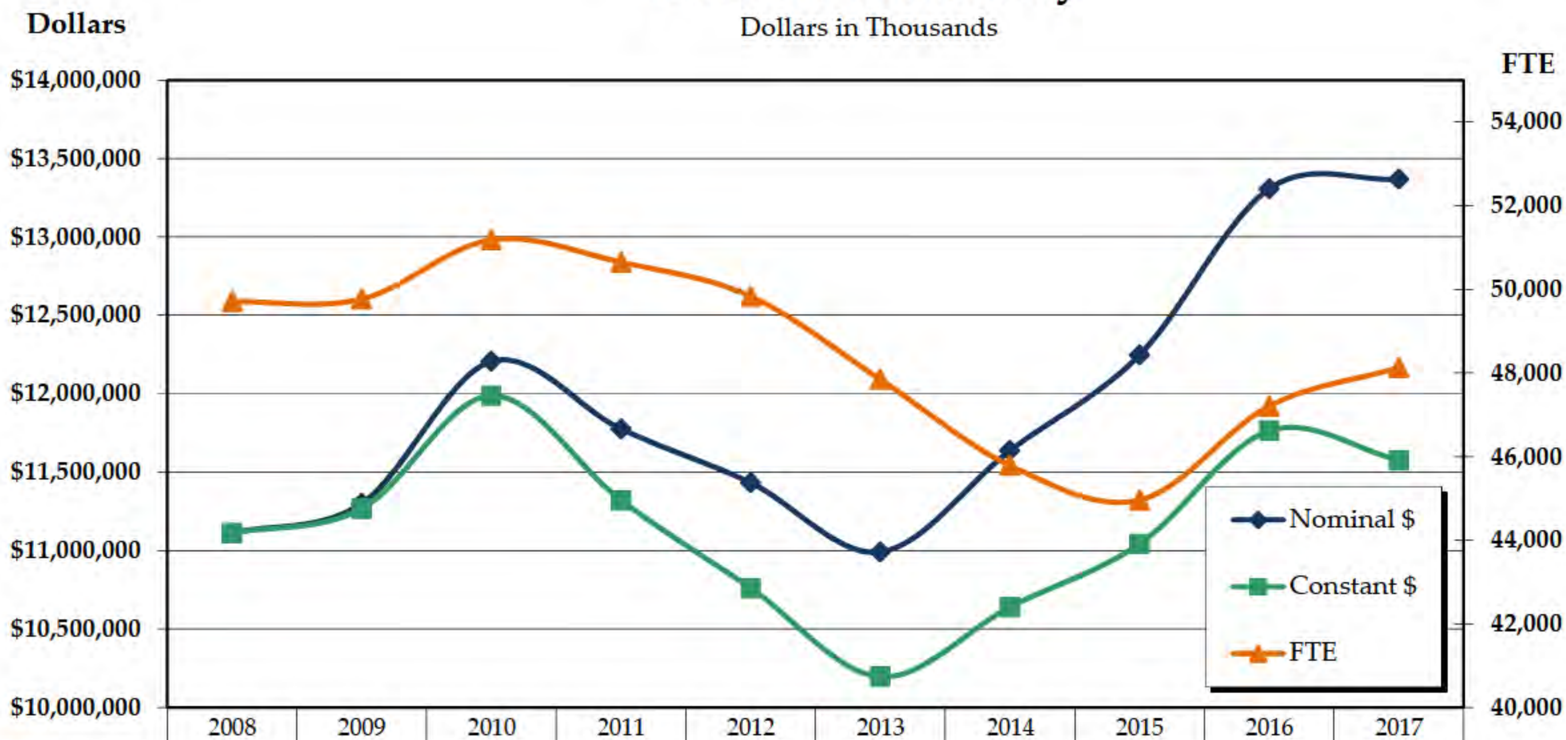
	2015 Enacted[2/]	2015 Actual[2/]	2016 Enacted[2/]	2017 President's Budget Request	2017 President's Budget Request Compared to 2016 Enacted
DOI Total Including BOR (without Cap Adjustment)	***12,247,676***	***12,281,116***	***13,307,095***	***13,078,222***	***-228,873***
Interior and Related (without Cap Adjustment)	***10,735,676***	***10,775,982***	***12,032,095***	***11,966,463***	***-65,632***
BIA/Special Trustee Programs	*2,740,527*	*2,740,527*	*2,935,149*	*3,074,094*	*138,945*
Land Management Ops:	***4,567,224***	***4,590,208***	***4,788,776***	***5,016,804***	***228,028***
BLM Operations	*1,083,793*	*1,087,596*	*1,180,409*	*1,182,530*	*2,121*
FWS Operations	*1,207,658*	*1,225,158*	*1,238,771*	*1,309,912*	*71,141*
NPS Operations	*2,275,773*	*2,277,454*	*2,369,596*	*2,524,362*	*154,766*
Wildland Fire Management w Supp	***896,779***	***900,581***	***993,745***	***824,624***	***-169,121***
Wildland Fire Management w Cap Adjustment	***896,779***	***900,581***	***993,745***	***1,114,624***	***120,879***
Federal Land Acquisition:	***130,124***	***130,124***	***183,418***	***183,499***	***81***
Land Acquisition, BLM	*19,746*	*19,746*	*38,630*	*43,959*	*5,329*
Land Acquisition, FWS	*47,535*	*47,535*	*68,500*	*58,655*	*-9,845*
Land Acquisition, NPS	*50,843*	*50,843*	*63,670*	*68,242*	*4,572*
LWCF Project Funding, Unallocated	*0*	*0*	*0*	*0*	*0*
Consolidated Appraisal Services	*12,000*	*12,000*	*12,618*	*12,643*	*25*
Grant and Payment Programs	***632,183***	***632,183***	***791,592***	***368,008***	***-423,584***
State Land Acquisition & Assistance	*48,117*	*48,117*	*110,000*	*110,006*	*6*
State and Tribal Wildlife Grants	*58,695*	*58,695*	*60,571*	*66,981*	*6,410*
North American Wetlands	*34,145*	*34,145*	*35,145*	*35,145*	*0*
Cooperative Endangered Species	*50,095*	*50,095*	*53,495*	*53,495*	*0*
Multi-National Species	*9,061*	*9,061*	*11,061*	*11,061*	*0*
Neotropical Birds	*3,660*	*3,660*	*3,910*	*3,910*	*0*
Historic Preservation Grants	*56,410*	*56,410*	*65,410*	*87,410*	*22,000*
DOI PILT [1/]	*372,000*	*372,000*	*452,000*	*0*	*-452,000*
Interior Construction:	***282,902***	***282,902***	***410,597***	***472,795***	***62,198***
FWS Construction	*15,687*	*15,687*	*23,687*	*23,740*	*53*
NPS Construction	*138,339*	*138,339*	*192,937*	*252,038*	*59,101*
BIA Construction	*128,876*	*128,876*	*193,973*	*197,017*	*3,044*
U.S. Geological Survey	*1,045,000*	*1,045,000*	*1,062,000*	*1,168,803*	*106,803*
Departmental Management S&E	*253,263*	*254,263*	*257,151*	*265,733*	*8,582*
FBMS	*53,900*	*53,900*	*53,900*	*53,900*	*0*
Insular Affairs	*102,441*	*102,441*	*103,441*	*102,717*	*-724*
Other Dept Offices:SOL, OIG, NRDA	*123,614*	*124,014*	*123,614*	*134,588*	*10,974*
BOEM & BSEE	*374,395*	*374,395*	*375,528*	*380,005*	*4,477*
Offsetting collections in BOEM and BSEE	*[220,927]*	*[208,730]*	*[212,829]*	*[203,474]*	*-[9,355]*
Office of Surface Mining	*150,112*	*152,063*	*240,556*	*157,925*	*-82,631*
NPS Nat'l Recreation & Pres.	*63,117*	*63,117*	*62,632*	*54,392*	*-8,240*
Water Management (BOR/CUPCA)	*1,140,000*	*1,133,134*	*1,275,000*	*1,111,759*	*-163,241*
Other - CHF, Rge Imprvt, etc	*41,898*	*39,870*	*56,798*	*109,067*	*52,269*

[1/] Funding for PILT in 2015 does not include mandatory funding provided through the Defense Authorization Act.

[2/] Amounts for 2015 and 2016 Enacted are adjusted to reflect sequestration requirements for BLM Range Improvements and NPS LWCF Contract Authority.

U.S. Department of the Interior
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	11,112,116	11,300,869	12,205,777	11,776,098	11,432,503	10,991,592	11,637,214	12,247,676	13,307,095	13,368,222
Constant $	11,112,116	11,266,966	11,988,139	11,320,769	10,761,146	10,195,959	10,640,409	11,042,623	11,764,808	11,576,581
FTE	49,699	49,764	51,177	50,646	49,828	47,842	45,785	44,956	47,204	48,127

Note: Current Authority represents the amounts Congress appropriates each year for the Department's programs, and includes funds classified as mandatory under the Budget Enforcement Act which are subject to annual appropriations. Nominal $ represents the amount of funds appropriated by Congress that have not been adjusted for inflation Constant $ represents the real dollar value of appropriated funds, accounting for changes resulting from inflation.

FY 2008-FY 2017
DOI Budget

(excludes supplemental funding)
Dollars in thousands
BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request
BUREAU OF LAND MANAGEMENT										
Management of Lands and Resources	853,931	890,194	959,571	961,779	960,361	900,607	956,875	970,016	1,072,675	1,075,545
Naval Oil Shale - Rescission of Balances	0	0	(1,000)	0	0	0	0	0	0	0
Mining Law Administration	[34,696]	[34,696]	[36,696]	[36,696]	[39,696]	[37,677]	[39,696]	[39,696]	[39,696]	[39,696]
APD Permit Fee	[25,500]	[36,400]	[45,500]	[45,500]	[32,500]	[30,847]	[32,500]	[32,500]	[0]	[0]
Communication Site Fee	[0]	[0]	[0]	[0]	[2,000]	[1,898]	[2,000]	[2,000]	[2,000]	[2,000]
Inspection Fee	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[48,000]
Livestock Grazing Administration Fee	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[6,500]
Construction 1/	6,375	6,590	8,626	4,617	3,570	0	0	0	0	0
Land Acquisition	8,939	14,775	29,650	21,956	22,344	21,175	19,463	19,746	38,630	43,959
Oregon and California Grant Lands	108,522	109,949	111,557	111,334	111,864	106,013	114,467	113,777	107,734	106,985
Colorado Naval Oil Shale - Cancellation of Balances	0	(12,996)	0	0	0	0	0	0	0	0
Sale of Water - Cancellation of Balances	0	(46)	0	0	0	0	0	0	0	0
Range Improvements [Current Mandatory]	10,000	10,000	10,000	10,000	10,000	9,490	9,280	9,270	9,320	10,000
Service Charges, Deposits, and Forfeitures …	28,490	33,821	33,300	33,300	31,063	30,412	31,092	32,465	31,050	31,050
SCDF Offsetting Receipts	(28,490)	(33,821)	(33,300)	(33,300)	(31,063)	(30,412)	(31,092)	(32,465)	(31,050)	(31,050)
Total, Current Appropriations	987,767	1,018,466	1,118,404	1,109,686	1,108,139	1,037,285	1,100,085	1,112,809	1,228,359	1,236,489
Miscellaneous Trust Fund [Current Mandatory]	20,130	20,130	15,200	15,200	19,700	22,029	19,024	24,000	24,000	22,930
Total, BLM	1,007,897	1,038,596	1,133,604	1,124,886	1,127,839	1,059,314	1,119,109	1,136,809	1,252,359	1,259,419
Total, BLM with Offsetting Collections	1,068,093	1,109,692	1,215,800	1,207,082	1,200,035	1,127,838	1,191,305	1,209,005	1,292,055	1,353,615
MINERALS MANAGEMENT SERVICE/ BUREAU OF OCEAN ENERGY MANAGEMENT REGULATION AND ENFORCEMENT 2/										
Ocean Energy Management	154,750	157,373	175,217	238,999						
Rescission of Prior Year Balances	0	0	0	(25,000)						
Offsetting Collections	[135,730]	[146,730]	[156,730]	[154,890]						
Inspection Fees	[0]	[0]	[10,000]	[10,000]						
Oil Spill Research	6,303	6,303	6,303	11,744						
Total, Current Appropriations w/o Rescission	161,053	163,676	181,520	250,743						
Total, Current Appropriations w/ Rescission	161,053	163,676	181,520	225,743						
Total Appropriations and Offsetting Collections	296,783	310,406	348,250	390,633						
BUREAU OF OCEAN ENERGY MANAGEMENT 2/										
Ocean Energy Management					59,696	56,589	69,000	72,422	74,235	80,194
Offsetting Collections					[101,082]	[96,013]	[97,891]	[97,348]	[96,622]	[94,944]
Total Current Appropriations					59,696	56,589	69,000	72,422	74,235	80,194
Total Appropriations and Offsetting Collections					160,778	152,602	166,891	169,770	170,857	175,138

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT [2/]										
Offshore Safety and Environmental Enforcement					61,375	58,181	63,745	66,147	73,565	81,438
Offsetting Collections					[59,081]	[56,118]	[58,970]	[58,579]	[57,207]	[43,530]
Inspection Fees					[62,000]	[58,892]	[65,000]	[65,000]	[59,000]	[65,000]
Oil Spill Research					14,899	14,120	14,899	14,899	14,899	14,899
Total Current Appropriations					76,274	72,301	78,644	81,046	88,464	96,337
Total Appropriations and Offsetting Collections					197,355	187,311	202,614	204,625	204,671	204,867
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT										
Regulation and Technology	118,352	120,156	127,180	126,926	122,713	116,295	122,713	122,713	123,253	127,550
Permit Fees	[0]	[0]	[0]	[0]	[40]	[38]	[40]	[40]	[40]	[1,900]
Civil Penalties	[100]	[100]	[100]	[100]	[100]	[95]	[100]	[100]	[100]	[100]
Abandoned Mine Reclamation Fund	51,951	52,946	35,588	35,517	27,399	25,966	27,399	27,399	117,303	30,375
AML - Rescission of Balances	0	(8,500)	0	0	0	0	0	0	0	0
Total, Current Appropriations	170,403	164,702	162,768	162,443	150,112	142,261	150,112	150,112	240,556	157,925
Total Appropriations and Offsetting Collections	170,403	164,702	162,868	162,543	150,252	142,394	150,252	150,252	240,696	159,925
BUREAU OF RECLAMATION 3/										
Water and Related Resources	949,882	920,259	951,158	911,673	895,000	848,186	954,085	978,131	1,118,972	813,402
Policy and Administration	58,811	59,400	61,200	61,078	60,000	56,862	60,000	58,500	59,500	59,000
Central Valley Project Restoration Fund	59,122	56,079	35,358	49,914	53,068	50,371	53,288	56,995	49,528	55,606
California Bay-Delta Restoration	40,098	40,000	40,000	39,920	39,651	37,577	37,000	37,000	37,000	36,000
Indian Water Rights Settlements 4/	0	0	0	0	0	0	0	0	0	106,151
San Joaquin River Restoration Fund 4/	0	0	0	0	0	0	0	0	0	36,000
Reclamation Loan Program - Cancellation of Balances	0	0	0	0	0	0	0	(500)	0	0
Total, Current Appropriations	1,107,913	1,075,738	1,087,716	1,062,585	1,047,719	992,996	1,104,373	1,130,126	1,265,000	1,106,159
CENTRAL UTAH PROJECT COMPLETION ACT										
Central Utah Project Completion Act	42,024	41,013	40,504	30,443	26,704	19,760	7,725	8,874	9,000	4,300
Utah Reclamation Mitigation and Conservation	976	987	1,500	1,497	2,000	1,198	1,000	1,000	1,000	1,300
Total, Current Appropriations	43,000	42,000	42,004	31,940	28,704	20,958	8,725	9,874	10,000	5,600
GEOLOGICAL SURVEY										
Surveys, Investigations and Research	1,006,480	1,043,803	1,111,740	1,083,672	1,068,032	1,012,168	1,032,000	1,045,000	1,062,000	1,168,803
Total, Current Appropriations	1,006,480	1,043,803	1,111,740	1,083,672	1,068,032	1,012,168	1,032,000	1,045,000	1,062,000	1,168,803

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request
FISH AND WILDLIFE SERVICE										
Resource Management	1,082,616	1,140,962	1,269,406	1,244,861	1,226,177	1,149,803	1,188,339	1,207,658	1,238,771	1,309,912
Construction	33,162	35,587	37,439	20,804	23,051	18,098	15,722	15,687	23,687	23,740
Cancellation of Balances	0	(54)	0	0	0	0	0	0	0	0
Land Acquisition	34,596	42,455	86,340	54,890	54,632	51,775	54,422	47,535	68,500	58,655
Coop Endangered Species Conservation Fund	73,831	80,001	85,000	59,880	47,681	45,187	50,095	50,095	53,495	53,495
Cancellation of Balances	0	(4,500)	0	0	0	0	0	0	0	0
National Wildlife Refuge Fund	13,980	14,100	14,500	14,471	13,958	13,228	13,228	13,228	13,228	0
North American Wetlands Conservation Fund	41,981	42,647	47,647	37,425	35,497	33,640	34,145	34,145	35,145	35,145
Neotropical Migratory Birds Conservation Fund	4,430	4,750	5,000	3,992	3,786	3,588	3,660	3,660	3,910	3,910
Multinational Species Conservation Fund	7,875	10,000	11,500	9,980	9,466	8,971	9,061	9,061	11,061	11,061
State and Tribal Wildlife Grants	73,830	75,000	90,000	61,876	61,323	58,115	58,695	58,695	60,571	66,981
Wildlife Conservation - Cancellation of Balances	0	(497)	0	0	0	0	0	0	0	0
Landowner Incentive Program	0	0	0	(3,049)	0	0	0	0	0	0
Total, Current Appropriations	1,366,301	1,440,451	1,646,832	1,505,130	1,475,571	1,382,405	1,427,367	1,439,764	1,508,368	1,562,899
NATIONAL PARK SERVICE										
Operation of the National Park System	1,970,581	2,131,529	2,261,559	2,250,050	2,236,568	2,097,261	2,236,753	2,275,773	2,369,596	2,524,362
Centennial Challenge	24,610	0	5,000	0	0	0	0	10,000	15,000	35,000
National Recreation and Preservation	67,413	59,684	68,436	57,870	59,879	56,747	60,795	63,117	62,632	54,392
Historic Preservation Fund	70,385	69,500	79,500	54,391	55,910	52,997	56,410	56,410	65,410	87,410
Cancellation of Balances	0	(516)	0	0	0	0	0	0	0	0
Urban Parks and Recreation - Cancellation of Balances	0	(1,300)	0	(625)	0	0	0	0	0	0
Construction and Major Maintenance	218,522	233,158	232,969	209,646	159,366	124,070	137,461	138,339	192,937	252,038
Cancellation of Balances	0	(637)	0	(25,000)	(4,000)	0	0	0	0	0
North Shore Road (DoD Appropriations Bill)	0	0	6,800	0	0	0	0	0	0	0
Land and Water Conservation Fund	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(27,810)	(27,960)	(30,000)
Land Acquisition and State Assistance	68,977	64,190	126,266	94,810	101,897	96,567	98,100	98,960	173,670	178,248
State Assistance......	*24,610*	*20,000*	*40,000*	*39,920*	*44,928*	*42,578*	*48,090*	*48,117*	*110,000*	*110,006*
State Assistance - Cancellation of Balances......	*0*	*(1,000)*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Federal Land Acquisition......	*44,367*	*45,190*	*86,266*	*54,890*	*56,969*	*53,989*	*50,010*	*50,843*	*63,670*	*68,242*
Total Funding, Current Appropriations	2,390,488	2,525,608	2,750,530	2,611,142	2,579,620	2,397,642	2,559,519	2,614,789	2,851,285	3,101,450
INDIAN AFFAIRS										
Operation of Indian Programs	2,047,809	2,128,630	2,335,965	2,329,846	2,367,738	2,243,891	2,378,763	2,429,236	2,267,924	2,395,786
Contract Support Costs 5/	0	0	0	0	0	0	0	0	277,000	278,000
Construction	203,754	217,688	225,000	209,580	123,630	105,698	110,124	128,876	193,973	197,017
Indian Land & Water Claim Set & Misc Payments to Indians	33,538	21,627	47,380	46,387	32,802	32,737	35,655	35,655	49,475	55,155
Indian Guaranteed Loan Program Account	6,178	8,186	8,215	8,199	7,103	6,731	6,731	7,731	7,748	7,757
Indian Land Consolidation Program	0	0	3,000	0	0	0	0	0	0	0
Total, Current Appropriations	2,291,279	2,376,131	2,619,560	2,594,012	2,531,273	2,389,057	2,531,273	2,601,498	2,796,120	2,933,715

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request
DEPARTMENTAL OFFICES										
DEPARTMENTAL MANAGEMENT 6/										
Salaries and Expenses	91,903	98,252	105,700	105,488	249,205	236,229	251,832	253,263	257,151	265,733
National Museum of American Latino Commission	0	1,000	1,000	998	0	0	0	0	0	0
Payments in Lieu of Taxes 6/	0	0	0	0	0	0	0	0	[452,000]	0
Office of Valuation Services	7,670	8,012	12,136	12,112	12,692	12,031	12,168	12,000	12,618	12,643
Federal Subsistence - Cancellation of Balances	0	(108)	0	0	0	0	0	0	0	0
Total, Current Appropriations	99,573	107,156	118,836	118,598	261,897	248,260	264,000	265,263	269,769	278,376
INSULAR AFFAIRS										
Assistance to Territories	77,819	78,665	85,195	84,182	87,901	84,355	85,976	85,976	86,976	99,399
Compact of Free Association	5,310	5,318	3,318	3,311	3,313	3,306	3,318	3,318	3,318	3,318
Palau Compact Extension 7/	0	0	13,147	13,147	13,147	13,147	13,147	13,147	13,147	0
Total, Current Appropriations	83,129	83,983	101,660	100,640	104,361	100,808	102,441	102,441	103,441	102,717
OFFICE OF THE SOLICITOR										
Salaries & Expenses	58,326	62,050	65,076	64,946	66,190	62,728	65,800	65,800	65,800	69,448
OFFICE OF INSPECTOR GENERAL										
Salaries & Expenses	43,877	45,953	48,590	48,493	49,392	46,808	50,831	50,047	50,047	55,911
OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS										
Office of the Special Trustee for American Indians	179,487	181,648	185,984	160,678	152,075	138,058	139,677	139,029	139,029	140,379
Rescission of New Budget Authority	0	0	(9,000)	0	0	0	0	0	0	0
Indian Land Consolidation	9,844	0	0	0	0	0	0	0	0	0
Total, Current Appropriations	189,331	181,648	176,984	160,678	152,075	138,058	139,677	139,029	139,029	140,379
Department Wide Programs										
Wildland Fire Management	808,072	859,453	794,897	918,057	565,589	687,546	740,982	804,779	816,745	824,624
Rescission of Balances	0	0	0	(200,000)	(82,000)	(7,500)	(7,500)	0	0	0
Repayment of Emergency Transfer Fire Funds	0	0	0	0	0	23,000	36,000	0	0	
FLAME Wildfire Suppression Reserve Fund	0	0	61,000	60,878	91,853	91,669	92,000	92,000	177,000	0
Wildland Fire Cap Adjustment 8/	0	0	0	0	0	0	0	0	0	290,000
Working Capital Fund	40,092	73,435	85,823	85,651	61,920	58,681	57,000	57,100	67,100	111,524
Payments in Lieu of Taxes (current) 6/	228,901	0	0	0	0	0	0	372,000	452,000	0
Payments in Lieu of Taxes (mandatory) 9/	[138,693]	[382,048]	[358,479]	[375,558]	[393,444]	[402,194]	[437,321]	[67,484]	[0]	[480,000]
Central Hazardous Materials Fund	9,799	10,148	10,175	10,155	10,133	9,603	9,598	10,010	10,010	13,513
NRDA Fund	6,202	6,338	6,462	6,449	6,253	6,240	6,263	7,767	7,767	9,229
Total, Current Appropriations w/o Cap Adjustment	1,093,066	949,374	958,357	881,190	653,748	869,239	934,343	1,343,656	1,530,622	958,890
Total, Funding with Cap Adjustment	1,093,066	949,374	958,357	881,190	653,748	869,239	934,343	1,343,656	1,078,622	1,248,890

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request
DEPARTMENT OF THE INTERIOR										
- Total Current Budget Authority -										
Bureau of Land Management	1,007,897	1,038,596	1,133,604	1,124,886	1,127,839	1,059,314	1,119,109	1,136,809	1,252,359	1,259,419
Bureau of Ocean Energy Mgmt, Regulation & Enfor	161,053	163,676	181,520	225,743	0	0	0	0	0	0
Bureau of Ocean Energy Management	0	0	0	0	59,696	56,589	69,000	72,422	74,235	80,194
Bureau of Safety and Environmental Enforcement	0	0	0	0	76,274	72,301	78,644	81,046	88,464	96,337
Office of Surface Mining Reclamation and Enforcement	170,403	164,702	162,768	162,443	150,112	142,261	150,112	150,112	240,556	157,925
Bureau of Reclamation	1,107,913	1,075,738	1,087,716	1,062,585	1,047,719	992,996	1,104,373	1,130,126	1,265,000	1,106,159
Central Utah Project Completion Act	43,000	42,000	42,004	31,940	28,704	20,958	8,725	9,874	10,000	5,600
Geological Survey	1,006,480	1,043,803	1,111,740	1,083,672	1,068,032	1,012,168	1,032,000	1,045,000	1,062,000	1,168,803
Fish and Wildlife Service	1,366,301	1,440,451	1,646,832	1,505,130	1,475,571	1,382,405	1,427,367	1,439,764	1,508,368	1,562,899
National Park Service	2,390,488	2,525,608	2,750,530	2,611,142	2,579,620	2,397,642	2,559,519	2,614,789	2,851,285	3,101,450
Indian Affairs	2,291,279	2,376,131	2,619,560	2,594,012	2,531,273	2,389,057	2,531,273	2,601,498	2,796,120	2,933,715
Departmental Management	99,573	107,156	118,836	118,598	261,897	248,260	264,000	265,263	269,769	278,376
Insular Affairs	83,129	83,983	101,660	100,640	104,361	100,808	102,441	102,441	103,441	102,717
Office of the Solicitor	58,326	62,050	65,076	64,946	66,190	62,728	65,800	65,800	65,800	69,448
Office of Inspector General	43,877	45,953	48,590	48,493	49,392	46,808	50,831	50,047	50,047	55,911
Office of Special Trustee for American Indians	189,331	181,648	176,984	160,678	152,075	138,058	139,677	139,029	139,029	140,379
Department wide Programs	1,093,066	949,374	958,357	881,190	653,748	869,239	934,343	1,343,656	1,530,622	958,890
Total Current w/o Cap Adj...	**11,112,116**	**11,300,869**	**12,205,777**	**11,776,098**	**11,432,503**	**10,991,592**	**11,637,214**	**12,247,676**	**13,307,095**	**13,078,222**
Total Current w/ Cap Adj...	**11,112,116**	**11,300,869**	**12,205,777**	**11,776,098**	**11,432,503**	**10,991,592**	**11,637,214**	**12,247,676**	**13,307,095**	**13,368,222**
Current Energy and Water Subcommittee	1,150,913	1,117,738	1,129,720	1,094,525	1,076,423	1,013,954	1,113,098	1,140,000	1,275,000	1,111,759
Current Interior Subcommittee w/o Cap Adjustment	9,961,203	10,183,131	11,076,057	10,681,573	10,356,080	9,977,638	10,524,116	11,107,676	12,032,095	12,256,463
Total Interior Subcommittee with Cap Adjustment	9,961,203	10,183,131	11,076,057	10,681,573	10,356,080	9,977,638	10,524,116	11,107,676	12,032,095	12,546,463
Payments in Lieu of Taxes 10/	0	0	*0*	0	0	0	0	372,000	0	0
Crosswalk to Discretionary										
Discretionary Offsetting Receipts										
BOR Offsetting Disc Receipts	(46,914)	(52,685)	(35,057)	(49,614)	(52,767)	(39,582)	(53,288)	(56,995)	(49,528)	(55,606)
CUPCA WAPA Deposit Receipts	1,480	0	0	0	0	0	0	0	0	0
Mining Law Admin Receipts	0	0	0	(5,000)	(14,304)	(16,000)	(24,000)	(17,304)	(16,304)	(15,304)
BOEMRE Pre-August OCS Receipts	0	0	3,000	0	0	0	0	0	0	0
Changes in Mandatory Programs Offset	0	0	0	0	0	0	0	0	0	0
Net Receipts Sharing	(43,000)	(47,000)	(45,000)	(40,000)	(42,000)	(38,000)	(39,000)	0	0	0
Current Mandatory Offsets										
BLM Range Improvements	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(9,280)	(9,270)	(9,320)	(10,000)
BLM Miscellaneous Trust	(20,130)	(20,130)	(15,200)	(15,200)	(20,815)	(23,125)	(19,024)	(24,000)	(24,000)	(24,000)
OIA Assistance to Territories	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)	(27,720)
OIA Compact Assistance	(2,000)	(2,000)	0	0	0	0	0	0	0	0
Net Discretionary Totals:										
Energy and Water	1,105,479	1,065,053	1,094,663	1,044,911	1,023,656	974,372	1,059,810	1,083,005	1,225,472	1,056,153
Interior and Related	9,858,353	10,076,281	10,981,137	10,583,653	10,241,241	9,862,793	10,405,092	11,029,382	11,954,751	12,179,439
Interior and Related with Cap Adjustment	9,858,353	10,076,281	10,981,137	10,583,653	10,241,241	9,862,793	10,405,092	11,029,382	11,954,751	12,469,439
Payments in Lieu of Taxes [10/]	0	0	0	0	0	0	0	372,000	0	0
Total Discretionary Funding	**10,963,832**	**11,141,334**	**12,075,800**	**11,628,564**	**11,264,897**	**10,837,165**	**11,464,902**	**12,112,387**	**13,180,223**	**13,235,592**
Total Funding with Cap Adjustment	**10,963,832**	**11,141,334**	**12,075,800**	**11,628,564**	**11,264,897**	**10,837,165**	**11,464,902**	**12,112,387**	**13,180,223**	**13,525,592**

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted with ATB Rescission	2009 Enacted	2010 Enacted	2011 Enacted (PL 112-10) with ATB Rescission	2012 Enacted with ATB for Interior Bill	2013 Enacted (PL 113-6) with Sequester	2014 Enacted	2015 Enacted	2016 Enacted	2017 President's Budget Request

Footnotes:

1/ Beginning in FY 2013, BLM Construction funding was included in Management of Lands and Resources, Transportation and Facilities Maintenance

2/ The Minerals Management Service (MMS) was renamed the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE) in FY 2010 In FY 2012, MMS/BOEMRE was subsequently reorganized into two bureaus - the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE), and the Office of Natural Resources Revenue was moved to the Office of the Secretary

3/ Bureau of Reclamation (BOR) funding in FY 2008 excludes $175 million transferred to BOR for Desert Terminal Lakes

4/ Funding for Indian Water Rights Settlements and San Joaquin River Restoration Fund are proposed as stand-alone accounts in FY 2017 Funding for these programs is included in Water and Related Resources in FY 2008-2016

5/ Contract Support Costs funding was included in Operation of Indian Programs before it was established as a separate account in FY 2016

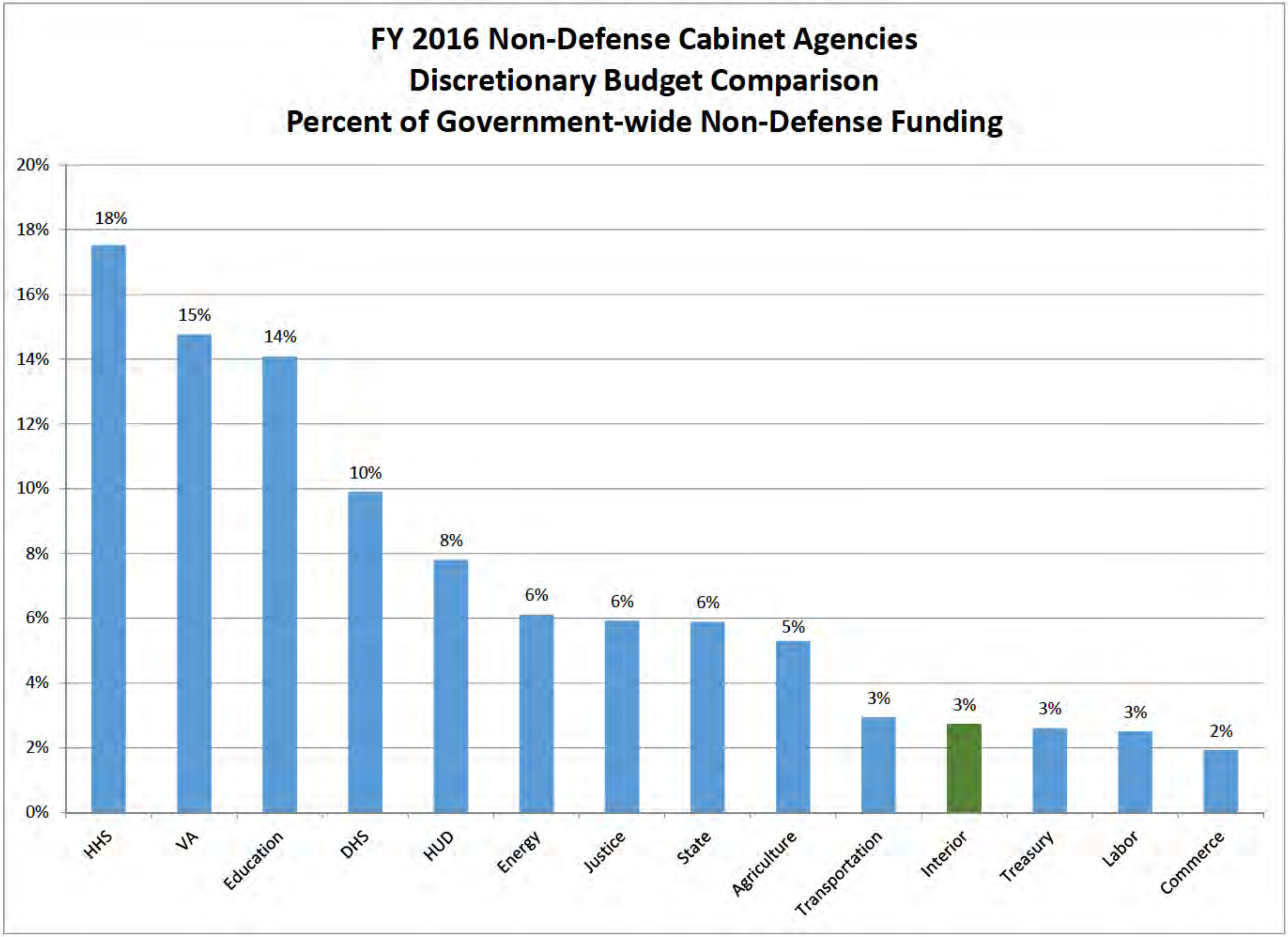
6/ The FY 2016 Appropriation for the Office of the Secretary included $452 million for Payments in Lieu of Taxes (PILT) in the Departmental Operations account FY 2016 PILT funding is shown in the PILT account in Department-wide Programs for comparison purposes

7/ The Interior Appropriations Act has provided $13 147 million annually in the Compact of Free Association account for the Palau Compact extension since the last compact expired in FY 2009

8/ The Wildland Fire Cap Adjustment is proposed in the 2017 President's budget Under the proposal, the cap adjustment funding is drawn from the Disaster Cap as set by the Budget Committees The cap adjustment funding is only available if wildland fire activities deplete funding available for suppression activities The cap adjustment provides authority for the Department to request up to the cap amount from available funding under the Disaster Cap

9/ The table includes PILT mandatory funding as a non-add to display the total funding for PILT payments for each fiscal year Amounts displayed for FY 2015 includes $33 0 million made available in FY 2015 and $34 484 million made available in FY 2016 for FY 2015 PILT Payments

10/ In FY 2015, PILT funding was provided as an individual appropriation and was not scored against the Interior Appropriations Subcommittee allocation


FY 2016 Non-Defense Cabinet Agencies
Discretionary Budget Comparison
Percent of Government-wide Non-Defense Funding
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
18%
15%
14%
10%
8%
6%
6%
6%
5%
3%
3%
3%
3%
2%
HHS
VA
Education
DHS
HUD
Energy
Justice
State
Agriculture
Transportation
Interior
Treasury
Labor
Commerce

Department of the Interior FTE History: Full-time Equivalent Staff Year (FTE) Actual of Bureaus and Offices (Current Direct FTE Only)

Bureau/Office	FY 2008 Actual	FY 2009 Actual 1/	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
Bureau of Land Management	6,988	6,504	6,979	6,714	6,763	6,508	6,286	6,097	6,123	6,124
Bureau of Ocean Energy Management, Regulation and Enforcement (formerly Minerals Management Service)	1,448	1,491	1,549	1,722						
Bureau of Ocean Energy Management					560	543	543	566	574	592
Bureau of Safety and Environmental Enforcement					519	602	661	674	756	756
Office of Surface Mining Reclamation and Enforcement	523	514	519	504	486	449	423	421	488	515
Bureau of Reclamation	2,876	2,920	2,574	2,372	2,011	1,935	1,840	1,809	2,558	2,558
U. S. Geological Survey	5,427	5,369	5,446	5,526	5,431	5,202	4,982	4,843	4,975	5,132
Fish and Wildlife Service	6,945	7,119	7,362	7,599	7,608	7,317	6,849	6,689	6,903	7,116
National Park Service	16,999	17,446	18,385	17,991	17,811	16,790	16,249	15,877	16,543	16,713
Bureau of Indian Affairs	6,609	6,526	6,409	6,205	6,151	5,972	5,506	5,498	5,541	5,827
Departmental Offices										
Office of the Secretary	487	435	423	463	1,066	1,101	1,055	1,075	1,161	1,166
Central Utah Project Completion Act	4	5	5	4	4	4	4	4	4	4
Office of Insular Affairs	37	34	38	41	38	37	33	34	40	42
Office of the Solicitor	353	354	358	364	350	327	314	309	324	344
Office of Inspector General	251	276	291	276	275	257	255	263	263	283
Office of Special Trustee for American Indians	626	651	684	665	639	591	578	576	655	655
Department-wide Programs										
Wildland Fire Management	13	11	10	19	23	23	23	24	24	24
Central Hazardous Material Fund	3	4	5	4	5	5	4	5	5	5
Natural Resources Damage Assessment	7	9	9	10	9	9	10	13	15	19
Working Capital Fund	0	0	19	55	64	74	73	81	131	131
Total, Department of the Interior	**49,596**	**49,668**	**51,065**	**50,534**	**49,813**	**47,746**	**45,688**	**44,858**	**47,083**	**48,006**
Utah Mitigation Commission 2/	10	12	10	10	9	9	9	9	10	10
Combined Total	**49,606**	**49,680**	**51,075**	**50,544**	**49,822**	**47,755**	**45,697**	**44,867**	**47,093**	**48,016**

1/ FY2009 FTE includes 11 FTE for Wildland Fire Management omitted from the President's budget reporting. Total for FY2009 will not match totals presented in the budget.

Federal Staffing Terminology

Throughout the Department's budget documents staffing information is typically provided in "full time equivalents" or FTE. This is a different than the common understanding of staffing which is the number of employees.

The term FTE, refers to a "work year" based upon the annual number of hours worked by an employee and is used when budgeting funding for positions. Generally, a "work year" is equal to ~2080 hours and is equivalent to 1 FTE. The term "employees" (sometimes phrased as staff, workforce, headcount, on board, etc.) refers to the total number of individual people employed by the Department. Each person on the staff is counted as an employee.

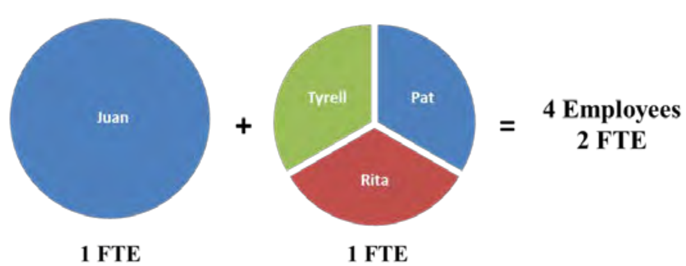
Reporting personnel in terms of FTE enables a common view of the Federal civilian workforce across agencies and is a key component of the Department's budget submissions to Congress. One FTE is equal to 2080 hours of work. Two employees who work part time (4 hours/day rather than 8) for the entire year will equal one FTE but will be reported as two on-board employees.

The formula for calculating FTE is as follows:

Total Hours Worked by All Employees / Hours in Fiscal Year (2080) = # of FTE.

The following examples illustrate the concept:

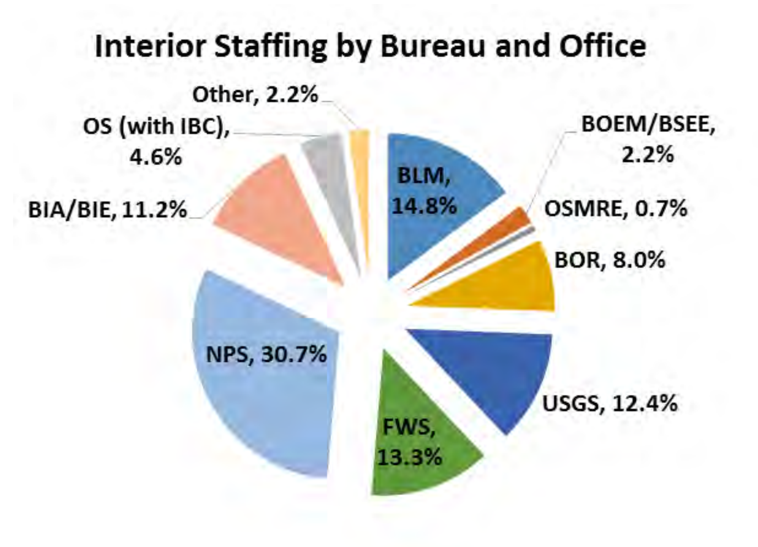
- Juan is a full time employee who works the whole fiscal year (2080 hours). Juan generates 1 work year (*1 FTE*).
- Pat, Rita, and Tyrell are seasonal employees. They all begin work at the beginning of May and end work at the end of August (4 months). They each generate ~693.33 hours during the year. Together, the three of them generate (693.33 x 3 =) 2080 hours, or 1 work year (*1 FTE*).



Interior Staffing Summary

The Department of the Interior has more than 70,000 employees in 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States. Interior's varied mission, wide geographic presence, direct public service programs, and Trust and stewardship responsibilities, make it one of the most personnel intensive Federal agencies. Of the Department's annually appropriated funding roughly 41 percent supports salaries and associated costs. From all sources including reimbursable work, Interior pays out just over $6 billion annually in salary and benefits to its employees.

Interior's diverse staff is critical to protecting and managing the Nation's natural resources and cultural heritage, providing scientific and other information about those resources, and providing services to American Indians, Alaskan Natives, and affiliated island communities. The Department benefits from a knowledgeable workforce that is passionate about Interior's mission, dedicated to public service, highly skilled, and fully capable of carrying out the duties required to meet diverse mission requirements.

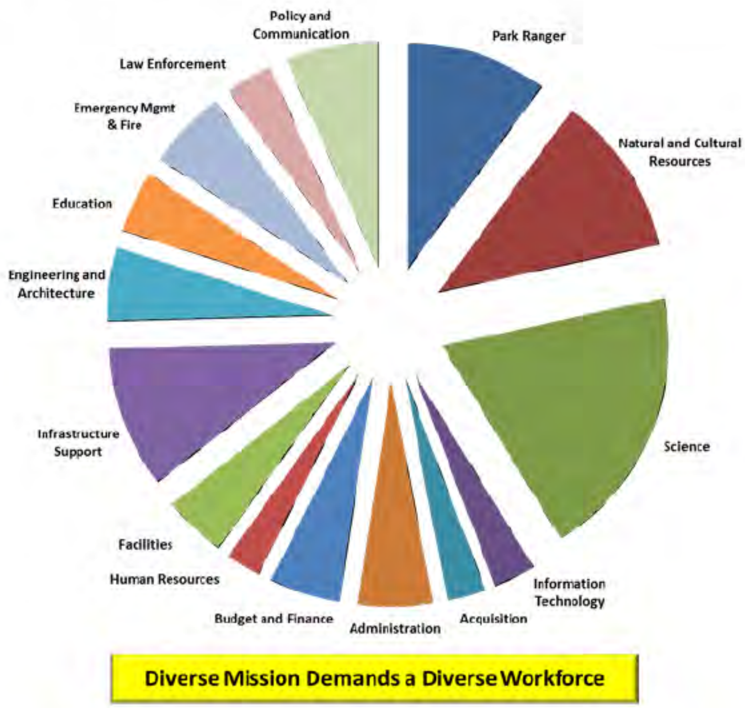


The largest employers in the Department of the Interior are its land management agencies, the National Park Service (NPS), Bureau of Land Management (BLM), and the Fish and Wildlife Service (FWS). These agencies are responsible for the care of structural assets, stewardship of natural and cultural resources, and provide the public information and direct services across the entire United States, frequently in remote locations. The land management bureaus typically employ large numbers of seasonal employees who work the peak seasons of the year at parks, refuges, and public land areas.

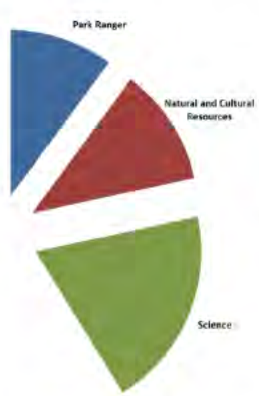
The employees of the U.S. Geological Survey provide the scientific and technical expertise which makes the USGS the Nation's largest water, earth, and biological science and civilian mapping agency. The Survey collects, monitors, analyzes, and provides science about natural resource conditions, issues, and problems – from natural hazards to water availability to the changing climate.

Interior's next largest employers are the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE). The Department maintains relationships with 567 federally recognized Tribes in the lower 48 States and Alaska and provide support to a service population of more than two million people. The BIE provides education services to 48,000 individual students in 23 States attending 183 elementary and secondary schools and dormitories, and supports 32 community colleges, universities, and post-secondary schools.

Interior's employees comprise more than 7,000 unique position titles across 15 functions which fall into five major categories described below.



<u>Iconic Mission Functions</u>: Interior is perhaps most well-known for its role in the Nation's parks, natural and cultural resources, and scientific endeavors. The largest component of the Department's workforce (41 percent) is dedicated to directly carrying out these iconic mission functions.

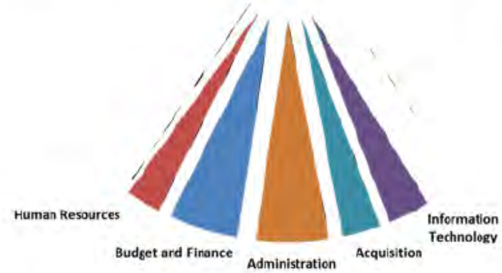


<u>Rangers</u>: Over 7,000 rangers ensure the conservation of public lands, as well as the safety and education of more than 485 million visitors per year to Interior's parks, refuges and hatcheries, public lands, and recreation sites. While the majority of Interior's rangers are part of the National Park Service, the Bureau of Land Management, Bureau of Reclamation, and the U.S. Fish and Wildlife Service also employ rangers.

<u>Natural and Cultural Resources</u>: The protection and advancement of the Nation's cultural and natural resources is carried out by environmental protection specialists, field officers, geographic information specialists, rangeland specialists, forestry technicians, archivists, and many more. These positions constitute 11 percent of DOI's workforce.

<u>Science</u>: The largest segment of Interior's workforce (20 percent) provides unbiased, multi-discipline science to better understand, manage and protect the landscape, natural resources, and natural hazards. Biologists, ecologists, botanists, geophysicists, geologists, and hydrologists are just a few of the key members of Interior's diverse scientific community.

Mission-Enabling Functions: Approximately 19 percent of Interior's workforce conducts the "business" functions to execute the Agency's mission most effectively.



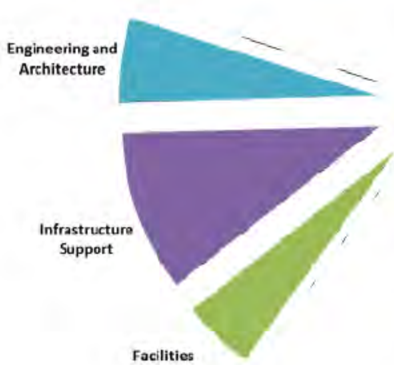
Information Technology: IT professionals ensure adequate infrastructure, information protection, and secure platforms for electronic data and comprise 3 percent of DOI's workforce.

Acquisition: Interior's acquisition staff (three percent) oversees the appropriate issuance and management of contracts for necessary supplies and services, ensuring the best value for the Government's money.

Administration: In support of the day-to-day operations of the Agency, Interior maintains a cadre of professional administrative officers, records managers, general services specialists, clerks, and correspondence control specialists (among others) who ensure the efficient support of the spectrum of mission functions performed across the Department. In particular, Interior's administrative professionals (five percent) ensure timely response to Congressional inquiries and Freedom of Information Act requests, while maintaining accurate records and privacy act compliance.

Budget and Finance: Budget analysts, accountants, auditors, and other financial management specialists are just a few of the position types committed to ensuring funding for Interior is effectively justified, appropriately allocated, legally executed, and fully reconciled. These functions are five percent of DOI's workforce.

Human Resources: Recognizing the vital role of its employees, Interior's human resources specialists work (two and a half percent) to improve hiring processes, close mission-critical skill gaps, improve employee engagement, and strengthen human capital processes, tools, and strategies.



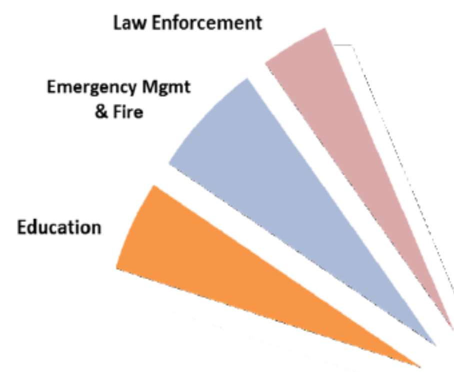
Public Service Functions: The public services associated with facilities management, infrastructure support, and a variety of engineering and architectural activities account for 20 percent of Interior's workforce.

Facilities: Approximately five percent of Interior's workforce is responsible for the safe, effective management of over a thousand facilities across the Nation. The Department's facilities staff includes positions such as industrial and realty specialists, property managers, maintenance managers, physical security personnel, and inventory management specialists.

Infrastructure Support: From road construction to hydroelectric operations, the Department's infrastructure support employees ensure vital services are delivered to people and tribes. This category accounts for just over ten percent of the total workforce.

Engineering and Architecture: Ensuring structural integrity and compliance with necessary codes and regulations for projects, facilities, structures, systems, and processes is the chief responsibility of the engineering and architectural employees of the Department. These positions comprise just over five percent of the total Interior workforce.

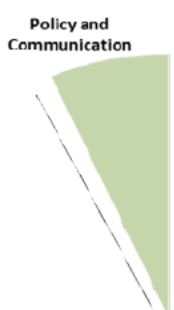
Direct Support and Protection: This category includes Interior's education, emergency management, fire protection, and law enforcement employees. These personnel (at just under 14 percent of the workforce) engage directly with Tribes to deliver quality education services to Native American youth that promote success, and with local citizens, to provide effective fire, emergency, safety, and protection services that leverage Federal, state, and local collaborations.



Education: Education specialists, teachers, training specialists, counselors, and education support staff comprise approximately four percent of the Interior workforce and maintain Interior's commitment to furthering educational and training opportunities for youth and families.

Fire and Emergency Management: Employees of emergency and wildland fire management programs account for nearly six percent of the total workforce, including such positions as fire protection specialist, emergency management specialists, risk managers, incident management specialists, mitigation specialists, and forestry technicians.

Law Enforcement: Law enforcement personnel (just over three percent of employees) are central to preserving safety and security on public lands, providing assistance to citizens in emergency situations, and ensuring compliance with Federal, state, county and municipal laws and ordinances.



Policy and Communication: Approximately seven percent of DOI's workforce is devoted to maintaining the Agency's strategic engagement in its diverse mission across all of these functions. The policy team includes congressional liaison personnel, attorneys, advisors, writers, editors, legislative specialists, and associate, regional, and state directors (among others) who collaborate to ensure Interior's efforts remain aligned with the Administration's priorities in the execution of its core mission.

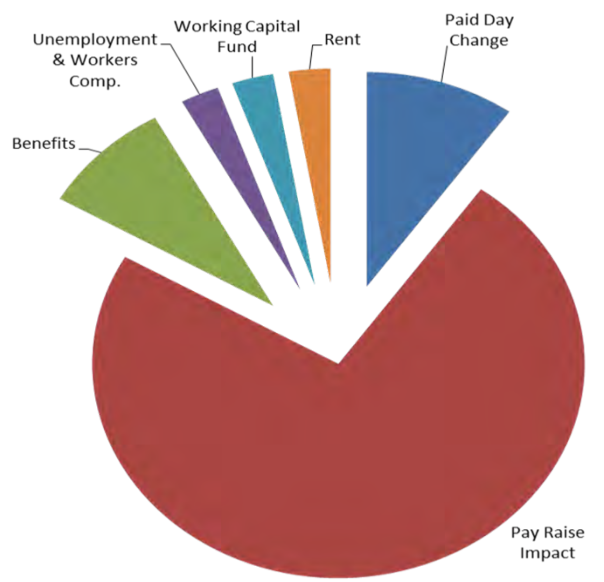
Interior Fixed Costs

Summary: In discussing Interior's budget, the term "fixed costs" comes up frequently. Because of the direct service nature of the Department, a large portion (41 percent) of the Department's appropriated (discretionary) funding supports personnel. To properly budget for the annual escalation of personnel requirements and other recurring, inflation-related costs, the Department established a standard set of cost categories to formulate and discuss the Department's annual budget requirements. These costs are referred to in the Department's budget as "fixed costs," and they are identified separately in the budget in the appropriate budget lines.

Budgeting for Fixed Costs: To effectively capture recurring, non-programmatic (inflation-related) costs the Department incurs as part of day-to-day operations, Interior negotiated with Congressional appropriators to display an agreed-upon set of cost categories termed "fixed costs." These costs are calculated centrally by the Interior Office of Budget, validated by the Office of Management and Budget, allocated to the Department's Bureaus and Offices, and submitted as part of the Department's President's Budget submission.

By Departmental policy, Bureaus must fund fixed costs within budget targets. If funding remains flat, the need to cover higher fixed costs reduces the amount available for program activities. For the past several years, Congress has not reliably funded fixed cost increases, which slowly erodes the purchasing power of program funding over time. Although the overall funding level for a program may stay the same from year to year, if the program has fixed cost increases, the same amount will cover less programmatic activity. Total fixed costs for the Department vary, but typically fall between $30 and $120 million dollars annually.

Calculating Fixed Costs: Fixed costs fall into two general categories: Pay-Related (Pay Raise, Benefits, Paid Day Change, and Unemployment/Worker's Comp) and Non-Pay Related (Rent and Working Capital Fund). Typically, annual pay cost of living adjustments, account for greatest share of changes in fixed costs from year to year.



Fixed Costs Capture Non-Programmatic Changes

Pay Related Fixed Cost – Pay related fixed costs capture the incremental changes to payroll and payroll-related benefits that result from Administratively-directed changes in pay raise assumptions, changes to the government share of benefits or retirement, unemployment compensation assumptions, and worker's compensation claims. They do not include increased pay requirements associated with within-grade increases or promotions.

- Paid Day Change: The calculation for a standard work year is 2,080 hours. This number changes based on the number of non-holiday (paid) work days during the fiscal year, so a fiscal year may have 2080, 2088, or 2096 hours. The fixed cost calculation captures changes to expected pay based on any changes in the number of hours between fiscal years in the budget. A change in the number of paid days can have a significant impact on fixed costs, increasing it by approximately $20 million (in a +1 paid day year) or decreasing it by more than $40 million (in a -2 paid days year).

- Pay Raise Impact: Each year the Office of Management and Budget provides assumptions for pay raise increases for Federal employees. Changes to pay raise assumptions are the biggest component of the Department's fixed costs.

- Benefits: The OMB guidance also provides guidance regarding anticipated changes in Federal benefits. Changes may include revised government contributions to the Federal Employee Retirement System (FERS), changes to the employer's share of the Federal Health Benefits Program (FHBP), the expansion of health care coverage to seasonal and temporary employees, among others.

- Unemployment: Estimates for unemployment compensation are calculated each year based on the Department's billed costs from the prior year and a standard non-labor inflation rate. Estimates can change from year to year based upon inflation, as well as the number of weeks of unemployment compensation provided to affected individuals.

- Worker's Compensation: Charges for compensation to employees injured while on duty are billed by the Department of Labor two years after they are incurred (i.e. actual charges reported during FY 2016 will be billed to the Department during FY 2018). This allows for accurate estimates in the fixed cost calculations.

Non-Pay Related Fixed Costs: The Department incurs operational costs that are not related to employee pay and benefits which are included in the fixed cost calculation.

- Rent: The Department leases space from the General Service Administration (GSA) and from commercial vendors in locations across the country. Fixed costs capture changes in rental rates, allocated charges for space in the Main Interior Building, and any baseline funding adjustments as a result of consolidations into Bureau-owned space.

- Working Capital Fund: Interior's Working Capital Fund provides a range of services to the Department's Bureaus and standardized services to external customers. Each year, the Working Capital Fund Consortium ratifies a centralized list of mandatory services, such as enterprise-wide IT support, provided to Bureaus and Offices across the Department that are billed on a pro-rata basis. Year to year changes in these requirements are captured in the fixed cost calculation.

Overview of DOI Grants and Payments

The Department of the Interior annually issues more than $4.5 billion dollars in grants and payments. The list below includes descriptions of the major grant and payment programs of the Department. A table with all DOI Grants and Payments as tabulated in the 2017 Budget in Brief is provided as an addendum to this paper.

Bureau of Land Management

General Fund Payment to Counties (FY15 Actual $7,730,000): The Secure Rural Schools and Community Self Determination Act of 2000 provides for Federal funds to flow to counties that traditionally have been supported by timber payments. The Act, insofar as it applies to the BLM, affects the 18 Oregon and California Grant Land (O&C) counties in Oregon covered by the five western BLM Districts. A portion of Secure Rural Schools payments are paid out of BLM's General Fund, while the remainder come from timber receipts. Resource Advisory Committees are utilized for local community collaboration with the BLM and the Forest Service to support projects on Federal lands or private lands that benefit resources on Federal lands.

Payments to States and Counties from Shared Receipts including Payments from NV Land Sales (FY15 Actual $44,791,000): These payments are made to States and counties from the sale, lease, or use of other public lands or resources under the provisions of permanent legislation and do not require annual appropriations. The payment amounts depend on the amount of collections or receipts as authorized by applicable law, and the provisions of those laws that specify the percentage of receipts to be paid to designated States, counties, or other recipients. Specific payments include those to States and/or counties from grazing receipts and payments to Nevada from receipts of land sales (e.g. the Southern Nevada Public Land Management Act, or SNPLMA).

Office of Surface Mining Reclamation and Enforcement

Abandoned Mine Reclamation State Grants (FY15 Actual $226,545,000): The Abandoned Mine Land program is authorized in Title IV of the Surface Mining Law, to reclaim land and waters damaged by coal mining before the law's passage. States with an approved program (currently 25), or specific Indian Tribes (currently 3), are eligible for Abandoned Mine Land grants. The funds come from fees paid by active coal mine operators on each ton of coal mined.

State and Tribal Regulatory Grants (FY15 Actual $68,590,000): The coal regulatory program is authorized by Title V of the Surface Mining Law. A State may choose to take over the regulation of surface coal mining operations ("primacy"). If it does, the State must develop a plan for the program, which must be approved by the Secretary of the Interior. Functions of a State coal regulatory program include permitting, inspection of mine sites, enforcement of mining laws and regulations, and bond release after mining and reclamation is complete.

Bureau of Reclamation

Boulder Canyon Project Payments to AZ, NV (FY15 Actual $600,000): The Boulder Canyon Project Act of 1928 established the Colorado River Dam Fund. Revenues are derived mainly from the sale of electrical energy generated at Hoover Dam. This payment is provided to the States in lieu of taxes.

Title XVI Water Reclamation and Reuse Program (FY15 Actual $26,000,000): Title XVI of P.L. 102-575, as amended, provides authority for Reclamation's water recycling and reuse program. Through the Title XVI program, Reclamation identifies and investigates opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water in the 17 Western States and Hawaii. Title XVI includes funding for the planning, design, and construction of water recycling and reuse projects, on a project specific basis, in partnership with local government entities.

WaterSMART Grants (FY15 Actual $23,500,000): WaterSMART Water and Energy Efficiency Grants provide cost-shared funding for projects that save water, increase energy efficiency and the use of renewable energy in water management, support environmental benefits (e.g. make conserved water available instream or otherwise address endangered species issues), mitigate conflict risk in areas at a high risk of future water conflict, and accomplish other benefits that contribute to water supply sustainability in the western United States.

Fish and Wildlife Service

Boating Infrastructure Grants (BIG) (FY15 Actual $12,144,000): Provide funds to States, the District of Columbia and insular areas to construct, renovate, and maintain tie-up facilities for transient vessels 26 feet or more in length, and to produce and distribute educational materials about the program. The BIG Program included two funding tiers, Tier One (non-competitive; up to $200,000 annually to each State, the D.C. and insular area) and Tier Two (nationally competitive process). It was funded from the Sport Fish Restoration and Boating Trust Fund, derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest. Under the *Fixing America's Surface Transportation* Act, the BIG and CVA programs have been combined into the Boating Infrastructure Improvement Grants program.

Clean Vessel Act (CVA) Grants (FY15 Actual $12,144,000): Provided funds to States, the District of Columbia and insular areas for the construction, renovation, operation, and maintenance of pumpout stations and waste reception facilities for recreational boaters and also for educational programs on the importance of proper disposal of sewage. The CVA Program was funded from the Sport Fish Restoration and Boating Trust Fund, derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest. Under the *Fixing America's Surface Transportation* Act, the BIG and CVA programs have been combined into the Boating Infrastructure Improvement Grants program.

Boating Infrastructure Improvement Grants (FY15 Actual $N/A): Under the *Fixing America's Surface Transportation* Act, the BIG and CVA programs described above have been combined into this new program. The 2017 estimate for the new Boating Infrastructure Improvement Grants program is $24.9 million.

Coastal Wetlands Conservation (FY15 Actual $33,698,000): Competitive program providing funding for long-term conservation of coastal wetland ecosystems by helping States and Territories to protect, restore and enhance coastal habitats. Eligible projects include the acquisition of real property interest in coastal lands or waters and the restoration, enhancement, or management of coastal wetlands ecosystems. It is funded from the Sport Fish Restoration and Boating Trust Fund, derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest.

Cooperative Endangered Species Conservation Fund (FY15 Actual $50,095,000): The Cooperative Endangered Species Conservation Fund (section 6 of the ESA) provides grants to States and Territories for voluntary conservation projects for candidate, proposed, and listed species. It provides funding to States and Territories for species and habitat conservation actions on non-Federal lands, under the four program areas known as Conservation Grants, Habitat Conservation Planning (HCP) Assistance Grants, HCP Land Acquisition Grants, and Recovery Land Acquisition Grants. States and Territories must contribute a minimum non-Federal match of 25 percent of the estimated program costs of approved projects, or 10 percent when two or more States or Territories implement a joint project.

Federal Aid in Wildlife Restoration Payments to States (FY15 Actual $800,495,000): The Wildlife Restoration (WR) Program provides grant funds to the fish and wildlife agencies of States and insular areas for projects to restore, conserve, manage and enhance wild birds and mammals and their habitat. Projects also include providing public use and access to wildlife resources, hunter education, and development and management of shooting ranges. The Program is authorized by the Wildlife Restoration Act (Pittman-Robertson PR) of 1937. Excise taxes on firearms, ammunition, archery equipment and arrow components are collected and appropriated from the Wildlife Restoration Account.

Fish Commission and Boating Council (FY15 Actual $1,199,000): Provides formula-based funding to support fisheries commissions that serve as a forum for discussion of various problems and programs of marine management, industry, research, etc. and to develop a coordinated policy to address those issues. Funding also supports the Sportfish and Boating Partnership Council, comprised of public and private sector fishery leaders, that advises the Secretary of the Interior, through the Director of the Fish and Wildlife Service, on aquatic conservation endeavors that benefit recreational fishery resources and recreational boating and that encourage partnerships among industry, the public, and government.

Hunter Education and Safety Grant Program (FY15 Actual $7,992,000): The Hunter Education Program provides grant funds to the fish and wildlife agencies of States and insular areas for projects to provide instruction in firearm operations and safety, wildlife management, nature conservation, ethics, game laws, outdoor survival, and wilderness first aid. Funds may also be used for the development and operations of archery and shooting range facilities. The goal is to teach students to be safe, responsible, conservation-minded hunters. The Hunter Education Program is part of the Wildlife Restoration Program, authorized in the Wildlife Restoration Act of 1937. Revenues from manufacturers' excise taxes collected on pistols, revolvers, bows, arrows, archer accessories and arms and ammunition are collected and appropriated from the Wildlife Restoration Account.

Multi-State Conservation Grant Program (FY15 Actual $5,994,000): The MSCGP provides funding for wildlife and sport fish restoration projects identified as priority projects by the Association of Fish and Wildlife Agencies (AFWA). These projects address problems affecting States on a regional or national basis, such as biological research/training, species population status, outreach, data collection regarding hunter/angler participation, hunter/aquatic education, economic value of fishing/hunting, and regional or multistate habitat needs assessments. Six million dollars is provided annually for the MSCGP, $3 million from the Sport Fish Restoration and Boating Trust Fund and $3 million from the Wildlife Restoration Account. The funds made available from these two accounts are received from excise taxes collected on fishing equipment, motorboat and small engine fuels, import duties, firearms, ammunition, archery equipment and arrow components, and interest.

Multinational Species Conservation Fund (FY15 Actual $9,061,000): The Multinational Species Conservation Fund (MSCF) provides direct support in the form of technical and cost-sharing grant assistance to range countries for on-the-ground protection and conservation of African and Asian elephants, rhinoceroses, tigers, chimpanzees, gorillas, bonobos, gibbons, orangutans, and marine turtles. The range countries of these species are often underdeveloped nations in Africa and Asia, where local people have limited skills or little training in wildlife management. Funds are used for on-the-ground projects that provide local lay people and professionals with the skills to protect their country's wildlife and habitat resources.

National Fish and Wildlife Foundation (FY15 Actual $7,022,000): NFWF was established by Congress in 1984 to support the mission of the Fish and Wildlife Service (FWS). NFWF leverages FWS appropriated funds into partnerships with corporations, foundations, other Federal agencies, and nonprofit organizations to finance projects benefiting America's fish and wildlife resources. The FWS funds support strategic conservation efforts focusing on at-risk species, habitat enhancement, and community-based stewardship.

National Outreach Program (FY15 Actual $12,144,000): The National Outreach program improves communications with anglers, boaters, and the public regarding angling and boating opportunities, which reduces barriers to participation in these activities, advances adoption of sound fishing and boating practices, promotes conservation and the responsible use of the Nation's aquatic resources, and furthers safety in fishing and boating. The Recreational Boating and Fishing Foundation, a nonprofit 501(c (3), is the recipient of this nationally-competitive grant program.

National Wildlife Refuge Fund (FY15 Actual $21,704,000): The *Refuge Revenue Sharing Act* of 1978, as amended, authorizes revenues and direct appropriations to be deposited into a special fund, the National Wildlife Refuge Fund (NWRF), and used for payments to counties in which lands are acquired in fee or reserved from the public domain and managed by FWS. These revenues are derived from the sale or disposition of (1) products (e.g., timber and gravel); (2) other privileges (e.g., right-of-way and grazing permits); and/or (3) leases for public accommodations or facilities (e.g., oil and gas exploration and development) incidental to, and not in conflict with, refuge purposes.

Neotropical Migratory Bird Conservation (FY15 Actual $3,660,000): The Neotropical Migratory Bird Conservation Act program provides matching grants to partners throughout the Western Hemisphere to promote the conservation of Neotropical migratory birds in the United States, Canada, Latin America, and the Caribbean. Supported projects secure, restore, and manage wintering, migrating, and breeding habitat; conduct law enforcement, provide community outreach and education; and do population research and monitoring. By law, at least 75 percent of the money must go to projects in Latin America, the Caribbean, and Canada, with the remaining 25 percent available for projects in the United States.

North American Wetlands Conservation Fund (FY15 Actual $34,145,000): The *North American Wetlands Conservation Act* authorized the granting of funds for wetlands conservation projects in the United States, Canada, and Mexico. Funds may be used to acquire real property interest in lands or waters, including water rights, and to restore, manage, and/or enhance wetland ecosystems and other habitat for migratory birds and other fish and wildlife. Projects must provide long-term conservation for wetlands-associated migratory birds and other wetlands-associated wildlife.

Sport Fish Restoration, Apportionment to States (FY15 Actual $346,096,000): The Sport Fish Restoration (SFR) Program provides grant funds to the fish and wildlife agencies of States, the District of Columbia and insular areas for fishery projects, boating access and aquatic education. The Program is authorized by the *Sport Fish Restoration Act of 1950*. The SFR Program was created to restore and better manage America's declining fishery resources and was modeled after the successful Wildlife Restoration Program. Excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest are collected and appropriated from the Sport Fish Restoration and Boating Trust Fund.

State and Tribal Wildlife Grants (FY15 Actual $58,695,000): The State and Tribal Wildlife Grant Programs provide grant funds to State fish and wildlife agencies and to Federally recognized Tribal governments for developing and implementing programs that benefit wildlife and their habitats, including Native American cultural or traditional importance and species that are not hunted or fished. Funds are provided through an annual appropriation from the Land and Water Conservation Fund. The grant funds are distributed annually through a competitive application process. Matching funds and partnerships are not required, but they may score higher in the ranking process. Grant funds may be used to address a variety of conservation needs – such as research, fish and wildlife surveys, species restoration, habitat management, and monitoring – that are identified within a State's Wildlife Action Plan. These funds may also be used to update, revise, or modify a State's Plan.

National Park Service

American Battlefield Program Matching Grants (FY15 Actual $10,184,000): The American Battlefield Protection Program awards Battlefield Planning Grants to groups, institutions, organizations, or governments sponsoring preservation projects at historic battlefields, and Battlefield Land Acquisition Grants to State and local governments seeking either fee simple acquisition of or permanent, protective interests (easements) in eligible Revolutionary War, War of 1812, or Civil War battlefield land.

Chesapeake Bay Gateway Grants (FY15 Actual $1,999,000): This program provides technical and financial assistance to State and local agencies and organizations to provide better access to the Chesapeake Bay and associated rivers, to conserve important landscapes and resources, to engage youth in meaningful work and placed-based education, to improve recreational opportunities, and to interpret the natural and cultural resources of the Chesapeake region. The program assists partners with visitor service amenities, interpretive media, programs and signage, training, conservation, and public water access projects linked to over 250 parks, refuges, land and water trails, historic sites and communities and throughout the Chesapeake Bay Watershed.

Heritage Partnership Program (FY15 Actual $19,339,000): National Heritage Areas (NHAs) are designated by Congress as places where natural, cultural, and historic resources combine to form a cohesive, nationally important landscape. NHAs are a grassroots, community-driven approach to heritage conservation and economic development. Through public-private partnerships, NHA entities support historic preservation, natural resource conservation, recreation, heritage tourism, and educational projects. The NHA program is administered by NPS coordinators and park unit staff, but NHAs are not national park units. Rather, NPS partners with, provides technical assistance to, and distributes matching Federal funds to NHA entities.

Historic Preservation Grants (FY15 Actual $56,410,000): The Historic Preservation Fund was authorized under the National Historic Preservation Act (NHPA) to administer a program of matching grants to the States for the purposes of carrying out the NHPA, and to the National Trust for Historic Preservation for the purposes of carrying out the responsibilities of the National Trust. Eligible applicants are: 1) States (as defined in the Act) operating NPS- approved programs; 2) Indian Tribes and Native Hawaiian organizations; 3) the National Trust for Historic Preservation (the National Trust); and 4) Certified Local Governments where there is no approved State program.

Japanese-American Confinement Site Grants (FY15 Actual $2,905,000): Congress established the Japanese American Confinement Sites grant program (Public Law 109-441, 120 Stat. 3288) for the preservation and interpretation of U.S. confinement sites where Japanese Americans were detained during World War II. The law authorized up to $38 million for the entire life of the grant program to identify, research, evaluate, interpret, protect, restore, repair, and acquire historic confinement sites. Grants are awarded to organizations and entities working to preserve historic Japanese American confinement sites and their history, including: private nonprofit organizations, educational institutions, and State, local, and tribal governments, and other public entities.

LWCF State Conservation Grants (FY15 Actual $45,790,000): The State Side of the LWCF provides matching grants to States and local governments for the acquisition and development of public outdoor recreation areas and facilities.

Native American Graves Protection Act Grants (FY15 Actual $1,657,000): Section 10 of the *Native American Graves Protection and Repatriation Act* (NAGPRA) authorizes the Secretary of the Interior to make grants to museums, Indian Tribes, and Native Hawaiian organizations for the purposes of assisting in consultation, documentation, and repatriation of Native American "cultural items," including human remains, funerary objects, sacred objects, and objects of cultural patrimony. Two types of grants are available, Consultation/Documentation Grants and Repatriation Grants. Consultation/Documentation grants are project-based, and support the efforts of museums, Indian Tribes and Native Hawaiian organizations to consult and document NAGPRA-related human remains and cultural items in non-Federal collections.

Urban Park Recreation and Recovery Grants (FY15 Actual $0; newly proposed for FY17): The Urban Park and Recreation Recovery (UPARR) program was established in November 1978 by Public Law 95-625, authorizing $725 million to provide matching grants and technical assistance to economically distressed urban communities. The purpose of the program is to provide direct Federal assistance to urban localities for rehabilitation of critically needed recreation facilities. The law also encourages systematic local planning and commitment to continuing operation and maintenance of recreation programs, sites, and facilities. UPARR has not been funded since 2002. However, previously assisted sites and facilities remain protected in public recreation use.

Office of Natural Resources Revenue

Cooperative and Delegated Audits of Oil and Gas Operations (FY15 Actual $12,327,000): The Federal Oil and Gas Royalty Management Act of 1982 authorizes the Secretary of the Interior to enter into cooperative agreements with States or Indian Tribes to share oil and gas royalty management information, and to carry out inspection, audit, investigation, and enforcement activities on Federal and Indian lands. States and Indian Tribes therefore are working partners with the Office of Natural Resources Revenue and participants in the overall compliance effort. The ONRR reimburses States and Indian Tribes for the costs of performing authorized activities; costs may include salaries, office equipment, and travel expenses.

Mineral Revenue Payments to States (FY15 Actual $1,810,795,000): The Office of Natural Resources Revenue is responsible for collecting, disbursing, and verifying Federal and Indian energy and other natural resource revenues on behalf of all Americans; this includes mineral revenues disbursed to 37 States as provided by revenue sharing provisions under law. These payments include Mineral Leasing Associated Payments, National Forest Fund Payments to States, Payments to States from Lands

Acquired for Flood Control, Navigation and Allied Purposes, National Petroleum Reserve – Alaska, royalty payments to Oklahoma, and late interest payments.

Geothermal Payments to Counties (FY15 Actual $3,765,000): The Office of Natural Resources Revenue disburses payments equal to 25 percent of collections from geothermal energy production to 36 individual counties in eight states.

Qualified OCS Revenue Payments to Gulf of Mexico States (FY15 Actual $2,441,000): The Gulf of Mexico Energy Security Act of 2006 (GOMESA, P.L. 109-432) opened additional areas in the Gulf of Mexico for offshore oil and gas leasing. The Act provided that 50 percent of revenues from these open areas (termed "qualified OCS revenues") disburse to four Gulf of Mexico oil and gas producing States (Alabama, Louisiana, Mississippi, and Texas) and their Coastal Political Subdivisions (CPSs) and to the Land and Water Conservation Fund, with specific provisions for allocation during fiscal years 2007–2016. Beginning in 2017, the Act would allocate additional revenue to these States, their CSPs, and the LWCF from any new leases signed after enactment in the current program areas of the Gulf. The revenue would be shared in the same percentages, 37.5 percent to Gulf States and their CPSs and 12.5 percent to LWCF. However, this additional revenue sharing is subject to a cap of $500 million per year through 2055.

Office of Insular Affairs

American Samoa (FY15 Actual $22,752,000): Each year the Office of Insular Affairs provides grant funds to American Samoa for the operation of the local government, including the judiciary. The purpose of this program activity is to fund the difference between budget needs and local revenues.

Brown Treesnake (FY15 Actual $3,500,000): Under the Office of Insular Affair's *Territorial Assistance* Activity, funds are granted each year to combat the proliferation and spread of the invasive Brown Tree Snake on and from Guam.

Compact of Free Association (FY15 Actual $228,860,000): Funding provided annually for the Marshall Islands, Federated States of Micronesia, and Republic of Palau under their Compacts of Free Association, to provide certain Federal services, for support following the cleanup and resettlement of Enewetak, for general economic assistance, to assist the freely associated States "in their efforts to advance the economic self-sufficiency of their peoples."

Coral Reef Initiative (FY15 Actual $1,000,000): The Coral Reef Initiative program assists the insular areas in identifying causes for coral reef decline, assessing needs for enhancing local management and protection, and as available, providing technical and financial assistance to meet priority needs.

Covenant Grants (FY15 Actual $27,720,000): Grant funding provided annually to assist the Government of the Northern Mariana Islands in its efforts to achieve a higher standard of living for its people and to develop the economic resources needed to meet the financial responsibilities of local self-government. Funds local government operations, capital improvement programs, and economic development. Provided for under the terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 104-134.

Maintenance Assistance Fund (FY15 Actual $1,081,000): Provides limited assistance for investments in public infrastructure in the insular areas. The Maintenance Assistance fund is used to support, develop, improve, and institutionalize infrastructure maintenance practices in the seven insular areas. Funds can also be used for critical repairs to infrastructure.

Return Federal Taxes to Guam and Virgin Islands (FY15 Actual $298,814,000): Funds the refund of Federal taxes to the U.S. Virgin Islands (rum excise taxes) and Guam (Section 30 income taxes).

General Technical Assistance (FY15 Actual $14,504,000): Provides support not otherwise available to the insular areas to combat deteriorating economic and fiscal conditions. Activities often include, but are not limited to, building institutional capacity in the following critical areas: health care, education, public safety, data collection and analysis, fiscal accountability, energy, transportation, economic development and communication.

Compact Impact (FY15 Actual $3,000,000): Section 104 (e) of Title One of the amended Compacts of Free Association describes this financial assistance, committed by the United States to the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands and American Samoa. The goal of this financial support is to provide grants to affected jurisdictions to aid in defraying costs incurred as a result of increased demands placed on health, educational, social, or public safety services, or infrastructure related to such services, due to the residence of qualified nonimmigrants from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

Empowering Insular Communities (FY15 Actual $2,971,000): Insular communities face unique economic development challenges due to their geographic isolation, finite resources, and dependence on imported oil for their energy needs. To assist the islands in meeting these challenges, the Office of Insular Affairs is working to address energy needs through building sustainable energy strategies that are not reliant on oil.

Department-wide Programs

Payments in Lieu of Taxes(FY15 Actual $439,484,000): Payments in Lieu of Taxes (PILT) are Federal payments to local governments that help offset losses in property taxes due to non-taxable Federal lands within their boundaries. PILT payments help local governments carry out such vital services as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. Using a formula provided by statute, the annual PILT payments to local governments are computed based on the number of acres of Federal land within each county or jurisdiction and the population of that county or jurisdiction. The lands include the National Forest and National Park Systems; lands in the U.S. Fish and Wildlife Refuge System; areas managed by the Bureau of Land Management; areas managed by the U.S. Army Corps of Engineers; Bureau of Reclamation water resource development projects; and others.

GRANTS AND PAYMENTS

(in thousands of dollars)

Bureau/Grant or Payment	2015 Actual	2016 Estimate	2017 Estimate	Change
BUREAU OF LAND MANAGEMENT	**52,521**	**50,829**	**13,773**	**-37,056**
General Fund Payment to Counties [1/]	7,730	17,733	0	-17,733
Payments to States and Counties from Shared Receipts including Payments from NV Land Sales	44,791	33,096	13,773	-19,323
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT	**295,135**	**625,113**	**439,761**	**-185,352**
Abandoned Mine Reclamation State Grants [2/]	226,545	556,523	374,300	-182,223
State and Tribal Regulatory Grants	68,590	68,590	65,461	-3,129
BUREAU OF RECLAMATION	**50,100**	**43,965**	**45,465**	**+1,500**
Boulder Canyon Project Payments to AZ, NV	600	600	600	0
Title XVI Water Reclamation and Reuse Program	26,000	23,365	21,500	-1,865
WaterSMART Grants	23,500	20,000	23,365	+3,365
FISH AND WILDLIFE SERVICE	**1,416,288**	**1,333,893**	**1,373,886**	**+39,993**
Boating Infrastructure Grants [3/]	12,144	0	0	0
Clean Vessel Act Grants [3/]	12,144	0	0	0
Boating Infrastructure Improvement Grants [3/]	0	24,739	24,874	+135
Coastal Wetlands Conservation	33,698	34,622	34,836	+214
Cooperative Endangered Species Conservation Fund				
Current Funds	50,095	53,495	53,495	0
Permanent Funds	0	0	55,000	+55,000
Subtotal, CESCF	50,095	53,495	108,495	+55,000
Federal Aid in Wildlife Restoration Payments to States	800,495	698,845	686,794	-12,051
Fish Commission and Boating Council	1,199	1,206	1,281	+75
Hunter Education and Safety Grant Program	7,992	8,040	8,544	+504
Multi-State Conservation Grant Program	5,994	6,030	6,408	+378
Multinational Species Conservation Fund [4/]	9,061	11,061	11,061	0
National Fish and Wildlife Foundation	7,022	7,022	7,022	0
National Outreach Program	12,144	12,369	12,437	+68
National Wildlife Refuge Fund *(current and permanent)*	21,704	21,311	8,544	-12,767
Neotropical Migratory Bird Conservation [4/]	3,660	3,910	3,910	0
North American Wetlands Conservation Fund	34,145	35,145	35,145	0
Sport Fish Restoration, Apportionment to States	346,096	355,527	357,554	+2,027
State and Tribal Wildlife Grants [4/]	58,695	60,571	66,981	+6,410
NATIONAL PARK SERVICE	**138,284**	**208,948**	**295,328**	**+86,380**
American Battlefield Program Matching Grants				
LWCF	8,986	10,000	10,000	0
Non-LWCF	1,198	1,198	1,198	0
Subtotal, Am. Battlefield Prog. Matching Grants	10,184	11,198	11,198	0
Chesapeake Bay Gateway Grants	1,999	2,014	2,020	+6
Heritage Partnership Program	19,339	18,839	8,460	-10,379

GRANTS AND PAYMENTS
(in thousands of dollars)

Bureau/Grant or Payment	2015 Actual	2016 Estimate	2017 Estimate	Change
NATIONAL PARK SERVICE *(continued)*				
Historic Preservation Grants				
Indian Tribes	8,985	9,985	11,985	+2,000
States and Territories	46,925	46,925	46,925	0
Competitive Grants, Under Represented Communities	500	500	500	0
Competitive Grants, Civil Rights	0	8,000	25,000	+17,000
Historically Black Colleges and Universities	0	0	3,000	+3,000
Subtotal, Historic Preservation Fund Grants	56,410	65,410	87,410	+22,000
Japanese-American Confinement Site Grants	2,905	2,905	2,845	-60
LWCF State Conservation Grants				
Current Funds	45,000	106,839	106,000	-839
Permanent Funds	0	0	45,000	+45,000
Permanent Funds, Oil Lease Revenues	790	86	738	+652
Subtotal, State Conservation Grants	45,790	106,925	151,738	+44,813
Native American Graves Protection Act Grants	1,657	1,657	1,657	0
Urban Park Recreation and Recovery Grants				
Permanent Funds	0	0	30,000	+30,000
OFFICE OF THE SECRETARY - OFFICE OF NATURAL RESOURCES REVENUE	**1,829,328**	**1,374,323**	**1,428,680**	**+54,357**
Cooperative and Delegated Audits of Oil and Gas Operations	12,327	12,327	12,327	0
Mineral Revenue Payments to States [5/]	1,810,795	1,357,801	1,414,069	+56,268
Geothermal Payments to Counties [6/]	3,765	3,881	0	-3,881
Qualified OCS Revenue Payments to Gulf of Mexico States	2,441	314	2,284	+1,970
OFFICE OF INSULAR AFFAIRS	**604,202**	**596,132**	**642,854**	**+46,722**
American Samoa	22,752	22,752	22,752	0
Brown Treesnake	3,500	3,500	3,000	-500
Compact of Free Association *(permanent)*	212,395	214,139	262,000	+47,861
Compact of Free Association *(current)*	16,465	16,465	3,318	-13,147
Coral Reef Initiative	1,000	1,000	2,000	+1,000
Covenant Grants	27,720	27,720	27,720	0
Maintenance Assistance Fund	1,081	1,081	5,000	+3,919
Return Federal Taxes to Guam and Virgin Islands	298,814	288,000	288,000	0
General Technical Assistance	14,504	15,504	21,064	+5,560
Compact Impact *(current)*	3,000	3,000	3,000	0
Empowering Insular Communities	2,971	2,971	5,000	+2,029
DEPARTMENT-WIDE PROGRAMS				
Payments in Lieu of Taxes *(current and permanent)* [4/ 7/]	439,484	452,000	480,000	+28,000
TOTAL, DEPARTMENT OF THE INTERIOR	**4,825,342**	**4,685,203**	**4,719,747**	**+34,544**

Grants and Payments
(in thousands of dollars)

[1] *The 2017 budget proposes a five-year reauthorization of the Secure Rural School Act with funding through permanent appropriations in the U.S. Forest Service appropriations.*

[2] *The 2016 enacted column includes current funding of $90.0 million for economic revitalization activities in AML. The 2017 request reflects legislative proposals to advance abandoned coal mine reclamation, support economic revitalization of communities, and terminate payments to certified States and Tribes.*

[3] *Fixing America's Surface Transportation Act combines the Clean Vessel and Boating Infrastructure grants into a new Boating Infrastructure Improvement program.*

[4] *Amounts shown include administrative costs.*

[5] *Payments include Mineral Leasing Associated Payments, National Forest Fund Payments to States, Payments to States from Lands Acquired for Flood Control, Navigation and Allied Purposes, National Petroleum Reserve – Alaska, royalty payments to Oklahoma and late interest payments. Payments are reduced two percent as required by P.L. 113-67 for net receipts sharing. All years exclude payments made to coastal States and counties under Section 8(g) of the Outer Continental Shelf Lands Act, the Gulf of Mexico Energy Security Act of 2006, and Geothermal Revenue Sharing Payments to Counties under the Energy Policy Act of 2005.*

[6] *The 2017 request reflects a proposal to repeal Section 224(b) of the Energy Policy Act of 2005 and terminate geothermal payments to counties.*

[7] *Appropriations for the PILT program are a combination of current and permanent funding in the Department-wide Programs account in 2015 and Departmental Management account in 2016. The 2015 actual column reflects the full payment made for the 2015 program which includes: $372.0 million in 2015 current funding, $33.0 million in 2015 permanent funding, and $34.5 million in 2016 permanent funding. The 2016 enacted total reflects 2016 current appropriations. The amount in the 2017 estimate column is proposed as permanent funding.*

Receipts Overview

Summary:

The Department estimates it will collect roughly $6.5 billion and $7.2 billion in receipts from both onshore and offshore leasing activities and an additional $2.9 billion and $2.9 billion from other receipt collections in FY2016 and FY2017, respectively. The receipts collected are directed to the Treasury to fund Federal government operations and are shared with States in which leasing activities take place or support important programmatic efforts such as the Land and Water Conservation Fund. The activities conducted under the leases are critical contributions to the Nation's energy supply, which are necessary to support economic activity. In FY 2015, Outer Continental Shelf (OCS) leases provided 553 million barrels of oil and 1,346 billion cubic feet of natural gas, almost all of which was produced in the Gulf of Mexico, accounting for about 16 percent of domestic oil production and four percent of domestic natural gas production. The overall level of activity on the OCS related to production, leasing revenue, drilling, and development of new projects is estimated to support employment associated with about 492,000 direct, indirect, and induced jobs.

Budget Information:

$ in Thousands	2016 Est	2017 Request
Onshore Energy Mineral Leasing	2,670,981	2,685,094
Offshore Energy Mineral Leasing	3,831,745	4,517,135
Total, Energy Mineral Leasing	*6,502,726*	*7,202,229*
Other Receipts	2,895,396	2,944,174
Total, Department of the Interior	**9,398,122**	**10,146,403**

Overview:

This paper provides a summary of major mineral leasing and receipt collections activities, including recent estimates for receipt sources and programmatic efforts funded by the receipts.

Revenue Collection:

The Office of Natural Resources Revenue (ONRR) collects and disburses mineral leasing revenues in the form of royalties, rents and bonuses. A royalty is due when production begins and equals the stated share, percentage of the amount, or the value of the energy product or mineral produced. Rents are annual payments required to preserve the rights to a lease while the lease is not in production. Rents are normally a fixed dollar amount per acre and a rent schedule is established at the time a lease is issued, along with "due diligence requirements" and time limits for holding the leases. Bonuses represent the cash amount successfully bid to win the rights to a lease and are in addition to the rent and royalty obligations specified in the lease. Bonus bids are made on leases where the economic factors are expected to be quite favorable regarding the leased property.

Sources of Receipts:

Onshore Energy Leasing (FY 2017 President's Budget Estimate $2.7 Billion):
The BLM manages Federal onshore oil, gas, and coal operations that make significant contributions to the domestic energy supply as the Nation transitions to a clean energy future. In addition, the leasing activity from all of these energy sources generates significate revenue for the Treasury, as well as the States in which the mineral production occurs.

The Bureau of Land Management (BLM) also manages vast stretches of public lands with the potential to make significant contributions to the Nation's renewable energy portfolio. As such, BLM has a leading role in supporting a new energy economy based on a rapid and responsible shift to large-scale production of solar, wind, geothermal, and biomass energy.

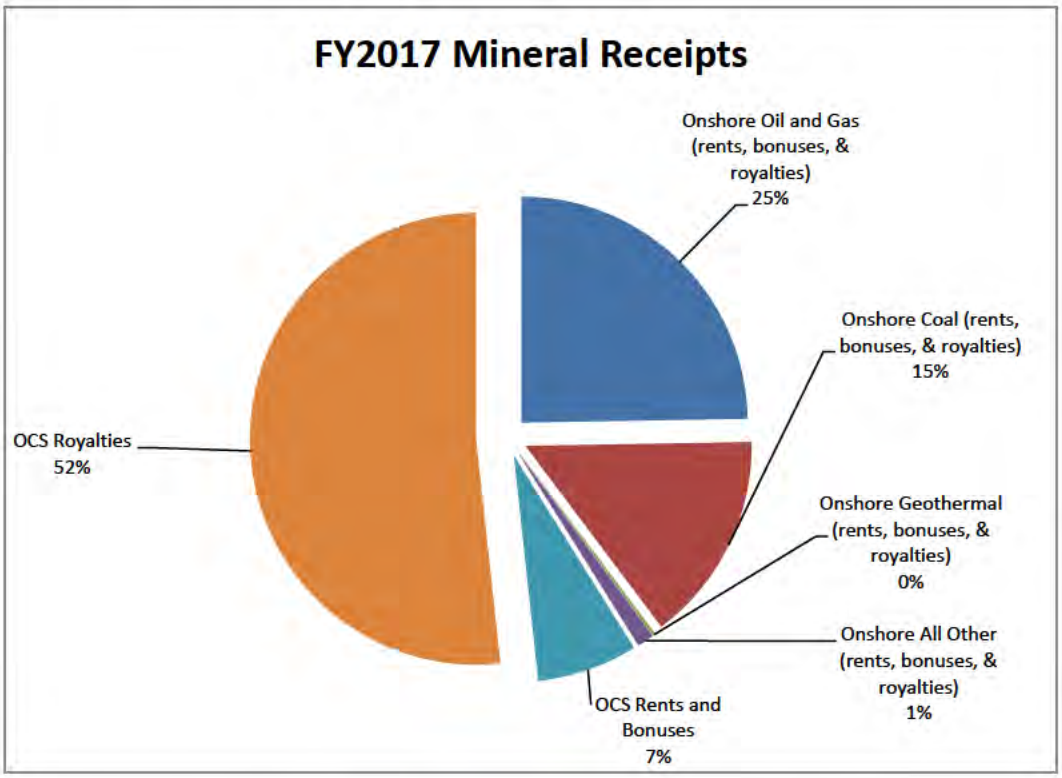
Offshore Energy Leasing (FY 2017 President's Budget Estimate $4.5 Billion):
The Outer Continental Shelf Lands Act (OCSLA) grants the Secretary of the Interior authority to issue leases on the OCS. Section 18(a)(4) of the OCSLA states "*Leasing activities shall be conducted to assure receipt of fair market value for the lands leased and the rights conveyed by the Federal Government*." Lessees pay bonuses, rentals, and royalties reflecting the value of the rights to explore and potentially develop and produce OCS oil and gas resources.

The Bureau of Ocean Energy Management (BOEM) sets minimum bid levels, rental rates, and royalty rates by individual lease sale based on its assessment of market and resource conditions as the sale approaches. Again, the revenue from this leasing activity generates significant revenue for the Treasury, as well as the coastal states where the lease resides. BOEM prepares and maintains a schedule of proposed oil and gas lease sales, issues easements and leases for deploying renewable energy technologies, and manages ownership records for offshore tracts leased for energy development. A portion of offshore rental receipts offset appropriated funding for BOEM and BSEE.

Estimated Onshore & Offshore Mineral Receipts (FY 2017 President's Budget Estimate $7.2 billion):
In the 2017 President's Budget, Onshore Energy Mineral Receipts were projected to total $2.7 billion in FY2016 and FY2017 while Offshore Energy Mineral Receipts were projected to total $3.8 billion in FY2016 and $4.5 in FY2017 as seen in the table below.

PB 2017 [in thousands]	FY2016 Est.	FY2017 Est.	Change
Onshore Energy Mineral Leasing			
Oil and Gas (rents, bonuses, & royalties)	1,606,275	1,799,603	+193,328
Coal (rents, bonuses, & royalties)	975,734	796,396	-179,338
Geothermal (rents, bonuses, & royalties)	11,724	11,847	+123
All Other (rents, bonuses, & royalties)	77,248	77,248	0
Total Onshore Energy Mineral Leasing	**2,670,981**	**2,685,094**	+14,113
Offshore Energy Mineral Leasing			
OCS Rents and Bonuses	465,701	568,412	+102,711
OCS Royalties	3,359,910	3,906,341	+546,431
Oil and Gas Reform [/1]	0	20,000	+20,000
Escrow Payout Interest	6,134	22,382	+16,248
Total Offshore Energy Mineral Leasing	**3,831,745**	**4,517,135**	+685,390
TOTAL Energy Mineral Leasing	**6,502,726**	**7,202,229**	**699,503**
Offsetting Receipts	**1,853,782**	**1,940,052**	+86,270
Non-Offsetting Governmental Receipts	**1,038,614**	**1,001,122**	-37,492
Non-Offsetting Earnings on Investments	**3,000**	**3,000**	0
Total, Department of the Interior	**9,398,122**	**10,146,403**	**748,281**

[/1] PB2017 Oil and Gas Reform Legislative Proposal



Other Offsetting and Non-Offsetting Receipts (FY 2017 President's Budget Estimate $1.9 billion):

In addition to mineral receipts, Interior has the statutory authority to collect receipts from other activities such as grazing, timber, recreation and concession fees as illustrated by the following table.

PB 2017 [in thousands]	FY2016 Est.	FY2017 Est.	Change
Noncompetitive Filing Fees	60	60	0
Grazing Fees	14,170	13,119	-1,051
Timber Fees	52,333	36,923	-15,410
Recreation Entrance/Use Fees	280,112	318,836	+38,724
Park Concession Special Accounts and Other Fees	190,692	161,009	-29,683
Rent of Land and Structures	83,765	85,208	+1,443
Sale of Land, Water, Power, Helium, Buildings, etc	433,185	339,585	-93,600
Offsetting Earnings on Investments	58,534	82,870	+24,336
All Other Offsetting Receipts	740,931	902,442	+161,511
Total	**1,853,782**	**1,940,052**	**+86,270**

Funds Supported by Mineral Leasing Revenues:
Every American benefits from the revenues generated from mineral resources, either directly through payments to Tribes and Individual Indian Mineral Owners (IIMOs) or indirectly through payments to the Historic Preservation Fund (HPF), the Land and Water Conservation Fund (LWCF), the Reclamation Fund, States, and the General Fund of the U.S. Treasury.

The beneficiaries of disbursements in FY 2015 included:

- U.S. Taxpayers — $4.75 billion in mineral leasing revenues are one of the Federal Government's greatest sources of non-tax receipts, funding various government functions and programs through the General Fund of the U.S. Treasury.

- States — $1.84 billion in mineral revenues disbursed to States can be a significant element of a State's finances, providing funding for local schools, roads, libraries, public buildings, and general operations, as the States deem necessary.

- Western Water Users — $1.39 billion in mineral revenue receipts fund a significant portion of the U.S. Bureau of Reclamation's water resource development and maintenance work in the western United States. Spending from the account is subject to appropriation.

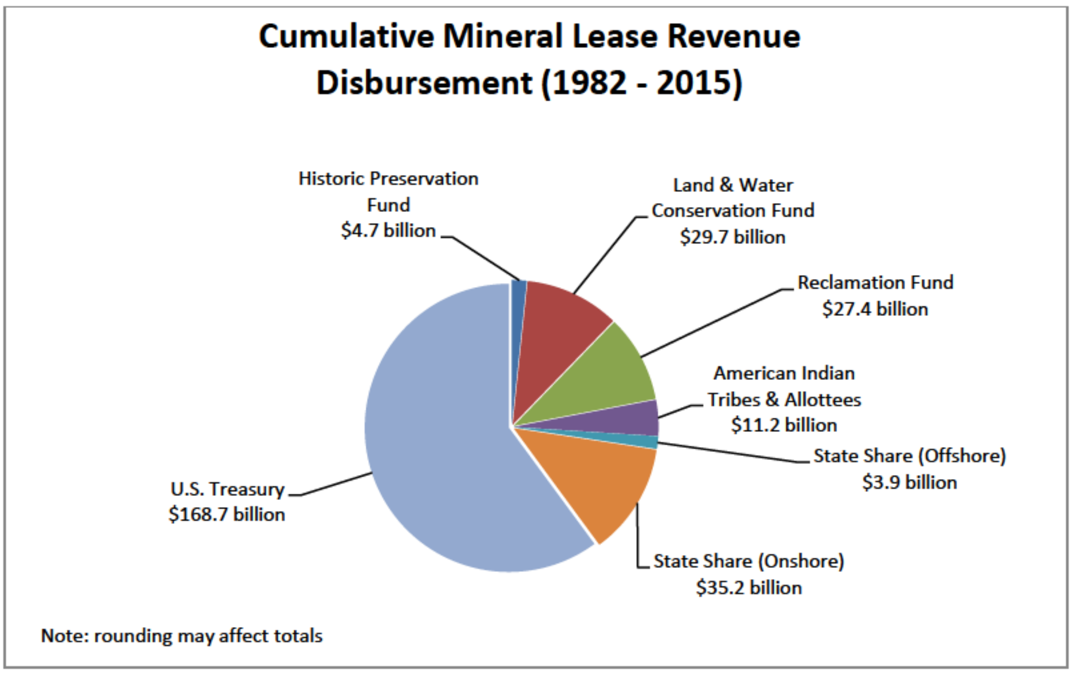
- Conservation and Recreation Programs — $889 million which ONRR transfers annually to the Land and Water Conservation Fund (LWCF) to be used as a resource for Federal, State, and local governments to help acquire, develop, and improve outdoor recreation areas. Most spending from the account is currently subject to annual appropriations.

- American Indian Tribes and Indian Mineral Owners — $853 million collected from mineral leases on Indian land is distributed regularly to Tribal governments or IIMOs. These funds provide direct and tangible benefits to thousands within the American Indian community, often as a major source of primary income.

- Preservation — $150 million which ONRR annually transfers to the National Historic Preservation Fund (HPF) as "seed money" to preserve and protect our Nation's irreplaceable heritage for current and future generations. This fund is administered to help save historic buildings, neighborhoods, and landscapes.

The Federal government has been collecting revenues from mineral production on Federal onshore lands since 1920; on American Indian lands since 1925; and on Federal offshore lands since 1954. In 1982, the Federal Oil and Gas Royalty Management Act called upon the Department to establish a comprehensive, consolidated system for the collection, accounting, and disbursement of these revenues. Since that time, Interior has provided over $280 billion to Federal, State, and American Indian recipients through this program. Approximately 60 percent of all annual collections have gone to the General Fund of the U.S. Treasury, 22 percent to special purpose funds, 14 percent to States, and almost 4 percent to the American Indian community.

Special purpose funds, including the LWCF, the HPF, and the Reclamation Fund, have received $61.8 billion in ONRR-collected mineral revenues since 1982.



Key Issues:

Declining energy commodity prices: Changes in economic assumptions [i.e., oil and gas prices] can have a significant impact on the estimated receipts and production. Lower oil and gas prices have three effects on mineral receipts; lower prices directly affect mineral receipts with lower royalties paid for the oil and gas produced, the unattractive economic returns for energy companies can lead to declines in production [which means further declines in royalties] and a reduced interest in leasing [which translates into lower rents and bonuses].

Impacts of Administrative and Legislative Proposals on Mineral Receipts: Proposed changes in an effort to increase mineral receipts are often complex and not immediate given the multifaceted nature of the issues involved. For example, adding a lease sale does not translate immediately into a significant increase in mineral receipts. New lease sales must go over several hurdles prior to the actual lease sale even being added to the OCS 5 year leasing plan, including environmental impact statements and public comments. The time between the initiation of a new lease to when oil or gas is actually removed from the ground [when royalties start] can take several years. During that time rents are paid, but royalties are a much larger portion of the mineral receipts. Another example might be to increase fees. Fee increase proposals may also have to go over numerous hurdles prior to potentially increasing receipts including Congress and rule-making hearings. In addition, legislative proposals typically aren’t retroactive and only affect future leasing which puts more time between the initiation of a proposal and when those new leases take effect or where we would potentially see an increase in mineral receipts.

DOI Infrastructure and Facilities

Summary:

Interior's real property assets are central to Interior's mission, many representing iconic and unique National treasures (e.g. Statue of Liberty, Blue Ridge Parkway, Hoover Dam). Interior's assets are diverse: visitor centers, Indian schools, office buildings, roads, bridges, laboratories, fish hatcheries, dams and reservoirs, power plants, water and wastewater treatment systems, and irrigation systems including pumping plants.

At the start of 2016, Interior's deferred maintenance backlog was estimated at $16.1 billion, including buildings, roads, bridges, and trails. The NPS backlog, $11.7 billion, is the largest among Interior bureaus and receives significant public attention, including several high profile maintenance issues (e.g., Grand Canyon water supply, Arlington Memorial Bridge). The condition of the Indian schools has received increased attention and focus, both from the public and Congress, in recent years. Deterioration of facilities affects health and safety and impairs effectiveness. In addition to managing the deferred maintenance backlog and other infrastructure priorities as an integral part of the budget process, Interior is pursuing office consolidation opportunities and reducing its leased footprint, which helps contain costs.

Budget Information:

Construction and Maintenance

dollars in thousands

	2015 Actual	2016 Enacted	2017 Request	2017 House	2017 Senate
Bureau of Reclamation	51,604	50,610	42,526	42,526	42,526
Bureau of Land Management	80,769	86,016	84,039	86,225	81,745
US Geological Survey	35,732	35,732	40,816	35,732	35,732
Fish and Wildlife Service	170,817	185,705	197,140	185,515	182,316
National Park Service	592,414	709,421	877,503	793,017	767,804
Bureau of Indian Affairs	274,943	354,791	365,722	364,222	360,722
Wildland Fire	6,127	6,427	10,000	10,000	8,427
Total, Department of the Interior	**1,212,406**	**1,428,702**	**1,617,746**	**1,517,237**	**1,479,272**

Note: Bureaus with construction funding (NPS, FWS, Indian Affairs) primarily use that funding for deferred maintenance and replacement.
Table excludes Department of Transportation Funding

Background:

All Interior lands and units come with facilities, including many unique structures. Within Interior, bureaus prioritizes infrastructure investments through a capital investment strategy, based on Interior-wide policy and priorities, which are flexible enough to support the varied mission priorities of bureaus while serving as a comprehensive investment strategy to address requirements. These assets typically require long-term financial and programmatic commitments and in many cases, the law specifically mandates that Interior preserve the assets for future generations.

Interior Owned Infrastructure:

Interior owns and operates about 43,000 buildings and 75,000 structures, including over 90 power plants. This includes more than 475 dams and dikes, more than 50,000 miles of canals, laterals, and drains, more than 100,000 miles of roads, 183 Indian schools, numerous monuments, and a wide variety of other constructed assets. The current replacement value of these assets exceeds $285 billion and many are of priceless historical significance. Interior focuses its facility investments on protecting cultural and natural resources, providing rewarding visitor experiences, and protecting the health and safety of visitors and employees. Interior spends more than $1 billion annually on operations, maintenance, and repair, but this does not keep pace with recorded maintenance needs or cover up-front investment to consolidate or demolish assets to achieve long-term savings. Deterioration rates vary by type of asset, current conditions, geographic location, and other factors, but the investment levels fall short of the industry recommended two to four percent of current replacement value for buildings.[1] This equates to a recommended minimum of $5.3 billion annually for maintenance and repair of those assets, an amount that would consume over 40 percent of the Interior budget.

Planning for Deferred Maintenance and Capital Improvements – Each bureau with a significant inventory of owned infrastructure develops a five-year deferred maintenance and capital improvement plan to prioritize and formulate funding requirements across its portfolio. Through an annual process, bureaus prioritize capital investment projects that best support bureau missions, Interior-wide objectives, and the Administration's emphasis areas and initiatives. The five-year plan places priority on projects that stabilize, restore, replace, or improve life-cycle performance of assets that are mission critical or mission dependent. The five-year plans are submitted to Congress as part of the Department's annual budget justification materials.

Deferred Maintenance Backlog – Although Interior bureaus defer a portion of annual maintenance each year, each has a sustaining level of annual maintenance critical to properly manage and/or reduce the deferred maintenance backlog and enable prior deferred maintenance or capital improvement investments to fulfill their full life expectancy.

Deferred Maintenance Backlog

(dollars in thousand)

Bureau	2014	2015
Bureau of Indian Affairs	2,251,618	2,088,940
Bureal of Land Management	736,391	748,453
Bureau of Reclamation	97,668	147,480
Fish and Wildlife Service	1,457,479	1,333,071
National Park Service	10,956,562	11,734,563
U.S. Geological Survey	76,646	86,751
Total, Department of the Interior	**15,576,364**	**16,139,258**

Source: 2015 Interior Agency Financial Report

Transportation Assets –Transportation assets account for roughly 50 percent of the Department's deferred maintenance backlog. Interior funds many road projects with funding provided by the

[1] Source: National Academies of Science Federal Facilities Council

U.S. Department of Transportation (DOT) through the Highway Trust Fund, most recently reauthorized under the Fixing America's Surface Transportation (FAST) Act. The funding received under the FAST Act is mandatory funding available without further appropriation. The principal program for Interior's under the FAST Act is the Federal Lands Transportation Program (FLTP) for Federally owned roads, which provides separate allocations for NPS, FWS, and the U.S. Forest Service (within USDA), and allows the BLM and Reclamation to compete within a pool of funds alongside other Federal agencies with natural resource and land management responsibilities.

Additionally, Interior has been successful in competing for DOT TIGER and FASTLANE grants to fund large portions of projects such as Arlington Memorial Bridge in the District of Columbia and Tamiami Trail in Florida. The FAST Act also reauthorizes the Tribal Transportation Program (TTP) for roads owned by BIA, Tribes, and providing access to Tribal lands.

Federal Lands Transportation Program
(dollars in thousands)

	Each Year 2009-2011	Each Year 2012-2015	FAST Act 2016	2017	2018	2019	2020
NPS	$240,000	$240,000	$268,000	$276,000	$284,000	$292,000	$300,000
FWS	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000
Competitive Pool[2]	-	$30,000	$22,000	$22,000	$22,000	$22,000	$22,000
USFS	-	-	$15,000	$16,000	$17,000	$18,000	$19,000

Leased Infrastructure:

While Interior owns a significant portion of its real property footprint, Interior acquires much of the remainder via the General Services Administration or as commercially available space. Interior-wide, the estimated cost of leased space is $385 million for FY 2017. To balance relative benefits of owned versus leased space, Interior integrates a five-year space management plan that is coordinated and integrated with the deferred maintenance and capital improvement five-year plan. A guiding principle in all Interior bureaus' space management has been an effort to reduce the footprint of leased facilities. Bureaus are encouraged to replace high cost leases by renovating owned facilities to improve utilization or through collocation with another agency. Interior is coordinating with GSA to identify consolidations that create cost saving with manageable upfront investment. An interagency working group in Denver is evaluating opportunities at the Denver Federal Center, and a similar working group is doing the same for the National Capital Region. Interior's drive to achieve real property efficiency is supported by successfully competing for GSA consolidation funding:

- Washington, DC – In 2016, Interior received $15 million in GSA consolidation funding to support the modernization of the South Interior Building to increase occupancy from

[2] Within Interior, the BLM and Reclamation are eligible under the FAST Act.

170 to 450, which will help eliminate commercial leases in Washington, DC, and collocate bureaus at the Main and South Interior Buildings to improve collaboration.

- Denver, CO – Reclamation's office consolidation at the Denver Federal Center received \$15 million in 2016 GSA consolidation funding to reduce space utilization by 40 percent, for an annual savings of \$2.1 million.

- Seattle, WA – This \$1.3 million project for NPS space consolidation for NPS in the Seattle Federal Office Building is ongoing.

- Portland, OR – This \$227,000 project consolidated OST from a GSA commercial lease into the 911 Federal Building to avoid \$200,000/year in costs.

Interior and the U.S. Department of Agriculture have "Service First" authority which allows sharing of resources across agencies and bureaus to achieve efficiencies through consolidation. Co-location is a major component of this authority and improves management across jurisdictional boundaries. Interior continues to build on strong partnerships among the BLM, NPS, FWS, and the USDA's U.S. Forest Service to improve natural and cultural resource stewardship, enhance customer service, and increase operational efficiency. Examples include:

- Vancouver, WA – NPS and BIA have formed a Service First partnership to rehabilitate and re-use an historic building at Fort Vancouver National Historic Site, which will allow BIA to vacate GSA office space, reducing annual costs, and accommodate BIA law enforcement vehicles the current GSA location cannot accommodate. For the NPS, this provides a stable tenant that will assist in maintaining an historic building. In total, the project could save both agencies \$1.1 million over ten years.

- Boulder City, NV – The USGS is discussing a plan to collocate with the Bureau of Reclamation at a Reclamation-owned facility that can accommodate the eighty staff, labs, warehouse, and office requirements of two USGS science centers located in GSA space in Henderson, NV. The project is estimated to save almost \$500,000 annually in rent costs.

All of these space consolidation and Service First initiatives are part of Interior's plan to improve use of real property. The plan reduces commercial leases, focuses on geographic areas with high concentrations of DOI employees, and favors the use of DOI or Federally-owned space. For fiscal years 2016 to 2020, Interior is targeting 1.3 million square feet of reductions for office and warehouse space. Reducing the footprint has been an Administration management priority with targets that Interior has exceeded.

Emerging Issues/Potential Issues:

Climate Change Resilience – Changing climate effects present short- and long-term risks to Interior's infrastructure and facilities. Severe storms, flooding, fire, and other factors may accelerate deterioration of materials, equipment, and systems, leading to increased operations and maintenance costs. Climate change risks to assets vary by region, elevation, and other local factors.

Climate change is a growing risk to Western water management for Reclamation. Warmer temperatures and changes in precipitation, snowpack, and the timing and quality of streamflow across major river basins are threats to water sustainability and water supply, quality, flood control, recreation, habitat, and hydropower. Reclamation is addressing these vulnerabilities by collaborative adaptation strategies and including climate related assumptions into infrastructure management prioritization to focus on what can practically be addressed.

Aging Infrastructure – The owned and leased assets of Interior are aging. Many have outlived their original design life; others host larger or different missions from the constructed intent, while still others are historic assets that have distinct challenges for maintenance. For example:

- The USGS National Wildlife Health Center in Madison, WI, the only Federal program dedicated to wildlife disease detection, control, and prevention, experienced a collapse of the drain system in the biosafety level three (BSL-3) high-containment areas, suspending critical research into avian influenza, White Nose Syndrome, and other diseases since 2015. The USGS is performing repairs that will sustain the facility for up to ten years and has begun investigating alternatives, including options with potential university partners.

- The Arlington Memorial Bridge, an asset of the NPS, will close by 2021 unless critical repairs are made. Complete rehabilitation costs about $250 million, including $166 million needed for the initial phase. The NPS received a $90 million DOT grant for the initial phase, has $43 million in Federal Lands Transportation Program funding, but still requires an additional $33 million for the initial phase. The project cannot proceed without complete funding for the phase.

- The Grand Canyon National Park's five million annual visitors receive water from a spring on the North Rim through a 1960s era, obsolete pipeline that breaks between five and thirty times a year, forcing the park to institute emergency water rationing. Because of its location and construction conditions, the replacement cost is estimated at $137 million.

- Approximately 30 percent of BIA schools and dormitories are in poor condition and over 75 percent of quarters for BIA educators are in poor condition. In 2016, the BIA identified 10 schools as the next round of replacement campuses. The previous list for replacement schools included 14 schools in 2004. It took 12 years to receive necessary appropriations to replace those schools, during which the condition of those and many other schools deteriorated further.

DOI Statistics

(Data reflects status at the end of FY 2015)

	National Park Service	US Fish & Wildlife Service	Bureau of Land Management	Indian Affairs	Bureau of Reclamation	USGS
Units	409 (59 Nat Parks, 80 Nat Mon , 18 NRA, 252 other)	566 Refuges and 38 Wetland Management Districts in the NWRS including 7 National Monuments; 72 National Fish Hatcheries (NFH), 7 Fish Technology Centers, 9 Fish Health Centers, and 1 Historic Fish Hatchery in the NFHS, 65 Fisheries Resource Offices and 80 Ecological Services (ES) field offices	267 (23 NM, 16 NCA, 1 Coop Mngmt & Protection Area, 223 WA)	299 reservations & other trust lands; 566 Tribes	475 dams impound 337 reservoirs maintained by Reclamation; 53 hydroelectric power plants owned and operated	Over 150 Science Centers, observatories, laboratories, and field stations
Acres total	84,573,013	150,415,974 (includes 21,087 acres for the NFH System and 951 acres for Admin/ES Sites)	248,345,551	55,000,000 surface; 57,000,000 subsurface mineral estates held in trust	10,000,000 acres of farmland irrigated by Reclamation water	n/a
Acres outside Alaska	29,822,992	73,648,527	176,110,715	54,000,000 surface; 56,000,000 subsurface mineral estates held in trust	10,000,000 acres of farmland irrigated by Reclamation water	n/a
Structures	24,773 buildings and 50,753 other structures	6,528 buildings; 31,473 other strucutres	3,450	3,981 bldgs total: 1,221 education bldgs (at 182 elementary & secondary schools and 2 colleges); 2,525 other buildings, 235 office buildings	1,901 buildings; and 2,217 structures owned by Reclamation	270 buildings and 283 other structures
Funding for facilities construction	$61,678,000	$6,554,000	$0	$105,697,999	Not Available	n/a
Roads (miles)	13,566	12,587	59,458	BIA Roads 29,093; Tribal Roads 158,001	2,015	n/a
Gas tax Map-21 funding for - Highway Trust Fund (mandatory)	$226,320,000	$7,382,592	$8,897,000	BIA Roads $24,123,000; Tribal Roads $311,417,648	$399,999	n/a
Bridges/tunnels, etc.	1,791 (Road Bridges 1,719 and Tunnels 72)	724	652	920 Bridges	331 public bridges	n/a
Employee Housing	3,957 (excludes trailer pads)	1,081	189	3,156	90	n/a
Dams	409 Dams, dikes, and levees	245	649	773	475	n/a
Trails (miles)	18,123	2,201	13,532	not counted	1,159	n/a
Campsites	1,387	983	12,228	not counted	548	n/a
Visitors/year	284,125,057	49,794,611	61,825,930	n/a	90,000,000	n/a
Volunteers/year	444,192	35,988	25,494	n/a	2,089	1,872
Maintenance Backlog	$11 49 billion	$1 3 billion	$0 6 billion	$2 0 to $2 1 billion	$2 9 billion for Major Rehabilitation and Replacement in the upcoming 5-year period	$0 9 billion

<u>**The Congressional Appropriations Process – An Overview**</u>

<u>*President's Submission of the Budget to Congress*</u> – By design, the Appropriations process starts in early February each year with the submission of the President's Budget Request to Congress. The process is intended to finish by October 1, before the start of the next fiscal year with the enactment of twelve Appropriations bills. In practice, however, this timeframe often slips and it is necessary for Congress to enact a single or series of Continuing Resolutions (CR) to keep government operations funded into the new fiscal year.

> <u>During the Transition Year</u>: The President's Budget Request is due to Congress on the first Monday in February. Because this is a transition year for the Administration, the Office of Management and Budget plans to release a "Current Services" budget to meet this deadline. The Current Services Budget is essentially a placeholder to allow the new Administration time to submit its priorities for the coming fiscal year. Funding in the Current Services submission continues current operations at the FY 2016 enacted level. It maintains steady state and does not include any policy adjustments from current operations.
>
> A few months after Inauguration, the President will submit a "Policy" Budget proposing policy based changes to the budget for the coming fiscal year. Within Interior, the office of the Assistant Secretary for Policy, Management and Budget will work closely with incoming Departmental leadership to submit key proposals for the FY 2018 President's Budget to the Office of Management and Budget. Formulation of the Policy Budget occurs shortly after Inauguration within very tight deadlines.

<u>*Budget Resolution*</u> – Typically, soon after the President's budget is delivered, Congress develops the Budget Resolution to set non-binding targets for spending and tax revenue. This is usually completed by April 15 but not always. The House and Senate each pass resolutions to provide targets or caps for the appropriations process. The Budget Committee spending target is further subdivided into spending caps for each appropriations bill, commonly known as the 302(b) allocations. The House and Senate Budget Committees work out differences between their versions of the budget resolution for Congressional approval before the Appropriations Committees meet to finalize their spending bills. The full Federal budget process calls for a reconciliation at the end of the appropriations process to make adjustments to revenue or spending to meet the caps.

> <u>During the Transition Year</u>: During FY 2016, the House and Senate failed to reach agreement on a budget resolution for FY 2017 before leaving in the fall. The House and Senate will need to agree on Appropriations caps for the remaining FY 2017 bills when they reconvene in 2016, after the election.

<u>*Appropriations Sub-Committees*</u> – The full House and Senate Appropriations Committees each have twelve subcommittees. Each subcommittee is responsible for an annual appropriations bill. Two Appropriations subcommittees have jurisdiction over funding for the Department of the Interior: *Interior, Environment, and Related Agencies and Energy and Water Development and Related Agencies*.

The *Interior, Environment, and Related Agencies* Subcommittee funds all Department of the Interior programs except for the Bureau of Reclamation and Central Utah Project Completion Act. The subcommittee also makes appropriations for the U.S. Department of Agriculture's Forest Service, the Environmental Protection Agency, the Department of Health and Human Service's Indian Health Service and other smaller Federal entities.

The *Energy and Water Development* Subcommittee funds the Bureau of Reclamation and the Central Utah Project Completion Act within Interior. It also has responsibility for funding the Army Corps of Engineers, the Department of Energy and other smaller Federal entities.

Appropriations Hearings – Soon after the President's Budget Request is submitted to Congress, the Administration typically testifies before the House or Senate Budget Committees before any other Cabinet agencies testify on the budget. Each of the twelve Appropriations Subcommittees schedule hearings to hear testimony from agency leadership. For hearings before the *Interior, Environment, and Related Agencies* Subcommittee the initial House and Senate hearings on the Department's budget request are with the Secretary. The Secretary is typically joined at the hearing table by the Deputy Secretary and may be joined by the Assistant Secretary for Policy Management and Budget. For hearings before the *Energy and Water Development* subcommittees the Commissioner of Reclamation represents the Department, and may be joined by the Assistant Secretary for Water and Science.

Through the Department's Office of Budget, the Assistant Secretary for Policy, Management and Budget maintains the schedule for all Appropriations hearings, drafts and clears testimony through the Office of Management and Budget, and coordinates with offices throughout the Department to support budget hearing preparation for the Office of the Secretary.

Soon after the Secretarial hearings are complete, the House and Senate subcommittees may or may not schedule further bureau specific hearings. The House Interior subcommittee typically holds hearings with the major bureaus at which the Bureau Directors testify, the Senate Interior subcommittee holds few or none. The Office of Budget supports Departmental witnesses and coordinates drafting of responses and necessary clearance for responses to Questions for the Record relating to Appropriations Committee hearings.

> During the Transition Year: Congressional Appropriations hearings for FY 2018 are likely to start after submission of the incoming Administration's "Policy" Budget in the spring of 2017.

House and Senate Consideration of Appropriations – Once Appropriations hearings are complete the subcommittee staff begins to develop draft bills in preparation for subcommittee mark-up which normally takes place in May or June. This is followed by committee mark-up and floor action later in the summer. Appropriations bills typically originate in the House and the House Appropriations hearings normally go through this process first. However, in recent practice the Senate sometimes goes first or both conduct their work simultaneously.

Typically, Congress forms a Conference Committee once the full House and Senate have completed consideration of the Appropriations bill. In recent years, conference has occurred despite a lack of completed floor consideration for one or both houses. The House and Senate Full Appropriations Committees will agree to final caps for the Subcommittee bills and each Subcommittee will resolve differences between the two versions of the bill in conference. The agreed upon bill becomes the enrolled bill which if passed by both the House and Senate, goes to the President for signature to become an enacted law. If time is of the essence, Congress will choose to combine appropriations bills into a single Omnibus Appropriation or several bills referred to as Minibuses, for the Conference and floor consideration process.

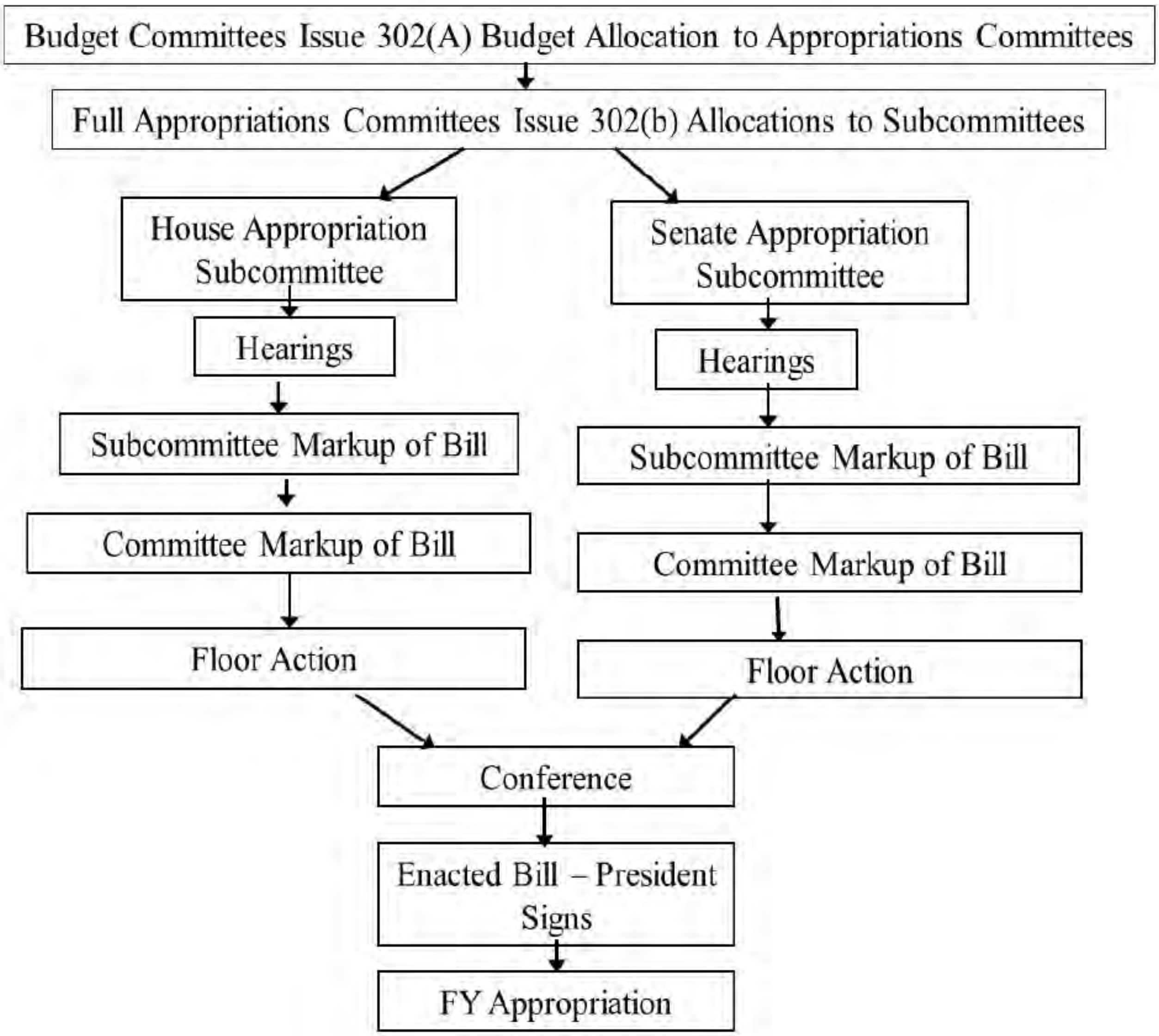
<u>During the Transition Year:</u> The Department is currently operating under a Continuing Resolution through December 9, 2016. When Congress returns after the election, they will decide on a strategy for consideration of the remaining Appropriations Bills for FY 2017. Options include consolidating the bills into an Omni or Minibus, extending the period of the Continuing Resolution to after the Inauguration, or proposing a year-long Continuing Resolution.

Below is the status of the Department's two Appropriations Bills before Congress recessed for the election:

- *Interior, Environment, and Related Agencies*:
  - House – Passed on July 14, 2016, Yeas and Nays: 231 - 196
  - Senate – Passed Full Committee on June 16, 2016 and placed on the legislative calendar with no floor consideration anticipated.
- *Energy and Water Development*:
  - House – Failed House floor vote on May 26, 2016, Yeas and Nays: 112 – 305
  - Senate – Passed Senate May 12, 2016, Yeas and Nays: 90-8

The staff for the House and Senate Appropriations Subcommittees have been preparing for conference while Congress is away for the election in anticipation of quick action when they return.

Congressional Appropriations Process



Operating Under a Continuing Resolution

Background:

Interior is currently operating under a Continuing Resolution (CR) through December 9, 2016, which provides appropriations at the equivalent of the FY 2016 enacted level, less a reduction of 0.496 percent. Although Congressional Appropriations staff have used the October recess to prepare for Conference action on full-year Appropriations bills, the need for an additional CR will not be clear until Congress reconvenes after the November election.

Operating under a CR:

The CR sets the terms and conditions for continued operations through a certain date. Upon enactment, the Department's Office of Budget calculates the amounts available for the CR period and it is automatically apportioned by OMB. Generally, Appropriations are available under a CR at a rate generally based on the number of days covered by the CR, applied to the net amount enacted in the prior year, subtracting any rescissions and adding any transfers mandated by law.

Limitations – There are several constraints of operating under a CR which impact program execution and become problematic should the period of the CR extend beyond the first quarter. First, standard CR language prohibits the use of funding under a CR for "new starts." Under a CR, agencies may not initiate discreet new activities proposed in the FY 2017 budget request. This is meant to protect the prerogatives of Congress which will consider the FY 2017 request in a final appropriation. The effect is to delay implementation of requested priorities and creates challenges for those which may be time sensitive.

The CR provides a lump sum of available authority within which Bureaus/offices may manage spending requirements to maintain program operations. Bureaus/offices are essentially managing "cash availability" during this time and cannot accommodate large upfront contract obligations. Many Bureaus/offices have adjusted contract schedules in anticipation of short-term CRs, however, as time goes on, this becomes an increasing challenge.

The CR includes direction to agencies not to presume the will and intent of Congress pending a final appropriations bill and as such Bureau/offices are instructed to operate conservatively. This requires Bureaus/offices to manage programs with an eye toward proposed funding in the pending House and Senate marks for specific activities. Agencies, however, are also prohibited from terminating activities under a CR. If either the House or Senate proposes a bill providing no funding for an account, Bureaus/offices must work with OMB to request the level needed only to sustain operations during the period of the CR.

Anomalies – A CR may also include exemptions from the general terms and conditions. These exemptions are called "anomalies" and are specific legislative language provisions providing for changes from the prior year Appropriation or the "rate of operation" under the CR. A CR may amend language in the previously enacted bill, include an entirely new provision, or provide a greater amount for a specific purpose than would otherwise be available under the CR.

<u>The Current CR Through December 9:</u>

The current CR includes the following specific anomalies for Interior:

- Extends authority for **Recreation Fee** programs through September 30, 2018. The language extends authority to collect and spend recreation fees through the fiscal year. The extension is necessary to ensure annual passes can continue to be sold beyond September 30, 2017.

- Provides up front access to the Bureau of Land Management's **Applications for Permit Development (APD) fee revenue** to avoid cash-flow problems at the start of the fiscal year. The language guarantees the onshore oil and gas program $26 million for the permit processing program regardless of revenue collected.

- Provides a lump sum of $4.2 million to the National Park Service to support **inauguration activities** in January.

<u>Path Forward:</u> In the event a longer-term CR is under consideration, the Department's Office of Budget will work closely with Bureaus/offices to identify the need for additional anomaly language. These will be submitted to OMB for consideration as part of the Administration's package for discussions with Congressional leadership.

Developing New Budget Themes and Priorities

Summary:

Formulation of an FY 2018 budget is one of the first things the incoming Administration will face. Coming into this process with an initial set of overarching budget and policy themes helps to quickly focus and communicate priorities both within the Department and externally when the budget is presented to Congress in the Spring. These early themes can also help to provide consistency across the early budget, strategic planning and management decisions required in the first 100 days of the Administration. Although the budget themes and priorities among the last four Secretaries of the Interior featured different initiatives, there are consistent areas of focus that transcended leadership changes. The following summarizes initiatives of the last Administration.

Background:

Shortly after the inauguration, the Office of Management and Budget (OMB) will lay the groundwork for the new Administration's "policy budget" for FY 2018. The Department will receive a "passback" from OMB with recommendations for program funding amounts, budget policy changes, and new proposals. Secretarial leadership will have a short window of opportunity to work with the Office of Budget to appeal the proposals and negotiate the final outcome of the FY 2018 budget. The compressed schedule for the initial budget submission encourages identification of a few top priorities to address early on and feature when testifying in support of the budget.

Soon after the FY 2018 budget is submitted, the Department will start the process to develop a new Strategic Plan. While the Strategic Plan will be finalized several months after the release of the FY 2018 budget, the major themes identified in the initial budget can help to inform the high level goals outlined in the updated DOI Strategic Plan.
The sections below identify some of the broad overarching themes that cut across the Bush and Obama Administrations and four different Secretaries of the Interior in the last two decades, and highlight initiatives and priorities reflected in the FY 2017 budget.

Resource Protection and Management of Public Lands:

This theme has included topics ranging from recreation, natural and cultural resource protection, and the engagement of youth, to advancing the scientific understanding of our Nation's landscapes. Critical funding initiatives that received support across both Administrations included support for the Land and Water Conservation Fund, addressing land management challenges, support for research and development, targeted landscape or species investments, improvement of the public's experience on DOI lands, and an emphasis on recreation, increased access and volunteer programs on DOI lands. Related high-level performance goals included: improved health of the nation's lands and watersheds through cooperative conservation and private stewardship, implementation of a well-run Recreation Fee program, incorporating climate change adaptation and resilience into planning and other activities, and increased youth engagement through employment or encouragement of young people to play, learn, serve and work outdoors.

FY 2017 Budget Priorities
Resource Protection and Management of Public Lands
Celebrating and Enhancing America's Great Outdoors
Full funding for the Land and Water Conservation Fund
Recreation and Community Engagement
Protecting America's Cultural Resources
A Legacy for Future Generations
The National Park Service Centennial
Building a Landscape Level Understanding of our Resources
Applying Science and Analysis at the Landscape Level
Understanding and Developing Resilient Communities
Landscape Level Approach to Building Resilience
Developing and Sharing the Scienctific Data and Tools
Rangeland Fire
Landscape Conservation Cooperatives and Climate Science Centers
Landsat and the Geospatial Platform
Engaging the Next Generation
Goal: Build the next generation of conservation and community leaders by supporting efforts to get young people to play, learn, serve, and work outdoors

Sustainable Water Resources:

This theme covered topics and funding initiatives across both Administrations aimed at resolving water conflicts/claims, increasing water supplies, addressing regional water issues, and enhancing the Nation's water knowledge. High-level performance goals included: increasing technology transfer, expanding and conserving supplies to meet increasing demands and resolving Native American water claims.

FY 2017 Budget Priorities
Ensuring Healthy Watersheds and Sustainable Secure Water Supplies
Water Conservation
Goal: Enable capability to increase the available water supply in the western States through conservation-related programs to ensure adequate and safe water supplies.
WaterSMART Program
Drought Response
Resolving Water Claims

Energy and Resource Use:

This theme included topics ranging from: addressing conventional energy supply offshore and onshore – energy security, facilitating development of alternative energy development, safety and environmental protection. Revenue generation and responsible timber production on DOI lands was also included. Critical funding initiatives that received support across both Administrations included: enhancing America's energy supply through increased security and expanded exploration and development; expansion of renewable and conventional energy programs; and increased research in new technologies. High-level performance goals included: increasing capacity for alternative sources of energy including solar, wind and geothermal; increasing oil and gas revenues by improving the permit review process; improving accountability, safety and environmental protection through increased inspections.

FY 2017 Budget Priorities
Powering Our Future & Responsible Use of the Nation's Resources
Renewable Energy
Goal: Increase the approved capacity for production of energy from domestic renewable resources to support a growing economy and protect our national interests while reducing our dependence on foreign oil and climate-changing greenhouse gas emissions.
Conventional Energy Development
Goal: Improve production accountability, safety, and environmental protection of oil and gas operations through increased inspection of high-risk oil and gas production cases.
Modernization of Oil and Gas Management
Tribal Energy Initiatives
Federal Oil and Gas Reforms
Extractive Industries Transparency Initiative
Coal Management on Federal Land

Serving Communities and Meeting Trust Responsibilities:

This theme included topics ranging from serving the national community as a whole through safety and science, to meeting the specific needs of tribal and Insular communities. Critical funding initiatives that received support across both administrations included: significant funding to combat violent crime and drug trafficking on tribal lands; enhancing Indian education; and resolving Indian land and water claims. High-level performance goals included: the reduction of violent crime and incarceration in Indian communities, and improvement in the number of Indian schools in good or fair condition.

FY 2017 Budget Priorities
Strenghtening Tribal Nations and Insular Communities
Creating Opportunities for Native Youth
Indian Education
Supporting Indian Families and Protecting Indian Country
Goal: Reduce repeat incarceration in Indian communities.
Tribal Nation-Building
Sustainable Stewardship and Resilience of Trust Resources
Preserving Tribal Cultural Heritage
Indian Water Rights
Empowering Insular Communities and Improving the Quality of Life

Management Effectiveness:

This theme contained a wide variety of management topics ranging from strategic employee development and recruitment, efficiencies, cyber security and IT improvements, to greater accountability and strong financial and asset management.
Critical funding initiatives that received support across both Administrations included: Information Technology and hiring reform, strategic allocation and management of DOI resources and assets, and cutting waste and achieving efficiencies. High-level performance goals included: increasing the use of shared services to achieve economies of scale; and reduction in administrative spending.

FY 2017 Budget Priorities
Buildling a 21st Century Department of the Interior
Information Management
Implementing the Federal Information Technology Acquisition Reform Act (FITARA)
Strengthening Interior's Cybersecurity Posture
Digital Accountability and Transparency Act (DATA Act)
Accountability and Innovation Through Open Government
Reducing Interior's Footprint
Sustainability
Goal: Reduce energy use, increase sustainability and resilience of Federal facilities.
Attracting and Motivating Top Talent

2017 President's Budget Legislative Proposals

Coastal Climate Resilience Program – The 2017 budget proposed a $2.0 billion Coastal Climate Resilience program, which would provide $200 million a year over 10 years for at-risk coastal States, local governments, and communities to prepare for and adapt to climate change.

Status: This proposal was included in the Department of the Interior's FY 2017 Office of the Secretary Congressional Justification, with the funding proposed to be offset by the repeal of the Gulf of Mexico Energy Security Act. Neither the House nor Senate 2017 marks included the proposed language.
Estimated 10-year cost: $1.7 billion

Historic Preservation Fund – The 2017 budget included a legislative proposal to extend the authority to deposit $150.0 million in receipts from offshore oil and gas revenues annually into the Historic Preservation Fund.

Status: Reauthorization of HPF was included in Section 5003 of S. 2012. The House version of the Bill did not include reauthorization of HPF. A separate House measure to reauthorize HPF, H.R. 2817, has been reported out of committee, but does not have a related Senate measure.
Estimated 10-year cost: $0

Bureau of Indian Affairs Contract Support Costs – The 2017 budget included a legislative proposal to reclassify funding for the existing Contract Support Costs program from discretionary to mandatory beginning in FY 2018.

Status: The FY 2017 BIA Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.
Estimated 10-year cost: $2.9 billion

POWER+ Accelerate AML Distribution for Mine Cleanup and Economic Recovery – The 2017 budget proposed to allocate a portion of the remaining unappropriated balance of the Abandoned Mine Lands Fund to target the cleanup and redevelopment of AML sites and AML coal mine polluted waters in a manner that facilitates sustainable revitalization in economically depressed coalfield communities.

Status: The 2016 enacted appropriations included an increase of $90 million, derived from the general fund, not the AML fund, for POWER+ related grants to the States for the reclamation of abandoned mine lands in conjunction with economic and community development and reuse goals. The FY 2017 House and Senate marks provide $105 million and $90 million respectively in annual discretionary appropriations for Abandoned Mine Land Economic Development Grants. A bill was introduced in the House Natural Resources committee (H.R. 11, Revitalizing the Economy of Coal Communities) which included an authorization for a similar approach to the POWER+ proposal to use unappropriated balances of the AML fund.
Estimated 10-year cost: $1.0 billion

Gulf of Mexico Energy Security Act (GOMESA) – As part of the 2017 President's Budget request, the Administration proposed to repeal GOMESA revenue-sharing payments to select States from Gulf of Mexico oil and gas leases, which are set to expand substantially starting in 2018.

Status: Congress has not acted to repeal GOMESA.

Estimated 10-year savings: $3.3 billion.

United Mineworkers of America Pension Reform – The 2017 budget proposes to better provide for retired coal miners and their families by revising the formula for general fund payments to the 1993 UMWA Health Benefit Plan.

Status: S. 1714 "Miners Protection Act" has been introduced in the Senate. Similar legislation, H.R. 2404 "Coal Healthcare and Protections Act," has been introduced in the House. Neither measure is identical to the Administration's proposal.
Estimated 10-year cost: $4.2 billion

Land and Water Conservation Fund – The 2017 budget proposed $475.0 million in discretionary and $425.0 million in mandatory funding for the Departments of the Interior and Agriculture programs funded out of the Land and Water Conservation Fund. The 2017 request proposes $900.0 million in annual mandatory funding for LWCF programs beginning in 2018.

Status: Congress has not adopted this proposal. The Consolidated Appropriations Act of 2016 provided a basic reauthorization of the LWCF through 2018.
Estimated 10-year cost: $8.0 billion

National Parks Centennial Act – The 2017 budget proposed enactment of legislation, the National Park Service Centennial Act, to honor the National Park Service's 100th anniversary. The Act specifically authorizes the following: $100.0 million a year for three years for the Centennial Challenge to leverage private donations; $300.0 million a year for three years for NPS deferred maintenance; and $100.0 million a year for three years for a Public Lands Centennial Fund, which will competitively allocate funds for projects on public lands to enhance visitor services and outdoor recreation opportunities, restore lands, repair facilities, and increase energy and water efficiency.

Status: Several measures have been introduced in the House and Senate, including H.R 3556 (Grijalva) "National Park Service Centennial Act," H.R. 4680 (Bishop) "National Park Service Centennial Act," S. 2257 (Cantwell) "National Park Service Centennial Act."
Estimated 10-year cost: $1.4 billion

Federal Land Transaction Facilitation Act – The 2017 budget proposed to reauthorize this Act which expired on July 25, 2011, to allow lands identified as suitable for disposal in recent land use plans to be sold using this authority. The sales revenue will be used to fund the acquisition of environmentally sensitive lands and to cover the Bureau of Land Management administrative costs associated with conducting the sales.

Status: Several measures to reauthorize FLTFA have been introduced in the House and Senate, including H.R. 1651, H.R 2406, H.R. 3173, S. 556, and S. 2189.
Estimated 10-year savings: $35 million

Recreation Fee Program – The 2017 budget proposed legislation to permanently authorize the Federal Lands Recreation Enhancement Act, which is authorized through September 30, 2017. In addition, as a short-term alternative to proposed legislation for long-term reauthorization, the 2017 budget proposes appropriations language to further extend authorization for the Federal Lands Recreation Enhancement Act through September 30, 2018.

Status: 2017 House and Senate Appropriations bills (H.R. 5538 and S. 3068) would extend authorization for the Federal Lands Recreation Enhancement Act through September 30, 2018. Representative Bishop has sponsored H.R. 1991, "Federal Lands Enhancement Act Extension" in 2015.
Estimated 10-year cost: $0

Federal Oil and Gas Reforms – The 2017 budget included a package of legislative reforms to bolster and back stop administrative actions being taken to reform management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources and on improving transparency and oversight. Proposed statutory and administrative changes fall into three general categories: advancing royalty reforms, encouraging diligent development of oil and gas leases, and improving revenue collection processes. Royalty reforms include evaluating minimum royalty rates for oil, gas, and similar products, adjusting the onshore royalty rate, analyzing a price-based tiered royalty rate, and repealing legislatively mandated royalty relief. Diligent development requirements include shorter primary lease terms, stricter enforcement of lease terms, and monetary incentives to get leases into production through a new per-acre fee on non-producing leases. Revenue collection improvements include simplification of the royalty valuation process and a permanent repeal of Interior's authority to accept in-kind royalty payments. Collectively, these reforms will generate roughly $1.7 billion in revenue to the Treasury over 10 years, of which $1.2 billion will result from statutory changes. Many States also will benefit from higher Federal revenue sharing payments as a result of these reforms.

Status: The Department first proposed this grouping of reforms in the FY 2010 budget request. Since that time several reforms have been implemented, including termination of interest payments on royalty overpayments and offering shorter lease terms offshore to encourage development. Most recently, the Department published a final rule on Royalty/Valuation reform in the Federal Register on July 1, 2016 (page 43367). The House 2017 mark includes bill language to prohibit implementation of the reforms: *"SEC. 440. None of the the funds made available by this Act may be used to implement any changes to royalty rates or product valuation regulations under Federal coal, oil, and gas leasing programs."* The remaining reforms have yet to be acted on.
Estimated 10-year savings: $1.7 billion

Palau Compact – The 2017 budget assumed authorization of mandatory funding for the Compact in 2017 to strengthen the foundations for economic development in Palau by developing public infrastructure and improving health care and education.

Status: On March 1, 2016, Senators Murkowski, Cantwell, and Hirono introduced S. 2610, the Administration's updated bill for approving the 15-year Palau Compact review agreement. The Senators attempted to include the Compact as an amendment to the National Defense Authorization Act (NDAA) for FY 2017, but the Palau Compact amendment was not included in the 2017 NDAA.
Estimated 10-year cost: $149 million

Payments in Lieu of Taxes – The 2017 budget proposes to extend PILT mandatory funding for one additional year, while a sustainable long-term funding solution is developed for the program.

Status: 2017 House and Senate appropriations bills (H.R. 5538 and S. 3068) provide discretionary appropriations for PILT rather than funding PILT through a mandatory appropriation.
Estimated 10-year cost: $480 million (the cost of a one-year extension)

Reclamation of Abandoned Hardrock Mines – The 2017 budget proposes to create an Abandoned Mine Lands Program for abandoned hardrock sites.
Status: While various measures have been introduced to reform hardrock mining and address AML reclamation, none have adopted the Administration's proposal.
Estimated 10-year savings: $500 million

Reform Hardrock Mining on Federal Lands – The 2017 budget proposes to institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals, including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872 and administered by BLM.
Status: Measures to reform hardrock mining on Federal lands have been introduced in the House (Grijalva, H.R. 963) and Senate (Udall, S. 2254).
Estimated 10-year savings: $80 million

Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels – The 2017 budget proposes to return AML fees to their historic level, prior to the 2006 amendments to the Surface Mining Control and Reclamation Act.
Status: No Congressional Action.
Estimated 10-year savings: $2 million

Termination of Abandoned Mine Land Payments to Certified States – The 2017 budget proposes to terminate the unrestricted payments to States and Tribes certified for completing their coal reclamation work.
Status: No Congressional action.
Estimated 10-year savings: $520 million

Termination of EPAct Geothermal Payments to Counties – The 2017 budget proposes to repeal Section 224(b) of the Energy Policy Act of 2005 to permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury.
Status: No Congressional action.
Estimated 10-year savings: $41 million

Bureau of Land Management Foundation – The 2017 budget proposes to establish a congressionally chartered National BLM Foundation.
Status: The FY 2017 BLM Congressional Justification included proposed appropriations language. The 2017 Senate mark included language to establish a BLM Foundation, the House did not. A bill introduce was introduced in the House Natural Resources committee (H.R. 11, Revitalizing the Economy of Coal Communities) which authorizes the BLM Foundation.
Estimated 10-year cost: $0

National Foundation for American Indian Education – The 2017 budget proposes appropriations language enabling the Secretary to reactivate a foundation created by Congress in 2000 to generate private donations in support of the mission of the Bureau of Indian Education.

Status: The FY 2017 BIA Congressional Justification included proposed appropriations language. The House included language establishing a BIA education fund. The Senate did not include the Administration proposal or language similar to the House.

Estimated 10-year cost: $0

Migratory Bird Hunting and Conservation Stamp Act - Duck Stamp – The 2017 budget included a legislative proposal to provide the Secretary limited authority to increase the price of a Duck Stamp, with the approval of the Migratory Bird Conservation Commission, to keep pace with inflation.

Status: The FY 2017 FWS Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.

Estimated 10-year cost: $0

Wildland Fire Suppression Disaster Cap Adjustment – The 2017 budget proposes to amend the Balanced Budget and Emergency Deficit Control Act to establish a new framework for funding Fire Suppression Operations to provide stable funding, while minimizing the adverse impacts of fire transfers on the 2017 budgets of other programs. For 2017, the request for the budget cap adjustment for the Department is $290.0 million. The cap adjustment does not increase overall spending, as the ceiling for the existing disaster relief cap will be reduced by the same amount as the increase required for fire suppression.

Status: The FY 2017 OS/Office of Wildland Fire Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.

Estimated 10-year cost: N/A

Offsetting Collection Proposals

Bureau of Ocean Energy Management Risk Management Fee – The 2017 budget includes a new cost recovery fee proposal to recoup funds for services rendered by the Risk Management Program. The program is critical to protecting the American taxpayer from becoming financially responsible for liabilities associated with oil and gas and renewable energy operations on the Outer Continental Shelf. The cost recovery fee would require applicants to pay a processing fee when submitting tailored financial plans associated with offshore drilling operations. The BOEM estimates the fee will generate $2.9 million annually, which will fully offset the requested programmatic increase in 2017.

Status: The FY 2017 BOEM Congressional Justification included a requested increase of $2,895,000 to implement a risk management program to be fully offset by a cost recovery fee. Neither the House nor Senate 2017 marks included the proposed program.

Bureau of Safety and Environmental Enforcement Inspection Fee – The 2017 budget includes appropriations language modifying and expanding the enacted inspection fee language to clarify that facilities subject to multiple inspections are subject to additional fees for each inspection. The BSEE estimates the inspection fees would generate $65.0 million in 2017.

Status: The FY 2017 BSEE Congressional Justification included proposed appropriations language to implement the new fee structure. Neither the House nor Senate 2017 marks included the proposed language.

Fee for Onshore Oil and Gas Inspections – Through appropriations language, Interior proposes to implement inspection fees that would generate $48 million in 2017 for onshore oil and gas activities subject to inspection by BLM.

Status: The FY 2017 BLM Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.

Grazing Administrative Fee – The 2017 budget proposes a grazing administrative fee that would generate $16.5 million to offset costs to administer the program. The BLM proposes to implement this fee through appropriations language on a pilot basis. During the period of the pilot, BLM will work to promulgate regulations to continue this cost recovery fee administratively, once the pilot expires.

Status: The FY 2017 BLM Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.

National Wildlife Refuge Damage Cost Recovery – The 2017 budget includes appropriations language to authorize the Fish and Wildlife Service to retain recoveries for the cost to restore or replace damaged habitat from responsible parties. This is parallel to authorities provided to NPS for damages to national parks and monuments.

Status: The FY 2017 FWS Congressional Justification included proposed appropriations language. Neither the House nor Senate 2017 marks included the proposed language.

Summary of 2017 House and Senate Appropriations Bills

I. House Marks in the Interior and Environment and Energy and Water Appropriations bills

Interior and Environment Bill - Summary of FY 2017 Floor Passed Bill with Amendments

Funding Highlights

- The House Appropriations Committee's Interior and Environment bill provides a total of $32.1 billion, $64 million below the 2016 level and $1 billion below the President's request
- For Interior, the House Interior Appropriations Committee mark provides $12.1 billion (including $480.0 million for PILT payments), an increase of $112.3 million from 2016. When adjusted for PILT funding, the House funding level for Interior programs equates to $11.7 billion, which in comparison to the 2017 requested amount is $592.0 million below the President's Budget.

DEPARTMENT OF THE INTERIOR - Total Current Budget Authority -	2016 Enacted	2017 Request	2017 House Mark	2017 House Mark v. 2017 Request	2017 House v. 2016 Enacted
Bureau of Land Management	1,252,359	1,259,419	1,242,307	-17,112	-10,052
Bureau of Ocean Energy Management	170,857	175,138	169,306	-5,832	-1,551
Bureau of Safety and Environmental Enforcement	204,671	204,867	184,867	-20,000	-19,804
Office of Surface Mining Reclamation and Enforcement	240,556	157,925	251,603	93,678	11,047
Bureau of Reclamation	1,265,000	1,106,159	1,133,578	27,419	-131,422
Central Utah Project Completion Act	10,000	5,600	11,000	5,400	1,000
Geological Survey	1,062,000	1,168,803	1,080,006	-88,797	18,006
Fish and Wildlife Service	1,508,368	1,562,899	1,491,918	-70,981	-16,450
National Park Service	2,851,285	3,101,450	2,930,048	-171,402	78,763
Bureau of Indian Affairs	2,796,120	2,933,715	2,869,934	-63,781	73,814
Departmental Management	721,769	278,376	741,922	463,546	20,153
Insular Affairs	103,441	102,717	90,294	-12,423	-13,147
Office of the Solicitor	65,800	69,448	65,800	-3,648	0
Office of Inspector General	50,047	55,911	50,047	-5,864	0
Office of Special Trustee	139,029	140,379	139,029	-1,350	0
Department wide Programs	1,078,622	1,248,890	1,028,822	-220,068	-49,800
[Wildland Fire Management and FLAME	*[993,745]*	*[1,114,624]*	*[943,945]*	*[-170,679]*	*[-49,800]*
Less Offsetting Collections	*-212,829*	*-203,474*	*-191,474*	*12,000*	*21,355*
Current Total with Cap Adjst. and PILT	**13,307,095**	**13,368,222**	**13,289,007**	**-79,215**	**-18,088**
Less PILT	-452,000		-480,000	-480,000	-28,000
Current Total w/ Cap Adjst. w/o PILT	**12,855,095**	**13,368,222**	**12,809,007**	**-559,215**	**-46,088**
Current Energy and Water	**1,275,000**	**1,111,759**	**1,144,578**	**32,819**	**-130,422**
Current Interior Subcommittee	**12,032,095**	**12,256,463**	**12,144,429**	**-112,034**	**112,334**

Land acquisition: Includes $264.4 million for Interior programs funded via the Land and Water Conservation Fund, a decrease of $82.6 million compared to the request and $55.0 million below 2016 enacted.

Federal Land Acquisition	2016 Enacted	2017 Request	2017 House Mark	2017 House Mark Compared to 2017 Request
Bureau of Land Management	38,630	43,959	19,400	-24,559
Fish and Wildlife Service	68,500	58,655	50,300	-8,355
National Park Service	63,670	68,242	48,752	-19,490
OS Office of Valuation Services	12,618	12,643	10,000	-2,643
Subtotal, DOI Land Acquisition	**183,418**	**183,499**	**128,452**	**-55,047**
Other Conservation Grants				
Cooperative Endangered Species Conservation Grants (FWS)	53,495	53,495	55,900	2,405
LWCF State Grants (NPS)	110,000	110,006	80,000	-30,006
Subtotal, DOI Other Conservation Grants	**163,495**	**163,501**	**135,900**	**-27,601**
Subtotal, DOI	**346,913**	**347,000**	**264,352**	**-82,648**

The CESCF, the House bill indicates that $24.79M is funded out of the Coop Endangered Species Fund, and $30 8M is funded out of LWCF. The Pres Request includes all of the funding in LWCF.

- **Report Language**
  - Does not include allocated project funding stating that the Committee does not have sufficient information.
  - Requests DOI provide updated project lists with the latest information on willing sellers, cost estimates as well as impacts to unit boundaries and local support for the project.
  - Requests that future budget submissions describe criteria for selecting recreational access projects and a table of projects funded in the two prior fiscal years, comparing actual cost and acreage acquired to date.
  - Within NPS land acquisition, funds battlefield grants at $10.0 million, level with the request and enacted, and there is $22.5 million in the Federal acquisition line.

Construction: Includes $427.6 million for Construction, this is $45.2 million below the 2017 request and $17.0 million above the 2016 enacted level.

Construction	2016 Enacted	2017 Request	2017 House Mark	2017 House Mark Compared to 2017 Request
Fish and Wildlife Service	23,687	23,740	14,837	-8,903
National Park Service	192,937	252,038	215,707	-36,331
Bureau of Indian Affairs	193,973	197,017	197,017	0
Total, Construction	**410,597**	**472,795**	**427,561**	**-45,234**

- FWS: $14.8 million, $8.9 million below the 2017 request and 2016 enacted level

- NPS: $215.7 million, $36.3 million below the 2017 request and $22.8 million above the 2016 enacted level
    - Provides $129.5 for projects, fully funding the 20 highest prioritized projects in the request -- included in this are the Selma to Montgomery NHT project and Lincoln Memorial.
    - *Memorial Bridge* -- The Committee urges NPS to pursue coalitions and partnerships, modeled after similar projects (e.g., Tamiami Trail bridge project), to secure funding to complete the project in a timely manner.
- Indian Affairs: $197.0 million, fully funds the 2017 request, $3.0 million above the 2016 level
    - *Education Construction* -- $138.3 million (as requested), with $45.5 million for campus replacement (limited to the 10 schools on the 2016 list), $11.9 million for component replacement, $7.6 million for employee housing repair, and $73.3 million for facilities improvement and repair
        - Indian Affairs is directed to submit a list for facilities (component replacement) in 2018.
        - Indian Affairs is directed to provide a long-term term plan for modernizing, sustaining, and restoring BIE schools to good condition and to meet projected needs and enrollment, modeled after the DoD Education Activity.
    - *Public Safety and Justice* -- Indian Affairs is urged to consider including a joint venture demonstration project for regional justice centers (similar to the Shoshone-Bannock Tribes' Justice Center).

Legislative Provisions:

- **Sec. 111. Exhaustion of Administrative Review:** Makes permanent the authority to require exhaustion of administrative review before a lawsuit can be brought before BLM.
- **Sec. 112. Wild Lands Funding Prohibition**: Prohibits the use of funds for the Secretarial Order on wildlands and does not include the exclusion for authorities provided under FLPMA, which was included in prior bills.
- **Sec. 114. Sage-Grouse:** Prohibits the use of funds to review the status or determine whether the greater sage-grouse or the Columbia basin distinct population segment of greater sage-grouse is an endangered or threatened species.
- **Sec. 115. Water Conveyances:** Prohibits the Secretary from reviewing, requiring the approval of, or withholding approval for the use of a right-of-way granted pursuant to the General Railroad Right-of-Way Act of 1875 if the authorization would have been considered within policy before the effective date of the Department's Solicitor's Opinion M-37025.
- **Sec. 116. Indian Education Fund:** Establishes the Indian Education Fund to promote public-private partnerships for providing financial support for the improvement or replacement of facilities and infrastructure, and for the enhancement of telecommunications and technological capacity in bureau-funded schools.
- **Sec. 118. Delta Smelt:** Requires the Secretary to develop and implement the expanded use of conservation fish hatchery programs to enhance, supplement, and rebuild delta smelt and other species listed under the biological opinion issued by FWS on December 15, 2008.

- **Sec. 119. Reissuance of Final Rules:** Requires the Secretary to reissue the final rules published December 28, 2011 and September 10, 2012 regarding wolves in WY and the Great Lakes. The reissuance of the rule shall not be subject to judicial review.
- **Sec. 120. Stream Buffer:** Prohibits the use of funds to develop, finalize, carry out, or implement the proposed rule entitled "Stream Protection Rule" or to develop, carry out, or implement any guidance, policy or directive to reinterpret or change the historic interpretation of "material damage to hydrologic balance outside the permit area."
- **Sec. 121. Bottled Water:** Prohibits the use of funds to implement, administer or enforce Policy Memorandum 11-03 or to approve a request by a park superintendent to eliminate the sale in national parks of water in disposable, recyclable plastic bottles.
- **Sec. 122. Oil and Gas Royalties:** Prohibits the use of funds to finalize, implement, or enforce the BLM proposed rule on Waste Prevention, Production Subject to Royalties, and Resource Conservation published February 8, 2016.
- **Sec. 123. Prohibition on Use of Funds For Certain Historic Designation:** Prohibits the use of funds to designation a Federal property for inclusion on, or to add a Federal property to, the National Register of Historic Places, or to operate or maintain a property on that registry if the managing agency of that Federal property objects to such designation or inclusion.
- **Sec. 124. Drilling Margins:** Prohibits the use of funds to develop, adopt, implement, administer, or enforce any changes to the regulations or guidance in effect on April 1, 2015 pertaining to drilling margins or static downhole mud weight.
- **Sec. 125. Tribal Recognition:** Prohibits the use of funds to implement, administer, or enforce the final rule entitled "Federal Acknowledgement of American Indian Tribes."
- **Sec. 403. Reprogramming Procedures, Disclosure of Administrative Expenses, and Operating Plans:** The House makes reprogramming requirements statutory.
- **Sec. 424. Funding Prohibition:** Prohibits the use of funds to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.
- **Sec. 428. Hunting, Fishing, and Recreational Shooting on Federal Land:** Prohibits the use of or access to Federal land for hunting, fishing, or recreational shooting.
- **Sec. 432. Availability of Vacant Grazing Allotments:** Requires the Secretary to make vacant grazing allotments available to the holder of a grazing permit or lease if the lands covered are unusable because of drought or wildfire.
- **Sec. 433. Protection of Water Rights:** Prohibits the use of funds to be used to condition the issuance, renewal, amendment, or extension of any permit, approval, license, lease, allotment, easement, right-of-way, or other land use or occupancy agreement on the transfer of any water right. Prohibits the use of funds to require any water use to apply for or acquire a water right in the name of the U.S. under State law as a condition of the agreement.
- **Sec. 440. Royalty Rates:** Prohibits the use of funds to implement any changes to royalty rates or product valuation regulations under Federal coal, oil, and gas leasing programs.
- **Sec. 441. Program Review:** Terminates the coal program review on the earlier of September 30, 2017 or the date of publication of notice of completion of the PEIS.

Bill Language Added in Full Committee

- **Manager's amendment.** Makes a number of changes to the bill and report. *Adopted by a voice vote.*
    - Amends Code of Federal Regulations to extend Shellfish product exemption for an import/export license requirement to include echinoderms
    - Includes report language for
        - FWS, regarding 1) conflicts at Lake Havasu NWR over proposed boating restrictions; 2) updating of specific permitting requirements; and 3) expeditious inspection of perishable echinoderms.
        - NPS, supporting Ford's Theater's plan to expand virtual access to the site
        - USGS, concerning: 1) expedited development of certain remote sensing tools, and 2) allocation of Great Lakes Restoration Initiative funding
        - Wildland Fire, requiring a report on plans and recommendations for the use of unmanned aerial systems including helicopters.
- **Stewart - Prohibit Funds to Implement the Antiquities Act in Specific Counties.** Prohibits national monument designations in specific areas. *Adopted by a roll call vote of 27 to 22*
- **Culberson - BOEM Air Quality Rule.** Requires BOEM to complete two studies related to air quality standards prior to finalizing any rule to regulate such air emissions from offshore operations. *Amendment agreed to by a roll call vote of 31 to 16.*
- **Valadeo - California Water.** Directs the use of exiting regulatory flexibility to maximize water deliveries to areas of California most hard-hit by the drought, and maintains senior water rights, while protecting listed species under the Endangered Species Act. Similar to language adopted by the House in the FY 2017 Energy and Water Appropriations bill. *Adopted by a roll call vote of 31 to 18.*
- **Amodei - Wilderness Sage Grouse Conservation Plans.** Addresses concerns with the Department of the Interior's implementation of sage-grouse conservation plans by limiting DOI land management activities where a State has a management plan for the sage grouse species approved by the governor, for one year. During that time, DOI cannot use funds to: 1) conduct mineral withdrawals in the sage brush focal areas; 2) conduct any further determinations under ESA; and 3) cannot administer under the RMP if the State has an approved management plan for the species. *Adopted by a roll call vote of 29 to 20.*
- **Cole - Tribal Reaffirmation.** Reflects compromise reached with the authorizing committee to provide legal certainty for land taken into trust from 1934 to 2009 on behalf of federally recognized tribes. The Administration proposal would extend this certainty through present day. *Agreed to by voice vote*
- **Yoder - Lesser Prairie Chicken.** Directs the removal of the Lesser Prairie Chicken from the threatened list, and prevents the species from being relisted. *Agreed to by voice vote.*
- **Simpson - BLM Land Use Planning 2.0.** Requires BLM to delay implementation of Planning 2.0 by 90 days to provide for additional public comment to include holding hearings in the 11 western States, Texas and Oklahoma. *Agreed to by voice vote.*
- **Stewart - Wild Horse and Burro Transfer Authority.** Simplifies the process for federal agencies, States and local government to use wild horses and burros as work

animals and includes protections for the animals during this process. Similar to language proposed by the Administration *Agreed to by voice vote.*

General Provisions Added by Amendment in Floor Action:

- Gosar (AZ) (#2) FWS - Prohibits funds for the Fish and Wildlife Service to continue to prohibit tubing, waterskiing and wake boarding in an area on Lake Havasu.
- Boustany (LA) (#4) BOEM - Prohibits any funds from being made available for the proposed liability bond decommission Notice to Lessees.
- Boustany (LA) (#5) BSEE - Ensures that no money is permitted for the implementation of the Well Control Rule.
- Young (AK) (#11) FWS/NPS - Prohibits funds to be used to implement a final rule by the Fish and Wildlife Service and a proposed rule from the National Park Service.
- Young (AK) (#13) BOEM - Prohibits funds to be used to remove 3 Arctic Sales from the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Proposed Program.
- Lamborn (CO) (#26) BLM - Prohibits the use of funds to implement, administer, or enforce the final rule entitled "Hydraulic Fracturing on Federal and Indian Lands".
- Lamborn (CO) (#27) FWS - Prohibits the use of funds to implement or enforce the threatened species or endangered species listing of any plant or wildlife that has not undergone a periodic 5 year review as required by section 4(c)(2) of the Endangered Species Act of 1973.
- Lamborn (CO) (#28) FWS - Prohibits the use of funds to implement or enforce the threatened species listing of the Preble's meadow jumping mouse.
- Engel (NY) (#29) DOI - Prohibits funds made available by this Act from being used to lease or purchase new light duty vehicles unless those vehicles meet the requirements of President Obama’s May 24, 2011 Executive Order on Federal Fleet Performance.
- Rohrbacher (CA) (#30) NPS/FWS - Prevents funds from being used to take steps to significantly change operations at the Arecibo Observatory in Arecibo, Puerto Rico.
- Young (AK) (#37) BOEM - Prohibits funds to be used to finalize, implement, or enforce new regulations on offshore Arctic energy exploration and development.
- Young (AK) (#38) (FWS) - Prohibits funds to be used to implement a final plan to designate areas of the Arctic National Wildlife Refuge in Alaska as wilderness.
- Zeldin (NY) (#41) DOI - Prohibits funds from being used to designate a National Marine Monument in the Northwest Atlantic.
- Byrne (AL) (#43) BOEM - Prohibits any funds from being used to develop or propose legislation to redirect funds allocated from the Gulf of Mexico Energy Security Act (GOMESA).
- Byrne (AL) (#44) BOEM - Prohibits funding from being used to implement, administer, or enforce the Obama administration’s National Ocean Policy.

- Buck (CO) (#51) NPS - Prevents the Department of Interior from partnering with private organizations to create or expand national heritage areas in southeast Colorado.
- Pearce (NM) (#59) FWS - Removes federal protections for the New Mexico Meadow Jumping Mouse under the Endangered Species Act (ESA).
- Pearce (NM) (#61) FWS - Removes federal protections for the Mexican Wolf under the Endangered Species Act (ESA) and would prevent the expansion of the species habitat outside of its historic range.
- Higgins (NY) (#65) USGS - Prohibits the use of funds in contravention of the Great Lakes Compact, an interstate compact ratified by Congress detailing how the States will work together to manage and protect the Great Lakes-St. Lawrence River Basin.
- Speier (CA) (#67) NPS - Prohibits any funds from being made available to implement the proposed rule for dog management in the Golden Gate National Recreational Area.
- Grayson (FL) (#69) DOI - Prohibits the government from entering into a contract with an entity that discloses, as it is required to by the Federal Acquisition Regulation, that it has been convicted of fraud or another criminal offense in the last three years in connection with obtaining, attempting to obtain, or performing a public contract or subcontract. Prohibits the government from contracting with entities that have been notified of any delinquent Federal taxes for which the liability remains unsatisfied.
- Young (AK) (#86) BLM - Prohibits funds from this Act to be used by the Department of Interior to change existing placer mining plans of operations in regard to re-vegetation should those changes increase yearly costs to the miners.
- Duncan (TN) (#92) FWS - Provides that none of the funds made available by this Act may be used to destroy any buildings or structures on Midway Island.
- Cramer (ND) (#93) FWS - Ensures no funds are provided to finalize or implement the Fish and Wildlife Service rule entitled “Management of Non-Federal Oil and Gas Rights.”
- MacArthur (NJ) (#98) FWS - Limits the inspection of squid, octopus and cuttlefish that is imported or exported for human consumption to USDA rather than the Fish and Wildlife Service which inspects wildlife.
- Yoho (FL) (#133) FWS - Requires the Director of US Fish and Wildlife Service to conduct a study on the Coastal Barrier Resources System.
- Crawford (AR) (#135) All – Prohibits agencies from engaging in grassroots lobbying activities intended to assist or encourage the public to take action in support of or in opposition to any regulatory or legislative matter under consideration in any legislative body in the United States or regulatory entity unless otherwise authorized by Congress.
- Westmoreland (GA) (#139) FWS - Restricts federal agencies from using funds to pay legal fees under any lawsuit settlement regarding a case that arises under the Clean Air Act, the Clean Water Act, and the Endangered Species Act.
- Newhouse (WA) (#145) FWS - Prohibits the use of funds by the U.S. Fish & Wildlife Service and the Department of Interior to treat any Gray Wolf in the 48 contiguous states as an endangered or threatened species under the Endangered Species Act unless, or until, the

Secretary of Interior resumes the rulemaking process for the proposed rule published in the Federal Register on June 13, 2013, by the U.S. Fish & Wildlife Service (Docket No. FWS–HQ–ES–2013–0073), which recommended the wolf be delisted.
- Jackson Lee (TX) (#153) NPS - Amendment expresses support for National Historic Areas and for continuation of national policy of preserving for public use historic sites, buildings, and objects of national significance.
- Jackson Lee (TX) (#154) FWS - Prohibits the use of funds to be used to eliminate the Urban Wildlife Refuge Partnership.
- Price (GA) (#161) DOI - Ensures none of the funds in the underlying bill will be made available to carry out a major rule as described in subparagraph (A) of section 804(2) of title 5, United States Code. This section of the Code defines a (2) The term "major rule" means any rule that the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget finds has resulted in or is likely to result in—(A) an annual effect on the economy of $100,000,000 or more;
- Westerman (AR) (#167) FWS - Prevents funds from being used to enforce a federal court decision that stopped implementation of the 2014 EA and take permit plan for double-crested cormorants.
- Westerman (AR) (#168) USGS - Prevents funds from being used to destroy records regarding, related to, or generated by the recently closed Inorganic Section of the USGS Energy Geochemistry Lab in Lakewood, CO.

The House bill <u>does not include</u> the following proposed provisions from the President's budget:

- **Sec. 114. Onshore Oil and Gas Inspection Fees:** The House draft bill does not include the provision authorizing onshore oil and gas inspection fees.
- **Sec. 115. Indian Reorganization Act:** The House does not include the provision making technical changes to the Indian Reorganization Act reaffirming and clarifying the Secretary's authority to take land into trust for federally recognized tribes.
- **Sec. 118. Department of the Interior Experienced Services Program:** The House does not include a provision authorizing the Department to enter into grants and cooperative agreements with private nonprofit organizations designated by the Secretary of Labor under Title V of the Older Americans Act of 1965.
- **Sec. 120. Obed Wild and Scenic River:** The House does not include a provision to increase the funding cap for land acquisition at Obed Wild and Scenic River.
- **Sec. 121. Lake Chelan National Recreation Area:** The House does not include a provision to increase the funding cap for land acquisition at Lake Chelan National Recreation Area.
- **Sec. 417. Livestock Grazing Administration:** The House does not include a proposed provision to establish a $2.50 per Animal Unit Month grazing administration fee.
- **Sec. 418. Outer Continental Shelf Leasing Review Period:** The House does not include a proposed provision to modify the leasing review period for OCS leases from 30 days to 90 days.

- **Sec. 420. Payments in Lieu of Taxes:** The House does not include a provision clarifying when PILT payments are appropriated at less than the full funding level, the reduction should be applied proportionately to each unit of local government payment.

Summary by Bureau

Bureau of Land Management: Provides $1.242 billion, $10.1 million below the fiscal year 2016 enacted level and $17.1 million below the request.

- Includes $1.08 billion for Management of Lands and Resources, an increase of $6.4 million above the request and $9.2 million above the 2016 enacted level.
- Rejects the budget proposal to institute oil and gas inspection fees and grazing administration fees, which combined reduced the request for appropriations by $64.5 million. The House maintains funding for Rangeland Management at the 2016 enacted level and funds Oil and Gas Inspection Activities at the 2017 request level, but with appropriated funds.
- Does not support $20.6 million in requested program increases in the Oil and Gas Management program, including $15.3 million for oil and gas rules and regulations and AFMSS II completion, $2.6 million for special pay, and $2.8 million for Alaska legacy wells.
- Provides $11.8 million of the requested $14.2 million increase for continued implementation of BLM's Sage Grouse Conservation Strategy, and provides $1.0 million of the requested $5.0 million to implement the National Seed Strategy.
- Rejects requested program increases of $13.7 million for BLM's National Conservation Lands (national monuments and national conservation areas) and $16.9 million for the AIM Strategy ($4.3 M), Enterprise GIS ($6.9 M), and high priority planning efforts ($5.7 M).
- Rejects several small requested increases, including $1.6 million in Soil, Water, and Air including funding for national mitigation teams ($641,000) and $2.0 million in Recreation Resources Management.
- Rejects proposed decreases of $572,000 in the Wild Horse and Burro Management program and $4.8 million in the Alaska Conveyance program.
- Maintains funding for Deferred Maintenance and Capital Improvements at the 2016 enacted level and is silent about the requested increase of $1.8 million for the DOI Southwest Border Radio Initiative which the budget proposed to more than offset with a general program decrease of $4.0 million.
- Provides an unrequested increase of $1.0 million in Resource Protection and Law Enforcement to fill vacant ranger positions.
- Funds the O&C Grant Lands account at the 2017 request level of $107.0 million.

Bureau of Ocean Energy Management: Provides a total $169.3 million, a decrease of $1.6 million from the 2016 enacted level and a decrease of $5.8 million from the 2017 request. Assumes $94.9 million in offsetting collections.

- Clarifies the House does not provide funding for National Ocean Policy Coastal and Marine Spatial Planning.

Bureau of Safety and Environmental Enforcement: Provides a total of $184.9 million, a decrease of $19.8 million from the 2016 enacted level, and $20.0 million below the 2017 request.

- Permanently rescinds $20 million of unobligated balances.
- Assumes $53 million in inspection fees, a reduction of $12 million from the 2017 request, the difference is made up in appropriated funding.
- Report notes that BSEE carryover balances are sufficient to prevent operational impacts in FY 2017 and that the Committee will not substitute increased appropriated funds for lower offsetting collections in future years.

Office of Surface Mining: Provides $251.6 million, an increase of $11.0 million from the 2016 enacted level and $93.7 million above the 2017 request.

- The bill includes $119.3 million for Regulation and Technology, $3.95 million below 2016 enacted and $8.25 million below the 2017 request.
- The Committee focused reductions on line items such as environmental protection and executive direction considered to be related to implementation of the Stream Buffer Rule.
- Provides $105 million for grants to States for AML reclamation and economic development:
  - $75 million to be distributed in equal amounts to the three Appalachian States with the greatest amount of unfunded needs at Priority 1 and Priority 2 sites identified in the Abandoned Mine Land Inventory System; and
  - $15 million to be distributed in equal amounts to the next three Appalachian States with the subsequent greatest amount of unfunded needs to meet Priority 1 and 2 sites.
  - $15 million was added by amendment but how this amount would be split among the states was not specifically addressed.
- The committee expects that the efforts of all six States involved in the pilot program will inform future policy discussions regarding SMCRA reauthorization.

U.S. Geological Survey: Provides $1.08 billion, $18 million above the 2016 enacted level and $88.8 million below the 2017 request.

- Includes an increase of $6.0 million for Landsat 9, $9.4 million below the 2017 request. This funding level is not consistent with the Administration's plan for a 2021 launch date for Landsat 9, as well as Congressional direction in 2016 to "stay on track with the NASA operation and plan".
  - Directs the USGS to apply carryover balances from satellite operations to cover anticipated costs for Landsat-9 development.
- Provides requested increase for Great Lakes Fisheries ($250,000) and partial funding requested for invasive species ($250,000 of $2.5 million requested).
- Does not support requested increases for the Great Lakes CSC ($1.5 million), Tribal climate science ($1.4 million), Arctic ($2.3 million), drought ($2.4 million), and tools/products for land use ($6.2 million).

- Provides $142.9 million ($4.0 million above the 2016 enacted, $6.8 million below the requested level) for Natural Hazards, including$10.2 million for earthquake early warning (EEW), a $2.0 million increase over the 2017 request and 2016 enacted.
- Directs $1.0 million in Volcano Hazards for work on next-generation lahar warning systems.
- Includes $216.1 million for Water Resources ($3.0 million above 2016, $11.9 million below the request), included in this amount is a $2.4 million increase ($60.1 million total) above 2016 for the Cooperative Water program.
- Provides $113.8 million in Core Science Systems ($2.3 million above 2016, $4.6 million below request), includes an increase of $2.2 million (of $4.9 million requested) for 3-D Elevation mapping (3DEP), of which $500,000 (as requested) is directed for Chesapeake Bay work.
- Funds at 2016 enacted levels:
  - *Energy and Minerals*: $73.1 million ($1.9 million below the request)
  - *Environmental Health:* $21.4 million ($3.1 million below the request)
  - *Science Support:* $105.6 million ($5 million below the request)
  - *Facilities:* $100.4 million ($16.8 million below the request).
- Includes report language directing coordination of Federal research regarding the relationship between tick prevalence and environmental factors.

Fish and Wildlife Service: Provides $1.492 billion for FWS, $71.0 million below the request and $16.5 million below the 2016 enacted level.

- **Resource Management:** Includes $1.255 billion for FWS, $54.9 million below the request and $16.2 million above the 2016 enacted level.
  - Reduces and redirects funding within the ESA Listing program which will prevent FWS from meeting statutory deadlines and severely limit its ability to set priorities.
  - Rejects additional request for planning and consultation of Gulf Coast restoration projects funded by settlement agreements, including those associated with the Deepwater Horizon oil spill. FWS is directed to establish a reimbursement program to recover costs.
  - Directs FWS to prioritize 5-year reviews and other inherently governmental requirements under the ESA Recovery program and to not engage in activities that can be performed by others, such as implementing recovery actions.
  - Directs FWS to post signs at National Wildlife Refuges where trapping occurs and to provide online notifications.
  - Directs FWS to utilize wildlife trafficking funding to supplement port inspection funding.
  - Retains language prohibiting FWS from closing or reducing operations at National Fish Hatcheries and directs FWS to fully staff the DC Booth hatchery.
  - Directs FWS to propose future increases for science within the budgets of existing programs that need the science.
- **Construction:** Provides $14.8 million for FWS, $8.9 million below the request and the 2016 enacted level. The bill language does not specify an amount for line item projects.

- **Land Acquisition:** Provides $50.3 million for FWS, $8.4 million below the request and $18.2 million below the 2016 enacted level. Includes $10.0 million for the Highlands Conservation Act that was not requested.
  - Funding for Land Acquisition Management is $10.0 million, $3.0 million below the request and $2.8 million below the 2016 enacted. This will significantly reduce staffing and capabilities.
  - The report identifies $1.0 million for acquisition to provide recreational access; $1.5 million below the request.
- **National Wildlife Refuge Fund:** Provides no funding for this account as requested, a $13.2 million below the 2016 enacted level.
- **Cooperative Endangered Species Conservation Fund:** $55.6 million, $2.1 million above the request and the 2016 enacted level.
- **North American Wetlands Conservation Fund:** $37.6 million for FWS, $2.5 million above the request and the 2016 enacted level.
- **Multinational Species Conservation Fund and the Neotropical Migratory Bird Conservation Fund:** $11.1 million and $3.9 million for these accounts respectively, equal to the request and the 2016 enacted level.
- **State and Tribal Wildlife Grants:** $62.6 million, $4.4 million below the request and $2.0 million above the 2016 enacted level.
- **Language Issues:**
  - The bill prohibits FWS from closing or terminating operations within the National Fish Hatchery System (Administrative Provision)

National Park Service: Provides $2.9 billion, $171.4 million below the request and $78.8 million above enacted.

- **Operations:** Includes $2.437 billion, $86.8 million below the request and $68.0 million above enacted.
  - Provides $65.5 million for the Centennial. Within this, the Committee identifies:
    - +$10.7 million for new park units and new park responsibilities, level with the request.
    - +$2.6 million to increase communications bandwidth at parks.
    - +$35.0 million for repair and rehabilitation projects.
    - +$15.0 million for cyclic maintenance.
    - +$2.2 million is not identified.
  - Rejects proposed $2.2 million reduction in funding for the National Capital Area Performing Arts Program.
  - Directs the NPS to continue $2.0 million for quagga/zebra mussel containment and prevention.
  - Discusses the Biscayne National Park General Management Plan, which approved a no-fishing marine reserve and provides guidance on future research and improving cooperation with stakeholders.
  - Calls for a report with corrective actions to address sexual harassment problems at the Grand Canyon NP and throughout the NPS.
  - Urges the NPS to pursue coalitions and partnerships to secure funding for Memorial Bridge repairs.

- **Centennial Challenge:** Provides $30.0 million, $5.0 million below the request and $15.0 million above enacted.
- **National Recreation and Preservation:** Includes $62.6 million, $8.2 million above the request and level with enacted.
  - Provides $19.8 million for the Heritage Partnership Program, level with enacted, and $10.4 million above the request.
  - Funds all other activities level with enacted.
- **Historic Preservation Fund:** Provides $83.4 million, $4.0 million below the request and $18.0 million above enacted. Within those amounts, the Committee provides the following:
  - $47.9 million for grants-in-aid to States and Territories, $1 million above the request and enacted.
  - $12.0 million for grants-in-aid to Tribes, level with the request and $2.0 million over enacted.
  - $11.5 million for competitive grants, of which $500,000 is for grants to underserved communities and $13.0 million is for competitive Civil Rights grants. This is $12.0 million below the request and $5.0 million above enacted.
  - $5.0 million for competitive grants to Historically Black Colleges and Universities, $2 million above the request.
  - $5.0 million for Save America's Treasures. This program was not funded in 2016 and was not requested in 2017.
- **Construction:** Includes $215.7 million, $36.3 million below the request and $22.8 million above enacted.
  - Provides $129.5 million for line-item construction projects, $23.8 million below the request.
  - Provides the requested $4.0 million increase for equipment replacement, but only a portion of the increases requested for construction planning and management.
- **Land Acquisition:** Provides $128.8 million, $49.5 million below the request and $44.9 million below enacted, includes:
  - $22.5 million for Federal land acquisition projects, $10.6 million below enacted and $14.8 million below the request.
  - $10.0 million for Battlefield grants, level with the request and enacted.
  - Stateside grants are funded at $80.0 million, 30.0 million below both the request and enacted levels.
    - Includes $5.0 million for competitive grants, $7.0 million below both the request and enacted.

Indian Affairs: Provides $2.870 billion, an increase of $73.8 million above the 2016 enacted level and $63.8 million below the 2017 request.

- Operation of Indian Programs
  - Does not fund requested increase for Native One-Stop Support Center (+$4 million).
  - Provides $3.3 million of the $23.7 million requested increases in Trust Natural Resources.

  - Funds Real Estate Services at $15 million below the request and $6.3 million below FY 2016 enacted reflecting proposed reductions for Klamath River activities.
    - Does not provide any of the $8.1 million increase requested to improve taking land into trust or improve Water Settlement operations
  - Public Safety and Justice is funded at $11.3 million over the request
    - Restores requested Tribal Justice Support proposed decrease of $8.2 million
    - Increases Criminal Investigations and Police Services $3.1 million over the request
  - Executive Direction
    - Funds requested increase of $1.3 million for safety inspections
    - Does not fund requested increase of $12 million for evidence and evaluation support
  - Bureau of Indian Education
    - Funds $38.8 million of the $57.6 million in requested increases
    - Does not fund requested Education IT increase of $16.8 million
    - Does not fund $3.6 million requested increase for Johnson O'Malley
    - Report states that "By the end of fiscal year 2017, all of the education-related responsibilities under Indian Affairs, including procurement, human resources, budget and finance, and BIE facilities operations, maintenance, and inspections, should be consolidated under the BIE."
- Education Construction
  - Education Construction was funded at request level of $138.3 million
  - Report language directs Indian Affairs to submit a comprehensive long term education construction plan to Congress one year after enactment
- Indian Education Fund
  - Includes a provision to establish an Indian Education Fund to promote public-private partnerships for providing financial support for the improvement or replacement of facilities and infrastructure, and for the enhancement of telecommunications and technological capacity in bureau-funded schools.

Office of the Secretary: Provides $741.9 million, $463.5 million above the request and $20.2 million above the enacted level. Does not provide additional funding requested for Native Hawaiian activities.

- Includes $480.0 million in discretionary funding for PILT, $28.0 million above the 2016 level. The Department proposed full funding of $480.0 million as a separate mandatory legislative proposal.

Working Capital Fund: Provides the 2016 enacted amount of $67.1 million, $44.4 million below the 2017 request.

- Does not provide requested increases for DATA Act Compliance, FITARA Coordination, or Cyber Security.

Office of Insular Affairs: Provides $90.3 million, a decrease of $13.1 million from the 2016 enacted level, and $12.4 million below the 2017 request.

- Does not include $13.1 million for the Palau Compact extension provided in 2106. The 2017 request assumed enactment of mandatory funding for the Palau Compact.
- Directs OIA to include with its 2018 budget request a summary of OIA's role in the development and implementation of the regional biosecurity plan for Micronesia and Hawaii.

Office of the Solicitor: Provides the 2016 enacted level of $65.8 million, $3.6 million below the 2017 request.

Office of the Inspector General: Provides the 2016 enacted level of $50.0 million, $5.9 million below the 2017 request.

Office of the Special Trustee: Provides the 2016 enacted level of $139.0 million, $1.35 million below the request.

- Funds the Office of Historical Accounting at the 2017 request level of $18.7 million.
- Includes requested language to allow OST to aggregate long-term unclaimed funds within a single account rather than maintaining separate accounts for each individual.

Wildland Fire: Provides a total of $943.9 million for the wildland fire program, including $851.9 million for the Wildland Fire Management account and $92.0 million in the FLAME Fund. Does not include the proposed cap adjustment to fund a portion of fire suppression costs.

- Funds suppression at the 10-year average, with funding split between the WFM account and the FLAME Fund.
- Funds Fuels Management at $180.0 million, which is $10 million above the 2016 enacted level, and essentially level with the combined request of $179.1 million for Fuels Management and Resilient Landscapes. The House did not support a new, separate Resilient Landscapes budget line, but includes report language as allowing funds to be used for resilient landscapes activities within the Fuels Program. This is similar to treatment of Resilient Landscapes in 2015 and 2016.
- All other WFM programs were funded at the request level.

NRDA: Provides $7.8 million, $1.5 million below the request, and level with 2016 enacted.

Central Hazardous Material Fund: Maintains the 2016 enacted level of $10.0 million and does not fund requested increase of $3.5 million for Red Devil Mine.

<u>Energy and Water Bill</u> - Summary of FY 2017 Committee Mark which was introduced on the Floor but never achieved passage.

CUPCA: The bill funds CUPCA at $11.0, $1.0 million above the 2016 enacted level and $4.4 million above the request.

Reclamation: The bill funds Reclamation at $1.13 billion, $27.4 million above the 2017 request and $131.4 million below the 2016 enacted level. Notable issues include"

- **San Joaquin River Restoration.** The bill eliminates funding for this program, which would undermine the San Joaquin River Restoration Settlement's goals to restore and maintain fish populations and reduce or avoid water supply impacts.
- **California Water.** Sections 204 through 208 of the bill include problematic provisions that undercut the Endangered Species Act and limit application of court-approved biological opinions, thereby resulting in detrimental conditions for Federal- and State-listed endangered species. Furthermore, these provisions preempt California water law, fail to address critical elements of California's complex water challenges and would, if enacted, impede an effective and timely response to the continuing drought while providing no additional water to hard hit communities.
- **Authorizations for Continued Operations.** The bill does not include the language requested in the FY 2017 Budget to increase the appropriations ceiling for the Secure Water Act and to extend the California Bay-Delta Restoration authorization.

II. Senate Marks For Department of the Interior in the Interior and Environment and Energy and Water Appropriations bills

Interior and Environment Bill - Summary of FY 2017 Senate Full Committee Mark with Amendments Summary as of June 17, 2016

Funding Highlights

- The total Senate bill provides $32.8 billion, a decrease of $163.6 million from the 2016 enacted and $667 million above the House Committee mark.
- For Interior, the Senate provides $12.3 billion which includes $480.0 million for PILT payments and $171.3 million in emergency funding for fire suppression. This is an increase of $263.4 million from 2016, and $39.0 million from the 2017 request.
  - When adjusted for PILT, the Senate funding level for Interior programs equates to $11.8 million, which in comparison to the 2017 requested amount is $441.0 million below the President's Budget.
  - When adjusted for both PILT and the emergency fire funding, the Senate total for Interior equates to $11.6 million, which is $612.3 million below the 2017 request.

DEPARTMENT OF THE INTERIOR Total Current Budget Authority	2016 Enacted	2017 Request	2017 House Mark	2017 Senate Mark	2017 Senate Mark Compared to 2017 Request	2017 Senate Mark Compared to 2016 Enacted
Bureau of Land Management	1,252,359	1,259,419	1,242,307	1,258,832	-587	6,473
Bureau of Ocean Energy Management	170,857	175,138	169,306	169,560	-5,578	-1,297
Bureau of Safety and Environmental Enforcement	204,671	204,867	184,867	179,671	-25,196	-25,000
Office of Surface Mining Reclamation and Enforcement	240,556	157,925	236,603	236,845	78,920	-3,711
Bureau of Reclamation	1,265,000	1,106,159	1,133,578	1,265,000	158,841	0
Central Utah Project Completion Act	10,000	5,600	11,000	10,000	4,400	0
Geological Survey	1,062,000	1,168,803	1,080,006	1,068,135	-100,668	6,135
Fish and Wildlife Service	1,508,368	1,562,899	1,490,918	1,496,423	-66,476	-11,945
National Park Service	2,851,285	3,101,450	2,922,548	2,913,918	-187,532	62,633
Bureau of Indian Affairs	2,796,120	2,933,715	2,868,434	2,854,579	-79,136	58,459
Departmental Management	721,769	278,376	749,422	265,000	-13,376	-456,769
Insular Affairs	103,441	102,717	90,294	110,335	7,618	6,894
Office of the Solicitor	65,800	69,448	65,800	65,758	-3,690	-42
Office of Inspector General	50,047	55,911	50,047	50,047	-5,864	0
Office of Special Trustee	139,029	140,379	139,029	139,029	-1,350	0
Department wide Programs	1,078,622	1,248,890	1,028,822	1,507,548	258,658	428,926
[Wildland Fire Management and FLAME	*[993,745]*	*[1,114,624]*	*[943,945]*	*[942,671]*	*[-171,953]*	*[-51,074]*
Wildland Fire Suppression (Emerg. Funds)	0	0	0	171,291	171,291	171,291
Less Offsetting Collections	*-212,829*	*-203,474*	*-191,474*	*-191,474*	*12,000*	*21,355*
Current Total with Cap Adjst. and PILT	**13,307,095**	**13,368,222**	**13,271,507**	**13,570,497**	**202,275**	**263,402**
Less PILT	-452,000	0	-480,000	-480,000	-480,000	-28,000
Less Fire Suppression (Emerg. Funds)	0	0	0	-171,291	-171,291	-171,291
Current Total w/ Cap Adjst. w/o PILT, Emerg.	**12,855,095**	**13,368,222**	**12,791,507**	**12,919,206**	**-449,016**	**64,111**
Current Energy and Water	**1,275,000**	**1,111,759**	**1,144,578**	**1,275,000**	**163,241**	**0**
Current Interior Subcommittee	**12,032,095**	**12,256,463**	**12,126,929**	**12,295,497**	**39,034**	**263,402**

Land Acquisition: The Senate includes $315.2 million for Interior Land and Water Conservation Fund programs, a decrease of $31.8 million below the request and $31.1 million below enacted. The House mark for LWCF programs is $50.9 million below the Senate mark.

Federal Land Acquisition	2016 Enacted	2017 Request	2017 House Mark	2017 Senate Mark	2017 Senate Mark Compared to 2017 Request	2017 Senate Mark Compared to 2016 Enacted
Bureau of Land Management	38,630	43,959	19,400	33,416	-10,543	-5,214
Fish and Wildlife Service	68,500	58,655	50,300	47,871	-10,784	-20,629
National Park Service	63,670	68,242	48,752	58,417	-9,825	-5,253
OS Office of Valuation Services	12,000	12,643	10,000	12,000	-643	0
Subtotal, DOI Land Acquisition	**182,800**	**183,499**	**128,452**	**151,704**	**-31,795**	**-31,096**
Other Conservation Grants						
Cooperative Endangered Species Conservation Grants (FWS)	53,495	53,495	55,900	53,495	0	0
LWCF State Grants (NPS)	110,000	110,006	80,000	110,006	0	6
Subtotal, DOI Other Conservation Grants	**163,495**	**163,501**	**135,900**	**163,501**	**0**	**6**
Subtotal, DOI	**346,295**	**347,000**	**264,352**	**315,205**	**-31,795**	**-31,090**

Note: For FWS CESCF grants, the House bill indicates that $24.79M is funded out of the Coop Endangered Species Fund, and $30.8M is funded out of LWCF. The Senate funds a total of $53.495 million of which $30.8 million is funded out of the LWCF. The Pres bud includes all of the funding in LWCF.

Construction: The bill includes $426.3 million for Construction, this is $46.5 million below the 2017 request and $15.7 million above the enacted. This is $1.3 million below the House mark.

Construction	2016 Enacted	2017 Request	2017 House Mark	2017 Senate Mark	2017 Senate Mark Compared to 2017 Request	2017 Senate Mark Compared to 2016 Enacted
Fish and Wildlife Service	23,687	23,740	14,837	16,935	-6,805	-6,752
National Park Service	192,937	252,038	215,707	217,320	-34,718	24,383
Bureau of Indian Affairs	193,973	197,017	197,017	192,017	-5,000	-1,956
Total, Construction	**410,597**	**472,795**	**427,561**	**426,272**	**-46,523**	**15,675**

- FWS: The Senate level supports the top five (of 11) FWS construction priorities for 2017, including the Forensics Laboratory
- NPS: Senate funding supports the top 21 (of 26) of line item construction projections. An additional $700,000 is included for renewable energy projects at NPS units.
- Indian Affairs: The $5.0 million reduction below the enacted level, reflects a one- time increase in 2016 to address backlogged maintenance projects. Indian Affairs is directed to report on the progress the Bureau has made towards implementing a long-term facilities plan similar to the Department of Defense process in 2009.

Invasive Species: The Senate directs Interior to provide a report on efforts to prioritize early detection and rapid response (EDRR) in fiscal year 2017, including detail on plans to protect specific native species and natural resource values on public lands across the Nation.

Legislative Provisions:

- **Sec. 110. Humane Transfer of Excess Animals:** Authorizes the transfer of excess wild horses or burros to other Federal, State, and local government agencies for use as work animals.
- **Sec. 111. Lesser Prairie Chicken:** Prohibits the use of funds to develop, propose, finalize, implement, enforce, or carryout any activity leading to a determination on the status of the lesser prairie-chicken under the ESA.
- **Sec. 113. Wild Lands Funding Prohibition:** Prohibits the use of funds for the Secretarial Order on wildlands and excludes authorities provided under FLPMA, which was included in prior bills.
- **Sec. 115. Sage Grouse:** Prohibits the use of funds to review the status or determine whether the greater sage-grouse or the Columbia basin distinct population segment of greater sage-grouse is an endangered or threatened species.
- **Sec. 116. Republic of Palau:** Continues payment of programmatic assistance to Palau as in prior years.
- **Sec. 117. Prohibition on Use of Funds:** Prohibits the use of funds for a rule from FWS entitled "Non-Subsistence Take of Wildlife, and Public Participation and Closure Procedures, on National Wildlife Refuges in Alaska."
- **Sec. 118. Prohibition on Use of Funds:** Prohibits the use of funds water conveyances by the Arizona & California Railroad Company Right of Way.
- **Sec. 119. Reissuance of Final Rules:** Requires the Secretary to reissue the final rules published December 28, 2011 and September 10, 2012 regarding wolves. The reissuance of the rule shall not be subject to judicial review.
- **Sec. 120. DOI Experienced Services Program:** Provides requested authority to utilize the talents of older Americans
- **Sec. 121. Stream Buffer:** Prohibits the use of funds to develop, finalize, carry out, or implement the proposed rule entitled "Stream Protection Rule" or to develop, carry out, or implement any guidance, policy or directive to reinterpret or change the historic interpretation of "material damage to hydrologic balance outside the permit area."
- **Sec. 122. King Cove Road Land Exchange:** Requires a land exchange between Izembek NWR and the State for construction of a road between King Cove and Cold Bay, Alaska.
- **Sec. 123. Natchez National Historical Park:** Expands the boundary for Natchez National Historical Park and authorizes the acquisition of land from willing sellers.
- **Sec. 124. Daniel J. Evans Wilderness:** Changes the name of "Olympic Wilderness" to the "Daniel J. Evans Wilderness" at Olympic National Park.
- **Sec. 125. Special Resource Study to Preserve Civil Rights Sites:** Requires the Secretary to conduct a special resource study of significant civil rights sites as specified in the provision.
- **Sec. 126. Royalty Policy Committee:** Requires the Secretary to reestablish the Royalty Policy Committee

- **Sec. 127. Continuous Operations:** Extends the period during which an offshore lease cannot have continuous operations before the lease expires from 180 days to 365 days
- **Sec. 419. Report on Use of Climate Change Funds:** Requires the White House submit a report on the use of climate change funding within 120 after submission of the FY 2018 budget.
- **Sec. 424. Extension of Grazing Permits:** Extends current terms and conditions regarding grazing permits through FY 2017
- **Sec. 425. Recreation Fee:** Extends authority for recreation fees through September 30, 2018.
- **Sec. 431. Access for Inspectors General:** Prohibits the use of funds to deny an Inspector General timely access to records, documents, or other material available to the Department or agency over which the Inspector General has responsibilities. The provision requires the OIG to report to the House and Senate within 5 calendar days of failures to comply with the requirement.
- **Title V – Wildfire Disaster Funding:** The Senate bill includes a new title providing wildfire disaster funding authority and amendments to the Tongass National Forest Plan.
- **Title VI – Alaska Land Use Council Act:** Establishes an Alaska Land Use Council Act to facilitate coordination and cooperation among Federal, State, and Alaska Native Corporation and tribal land and resource managers in the implementation of the Alaska National Interests Lands Conservation Act (ANILCA).
- **Title VII – Women's Suffrage Centennial Commission Act:** Establishes a commission on Women's Suffrage which includes the Director of the NPS as a member. Commission activities concern commemoration of the centennial of the passage and ratification of the Nineteenth Amendment.

The Senate bill <u>does not include</u> the following proposed provisions from the President's budget:

- **Sec. 107. Outer Continental Shelf Inspection Fees:** Does not expand authority to charge inspection fees by the visit rather than annually.
- **Sec. 114. Onshore Oil and Gas Inspection Fees:** Does not authorize onshore oil and gas inspection fees.
- **Sec. 115. Indian Reorganization Act:** Does not make requested technical changes to the Indian Reorganization Act reaffirming and clarifying the Secretary's authority to take land into trust for federally recognized tribes.
- **Sec. 116. Indian Education Foundation:** Does not re-establish the Indian Education Foundation.
- **Sec. 120. Obed Wild and Scenic River:** Does not increase the funding cap for land acquisition at Obed Wild and Scenic River.
- **Sec. 121. Lake Chelan National Recreation Area:** Does not increase the funding cap for land acquisition at Lake Chelan National Recreation Area.
- **Sec. 417. Livestock Grazing Administration:** Does not establish a $2.50 per Animal Unit Month grazing administration fee.
- **Sec. 418. Outer Continental Shelf Leasing Review Period:** Does not modify the leasing review period for OCS leases from 30 days to 90 days.

<u>Summary by Bureau</u>

Bureau of Land Management: $1.26 billion, $6.5 million above the enacted level and $0.6 million below the 2017 request.

- Rejects proposal to institute oil and gas inspection fees and grazing administration fees, which combined, reduced the request for appropriations by $64.5 million. The Senate funds oil and gas inspection at the request level of $48.0 million through appropriations; and increases funding for Rangeland Management by $1.0 million over the enacted level.
- Fully funds the $5.0 million increase requested for implementing the National Seed Strategy but provides only $5.6 million of the $14.2 million increase requested for Sage Grouse Conservation.
- Funds requested increases for special pay ($2.6 million), Alaska legacy wells ($2.8 million), and AFMSS ($2.1 million), but does not support the requested increase of $13.1 million for implementation of oil and gas rules and regulations.
- Includes bill language (in Administrative Provisions) to help address a cash-flow management challenge in BLM's APD fee funding, resulting from the new APD fee mechanism established by the National Defense Authorization Act of 2015, in which fee revenues only become available to BLM as they are collected. The new Senate language provides for an upfront appropriation of $26.0 million for processing APDs, to be reduced by fee amounts collected over the course of the year.
- Rejects increases proposed in Riparian Management ($-1.5 million), Cultural Resources Management (-$1.1 million), and Soil, Water, and Air Management (-$1.6 million) and reduces base funding for SWA by an additional $1.0 million. Restores a small reduction proposed in Wild Horse and Burro Management (+$572,000) and provides an unrequested increase of $1.9 million for Public Domain Forestry Management.
- Funds Recreation Resources Management at the 2017 request level, which included a $2.0 million programmatic increase to improve accessibility. The Senate directs $2.0 million of this funding for activities directed related to units of the NLCS but does not support the requested program increase of $13.7 million in the National Conservation Lands. Reduces funding for Wilderness Management by $3.0 million, with direction to prioritize recreation management over the creation of lands to be managed as wilderness.
- Establishes a National BLM Foundation.
- Rejects proposed reduction of $1.0 million to the Other Mineral Resources program
- Cuts Renewable Energy $2.0 million below the 2016 enacted level.
- Restores proposed reduction of $4.8 million to the Alaska Conveyance program.
- Rejects requested increases to implement BLM's AIM Strategy ($4.3 million) and high priority planning efforts ($5.7 million), but provides $4.0 million of the requested $6.9 million for BLM's enterprise geospatial system.
- Funds Deferred Maintenance at the request level, including the requested increase of $1.7 million for the DOI Southwest Border Radio Initiative.
- Reduces funding for Oregon and California Grant Lands $4.0 million below the 2017 request.
- Includes report language opposing Secretarial Order 3338 activities.

Bureau of Ocean Energy Management: $169.6 million, a decrease of $1.3 million from the enacted level and $5.6 million below the 2017 request.

- Includes report language prohibiting issuance of offshore wind leases that would allow wind turbines less than 24 nautical miles from the State of North Carolina shoreline

Bureau of Safety and Environmental Enforcement: $179.7 million, $25.0 million below the enacted and a $25.2 million below from the 2017 request.

- Permanently rescinds $25 million of unobligated balances.
- Assumes $53 million in inspection fees, a reduction of $12 million from the 2017 request, the difference is made up in appropriated funding.
- Directs BOEM and BSEE to provide a joint report demonstrating the two agencies are coordinating future rule-makings and ensuring the timing is such that new rule-making or proposed guidance comment periods do not overlap with the exceptions of emergencies.

Office of Surface Mining: $236.8 million, $3.7 million below the enacted and $78.9 million above the request.

- $119.7 million for Regulation and Technology; $1.9 million below the request and level with enacted including $68.6 million for State Regulatory grants.
- $117.1 million for the Abandoned Mine Reclamation Fund. This is $86.8 million above the request and $169,000 below enacted.
    - Includes $90.0 million for the new AML economic grants to States.

U.S. Geological Survey: $1.07 billion, $6.1 million over the enacted level and $100.7 below the request.

- Provides $140.5 for the Climate and Land Use Change program, $500,000 above the enacted and $30.7 million below the request.
    - Funds Landsat 9 development at the requested $15.4 million increase through corresponding reductions to climate R&D and land change science programs.
    - Increases funds for Arctic research (+$500,000)
- Provides $157.5 million for Ecosystems programs, $2.7 million below the enacted and $16.4 below the request, including:
    - Increases for White Nose Syndrome ($250,000) and invasive species ($250,000)
    - Directs the USGS to preserve base funding to address Asian Carp ($5.6 million)
- Provides $94.5 million for Energy, Minerals, and Environmental Health programs, equal to the current enacted level and $5.0 million below the request.
    - Report expresses concern that activities are reaching into non-traditional areas, while not devoting adequate resources to program areas such as mineral resources.
    - Rejects the proposed decrease of $1.5 million for geophysical and remote sensing activities, and provides an increase of $1.6 million.
    - Accepts the proposed decrease of $1.6 for the toxic substances hydrology program.
- Provides $142.3 million for Natural Hazards programs, $3.3 over the 2016 enacted level and $7.4 million below the request, including:
    - Increases of $1.0 million for early earthquake warning, $500,000 for seismic stations, and $1.0 million to work with regional seismic networks to meet earthquake detection standards
    - An increase of $1.0 million for deferred network maintenance of volcano monitoring stations

- The Senate mark includes $211.2 million for Water Resources, $500,000 above the enacted and $16.8 million below the request, including:
    - Increases of $2.0 million for groundwater resource studies within the Mississippi River Alluvial Plain, $700,000 for streamflow information and streamgages (as requested), $500,000 for the groundwater network, and $300,000 to re-establish the streamgage on the Unuk River.
    - Within the National Water Quality program, general program reductions of $3.0 million
    - Maintains funding for the Water Resources Research Act at $6,500,000
- Includes $116.1 million for Core Science Systems, $4.5 million over the enacted level and $2.3 million below the request, including:
    - A $4.5 million of the $4.9 million requested increase for 3-D elevation program of which $2.5 million ($1 million more than requested) is for Alaska mapping.
- Funds *Science Support* at the request level of $105.6 million ($5 million below the request)
- Funds *Facilities* at the request level of $100.4 million ($16.8 million below the request).
    - Directs a report on how future budget planning will support the infrastructure needs at the National Wildlife Health Center.

Fish and Wildlife Service: $1.5 billion, $11.9 million below the enacted and $66.5 million below the request.

- Includes $1.2 billion for Resource Management, the main operating account, $10.4 million above enacted and $60.7 million below the enacted level.
    - Reduces and redirects funding within the ESA Listing program (-$3.1 million below enacted and -$5.5 million below request); increases Planning and Consultation $3.9 million above enacted (-$2.7 million below request); and increases Recovery $2.5 million above enacted (-$4.6 million below request) with direction to focus on downlisting and delisting.
    - Funds the National Wildlife Refuge System at $483.4 million, $1.9 million above enacted and -$23.2 million below the request.
    - Funds National Fish Hatchery operations at the request level of $53.8 million. Direct FWS future budget requests to ensure that Federal partners have committed to make sufficient funding available to reimburse the Service before the Service proposes to eliminate funding for mitigation hatcheries.
    - Provides the requested levels for law enforcement ($75.1 million) and international affairs ($15.8 million) to address wildlife trafficking
    - Directs FWS to propose a rule by the end of the fiscal year to delisting or downlist the American Burying Beetle should the status review make a finding that delisting or downlisting is warranted.
- Within land acquisition does not provide funding for the Highlands Conservation program, but the report expresses support for the program and directs the Service to include the program in its 2018 budget request if there are eligible projects.
- Provides $13.2 million for the National Wildlife Refuge Fund, level with the 2016 enacted level and an increase of $13.2 million from the request.
- Provides the following for FWS grant programs:

    - $53.5 million for Cooperative Endangered Species Conservation grants, level with the request and the 2016 enacted level.
    - $38.1 million for North American Wetlands Conservation Fund grants, $3.0 million above the request and the 2016 enacted level.
    - Funds Multinational Species Conservation Fund and the Neotropical Migratory Bird Conservation Fund at $11.1 million for and $3.9 million respectively, equal to the request and the 2016 enacted level.
    - $62.6 million for State and Tribal Wildlife Grants, $4.4 million below the request and $2.0 million above the 2016 enacted level.
- Does not include language proposed in the President's budget to recover costs for response, assessment and damages from responsible parties on refuge lands.

National Park Service: $2.9 billion, $62.6 million above the enacted and $187.5 below the request.

- Funds Operations, the main operating account, at $2.4 billion, $36.0 million above enacted and $118.7 million below the request
    - Funds Repair and Rehabilitation projects at $114.5 million projects, $34.2 million below the request of $148.7 million.
    - Provides $122.9 million for cyclic maintenance, $36.6 million below the request of $159.5 million.
    - Does not fund requested increase of $20.0 million for Every Kid in a Park.
    - Does not fund requested increase of $8.1 million for health insurance coverage of seasonal employees.
    - Provides an increase of $11.0 million for new park responsibilities.
    - Rejects the proposed $2.2 million reduction for the National Capital Area Performing Arts Program.
    - Report language provides direction on the sale of bottled water at park units, supporting ranching and dairy operations at Point Reyes National Seashore, supporting local entities at the Blackstone River National Historical Park, and directing a funding increase of $165,897 for Roosevelt-Campobello International Park.
- Funded Centennial Challenge at $20.0 million, $15.0 million below the request and $5.0 million above enacted.
- Includes $62.6 million for National Recreation and Preservation, $8.2 million above the request and level with enacted.
    - Provides $19.8 million for the Heritage Partnership Program, level with enacted, and $10.4 million above the request.
- Funds Historic Preservation Fund at $67.9 million, $19.5 million below the request and $2.5 million above enacted.
    - Includes $47.9 million for grants-in-aid to States and Territories, $1.0 million above the request and enacted.
    - Provides $10.0 million for grants-in-aid to Tribes, $2.0 million below the request and level with enacted.
    - Provides $10.0 million for Civil Rights competitive grants, $15.0 million below the request and $2.0 million above enacted.

  - o No funding is provided for competitive grants to Historically Black Colleges and Universities, $3.0 million below the request and the House mark.
- Within Federal land acquisition is funded at $58.4 million funds the requested $22.5 million for the Grand Teton project.

Bureau of Indian Affairs: $2.9 billion, $58.5 million above enacted and $79.1 million below the request

- Provides $2.3 billion for Operation of Indian Programs, the main operating account, $58.4 million above enacted and $69.4 million below the request.
- Funds portions of major Indian Affairs initiatives:
  - *BIE Transformation* –Funds $17.0 million of $49.4 million increase requested, funding all or part of increases requested for ISEP formula funds, student transportation, facilities O&M, early childhood development programs , tribal grant support costs, education program enhancements, and education IT. It does not fund the $8.0 million increase request for education management
  - *Tiwahe* – Funds $16.0 million of $21.0 million increase requested. Includes increases for Indian Child Welfare Act programs, housing, tribal courts, and job training as requested. Funds 60 percent of increase requested for social services.
- Partially or fully funds requested increases for, irrigation O&M, rights protection implementation, Alaska subsistence, Fish, Wildlife & Parks, corrections programs, energy workers, safety inspectors, and tribal colleges.
- Provides increases above the request for road maintenance (+$3.5 million), small and needy tribes (+$1.6 million), new tribes (+$464,000), forestry (+$2.0 million), fish hatcheries in the NW region (+$545,000), Alaskan Native Programs (+$400,000), negotiations funding for KBRA Tribes (+1.5 million)
- Provides $13.5 million above the request for law enforcement programs, restoring the proposed $8.2 million reduction for tribal justice support.
- Does not fund requested increases for Native One-Stop, climate change, programs supporting taking lands into trust, or water settlements, uniform tribal commercial codes, Johnson O'Malley grants, scholarships, or initiative to improve tribal data quality.
- The bill eliminates funding for juvenile detention center education programs.

- Provides the enacted level of $278.0 million for Contract Support Costs, $1.0 million above enacted.
- Provides $49.5 million for water settlements, $5.7 million below the request and level with enacted.
- Provides $8.8 million for the Loan Program, $1.0 million above the request and enacted. The additional funding supports an additional $ 14.0 million in loan principal.

Office of the Secretary: $265.0 million, a decrease of $456.8 million from the 2016 enacted and a decrease of $13.4 million from the 2017 request. Reduction below the enacted reflects the shift of PILT funded to a separate account. The reduction excluding PILT is $4.8 million from the enacted.

- Leadership and Administration is funded at $121.9 million, $1.0 million below 2016 enacted and $5.5 million below the 2017 request. Does not provide requested increases of $1.0 million for Native Hawaiian Outreach, $1.5 million for Native Invasive Species

Early Detection/Rapid Response initiatives, $225,000 for Insider Threat activities, or $3.0 million for Digital Services Teams.
- Natural Resources Review is funded at $121.8 million, $3.8 million below 2016 enacted and $7.6 million below the 2017 request.
- The report includes report language critical of several pending rules and directs the Secretary to formally report to the Committee and justify increases to royalty rates before implementing an increase.
- Includes report language directing ONRR to work with BLM on the direction of Lease Terminations.
- Includes report language directing the Secretary, in consultation with the Office of Navajo-Hopi Indian Relocation, to report within 90 days detailing the functions of that could be transferred to the Department of the Interior upon closure of the Office.

Working Capital Fund: $67.1 million, equal to the enacted and $44.4 million below the request.
- Funds the Financial and Business Management System at the requested level of $53.9 million.
- Does not provide requested increases of $24.7 million for Cybersecurity; $10.2 million for Data Act Compliance; $2.6 million for FITARA Coordination; and $1.0 million for Cultural and Scientific Collections management activities.
- Does not provide requested increases of $5.2 million and $702,000 for Office Consolidations and Service First.

Office of Insular Affairs: $110.3 million, $6.9 million above the enacted and $7.6 million above the request.
- Includes $13.1 million for the Palau Compact extension, level with the 2016 enacted. The request assumed enactment of mandatory funding for the Palau Compact.
- Decreases Territorial Assistance by $6.9 from the 2016 enacted and $5.5 million from the request.

Office of the Solicitor: $65.8 million, $3.7 million below the request and $42,000 below enacted.

Office of the Inspector General: Provides the 2016 enacted level of $50.0 million, $5.9 million below the request.
- Includes a $200,000 transfer from the Office of Navajo and Hopi Indian Relocation, as in prior years.
- Includes a requirement (Sec 431) for the IG to report to the committees (within five days) any failures to allow timely access to documents, records, etc.

Office of the Special Trustee for American Indians: $139.0 million, level with the enacted and $1.4 below the request.
- Funding for the Office of Historical Trust Accounting is capped at the request level of $19.6 million, $2.5 million below the enacted level.

Wildland Fire: $1.1 billion in total funding for Wildland Fire Management activities, including $171.3 million in emergency suppression funding, $120.2 million above the enacted level and $662,000 below the request with of a $290.0 million cap adjustment.

- Includes bill language to establish a cap adjustment for certain fire suppression costs. The Senate proposal is a modification to the cap adjustment proposal in the President's Budget. The language also requires consistent appropriations at the ten year average in order to access the cap adjustment.
  - While the Senate bill would establish the cap adjustment in FY 2017, budgeting rules do not allow for the same bill to both create a new cap adjustment and appropriate funding under that cap and the Senate bill does not provide funds for the cap adjustment.
  - The Senate bill provides the full 10-year average of $395.0 million for Suppression Operations and $171.3 million in emergency suppression funds for FY 2017 as bridge year funding until the cap adjustment is enacted.
- Provides $180.0 million for Fuels Management, which is $30.9 million above the request and $10.0 million over the 2016 enacted level. While the Senate does not support the proposed new budget line item for Resilient Landscapes, for which $30.0 million was requested, the Senate allows $20.0 million of the Fuels Management funding to be used for resilient landscape activities.
- Provides $2.0 million of the requested $3.6 million increase for Fire Facilities Construction and Maintenance.

NRDA: $7.8 million, level with the 2016 enacted and a decrease of $1.5 million from the 2017 request.

Central Hazardous Material Fund: $10.0 million, equal to the 2016 enacted and $3.5 million below the request.

- Does not provide the requested $3.5 million for the Red Devil Mine remediation design.

Payments in Lieu of Taxes: $480.0 million, $28.0 million above the enacted and level with the request.

<u>Senate Energy and Water Appropriations Summary for CUPCA and Bureau of Reclamation</u>

CUPCA:

- The bill funds CUPCA at the 2016 enacted level of $10 million and +$4.4 million over President's budget.

Reclamation

- The bill funds Reclamation at the 2016 enacted level of $1.265 billion (+$158.8 over President's budget)
  - The bill does not accept the proposed account for Indian Water Rights Settlements, but does fully fund the requested level by continuing funding in the Water and Related Resources account.

- The bill accepts the President's budget proposed reductions for California Bay-Delta Restoration (-$1 million) and Policy and Administration (-$500,000)
- The funds the requested increase for the Central Valley Project Restoration Fund (+$6.1 million)
- The bill fully funds the President's Budget request for San Joaquin River Restoration within the Central Valley Project
- The bill provides an additional $163 million, including for:
  - Drought Relief ($100 million)
  - Rural Water ($44 million)
  - Environmental Restoration ($10 million)
  - Water Conservation ($5 million)
- Directs $2 million for Safety of Dams preconstruction activities at Scoggins Dam (as requested) and directs BOR to prioritize this project including commencement of feasibility and environmental review of the preferred alternative in fiscal year 2017 -- Interior may accept contributed funds from non-Federal contractors to expedite completion of any level of review

The bill also:

- Extends Bay-Delta Authorization to 2019 (consistent w/ Budget Request)
- Increases the authorized amount Section 9504 of the Secure Water Act of 2009 to $450 million, on the condition that $50 million be used million is used to carry out projects to increase Colorado River System water in Lake Mead and the initial units of Colorado River Storage Project reservoirs (Section 206 of FY 2015 Energy and Water Appropriations Act, PL 113-235) – This would adversely affect BOR's ability to continue WaterSMART programs and is not needed to continue the work, since it is already authorized under Sec 206. of the FY 2015 Appropriations Act.
- Continues reprogramming language from the 2016 Appropriation
- Directs BOR to
  - Ensure that each of the authorized CALFED water storage feasibility studies, and associated EIS, are completed as soon as practicable.
  - Develop legislative solutions to funding authorized Reclamation Rural Water Projects.
  - Coordinate with FWS to determine additional real-time monitoring is necessary to accurately identify the effects of water pumping on delta smelt and brief the Committee 60 days after enactment.
  - Work with FWS, NOAA, and USACE to coordinate and expand upon real time fish monitoring programs, including the potential deployment of new technology and brief the Committee not later than 60 days after enactment.
  - Conduct a study and develop a plan for the removal of invasive salt cedar (and recommends using the NAS) and complete the study within one year – this would seem to be an aggressive schedule and would probably impact USGS as much as BOR. Additionally, the language requires that the plan be to remove all salt cedar from Federal lands in the Lower Colorado River Basin, which may not be technically feasible.

- WaterSMART— BOR is urged to prioritize funding for projects in regions most stricken by drought, including projects to help agricultural water users comply with the Endangered Species Act, and projects that support collaborative approaches and reduce conflict, including litigation, over water management.
- Buried Metallic Water Pipe -- BOR is directed to treat Technical Memorandum 8140–CC–2004–1 as a set of nonbinding guidelines, instead of a set of requirements, allowing deviations without review and/or approval if the water project has been designed and approved by a professional engineer.
- Long-term Stewardship – Walker Basin Restoration Program funds awarded to NFWF may be used to establish long-term stewardship accounts to assist with the long-term management and disposition of land, water and related interests acquired from willing sellers, with continuing assistance from Reclamation under new or extended grant agreements until all Program funds have been expended.
- Modifies the deadline for the completion of a feasibility study relating to the Sites Reservoir (Colusa County, California) to not later than November 30, 2017.

2017 COMMITTEE SUPPORT TABLE FOR HOUSE AND SENATE MARKS

Bureau of Land Management

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Management of Lands and Resources	1,072,675	1,058,545	1,066,618	+8,073	1,073,166	+14,621
Land Acquisition	38,630	43,959	19,400	(24,559)	33,416	(10,543)
Oregon and California Grant Lands	107,734	106,985	106,985	------	102,946	(4,039)
Range Improvements	9,320	10,000	10,000	------	10,000	-
Service Charges, Deposit, and Forfeitures	------	------	------	------	------	-
Misc Trust Funds	24,000	22,930	24,000	+1,070	24,000	+1,070
Total, Bureau of Land Management	1,252,359	1,242,419	1,227,003	(15,416)	1,243,528	+1,109
(Mandatory)	(34,000)	(34,000)	(34,000)	------	(34,000)	-
(Discretionary)	1,218,359	1,208,419	1,193,003	(15,416)	1,209,528	+1,109

Management of Land and Resources

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Management of Land and Resources						
1 Soil, Water & Air Management	43,609	45,378	43,609	(1,769)	42,734	(2,644)
2 Rangeland Management	79,000	79,332	79,000	(332)	80,000	+668
3 Grazing Fees	------	------	------	------	------	------
4 Grazing Offset	------	-16,500	------	+16,500	------	+16,500
5 Forestry Management	9,980	10,076	10,076	------	11,980	+1,904
6 Riparian Management	21,321	22,920	21,321	(1,599)	21,321	(1,599)
7 Cultural Resources Management	16,131	17,328	16,131	(1,197)	16,131	(1,197)
8 Wild Horse and Burro Management	80,555	80,108	80,555	+447	80,555	+447
Subtotal, Land Resources	250,596	238,642	250,692	+12,050	252,721	+14,079

Bureau of Land Management

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Wildlife and Fisheries						
1 Wildlife Management	89,381	108,691	102,131	(6,560)	100,066	(8,625)
2 Fisheries Management	12,530	12,628	12,530	(98)	12,530	(98)
Subtotal, Wildlife and Fisheries	101,911	121,319	114,661	(6,658)	112,596	(8,723)
Threatened and Endangered Species	21,567	21,698	21,567	(131)	21,567	(131)
Recreation Management						
1 Wilderness Management	18,264	18,392	18,264	(128)	15,264	(3,128)
2 Recreation Resources Management	51,197	53,465	51,197	(2,268)	53,465	------
Subtotal, Recreation Management	69,461	71,857	69,461	(2,396)	68,729	(3,128)
Energy and Minerals						
1 Oil and Gas Management	59,671	80,574	59,671	(20,903)	67,574	(13,000)
2 Oil and Gas Permit Processing Fund	7,125	6,365	6,365	------	6,365	------
3 Oil and Gas Inspection and Enforcement	48,000	48,000	48,000	------	48,000	------
Subtotal, Oil and Gas/Permit Fund	114,796	134,939	114,036	(20,903)	121,939	(13,000)
4 Oil and Gas Offsetting Permit Fees	------	-48,000	------	+48,000	------	+48,000
5 Inspection and Enforcement Offset	------	------	------	------	------	------
Subtotal, Offsetting Collections	------	(48,000)	------	+48,000	------	+48,000
6 Coal Management	10,868	10,962	10,868	(94)	10,868	(94)
7 Other Mineral Resources	11,879	10,978	10,978	------	11,879	+901
8 Renewable Energy	29,061	29,189	29,061	(128)	27,061	(2,128)
Subtotal, Energy and Minerals	166,604	138,068	164,943	+26,875	171,747	+33,679
Realty and Ownership Management						
1 Alaska Conveyance	22,000	17,327	22,000	+4,673	22,000	+4,673
2 Cadastral, lands, and realty Management	51,252	51,480	51,252	(228)	51,480	------
Subtotal, Realty & Ownership Management	73,252	68,807	73,252	+4,445	73,480	+4,673

Bureau of Land Management

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Resource Protection and Maintenance						
1 Resource Management Planning	48,125	65,203	48,125	(17,078)	52,125	(13,078)
2 Abandoned Mine Lands	19,946	20,036	19,946	(90)	20,036	------
3 Resource Protection and Law Enforcement	25,495	25,616	26,616	+1,000	25,495	(121)
4 Hazardous Materials Management	15,612	15,463	15,463	------	15,463	------
Subtotal, Resource Protect. and Main.	109,178	126,318	110,150	(16,168)	113,119	(13,199)
Transportation and Facilities Maintenance						
1 Annual Maintenance	38,942	39,125	39,125	------	38,942	(183)
2 Deferred Maintenance	31,387	29,201	31,387	+2,186	29,201	------
Subtotal, Trans. and Facilities Main.	70,329	68,326	70,512	+2,186	68,143	(183)
Workforce and Organizational Support						
1 Administrative Support	50,942	51,139	51,139	------	50,942	(197)
2 Bureauwide Fixed Costs	93,645	92,649	92,649	------	92,649	------
3 Information Technology Management	25,958	26,077	26,077	------	25,958	(119)
Subtotal, Workforce & Org. Support	170,545	169,865	169,865	------	169,549	(316)
Challenge Cost Share	2,413	------	------	------	------	------
National Conservation Lands	36,819	50,645	36,819	(13,826)	36,819	(13,826)
Communication Site Management						
1 Communication site management	2,000	2,000	2,000	-	2,000	------
2 Offsetting collections	(2,000)	(2,000)	(2,000)	-	(2,000)	------
Subtotal, Comms Site Management	------	------	------	------	------	------
Subtotal, Management of Land and Resources	1,072,675	1,075,545	1,081,922	+6,377	1,088,470	+12,925
Mining Law Administration						
1 Administration	39,696	39,696	39,696	-	39,696	------
2 Offsetting Collections	(39,696)	(56,696)	(55,000)	+1,696	(55,000)	+1,696
Subtotal, Mining Law Administration	------	(17,000)	(15,304)	(11,912)	(15,304)	+1,696
Total, Management of Land and Resources	1,072,675	1,058,545	1,066,618	+8,073	1,073,166	+14,621

Bureau of Land Management

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Land Acquisition						
Land Acquisition						
1 Land Acquisition	27,014	32,301	10,600	(21,701)	21,800	(10,501)
2 Inholding, Emergency, and Hardship	1,616	1,616	1,000	(616)	1,616	------
3 Acquisition Management	2,000	2,042	1,800	(242)	2,000	(42)
4 Sportsmen/Recreational Access	8,000	8,000	6,000	(2,000)	8,000	------
Subtotal, Land Resources	38,630	43,959	19,400	(24,559)	33,416	(10,543)
Oregon and California Grant Lands						
Oregon and California Grant Lands						
1 Western Oregon Resources Management	95,255	94,445	94,445	-	92,555	(1,890)
2 Western Oregon Info and Res. Data System	1,786	1,798	1,798	-	1,786	(12)
3 Western Oregon Trans. & Fac. Main.	9,602	9,628	9,628	-	7,517	(2,111)
4 Western Oregon Construction and Acquisitio	324	335	335	-	335	------
5 Western Oregon National Monument	767	779	779	-	753	(26)
Subtotal, Org. and Cal. Grant Lands	107,734	106,985	106,985	------	102,946	(4,039)
Range Improvements						
Current Appropriations	9,320	10,000	10,000	------	10,000	------
Services Charges, Deposits, and Forfeitures						
Service charges, deposits, and forfeitures	31,050	31,050	31,050	------	31,050	------
Offsetting fees	(31,050)	(31,050)	(31,050)	------	-31,050	------
Subtotal, Service Charges, Deposits, Forfeitures	------	------	------	------	------	------
Misc. Trust Funds and Permanent Operating Funds						
Current Appropriations	24,000	22,930	24,000	+1,070	24,000	+1,070

Bureau of Ocean Energy Management

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Ocean Energy Management						
1 Renewable energy	24,278	23,887	23,393	(494)	23,887	------
2 Conventional energy	59,869	64,156	59,869	(4,287)	58,963	(5,193)
3 Environmental assessment	68,045	68,399	68,045	(354)	68,045	(354)
4 Executive direction	18,665	18,696	17,999	(697)	18,665	(31)
Subtotal, Ocean Energy Management	170,857	175,138	169,306	(5,832)	169,560	(5,578)
5 Offsetting Rental Receipts	(92,961)	(88,487)	(88,487)	------	(88,487)	------
6 Cost recovery fees	(3,661)	(6,457)	(6,457)	------	(6,457)	------
Subtotal, Offsetting Collections	(96,622)	(94,944)	(94,944)	------	(94,944)	------
Total, Bureau of Ocean Energy Management	74,235	80,194	74,362	(5,832)	74,616	(5,578)

Bureau of Safety and Environmental Enforcement

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Offshore Safety and Environmental Enforcement	73,565	81,438	73,438	(8,000)	68,242	(13,196)
Oil Spill Research	14,899	14,899	14,899	------	14,899	------
Total, Bureau of Safety and Enviro. Enf.	88,464	96,337	88,337	(8,000)	83,141	(13,196)

Offshore Safety and Environmental Enforcement

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Offshore Safety and Environmental Enforcement						
1 Environmental enforcement	8,314	8,314	8,314	------	8,314	------
2 Operations, safety and regulation	144,954	145,150	145,150	------	144,954	(196)
3 Administrative operations	18,268	18,268	18,268	------	18,268	------
4 Executive direction	18,236	18,236	18,236	------	18,236	------
Subtotal.	189,772	189,968	189,968	---	189,772	(196)
5 Offsetting Rental Receipts	(49,399)	(37,922)	(37,922)	------	(37,922)	------
6 Inspection fees	(59,000)	(65,000)	(53,000)	+12,000	(53,000)	+12,000
7 Cost recovery fees	(7,808)	(5,608)	(5,608)	------	(5,608)	------
Subtotal, Offsetting Collections	(116,207)	(108,530)	(96,530)	+12,000	(96,530)	+12,000
Rescission	------	------	(20,000)	(20,000)	(25,000)	(25,000)
Total, Offshore Safety and Enviro Eng	73,565	81,438	73,438	(8,000)	68,242	(13,196)

Oil Spill Research

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Oil Spill Research	14,899	14,899	14,899	------	14,899	------

Departmental Operations

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Office of the Secretary	**721,769**	**278,376**	**749,422**	**+471,046**	**265,000**	**(13,376)**
Office of Insular Affairs	**103,441**	**102,717**	**90,294**	**(12,423)**	**110,335**	**+7,618**
Office of the Solicitor	**65,800**	**69,448**	**65,800**	**(3,648)**	**65,758**	**(3,690)**
Office of the Inspector General	**50,047**	**55,911**	**50,047**	**(5,864)**	**50,047**	**(5,864)**
Office of the Special Trustee	**139,029**	**140,379**	**139,029**	**(1,350)**	**139,029**	**(1,350)**
Total, Departmental Offices	**1,080,086**	**646,831**	**1,094,592**	**+447,761**	**630,169**	**(16,662)**
(Mandatory)	27,720	27,720	27,720	-	27,720	-
(Discretionary)	594,860	619,111	1,066,872	+447,761	602,449	(16,662)

Office of the Secretary

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
1 Leadership and administration.	**122,885**	**127,394**	**123,110**	**(4,284)**	**121,885**	**(5,509)**
2 Management services.	**21,365**	**21,676**	**19,825**	**(1,851)**	**21,365**	**(311)**
3 Office of Natural Resources Revenue	**125,519**	**129,306**	**126,487**	**(2,819)**	**121,750**	**(7,556)**
4 Payment in Lieu of Taxes (PILT)	**452,000**	**------**	**480,000**	**+480,000**	**------**	**------**
Total, Office of the Secretary	**721,769**	**278,376**	**749,422**	**+471,046**	**265,000**	**(13,376)**

Departmental Operations

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Assistance to Territories						
Territorial Assistance						
1 Office of Insular Affairs	9,448	9,863	9,448	(415)	9,863	------
2 Technical assistance	15,504	21,064	15,504	(5,560)	18,064	(3,000)
3 Maintenance assistance fund	1,081	5,000	1,081	(3,919)	4,000	(1,000)
4 Brown tree snake	3,500	3,000	3,500	+500	3,000	------
5 Coral reef initiative	1,000	2,000	1,000	(1,000)	1,500	(500)
6 Empowering Insular Communities	2,971	5,000	2,971	(2,029)	3,971	(1,029)
7 Compact impact	3,000	3,000	3,000	------	3,000	------
Subtotal, Territorial Assistance	36,504	48,927	36,504	(12,423)	43,398	(5,529)
6 American Samoa operations grants	22,752	22,752	22,752	------	22,752	------
7 Northern Marianas covenant grants	27,720	27,720	27,720	------	27,720	------
Total, Assistance to Territories	86,976	99,399	86,976	(12,423)	93,870	(5,529)
Discretionary	59,256	71,679	59,256	(12,423)	66,150	(5,529)
Mandatory	27,720	27,720	27,720	------	27,720	------
Compact of Free Association						
1 Compact of Free Association Federal services	2,818	2,818	2,818	------	2,818	------
2 Enewetak support.	500	500	500	------	500	------
3 Compact payments, Palau	13,147	------	------	------	13,147	+13,147
Total, Compact of Free Association	16,465	3,318	3,318	------	16,465	+13,147
Total Insular Affairs	103,441	102,717	90,294	(12,423)	110,335	+7,618
Office of the Solicitor						
Office of the Solicitor						
1 Legal Services	59,091	62,781	59,091	(3,690)	59,091	(3,690)
2 General administration	4,971	4,940	4,971	+31	4,940	------
3 Ethics	1,738	1,727	1,738	+11	1,727	------
Total, Office of the Solicitor	65,800	69,448	65,800	(3,648)	65,758	(3,690)

Departmental Operations

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Office of the Inspector General						
Office of Inspector General						
1 Audit and investigations	**37,538**	**43,263**	**37,538**	**(5,725)**	**37,538**	**(5,725)**
2 Admin. Services and Info. Management	**12,509**	**12,648**	**12,509**	**(139)**	**12,509**	**(139)**
Subtotal, Office of Inspector General	**50,047**	**55,911**	**50,047**	**(5,864)**	**50,047**	**(5,864)**
3 Transfers	------	------	------	------	------	------
Total, Office of Inspector General	**50,047**	**55,911**	**50,047**	**(5,864)**	**50,047**	**(5,864)**
Office of the Special Trustee						
1 Program Operations	**136,998**	**138,335**	**136,998**	**(1,337)**	**136,998**	**(1,337)**
Office of Historical Accounting	[22,120]	[19,632]	[18,688]	[-944]	[19,632]	[0]
2 Executive Direction	**2,031**	**2,044**	**2,031**	**(13)**	**2,031**	**(13)**
Total, Office of Special Trustee	**139,029**	**140,379**	**139,029**	**(1,350)**	**139,029**	**(1,350)**

Department Wide Programs

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Wildland Fire Management						
Fire Operations						
1 Preparedness	323,685	332,784	332,784	------	332,784	------
2 Fire suppression operations	291,673	276,291	302,701	+26,410	395,000	+118,709
Subtotal, Fire Operations	615,358	609,075	635,485	+26,410	727,784	+118,709
Other Operations						
1 Fuels Management	170,000	149,089	180,000	+30,911	180,000	+30,911
2 Resilient Landscapes	------	30,000	------	(30,000)	------	(30,000)
3 Burned area rehabilitation	18,970	20,470	20,470	------	20,470	------
4 Fire facilities	6,427	10,000	10,000	------	8,427	(1,573)
5 Joint fire science	5,990	5,990	5,990	------	5,990	------
Subtotal, Other Operations	201,387	215,549	216,460	+911	214,887	(662)
Subtotal, Wildland Fire Management	816,745	824,624	851,945	+27,321	942,671	+118,047
6 Cap Adjustment	------	------	------	------	------	------
w/Cap	816,745	824,624	851,945	+27,321	942,671	+118,047
7 Adjustment)	------	290,000	------	(290,000)	------	(290,000)
Adj.	816,745	1,114,624	851,945	(262,679)	942,671	(171,953)
8 Wildland Fire Management (emergency)	------	------	------	------	171,291	+171,291
Adj. or Emergency	816,745	1,114,624	851,945	(262,679)	1,113,962	+662
FLAME						
account	177,000	------	92,000	+92,000	------	------
Total, All Fire Accounts	993,745	1,114,624	943,945	(170,679)	1,113,962	(662)
Central Hazardous Materials Fund						
Central Hazardous Materials Fund	10,010	13,513	10,010	(3,503)	10,010	(3,503)

Department Wide Programs

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Natural Resources Damage Assesment Fund						
1 Damage assessments	**2,500**	**2,071**	**2,000**	**(71)**	**2,500**	**+429**
2 Program management	**2,192**	**3,619**	**2,192**	**(1,427)**	**2,192**	**(1,427)**
3 Restoration support	**2,075**	**1,101**	**2,575**	**+1,474**	**2,075**	**+974**
4 Oil Spill Preparedness	**1,000**	**2,438**	**1,000**	**(1,438)**	**1,000**	**(1,438)**
Total, Natural Res. Damage Asst. Fund	**7,767**	**9,229**	**7,767**	**(1,462)**	**7,767**	**(1,462)**
Working Capital Fund						
Working Capital Fund	**67,100**	**111,524**	**67,100**	**(44,424)**	**67,100**	**(44,424)**
Payment in Lieu of Taxes						
PILT	**------**	**------**	**------**	**------**	**480,000**	**+480,000**
TOTAL, Department-Wide Programs						
Total, Department-Wide	**1,078,622**	**1,248,890**	**1,028,822**	**(220,068)**	**1,678,839**	**+429,949**
Appropriations	1,078,622	958,890	1,028,222	+69,332	1,507,548	+548,658
Emergency Appropriations	------	------	------	------	171,291	+171,291
Disaster Relief cap adjustment	------	290,000	------	(290,000)	------	(290,000)
TOTAL, Title I - DOI						
Total, Title I - DOI	**12,016,431**	**12,242,229**		**(12,242,229)**	**12,280,193**	**+37,964**
Appropriations	12,044,431	12,272,229		(12,272,229)	12,161,902	(110,327)
Rescissions of contract authority	(28,000)	(30,000)		+30,000	(28,000)	+2,000
Mandatory				------		------
Discretionary without cap				------		------
Emergency Appropriations	------	------			171,291	+171,291
Disaster relief cap	------	290,000		(290,000)	**------**	(290,000)

Fish and Wildlife Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Resources Management	**1,238,771**	**1,309,912**	**1,255,004**	**(54,908)**	**1,249,207**	**(60,705)**
Construction	**23,687**	**23,740**	**14,837**	**(8,903)**	**16,935**	**(6,805)**
Land Acquisition	**68,500**	**58,655**	**50,300**	**(8,355)**	**47,871**	**(10,784)**
Cooperative Endangered Species Cons. Fund	**53,495**	**53,495**	**55,590**	**+2,095**	**53,495**	**------**
National Wildlife Refuge Fund	**13,228**	**------**	**------**	**------**	**13,228**	**+13,228**
North American Wetlands Cons. Fund	**35,145**	**35,145**	**37,645**	**+2,500**	**38,145**	**+3,000**
Multinational Species Conservation Fund	**11,061**	**11,061**	**11,061**	**------**	**11,061**	**------**
Neotropical Migratory Bird Conservation	**3,910**	**3,910**	**3,910**	**------**	**3,910**	**------**
State and Tribal Wildlife Grants	**60,571**	**66,981**	**62,571**	**(4,410)**	**62,571**	**(4,410)**
Total, U.S. Fish and Wildlife Service	**1,508,368**	**1,562,899**	**1,490,918**	**(71,981)**	**1,496,423**	**(66,476)**
minus transfer	5,400	5,400				
	1,513,768	1,568,299				

Resource Management

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Ecological Services - new structure						
1 Listing	**20,515**	**22,901**	**14,411**	**(8,490)**	**17,411**	**(5,490)**
2 Planning and Consultation	**99,079**	**105,650**	**103,650**	**(2,000)**	**102,966**	**(2,684)**
3 Conservation and Restoration	**32,396**	**34,562**	**32,646**	**(1,916)**	**32,396**	**(2,166)**
[National Wetlands Inventory]	**[3,471]**	**[4,671]**	**[3,471]**	**[-1,200]**	**[3,471]**	**[-1,200]**
[Coastal Barrier Resources Act]	**[1,390]**	**[1,390]**	**[1,640]**	**[250]**	**[1,390]**	**[------]**
4 Recovery	**82,016**	**89,180**	**86,198**	**(2,982)**	**84,559**	**(4,621)**
Subtotal, Ecological Services	**234,006**	**252,293**	**236,905**	**(15,388)**	**237,332**	**(14,961)**

Fish and Wildlife Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Habitat Conservation - new structure						
1 Partners for Fish and Wildlife	51,776	54,047	52,026	(2,021)	52,547	(1,500)
2 Coastal Programs	13,375	13,494	13,625	+131	13,494	------
Subtotal, Habitat Conservation	65,151	67,541	65,651	(1,890)	66,041	(1,500)
National Wildlife Refuge System						
1 Wildlife and Habitat Management	230,343	240,389	230,593	(9,796)	232,584	(7,805)
2 Visitors Services	73,319	80,380	73,569	(6,811)	74,043	(6,337)
3 Refuge Law Enforcement	38,054	40,712	38,054	(2,658)	37,054	(3,658)
4 Conservation Planning	2,523	2,544	2,773	+229	2,544	------
Subtotal, Refuge Operations	344,239	364,025	344,989	(19,036)	346,225	(17,800)
5 Refuge Maintenance	137,188	142,594	139,872	(2,722)	137,175	(5,419)
Subtotal, NWRS	481,427	506,619	484,861	(21,758)	483,400	(23,219)
Conservation and Enforcement						
1 Migratory Bird Management	47,480	49,961	48,605	(1,356)	47,755	(2,206)
2 Law Enforcement	74,725	75,053	75,053	-	75,053	------
3 International Affairs	14,696	15,816	15,196	(620)	15,816	------
Subtotal, Cons. and Enf.	136,901	140,830	138,854	(1,976)	138,624	(2,206)
Fish and Aquatic Conservation						
1 National Fish Hatchery System Ops	53,418	53,759	55,418	+1,659	53,759	------
2 Maintenance and Equipment	19,920	22,920	22,920	-	22,920	------
3 Aquatic Habitat and Species Conservation	74,918	76,150	74,918	(1,232)	77,201	+1,051
Subtotal, Fish and Aquatic Cons.	148,256	152,829	153,256	427	153,880	+1,051
Cooperative Landscape Conservation	12,988	17,789	12,988	(4,801)	11,988	(5,801)
Science Support - new activity						
1 Adaptive Science	10,517	11,522	10,517	(1,005)	9,517	(2,005)
2 Service Science	6,468	9,057	6,468	(2,589)	5,468	(3,589)
Subtotal, Science Support	16,985	20,579	16,985	(3,594)	14,985	(5,594)
General Operations						
1 Central Office Operations	40,722	42,149	40,569	(1,580)	40,622	(1,527)
2 Regional Office Operations	37,722	41,354	37,722	(3,632)	37,722	(3,632)
3 Operational Support	35,177	35,778	35,177	(601)	35,177	(601)
4 Nat'l Fish and Wildlife Foundation	7,022	7,022	7,022	------	7,022	------
5 Nat'l Conservation Training Center	22,414	25,129	25,014	(115)	22,414	(2,715)

Fish and Wildlife Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Subtotal, General Operations	143,057	151,432	145,504	(5,928)	142,957	(8,475)
Total, Resource Management	1,238,771	1,309,912	1,255,004	(54,908)	1,249,207	(60,705)
Transfers	5,400	5,400				
	1,244,171	1,315,312				
Construction						
Construction						
1 Line-Item Construction	14,554	14,554	5,704	(8,850)	7,802	(6,752)
2 Dam, Bridge and Seismic Safety	1,972	1,972	1,972	-	1,972	------
3 Nationwide Engineering Services	7,161	7,214	7,161	(53)	7,161	(53)
Total, Construction	23,687	23,740	14,837	(8,903)	16,935	(6,805)
Land Acquisition						
Land Acquisition						
1 Acquisition - Federal Refuge Lands	35,911	35,884	23,800	(12,084)	27,406	(8,478)
2 Inholdings, Emergencies, and Hardships	5,351	5,351	4,500	(851)	5,000	(351)
3 Exchanges	1,500	1,500	1,000	(500)	1,000	(500)
4 Acquisition Management	12,773	12,955	10,000	(2,955)	12,000	(955)
5 Land Protection Planning	465	465	------	(465)	465	------
6 Highlands Conservation Act	10,000	------	10,000	+10,000	------	------
7 Sportsmen/Recreational Access	2,500	2,500	1,000	(1,500)	2,000	(500)
Total, Land Acquisition	68,500	58,655	50,300	(8,355)	47,871	(10,784)
Cooperative Endangered Species Conservation Fund						
Grants and Administration						
1 Conservation Grants to States	10,508	12,603	12,603	------	10,508	(2,095)
2 HCP Assistance Grants	9,485	7,390	9,485	+2,095	9,485	+2,095
3 Administration	2,702	2,702	2,702	-	2,702	------
Subtotal, Grants and Admin	22,695	22,695	24,790	+2,095	22,695	------
Land Acquisition						
4 Species Recovery Land Acquisition	11,162	11,162	11,162	------	11,162	------
5 HCP Land Acq Grants to States	19,638	19,638	19,638	------	19,638	------
Subtotal, Land Acquisition	30,800	30,800	30,800	------	30,800	------
Total, Coop End Species Conserv Fund	53,495	53,495	55,590	+2,095	53,495	------
National Wildlife Refuge Fund						

Fish and Wildlife Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
National Wildlife Refuge Fund	13,228	------	------	------	13,228	+13,228
North American Wetlands Conservation Funds						
North American Wetlands Conservation Fund	35,145	35,145	37,645	+2,500	38,145	+3,000
Neotropical Migratory Bird Conservation						
Neotropical Migratory Bird Conservation	3,910	3,910	3,910	------	3,910	------
Multinational Species Conservation Fund						
1 African Elephant Conservation Fund	2,582	2,582	2,582	------	2,582	------
2 Rhinoceros and Tiger Conservation Fund	3,440	3,440	3,440	------	3,440	------
3 Asian Elephant Conservation Fund	1,557	1,557	1,557	------	1,557	------
4 Great Ape Conservation Fund	1,975	1,975	1,975	------	1,975	------
5 Marine Turtle Conservation Fund	1,507	1,507	1,507	------	1,507	------
Total, Multinational Species Cons. Fund	11,061	11,061	11,061	------	11,061	------
State and Tribal Wildlife Grants						
1 State Wildlife Grants (formula)	51,000	51,000	51,000	-	53,000	+2,000
2 State Wildlife Grants (competitive)	5,487	9,981	7,237	(2,744)	5,487	(4,494)
3 Tribal Wildlife Grants	4,084	6,000	4,334	(1,666)	4,084	(1,916)
Total, State and Tribal Wildlife Grants	60,571	66,981	62,571	(4,410)	62,571	(4,410)

Indian Affairs

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Operation of Indian Programs	2,267,924	2,395,786	2,337,135	(58,651)	2,326,339	(69,447)
Contract Support Cost	277,000	278,000	278,000	------	278,000	------
		0				
Construction	193,973	197,017	197,017	------	192,017	(5,000)
Settlements	49,475	55,155	49,025	(6,130)	49,475	(5,680)
Loans	7,748	7,757	8,757	+1,000	8,748	+991
Total, Indian Affairs	2,796,120	2,933,715	2,869,934	(63,781)	2,854,579	(79,136)

Operation of Indian Program

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Tribal Government						
1 Aid to tribal government	24,833	27,118	27,118	------	27,118	------
2 Consolidated tribal government program	77,088	75,429	75,429	------	75,429	------
3 Self governance compacts	162,321	162,346	162,346	------	162,346	------
4 New tribes	464	------	------	------	464	+464
5 Small and needy tribes	1,845	3,095	1,845	(1,250)	4,645	+1,550
6 Road maintenance	26,693	26,783	31,500	+4,717	30,307	+3,524
7 Tribal government program oversight	8,273	12,377	8,377	(4,000)	8,377	(4,000)
Subtotal, Tribal Government	301,517	307,148	306,615	(533)	308,686	+1,538
Human Services						
1 Social services	45,179	57,343	55,500	(1,843)	52,343	(5,000)
2 Welfare assistance	74,791	74,773	74,773	------	74,773	------
3 Indian child welfare act	15,641	18,946	18,509	(437)	18,946	------
4 Housing improvement program	8,021	9,708	9,708	------	9,708	------
5 Human services tribal design	246	254	254	------	254	------
6 Human services program oversight	3,126	3,137	3,137	------	3,137	------
Subtotal, Human Services	147,004	164,161	161,881	(2,280)	159,161	(5,000)

Indian Affairs

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Trust - Natural Resources Management						
1 Natural resources, general	5,168	7,953	4,953	(3,000)	4,953	(3,000)
2 Irrigation operations and maintenance	11,398	12,905	11,405	(1,500)	12,905	------
3 Rights protection implementation	37,638	40,161	40,161	------	39,661	(500)
4 Tribal management/development program	9,263	14,266	9,266	(5,000)	11,266	(3,000)
5 Endangered species	2,684	3,685	2,685	(1,000)	2,685	(1,000)
6 Cooperative landscape conservation	9,955	13,056	9,956	(3,100)	9,956	(3,100)
7 Integrated resource information program	2,996	3,996	2,996	(1,000)	2,996	(1,000)
8 Agriculture and range	30,751	30,769	30,769	------	30,769	------
9 Forestry	51,914	52,155	52,155	------	54,155	+2,000
10 Water resources	10,367	15,000	10,450	(4,550)	10,450	(4,550)
11 Fish, wildlife and parks	13,646	15,658	14,414	(1,244)	16,203	+545
12 Resource management program oversight	6,066	5,993	5,993	------	5,993	------
Subtotal, Trust Natural Resources Mangt.	191,846	215,597	195,203	(20,394)	201,992	(13,605)
Trust - Real Estate Services	127,486	136,192	121,192	(15,000)	123,092	(13,100)
Education						
1 Elementary/ Secondary (forward funded).	553,458	574,075	575,075	+1,000	569,575	(4,500)
Tribal grant support costs	[73,276]	[75,355]	[75,355]	-----	[75,335]	[-10,940]
2 Post secondary programs (forward funded)	74,893	77,207	77,207	------	77,207	------
Subtotal, Forward Funded	628,351	651,282	652,282	+1,000	646,782	(4,500)
3 Elementary and secondary programs	134,263	144,295	140,540	(3,755)	140,195	(4,100)
4 Post secondary programs	64,602	66,841	66,841	------	60,031	(6,810)
5 Education management	25,151	50,012	33,223	(16,789)	27,151	(22,861)
Subtotal, Education	852,367	912,430	892,886	(19,544)	874,159	(38,271)
Public Safety and Justice						
1 Law enforcement	347,976	341,281	352,551	+11,270	354,742	+13,461
2 Tribal courts	28,173	30,753	30,753	------	30,753	------
3 Fire protection	1,274	1,426	1,426	------	1,426	------
Subtotal, Public Safety and Justice	377,423	373,460	384,730	+11,270	386,921	+13,461
Community and economic development	40,619	42,844	42,844	------	41,844	(1,000)
Executive direction and administrative services	229,662	243,954	231,784	(12,170)	230,484	(13,470)
Total, Operation of Indian Programs	2,267,924	2,395,786	2,337,135	(58,651)	2,326,339	(69,447)
No Year, Bill Language Funds	[43,813]	[47,848]	[48,815]	[967]	[49,122]	[1,274]

Indian Affairs

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Contract Support Costs						
1 Contract Support Costs	272,000	273,000	273,000	------	273,000	------
2 Indian Self Determination Fund	5,000	5,000	5,000	------	5,000	------
Total, Contract Support Cost	277,000	278,000	278,000	------	278,000	------
Construction						
1 Education	138,245	138,257	138,257	------	133,257	(5,000)
2 Public safety and justice	11,306	11,306	11,306	------	11,306	------
3 Resources management	34,488	36,513	36,513	------	36,513	------
4 General administration	9,934	10,941	10,941	------	10,941	------
Total, Construction	193,973	197,017	197,017	------	192,017	(5,000)
Settlements						
1 White Earth	625	625		(625)		
2 Hoopa-Yurok	250	250		(250)		
3 Yurok Land	------	10,000				
4 Pyramid Lake	142	142		(142)		
5 Navajo Water Res. Devp. Trust Fund	4,000	4,000		(4,000)		
6 Navajo Gallup	9,000	15,130		(15,130)		
7 Taos Pueblo	29,212	------		------		
8 Aamodt	6,246	25,008		(25,008)		
Total, Settlements	49,475	55,155	49,025	(6,130)	49,475	(5,680)
Loans						
Indian guaranteed loan program account	7,748	7,757	8,757	+1,000	8,748	+991

National Park Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Operation of the National Park System	2,369,596	2,524,362	2,437,547	(86,815)	2,405,627	(118,735)
National Recreation and Preservation	62,632	54,392	62,632	+8,240	62,638	+8,246
Historic Preservation Fund	65,410	87,410	83,410	(4,000)	67,910	(19,500)
Construction	192,937	252,038	215,707	(36,331)	217,320	(34,718)
Land Acquisition	173,670	178,248	128,752	(49,496)	168,423	(9,825)
Centennial Challenge	15,000	35,000	30,000	(5,000)	20,000	(15,000)
LWCF Contract Authority	(27,960)	(30,000)	(28,000)	+2,000	(28,000)	+2,000
	2,851,285	3,101,450	2,930,048	(171,402)	2,913,918	(187,532)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Operation of the National Park Service						
Park Management						
1 Resource Stewardship	328,040	340,352	328,902	(11,450)	328,071	(12,281)
2 Visitor Services	251,280	276,206	256,786	(19,420)	251,280	(24,926)
3 Park Protection	355,545	362,082	358,534	(3,548)	355,545	(6,537)
4 Facility Operations and Maintenance	738,487	842,453	790,740	(51,713)	763,487	(78,966)
5 Park Support	515,641	522,537	519,482	(3,055)	526,641	+4,104
Undistributed Change - Park Management			2,500			
Subtotal, Park Management	2,188,993	2,343,630	2,256,944	(89,186)	2,225,024	(118,606)
6 External Administrative Costs	180,603	180,732	180,603	(129)	180,603	(129)
Total, Park Management	2,369,596	2,524,362	2,437,547	(86,815)	2,405,627	(118,735)

National Recreation and Preservation

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
National Recreation and Preservation						
1 Recreation Programs	589	853	589	(264)	589	(264)
2 Natural Programs	13,575	13,659	13,575	(84)	13,581	(78)
3 Cultural Programs	24,562	26,262	24,562	(1,700)	24,562	(1,700)
4 International Park Affairs	1,648	1,656	1,648	(8)	1,648	(8)
5 Environmental and Compliance Review	433	436	433	(3)	433	(3)
6 Grant Administration	2,004	2,079	2,004	(75)	2,004	(75)
7 Heritage Partnership Program	19,821	9,447	19,821	+10,374	19,821	+10,374
Total, National Recreation and Preservation	62,632	54,392	62,632	+8,240	62,638	+8,246

National Park Service

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Historic Preservation Fund						
Historic Preservation Fund						
1 State Historic Preservation Offices	46,925	46,925	47,925	1,000	47,925	+1,000
2 Tribal Grants	9,985	11,985	11,985	------	9,985	(2,000)
3 Historically Black Colleges and Universitie	------	3,000	5,000	2,000	------	(3,000)
4 Save America's Treasures Grants	------	------	5,000	------	------	------
5 Grants(Competitive)	8,500	25,500	13,500	(12,000)	10,500	(15,000)
Undistributed Change					(500)	(500)
Total, HPF	65,410	87,410	83,410	(9,000)	67,910	(19,500)
Construction						
General Program						
1 Line Item Construction and Maint.	116,276	153,344	129,501	(23,843)	139,959	(13,385)
Special Programs						
2 Emergency and Unscheduled	3,855	3,855	3,855	------	3,855	------
3 Housing	2,200	2,203	2,200	(3)	2,200	(3)
4 Dam Safety	1,248	1,249	1,248	(1)	1,248	(1)
5 Equipment Replacement	13,500	17,545	17,545	------	13,500	(4,045)
Subtotal, Special Programs	20,803	24,852	24,848	(4)	20,803	(4,049)
6 Planning, Construction	7,266	15,518	9,516	(6,002)	7,966	(7,552)
7 Construction Program Management	36,771	46,431	40,021	(6,410)	36,771	(9,660)
8 General Management Plans	11,821	11,893	11,821	(72)	11,821	(72)
Total, Construction	192,937	252,038	215,707	(36,331)	217,320	(34,718)

National Park Service

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
	(Amounts in Thousands of dollars)					
Land Acquisition						
Assistance to States:						
1 State Conservation Grants (formula)	94,839	94,000	71,839	(22,161)	94,000	------
2 State Conservation Grants (competitive)	12,000	12,000	5,000	(7,000)	12,000	------
3 Administrative Expenses	3,161	4,006	3,161	(845)	4,006	------
Subtotal, Assistance to States	110,000	110,006	80,000	(30,006)	110,006	------
National Park Service:						
4 Acquisitions	33,135	37,314	22,500	(14,814)	29,417	(7,897)
5 Recreational Access	2,000	2,000	1,000	(1,000)	2,000	------
6 American Battlefield Prot. Program	10,000	10,000	10,000	------	10,000	------
7 Emergencies and Hardships	3,928	3,928	2,500	(1,428)	3,000	(928)
8 Acquisition Management	9,679	10,000	8,752	(1,248)	9,000	(1,000)
9 Inholdings, Donations, and Exchanges	4,928	5,000	4,000	(1,000)	5,000	------
Subtotal, National Park Service	63,670	68,242	48,752	(19,490)	58,417	(9,825)
Total, Land Acquisition and State Assistance	173,670	178,248	128,752	(49,496)	168,423	(9,825)
Centennial Challenge						
Centennial Challenge	15,000	35,000	30,000	(5,000)	20,000	(15,000)

Notes:

Cells highlighted in green above are updated by the Department to reflect errors/changes in the Account table due to House floor amendments. Part of it is that House used the wrong starting point for ONPS subactivity numbers by starting with Enacted vs. the Operating Plan which became enacted.

Office of Surface Mining

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Regulation and Technology	123,253	127,550	119,300	(8,250)	119,711	(7,839)
Abandoned Mine Reclamation Fund	117,303	30,375	132,303	+101,928	117,134	+86,759
Total, Office of Surface Mining	240,556	157,925	251,603	+93,678	236,845	+78,920

Regulation and Technology

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
1 **Environmental Protection**	91,832	90,138	89,450	(688)	88,832	(1,306)
Permit Fees	40	1,900	40	(1,860)	40	(1,860)
Offsetting Collections	(40)	(1,900)	(40)	+1,860	(40)	+1,860
2 **Technology Development and Transfer**	15,205	21,485	15,205	(6,280)	15,205	(6,280)
3 **Financial Management**	505	713	505	(208)	505	(208)
4 **Executive Direction**	15,711	15,214	14,140	(1,074)	15,169	(45)
5 **Civil Penalties (indefinite)**	100	100	100	------	100	------
Subtotal	123,353	127,650	119,400	(8,250)	119,811	(7,839)
6 **Civil Penalties (offsetting collections)**	(100)	(100)	(100)	------	(100)	------
Total, Regulation and Technology	123,253	127,550	119,300	(8,250)	119,711	(7,839)

Abandoned Mine Reclamation Fund

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
1 **Environmental Restoration**	9,480	9,825	9,480	(345)	9,480	(345)
2 **Technology Development and Transfer**	3,544	6,367	3,544	(2,823)	3,544	(2,823)
3 **Financial Management**	6,396	6,440	6,396	(44)	6,396	(44)
4 **Executive Direction**	7,883	7,743	7,883	+140	7,714	(29)
5 **State Grants**	90,000	------	105,000	+105,000	90,000	+90,000
Total	117,303	30,375	132,303	+101,928	117,134	+86,759

US Geological Survey

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
(Amounts in Thousands of dollars)						
Ecosystems						
1 Status and Trends	20,473	22,267	20,473	(1,794)	20,473	(1,794)
2 Fisheries	20,886	24,083	21,136	(2,947)	19,886	(4,197)
3 Wildlife	45,757	46,125	45,757	(368)	46,007	(118)
4 Environments	38,415	43,352	38,415	(4,937)	36,224	(7,128)
5 Invasive Species	17,330	19,877	17,580	(2,297)	17,580	(2,297)
6 Cooperative Research Units	17,371	18,234	17,371	(863)	17,371	(863)
Total, Ecosystems	160,232	173,938	160,732	(13,206)	157,541	(16,397)
Climate and Land Use Change						
1 Climate Science Centers	26,435	30,908	26,435	(4,473)	21,935	(8,973)
2 Climate Research and Development	21,495	22,714	21,495	(1,219)	18,995	(3,719)
3 Carbon Sequestration	9,359	9,381	9,359	(22)	8,959	(422)
Subtotal, Climate Variability	57,289	63,003	57,289	(5,714)	49,889	(13,114)
4 Land Remote Sensing	72,194	96,506	78,194	(18,312)	81,594	(14,912)
5 Land Change Science	10,492	11,935	10,492	(1,443)	8,992	(2,943)
Subtotal, Land Use Change	82,686	108,441	88,686	(19,755)	90,586	(17,855)
Total, Climate and Land Use Change	139,975	171,444	145,975	(25,469)	140,475	(30,969)
Energy and Minerals Resources, and Environmental Health						
1 Minerals Resources	48,371	48,695	48,371	(324)	49,921	+1,226
2 Energy Resources	24,695	26,228	24,695	(1,533)	24,695	(1,533)
Subtotal, Mineral and Energy Resources	73,066	74,923	73,066	(1,857)	74,616	(307)
3 Contaminant Biology	10,197	11,465	10,197	(1,268)	10,197	(1,268)
4 Energy Resources	11,248	13,095	11,248	(1,847)	9,698	(3,397)
Subtotal, Environmental Health	21,445	24,560	21,445	(3,115)	19,895	(4,665)
Total, Enery, Minerals, and Environmental Health	94,511	99,483	94,511	-4,972	94,511	-4,972
Natural Hazards						
1 Earthquake Hazards	60,503	62,196	63,303	+1,107	63,003	+807
2 Volcano Hazards	26,121	26,238	26,121	(117)	27,121	+883
3 Landslide Hazards	3,538	4,054	3,538	(516)	3,538	(516)
4 Global Seismographic Network	6,453	7,322	6,653	(669)	6,453	(869)
5 Geomagnetism	1,888	3,598	1,888	(1,710)	1,888	(1,710)
6 Coastal and Marine Geology	40,510	46,293	41,360	(4,933)	40,336	(5,957)
Subtotal, Natural Hazards	139,013	149,701	142,863	(6,838)	142,339	(7,362)

US Geological Survey

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Water Resources						
1 Water Availability and Use Science	42,052	54,388	43,802	(10,586)	44,052	(10,336)
2 Groundwater and Streamflow Info	71,535	72,957	72,957	-	73,035	+78
3 National Water Quality	90,600	94,147	92,801	(1,346)	87,600	(6,547)
4 Water Resources Research Act Program	6,500	6,500	6,500	-	6,500	------
Subtotal, Water Resources	210,687	227,992	216,060	(11,932)	211,187	(16,805)
Core Science Systems						
1 Science, synthesis. analysis, and research	24,299	24,930	24,299	(631)	24,299	(631)
2 National cooperative geologic mapping	24,397	24,486	24,486	-	24,397	(89)
3 National Geospatial Program	62,854	68,979	65,048	(3,931)	67,354	(1,625)
Subtotal, Core Science Systems	111,550	118,395	113,833	(4,562)	116,050	(2,345)
Science Support						
1 Administration and Management	81,981	86,319	81,981	(4,338)	81,981	(4,338)
2 Information Services	23,630	24,273	23,630	(643)	23,630	(643)
Subtotal, Science Support	105,611	110,592	105,611	(4,981)	105,611	(4,981)
Facilities						
1 Rental Payments and Ops & Maint.	93,141	109,978	93,141	(16,837)	93,141	(16,837)
2 Defer. Maint and Capital Imp.	7,280	7,280	7,280	-	7,280	------
Subtotal, Facilities	100,421	117,258	100,421	(16,837)	100,421	(16,837)
Total, U.S. Geological Survey	1,062,000	1,168,803	1,080,006	(88,797)	1,068,135	(100,668)

Notes

1. Senate amounts within Climate and Land Use Change (CLU) are placeholders; the committee directs USGS to provide a spending plan within CLU to meet Landsat 9 obligations at proposed level for CLU (Pg. 36-37).

2. House provides a $6M increase for Landsat and expects USGS to maintain launch schedule, which will require a reprogramming at House mark.

Bureau of Reclamation

	(Amounts in Thousands of dollars)					
	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
Bureau of Reclamation						
1 Water and Related Resources	1,118,972	813,402	982,972	+169,570	1,114,394	+300,992
2 Central Valley Project Restoration Fund	49,528	55,606	55,606	0	55,606	0
3 California Bay-Delta Restoration	37,000	36,000	36,000	0	36,000	0
4 Policy and Administration	59,500	59,000	59,000	0	59,000	0
5 Indian Water Rights Settlements	[112,483]	106,151	[106,151]	0	[106,151]	0
6 San Joaquin River Restoration Fund	[35,000]	36,000	---	(36,000)	[36,000]	0
7 BOR Loan Program Account Rescission		---		---		---
Total, Bureau of Reclamation (w/o offset)	1,265,000	1,106,159	1,133,578	+27,419	1,265,000	158,841
8 Central Valley Project Restoration Fund Offset	(49,528)	(55,606)	(55,606)	---	(55,606)	------
Total, Bureau of Reclamation (w/ offset)	1,215,472	1,050,553	1,077,972	+27,419	1,209,394	158,841

Central Utah Project Completion Act

(Amounts in Thousands of dollars)

	FY 2016 Enacted	FY 2017 Request	FY 2017 House	House/Req. Change	FY 2017 Senate	Senate/Req. Change
CUPCA	**10,000**	**5,600**	**11,000**	**+5,400**	**10,000**	**+4,400**
Construction	7,650	2,950	8,350	+5,400	7,350	4,400
Fish and Wildlife Conservation Projects	[1,378]	[1,650]	[1,650]	[0]	[1,650]	[0]
Administration	1,350	1,350	1,350	------	1,350	------
Total, Central Utah Project Completion Act	9,000	4,300	9,700	+5,400	8,700	4,400
Utah Reclamation Mitigation	1,000	1,300	1,300	------	1,300	------

<u>FY 2018 Budget Formulation Process</u>

The FY 2018 budget process is different than in a typical budget year.

The "Usual" Process: Typically, the Department's Office of Budget (POB) manages a budget formulation process that begins with bureaus submitting budgets at the end of May. The Department reviews the requests and provides decisions on funding levels and related policy at the end of July. The Department submits detailed bureau budget material reflecting these decisions to the Office of Management and Budget (OMB) in mid-September. OMB provides funding and policy recommendations back to the Department shortly after Thanksgiving. OMB and the Department then work between Thanksgiving and Winter Holidays to settle on the final funding levels and policy decisions which will be part of the President's budget submitted to Congress at the beginning of February.

Transition Year Process: During a transition year, the process described above is compressed from almost a 9 month process to 2.5 months. As the schedule below lays out, the timeframe is compressed to make decisions regarding funding priorities, negotiate with OMB, and prepare detailed budget material supporting the request. After the election, OMB will direct agencies to prepare a "current services" budget to submit to Congress at the beginning of the calendar year. The current services budget is a placeholder budget and provides high level numbers for funding required to maintain current operations. Immediately following the inauguration, OMB will lead development of the new Administration's "policy" budget. Among the first things the incoming leadership will face is the need to identify key budget and related policy priorities to incorporate into the FY 2018 budget. OMB will issue guidance providing agencies with proposed funding levels and budget policies. Incoming leadership will have a limited time, usually a week or less, to submit a counter proposal for further negotiation with OMB. The key budget and related policy priorities identified up front will guide the budget negotiations with OMB and White House policy offices, and shape the communications strategy supporting the President's initial budget as it is rolled out to Congress and the public.

November, 2016	**The Office of Budget (POB) issues guidance to bureaus to prepare Current Services budget estimates (Timing depends on receipt of OMB guidance)**
	Office Of Management and Budget issues Economic Assumptions on Nov. 10
January, 2017	**Inauguration and transition of incoming Departmental leadership**
	Incoming senior leadership will review information on key FY 2018 budget issues, any remaining FY 2017 conference issues, and operational funding related to the Immediate Office of the Secretary
	OMB will issue guidance and preliminary decisions including agency funding levels for formulation of the "policy" budget.
	Agencies will have a limited time to respond with a counter proposal. Will need to focus on highest priorities.
	The Department will respond to OMB with a letter summarizing the "appeal" to their direction
	Negotiations take place with OMB to finalize decisions
	POB directs Bureaus to prepare detailed budget justification materials

February, 2017	**Administration releases "Current Services" blueprint budget (Topline agency numbers, little programmatic detail)**
March/April, 2017	**Administration releases "Policy" budget**
	Department issues press release on budget - may have press call
	Departmental leadership testifies in support of the FY 2018 budget

Bureau of Land Management
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017
	Actual	Enacted	Request	House	Senate	Req to 2016
Current	1,138,584	1,252,359	1,259,419	1,242,307	1,258,832	7,060
Permanent	215,945	220,082	222,138	177,320	177,320	2,056
Total	**1,354,529**	**1,472,441**	**1,481,557**	**1,419,627**	**1,436,152**	**9,116**
FTE	**9,451**	**9,641**	**9,727**			**86**

Bureau Profile

- The Bureau of Land Management is the largest land management agency in the Nation, managing 10 percent of the land in the United States—from the shores of the Arctic Ocean all the way to Key West, Florida—and 30 percent of the country's minerals.

- The BLM is woven into the fabric of American history. Since its origins in 1812, the BLM has played a central role in the Nation's growth and development, just as it does today. BLM was established in 1946 through consolidation of the General Land Office and the U.S. Grazing Service.

- As the Nation has changed, so has the BLM's mission. Where the BLM once was responsible for surveying and selling most of the land east of the Rocky Mountains, the BLM is now responsible for the long-term stewardship of working landscapes across the U.S.

- The BLM's mission is inherently complex as the BLM strives to implement a program of work among the myriad of public land uses that is interdisciplinary, inclusive, balanced, and effective in providing for short-term uses and long-term conservation.

- As part of the BLM's modern mission, the BLM protects some of the most scenic and iconic areas in the country, including Red Rock Canyon, the Rio Grande del Norte, the Grand-Staircase Escalante, the Upper Missouri River Breaks, the heart of the Sonoran Desert, the canyonlands of southern Idaho, and the King Range National Conservation Area along the coast of California.

- The BLM is observing two significant milestones in 2016: the 70th anniversary of the creation of the Bureau of Land Management and the 40th anniversary of its guiding law, the Federal Land Policy and Management Act of 1976 (FLPMA).

- The BLM manages public lands that support the Nation's need for energy, minerals, timber, and grazing lands. The BLM has one of the country's largest and most proven firefighting operations.

- Funding for BLM activities is provided through a combination of current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

Bureau Statistics

- The BLM manages one out of every 10 acres of land in the United States - - over 245 million surface acres.

- The BLM also manages 30 percent of the Nation's mineral resources, dispersed throughout every State in the country - - 700 million acres of subsurface mineral estate.

- More than 99 percent of BLM-managed public lands are available for recreational use with no fees.

- In 2015, more than 62 million people across the country visited BLM-managed public lands to view wildlife, hunt, fish, hike, paddle, and ski.

- The BLM manages the National Conservation Lands, including 23 national monuments, 21 national conservation areas and similarly designated areas, and 223 wilderness areas.

- The BLM is responsible for overseeing approximately 100,000 onshore oil and gas production wells.

- As of March 2016, the BLM managed more than 67,000 wild horses and burros on western rangelands. In addition, as of August 18, 2016, the BLM housed nearly 47,000 unadopted horses and burros in off-range pastures and corrals.

- In 2014, activities on BLM managed lands were estimated to contribute $114 billion to the Nation's economic output and supported nearly 467,000 domestic jobs through extractive and non-extractive uses of those lands.

- In 2015, the BLM held 22 oil and gas lease sales, generating more than $159 million in bonus bids and rental fees.

- About, 9,700 employees and over 25,000 volunteers work to conserve and protect the natural and cultural resources on the public lands and provide recreational and interpretative opportunities and programs.

- BLM's headquarters offices are located in Washington, D.C., and the Bureau also has offices in 12 Western States, including Alaska.

Bureau of Land Management
Table of Organization
7-25-2016

Director
Deputy Director, Operations
Deputy Director, Programs & Policy

Office of Law Enforcement and Security

National Operations Center
Director

Fire & Aviation
Assistant Director

Resources and Planning
Assistant Director

Energy, Minerals and Realty Management
Assistant Director

National Landscape Conservation System and Community Partnerships
Assistant Director

Communications
Assistant Director

Human Capital Management
Assistant Director

Business Fiscal and Information Resources Management
Assistant Director

Alaska
State Director

Arizona
State Director

California
State Director

Colorado
State Director

Eastern States
State Director

Idaho
State Director

Montana/Dakotas
State Director

Nevada
State Director

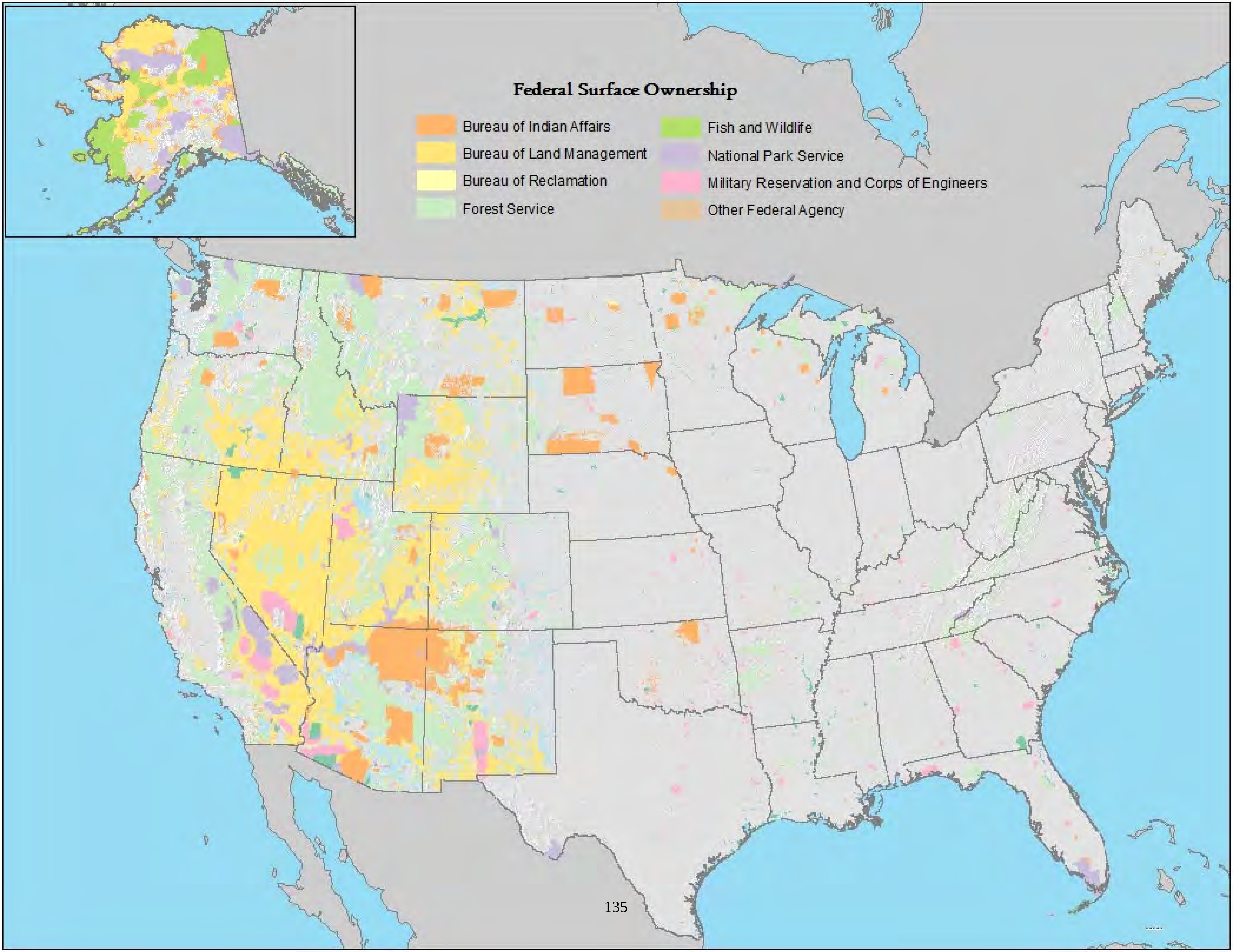
New Mexico
State Director

Oregon
State Director

Utah
State Director

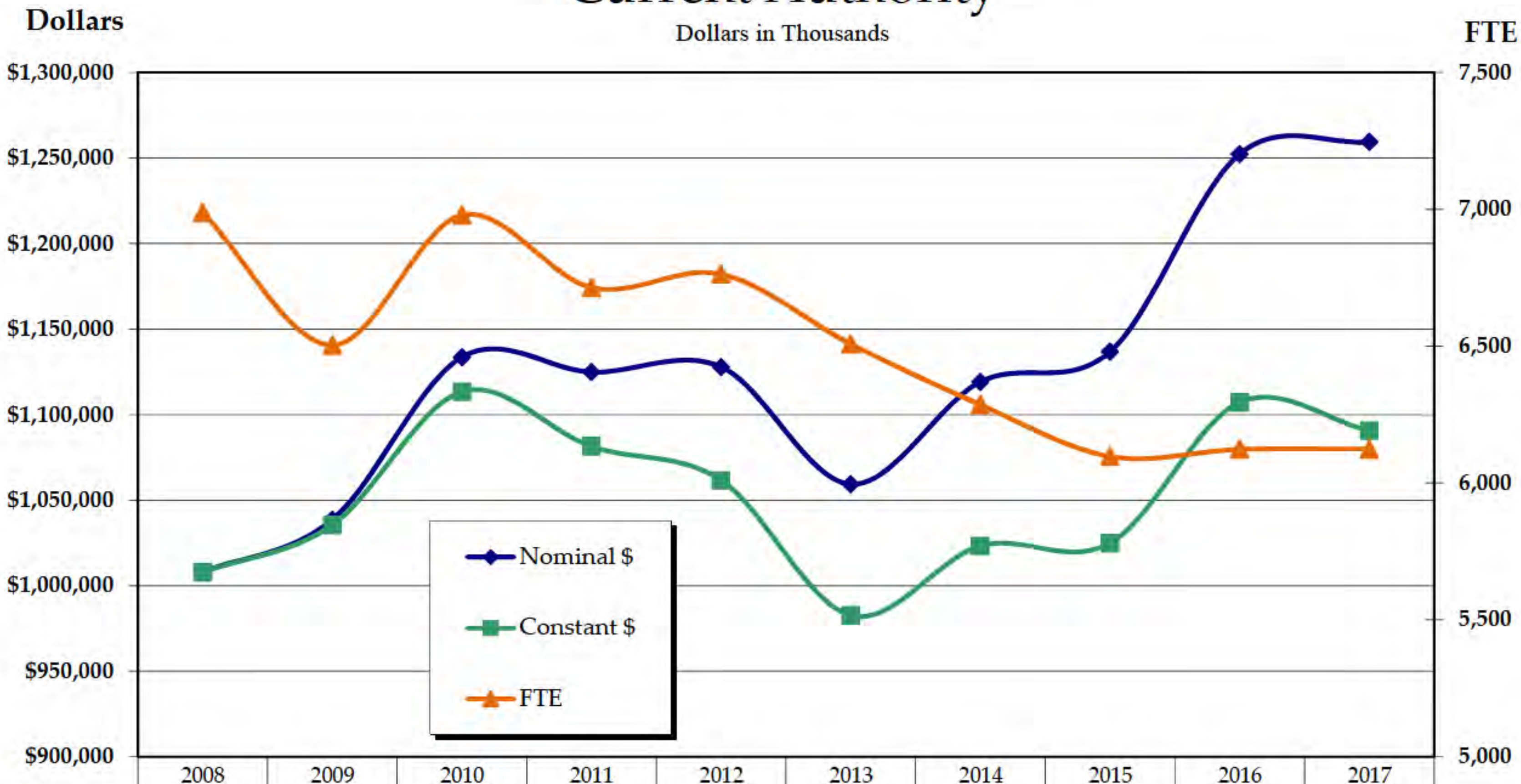
Wyoming
State Director


Western States
Alaska
1:30,175,157
Eastern States
1:40,385,258
1:12,500,000
BLM Administrative Unit Offices
State Offices
State/District Offices
District Offices
District/Field Offices
Field Offices
Field Stations, Monuments & Other Offices
BLM Administrative State Boundary
BLM Administrative District Boundary
BLM Adminstrative Field Boundary
BLM Public Lands
Bureau of Land Management
ADMINISTRATIVE UNITS
2016
The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of the present and future generations.
SPOKANE
COEUR D'ALENE
WESTERN MONTANA
CENTRAL MONTANA
HILINE
MONTANA STATE OFFICE
EASTERN MONTANA/DAKOTAS
SALEM
EUGENE
COOS BAY
ROSEBURG
MEDFORD
PRINEVILLE
VALE
BURNS
LAKEVIEW
BOISE
TWIN FALLS
IDAHO FALLS
WIND RIVER/BIGHORN BASIN
WYOMING HIGH PLAINS
WYOMING HIGH DESERT
NORTHERN CALIFORNIA
WINNEMUCCA
ELKO
WEST DESERT
GREEN RIVER
NORTHWEST
CARSON CITY
BATTLE MOUNTAIN
ELY
COLOR COUNTRY
CANYON COUNTRY
SOUTHWEST
FRONT RANGE
CENTRAL CALIFORNIA
GSENM
SOUTHERN NEVADA
ARIZONA STRIP
FARMINGTON
COLORADO RIVER
PHOENIX
ALBUQUERQUE
CALIFORNIA DESERT
PECOS
GILA
LAS CRUCES
FAIRBANKS
ANCHORAGE
Arctic
Central Yukon
Eastern Interior
Glennallen
Anchorage
Northeastern
Southeastern
Milwaukee
Springfield
Jackson
Oklahoma Field Office
North Dakota
South Dakota
Newcastle


Federal Surface Ownership
Bureau of Indian Affairs
Bureau of Land Management
Bureau of Reclamation
Forest Service
Fish and Wildlife
National Park Service
Military Reservation and Corps of Engineers
Other Federal Agency

Bureau of Land Management
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	1,007,897	1,038,596	1,133,604	1,124,886	1,127,839	1,059,314	1,119,109	1,136,809	1,252,359	1,259,419
Constant $	1,007,897	1,035,480	1,113,391	1,081,392	1,061,608	982,635	1,023,250	1,024,958	1,107,211	1,090,629
FTE	6,988	6,504	6,979	6,714	6,763	6,508	6,286	6,097	6,123	6,124

Bureau of Land Management
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,138,584	1,252,359	1,259,419	1,242,307	1,258,832	7,060
Permanent	215,945	220,082	222,138	177,320	177,320	2,056
Total	**1,354,529**	**1,472,441**	**1,481,557**	**1,419,627**	**1,436,152**	**9,116**
FTE	**9,451**	**9,641**	**9,727**			86

Key Budget Issues

Oil and Gas Program – Applications for Permit to Drill (APDs) Processing Funding and Workload

- The enactment of the National Defense Authorization Act of 2015 (P.L. 113-291) shifted most of the program funding used for processing APDs and related use authorizations from a guaranteed level of offsetting APD fees provided at the beginning of the fiscal year under the appropriations bill, to reliance on permanently-appropriated fee revenue as it is collected.

- Prior to the NDAA, the BLM received an appropriation of $32.5 million at the beginning of the year offset by APD fees collected during the year. Under the NDAA, APD fees only become available as they are collected, and there is no guarantee as to the total APD fee revenues the BLM will receive.

- The BLM has seen dramatic declines in industry APD submissions which closely track oil and gas commodity prices. Based on current low commodity prices, the BLM anticipates only receiving 1,800 APDs in 2017 instead of the 4,467 APDs assumed in the 2017 President's Budget, with a corresponding drop in funding available to process new and existing APDs.

- As a result, a large shortfall in APD funding is projected for FY 2017, which would trigger a decline in staffing levels. In response to this anticipated shortfall, Congress included language in the CR that provides $26.0 million in up-front funding for APD processing, provided at the daily rate under the CR, while the APD fees are collected. If sustained in the enacted bill, the CR language would "fix" the problem for 2017. Longer term issues will need to be addressed.

Oil and Gas Program – Inspection & Enforcement (I&E) Fees

- Since 2011, the President's budget has proposed to shift oil and gas inspection program costs from appropriations to fees on industry. In recent years, the budget has proposed I&E fees that would generate an estimated $48.0 million.

- This proposal assumes those who benefit from the use of public resources should pay for the cost of managing those resources.

- The I&E fee authority already exists in the offshore oil and gas program (i.e. BSEE)

- During the formulation of the budget, the fee proposal has "freed up" $48.0 million for redirection to other Departmental priorities.

- Congress has opposed the fee proposal every year and provided the program funding as discretionary appropriations at the expense of other priorities.

- The FY 2017 House and Senate marks continue to reject this proposal..

<u>Grazing Administration Fees</u>

- Since 2013, the BLM budget request has included a proposal to shift a portion of the costs of the grazing administration program to fees on grazing permits.

- The fee proposal in the FY 2017 budget sets a fee of $2.50 per AUM to generate estimated offsetting fees of $16.5 million.

- Congress has not supported the fee proposal and has instead provided direct appropriations for the program. The House and Senate marks for FY 2017 continue to reflect this.

<u>Wild Horse and Burro Management (WH&B)</u>

- As discussed in a separate briefing paper, the budget for the WH&B program has grown dramatically over the last eight years, and yet the program is further than ever from achieving a primary goal of the Wild Free-Roaming Horse and Burro Act of 1971 maintaining animal populations on the range at appropriate management levels (AML).

- The budget has grown from $36.2 million in 2008 to $80.6 million in 2016. However, as of March 2016, more than 67,000 wild horses and burros were estimated to roam on BLM-managed lands (increasing by another 10,000 wild horses after the Spring foaling season), far in excess of the current AML of 26,725.

- The 2017 President's Budget requests $80.1 million for the WH&B program, including a program reduction of $572,000 reflecting the completion of one-time activities. The Budget also proposes appropriations language to facilitate the transfer of excess animals to other public entities (local, State and Federal agencies) that have a need for domestic work animals.

- The House and Senate marks maintain WH&B program funding at the 2016 enacted level. Both marks also include transfer language similar to that proposed in the President's Budget.

- Both the House and Senate include report language expressing concern about population growth and support for research on fertility and population control methods. They also encourage BLM to increase the use of existing population control measures. It should be noted that the current WH&B budget severely limits BLM's ability to increase animal gathers or population control measures.

Greater Sage Grouse Plans and Integrated Rangeland Fire Management Strategy

- In 2013, the BLM began investing significant new resources in the conservation of the sagebrush ecosystem, and the over 350 species that call it home, and prioritized the implementation of the Greater Sage-grouse plans.

- In 2010, the Fish and Wildlife Service determined that the Greater Sage Grouse (GSG) was warranted for listing under the Endangered Species Act but precluded from listing due to higher priority species.

- In recent years, the BLM and numerous partners embarked on an unprecedented effort to conserve the sagebrush ecosystem and avoid the need to list the GSG.

- In 2015, the FWS determined that the GSG was not warranted for listing, due in large part to the actions the BLM has committed to in the GSG Records of Decision and the Integrated Rangeland Fire Management Strategy (IRFMS) required by Secretarial Order 3336.

- The FWS will revisit its GSG listing decision in 2020.

- The BLM, with the support of Congress, has made significant investments in implementing the GSG Conservation Strategy to date. In 2016, Congress provided a $45.0 million increase over the base funding level of $15.0 million. The 2017 President's Budget includes an additional increase of $14.2 million to implement the GSG Plans for a total of $74.2 million. The budget includes an additional $5.0 million request to implement the National Seed Strategy, which is a key recommendation of the IRFMS, and supports and complements the GSG Conservation Strategy.

- The House provides $11.8 million of the $14.2 million increase requested for the GSG Conservation Strategy and provides $1.0 million of the $5.0 million requested increase for the National Seed Strategy. The Senate fully funds the requested increase of $5.0 million for the National Seed Strategy, but only provides $5.7 million of the $14.2 million increase for the GSG Conservation Strategy.

- Requirements for full implementation of these strategies continue to be reviewed and evaluated.

Western Oregon Resource Management Plans

- On August 5, 2016, the BLM signed the Records of Decision (ROD) on the revised resource management plans (RMPs) for western Oregon with potential impacts to timber activities.

- The completion of the RODs marks the end of a four-year effort by the BLM to use new science, policies, and technology to protect natural resources and support local communities.

- Throughout the planning process, the BLM held 41 public meetings, workshops, and forums in western Oregon. The agency received more than 7,000 comments, 4,500 of which were sent in during the formal comment period in 2015.

- Among other changes, the new RMPs provide for a small increase in the amount of timber offered for sale, and implementation will need to be reviewed in the upcoming budget formulation process.

<u>National Conservation Lands (a.k.a. National Conservation Landscape System – NLCS)</u>

- Several new units (e.g., national monuments and national conservation areas) have been added to the NCL in recent years.

- The 2017 President's Budget proposed a $13.7 million increase for the NCL, a 37 percent increase over the 2016 enacted level of $36.8 million. The requested increase would provide for foundational needs at many newly designated NCL units and enhance operational capacity at other more established units to accommodate increased visitation and demand. The House and Senate marks maintain NCL funding at the 2016 enacted level.

Legislative Issues

- **Mining Law Reform and Hardrock Abandoned Mine Land (AML) Reclamation:** Since 2012, the President's Budget has included two legislative proposals related to hardrock mining. One would impose an AML fee on hardrock production to help fund the reclamation of abandoned hardrock mining sites on both public and private lands. The estimated cost to remediate just the existing inventory of AML sites on BLM-managed lands far exceeds discretionary appropriations currently available for this purpose. The 2015 Gold King Mine wastewater spill in Colorado renewed interest in this proposal. The second proposal would institute a leasing program under the Mineral Leasing Act of 1920 for certain hardorck minerals currently covered by the General Mining law of 1872 and administered by the BLM. After enactment, mining for these metals on Federal lands would be subject to annual rental payments and royalties.

- **Federal Lands Transaction Facilitation Act (FLTFA):** FLTFA, which was enacted in July of 2000, provided authority for the BLM to sell certain public lands identified as suitable for disposal, with the proceeds deposited in an account to support the purchase of environmentally sensitive land and administrative costs. Lands could be acquired within and/or adjacent to areas managed by the National Park Service (NPS), the U.S. Fish and Wildlife Service (FWS), the U.S. Forest Service (FS), and the BLM. Thus, FLTFA provided another source of funding beyond appropriations from the Land and Water Conservation Fund, for these land management agencies to acquire critical landscapes. FLTFA expired on July 25, 2010. On July 29, 2010, Congress passed a one-year extension. Reauthorization of FLTFA has been proposed in the President's Budget ever since.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, the BLM contributes to four Strategic Plan Mission Areas, including:
    - Celebrating and Enhancing America's Great Outdoors;
    - Powering Our Future and Responsible Use of the Nation's Resources;
    - Engaging the Next Generation; and
    - Building A Landscape Level Understanding of Our Resources.

- In addition, the BLM contributes to the following four DOI Priority Goals:
    - Renewable Energy Resource Development;
    - Climate Change Adaptation;
    - Youth Stewardship of Natural and Cultural Resources; and
    - Oil and Gas Resources Management.

- The BLM is the predominant DOI player in the Renewable Energy-related goal and is projected to achieve the Department's goal of approving 16,600 MW of capacity (since the end of FY 2009) by the end of FY 2017.

- In FY 2011, the BLM initiated a risk-based strategy, the National Oil and Gas I&E Strategy, to provide consistent nationwide oil and gas inspection accomplishment goals to field offices. It is also a tool used for such purposes as determining numbers and types of inspections that can be accomplished within available resources and prioritizing sites for inspection. The Oil and Gas Resources Management Priority Goal calls for the BLM to complete, by September 30, 2017, 100 percent of inspections for Federal and Indian potential high risk oil and gas cases annually. The BLM completed 100 percent of its high priority inspections in 2015 and estimates it will also do so in 2016 and 2017.

Issue Paper: Wild Horse and Burro Management

Summary:

The BLM Wild Horse and Burro Management program is on an unsustainable course in terms of budget requirements and competing uses of the public lands, as the number of animals on the range and in BLM holding facilities continues to increase.

The budget for the WH&B program has grown dramatically over the last eight years, from $36.2 million in 2008 to $80.6 million in 2016, and yet the program is further than ever from achieving a primary goal of the Wild Free-Roaming Horse and Burro Act of 1971 maintaining animal populations on the range at appropriate management levels (AML). The WH&B budget is principally consumed by the cost to care for excess animals in off-range facilities.

The Congress, OMB, and the public express frustration with the status and future outlook of the program.

Viable, long-term solutions to the challenge of sustaining healthy wild horse and burro populations on healthy rangelands are extremely expensive and controversial.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Management of Lands and Resources					
Wild Horse & Burro Management	77,245	80,555	80,108	80,555	80,555

Background:

- The WH&B Program is responsible for managing wild horses and burros in accordance with the Wild Free-Roaming Horses and Burros Act of 1971. The Act requires the protection, management, and control of wild free-roaming horses and burros in a manner designed to achieve and maintain a thriving natural ecological balance in combination with other public land uses.

- When the Act was passed, approximately 25,000 wild horses and burros roamed on public lands managed by the BLM. As of March 2016, more than 67,000 wild horses and burros are found on 26.9 million acres of public lands (increasing by another 10,000 wild horses after the Spring foaling season). This far exceeds the number of animals the public lands can accommodate in balance with other uses, the appropriate management level (AML). The AML is 26,715.

- Overpopulation on the range, in addition to prolonged drought conditions, has serious practical effects on effective land management. WH&B overpopulation contributes to degraded rangeland conditions and jeopardizes competing uses of the public lands, such as livestock grazing and habitat for wildlife (e.g. greater sage grouse). These excessive populations also jeopardize the health of wild horses and burros.

- Exacerbating the problems related to population growth, over the last 10 years, adoption rates for wild horses and burros have dropped nearly 70 percent. In the early 2000s, the BLM was able to place nearly 8,000 horses each year; more recently the annual adoption totals have been closer to 2,600 per year.

- As a result, as of August 18, 2016, the BLM housed nearly 47,000 unadopted horses and burros in off-range pastures and corrals. As the total lifetime cost for caring for an unadopted animal is nearly $50,000, this situation has created very serious challenges to effective cost management.

- The wild horse population grows by about 15-20 percent per year and may double in size every four years.

- In Fiscal Year 2016, funding could support the removal of 3,500 horses and burros from over-populated Herd Management Areas (HMA), which equals about the same number of animals that leave the system annually through adoption, sale, and natural mortality.

- The program is limited in its ability to remove animals from the range not only by the cost to maintain those animals for a lifetime off the range but also litigation challenges. For example, it costs nearly $50,000 to care for one horse for its lifetime in off-range corrals. Costs for maintaining the nearly 46,000 horses, over their lifetime, currently in holding corrals and pastures total more than $1 billion. BLM currently pays about $49 million annually in holding costs.

- Given the existing level of 3,500 animal removals per year and the BLM's limited ability to apply fertility control measures, the on-range population will likely grow to 85,000 by 2018.

- At the current funding level, the BLM cannot afford to remove more than about 3,500 animals per year from the range.

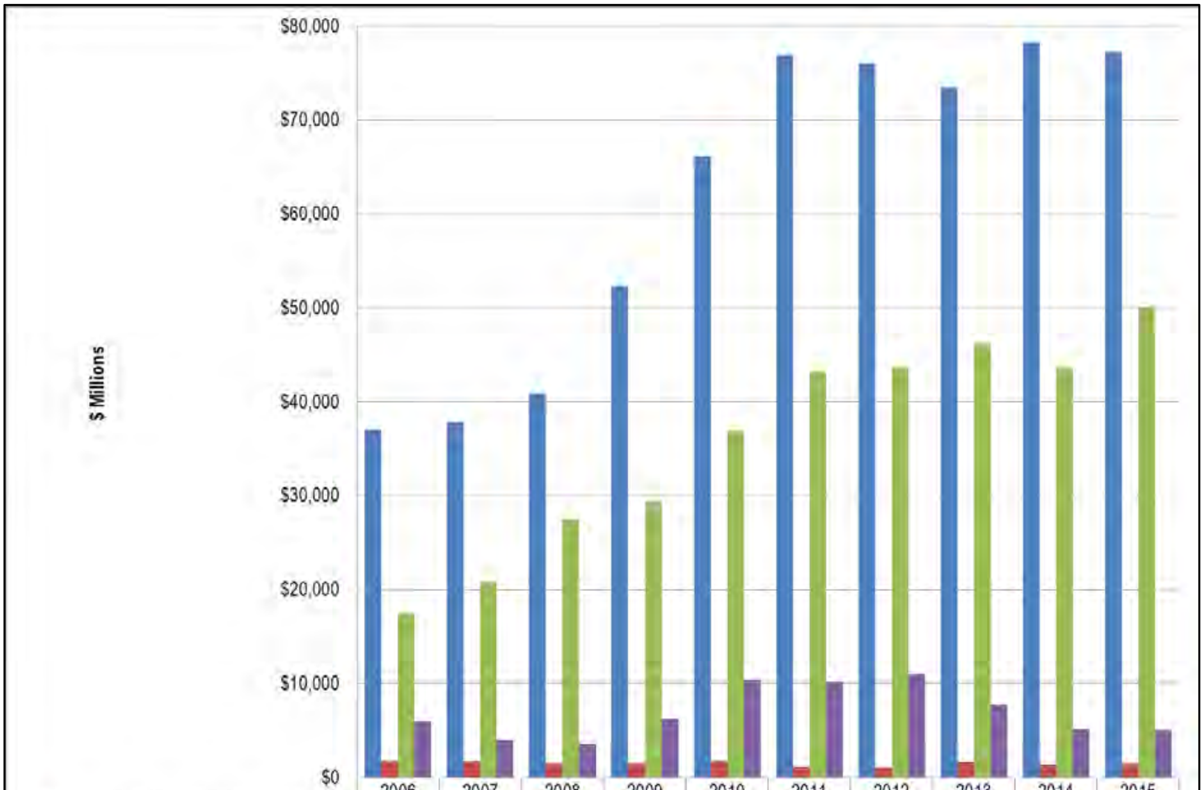
- The BLM made concerted attempts to reach AML in the past using a strategy of aggressive gathers to reduce the number of animals on the range. However, the cost of this strategy became unsustainable, as the number of animals placed in holding grew steeply as animal adoptions plummeted. The BLM ratcheted down the number of gathers to just maintain the wild population, rather than reduce it; however, that strategy became too costly. Growing populations and high holding costs makes this strategy even more unaffordable, more damaging to rangeland conditions, and is increasingly jeopardizing other uses of the public lands.

- In 2013, the National Academy of Sciences confirmed that BLM does not have access to highly effective, easily delivered, and affordable fertility control methods for wild horses and burros. Existing contraceptive vaccines are only effective for one year. The size of herds and herd management areas (HMAs) and varying terrain present logistical challenges in applying vaccines. To address this issue, the BLM has teamed-up with top universities and the USGS to initiate a five-year, $11 million research program to develop better management tools; longer lasting fertility control vaccines; and effective, safe methods for spaying and neutering wild horses and burros. It should be noted that lawsuits have already been filed to prevent the BLM from pursuing some of these studies.

- Even if these research efforts are successful, widespread application of these population control tools would be extremely expensive, and expensive large-scale removals to holding facilities would still need to be part of any strategy to reach AML.

- The Wild Free-Roaming Horse and Burro Act of 1971 Act provides for BLM to sell or euthanize horses that are not adoptable. Language proposed in the President's Budget and included in annual appropriations acts prohibits BLM from using funds for the destruction of healthy, unadoptable animals or for the sale of animals that results in their destruction for processing into commercial products ("sales without limitation").

- The following chart shows the funding trend for the WH&B program over the 10-year period 2006-2015.



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Funding (Working Total Actuals)	$37,002	$37,874	$40,935	$52,329	$66,148	$76,919	$76,034	$73,471	$78,281	$77,245
Forest Service Funding	$1,733	$1,750	$1,500	$1,500	$1,750	$1,129	$1,103	$1,653	$1,386	$1,482
Holding Corral and Pasture Costs	$17,482	$20,894	$27,492	$29,485	$36,941	$43,210	$43,648	$46,165	$43,623	$49,978
On-Range Management Costs	$5,989	$4,052	$3,587	$6,210	$10,422	$10,161	$11,015	$7,713	$5,119	$4,998

FY 2017 Budget Issues:

Issue 1:

In 2017, the BLM estimates that it will be able to remove only about 2,500 - 3,000 wild horses and burros from the range, thus exacerbating the existing overpopulation problem. If and when animals are imperiled, resources may not be adequate to respond to all emergency removal needs.

Issue Paper: BLM Oil and Gas Management

Summary:

In FY 2017, there is a serious funding shortfall in BLM's Oil and Gas Management program reflecting the decline in fee collections from onshore oil and gas permit processing.

The permanent appropriations from Applications for Permit to Drill (APD) fee collections supporting most of the APD processing program have dropped precipitously from 2016 and 2017 estimates in the President's Budget.

In 2016, the BLM took various steps, including redirecting other Oil and Gas Management funds, to cover the labor and operating costs in the APD processing program to avoid having to make staff reductions. For 2017, the Senate addresses the projected shortfall by adding appropriations language that provides $26.0 million in mandatory funding upfront, to be offset by whatever fees are collected, to provide sufficient funding to the program to forestall the need for RIFs.

The 2017 Continuing Resolution (CR) provides $26.0 million in up-front funding for APD processing, apportioned at the pro-rata rate under the CR, while the APD fees are collected. While the BLM now estimates it will collect only about $17.0 million in APD fees (of which it only 85 percent, or $14.5 million is permanently appropriated), the $26.0 million figure in the CR is much closer to BLM's current estimate than the $38.3 million estimate (net of sequester) that was included in the 2017 President's Budget).

The program's current, heavy reliance on fee generated revenue could continue to present management and budget challenges for the BLM because of the difficulty in projecting revenues far in advance, and the need to maintain a program capacity that can respond quickly when workload/industry demand rebounds.

Budget Information:

$ in Thousands

Sources of Oil and Gas Funding	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Oil and Gas Management	53,183	59,671	80,574	59,671	67,574
Oil and Gas Permit Processing	32,500	7,125	6,365	6,365	6,365
Less Offsetting APD Fees	(28,697)	-	-	-	-
Oil and Gas Inspection Enforcement	41,126	48,000	48,000	48,000	48,000
Less Offsetting I&E Fees		-	(48,000)	-	-
Total Discretionary	98,112	114,796	86,939	114,036	121,939
PPIF - Rental Receipts	11,799	13,336	13,345	13,345	13,345
PPIF- APD Fees		30,857	38,322	13,532	26,000
Total Permanent	11,799	44,193	51,667	26,877	39,345
Total Discretionary and Permanent	109,911	158,989	138,606	140,913	161,284

Note: The 2017 House column reflects the current estimate for APD Fees, which as noted above, is much lower than the estimate included in the 2017 President's Budget. The 2017 Senate column reflects bill language added by the Senate, as discussed above, which provides $26.0 million in mandatory funding upfront to the Permit Processing Improvement Fund - Fee Account, to be offset by APD fees that are collected.

Background:

- The BLM Oil and Gas Management program is funded by a combination of discretionary and permanent appropriations.

- In 2016, the overall oil and gas program received $114.8 million in discretionary appropriations to support the multitude of pre-leasing; leasing, and post-leasing activities. The total includes a line-item of $48.0 million for inspection and enforcement (I&E) activities and a line-item of $7.1 million for permit processing (e.g. APDs and related use authorizations). The remaining $59.7 million is in the Oil and Gas Management subactivity and funds all other oil and gas related activities. It should be noted that in recent years the Administration has proposed to shift the cost of the I&E program to fees, but Congress has not supported the proposals.

- The permanent appropriations supporting the Oil and Gas Management program are derived from two different sources: lease rent revenues and APD processing fees.

- The Energy Policy Act of 2005 ("EPAct") directed 50 percent of onshore oil, gas, and coal lease rent revenues (excluding those from Alaska) to a new BLM Permit Processing Improvement Fund. These revenues support the Permit Pilot/Program Offices created by EPAct. BLM's use of these rental receipts was scheduled to expire at the end of 2015, but was made permanent by National Defense Authorization Act of 2015 (NDAA). These rental revenues have experienced an overall decline in recent years (2016 estimate of $13.3 million) from a high of about $22 million

- The NDAA also permanently authorized APD processing fees ($9,500 per APD, adjusted for inflation annually) for the eleven-year period 2016 through 2026. For 2016 through 2019, only 85 percent of the fee revenues are automatically available; the remaining 15 percent is subject to appropriation. Beginning in 2020, 100 percent of the APD fee revenues are automatically available to BLM.

- Both the lease rental revenues and the APD fees are deposited in BLM's Permanent Processing Improvement Fund.

- Prior to the NDAA (dating back to 2008), the Congress authorized an APD fee in the annual appropriations act as an offsetting collection. Most recently, the APD fee was set at $6,500, and the budget assumed 5,000 APDs would be received per year. Under the annual appropriations language, an appropriation of $32.5 million (i.e. $6,500 x 5,000) was provided at the beginning of the year, and was reduced by the amount of fees collected. Not only was the estimated fee revenue provided up-front, at the beginning of the year, but the language guaranteed the $32.5 million to BLM even if the actual amount of fee collections were less.

- By contrast, under the NDAA authority, APD fee revenues only become available to BLM as they are collected (as opposed to an upfront appropriation at the beginning of the year), and there is no guarantee as to how much in total BLM will receive in fee revenues. While the NDAA authorized a higher APD fee ($9,500 versus $6,500) with the intent of providing increased funding to the program, the current estimates for APD fee revenues in 2016 and 2017 are significantly less than the revenues assumed in the President's Budget because of the enormous drop in the number of APDs projected to be submitted by industry as a result of the downturn in the oil and gas markets.

- The transition from discretionary to mandatory funding has resulted in unanticipated consequences related to cash-flow management and aligning staffing and other resources with industry activity (e.g. submitted APDs). The APDs received in 2016 (1,692) and projections for 2017 (1,800) are dramatically lower than the BLM estimated and planned for at the time the 2016 and 2017 President's Budgets were submitted to Congress. This uncertainty creates a significant management challenge for the APD program which cannot make rapid adjustments to prudently expand or reduce its highly technical workforce in time to adjust to changing revenue estimates.

FY 2017 Budget Issues:

A dramatic drop in Federal onshore oil and gas drilling activity has caused a significant funding shortfall for BLM that is likely to persist for the foreseeable future. The BLM is working to identify the necessary and appropriate funding and staffing levels for the program. The results could identify the need for increased discretionary appropriations for the program. As noted above, the BLM is now projecting a significant funding shortfall in its APD processing program in 2017. If sustained in the enacted bill, the previously mentioned 2017 Continuing Resolution language would "fix" the problem for 2017. However, the dramatic drop in Federal onshore oil and gas drilling activity is likely to persist for the foreseeable future, and a permanent solution is required. The BLM is working to identify the necessary and appropriate funding and staffing levels for the program given the potential for continued uncertainty in the markets.

Issue Paper: BLM Coal Management Program

Summary:

Through its coal leasing program, BLM facilitates private sector development of Federal coal resources, thereby supporting a major source of the Nation's coal production and electricity generation. The BLM is responsible for ensuring the coal resources it manages are administered in a responsible way to help meet national energy needs while ensuring taxpayers receive a fair return for the sale of these public resources. In 2017, Federal coal leasing will generate an estimated $796 million in revenues to the U.S. Treasury and to the States in which the Federal coal deposits are located. A range of concerns have been raised about the program in the last few years by GAO and the Department's OIG, Members of Congress and other stakeholders. In response, in January 2016, Secretary Jewell issued a Secretarial Order (S.O. 3338) that places a pause on new leasing, with certain limited exceptions, until BLM completes a full programmatic review of the program.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Coal Management	9,595	10,868	10,962	10,868	10,868

Background:

Federal lands currently supply more than 41 percent of all U.S. coal production. Over the last decade, over 4.36 billion tons of coal were produced from Federal leases with a total value of $61.4 billion. During this period, over $3.85 billion in bonus payments and over $6.6 billion in royalties, rents, and other revenues were collected on BLM administered coal leases.
The BLM is responsible for leasing the Federal mineral estate on approximately 700 million acres. While producible coal resources are found on only a small fraction of these acres, Federal coal leases contribute a large share of total domestic coal production and consumption. In 2014, coal resources accounted for nearly 40 percent of the Nation's electricity generation, and Federal lands currently supply roughly 40 percent of all U.S. coal production. BLM's coal program consists of approximately 306 Federal coal leases and 482,691 acres under lease in 11 States and generated about $1.1 billion in royalties, rents, and bonuses in 2015.

The BLM Coal Management program conducts competitive coal lease sales and works to ensure the public receives fair market value for the coal. The program processes and approves coal exploration licenses and coal resource recovery and protection plans to protect public resources from waste and to ensure maximum recovery. The BLM inspects operations at Federal and Indian coal use authorization, independently verifies coal production reported by lessees, and takes appropriate action when Federal coal has been mined without approval.

Coal Programmatic Environmental Impact Statement (PEIS) – In response to comments during listening sessions held in 2015 and recommendations from GAO and OIG audits, in January 2016, Secretary Jewell issued a Secretarial Order placing a pause on new leasing under BLM's

Coal Management program. The Coal PEIS directed by S.O. 3338 will look at issues such as: the appropriate leasing mechanisms to determine how, when, and where to lease; how to account for the environmental and public health impacts of the coal program; and how to ensure the sale of these public resources results in a fair return to the American taxpayers, including whether current royalty rates should be adjusted.

The review will also explore whether U.S. coal exports should factor into leasing or other program decisions; how the management, availability and pricing of Federal coal impacts domestic and foreign markets and energy portfolios; and the role of Federal coal in fulfilling the energy needs of the United States. The Department will release an interim report by the end of 2016 with conclusions from the scoping process about alternatives that will be evaluated and, as appropriate, any initial analytical results. It is expected that the review will take approximately three years to complete. Separately, the BLM has taken a number of steps in recent years to address issues raised in external reviews. These issues include clarifying internal policies to address concerns regarding lease sales, exports, inspection, enforcement, royalty rate reduction and transparency.

Issue Paper: Western Oregon Resource Management Plans

Summary:

On August 5, 2016, BLM released new resource management plans (RMPs) for western Oregon replacing those guiding BLM since the Northwest Forest Plan was instituted in 1995.

The new RMPs set an Allowable Sale Quantity (ASQ) that is slightly higher than the previous ASQ.

Additional funding may be necessary to meet the higher timber sale targets and other commitments under the new RMPs, either through a net increase in appropriations for the Oregon and California Grant Lands account, or by redirecting base funding within the account.

The new RMPs are controversial, with conservationists asserting the plans allow for too much timber harvesting, while the timber industry argues the opposite. The Appropriations Committees, through the 2017 House and Senate Reports, have expressed disappointment the proposed plans do not allow for sufficient harvest volumes to comply with the Oregon and California Revested Lands Act of 1937.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
O&C Grant Lands	113,777	107,734	106,985	106,985	102,946

Overview:

With the release of new Resource Management Plans, BLM has a new management framework and responsibilities in western Oregon, which could impact budget decisions moving forward depending on the pace of implementation of the plans and the extent to which efficiencies are achieved.

Background:

- On August 5, 2016, the BLM signed Records of Decisions for two new Resource Management Plans to guide management of six BLM districts in western Oregon. Under the new RMPs for western Oregon, approximately 75 percent of the lands are in Reserves and 19 percent of the lands would be allocated for sustained timber production (Harvest Land Base).

- In accordance with the Purpose and Need under the RMPs, the BLM has sought to strike a balance between not only the 1937 O&C Act, but also compliance with other statutes including the Federal Land Policy and Management Act (FLPMA), Clean Water Act, Endangered Species Act, and Oregon Resource Conservation Act (Coquille Forests).

- The timber commitments under the RMPs include offering a newly declared allowable sale quantity (ASQ) of 205 million board feet by fiscal year 2019 that must come from the newly established Harvest Land Base and an additional 73 million board feet (i.e. for a total of 278 mmbf) projected to come from the Reserve land base to meet conservation objectives within those Reserves, including reducing hazardous fuels and enhancing and maintaining older forest habitat and structure. As a point of reference, over the past 2-4 years, western Oregon has offered between 205 – 234 million board feet with an annual budget of approximately $105 - $114 million. The 234 million board feet came in 2014 as a result of 2013 wildfires. The ASQ of 205 mmbf is slightly higher than the current ASQ of 203 mmbf under the 1995 RMP.

- Under the new RMPs, BLM has also made a commitment to work with the Fish and Wildlife Service to address barred owl management to conserve northern spotted owl populations. The BLM may face increased costs associated with pre-disturbance surveys and detection of both northern spotted owls and barred owls prior to implementing timber sales.

- All elements of the Resource Management Plans were effective August 5, 2016. The implementation timeline for projects will be decided at the District or Field Office level. All District-level projects, including timber sales, development of recreation opportunities, and restoration projects, will need to go through site-specific planning.

Bureau of Ocean Energy Management
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	72,422	74,235	80,194	74,362	74,616	5,959
Offsetting Collections	97,348	96,622	94,944	94,944	94,944	-1,678
Total	**169,770**	**170,857**	**175,138**	**169,306**	**169,560**	**4,281**
FTE	**566**	**574**	**592**			**18**

Bureau Profile

- Funding for the Bureau of Ocean Energy Management (BOEM) is provided through a combination of discretionary or current appropriations and offsetting collections from rental receipts and cost recoveries. This funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- BOEM was created on October 1, 2011, as part of the Department's response to the Deepwater Horizon incident.

- The mission of the Bureau of Ocean Energy Management is to manage development of the Nation's offshore energy and mineral resources in an environmentally and economically responsible way.

- BOEM administers a comprehensive oil and gas leasing program that requires a progressive cycle of resource, economic and environmental analyses that inform decisions on the size, timing, and location of Outer Continental Shelf (OCS) conventional energy leasing. This information and subsequent decisions culminate in the creation of the Five Year Outer Continental Shelf Oil and Gas Leasing Program (Five Year Program). BOEM is developing the 2017-2022 Five Year Program, which will take effect in July 2017. BOEM ensures the U.S. receives fair market value for the OCS leases through its economic evaluation of the OCS submerged lands and also protects the American taxpayer through a comprehensive Risk Management Program designed to mitigate the risks associated with contingent liabilities on the OCS.

- BOEM advances a sustainable OCS renewable energy future through interactive site planning and environmentally responsible operations and energy generation. BOEM's Renewable Energy Program issues leases, easements or rights-of-way for activities on the OCS that produce or support production, transportation, or transmission of energy from renewable sources and does so in a manner that supports orderly, safe, and environmentally responsible renewable energy development activities.

- BOEM manages OCS sand and gravel resources in support of coastal resilience projects through beach nourishment and coastal restoration activities. BOEM provides sand, gravel and shell resources to protect and improve coastal resources and the environment locally, regionally, and nationally. These projects result in the restoration of hundreds of miles of the Nation's coastline, protecting billions of dollars of infrastructure as well as important ecological habitat.

- BOEM conducts and oversees applied science and environmental assessments at every stage of the OCS development planning process – for both conventional and renewable energy activities –to inform decisions for environmentally responsible ocean energy and mineral leasing and development.

- BOEM has nearly 600 employees in their headquarters office and three regional offices – Gulf of Mexico, Alaska, and the Pacific – located in New Orleans, Louisiana; Anchorage, Alaska; and Camarillo, California, respectively. The regional offices are integrated into the national programs and are integral to all aspects of each program's responsibilities.

Bureau Statistics

- As of September 1, 2016, BOEM managed over 3,800 active oil and gas leases on approximately 20.4 million OCS acres.

- During the current Five Year OCS Leasing Program, BOEM has held 11 lease sales (all in the Gulf of Mexico), which have resulted in leasing about 6.5 million acres for over $3 billion.

- In FY 2015, OCS leases provided 553 million barrels of oil and 1.35 trillion cubic feet of natural gas to energy markets, accounting for about 16 percent of domestic oil production and four percent of domestic natural gas production, almost all of which is produced in the Gulf of Mexico.

- To date, BOEM has issued 11 commercial wind leases along the Atlantic coast, nine of which are competitively-issued leases and two of which are noncompetitively issued leases. The competitive lease sales generated $16.4 million in winning bids for more than 1.18 million acres in Federal waters. If fully developed, these 11 leases could generate enough energy to power over 4 million homes. BOEM also received three commercial wind lease requests from two different companies offshore Hawaii, and one commercial wind lease request from a potential wind developer offshore California.

- To date, BOEM has conveyed the rights to more than 113 million cubic yards of OCS sediment by executing 49 leases for projects in seven States and that have restored over 279 miles of coastline.

- Annually, this production generates billions of dollars in revenue for State and local governments, as well as U.S. taxpayers. During FY 2015, OCS oil and gas leasing and production generated $5.1 billion in revenue for the Federal Treasury and State governments.

- The overall level of activity on the OCS related to the production, drilling, and development of new projects is estimated to support employment of about 492,000 direct, indirect, and induced jobs.

Bureau of Ocean Energy Management (BOEM)

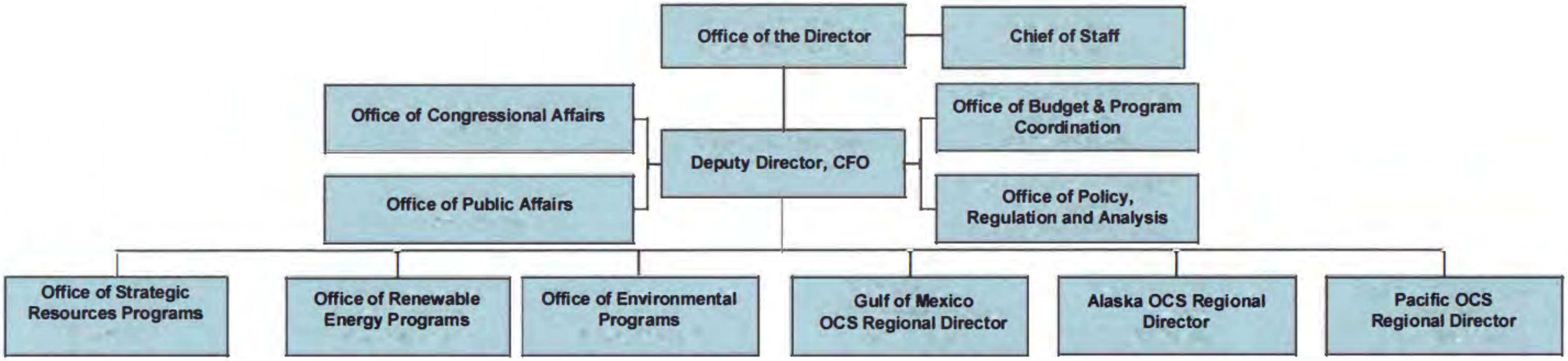


Chart as of July 2016

Bureau of Ocean Energy Management
Office Locations

Headquarters

Washington, DC / Sterling, VA

Regional Offices

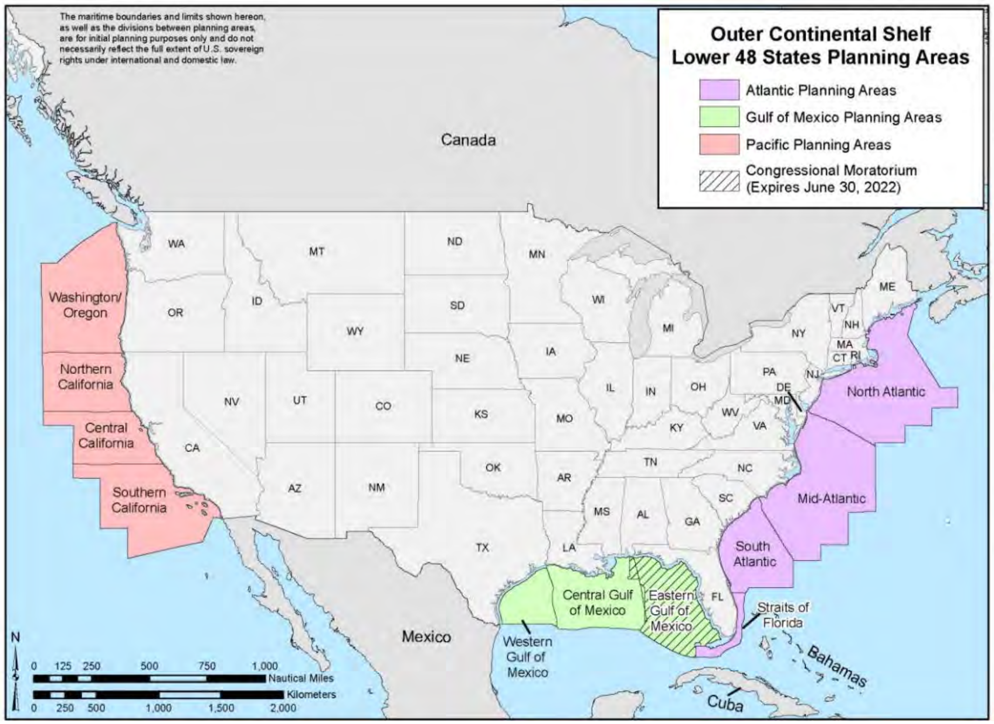
Gulf of Mexico – New Orleans, LA

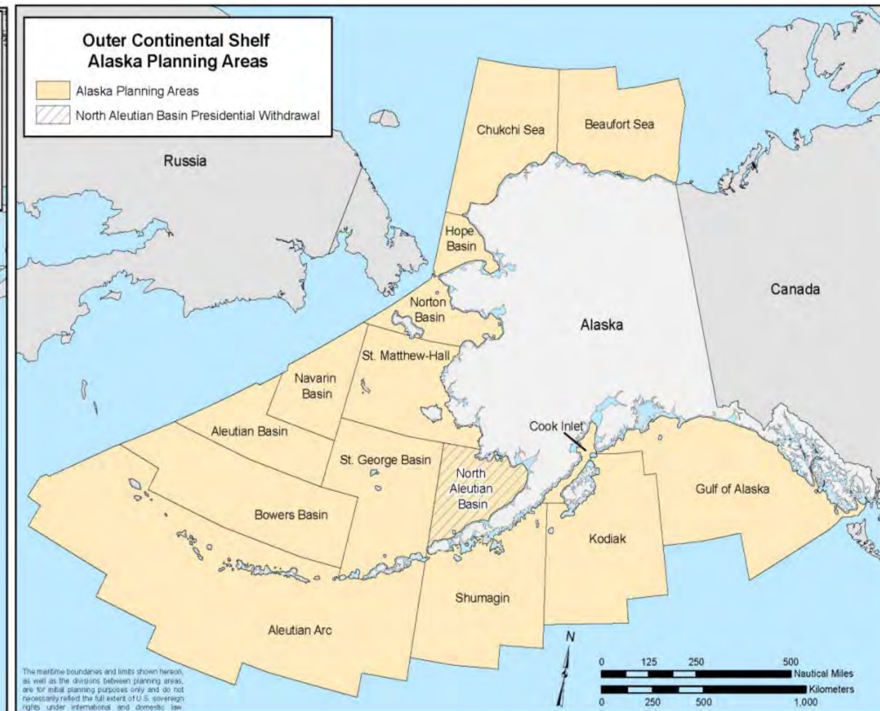
Alaska – Anchorage, AK

Pacific – Camarillo, CA

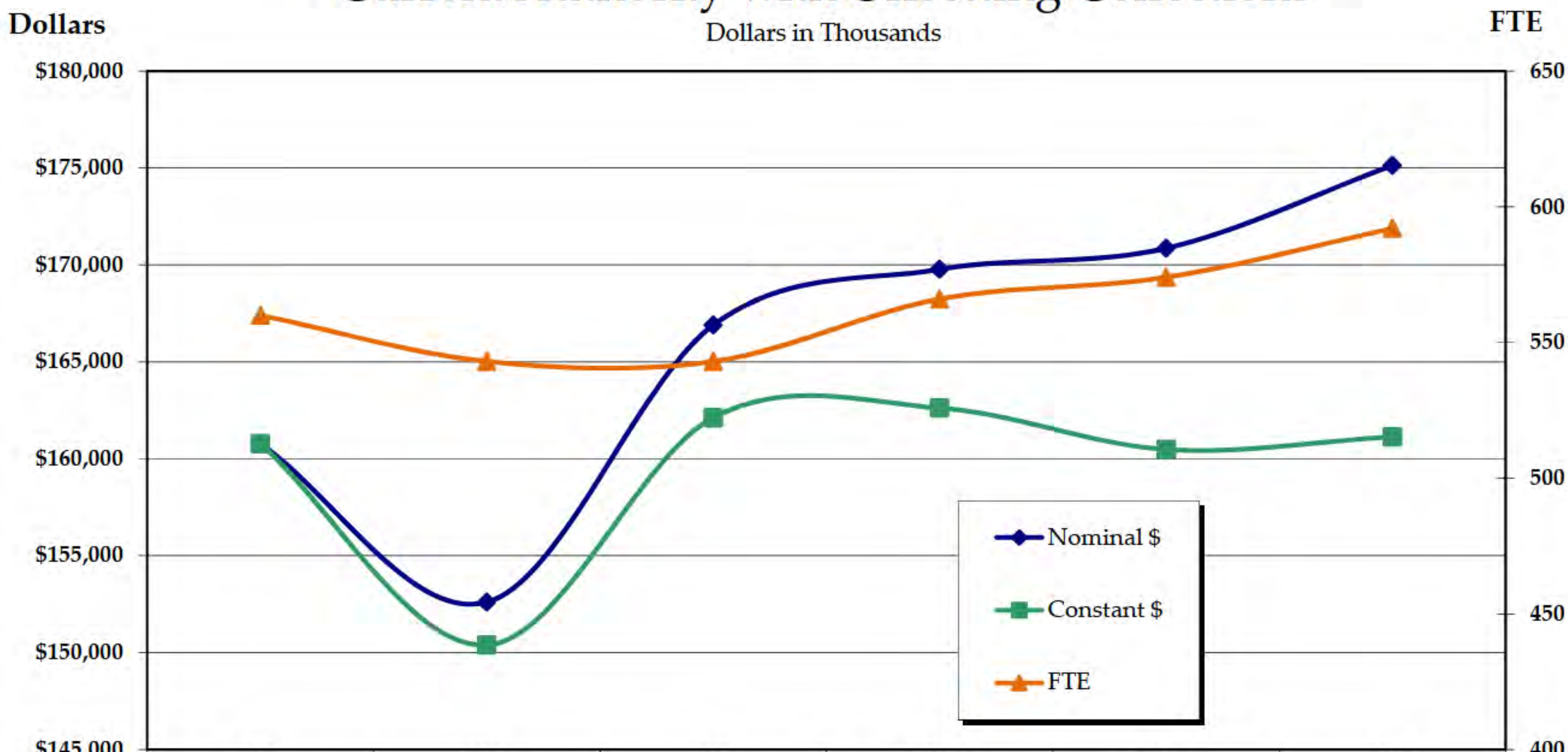
BOEM
Bureau of Ocean Energy Management

Outer Continental Shelf Planning Areas





Bureau of Ocean Energy Management
Current Authority with Offsetting Collections



	2012	2013	2014	2015	2016	2017
Nominal $	160,778	152,602	166,891	169,770	170,857	175,138
Constant $	160,778	150,387	162,116	162,616	160,479	161,128
FTE	560	543	543	566	574	592

Note: The Bureau of Ocean Management, Regulation and Enforcement was reorganized in 2012 into the Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue in the Office of the Secretary. Funding amounts include revenue from offsetting collections and appropriated funds to display total available for program operations.

Bureau of Ocean Energy Management
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	72,422	74,235	80,194	74,362	74,616	5,959
Offsetting Collections	97,348	96,622	94,944	94,944	94,944	-1,678
Total	**169,770**	**170,857**	**175,138**	**169,306**	**169,560**	**4,281**
FTE	**566**	**574**	**592**			**18**

Key Budget Issues

- In FY 2016, offsetting collections (including rental receipts and cost recoveries) comprised 57 percent of BOEM's total budget authority, and rental receipts represented 96 percent of that amount.

- BOEM and BSEE share rental receipt revenues (65/35 split in FY 2016 and 70/30 split proposed for FY 2017). BOEM expects to collect $88.5 million in offsetting collections in 2017, nearly $4.5 million below the FY 2016 enacted.

- BOEM's share of rental receipts is projected to decline from $88.5 million in FY 2017 to $42.0 million in 2025.

- Without a long-term solution, BOEM's budgetary shortfalls will require aggressive reductions, such as downsizing its workforce, scaling back its science program, and selectively eliminating certain mission-critical activities.

- Absent such a solution, the resulting inefficiency and potential dysfunction will impact more than just BOEM. Failure to meet its statutory requirements exposes BOEM and the Department to potential litigation; creates costly and time-consuming delays for operators; and increases the risk of economic and environmental irresponsibility in the management of Outer Continental Shelf (OCS) resources.

- The repercussions of funding reductions to BOEM are felt far beyond the Bureau; a reduced ability to process operator requests could affect overall industry productivity and, ultimately, the American economy.

Legislative issues

- The 2017 Request included a new cost recovery fee proposal to recoup funds for services rendered by the Risk Management Program.

- The program is critical to protecting the American taxpayer from becoming financially responsible for liabilities associated with oil and gas and renewable energy operations on the Outer Continental Shelf.

- The cost recovery fee would require applicants to pay a processing fee when submitting tailored financial plans associated with offshore drilling operations.

- As with many contentious issues, Congress has often used the appropriations process to implement legislative direction through funding prohibitions. During consideration of HR 5538, the FY 2017 Interior Appropriations spending bill, the House adopted the following general provisions:

    - Limitation on issuance of air quality regulations
    - Prohibition on issuance of wind leases within 24 nautical miles of the NC shoreline
    - Prohibition on the implementation of National Ocean Policy Coastal Marine Spatial Planning
    - Prohibition on financial assurance guidance
    - Prohibition on removal of Arctic sales from Five Year Program
    - Prohibition on Arctic regulations

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, BOEM is aligned under Mission Area Three: Powering Our Future and Responsible Use of the Nation's Resources. BOEM tracks and reports a total of three GPRA measures, and associated supporting performance measures, to the Department under the three separate strategies noted below.

- BOEM's conventional energy activities support:

    - Goal One: *Secure American's Energy Resources* and Strategy Three: *Manage Conventional Energy Development*. The specific GPRA measure, *Number of offshore lease sales held consistent with the Secretary's Five Year Program*, tracks the quantity of lease sales conducted during the current Five Year Program.

    - Goal Two: *Sustainably Manage Timber, Forage, and Non-energy Minerals*, Strategy Three: *Manage Non-energy Mineral Development*. The specific GPRA measure, *Number of sand and gravel requests processed for coastal restoration projects*, tracks the number of non-energy minerals lease requests for OCS sand and gravel processed for purposes of coastal restoration and resilience projects. This is a newly established GPRA measure, and baseline results were collected starting in FY 2014.

- BOEM's renewable energy functions support:

    - Goal One: *Secure American's Energy Resources* and Strategy Two: *Develop Renewable Energy Potential*. The specific GPRA measure, *Number of megawatts of approved capacity authorized on public land and the OCS for renewable energy development while ensuring full environmental review*, is a cumulative measure that tracks the cumulative number of approved megawatts based on the total capacity of the equipment to be installed, as specified in an approved construction and operations plan.

Issue Paper: Five Year Program for Offshore Oil and Gas Leasing

Overview

BOEM is responsible for developing the Five Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program (Five Year Program) – a national, five-year schedule of lease sales to best meet national energy needs, as required by Section 18 of the OCS Lands Act. The Five Year Program is developed using a progressive cycle of resource, economic and environmental analyses that inform decisions on the size, timing, and location of potential lease sales.

BOEM is developing the 2017-2022 Five Year Program, which will follow the 2012-2017 Five Year Program and take effect in July 2017. The Proposed Final Program and Final Programmatic Environmental Impact Statement (EIS) are scheduled to publish before the end of the current administration. These analyses are followed by a period of review by the President and Congress prior to the Secretary making the final decision. The Proposed Program includes 13 potential lease sales in 6 OCS planning areas, including ten potential lease sales within the Gulf of Mexico Program Area and one potential lease sale each in the Beaufort Sea, Chukchi Sea, and Cook Inlet program areas offshore Alaska. No lease sales are currently proposed for the Pacific or Atlantic OCS.

The development of a Five Year Program follows a two-and-a-half to three year process, beginning with the initial request for information and comment, followed by three program proposals, a draft and final programmatic environmental impact statement, and culminating in approval of the Proposed Final Program by the Secretary. Pursuant to the OCS Lands Act, BOEM consults with all interested parties throughout the process, with particular consideration given to suggestions of affected state Governors and interested Federal agencies. The length of this process is driven by the number of statutorily required steps in the planning process, as well as the critical coordination and partnering involved.

Background

The Secretary of the Interior (Secretary) is required by law to prepare and maintain a schedule of proposed OCS oil and gas lease sales determined to "best meet national energy needs for the five-year period following its approval." BOEM is responsible for implementing this requirement through preparation of a nationwide offshore oil and gas leasing program, setting forth a five-year schedule of lease sales (generally referred to as the Five-Year Program). The Five Year Program indicates the size, timing, and location of the proposed leasing activity. Ultimately, the Secretary's decision on the Five Year Program balances "the potential for environmental damage, the potential for the discovery of oil and gas."

Though the Secretary must periodically review and may periodically revise and reapprove the approved Five-Year Program, any substantive change must be approved in the same manner as the original program was formulated. Effectively, this means substantive changes to a Five-Year Program can take as long as formulating a new program, i.e. two-and-a-half to three years. This is an important consideration for new administrations when implementing priorities for offshore development.

As of September 1, 2016, BOEM manages over 3,800 active oil and gas leases on approximately 20.4 million OCS acres. Collectively, BOEM manages energy and mineral development on 1.7 billion acres of the OCS.

Budgetary and Policy Factors

Agency budgetary impact is not one of the factors considered during preparation of the Five-Year Program, but the broad-scale and long time horizon of the Program does have implications for BOEM's budget and offshore oil and gas revenue. In addition, the Five-Year Program is influenced by and also influences DOI and administration priorities related to offshore development.

One of the more controversial elements of the 2017-2022 Five-Year Program has been whether to allow continued leasing in the Arctic, offshore Alaska. At issue is not only the vast resource potential and growing strategic importance of the Arctic, but also the relatively pristine nature of the environment and the traditional lifestyles of the indigenous peoples.

Issue Paper: Declining Rental Receipts

Summary:

The current oil and gas market declines impact Interior's offshore energy programs which rely on a portion of collected offshore rental receipts for a portion of their annual budget.
In FY 2016, rental receipts provided 54 percent of BOEM's funding. In the FY 2017 request, rental receipts assume 51 percent of the BOEM budget.

Due to projected declines in the price of oil and gas and the success of leasing policies to encourage diligent development, offsetting rental receipts are estimated to continue to decrease creating budgetary shortfalls.

Statutory language in the Interior Appropriation bill provides the full estimated amount of rental receipt collections upon enactment and is not dependent on actual collections. However, each budget request reflects updated projections of rental receipts, thereby incorporating the expected decline in offsetting receipts creating a gap in funding.

Although Congressional appropriators remain supportive of Interior's offshore energy programs, lower receipts create additional competition for scarce budgetary resources.

Budget Information:

(dollars in thousands)

	2015	2016	2017		
	Enacted	**Enacted**	**Request**	**House**	**Senate**
Offsetting Collections*					
Rental Receipts	94,868	92,961	88,487	88,487	88,487
Cost Recovery Fees	2,480	3,661	6,457	6,457	6,457
Total	**97,348**	**96,622**	**94,944**	**94,944**	**94,944**

** In 2015 and 2016 rental receipts were allocated 65% to BOEM and 35% to BSEE. The 2017 request shifted the allocation of rental receipts to 70% to BOEM and 30% to BSEE.*

Background:

Total rental receipts in a given year are based on the number of active offshore leases subject to rent and the rental terms that apply to those leases. These terms vary based on the water depth of the lease and the age of the lease. Beginning with Sale 208 in 2009, BOEM established rental rates in the Gulf of Mexico at $7/acre in water depths less than 200 meters and $11/acre in water depths of 200+ meters. The offsetting rental receipts are calculated by subtracting the total annual rental receipts collected on active leases from the amount that would have been paid by these same leases in the same year at rental rates in effect on August 5, 1993 ($3/acre).

Several factors contribute to the projected accelerating downward trend in rental receipts. First, fewer leases are being sold in the Gulf of Mexico as the area matures and world oil prices decline. The Gulf of Mexico as an oil and natural gas resource basin has been heavily leased and developed for over 50 years. While there are still abundant estimated undiscovered oil and gas resources, finding and developing them is becoming technologically and economically more challenging. For this reason, fewer tracts are expected to be leased. Second, a decline in the number of leases subject to rentals is expected to accelerate because, beginning in 2010, primary terms for leases in 800-1600 meters were shortened from ten years to a "7+3" year approach, wherein a lessee receives an extended initial period (an additional three years) if a well is drilled within the first seven years. BOEM anticipates approximately 90 percent of these leases to be returned after the primary seven year term, resulting in fewer deepwater rent-generating leases around FY 2017. Although many of those areas are likely to be re-leased, their re-acquisition may not keep pace with relinquishment. Third, the downturn is, in some respects, a result of the success of BOEM's leasing strategy. BOEM has modified its fiscal policies in the Gulf of Mexico five times since 2007 to encourage industry to lease and hold fewer non-producing leases, consistent with the Administration's policy on encouraging diligent development of leases.

Projected revenue estimates are developed using market price assumptions provided by the Office of Management and Budget. The FY 2016 President's Budget, released in February 2015, included offsetting rental projections that assumed oil and gas prices higher than those that actually occurred (estimates for FY 2016 budget assumed oil prices of $79 per barrel of oil). Using those assumptions as the baseline, the offsetting rentals were projected to begin a steady decline between FY 2017 and FY 2018. However, the outlook one year later has changed significantly, and updated projections are for much lower oil and gas prices, suggesting a more immediate and substantial decline in rental receipts. To calculate rental receipt estimates for FY 2017, the FY 2017 President's Budget assumed oil prices of $49.08/bbl in 2016. These lower prices have led to lower expectations of blocks to be leased (directly affecting rental revenues) and lower estimated bonuses and royalties. Near-term declines in rental revenue are inevitable, and there is no expectation that they will return to current or prior levels in the near future, which will result in budgetary shortfalls over the next decade.

Potential Impacts on FY 2017 and Future Budgets:

In anticipation of lower offshore rental receipts and fee collections for the BOEM and BSEE programs, the FY 2017 budget request proposed to change the allocation of offsetting rental receipt revenue between the two bureaus moving from a 65/35 percent split between BOEM and BSEE respectively, to a 70/30 percent split. In addition, the request included an increase of $4.1 million in direct appropriations. Both the House and Senate FY 2017 Appropriations marks support the Department's request to change the allocation of offsetting receipts between the two bureaus, but neither mark provides the increase in appropriations.

The FY 2017 offsetting rental revenue for BOEM and BSEE is projected to be $15.9 million below the FY 2016 levels. As noted above, the Department proposes to change the existing allocation of offsetting rental receipt revenue between the two Bureaus. The revised allocation methodology proposed in the President's Budget would result in BOEM's FY 2017 budget request reflecting a decrease of approximately $4.5 million. The FY 2016 enacted appropriation assumed approximately $93 million in rental receipts. BOEM is currently finalizing the 2016 actual receipts amount and revised out year receipt estimates. The actual 2016 receipts will also inform requirements for formulation of the FY 2018 budget submission.

Bureau of Safety and Environmental Enforcement
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	93,243	88,464	96,337	88,337	83,141	7,873
Rescission				*[-20,000]*	*[-25,000]*	
Offsetting Collections/Fees	111,382	116,207	108,530	96,530	96,530	-7,677
Total	**204,625**	**204,671**	**204,867**	**184,867**	**179,671**	**196**
FTE	**785**	**881**	**881**			**0**

Bureau Profile

- Funding for BSEE activities is provided through a combination of discretionary or current appropriations and offsetting collections from rental receipts, cost recoveries, and inspection fees. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- After the *Deepwater Horizon* tragedy in April 2010, BSEE was established in an effort to separate offshore energy regulatory responsibilities from activities concerning lease sales and revenue generation, now overseen by the Bureau of Ocean Energy Management (BOEM), and the Office of Natural Resources Revenue (ONRR). BSEE's creation on October 1, 2011 resulted in a process of continuous regulatory standardization and enhancement.

- As the United States' regulator of offshore energy exploration, production, and development, BSEE promotes safety, protects the environment, and conserves energy resources offshore through vigorous regulatory oversight and enforcement.

- BSEE manages Outer Continental Shelf (OCS) leases that have been issued by BOEM, and permits operations on those leases through drilling permits, platform and pipeline construction permits, and related approvals.

- BSEE oversees and audits the Safety and Environmental Management Systems (SEMS) of all OCS operators, including individual worker safety.

- BSEE enforces compliance with provisions of other Federal laws in OCS operations, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, the Federal Oil and Gas Royalty Management Act, and the Oil Pollution Act of 1990.

- BSEE regulates oil spill preparedness through evaluation of industry oil spill response plans, inspection of response equipment, verification of operator and contractor competencies, completion of government-initiated unannounced exercises to ensure compliance with regulatory requirements, and oil spill response research and development to develop and refine new and existing technologies.

- BSEE funds technical and scientific research needed to sustain the organizational, technical, and intellectual capacity and reduce risk through systematic assessment of existing and emerging technologies.

- BSEE investigates incidents and allegations of unsafe and/or illegal conduct during offshore operations.

- BSEE's funding supports oil spill response research at Ohmsett (National Oil Spill Response Research and Renewable Energy Test Facility, NJ) and oil spill prevention, abatement, planning, preparedness, and response functions for all facilities seaward of the U.S. coastline that handle, store, or transport oil.

- A number of practical changes have occurred since 2011, including the expansion of SEMS, enactment of the Well Control Rule, finalization of the Arctic Rule and the Decommissioning Costs Rule, creation of a near-miss reporting system (SafeOCS), and launching joint inspections with the U.S. Coast Guard.

- As of September 30, BSEE has 886 employees stationed in the headquarters office in Washington, D.C., and in three regional offices - Alaska (in Anchorage, AK), Pacific (in Camarillo, CA), and Gulf of Mexico (in New Orleans, LA).

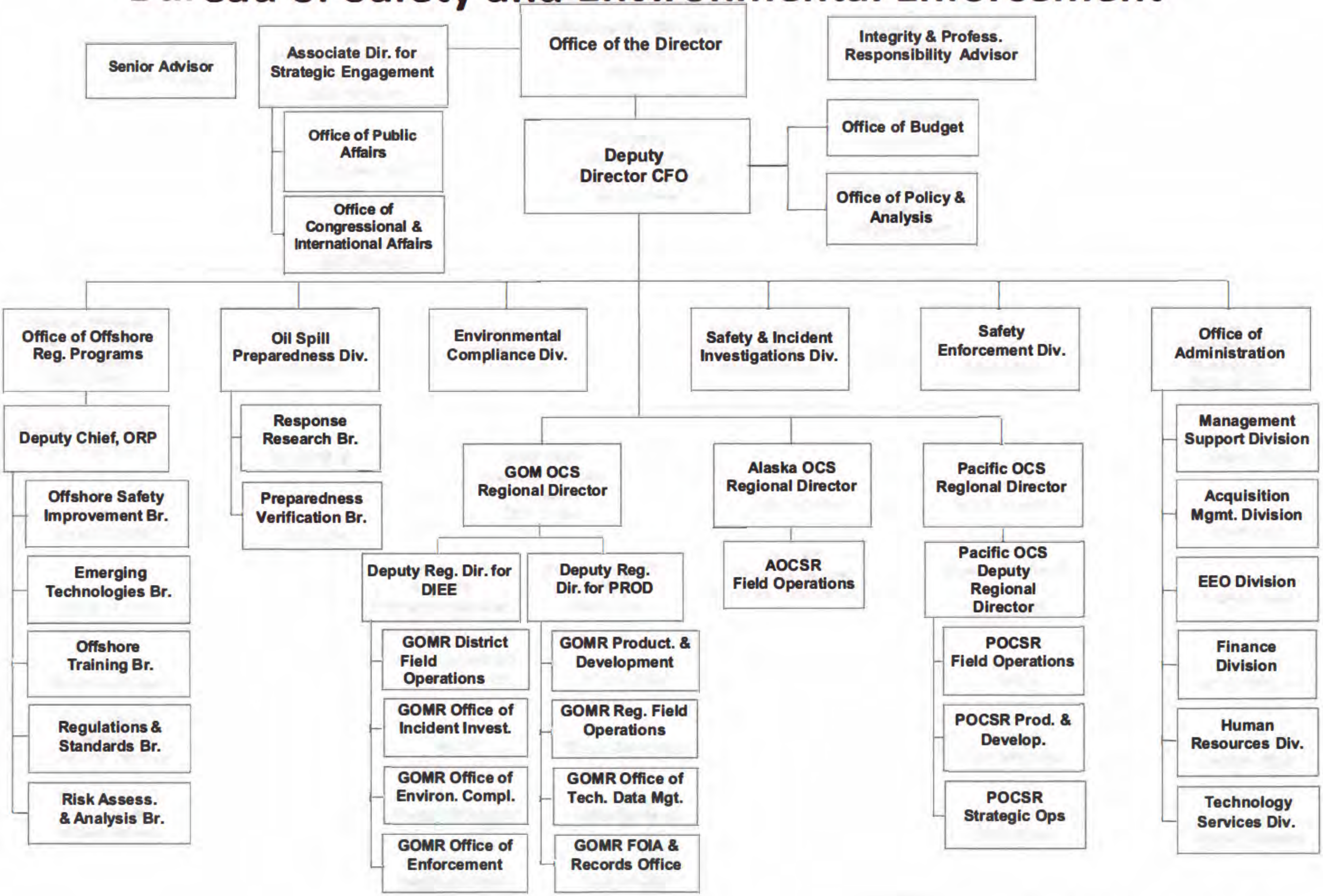
Bureau Statistics

- BSEE oversees operations across more than 1.7 billion acres of the nation's OCS, including nearly 2,400 platforms, over 27,000 miles of pipeline, and hundreds of exploration and production wells drilled annually.

- The energy resources and activities under BSEE's jurisdiction are vast. In fiscal year 2015, OCS leases offshore Alaska, California, and in the Gulf of Mexico (GOM) provided over 550 million barrels of oil (roughly 16 percent of domestic production) and over 1.35 trillion cubic feet of natural gas produced in FY 2015, resulting in billions of dollars in Federal revenue and supporting hundreds of thousands of jobs.

- In FY 2015, BSEE conducted over 20,000 inspections of OCS operators' activities and reviewed 238 oil spill response plans.

Bureau of Safety and Environmental Enforcement



FOR INTERNAL USE ONLY

Bureau of Safety and Environmental Enforcement Office Locations

Headquarters

Washington, DC / Sterling, VA

Regional Offices

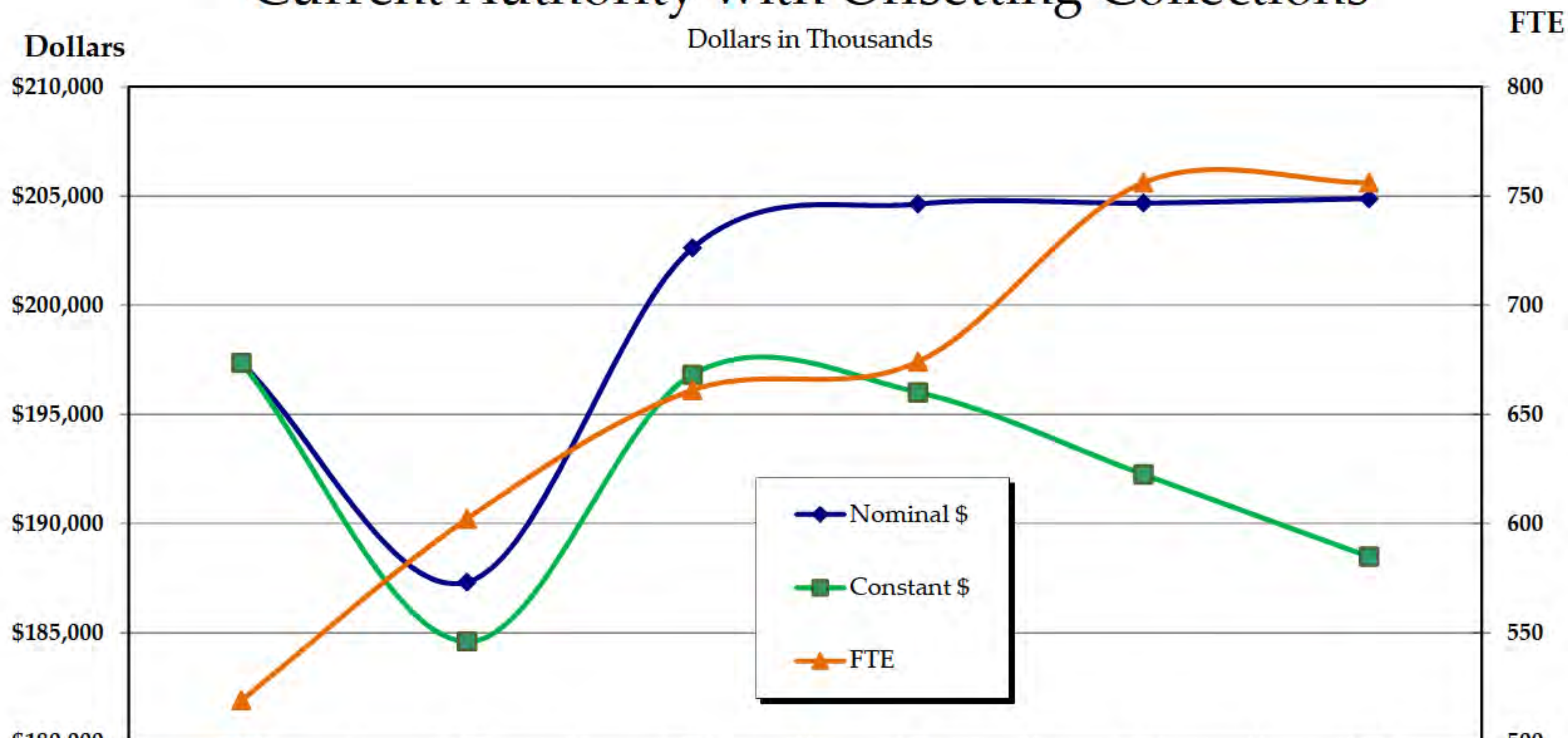
Gulf of Mexico – New Orleans, LA
Houston, TX – Emerging Technology Assessment Center
District Offices:
New Orleans, LA
Houma, LA
Lafayette, LA
Lake Charles, LA
Lake Jackson, TX

Alaska – Anchorage, AK

Pacific – Camarillo, CA

Bureau of Safety and Environmental Enforcement
Current Authority with Offsetting Collections

Dollars in Thousands



	2012	2013	2014	2015	2016	2017
Nominal $	197,355	187,311	202,614	204,625	204,671	204,867
Constant $	197,355	184,592	196,817	196,002	192,239	188,478
FTE	519	602	661	674	756	756

Note: The Bureau of Ocean Management, Regulation and Enforcement was reorganized in 2012 into the Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue in the Office of the Secretary. Funding amounts include revenue from offsetting collections and appropriated funds to display the total available for program operations.

Bureau of Safety and Environmental Enforcement
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	93,243	88,464	96,337	88,337	83,141	7,873
Rescission				*[-20,000]*	*[-25,000]*	
Offsetting Collections/Fees	111,382	116,207	108,530	96,530	96,530	-7,677
Total	**204,625**	**204,671**	**204,867**	**184,867**	**179,671**	**196**
FTE	**785**	**881**	**881**			**0**

Key Budget Issues

- The President's Budget assumes BSEE will collect over $108.5 million in offsetting collections in FY 2017, a decrease of approximately $7.7 million from FY 2016, due primarily to a decline in lease rental receipts. The proposed budget bridges this shortfall (as well as a decrease in cost recovery and reallocation of offsetting rentals between BSEE and BOEM) through a combination of direct appropriations and adjusting the inspection fee structure.

- The requested increase to appropriated funding in FY 2017 helps offset the estimated decrease in rental receipt and cost recovery revenue for this year.

- Significant portions of BSEE's total budget are offset by revenue from rental receipts, cost recoveries, and inspection fees. This reliance on rental receipts and other market related revenue puts the program's stability at risk during market declines.

- Currently both the House and Senate 2017 marks assume BSEE will collect $53 million in inspection fee revenue versus the President's Budget assumption of $65 million. The House and Senate make up for the shortfall in estimated inspection fee collections by providing the difference in appropriated funds.

- In the 2017 President's Budget, BSEE estimated it would carry over $64 million in unobligated balances from the end of fiscal year 2016 to the beginning of 2017. The largest contributing factor to BSEE's carryover balances has been challenges in recruiting, hiring and retaining staff in completion with the private sector.

- The 2017 House and Senate marks rescinded $20 million and $25 million respectively from BSEE carryover.

Legislative Issues

- BSEE currently has the authority to charge an annual fee for inspections. Estimated revenue from these fees has also decreased. To partially address anticipated decreases in inspection fee revenue, the 2017 budget request proposes adjustments to BSEE's fee structure. The requested appropriations language modifies and expands the enacted inspection fee language to clarify that facilities subject to multiple inspections are subject to additional fees for each inspection, rather than one annual fee.

- Facilities considered to be lower risk and with good performance histories will be unaffected by this change, while facilities with repeated safety and/or environmental compliance issues traditionally have more inspections and therefore will have further incentive to enhance their performance record, to reduce the need for more frequent follow-up inspections.

- Neither the House nor the Senate includes the requested language changes.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014 – FY 2018, BSEE is aligned under the third mission area: *Powering Our Future and Responsible Use of the Nation's Resources*. Specifically, its functions are captured within Goal One: *Secure America's Energy Resources* and Strategy One: *Ensure environmental compliance and the safety of energy development*. BSEE has two GPRA measures to assess its support of this strategy:

    - The amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills), is an annual environmental measure comparing the amount of oil spilled during operations to the amount of oil produced. This measure takes into account all crude oil, condensate, and refined petroleum product spills of one barrel or greater that occur in Federal offshore waters as a result of mineral development, production, and transportation activities on the Outer Continental Shelf (OCS).

    - The number of recordable injuries per 200,000 offshore man hours worked (including all operator and contractor hours worked for production, construction, and drilling operations on the OCS) is an annual safety incident rate of all recordable injuries (including fatalities) that are associated with BSEE-regulated activities. Beyond fatalities, recordable injuries are those injuries that require medical treatment beyond first aid, excluding those that are due to natural causes, illness, or that are self-inflicted.

Issue Paper: Declining Offsetting Collections

Summary:

The current oil and gas market declines have impacted Interior's offshore energy programs, including the Bureau of Safety and Environmental Enforcement, which relies on a portion of collected offshore rental receipts for part of its annual budget. In FY 2016, rental receipts provided 24 percent of BSEE's total funding across all sources. In the FY 2017 request, rental receipts assume 19 percent of the BSEE total budget across all sources.

Due to projected declines in the price of oil and gas and development drilling operations nearing completion, offsetting rental receipts are estimated to continue to decrease, creating budgetary shortfalls.

In addition, BSEE currently has the authority to charge an annual facility inspection fee based on the facility inventory data provided as of October 1st of the fiscal year and a rig inspection fee each time a rig inspection is conducted. The FY 2017 budget proposed appropriations language to allow BSEE to assess a facility inspection fee for all facility inspections conducted rather than on an annual basis. Facilities considered to be lower risk and with good performance histories will be generally unaffected by this change, while facilities that have repeated safety and/or environmental compliance issues traditionally have more inspections and therefore will have further incentive to enhance their performance record, thus reducing the need for more frequent follow-up inspections and promoting a risk-based approach to inspection fees.

Statutory language in the Interior Appropriation bill provides the full estimated amount of rental receipt and inspection fee collections upon enactment and is not dependent on actual collections. Any shortfall, however, would likely impact the amount allowed or scored for the revenues the next budget year, creating a gap in funding.

Although Congressional appropriators remain supportive of Interior's offshore energy programs, lower receipts create additional competition for scarce budgetary resources.

Budget Information:

Declining Offsetting Collections
(dollars in thousands)

	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Offsetting Collections					
Rental Receipts*	50,412	49,399	37,922	37,922	37,922
Inspection Fees	55,460	59,000	65,000	53,000	53,000
Cost Recovery Fees	5,510	7,808	5,608	5,608	5,608
Total	**111,382**	**116,207**	**108,530**	**96,530**	**96,530**
Rescission				-20,000	-25,000
Total (after rescission)	**111,382**	**116,207**	**108,530**	**76,530**	**71,530**

** In 2015 and 2016 rental receipts were allocated 65% to BOEM and 35% to BSEE. The 2017 request shifted the allocation of rental receipts to 70% to BOEM and 30% to BSEE.*

Background:

Rental Receipts – A portion of BSEE's annual budget relies on a percentage of offshore rental receipts paid by operators. BOEM also relies on a portion of offshore rental receipt collections as a funding source for its budget.

Total rental receipts in a given year are based on the number of active offshore leases subject to rent and the rental terms that apply to those leases. These terms vary based on the water depth of the lease and the age of the lease. Beginning with Sale 208 in 2009, BOEM established rental rates in the Gulf of Mexico at $7/acre in water depths less than 200 meters and $11/acre in water depths of 200+ meters. The offsetting rental receipts are calculated by subtracting the total annual rental receipts collected on active leases from the amount that would have been paid by these same leases in the same year at rental rates in effect on August 5, 1993 ($3/acre).

Several factors contribute to the projected accelerating downward trend in rental receipts. First, fewer leases are being sold in the Gulf of Mexico as the area matures and world oil prices decline. The Gulf of Mexico as an oil and natural gas resource basin has been heavily leased and developed for over 50 years. While there are still abundant estimated undiscovered oil and gas resources, finding and developing them is becoming technologically and economically more challenging. For this reason, fewer tracts are expected to be leased. Second, a decline in the number of leases subject to rentals is expected to accelerate because, beginning in 2010, primary terms for leases in 800-1600 meters were shortened from ten years to a "7+3" year approach, wherein a lessee receives an extended initial period (an additional three years) if a well is drilled within the first seven years. BOEM anticipates approximately 90 percent of these leases to be returned after the primary seven year term, resulting in fewer deepwater rent-generating leases around FY 2017. Although many of those areas are likely to be re-leased, their re-acquisition may not keep pace with relinquishment. Third, the downturn is, in some respects, a result of the success of BOEM's leasing strategy. BOEM has modified its fiscal policies in the Gulf of Mexico five times since 2007 to encourage industry to lease and hold fewer non-producing leases, consistent with the Administration's policy on encouraging diligent development of leases.

Projected revenue estimates are developed using market price assumptions provided by the Office of Management and Budget. To calculate rental receipt estimates for FY 2017, the President's Budget assumed oil prices of $49.08/barrel of oil (bbl) in 2016. The mid-session economic assumptions, which came out in June 2016, show a significant drop to $38.91/bbl. These lower prices have led to lower expectations of blocks to be leased (directly affecting rental revenues) and lower estimated bonuses and royalties. Near-term declines in rental revenue are inevitable, and there is no expectation they will return to current or prior levels in the near future, which will result in budgetary shortfalls over the next decade.

Inspection Fees – Shortly after BSEE was established, Congress gave the Bureau the authority to charge annual inspection fees which help to offset annual budget requirements. The authority is included in the annual Interior Appropriations Bill and prescribes a fee structure for different types of inspections. The current legislation only allows BSEE to charge operators for one annual facility inspection regardless of whether or not follow up inspections are required in the same year. In addition, BSEE is authorized to charge a rig inspection fee each time a rig inspection is conducted.

In recent years, while the Bureau's inspection fee ceiling has been constant at $65 million, annual collections have been decreasing. For example, the Bureau collected $58 million in FY 2014, $55.5 million FY 2015, and $50.1 million in FY 2016. However, while this decrease signals that fewer charged inspections are occurring, fewer charged inspections does not equate to a need for less funding. First, oil and gas operations in the Gulf of Mexico have increasingly shifted further offshore as deepwater facilities account for a greater share of total Outer Continental Shelf (OCS) production (as of January 2016, 80 percent of the total OCS production occurred in deepwater). These facilities require additional travel time and the increased complexity of these facilities results in longer inspection times than the inspection of facilities in shallow water. That is, multiple shallow water inspections, resulting in a higher collection of fees, can be conducted in the same amount of time as a single deepwater inspection. In addition, the Bureau has placed greater emphasis on the witnessing of high-risk activities, which, again because of their complexity, consume more resources to inspect. Finally, new inspection initiatives require inspectors to spend more time conducting follow-up inspections on higher risk facilities, performing in-depth incident investigations, and preparing enforcement actions such as civil penalties. Currently, an inspection fee is not charged for any of these activities. There were approximately 1,000 follow up inspections conducted in FY 2015 that BSEE was unable to charge a fee for under the current inspection fee language.

Potential Impacts on FY 2017 and Future Budgets:

In anticipation of lower offshore rental receipts and fee collections for the BOEM and BSEE programs, the FY 2017 Budget Request proposed to change the allocation of offsetting rental receipt revenue between the two bureaus moving from a 65/35 percent split between BOEM and BSEE respectively, to a 70/30 percent split. In addition, the request included an increase of $7.8 million in direct appropriations to address the projected shortfall. Both the House and Senate FY 2017 Appropriations marks support the estimated request for rental receipts.

For inspection fees, both the House and Senate marks reduce the estimate for inspection fee collections $12.0 million below the $65.0 million estimate in the budget request. The $65.0 million requested amount assumed enactment of proposed appropriations language to expand the Bureau's collection authority to allow additional charges for each facility inspection made rather than allowing only one fee a year. Neither the House nor the Senate provided this additional authority in their marks, reducing projected collections by $12.0 million. Both the House and Senate marks provide an additional $12.0 million in appropriated funding to make up the difference in anticipated lost revenue from fees. Compounding the potential negative effects of BSEE's offsetting collections shortfalls (both inspection fees and rental receipts), the House Appropriations Committee proposed a $20.0 million rescission to BSEE's carryover balance in its draft FY 2017 mark, while the Senate Appropriations Committee proposed a $25.0 million rescission to BSEE's carryover. These reductions will significantly impact 2017 operations as it will limit BSEE's flexibility to fund one time investments and will result in operational shortfalls in future fiscal years by effectively reducing BSEE's base budget.

BSEE's 2017 budget request estimated an $11.5 million (30 percent) decrease in rental receipts from the 2016 enacted level. The FY 2016 enacted appropriation assumed $49.4 million in rental receipts.

Previous ten-year projections show a continued decline in rental revenue, with no expectation that revenues will return to current levels. This decline will result in increasing budgetary shortfalls to address in the formulation of future budget requests. In the absence of legislation expanding current fee authority, similar declines are projected for inspection fee collections.

Office of Surface Mining and Reclamation
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	152,068	240,696	159,925	251,743	236,985	-80,771
Permanent	400,078	646,044	914,424	914,424	914,424	268,380
Total	**552,146**	**886,740**	**1,074,349**	**1,166,167**	**1,151,409**	**187,609**
FTE	**421**	**488**	**515**			**27**

Bureau Profile

- Funding for the Office of Surface Mining Reclamation and Enforcement (OSMRE) activities is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- OSMRE was established by mandate of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) to address environmental and public safety concerns associated with coal mining.

- OSMRE's mission is to ensure, through a Nationwide regulatory program, the coal mining essential to the Nation's well-being is conducted in a manner that protects citizens and the environment during mining and restores the land to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned mine lands (AML).

- OSMRE works closely with States and Tribes to implement a results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA.

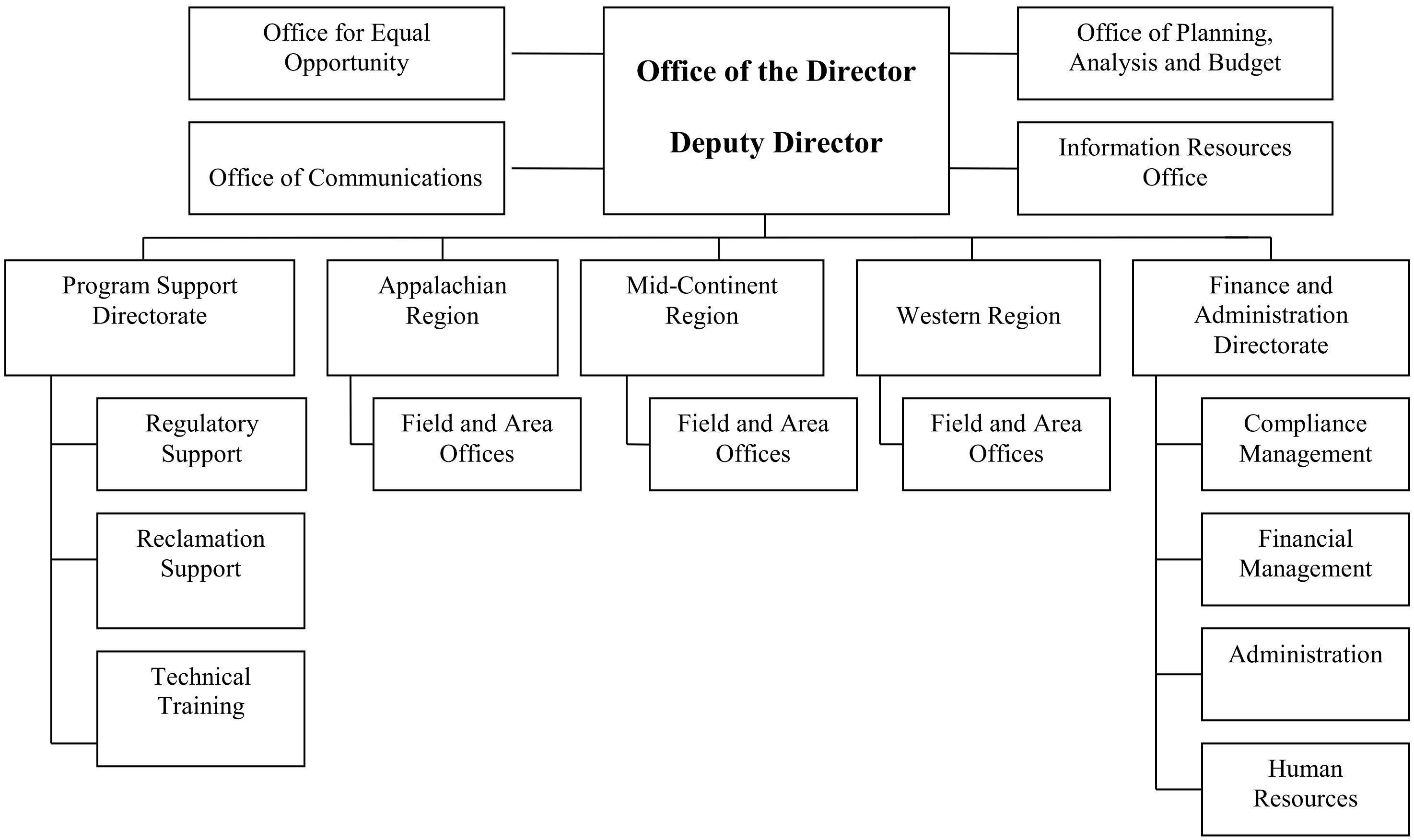
- The SMCRA established the Abandoned Mine Reclamation Fund to finance the restoration of land mined and abandoned prior to August 1977. Section 402(a) of SMCRA established a per tonnage fee for mined coal and these fees are placed in the Abandoned Mine Reclamation Fund. States with an approved program, or specific Indian tribes, are eligible for Abandoned Mine Land reclamation grants which are financed by the Fund. Interest accrues on the collected fees and is transferred as necessary to the United Mine Workers of America health benefit plans for unassigned beneficiaries.

Bureau Statistics

- As of the end of FY 2015, AML funding has supported the reclamation of over 461,300 acres of mine sites.

- Review of State permitting actions and inspections of mine sites are the most important ways to determine if the surface mining law is being properly implemented. In FY 2015
    - States performed 27,203 complete and 45,142 partial mine inspections, and OSMRE completed 855 partial and 506 complete inspections in Federal Programs and on Indian lands.
    - Nationwide, 89 percent of the sites inspected did not have impacts with potential to harm the environment or the public outside of permitted mining areas.
- OSMRE has Headquarters located in Washington DC, and three regional offices – the Appalachian, Mid-Continent, and Western Regional Offices. The Regional Offices are composed of Area and Field Offices.

Office of Surface Mining Reclamation and Enforcement



OSMRE OFFICES

WESTERN REGIONAL OFFICE

1999 Broadway, Suite 3320
Denver, CO 80202
(303) 293-5000

www.wrcc.osmre.gov

MID-CONTINENT REGIONAL OFFICE

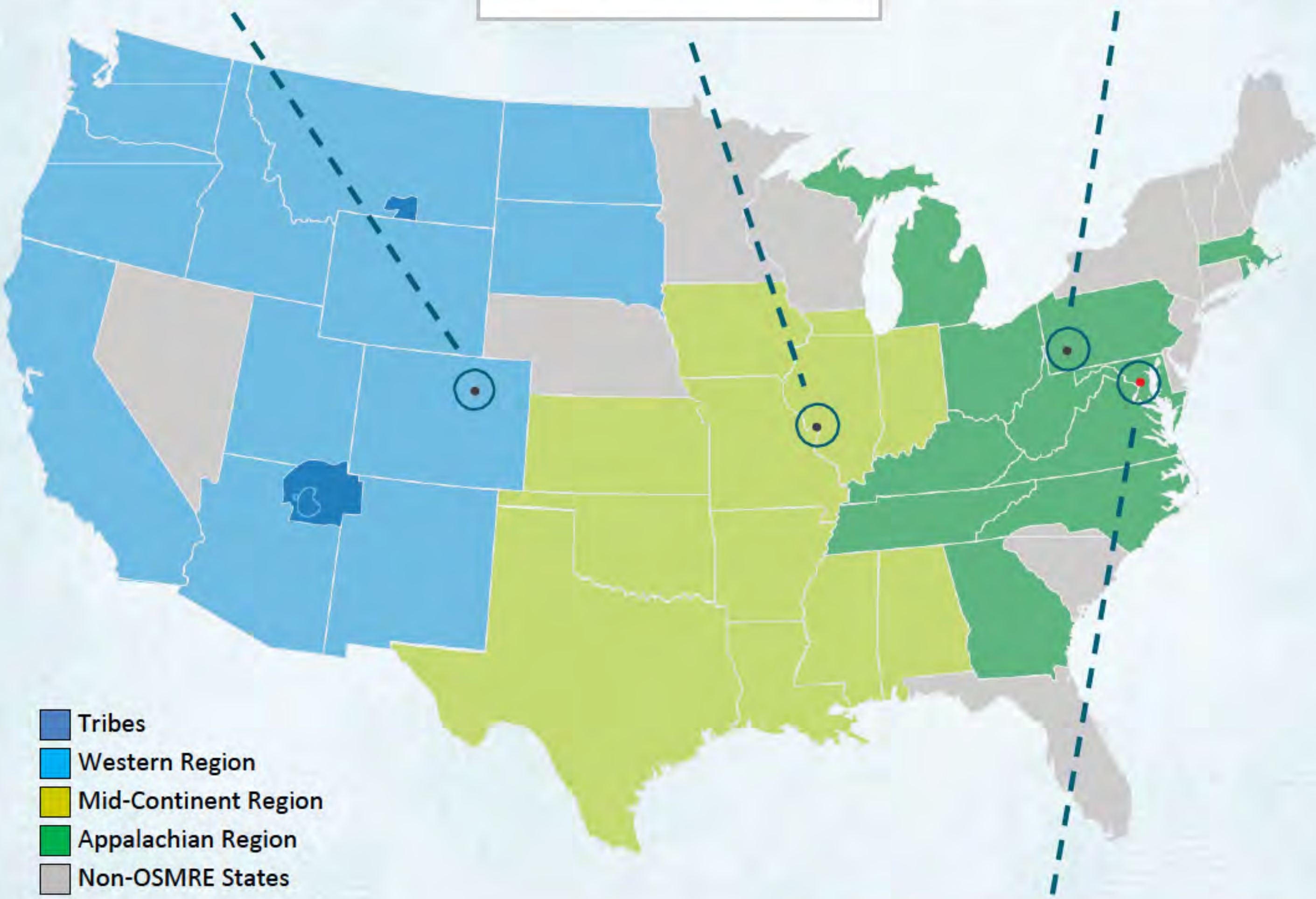
William L. Beatty Federal Bldg.
501 Belle Street, Room 216
Alton, IL 62002
(618) 463-6460

www.mcrcc.osmre.gov

APPALACHIAN REGIONAL OFFICE

Three Parkway Center
Pittsburgh, PA 15220
(412) 937-2828

www.arcc.osmre.gov



HEADQUARTERS

1951 Constitution Avenue, NW
Washington, DC 20240
(202) 208-2565

www.osmre.gov

Additional **Western** Regional Offices

Denver Field Division

(Alaska, Colorado, Utah)

1999 Broadway, Suite 3320
Denver, CO 80202

OLYMPIA AREA OFFICE
(Washington)

Evergreen Plaza Bldg.
711 South Capitol Way, Suite 703
Olympia, WA 98501
(360) 753-9538

ALBUQUERQUE AREA OFFICE
(Arizona, California, New Mexico, Navajo Tribe, Hopi Tribe, Ute Tribe)

435 Montano Road, NE
Albuquerque, NM 87107
(505) 761-8986

FARMINGTON AREA OFFICE

501 Airport Drive, Suite 117
Farmington, NM 87401
(505) 326-5291

Casper Field Office

(Idaho, Montana, North Dakota, South Dakota, Wyoming, Crow Tribe, Northern Cheyenne Tribe, Cheyenne River Sioux Tribe)

150 East B Street, Room 1018
Casper, WY 82601-1018
(301) 261-6550

Additional **Mid-Continent** Regional Offices

Alton Field Division

(Illinois, Indiana, Iowa, Missouri)

William L. Beatty Federal Bldg.
501 Belle Street, Room 216
Alton, IL 62002
(618) 463-6460

INDIANAPOLIS AREA OFFICE

Milton-Capehart Federal Bldg.
575 North Pennsylvania Street, Room 236
Indianapolis, IN 46204
(317) 226-6700

Birmingham Field Office

(Alabama, Louisiana, Mississippi)

Barber Business Park
135 Gemini Circle, Suite 215
Homewood, AL 35209
(205) 290-7282

Tulsa Field Office

(Arkansas, Kansas, Oklahoma, Texas)

1645 South 101st East Avenue, Suite 145
Tulsa, OK 74135-6548
(918) 581-6430

Additional **Appalachian** Regional Offices

Pittsburgh Field Division

(Maryland, Massachusetts, Michigan, Ohio, Pennsylvania, Rhode Island)

Three Parkway Center
Pittsburgh, PA 15220
(412) 937-2828

COLUMBUS AREA OFFICE

4605 Morse Road, Room 102
Columbus, OH 43230
(614) 416-2238

HARRISBURG AREA OFFICE

Harrisburg Transportation Center
415 Market Street, Suite 3C
Harrisburg, PA 17101
(717) 782-4849

JOHNSTOWN AREA OFFICE

Richland Professional Bldg.
334 Bloomfield St., Suite 104
Johnstown, PA 15904
(814) 533-4223

Charleston Field Office

(West Virginia)

1027 Virginia Street, East
Charleston, WV 25301
(304) 347-7162

BECKLEY AREA OFFICE

313 Harper Park Dr.
Beckley, WV 25801
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MORGANTOWN AREA OFFICE

604 Cheat Road, Suite 150
Morgantown, WV 26508
(304) 291-4004

Lexington Field Office

(Kentucky)

2675 Regency Road
Lexington, KY 40503-2922
(859) 260-3902

LONDON AREA OFFICE

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P.O. Box 1048
London, KY 40741
(606) 878-6440

Knoxville Field Office

(Georgia, North Carolina, Tennessee, Virginia)

710 Locust Street, 2nd Floor
Knoxville, TN 37902
(865) 545-4103
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FIELD OVERSIGHT BRANCH

1947 Neeley Road, Suite 201
Compartment 116
Big Stone Gap, VA 24219
(276) 523-4303

Office of Surface Mining and Reclamation Current Authority

Dollars in Thousands

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	170,403	164,702	162,768	162,443	150,112	142,261	150,112	150,112	240,556	157,925
Constant $	170,403	164,208	159,866	156,162	141,297	131,963	137,254	135,342	212,676	136,760
FTE	523	514	519	504	486	449	423	421	488	515

Office of Surface Mining, Reclamation and Enforcement
Budget Overview

($ in Thousands)	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	152,068	240,696	159,925	251,743	236,985	-80,771
Permanent	400,078	646,044	914,424	914,424	914,424	268,380
Total	**552,146**	**886,740**	**1,074,349**	**1,166,167**	**1,151,409**	**187,609**
FTE	**421**	**488**	**515**			**27**

Key Budget Issues

- *POWER+* Legislative Proposal: The 2016 and 2017 President's budget included the POWER+ proposal to revitalize communities impacted by abandoned coal mines, reform current abandoned coal mine clean-up and provide for coalminers, retirees and their families. The legislative proposal would make available $1.0 billion over 5 years of unappropriated AML funds to expedite cleanup and redevelopment of abandoned mine sites.

- *AML Pilot Project*: Instead of supporting the Administration's POWER+ legislative proposal, the 2017 House and the Senate marks support continued discretionary funding for the AML Pilot Project.

  - The Pilot was originally enacted at $90 million in the FY 2016 Omnibus Appropriations Act to provide economic and community development grants to the three Appalachian states (PA, WV, and KY) with the greatest amount of unfunded Abandoned Mine Reclamation requirements.

  - In the 2017 House and Senate marks, the Pilot includes expanded eligibility for the grants from three to the top six states with the great Abandoned Mine Reclamation requirements. The Senate continues to fund the Pilot at $90 million while the House provides $105 million.

  - As the Pilot effort moves forward, OSMRE continues to look at workforce needs to advance the initiative along with the States, public interest groups, industry, and communities in support of this initiative.

- *Coal Bankruptcies*: OSMRE is and will be a litigant in multiple coal business related bankruptcies. OSMRE is responsible for Federal enforcement and oversight of the enforcement and reclamation programs of State Coal mining programs. As such OSMRE must be able to interact with the bankruptcy court and make policy driven decisions while working with Department of Justice attorneys representing OSMRE and State Attorneys General in the proceedings to achieve optimal reclamation results. The level of effort and expertise required to deal with bankruptcies is a growing demand on the OSMRE budget.

Legislative issues

- Stream Protection Rule: The House Interior Appropriations bill includes language that would prohibit OSMRE from using FY 2017 funds to further develop, finalize, carry out, or implement the proposed Stream Protection Rule (SPR) (H.R. 5538 Sec. 120). The Senate bill includes language that would prohibit OSMRE using FY 2017 funds to further develop, finalize, carry out, implement, *or enforce* the SPR (S. 3068 Sec. 121). This provision would impact OSMRE's ability to carry out its responsibilities under SMCRA, if enacted.

- The RECLAIM Act, supported by House Appropriations Committee Chairman Rogers, is a variation on the Administration's POWER+ proposal to spend unappropriated AML balances.

- Expiration of the authority to charge the AML fee on coal. The authority to collect fees which feed the AML fund expires in 2021. It will be necessary for the next Administration to work with Congress on a reauthorization strategy.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, OSMRE directly contributes to four of the six Mission Areas.

- Mission Area 1: Celebrating and Enhancing America's Great Outdoors
  - Goal #1: Protect America's Landscapes

- Mission Area 3: Powering Our Future and Responsible Use of the Nation's Resources
  - Goal #1: Secure America's Energy Resources

- Mission Area 5: Engaging the Next Generation

  - Goal One: Play - Develop or enhance outdoor recreation partnerships in a total of 50 cities over the next 4 years to create new, systemic opportunities for outdoor play for over 10 million young people.

  - Goal Two: Learn - In 4 years, provide educational opportunities to at least 10 million of the Nation's K-12 student population annually.

  - Goal Three: Serve - In 4 years, attain 1,000,000 volunteers annually on public lands.

  - Goal Four: Work - Provide 100,000 work and training opportunities to young people over the next 4 years.

- Mission Area 6: Building a Landscape-Level Understanding of Our Resources
  - Goal #1: Provide Shared Landscape-level Management and Planning Tools

- Agency Priority Goals: The FY 2017 budget request supports the Department-wide activities in the following two Priority Goals contained in the Strategic Plan:
    - Climate Change Adaptation: "By September 30, 2017, the Department of the Interior will mainstream climate change adaptation and resilience into program and regional planning, capacity building, training, infrastructure, and external programs as measured by scoring at least 300 of 400 points using the Strategic Sustainability Performance Plan scorecard." OSMRE has developed plans in coordination with the Department for current activities.
    - Youth Employment and Training: "By September 30, 2017, the Department of the Interior will provide 100,000 work and training opportunities over four fiscal years, (FY2014 through FY2017) for individuals age 15 to 35 to support Interior's mission."

Bureau of Reclamation
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,123,260	1,265,000	1,106,159	1,133,578	1,265,000	-158,841
CVPRF Offset	-49,629	-49,528	-55,606	-55,606	-55,606	-6,078
Permanent	70,539	107,234	106,816	106,816	106,816	-418
Total	**1,144,170**	**1,322,706**	**1,157,369**	**1,184,788**	**1,316,210**	**-165,337**
FTE	**5,063**	**5,454**	**5,456**			**2**

Bureau Profile

- Reclamation operations and activities are funded through a combination of discretionary or current appropriations and permanent appropriations including revenue derived from customer fees. Current funding is within the jurisdiction of the Energy and Water Appropriations Subcommittee.

- Reclamation supports 5,454 FTE with the majority of staff located in Western states. Regional office locations are in Denver, CO; Billings, MT; Sacramento, CA; Boulder City, NV; Boise, ID; and Salt Lake City, UT.

- BOR manages, develops, and protects water and related resources in an environmentally and economically sound manner in the interest of the American public.

- Reclamation is the largest supplier and manager of water in the 17 western States and the Nation's second largest producer of hydroelectric power, generating 40 billion kilowatt hours of energy per year (enough to supply over 3.5 million U.S. households) from the 53 power plants it operates and maintains. It would take more than 23.5 million barrels of crude oil or about 6.8 million tons of coal to produce an equal amount of energy with fossil fuel plants, so Reclamation facilities preclude the production of 217 million tons of carbon dioxide that would have been produced by fossil fuel power plants.

- Reclamation manages 475 dams and 337 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farms which irrigates about 10 million acres of land and over 36 million people receive water for municipal, rural, residential, and industrial uses.

- Reclamation partners with State and local entities to address water resource challenges posed by drought, climate change, depleted aquifers, environmental needs, energy demands, and population increases in the West.

- Reclamation's facilities provide flood control, recreation, and fish and wildlife benefits.

- Reclamation funding supports ongoing project construction and maintenance, research and technical expertise in water resource development and efficient use of water through conservation, reuse, and research. Funding also supports environmental mitigation and restoration work, Indian Water Settlements, and grant programs.

- Reclamation's funding is distributed among five regions (Pacific Northwest, Mid-Pacific, Lower Colorado, Upper Colorado, and Great Plains) and the Commissioner's Office.

- The most significant appropriation line for Reclamation is Water and Related Resources which currently includes funding for Indian Water Rights Settlements and the San Joaquin Restoration Fund. Reclamation has requested a new account for each of these activities to increase transparency and accountability. Appropriated funding is also provided for Policy and Administration, California Bay-Delta Restoration, and the Central Valley Project Restoration Fund.

- The Bureau receives a small amount each year from Recreation Fees authorized by the Federal Lands Recreation Enhancement act (FLREA).

Bureau Statistics

- Reclamation is responsible for 1,901 buildings and owns 2,217 structures.

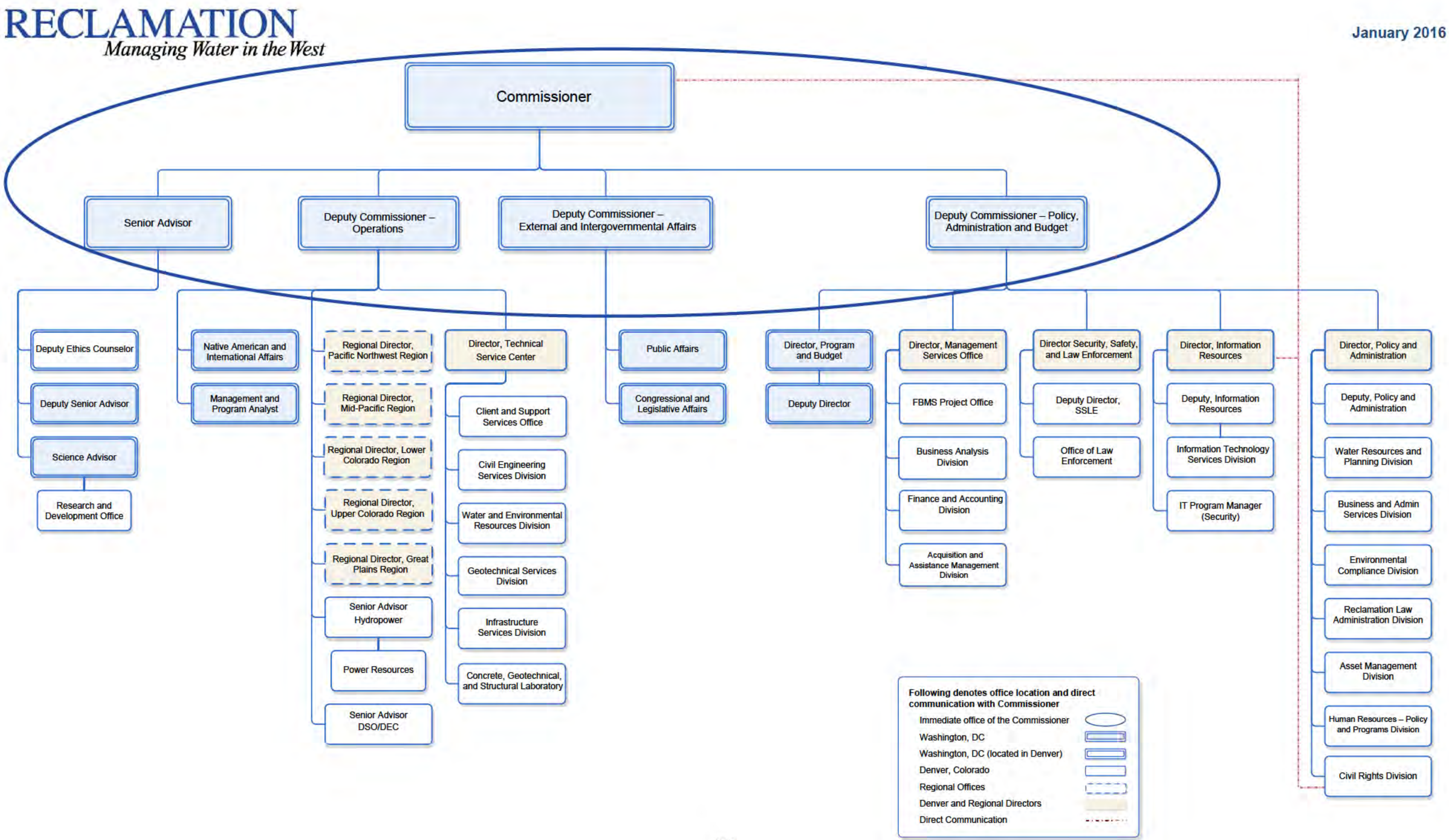
- Reclamation has jurisdiction over 2,105 road miles and 331 public bridges.

- There are 548 campgrounds at Reclamation recreation areas and Reclamation hosts 90 million visits to Reclamation recreation sites.

- Reclamation benefited from 2,089 volunteers in FY 2015.

- Reclamation estimates $2.9 billion is needed in the upcoming 5-year period for rehabilitation and replacement of owned assets.

January 2016



Bureau of Reclamation Regional Map

Commissioner's Office
1849 C Street, NW
Washington, D.C. 20240

Denver Offices
Denver Federal Center
6th and Kipling, Bldg 67
Denver, CO 80225

Upper Colorado Region
125 South State Street, Room 6107
Salt Lake City , UT 84138

Great Plains Region
2021 4th Avenue North
Billings, MT 59101

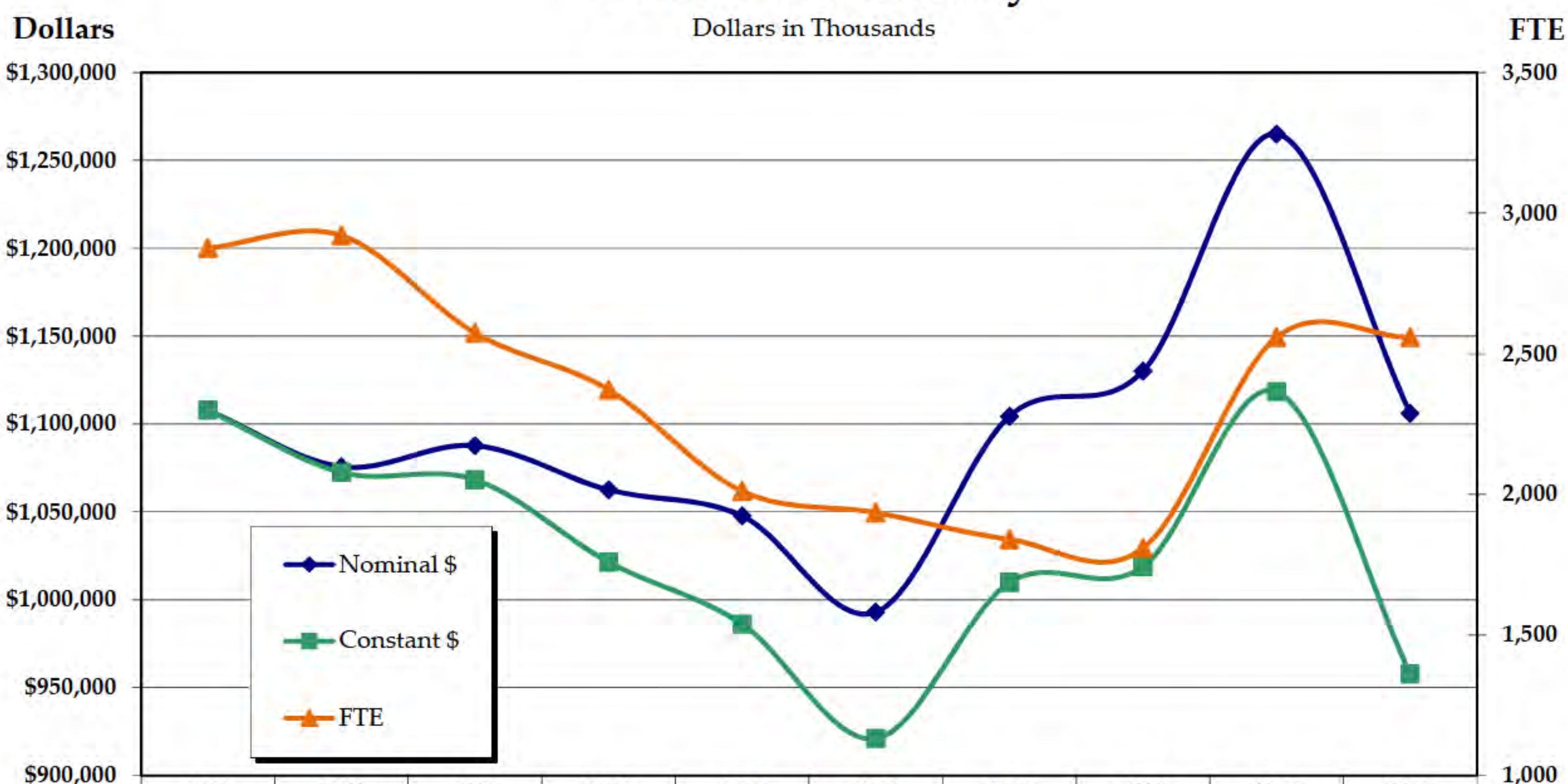
Lower Colorado Region
500 Fir Street
Boulder City, NV 89006

Mid-Pacific Region
Federal Office Building
2800 Cottage Way
Sacramento, CA 95825

Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706

Bureau of Reclamation
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	1,107,913	1,075,738	1,087,716	1,062,585	1,047,719	992,996	1,104,373	1,130,126	1,265,000	1,106,159
Constant $	1,107,913	1,072,511	1,068,321	1,021,500	986,193	921,117	1,009,776	1,018,933	1,118,387	957,909
FTE	2,876	2,920	2,574	2,372	2,011	1,935	1,840	1,809	2,558	2,558

Bureau of Reclamation
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,123,260	1,265,000	1,106,159	1,133,578	1,265,000	-158,841
CVPRF Offset	-49,629	-49,528	-55,606	-55,606	-55,606	-6,078
Permanent	70,539	107,234	106,816	106,816	106,816	-418
Total	**1,144,170**	**1,322,706**	**1,157,369**	**1,184,788**	**1,316,210**	**-165,337**
FTE	**5,063**	**5,454**	**5,456**			**2**

Key Budget Issues

Reclamation's FY 2017 budget request was $1.1 billion, $165 million below the 2016 enacted level. The budget proposed to establish new accounts for Indian Water Rights Settlements account ($106.2 million) and for current funding in the San Joaquin Restoration Fund ($36.0 million). The House bill provides $27.4 million more than the request; the Senate bill provides $158.8 million more than the request. The increase provided by the Senate included $100 million for Western drought response and $43.8 million for rural water. The Senate also funded the requested amount for San Joaquin River Restoration. The House provided $47.0 million above the request for rural water construction, but did not fund the $36.0 million requested for San Joaquin River Restoration.

<u>Drought</u> – The President's budget includes $4 million specifically for drought response within the $61.5 million proposed for WaterSMART program, which uses scientific and financial tools to promote collaborations among States, Tribes, local governments, and non-governmental organizations to help balance water supply and demand and to make sound decisions about water use. Many of the projects funding levels requested for 2017 have drought response actions included in the requested amount. The House level for WaterSMART was $3.9 million above the request, while the Senate funded the requested level. The Senate also provided $100 million for drought relief.

- The extreme and prolonged drought facing the western States affects major U.S. river basins in many and is exacerbating water supply shortages resulting from dramatic population growth and heightened competition for finite water supplies by cities, farms, and the environment.

- The effects of the current drought on California water, its agrarian economy, and its communities are particularly acute. The Colorado River Basin-crucial for seven States and several Tribes, in addition to two countries-is also enduring historic drought.

- Nearly 40 million people rely on the Colorado River and its tributaries for some, if not all, of their municipal needs.

- The Colorado River Basin is experiencing the worst drought in recorded history; the period 2000 through 2015 was the driest 16-year period in more than 100 years of record keeping.

Critical Infrastructure – The President's budget request includes $429.9 million at the project level for water and power facility operations, maintenance, and rehabilitation and $36 million for San Joaquin River Restoration. The House bill provides $431.4 million for this purpose, which funds the project level request but does not fund the San Joaquin River Restoration; the additional $1.5 million was provided for rural water facilities operations and maintenance. The Senate bill provides the requested amount for these purposes.

- Reclamation faces serious and long term funding needs in regards to critical infrastructure requirements. The Dam Safety program continues to be one of Reclamation's highest priorities, and ensures the safety and reliability of Reclamations' 475 dams to protect the downstream public. Additionally, given that Reclamation was established more than 100 years ago, many of the federally owned facilities are now averaging more than 50 years old. Although Reclamation has lengthened the service lives of many of these facilities through its preventive maintenance philosophy, a number of these facilities are showing increased extraordinary maintenance needs.

Indian Land and Water Settlements – The FY 2017 budget requested $106.2 million for Indian Water Rights Settlements, proposing to establish a separate account for this purpose. Both the House and Senate rejected the separate account for Indian Water Rights Settlements, but funded the requested amounts for those settlements within the existing operating account.

- The 2017 budget proposes to establish an Indian Water Rights Settlement account for the implementation of the four water rights settlements authorized in the Claims Resolution Act (Act) of 2010. These settlements benefit the White Mountain Apache Tribe; the Crow Tribe; the Taos Pueblo; and the Nambe, Pojoaque, San Ildefenso, and Tesuque Pueblos or "Aamodt."

- In addition to the four settlements contained in the Act (P.L. 11-291), the new account would also include funding for the implementation of the Navajo-Gallup Water Supply Project, for which mandatory funding was provided under Title VII of the Act, and appropriations authorized by the Omnibus Public Land Management Act of 2009 (P.L. 111-11, Title X).

- Reclamation has made, and will continue to make, the difficult allocation of resources needed to meet the statutory completion deadlines of these important projects, thereby fulfilling the Federal Government's Tribal trust responsibilities.

- Pending legislation could mandate funding be provided to two new settlements: the Blackfeet Tribe and Pechanga Band of Luiseno Mission Indians.

Legislative issues

- **Indian Water Rights Settlements:** The 2017 budget requests a new account to cover expenses associated with the Indian water rights settlements funded in the Claims Resolution Act of 2010 (Public Law 110-291) and the Omnibus Public Land

Management Act of 2009 (Public Law 111-11, Title X, Subtitle B), and for any future settlements. This would increase transparency, accountability, and provide a more favorable treatment of these funds under the requirements of sequestration.

- **California Water:** The House included amendments to the Interior, Environment, and Related Agencies and the Energy, Water, and Related Agencies appropriations bills directing the use of existing regulatory flexibility to maximize water deliveries to areas of California. Interior expressed that this would jeopardize the continued existence of delta smelt and other species covered by the FWS and NMFS Biological Opinions (BiOps) and operating the CVP as prescribed in those BiOps maximizes the long-term chances of survival for the fish covered by the BiOps.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, BOR is aligned under Mission Area Two: Strengthening Tribal Nations and Insular Communities, Mission Area Three: Powering our Future and Responsible Use of the Nation's Resources, and Mission Area Five: Ensuring Healthy Watersheds and Sustainable, secure water supplies.

- Reclamation has performance goals that supports the Administration's efforts to collaborate with non-Federal partners on advanced water treatment and clean water technologies while conserving scarce Western water and protecting species habitat.

    - Priority Goal-Water Conservation: By September 30, 2017, the Department of the Interior will facilitate the availability of water supplies by employing conservation, efficiency, and technology in the western United States through Bureau of Reclamation water conservation programs to 1,040,000 acre-feet/year cumulatively since the end of 2009.

    - Powering Our Future: Reclamation's 2017 budget includes $1.3 million to implement an automated data collection and archival system to aid in hydropower benchmarking, performance testing, and strategic decision making; investigate Reclamation's capability to integrate large amounts of renewable resources such as wind and solar into the electric grid; and work with Tribes to assist in developing renewable energy sources.

    - Strengthening Tribal Nations: Reclamation's budget supports this initiative through endangered species recovery, rural water, and water rights settlements programs.

Issue Paper: California Water Issues

Summary:

Drought costs the Nation billions of dollars and impacts thousands of jobs. In California, the estimated cost of the 2015 drought on agriculture – crop production, livestock, and dairies – is $2.7 billion with a total loss of 21,000 seasonal and part-time jobs.[1] The lack of mountain snowpack in recent years contributed to record and near-record low water levels in the Bay Delta ecosystem. The lack of water results in warmer water temperatures, a reduced rearing habitat, and other effects that adversely affect a number of endangered species (e.g. Chinook salmon and Delta Smelt). Despite the positive impacts associated with the El Niño phenomenon in FY 2016, one wet year alone will not alleviate the impacts of the multi-year drought. Water pumping decisions for the pumps in the Delta are made in conformance with the 2008 FWS Biological Opinion (BiOp) protecting Delta smelt and the 2009 NOAA Fisheries BiOp protecting salmon and sturgeon. Adequate resources are required to reduce the stressors that affect species survivability and to meet water supply contracts. With reservoir levels remaining low and continued depletion of aquifers, improved water management, water conservation, and water recycling are critical to address the imbalance between the demand for water and the available supply. Attempts to address the complex and interrelated California water challenges have resulted in Reclamation's involvement in three major programs: San Joaquin River Restoration; Central Valley Project Restoration Fund; and the CALFED-Bay Delta. WaterSMART funding has also been used to promote sustainable water management projects.

Budget Information:

$ in Thousands

Bureau of Reclamation Accounts	2015 Enacted 2/	2016 Enacted 2/	2017 Request	2017 House	2017 Senate
Water and Related Resources					
Central Valley Project	179,267	201,976	110,747	110,747	146,747
San Joaquin River Restoration 1/	[34,380]	[35,000]	36,000	-	[36,000]
Central Valley Project Restoration Fund	56,995	49,528	55,606	55,606	55,606
California Bay Delta	37,000	37,000	36,000	36,000	36,000

1/ San Joaquin River Restoration funding is included within Water and Related Resources when bracketed.
2/ FY 2015 and FY 2016 Enacted values reflect additional funds received for Western Drought Response, Fish Passage and Screens, Water Conservation and Delivery, and Facility Operations and Maintenace.

Background:

California has been in severe drought for five years. Even though California received normal precipitation in 2016, it will not be enough to recharge their rivers, groundwater, and reservoirs after such a severe water deficit, or – for that matter – to recover populations of endangered species from extremely low numbers. For example, the California precipitation deficit over the last four years has resulted in groundwater and reservoir depletions of more than 15 million acre-feet. California's drought can be understood through a variety of lenses: how much precipitation was accumulated in rain and snow; how much water was available after taking into account

[1] Source: Economic Analysis of the 2015 Drought for California Agriculture, https://watershed.ucdavis.edu/files/biblio/Final_Drought%20Report_08182015_Full_Report_WithAppendices.pdf

reservoir storage, soil moisture, and groundwater; additional losses due to higher temperatures; and human demand for water.

The Sacramento-San Joaquin Delta (Delta) is a nexus of California freshwater supply. Reclamation manages one set of pumps in the Delta that are a part of the Central Valley Project (CVP) and the State of California manages another set as part of the State Water Project (SWP). Water pumped from the Delta serves about 27 million people, including farms, towns, and cities in the Central Valley and Southern California. Delta Smelt and some runs of Chinook Salmon (both listed as threatened under the ESA), rely on the freshwater flowing from the Delta into the San Francisco Bay estuary to survive. A 2008 FWS BiOp on Delta Smelt and a 2009 NOAA Fisheries BiOp on listed salmonids identified that the planned operation of the CVP and SWP pumps could jeopardize continued survival of the species. The pumps reverse the natural tidally averaged flow in portions of the Delta, disorienting fish, pulling them into less favorable habitat, or in some cases resulting in salvage at the fish collection facilities prior to entering the pumps. Water managers take actions to construct barriers, route flows, release additional water from storage, reduce upstream diversions, and reduce CVP and SWP pumping to reduce the negative impacts on fish species and their habitat.

A base amount of freshwater inflow is necessary to prevent saltwater intrusion of the Delta and maintain water quality for both species and water supply. Additional flow is often used for endangered species protection. Reclamation and the California Department of Water Resources are coordinating with the State and Federal fishery agencies to test hypotheses on whether increased outflows in summer months will expand habitat favorable to Delta Smelt (the Low Salinity Zone) and result in improvements to the species.

Similarly, reduced instream flow in the San Joaquin River has the potential to impact salmon and steelhead populations depending on the timing and quantity of reduced instream flows. Salmon and steelhead (including Sacramento Salmon and Steelhead) constitute a major game fishery for California. Hatchery programs produce fish to mitigate for the effects of dams. Restoration programs typically target wild populations. Recent usage has diverted between 60 and 80 percent of the San Joaquin River's flow before it reaches the Delta. The water is used for storage, agriculture, and municipal use, leaving as little as 20 percent for instream flow, depending upon the season. These diversions sustain many communities, particularly through drought, but survivability of fish like salmon depends on the water quality, habitat, and migration queues created from the instream flow. In September 2016, the California State Water Resources Control Board released a draft proposal that recommends increasing flow in the major tributaries of the San Joaquin River to a range of 30 to 50 percent for salmon and other fish, and also addresses the need for actions such as invasive species removal and habitat restoration to support the species.

Attempts to address the complex and interrelated California water challenges have resulted in Reclamation's involvement in three major programs:

1. The *San Joaquin River Restoration Program* implements the court settlement in *NRDC v. Rodgers*, consistent with the 2009 San Joaquin River Restoration Settlement Act in P.L. 111-11. The Settlement resolved over 18 years of litigation on Reclamation's operation

of Friant Dam, a component of the Central Valley Project. The Settlement seeks to restore naturally reproducing self-sustaining populations of spring-run and fall-run Chinook salmon to the San Joaquin River while reducing or avoiding water supply impacts to Reclamation's water users. This program is the largest federally led river restoration action in the nation and is working to restore over 153 miles of the San Joaquin River.

2. The *Central Valley Project Restoration Fund* was authorized in 1992 in the Central Valley Project Improvement Act (CVPIA) (P.L. 102-575). The purpose of the CVPIA is to protect, restore, and enhance fish, wildlife, and associated habitats in the Central Valley and Trinity River Basins of California, and to address impacts of the Central Valley Project. Fund revenue is derived from payments by project (water and power) beneficiaries and from donations. Reclamation collaborates with the U.S. Fish and Wildlife Service, State and local governments and stakeholders on annual work plans to implement the Act.

3. The *CALFED-Bay Delta Program* was established in 1995 to develop a comprehensive Long-Term Coordination Plan to address the complex and interrelated problems in the Delta region, tributary watersheds, and delivery areas. The Delta is an integral part of an ecosystem dependent on more than 750 wildlife species and more than 120 species of fish. As a migratory corridor, the Delta hosts two-thirds of the State's salmon, and nearly half of the waterfowl and shorebirds along the Pacific flyway. The Delta spans five counties and is home to more than 500,000 people. The Delta is also highly modified containing over 1,300 miles of levees. With most of the State's precipitation falling in the north while the majority of its population resides in the south, the Delta sits at the crossroads of California's vast water supply and delivery infrastructure. The CALFED-Bay Delta Program's focus is on conserving and restoring the health of the ecosystem and improving water management (e.g. water supply and reliability through storage and conveyance; water quality for drinking, fisheries, and other environmental purposes; and ensure integrity of levees for water conveyance and flood protection.)

In addition to the above programs, there are tremendous opportunities to advance water reuse and water recycling in California to address the water supply challenges. In FY 2016, Reclamation's WaterSMART Title XVI program provided $30 million for seven projects that will provide clean water to California communities and promote water and energy efficiency.[2] Through Title XVI, Reclamation identifies and investigates opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water. This allows California to become less vulnerable to drought and other water-supply constraints. FY 2017 awards will depend on the amount appropriated for the Title XVI program.

FY 2017 Budget

Congressional interest remains very high as the FY 2017 Energy and Water and FY 2017 Interior and Environment Appropriations bills both contain provisions to maximize water supplies for the

[2] http://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=55029

Central Valley Project and the State Water Project in California by mandating flow rates, overriding environmental requirements, and prohibiting funds to implement the Stipulation of Settlement in *NRDA v. Rodgers, et.al*. Senator Feinstein introduced S. 2533-California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief. Congressman Garamendi introduced an identical bill, H.R. 5247.

Interior has routinely opposed limits on FWS BiOp actions to protect important species and habitat based on the best available science. These provisions would create uncertainty regarding the Endangered Species Act and the State of California water law without addressing long-term solutions to California's complex water challenges. The provisions could actually slow decision-making, generate significant litigation, and limit real-time operational flexibility critical to maximizing water delivery.

The House's 2017 Interior appropriations bill includes direction to the FWS to develop a fish hatchery program for delta smelt. The FWS opposes this hatchery because it is unknown to what extent current Bay Delta conditions and habitat could support an introduced population of Delta smelt or other spawning fish species.

Central Utah Project Completion Act
Organization Profile

($ in Thousands)

	2015	2016	2017 Request	2017 House [/1]	2017 Senate	2017 Req to 2016 Enacted
Current	9,874	10,000	5,600	11,000	10,000	-4,400
Permanent	9,687	7,028	6,798	6,798	6,798	-230
Total	**19,561**	**17,028**	**12,398**	**17,798**	**16,798**	**-4,630**
FTE	**4**	**4**	**4**			**0**

[/1] *The House Energy and Water Appropriations bill failed in a floor vote on May 25, 2016*

Office Profile

- Funding for CUPCA activities is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Energy and Water Appropriations Subcommittee.
- The CUPCA authorizing legislation established an Office, to oversee completion of the project, administer funding, legal compliance, and environmental work, as well as the Utah Reclamation Mitigation Conservation Commission, to coordinate mitigation and conservation activities for the project.
- The Central Utah Project moves water from the Colorado River basin to the western slopes of the Wasatch Mountains and provides water for municipal and industrial use, irrigation, hydroelectric power, fish and wildlife, conservation, and recreation.
- The Project develops a portion of Utah's share of the Colorado River as set out in the Colorado River Compact of 1922 and consists of six units to develop water for irrigation, municipal and industrial use, stream flows, and power generation. The Project also provides recreation, fish and wildlife, flood control, water conservation, and water quality benefits.
- The Central Utah Project develops a significant portion of Utah's allocation of Colorado River water and provides 62,000 acre-feet of water to irrigate over 30,000 acres and municipal and industrial water for about 400,000 people.
- The Project was authorized in 1956 under the Colorado River Storage Project Act (P.L. 84-485). In 1992, Congress enacted the Central Utah Project Completion Act (CUPCA) program to distribute responsibility for the completion of the Central Utah Project among the stakeholders to expedite completion in an environmentally sound and timely manner.
- Construction of the remainder of the project is the responsibility of the local Central Utah Water Conservancy District (District). Mitigating the environmental effects of the project is assigned to the Utah Reclamation Mitigation and Conservation Commission.

The Department of the Interior is responsible for oversight and providing the Federal cost share.

- The CUPCA Office continues to work with the Ute Tribe to implement authorized projects and to finalize the settlement compact as mandated by Title V of CUPCA. Title V of the Central Utah Project Completion Act, together with earlier agreements, form the Ute Indian water rights settlement. These settlement provisions are in lieu of Central Utah Project features planned for the Ute Indian Tribe, but not constructed. The provisions include: direct annual payment of certain funds to the tribe, ratification of the Revised Ute Indian Compact which quantifies Tribal reserved water rights and allows increased use of such water, and establishes development funds for improving farming operations, aquatic and wildlife habitats on the reservation, and for general economic development.

Office Statistics

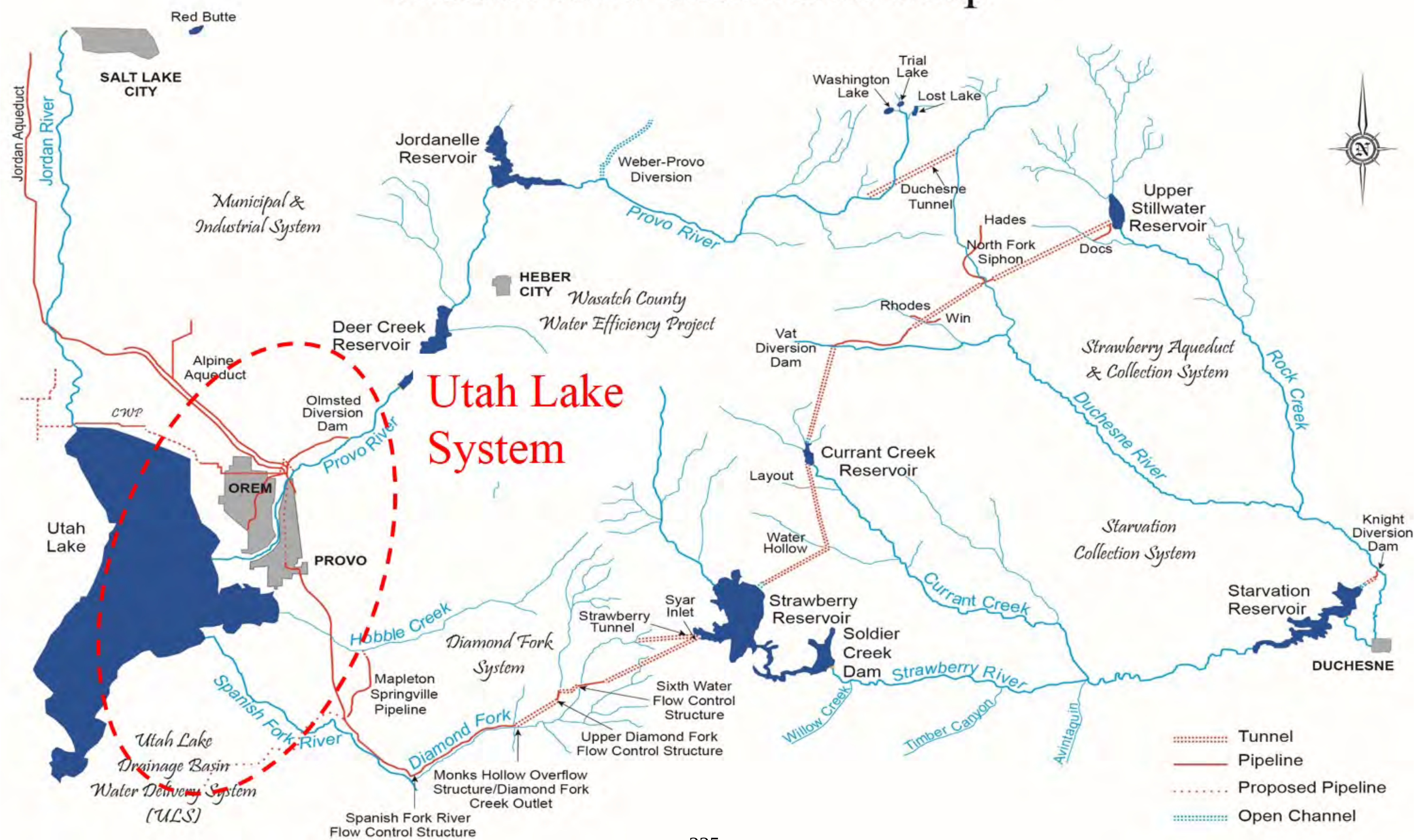
- The project is located in Utah's Bonneville and Uinta Basins, in Uintah, Duchesne, Wasatch, Summit, Utah, Salt Lake and Juab Counties.

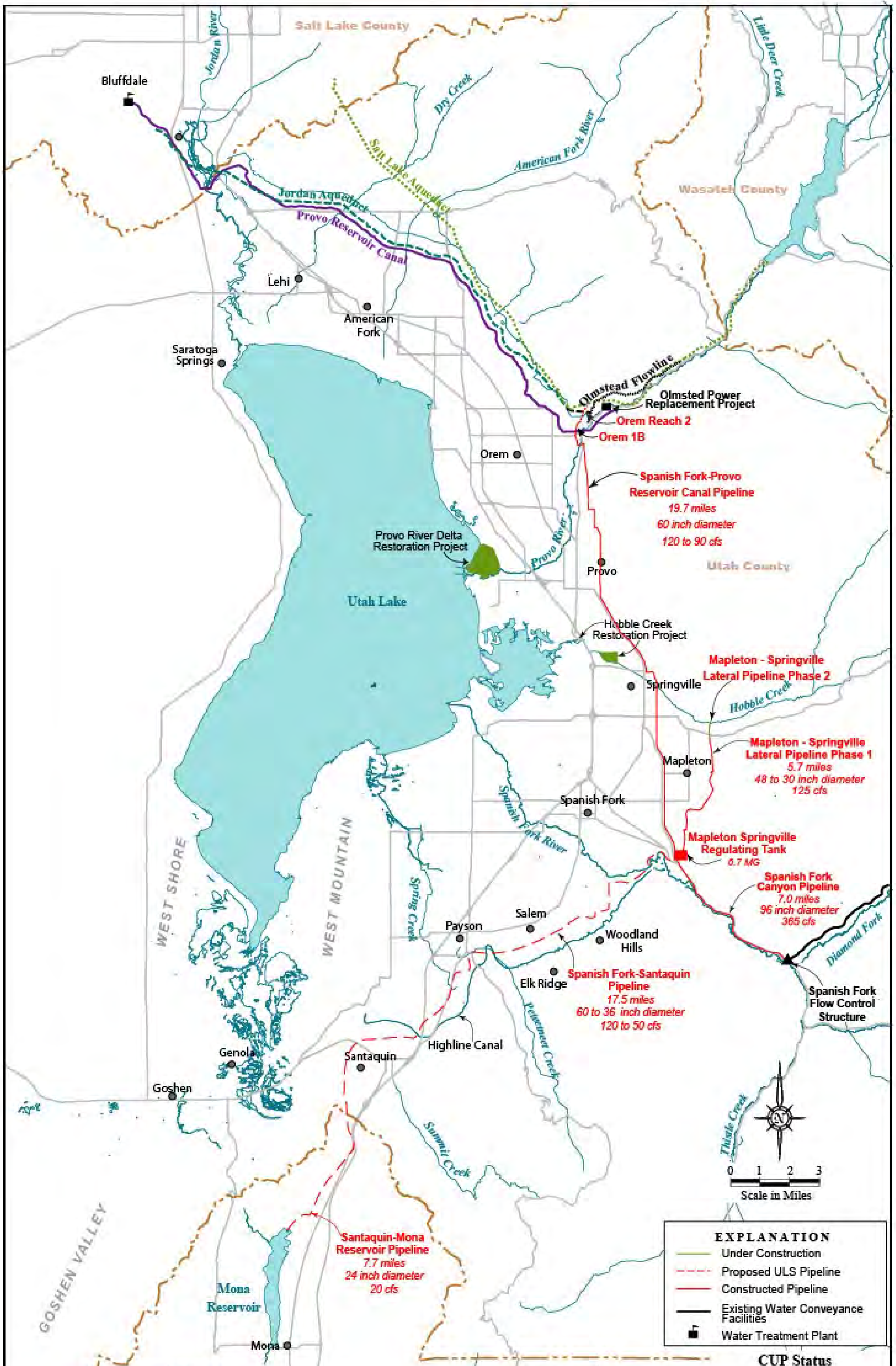
- Bonneville Unit (CUPCA) Reservoirs provide recreational opportunities including boating, fishing, bird watching, and camping.

- Approximately 174 miles of stream and shore land have been restored for recreation and 28,000 acres of land have been purchased and set aside for wetland and wildlife activities.

- Under CUPCA, facilities have been developed to provide recreational activities for Ute tribal members including fishing, boating, hunting, and camping.

Bonneville Unit Area Map

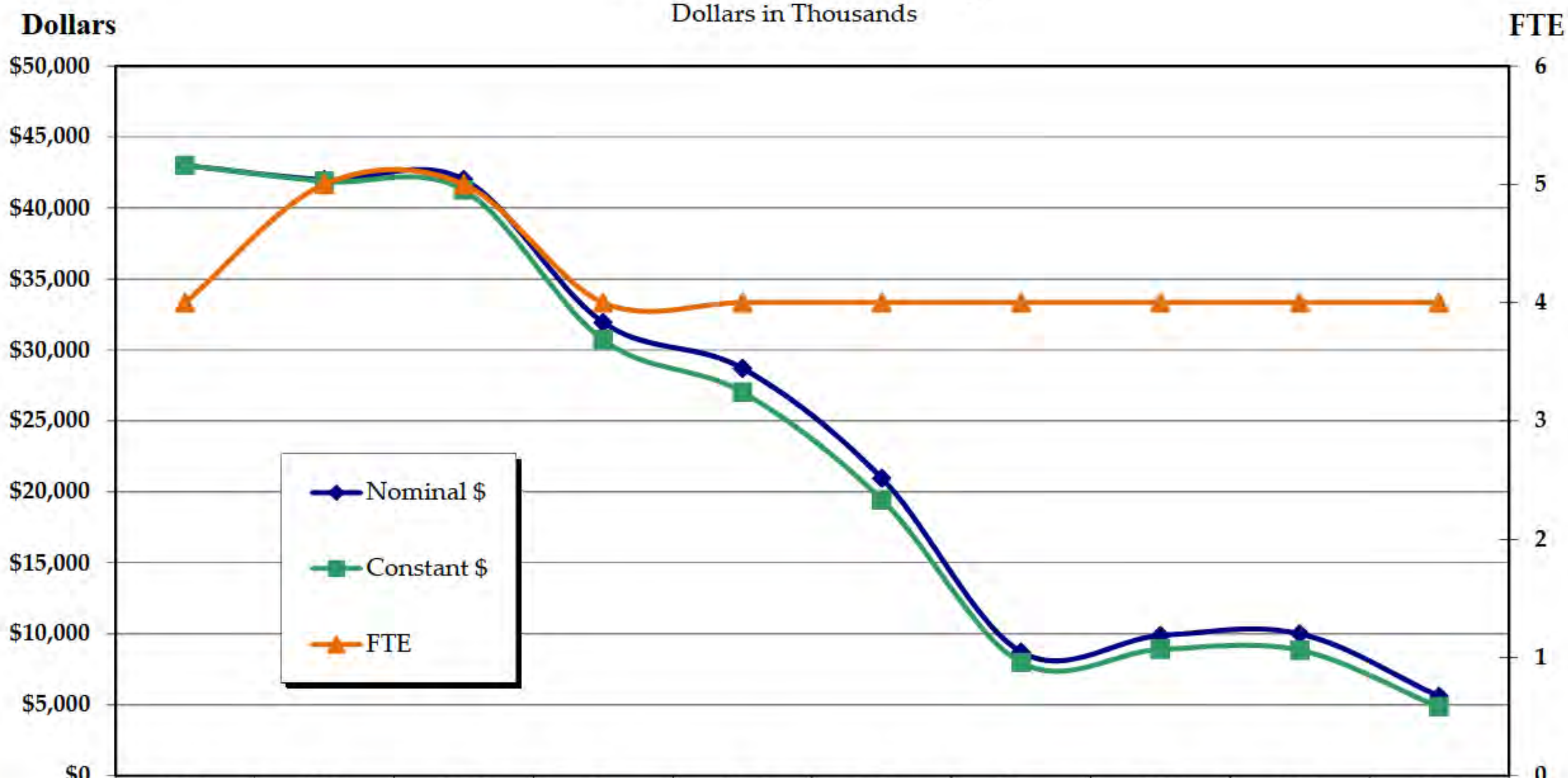




Salt Lake County
Jordan River
Little Deer Creek
Bluffdale
Dry Creek
Salt Lake Aqueduct
American Fork River
Wasatch County
Jordan Aqueduct
Provo Reservoir Canal
Lehi
American Fork
Saratoga Springs
Olmstead Flowline
Olmsted Power Replacement Project
Orem Reach 2
Orem 1B
Orem
Spanish Fork-Provo Reservoir Canal Pipeline
19.7 miles
60 inch diameter
120 to 90 cfs
Provo River Delta Restoration Project
Provo River
Provo
Utah County
Utah Lake
Hobble Creek Restoration Project
Mapleton - Springville Lateral Pipeline Phase 2
Springville
Hobble Creek
Mapleton - Springville Lateral Pipeline Phase 1
5.7 miles
48 to 30 inch diameter
125 cfs
Mapleton
Spanish Fork
Spanish Fork River
Mapleton Springville Regulating Tank
6.7 MG
Spanish Fork Canyon Pipeline
7.0 miles
96 inch diameter
365 cfs
WEST SHORE
WEST MOUNTAIN
Spring Creek
Salem
Payson
Woodland Hills
Diamond Fork
Spanish Fork-Santaquin Pipeline
17.5 miles
60 to 36 inch diameter
120 to 50 cfs
Elk Ridge
Spanish Fork Flow Control Structure
Peteetneet Creek
Highline Canal
Genola
Santaquin
Goshen
Thistle Creek
Summit Creek
0 1 2 3
Scale in Miles
GOSHEN VALLEY
Santaquin-Mona Reservoir Pipeline
7.7 miles
24 inch diameter
20 cfs
Mona Reservoir
Mona
Juab County
EXPLANATION
Under Construction
Proposed ULS Pipeline
Constructed Pipeline
Existing Water Conveyance Facilities
Water Treatment Plant
CUP Status
4/30/2015

Central Utah Project
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	43,000	42,000	42,004	31,940	28,704	20,958	8,725	9,874	10,000	5,600
Constant $	43,000	41,874	41,255	30,705	27,018	19,441	7,978	8,902	8,841	4,849
FTE	4	5	5	4	4	4	4	4	4	4

<u>**Central Utah Project Completion Act**</u>
<u>**Budget Overview**</u>

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House [1]	Senate	to 2016
Current	9,874	10,000	5,600	11,000	10,000	-4,400
Permanent	9,687	7,028	6,798	6,798	6,798	-230
Total	**19,561**	**17,028**	**12,398**	**17,798**	**16,798**	**-4,630**
FTE	**4**	**4**	**4**			**0**

[1] *The House Energy and Water Appropriations bill failed in a floor vote on May 25, 2016*

Key Budget Issues

<u>Declining Funding Trend</u>

- Funding for CUPCA activities has declined in recent years. Over the past eight years, the President's Request has proposed reductions to this program, which Congress has partially accepted.

- For FY 2017, both the House and Senate Energy and Water Appropriations Reports include statements indicating a commitment to completing the Project, enabling the Project to initiate repayment to the Federal government.

<u>Remaining Construction of the Utah Lake System</u>

- The major project presently under construction is the Utah Lake Drainage Basin Water Delivery System (ULS) – to deliver 60,000 acre-feet of water to over 240,000 people in Salt Lake and Utah Counties to meet contractual commitments with local water users.

- Construction of the ULS, the final feature of the Bonneville Unit, began in 2007. Construction of the North Pipeline is projected for completion in FY 2017 with delivery of 30,000 acre-feet of municipal and industrial water to Salt Lake County beginning in 2019. Water delivery is contingent upon the completion of the connection to the Olmsted Hydroelectric Power Plant penstocks.

- On March 15, 2005, a Repayment Contract between the United States of America and the Central Utah Water Conservancy District (District) was signed to construct the ULS of the Bonneville Unit with a provision to issue a block notice when ULS water becomes available for use. A block notice is a notification to water users that a block of water is now available for use. The notice also triggers payment to the United States from the water users as defined in the Repayment Contract. In addition to this overarching agreement, Implementation Agreements and Funding Agreements have been signed for all components of the project.

- With completion of the North Pipeline, the South Pipeline is the remaining piece of the project.

- The FY 2017 President's Budget was silent on construction of the Spanish Fork Canyon-Santaquin (South) Pipeline. There is strong local interest to move forward with construction of the South Pipeline, and the District is moving forward with design for the first reach using local funds.

Additional Issues

- The mitigation of detrimental impacts on endangered species is a condition of the operation of the entire Project. The June sucker is a fish native only to Utah Lake and spawns only in the lower Provo River. Development has caused hydrological and habitat changes which, in addition to invasive species, contributed to the fish's decline. Interior's commitment to the recovery of the June sucker includes: acquiring sufficient water for spawning and rearing; participation in the June Sucker Recovery Implementation Program; restoration of habitat lost due to development; and funding for hatchery operations and maintenance and recovery monitoring. The combination of these strategies has resulted in improved habitat for the June sucker.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, CUPCA supports Mission Area Five: Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies by managing water resources, maintaining critical infrastructure, promoting water conservation, and supporting healthy rivers and streams.

U.S. Geological Survey
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,045,000	1,062,000	1,168,803	1,080,006	1,068,135	106,803
Permanent	37,198	1,864	955	955	955	-909
Total	**1,082,198**	**1,063,864**	**1,169,758**	**1,080,961**	**1,069,090**	**105,894**
FTE	**7,873**	**7,873**	**7,988**			**115**

Bureau Profile

- Funding for USGS activities is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- The USGS is Interior's principal science agency, serving thousands of partners and customers with information to minimize loss of life and property from disasters, manage resources, understand the Earth, and enhance life.

- The USGS is capable of large, multi-disciplinary research and provides impartial science to resource managers and communities. The USGS partners with other Interior bureaus, Federal agencies, States, local government, Tribes, and universities in its science and monitoring efforts.

- USGS monitoring efforts are critical to the forecasting of hazardous events, such as floods, earthquakes, volcanic eruptions, and geomagnetic storms.

- USGS science informs efforts to mitigate and respond to natural and man-made disasters.

- The USGS provides science support in seven science mission areas and a science support function:

    - *Water* – Protects water supply, forecasts events (e.g., floods), and provides real-time and long-term trends locally and nationally about availability, quality, and use of water.

    - *Ecosystems* – Provides unbiased science, tools, and decision support to our Nation's natural resource managers, with particular focus on the science needs of the Department of Interior bureaus to fulfill Federal trust responsibilities for conservation of species, lands, and priority ecosystems, and fulfill treaty obligations with Tribes.

    - *Natural Hazards* provides monitoring, applications of scientific tools and basic research results to emergency responders, policy makers, and the public to reduce losses from a wide range of natural hazards, including earthquakes, floods, hurricanes, landslides, magnetic storms, tsunamis, volcanic eruptions, and wildfires.

- *Climate and Land Use Change* (CLU) – Plays a crucial role in developing the scientific foundation that helps society understand, anticipate, and adapt to changes in climate, water availability, land use and land cover, and biogeochemical cycles. CLU researchers design and conduct the scientific research, remote sensing analyses, modeling, and forecasting that provide resource managers and policy makers with scientific basis for knowledgeable decision-making.

- *Core Science Systems* (CSS) –Provides baseline geospatial, geological, and biogeographical data for the Nation; conducts science, surveys, and research on the Nation's geological and biological resources; delivers map services and decision support tools for the public to use in local, regional or large-scale analyses; enhances scientific standards, data analysis, and synthesis across disciplines; and preserves, digitizes, and makes available geological and geophysical collections to the public.

- *Energy & Minerals* (E&M) – Conducts research and assessments that focus on the location and estimates of the quantity and quality of mineral and energy resources, including the economic and environmental effects of resource extraction and use.

- *Environmental Health* (EH) – Provides science to enhance knowledge of toxicologic and infectious disease agents in the environment, including their sources, transmission, and health risks posed to humans and other organisms.

- *Science Support* (Support) – Includes science quality review, human resources, IT, facilities, and financial management.

Bureau Statistics

- USGS operates at over 150 Science Centers, Observatories, Laboratories, and Field Stations supporting locally and nationally significant science.

- USGS has 52 owned and like owned facilities: Observatories (14), Science Centers (14), Field Stations (9), Vessels (8), Vessel Bases (3), and Other Buildings (4).

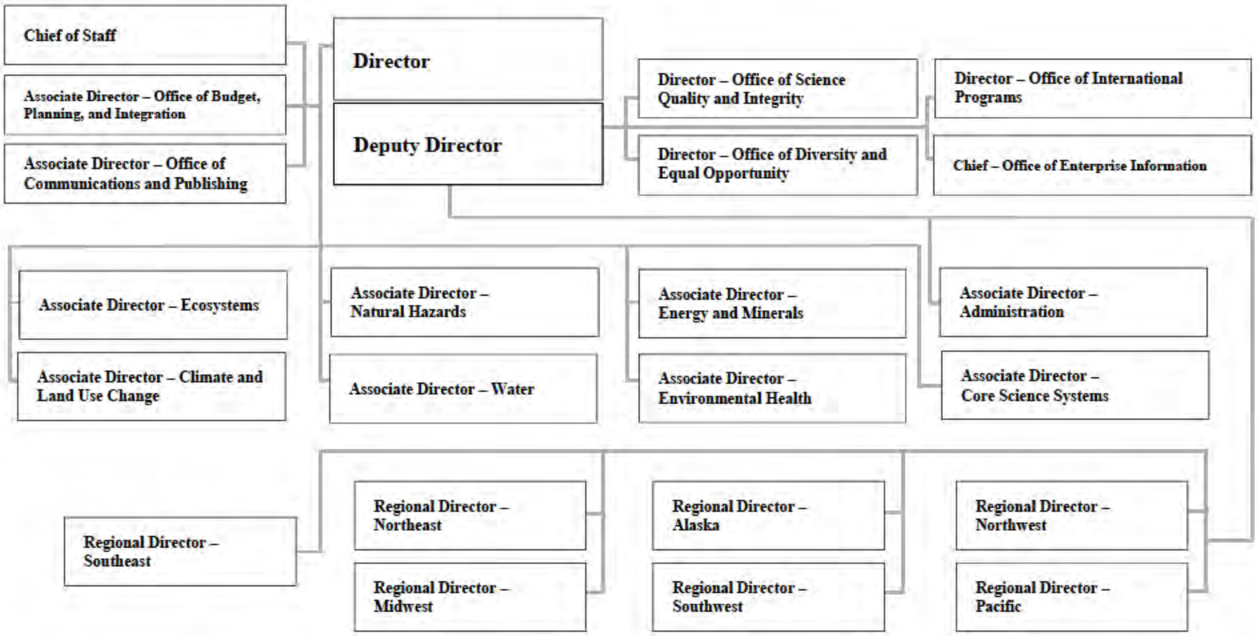
- The USGS coordinates networks of 8,000 water monitoring stations and 2,900 earthquake sensors.

- The USGS manages the Landsat earth-imaging satellite program. Federal, State, and local governments, commercial companies, and the public have downloaded over 53 million Landsat images from the USGS since they became available at no charge in 2008, with over 17 million downloaded in the last 12 months alone. Major Landsat applications include agriculture, water use, wildfire assessment, flood monitoring, land management, and surface mining. The estimated annual economic benefit of Landsat data is $1.8 billion (2012 data) to U.S. users.

- The USGS manages The National Map which delivers topographic information for the Nation and has many uses ranging from recreation to scientific analysis to emergency response. US Topo products are freely downloadable from The National Map Viewer and the Geospatial Platform. The public downloaded more than nine million US Topo products from USGS websites, with a daily average of 6,400 in 2015 and downloaded more than 11 million Historical Topographic Map Collection products with a daily average of 6,400 in 2015.

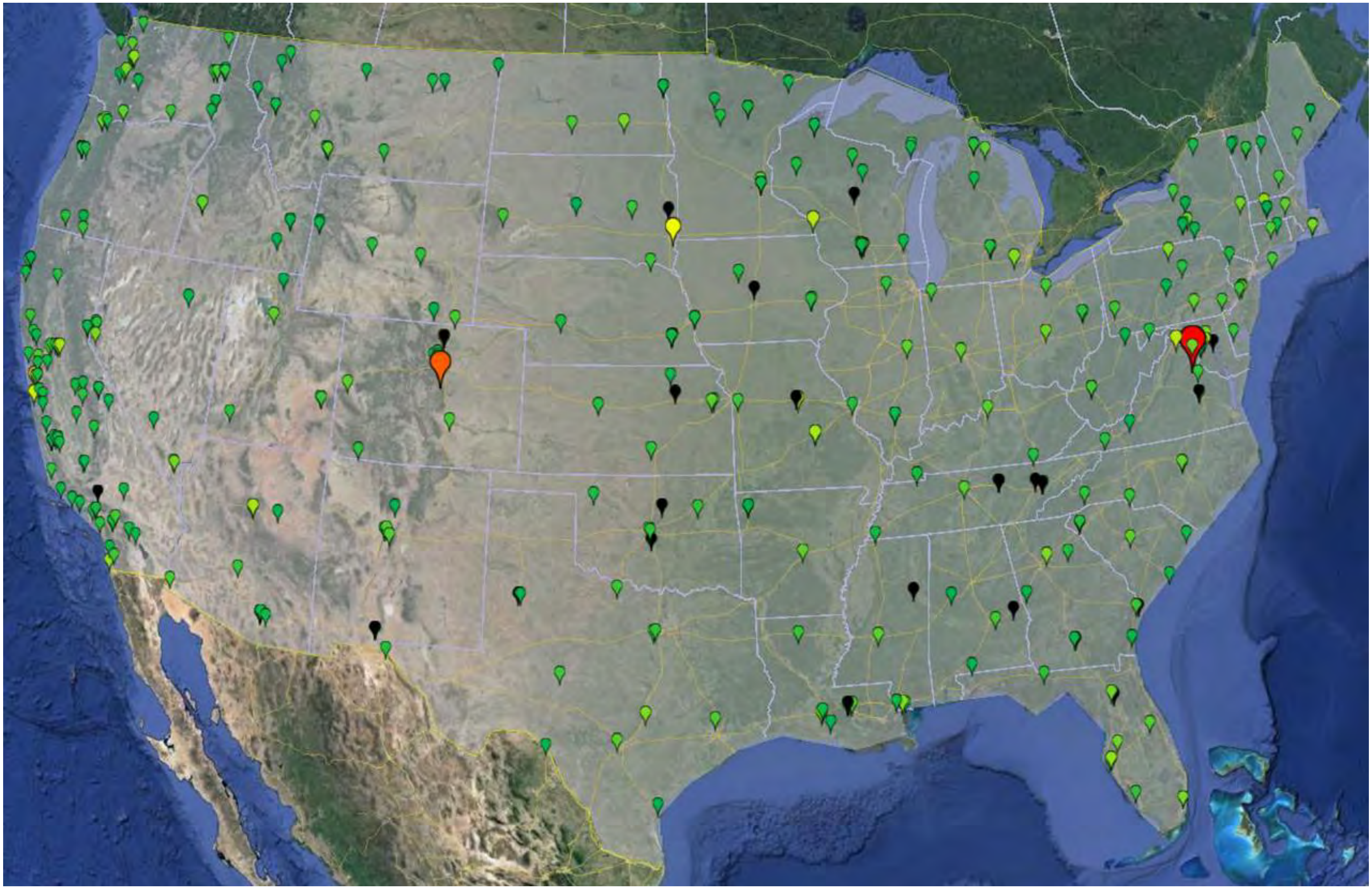
- With over 2,000 strategic partnerships, the USGS is a primary Federal source of science-based information on ecosystem science, climate and land use change, energy and mineral resources, environmental impacts, natural hazards, water use and availability, and updated maps and images for the Earth’s features available to the public.

U.S. Geological Survey



August 2, 2016

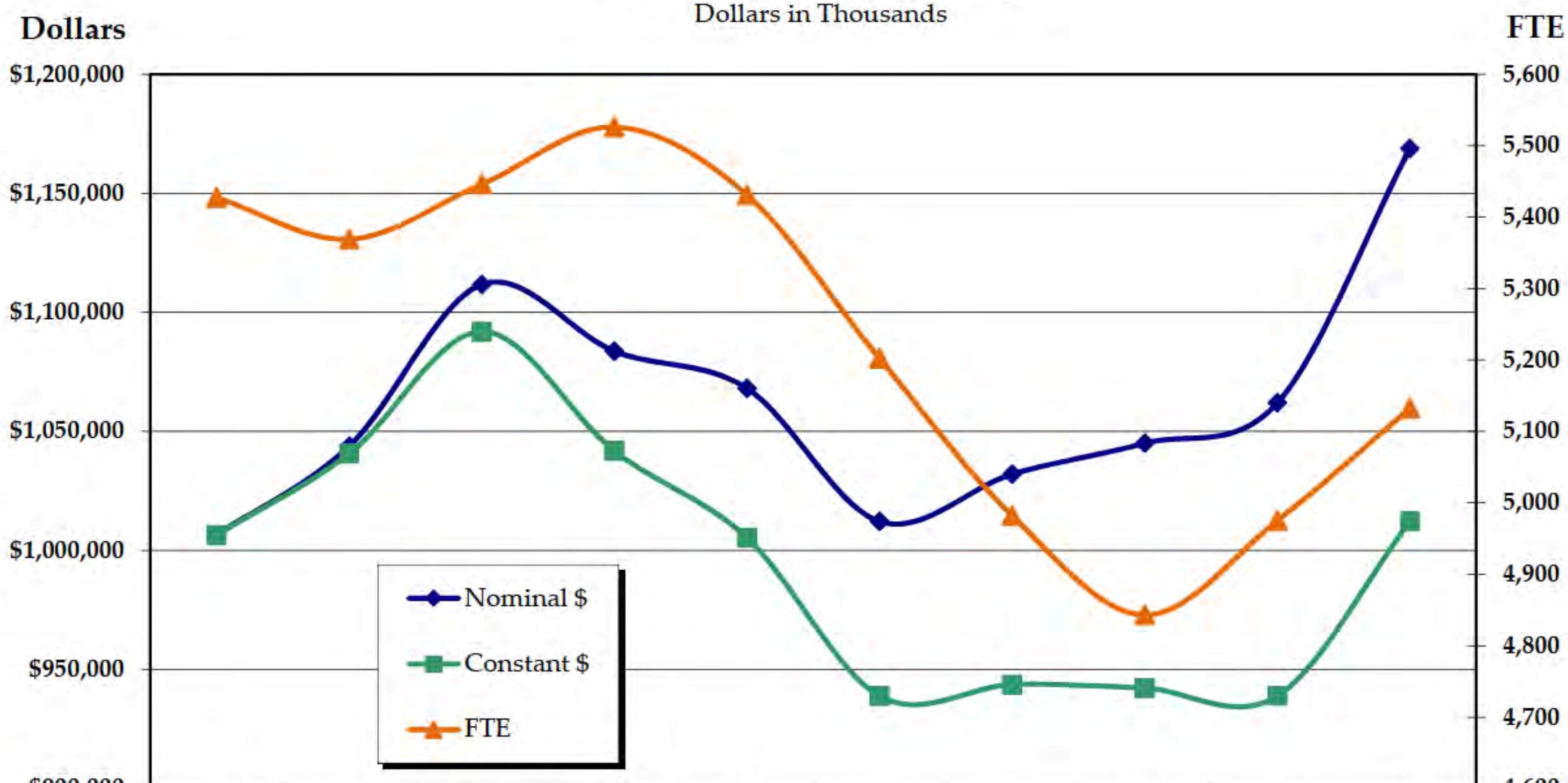
Map of USGS Regions



Map of U.S.G.S Campuses

U.S. Geological Service
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	1,006,480	1,043,803	1,111,740	1,083,672	1,068,032	1,012,168	1,032,000	1,045,000	1,062,000	1,168,803
Constant $	1,006,480	1,040,672	1,091,917	1,041,771	1,005,313	938,902	943,602	942,182	938,915	1,012,157
FTE	5,427	5,369	5,446	5,526	5,431	5,202	4,982	4,843	4,975	5,132

U.S. Geological Survey
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,045,000	1,062,000	1,168,803	1,080,006	1,068,135	106,803
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FTE	**7,873**	**7,873**	**7,988**			**115**

Key Budget Issues

Landsat 9

- The FY 2017 budget requests a $15.4 million increase ($75.2 million for satellite operations) to meet the Landsat 9 satellite launch date of FY 2021 (late CY 2020). Both the House and Senate marks for FY 2017 support continued pursuit of the schedule with varying approaches to funding:

    - The total cost of the ground system (FY 2015 to launch) is $119 million. Congress funded the USGS Landsat 9 mission at $4.3 million in 2016. The 2017 budget requested an increase of $15.4 million ($19.7 million total).

    - The House provides $6.0 million for Landsat-9 development, which is $9.4 million less than is needed to meet the fiscal year 2021 (late calendar year 2020) launch date. To meet the House direction for an accelerated launch date, the USGS would need to redirect about $9.4 million from base programs, as there is only $2.3 million of estimated carryover, which is needed to cover Landsat operating costs during the year.

    - The Senate direction requires the USGS to fund Landsat 9 development with the $15,400,000 increase requested in the President's budget, but provides no additional funding for this purpose, shifting funds from other Climate and Land Use Change programs. The Senate recommendation would require the USGS to determine which reductions to take within Climate and Land Use Change to fund Landsat-9 development.

Earthquake Early Warning

- Earthquake Early Warning (EEW) is the capability to identify and characterize an earthquake after fault rupture begins and deliver warnings to people and systems that may experience damaging shaking in seconds or minutes. Recent Federal, State, and private investments have resulted in a prototype EEW system called ShakeAlert, which has been sending live alerts to selected test users since 2012.

- The FY 2017 budget request includes $8.2 to continue to develop West Coast EEW prototype, while the House bill provides $10.2 million and the Senate bill provides $9.2 million.

Compliance and Modernization of Volcano Threat Monitoring

- Some Very-High-Threat and High-Threat volcanoes lack even basic monitoring networks. Additionally, changes to spectrum allocation means the USGS cannot use existing analog volcano telemetry networks in Alaska after 2020.

- The USGS converts six to eight stations to digital each year, but this will not achieve compliance for the 145 analog monitoring stations by 2020.

  - Achieving Alaska Volcano Network Compliance costs $20.6 million (over three years).
  - Installing basic network on all Very-High- and High-Threat volcanoes in the U.S. and its Territories costs $87 million over 12 years.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014-2018, the USGS supports Mission Area Six: Building a Landscape-Level Understanding of Our Resources.

  - Goal One: Provide Shared Landscape-level Management and Planning Tools
  - Goal Two: Provide Science to Understand, Model, and Predict Ecosystem, Climate, and Land Use Changes at Targeted and Landscape Levels (biota, land cover, and Earth and ocean systems)
  - Goal Three: Provide Scientific Data to Protect, Instruct, and Inform Communities
  - Goal Four: Provide Water and Land Data to Customers

- Additionally, the USGS is a key participant in the following agency priority goals:
  - Climate Change Adaptation Management through the National Climate Change and Wildlife Science Center (NCCWSC) and the eight USGS Climate Science Centers (CSCs and Science Support functions.
  - Engaging the Next Generation by providing work and training opportunities to support DOI mission during fiscal years 2014-2017 for individuals ages 15 to 35

Issue Paper: Landsat Program

Summary:

The U.S. Geological Survey's Landsat program is a joint effort with NASA to provide earth imagery that is very popular and important to a wide variety of researchers and resource managers. The USGS builds grounds systems and operates the satellites, while NASA builds and launches the spacecraft. The continuity and consistency of the Landsat information is important to the user community but difficult to maintain as the satellites have limited life spans and NASA and USGS must replace them regularly. Securing funding for Landsat operations and development to avoid a gap in data availability is a significant budget challenge. The program includes operation of orbiting satellites (Landsat 7 and Landsat 8), development of ground systems for a successor satellite (Landsat 9), and infrastructure to deliver earth imagery to users at a scale and frequency useful for agriculture, regional planning, mapping, research, and emergency response. In 2008, the USGS instituted a free and open data policy for the entire Landsat archive, establishing it as the data standard for Earth monitoring. Prevalent applications include agriculture, forestry, fire and disaster management; ecosystem and drought monitoring; coastal mapping; carbon assessments; and famine early warning. The estimated economic benefit to the United States is about $1.8 billion.

Budget Information:

Satellite Operations Funding, 2015-2017
(dollars in thousands)

	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Landsat 7	7,400	7,400	7,400	7,400	7,400
Landsat 8	13,200	13,200	13,200	13,200	13,200
On Orbit Satellite Operations	**20,600**	**20,600**	**20,600**	**20,600**	**20,600**
Product Development/Improvement	**2,600**	**2,600**	**2,600**	**2,600**	**$2,600**
Landsat Program Planning	**2,800**	**2,800**	**2,800**	**2,800**	**2,800**
Satellite Archive and Data Distribution	27,337	27,337	27,337	27,337	27,337
Sentinel-2 Data Availability[1]	-	-	2,200	-	-
Archive Operations and Data Distribution	**27,337**	**27,337**	**29,537**	**27,337**	**27,337**
Landsat 9 Ground System Development	**-**	**4,300**	**19,700**	**10,300**	**19,700**
Total, USGS Satellite Operations[2]	**53,337**	**57,637**	**75,237**	**63,697**	**73,037**
NASA – Landsat 9[3]	*60,300*	*100,000*	*130,900*	*130,900*	*130,900*

[1] This will help satisfy increasing demand for rapid revisit required by applications to monitor of crops, forests, wildfires, snow cover, sea ice, and surface water. The availability of Sentinel-2 data partially mitigates the risk of losing Landsat 7 or Landsat 8 satellites on orbit.

[2] This does not include a proposed increase within the USGS 2017 budget for Landsat-based product research and development for natural resource managers ($2.992 million), as this request was made for the Science, Research, and Investigations portion of the Land Remote Sensing program.

The overall USGS budget for satellite operations is $57.6 million in 2016. This was the initial year of Landsat 9 development, which the Congress fully supported at the requested level. The 2017 budget request proposes $75.2 million, an increase of $17.6 million. This funding supports on-orbit operations, product development, continuity of the program, archiving and distributing data, and Landsat 9 ground system development. The primary component of the request is a $15.4 million increase to support a FY 2021 (December 2020) launch date for Landsat 9.

In FY 2017, both the House and Senate bills continue to support the Landsat launch schedule, however, neither provide the full request for additional funds. The House provides $6 million of the $15.4 million increase. To meet the planned launch date, USGS would need to redirect about $9.4 million from other programs. The Senate provides the entire $15.4 million increase by redirecting base funding from other climate and land use programs with significant impact to ongoing efforts. Neither the House nor the Senate accept increases to utilize data provided from the European Space Agency's Sentinel-2 satellites ($2.2 million) or an increase in Landsat-based product development for natural resource managers ($3.0 million).

The outcome of the FY 2017 spending bills could affect the schedule of the Landsat program. Conference on a year-long appropriation will consider the tradeoffs of deep cuts to ongoing USGS programs and maintaining the Landsat 9 schedule. In the event of a prolonged or year-long Continuing Resolution, in the absence of an exception for Landsat 9, the USGS will consider the tradeoffs of accommodating the FY 2017 increase within a level budget.

<u>Background:</u>

The USGS Landsat program consists of five parts:

- **On-Orbit Satellite Operations** – USGS ground crews operate around the clock, seven days a week, maintaining and monitoring the status of the two operational satellites, responding to on-orbit anomalies, maintaining orbit, and commanding instruments. The satellites collect over 1,000 scenes (each over 12,000 square miles) per day.

- **Product Development and Improvement –** USGS scientists and researchers work with users to identify improvements to the basic Landsat product and develop new products that are easier to consume, increasing the utility and return on the satellite investments. These include a JPEG version of the Landsat imagery and Landsat-derived maps of U.S. surface water, burned area, and snow-covered area extent.

- **Landsat Program Planning –** The National Plan for Civil Earth Observations vests USGS and NASA with developing a 25-year program for sustainable land imaging. This work includes the collection and analysis of user needs as well as technology investigations to inform future decisions on Landsat 10 and beyond.

[3] NASA Landsat 9 Space Segment budget; this does not include program planning of $2.6 million in 2015, $3.3 million in 2016 and $5.8 million in 2017.

- **Archive Operations and Data Distribution –** Archive operations includes data calibration and validation, processing, and dissemination for approximately 20 million products (10 petabytes) each year, as well as preserving the data from 44 years of Landsat imagery. The Landsat archive provides an authoritative time series (since 1972) for examining regional to continental scale change, monitoring current conditions, and predicting future land change scenarios.

- **Landsat 9 Ground System Development –** This funding develops the Landsat 9 ground system, including all ground and flight operations components.

The USGS conducts flight operations for Landsat 7 and Landsat 8, while preparing for the launch of the next satellite, Landsat 9. Landsat is the only civilian satellite with both thermal and shorter-wavelength sensors, which are valuable for water and agricultural management, measuring water use and monitoring crop results in arid lands, and discriminating moisture content of soils and vegetation. Landsat provides continuous, consistent inventory and monitoring of critically important resources, including agriculture, forestry, and water. An Office of Science and Technology Policy study of the societal benefits of earth observing systems found Landsat's benefits second only to GPS among over 100 other satellite systems. The scenes collected include spectral data ranging from visible, near infrared, shortwave infrared, to thermal infrared, for any location on the Earth's land surface every eight days. This 8-day revisit is possible with only two satellites on orbit and broadens the applications for agriculture, forestry, water consumption monitoring, and natural hazard (e.g., fire and flood) observations.

Landsat 7, launched in 1999, is more than a decade beyond its design life and operates on back-up systems. Landsat 7 has enough fuel remaining to maintain its orbit and imaging functions into calendar year 2020. Landsat 8 launched in 2013 with at least ten years of fuel. The current schedule for Landsat 9 development supports a fiscal year 2021 (December 2020) launch, which allows replacement of Landsat 7 in time to prevent a break in the eight-day revisit data collection. The responsibility for Landsat 9 is collaborative: NASA develops and launches the satellite; USGS develops the ground segments and conducts mission operations, including image-data collection, processing, management, and distribution.

Continuity of the Landsat Program:

In 2014, the National Science and Technology Council released a "National Plan for Civil Earth Observations." The report vests USGS and NASA with implementing a 25-year program of sustained land imaging for monitoring land-cover characteristics, natural and induced land-cover change, and water resources, while maintaining continuity with historical data.
To meet this challenge, USGS and NASA have started requirements and technology planning for future Landsat satellites. This includes analysis of user requirements, technology investigations, and business case studies. The results of this analysis, available in 2018, will help inform decisions about the future of Landsat. A critical challenge is to optimize use of new commercial systems while maintaining data continuity. Based on the design life of Landsat 9 and fuel availability of Landsat 8, a launch of the next satellite in the mid- to late 2020s would reduce the likelihood of a gap in coverage.

U.S. Fish and Wildlife Service
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	1,439,764	1,508,368	1,562,899	1,490,918	1,496,423	54,531
Permanent	1,432,918	1,346,199	1,469,744	1,335,777	1,335,777	123,545
Total	**2,872,682**	**2,854,567**	**3,032,643**	**2,826,695**	**2,832,200**	**178,076**
FTE	**8,474**	**8,739**	**8,974**			**235**

Bureau Profile

- Funding for FWS is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- The Service's mission is to work with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

- Through many statutes the Service has broad responsibility to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fisheries. Chief among these statutes are the Fish and Wildlife Act, the National Wildlife Refuge System Improvement Act, the Migratory Bird Treaty Act, the Endangered Species Act, and the Lacey Act.

- The Service implements its statutory responsibilities through a variety of programs including:
    - National Wildlife Refuge System – Conserving lands and natural resources
    - Cooperative Landscape Conservation – Working with others to conserve large landscapes
    - Migratory Birds – Conservation of waterfowl, songbirds, and other migratory birds
    - Ecological Services – Recovering threatened and endangered species and providing environmental reviews
    - Science Support – Providing scientific support for landscape-level conservation
    - Law Enforcement – Enforcing domestic and international wildlife laws
    - International Affairs – Supporting conservation of internationally important natural resources
    - Fish and Aquatic Conservation – Conserving aquatic species and habitat

- The Service prioritizes efforts in pursuit of three overarching goals:
    - Conserve Priority Species and Landscapes - The Service strives to implement scientific, landscape-level approaches to protect, manage, and restore species, lands, and waters
    - Develop a Connected Constituency - The Service strives to engage and inspire the American people to become part of a conservation constituency

  - Support Service Employees - High quality administrative services and a well maintained infrastructure are critical to the Service's success

- The Service manages more than 852 million acres of land and waters in the national wildlife refuge system composed of more than 565 National Wildlife Refuges and thousands of small wetlands.

- An important ingredient to delivery of the Service's conservation programs is working with diverse partners, including other Federal agencies, State and local governments, Tribes, international organizations, and private organizations and individuals.

- The Service implements grant programs using discretionary and permanent funds that support conservation of habitat and species by State, local, tribal, and international governments as well as non-government organizations. Grant programs target wetlands and waterfowl, neotropical birds, endangered species, and non-game species conservation in every State and with many Tribes.

- The Service headquarters is located in Washington, D.C., and has staff in Falls Church, Virginia; Denver, Colorado; and Shepherdstown, West Virginia. Eight regional offices manage refuges, hatcheries, and field stations across the country. The Service also manages 145 Fish and Wildlife or Ecological Services Field Offices; 72 National Fish Hatcheries and one historic fish hatchery; and, 16 Fish Health or Technology Centers.

Bureau Statistics

- The Service leads efforts to recover 1,606 species listed as threatened or endangered in the U.S.

- The Service destroyed a six-ton stock of confiscated elephant ivory in 2013, sending a clear message the Nation will not tolerate wildlife crime that threatens to wipe out the African elephant and a host of other species around the globe.

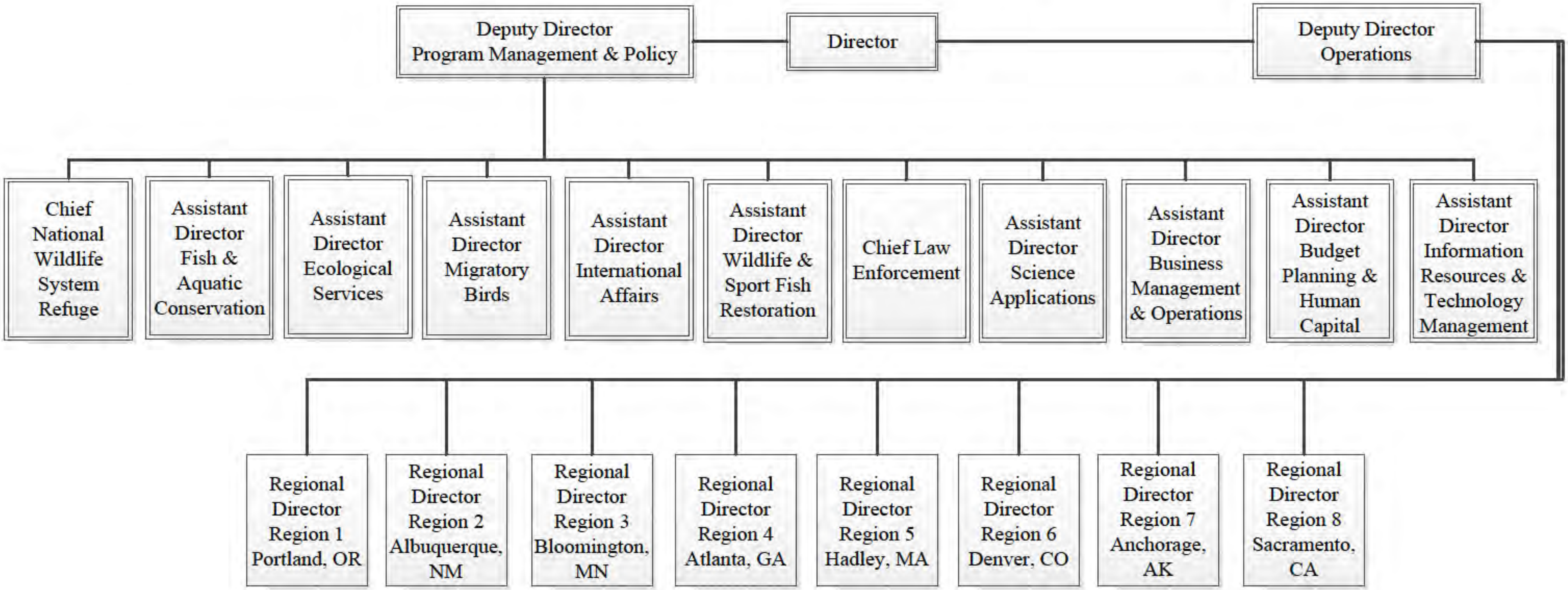
- In 2015, national wildlife refuges hosted nearly 50 million visitors.

- More than 370 wildlife refuges provide hunting opportunities and more than 300 wildlife refuges are open to fishing.

- The Service owns and operates more than 6,500 buildings and over 33,000 other structures such as water control structures.

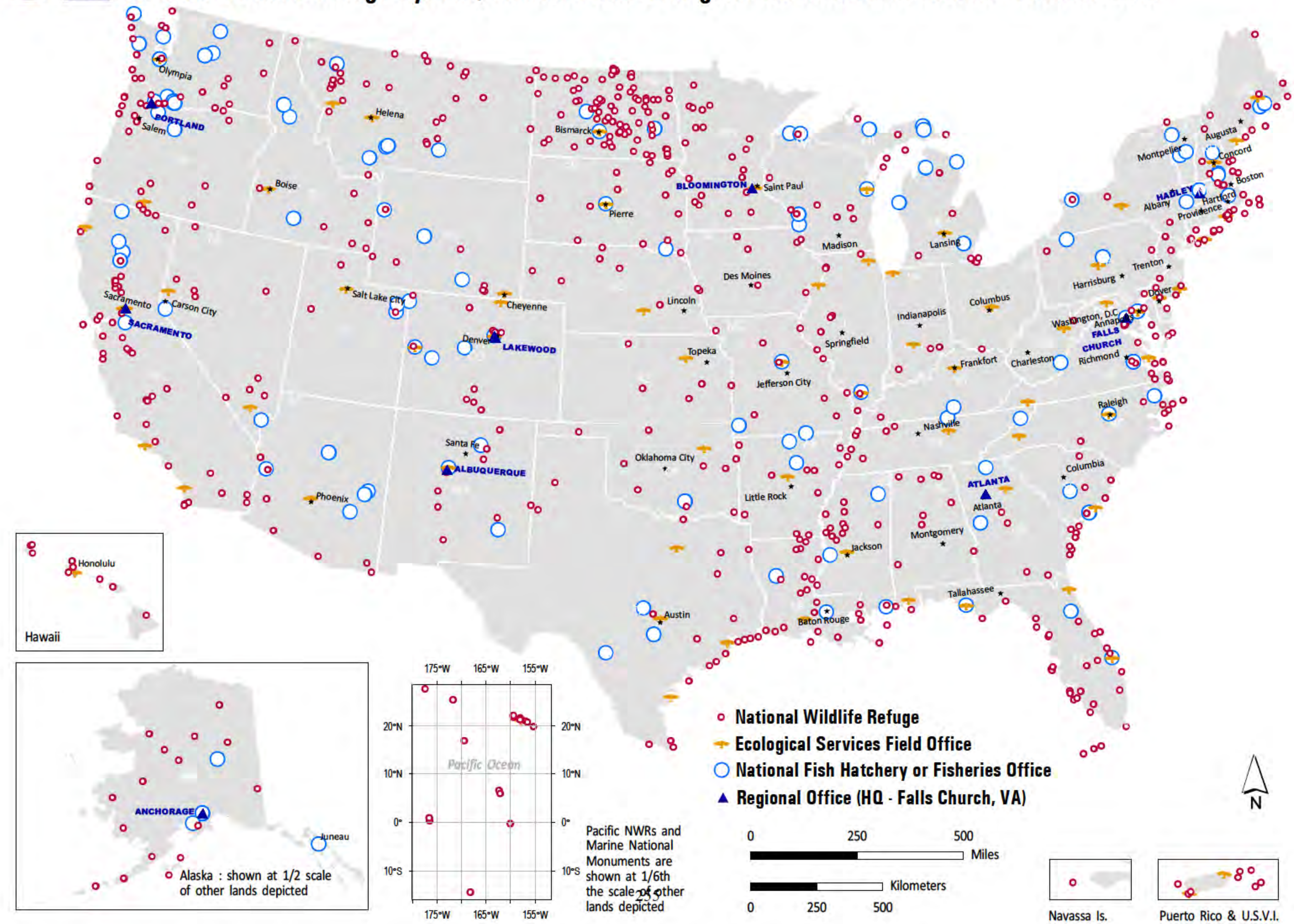
- The Service's Wildlife and Sport Fish Restoration Programs provide more than $1 billion annually to States and tribes to support management of fish and wildlife resources. In FY 2011, National wildlife refuges supported an estimated $2.4 billion into the economy and more than 35,000 jobs while producing $792.7 million in job income for local communities.

US Fish and Wildlife Service



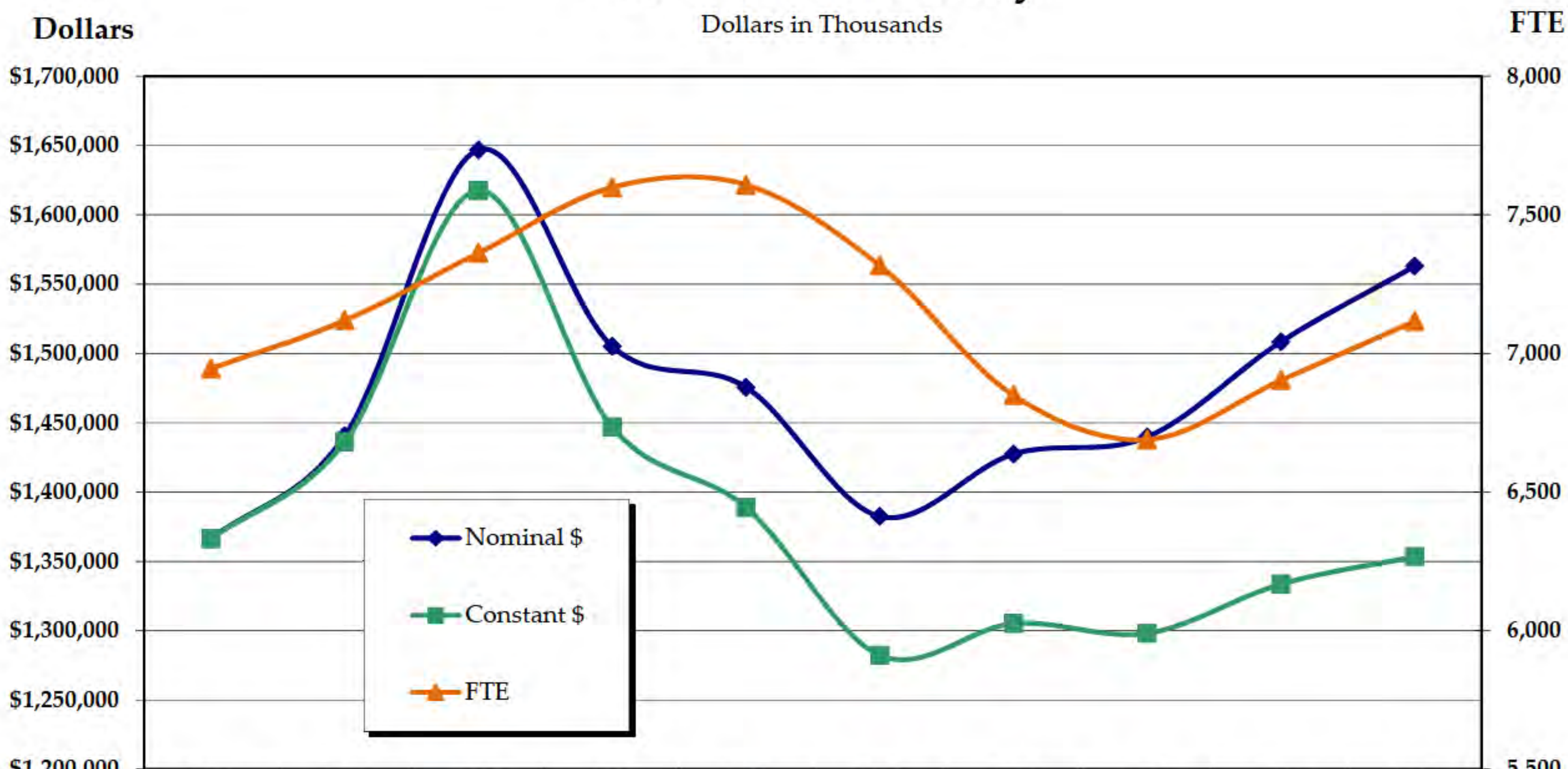
U.S. Fish & Wildlife Service

National Wildlife Refuge System, Fisheries and Ecological Services Field Offices - October 2016



Fish and Wildlife Service
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	1,366,301	1,440,451	1,646,832	1,505,130	1,475,571	1,382,405	1,427,367	1,439,764	1,508,368	1,562,899
Constant $	1,366,301	1,436,130	1,617,468	1,446,933	1,388,920	1,282,339	1,305,104	1,298,105	1,333,549	1,353,436
FTE	6,945	7,119	7,362	7,599	7,608	7,317	6,849	6,689	6,903	7,116

U.S. Fish and Wildlife Service
Budget Overview

($ in Thousands)						
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FTE	8,474	8,739	8,974	*n/a*	*n/a*	+235

Key Budget Issues

National Wildlife Refuge System

- Compared with FY 2010, the FY 2016 enacted budget for the National Wildlife Refuge System has declined by 4.3 percent, resulting in reduced staffing levels, an erosion of buying power, and reduced programmatic outcomes. Beginning with an appropriation in 2010 of $503.3 million, the budget reached a low point of $452.6 million in 2013 and saw a modest increase to $481.4 million in 2016.

- Even though the funding level increased in FY 2016, it remains $68 million below the FY 2010 level when adjusted for inflation. As a direct result of reductions in funding and decreased purchasing power over time, performance and accomplishments on refuges across the country have declined.

- Annual budget requests have included substantial increases to restore lost capacity though Congressional appropriations remain below requested levels. For example, the FY 2017 request of $506.6 million features a $25.2 million increase yet the House and Senate marks propose increases of less than $3.4 million.

- Habitat improvement and restoration are two key elements of providing high quality habitat. Wetland acres restored has declined by 70 percent and riparian river miles restored is down 30 percent.

- Refuge Law Enforcement has 300 Federal wildlife officers to protect 566 wildlife refuges and nearly 50 million visitors. The International Association of Chiefs of Police estimated that adequate coverage for the Refuge System would require roughly triple the current number of officers.

- Since staffing levels peaked in FY 2011, the Refuge Systems' permanent, full-time workforce has declined by 442 positions, reducing wildlife and habitat management, visitor services, refuge law enforcement, and maintenance capabilities.

Gulf of Mexico Restoration

- The influx of billions of dollars in Gulf of Mexico restoration funding from the Deepwater Horizon incident and RESTORE Act will increase demand for the Service's environmental reviews and consultations focusing on threatened and endangered species. The RESTORE Act does not provide funding for these services.

- Reviews are required for Federal projects by several statutes including the Fish and Wildlife Coordination Act and the Endangered Species Act (ESA). The ESA also encourages private entities to consult the Service concerning the impacts of proposed projects, for example, on threatened or endangered species.

- The Service's Ecological Services program does not have capacity to meet this demand and the FY 2017 budget requests an increase of $3.0 million for personnel to provide these services. The House bill limits funding to the 2016 level of $1.0 million, while the Senate provides the requested level of $4.0 million.

- The Service would direct these additional resources to the environmental review of proposed projects so that environmentally beneficial restoration projects can move through the regulatory review process in a timely fashion.

- The Service will also use these funds to work with State and other partners to ensure conservation priorities are incorporated into Gulf restoration and resiliency efforts.

- Without this additional funding, the Service will not be able to consistently contribute to maximizing the benefits of the application of billions of dollars of settlement funds to restoration activities in the Gulf Coast watershed and projects in other parts of the country could also be delayed.

Ecological Services

- Ecological Services achieves conservation of the Service's trust resources, focusing on imperiled species, and works closely with external partners and agencies for the conservation of natural resources across the landscape.

- The FY 2017 budget request for Ecological Services is $252.3 million, an increase of $18.3 million above the 2016 enacted level.

- The House and Senate provide relatively small increases, $3.9 million and $3.3 million respectively, to the 2016 funding level for the Ecological Services program however, the funding level remains well below the 2017 budget request.

- The House and Senate both reduce funding for Listing activities by 30 percent and 15 percent, respectively, from 2016 levels. The request for Listing activities is $22.9 million and the House and Senate marks provide $14.4 million and $17.4 million respectively. Reduced funding for the Listing program could force the Service to violate statutory deadlines, causing further litigation to enforce those terms and resulting in a return to the unpredictable, litigation-driven listing environment that existed prior to 2011.

- The House and Senate provide increases to the other Ecological Services activities, however most of the increases are for Congressional priorities and would not provide funding for the Service's highest resource conservation priorities.

Landscape Conservation Cooperatives and Science Capability

- Landscape Conservation Cooperatives (LCCs) are applied conservation science partnerships created to work across geopolitical boundaries to take on large-scale conservation challenges. LCCs promote collaboration among their members in defining shared conservation goals. With these goals established, members can identify where and how they will take action, within their own authorities and organizational priorities, to best contribute to the larger conservation effort.

- LCCs provide the science and technical expertise needed to address shared priorities and support conservation planning at landscape scales – beyond the scope and authority of any one organization. Through the efforts of in-house staff and science-oriented members, LCCs are generating the tools, models, and data that managers need to design and deliver conservation using the adaptive management, Strategic Habitat Conservation (SHC) approach.

- The FY 2017 request for LCCs and Science Support is \$38.4 million, an increase of \$7.4 million above the FY 2016 enacted level. The House and Senate reduce funding for LCCs and Science Support below the FY 2016 enacted level by \$1.0 million and \$4.0 million respectively. The Senate's proposed funding reduction will eliminate all non-LCC science capacity and funding will only be used for science relating to White Nose Syndrome and the Service's Cooperative Recovery Initiative.

- These reductions will result in States, Tribes, and other Federal programs grappling with landscape level natural resource issues without the benefits of coordination and synergy provided by the Service.

Deferred Maintenance

- The Service currently has a deferred maintenance backlog of \$1.3 billion. Approximately 87 percent of the backlog is attributable to Refuge System assets and 13 percent stems from National Fish Hatchery System assets.

- Approximately one quarter of the backlog is attributable to each of four asset categories: Roads, Water Management Infrastructure, Buildings, and Other Assets.

- The FY 2017 President's budget requests a total of \$170.9 million for maintenance programs across the Service. This funding will support annual and deferred maintenance as well as equipment repair and replacement. The House and Senate appropriations proposals provide $168.2 million and $162.9 million respectively.

- Within the Service's Construction account, the FY 2017 President's budget requests a total of $23.7 million including $14.6 million for line item construction projects. The line item construction activity provides funds for larger scale construction, rehabilitation, and replacement of Service assets.

Legislative issues

- The budget requests appropriations language providing the authority, similar to that of the National Park Service, to seek compensation from responsible parties who injure or destroy Refuge System or other Service resources. Today, when Refuge System resources are injured or destroyed, the costs of repair and restoration are born by the appropriated budget for the affected refuge, often at the expense of other refuge programs. With this authority, the recovery of damages for injury to Refuge System resources would: reimburse assessment costs; prevent or minimize the risk of loss; monitor ongoing effects; and/or restore, replace or acquire resources equivalent to those injured or destroyed. The House and Senate do not provide the requested language.

- The budget includes a legislative proposal that would allow limited authority for the Secretary to increase the price of the Federal Duck Stamp to keep pace with inflation, with the approval of the Migratory Bird Conservation Commission. This language is intended to provide stability to the purchasing power of the Federal Duck Stamp. The House and Senate do not provide the requested language.

- The FY 2017 House and Senate marks include a number of controversial policy riders. The riders prohibit the Service from treating several species as endangered under the ESA including the Mexican wolf and Preble's Meadow Jumping Mouse. These riders are described in detail in the Endangered Species Issue Paper (see 10.07).

- The 2017 House and Senate marks also feature riders affecting the Refuge System and fisheries. The Senate proposal instructs the Service to permit road construction in designated wilderness at the Izembek refuge and artificially enrich fish habitat on Kodiak Island. The House proposal instructs the Service to construct a fish hatchery to rear sufficient numbers of Delta smelt so as to permit additional water deliveries to southern California without providing funding for construction, operation, or maintenance.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, the Service's activities support Mission Area 1, Celebrating and Enhancing America's Great Outdoors. The Service reports to all three goals under this mission area: Protect America's Landscapes and Species, Protect America's Cultural and Heritage Resources, and Enhance Recreation and Visitor Experience.

- The Service directly reports to all four goals under Mission Area 4, Engaging the Next Generation, to Play, Learn, Serve, and Work.

- The Service also directly reports to one goal under Mission Area 6, Building a Landscape-Level Understanding of our Resources to Provide Shared Landscape-Level Management and Planning Tools.

- The Service's performance is included within the following Agency Priority Goals:
  - *By September 30, 2017, the Department of the Interior will mainstream climate change adaptation and resilience into program and regional planning, capacity building, training, infrastructure, and external programs, as measured by scoring 300 of 400 points through the Strategic Sustainability Performance Plan scorecard.*

  - *By September 30, 2017, the Department of the Interior will provide 100,000 work and training opportunities over four fiscal years (FY 2014 through FY 2017) for individuals age 15 to 35 to support Interior's mission.*

  - *By September 30, 2017, the Department of the Interior will double the acres of restored or enhanced habitat for Monarch butterflies and other pollinators.*

  - *By September 30, 2017, increase approved capacity authorized for renewable energy resources affecting Department of the Interior managed lands, while ensuring full environmental review, to at least 16,600 Megawatts.*

Issue Paper: Endangered Species Act Funding and 2017 Legislative Riders

Summary:

The Service is responsible for administering the Endangered Species Act (ESA) and leads efforts to recover and conserve the Nation's imperiled species by fostering partnerships, employing scientific excellence, and developing a workforce of conservation leaders.

Within the U.S. there are 372 species listed as threatened and 1,234 species listed as endangered. FWS has 120 active petitions to list additional species. Despite funding constraints, FWS has successfully removed 18 domestic species from the list of threatened and endangered species since 2008 due to recovery.

Congressional hearings and oversight have focused on litigation and settlements, use of the best available scientific data and its availability to the public, designating critical habitat and developing economic analyses, and transparency of FWS decisions. The 2017 House and Senate appropriations bills include numerous legislative riders associated with implementing the ESA.

Budget Information:

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
Ecological Services*	225,913	234,006	252,293	237,905	237,332
Listing	[20,515]	[20,515]	[22,901]	[14,411]	[17,411]
Planning and Consultation	[98,336]	[99,079]	[105,650]	[103,650]	[102,966]
Conservation and Restoration	[29,146]	[32,396]	[34,562]	[32,646]	[32,396]
Recovery	[77,916]	[82,016]	[89,180]	[87,198]	[84,559]

* Funding supports implementation of laws in addition to the ESA

Background:

The ESA expired in 1992 and since then there have been numerous legislative attempts to renew the Act. In the interim, to improve ESA implementation, FWS and the National Marine Fisheries Service have proposed and finalized, respectively, several regulations to reduce burdens, redundancy, and conflict, while promoting predictability, certainty, and innovation in the administration of the ESA. Examples include:

- Revising petition regulations to provide clarity to the public and States;
- Providing incentives for landowners to conserve candidate species;
- Revising the definition of "destruction or adverse modification" of critical habitat;
- Revising regulations governing Incidental Take Statements; and,
- Providing a formal interpretation of the phrase "significant portion of its range."

In an effort to improve implementation of the ESA, FWS settled lawsuits by establishing a multi-year listing workplan that will enable the agency to systematically, over a period of six years, review and address the needs of more than 250 species to determine if they should be added to the Federal list of endangered and threatened species. FWS expects to complete the workplan in 2016. However, one of the original plaintiffs, the Center for Biological Diversity, has already filed a Notice of Intent to Sue to force FWS to make listing decisions for an additional 417 species. In an effort to be proactive, FWS developed a new workplan that would run from FY 2017 through 2023 and cover 362 species. This workplan was finalized July 27, 2016.

Ecological Services Capability:

Ecological Services achieves conservation of FWS trust resources, focusing on imperiled species, and works closely with external partners and agencies for the conservation of natural resources across the landscape. The Ecological Services budget is $234.0 million in FY 2016 and the FY 2017 request includes $252.3 million for the program. The House and Senate provide relatively small increases to the FY 2016 funding level for the Ecological Services program however, the funding level remains well below the 2017 budget request. The House and Senate both reduce funding for Listing activities by 30 percent and 15 percent, respectively, below FY 2016 levels. Reduced funding for the Listing program could force FWS to violate statutorily-set deadlines, causing further litigation to enforce those terms and resulting in a return to the unpredictable, litigation-driven listing environment that existed prior to 2011. The House and Senate provide increases to the other Ecological Services activities, however most of the increases are for Congressional priorities and would not provide funding for FWS's highest priorities and fulfillment of statutory deadlines.

2017 Proposed Legislative Riders:

The House and Senate bills include several riders that would alter the manner in which the FWS implements the ESA and, in some cases, prevent FWS from implementing the law. The riders and the Obama Administration's positions follow.

<u>Lesser Prairie Chicken (House and Senate)</u>
SEC. 445. None of the funds made available by this Act shall be used to treat the lesser prairie chicken as an endangered species or threatened species, or a candidate for listing as such a species, under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

FWS published the final rule to list the lesser prairie chicken as a "threatened" species under the ESA on April 10, 2014. On September 1, 2015, the U.S. District Court for the Western District of Texas vacated the FWS's 2014 decision. As a result of the court's order, FWS is not treating the lesser prairie-chicken as a species protected by the ESA and published a final rule to remove the lesser prairie-chicken from the Federal list of Endangered and Threatened Wildlife (50 C.F.R. 17.11(h)), effective July 20, 2016. FWS initiated a new status review to determine whether listing is again warranted.

Obama Administration Position: Defunding the agency's ability to implement the ESA and its statutory requirements, including efforts to prevent the need to list a species if threats continue, would only further litigation by outside groups and undercut FWS's ability to work collaboratively with States, local communities, and landowners to conserve this imperiled species.

Sage Grouse (House and Senate)
SEC. 115. None of the funds made available by this or any other Act may be used by the Secretary of the Interior to write or issue pursuant to section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533)—(1) a proposed rule for greater sage-grouse (Centrocercus urophasianus); (2) a proposed rule for the Columbia basin distinct population segment of greater sage-grouse.

This language would prevent FWS from issuing an ESA proposed rule for greater sage-grouse.

Obama Administration Position: This language would legislatively override an objective, science-based determination FWS could potentially make in the future. This language runs counter to the fundamental principle that science should govern determinations under our nation's environmental laws by legislating the conservation status of a species under the ESA without regard to science. FWS does not support any language that would cause the agency to limit its capability of implementing the ESA and potentially cause an increase in litigation regarding the Government's responsibility to implement the statutory requirements of the ESA.

Gray Wolf (House and Senate)
SEC. 119. Before the end of the 60-day period beginning on the date of the enactment of this Act, the Secretary of the Interior shall reissue the final rule published on December 28, 2011 (76 Fed. Reg. 81666 et seq.) and the final rule published on September 10, 2012 (77 Fed. Reg. 55530 et seq.), without regard to any other provision of statute or regulation that applies to issuance of such rules. Such reissuances (including this section) shall not be subject to judicial review.

This language would direct FWS to reinstate the final rules to delist gray wolves in Wyoming and in the western Great Lakes States, both of which were vacated by the courts, and then shield those actions from any further judicial review.

Obama Administration Position: FWS continues to believe the science-based decision to delist was correct. The Administration opposes legislatively adding or removing species from the list of threatened and endangered species protected under the ESA.

SEC. 477. None of the funds made available by this Act may be used by the Secretary of the Interior to treat any gray wolf in any of the 48 contiguous States or the District of Columbia as an endangered species or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) after June 13, 2017.

The proposed language would prevent FWS from pursuing recovery of the species and other responsibilities resulting from the species' listing status – including review and approval of projects with potential impact to the species, and development and implementation of a recovery plan for the species. The amendment would prohibit FWS from working with agencies, developers, landowners, and others to provide ESA compliance through section 7 consultations or section 10 permits for Federal and private projects that could potentially affect the species. It would not, however, affect the ability of third parties to sue those agencies or landowners and potentially enjoin their projects due to the lack of ESA compliance. The language would also prevent FWS from undertaking required status reviews of the subspecies or initiating any rulemaking to downlist or delist the species as appropriate. While FWS considers the Gray Wolf to be recovered throughout much of its historical range, this amendment would establish a legal precedent that could impact other listed species.

Obama Administration Position: FWS continues to believe the science-based decision to delist was correct. The Administration opposes legislatively adding or removing species from the list of threatened and endangered species protected under the ESA.

Mexican Gray Wolf (House)

SEC. 494. None of the funds made available by this Act may be used to treat the Mexican wolf (Canis lupus baileyi) as an endangered species or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) or to implement a recovery plan for such species that applies in any area outside the historic range of such species.

This language would bar FWS from carrying out any of the responsibilities associated with the listing of the Mexican wolf under the ESA. It would also bar FWS from implementing the provisions of the experimental population rule, which provides management flexibility and authorizes take for management purposes, depredation and nuisance behaviors, and unacceptable impacts to native ungulates; and prevent FWS from developing a recovery plan that would apply outside of the historical range. This language would prohibit FWS from managing Mexican wolves in the wild, which includes capture and removal of depredating and problem wolves and assisting livestock producers with managing wolf-livestock conflicts, such as using radio collars and hazing techniques. It would not preclude third parties from suing private citizens for take violations under section 9 of the ESA, likely to occur in the absence of Federal management.

Obama Administration Position: FWS has a statutory requirement to implement the ESA. Eliminating the agency's ability to fulfill its legal requirements would only further litigation by outside groups and undercut FWS's ability to work collaboratively with States, local communities, and landowners to conserve this imperiled species. At the current population level, lack of active management is likely to result in the elimination of the Mexican wolf in the U.S.

Constructing a California Native Fishes Hatchery (House)

SEC. 118. (a) IN GENERAL.—Not later than two years after the date of the enactment of this Act, the Secretary of the Interior, in consultation with the Director of the California Department of Fish and Wildlife, shall develop and implement the expanded use of conservation fish hatchery programs to enhance, supplement, and rebuild delta smelt (Hypomesus transpacificus) and other species listed as endangered species or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), under the biological opinion issued under that Act by the United States Fish and Wildlife Service, dated December 15, 2008, on the effects of the coordinated operations of the Central Valley Project and the State Water Project in California. (b) PROGRAM DESIGN.—The conservation fish hatchery programs established under subsection (a) and their associated hatchery and genetic management plans shall be designed— (1) to benefit, enhance, support, and otherwise recover naturally spawning fish species to the point where the measures under the Endangered Species Act of 1973 are no longer necessary for such species; (2) to address the recommendations of the California Hatchery Scientific Review

Group; and (3) to minimize adverse effects to operations of the Central Valley Project and State Water Project (as those terms are used in the Central Valley Project Improvement Act of 2002 (title XXXIV of Public Law 102–575)). (c) MISCELLANEOUS REQUIREMENTS.—In implementing this section, the Secretary— (1) shall give priority to existing and prospective hatchery programs and facilities within the Sacramento-San Joaquin Delta and the riverine tributaries thereto; and (2) may enter into cooperative agreements for the operation of conservation hatchery programs with the State of California, tribes, and other non-Governmental entities for the benefit, enhancement, and support of naturally spawning fish species.

The House bill directs FWS to develop and implement the expanded use of conservation fish hatchery programs to enhance, supplement, and re-build the Delta smelt population and those of other listed species in the San Francisco Bay Delta (Bay Delta). The cost of such a facility is high and additional construction funding has not been provided; FWS would need construction funds to proceed with building a project this large. Funds have not been requested in FWS's construction budget and no funds were provided by the House in the current appropriations bill. FWS's construction budget is funded by project and projects are selected through a 5-year planning process. It is unclear if it is even possible to complete construction of a new facility within the two year time frame. The logistical hurdles of acquiring land for the facility, securing construction permits and completing all required compliance activities could take much longer.

Obama Administration Position: Due to adverse habitat conditions, developing a fish hatchery program for Delta smelt and other threatened or endangered species in the Bay Delta would not be a good use of resources. It is unknown if Bay Delta conditions that would support a recovered population of Delta smelt or other spawning fish species are possible and if possible, it would take decades of large investments for significant improvement. The problems that have resulted in the decline of the species (loss of habitat, introduced invasive plants and animals, and greatly altered flow regimes) need to be attenuated to a level that results in an increased probability of success from the release of captive reared fish. Releasing captive bred fish into the wild only for the population to immediately die off due to incompatible conditions is inconsistent with the purposes of maintaining refugial populations.

<u>Prohibiting ESA Implementation for Species without a Current 5-Year Review (Senate)</u>
SEC. 475. None of the funds made available by this Act may be used to implement or enforce the threatened species or endangered species listing of any plant or wildlife that has not undergone a review as required by section 1 4(c)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1533(c)(2) et seq.).

The proposed language would prevent FWS from pursuing species recovery and other responsibilities resulting from species' listing status – including review and approval of projects with potential impact to the species, and development and implementation of a recovery plan for the species. The language would prohibit FWS from working with agencies, developers, landowners and others to provide ESA compliance through section 7 consultations or section 10 permits for Federal and private projects that could potentially affect the species. It would not, however, affect the ability of third parties to sue those agencies or landowners and potentially enjoin their projects due to the lack of ESA compliance. The language would also prevent FWS from undertaking required status reviews of the subspecies or initiating any rulemaking to downlist or delist the species as appropriate.

FWS currently has hundreds of 5-year reviews in process and several hundred more to be initiated. These reviews often can be complex and take more than a year to complete. In order to keep up in a timely way, FWS should be performing about 250 reviews per year. However, due to resource constraints and the urgency to perform other recovery duties as mentioned above, the maximum number of reviews FWS has been able to complete in a fiscal year thus far is 179 reviews.

Obama Administration Position: FWS has a statutory requirement to implement the ESA. Eliminating the agency's ability to fulfill its legal requirements would only further litigation by outside groups and undercut FWS's ability to work collaboratively with States, local communities, and landowners to conserve these imperiled species.

Prohibit ESA Implementation for Certain Mice (House)
SEC. 476. None of the funds made available by this Act may be used to implement or enforce the threatened species listing of the Preble's meadow jumping mouse under the Endangered Species Act of 1973 (16 U.S.C. 7 1531 et seq.).
SEC. 478. None of the funds made available by this Act may be used to treat the New Mexico Meadow Jumping Mouse as an endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

The proposed language would prevent FWS from pursuing recovery of the meadow jumping mouse species and other responsibilities resulting from the species' listing status – including review and approval of projects with potential impact to the species, and development and implementation of a recovery plan for the species. The language would prohibit FWS from working with agencies, developers, landowners, and others to provide ESA compliance through section 7 consultations or section 10 permits for Federal and private projects that could potentially affect the species. It would not, however, affect the ability of third parties to sue those agencies or landowners and potentially enjoin their projects due to the lack of ESA compliance. The language would also prevent FWS from undertaking required status reviews of the subspecies or initiating any rulemaking to downlist or delist the species as appropriate.

Obama Administration Position: FWS has a statutory requirement to implement the ESA. Eliminating the agency's ability to fulfill its legal requirements would only further litigation by outside groups and undercut FWS's ability to work collaboratively with States, local communities, and landowners to conserve these imperiled species.

Issue Paper: FWS Land Management Operations

Summary:

The National Wildlife Refuge System has grown to include more than 565 refuges, 38 wetland management districts and other protected areas encompassing 852 million acres of land and water from the Caribbean to the remote Pacific. National wildlife refuges provide habitat for more than 700 species of birds, 220 species of mammals, 250 reptile and amphibian species and more than 1,000 species of fish. More than 280 threatened or endangered plants or animals are protected on wildlife refuges. Each year, millions of migrating birds use refuges to feed and rest while they fly thousands of miles between their summer and winter homes. Nearly 50 million visitors enjoy wildlife-dependent recreation, such as fishing and wildlife observation, at refuges each year.

Compared with Fiscal Year (FY) 2010, the FY 2016 enacted budget for the Refuge System is a decline of 4.3 percent, resulting in reduced staffing levels, an erosion of buying power per dollar, and reduced programmatic outcomes.

Budget Information:

	($ in thousands)				
	2015	2016	2017		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
National Wildlife Refuge System	474,202	481,427	506,619	484,861	483,400
Wildlife and Habitat Management	[230,343]	[230,343]	[240,389]	[230,593]	[232,584]
Visitor Services	[70,319]	[73,319]	[80,380]	[73,569]	[74,043]
Refuge Law Enforcement	[38,054]	[38,054]	[40,712]	[38,054]	[37,054]
Conservation Planning	[2,988]	[2,523]	[2,544]	[2,773]	[2,544]
Refuge Maintenance	[132,498]	[137,188]	[142,594]	[139,872]	[137,175]

Background:

The budget for the Refuge System for FY 2016 is $481.4 million, $21.9 million below the FY 2010 enacted level. During this time, the number of Refuge System employees has declined by more than 400 to less than 2,800. Funding reductions have affected performance throughout the Refuge System.

Status of the National Wildlife Refuge System:

Issue:

Compared with FY 2010, the FY 2016 enacted budget for the Refuge System has declined by 4.3 percent, resulting in reduced staffing levels and management capability, an erosion of buying power per dollar, and reduced programmatic outcomes. Beginning with a $503.3 million appropriation in FY 2010, the budget reached a low point of $452.6 million in FY 2013 and increased to $481.4 million in FY 2016. Even though the funding level increased in FY 2016, it remains $68 million below the FY 2010 level when adjusted for inflation. The cumulative inflation rate over the past five years, between 2010 and 2016 as of May 2016, is 9.2 percent.

Wildlife and Habitat Management
As a direct result of reductions in funding and decreased purchasing power over time, performance and accomplishments on refuges across the country have declined. For example, maintaining high quality habitat for fish and wildlife is arguably the most important work on refuges. Without high quality habitat, accomplishing refuge purposes and fulfilling the mission of the Refuge System is challenging. Between FY 2010 and FY 2015, the Refuge System saw a 12 percent decline in the number of upland, wetland, and total acres receiving needed management. As management capability declines, non-native, invasive species flourish. Over the same period, the Refuge System treated 34 percent fewer acres for invasive plants and accordingly saw a 58 percent drop in acres where control of invasive plants was achieved.

Visitor Services
Demand to enjoy refuges remains strong – since FY 2010, the Refuge System has seen a 14 percent increase in auto tour visits, an 18 percent increase in boat launches, and a 12 percent increase in wildlife observation. Although visitation is up, staff reductions have required dozens of refuge visitor centers to curtail daily hours, reduce the number of days they are open to the public, and terminate some public programs. The Refuge System has also seen a 14 percent drop in the number of volunteers due to a reduction in staff dedicated to visitor programs and training volunteers.

Refuge Law Enforcement
The Refuge System has 300 Federal wildlife officers to protect and serve resources and visitors at more than 565 wildlife refuges. For example, in New Mexico there is one full-time Federal wildlife officer for the nine refuges that are separated by hundreds of miles, consist of nearly 400,000 acres, and are visited by more than 285,000 people annually. A staffing model devised in 2015 by the International Association of Chiefs of Police estimated that adequate coverage for the Refuge System would require roughly triple the current number of officers. Additionally, recent surveys indicate visitors want a stronger law enforcement presence on refuges.

Fire Management
Prescribed burning reduces hazardous fuel loads, reduces wildfire risk to communities, and minimizes the eventual costs of wildfire suppression. FWS is responsible for protecting more than 75 million combustible acres. The number of fuels treated and number of acres treated has gone down dramatically since FY 2010. Between FY 2010 and FY 2015 the Refuge System had a 48 percent reduction in the number of fuels treatments and 115,137 fewer acres were treated. Fuels treatments include prescribed fire, chemical, and mechanical treatments.

Real Property Maintenance
In FY 2017, the President's Budget requested an additional $5.4 million to improve Refuge System maintenance and reduce its deferred maintenance backlog. Since FY 2010, the Refuge System has received funding to invest less than 0.5 percent of its constructed asset value annually toward maintenance. The industry standard is to invest between 2 and 4 percent of assets' value into annual maintenance to keep facilities in good working order and reduce the likelihood of greater repair costs later in structures' lives when conditions may become unsafe.

Fiscal Year 2017 Budget

The FY 2017 budget request includes $506.6 million for the Refuge System, an increase of $25.2 million above FY 2016. This increase was requested to begin restoring management capability to the Refuge System. The House and Senate provide only slight increases above FY 2016 which will result in further erosion of the Refuge System's management capability.

National Park Service
Organization Profile

($ in Thousands)	2015 Actual	2016 Enacted	2017 Request	2017 House	2017 Senate	2017 Req to 2016
Current	2,616,470	2,851,285	3,101,450	2,930,048	2,913,918	250,165
Permanent	628,216	525,440	1,237,794	556,179	556,179	712,354
Total	**3,244,686**	**3,376,725**	**4,339,244**	**3,486,227**	**3,470,097**	**962,519**
FTE	**19,539**	**20,205**	**20,486**			**281**

Bureau Profile

- Funding for NPS is provided through a combination of discretionary or current and permanent appropriations including Recreational Fees and Park Concessions Franchise Fees. Funding for NPS is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.
    - In addition, the US Department of Transportation provides funding for NPS transportation improvements annually (a total of $276 million in FY 2017), under the Federal Lands Transportation Program.
- The mission of NPS, as stated in the Organic Act of 1916, is to "preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations."
- The NPS manages the units of the National Park System and also helps administer dozens of affiliated areas, National Wild and Scenic Rivers, and National Trails.
- In addition to preserving important natural resources and cultural resources within national park boundaries, the NPS works beyond those boundaries to ensure that the Nation's cultural resources are protected. This includes a variety of technical assistance and grant programs including Historic Preservation Fund grants, as well as the National Register of Historic Places, National Historic Landmarks, National Natural Landmarks, and National Heritage Areas.
- The NPS also works with local communities to plan, acquire, and develop outdoor recreation areas and facilities. This includes a variety of technical assistance and grant programs including Land and Water Conservation Fund grants to States.
- The Centennial Challenge program provides a Federal match to leverage partner donations for signature projects and programs at national parks in support of the NPS Centennial and second century of operations.
- The NPS headquarters and a regional office are located in Washington, D.C.; the six other regional offices are located in Anchorage, AK; San Francisco, CA; Denver, CO; Omaha, NE; Philadelphia, PA; and Atlanta, GA.

Bureau Statistics

- One hundred years ago, on August 25, 1916, President Woodrow Wilson signed the act creating the National Park Service.

- Yellowstone National Park (Wyoming, Montana, and Idaho) was established by Congress as the Nation's (and the world's) first national park on March 1, 1872.

- The national park system covers more than 84 million acres and is comprised of 413 sites. These include but are not limited to: 128 historical parks or sites, 83 national monuments, 59 national parks, 25 battlefields or military parks, 19 preserves, 18 recreation areas, 10 seashores, four parkways, four lakeshores, and two reserves. These park units are located in all 50 States and the District of Columbia, American Samoa, Puerto Rico, and the Virgin Islands.

- Wrangell-St. Elias National Park and Preserve (Alaska) is the largest park with 13.2 million acres. The smallest site in the system is the Thaddeus Kosciuszko National Memorial (Pennsylvania) at 0.02 acres.

- The most recent addition to the national park system is Katahdin Woods and Waters National Monument (Maine) which was designated on August 24, 2016.

- The NPS maintains 879 visitor centers and contact stations which were visited by more than 307.2 million people in calendar year 2015. This is up by more than 14.5 million visitors over the prior year; early estimates for 2016 indicate additional visitation increases over 2015 levels.

- In 2015, the most visited national park unit was the Blue Ridge Parkway (15.1 million). The most visited national park was Great Smoky Mountains NP (10.7 million).

- Annual visitor spending in communities within 60 miles of NPS sites supports more than 295,000 jobs and contributes about $32 billion to the U.S. economy.

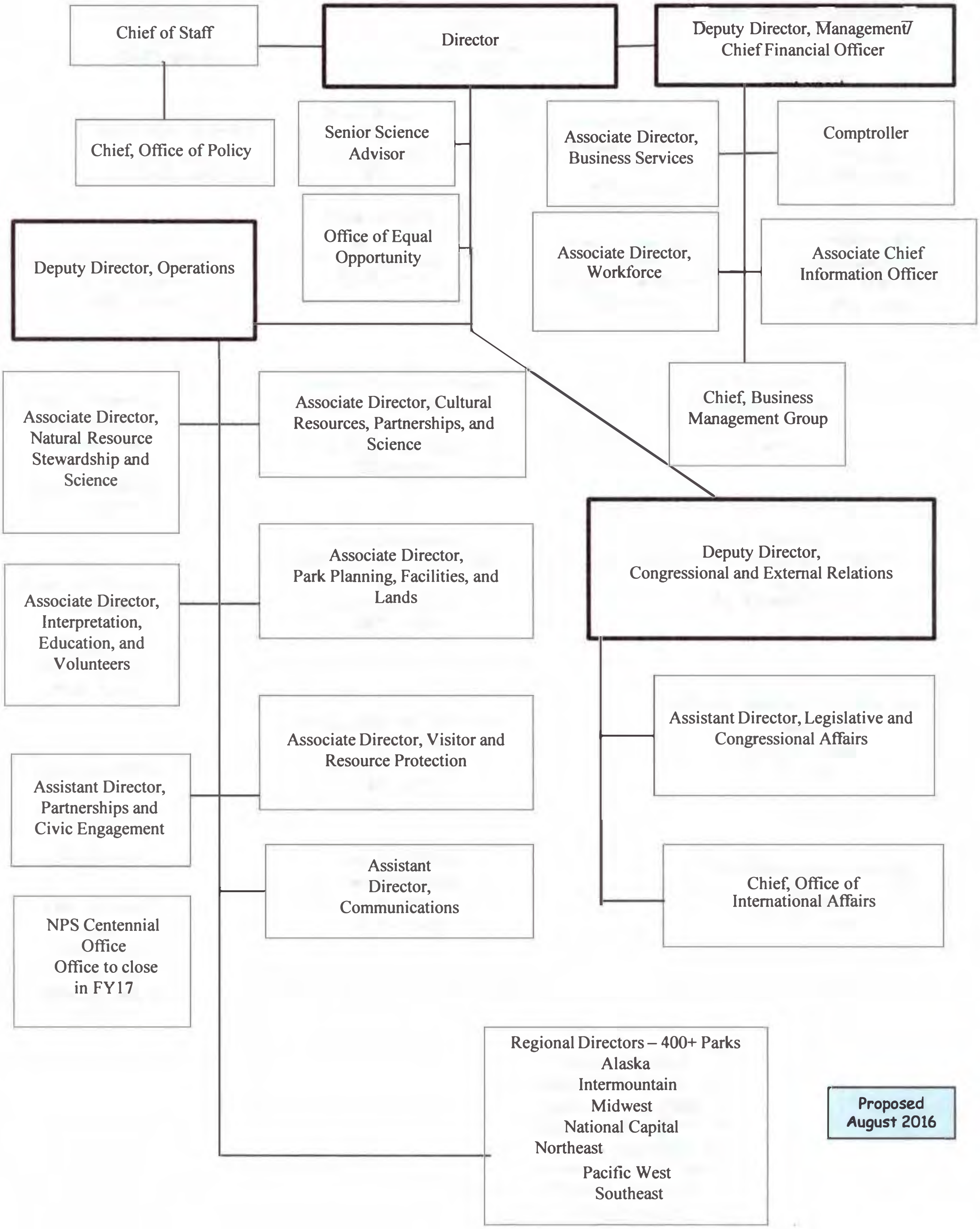
- NPS staff are assisted by 246,000 Volunteers-In-Parks (VIPs), who donate about 6.7 million hours annually. This is the equivalent of having about more than 3,200 additional employees.

- More than 215 non-profit park friends groups contribute time, expertise, and about $250 million annually to national parks across the country.

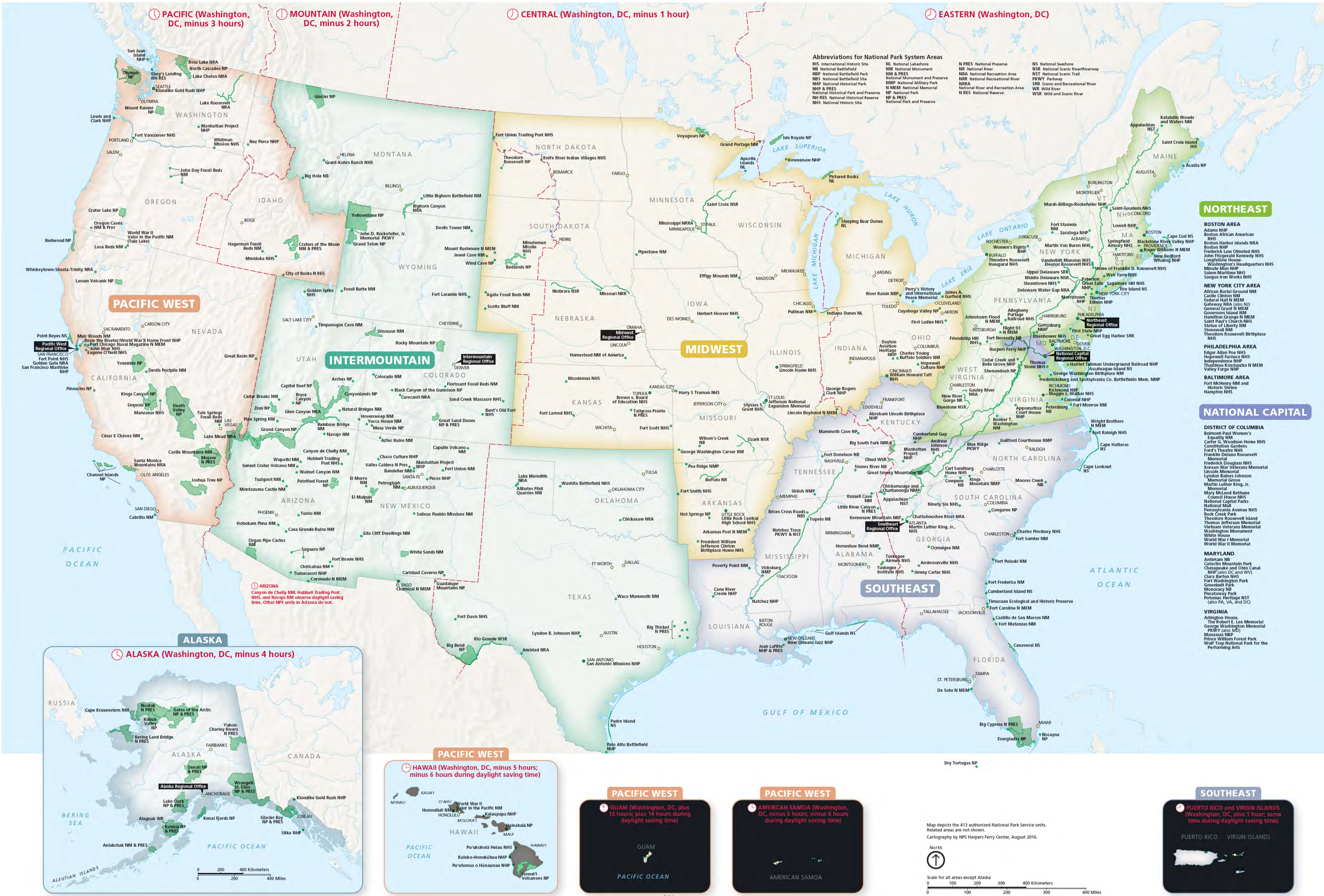
- The NPS has approximately 500 concession contracts at more than 100 sites. Concessioners provide visitors with food, lodging, transportation, shops, and other services. They employ approximately 25,000 people. Gross revenues are about $1.3 billion annually, and they pay the government $80 million in franchise fees each year.

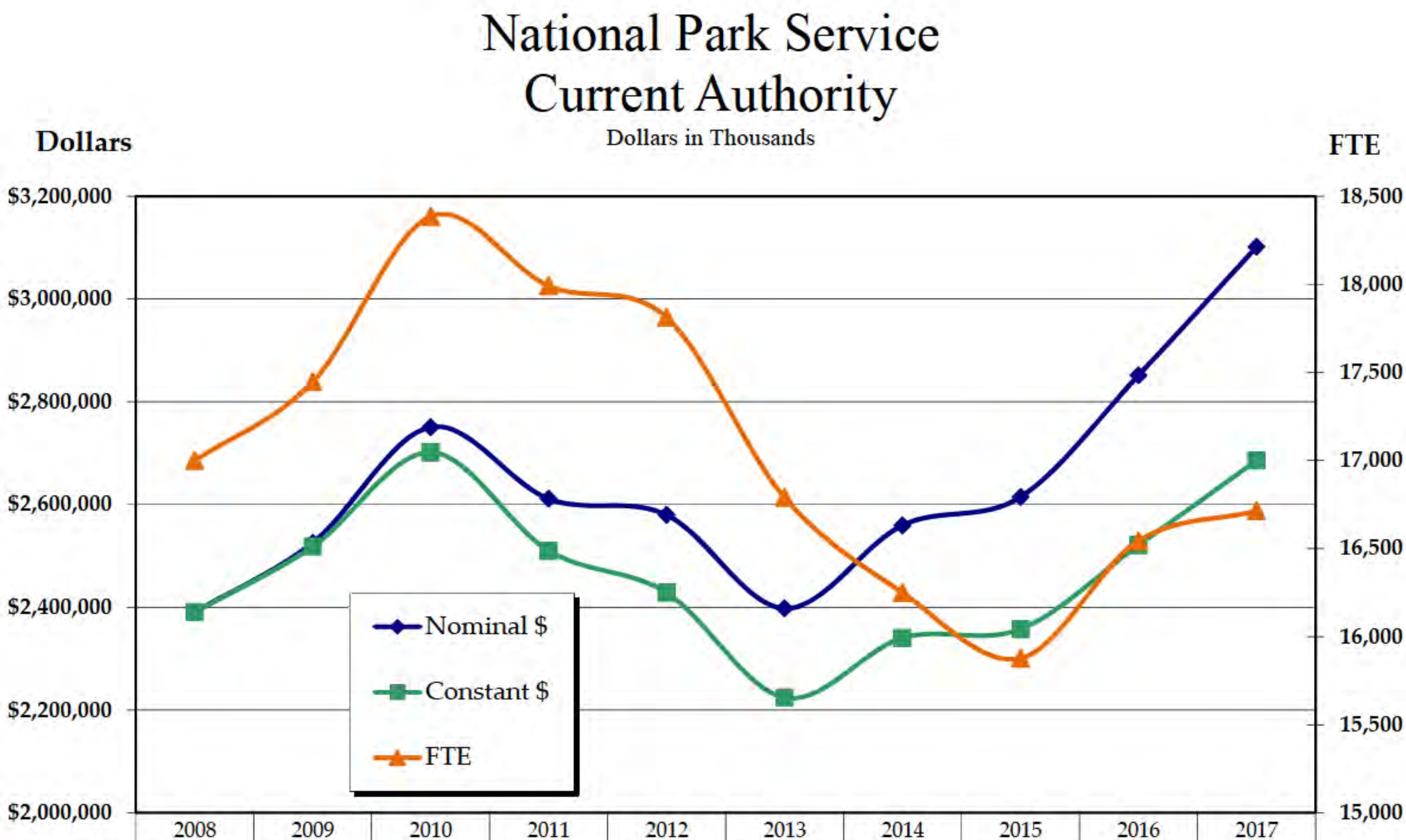
- National parks contain:
    - At least 247 species of threatened or endangered plants and animals
    - More than 75,000 archeological sites
    - Nearly 27,000 historic and prehistoric structures

National Park Service Organization



National Park Service Regions





	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	2,390,488	2,525,608	2,750,530	2,611,142	2,579,620	2,397,642	2,559,519	2,614,789	2,851,285	3,101,450
Constant $	2,390,488	2,518,031	2,701,486	2,510,181	2,428,136	2,224,087	2,340,279	2,357,519	2,520,822	2,685,786
FTE	16,999	17,446	18,385	17,991	17,811	16,790	16,249	15,877	16,543	16,713

National Park Service
Budget Overview

($ in Thousands)	2015 Actual	2016 Enacted	2017 Request	2017 House	2017 Senate	2017 Req to 2016
Current	2,616,470	2,851,285	3,101,450	2,930,048	2,913,918	250,165
Permanent	628,216	525,440	1,237,794	556,179	556,179	712,354
Total	**3,244,686**	**3,376,725**	**4,339,244**	**3,486,227**	**3,470,097**	**962,519**
FTE	**19,539**	**20,205**	**20,486**			**281**

Key Budget Issues

Centennial and Impact on Park Operations

- The NPS is closing out its Centennial year, which included special programs and events across the country to reach new audiences, particularly the millennial generation.

- NPS set a visitation record (307 million visitors in 2015), which the NPS expects will be broken in the Centennial year. Overall park visitation has increased by 28 million visitors, or ten percent, since 2011. During this time, 64 percent of parks have experienced rising visitation. Included in this group are crown jewels of the national park system, such as Rocky Mountain National Park (+28 percent since 2011), Grand Canyon National Park (+26 percent), Yellowstone National Park (+18 percent), and Great Smoky Mountains National Park (+17 percent).

- The FY 2017 President's budget requested a $190.5 million discretionary increase as part of the Centennial initiative. This included:

  - +$150.5 million for deferred maintenance including project planning, and oversight,
  - +$20.0 million to support the Every Kid in a Park program, and
  - +$20.0 million for the Centennial Challenge program.

- The House provides $80.5 million of the Centennial request.

- The Senate provides $54.4 million of the Centennial request.

- The proposed National Park Service Centennial Act would authorize mandatory funding of $500.0 million a year for three years with authority to collect additional fees through the NPS Second Century Fund. This is discussed in greater detail in the Legislative Issues section.

- The National Park Foundation (NPF) began its Centennial Campaign for America's National Parks on October 1, 2013; the campaign runs through September 30, 2018. The overall fundraising goal is $350 million. As of the end of July 2016, the NPF had raised $235.8 million for targeted parks and programs.

Deferred Maintenance

- The NPS currently has a deferred maintenance backlog of $11.9 billion. Park infrastructure has additional requirements beyond deferred maintenance, including the need to improve physical accessibility and lack of compliance with health/life/safety codes.

- The current replacement value of these assets is $166 billion, though many of these assets are historic in nature and arguably irreplaceable.

- Approximately half ($5.974 billion) of the deferred maintenance backlog is from paved roads and structures, including bridges, tunnels, paved roads, and paved parking areas. The remaining $5.953 billion includes a variety of facilities including but not limited to dams, utility systems, marinas, monuments, and visitor centers.

- Within the NPS Operating account, the FY 2017 President's budget requests a total of $159.5 million for Cyclic Maintenance. This program provides cyclic, preventative project funding necessary to maintain park assets. This account also includes $148.7 million for the Repair and Rehabilitation program, which provides project funds to address deferred maintenance and restore or improve a facility.

- Within the NPS Construction account, the FY 2017 President's budget requests a total of $153.3 million for Line Item Construction (LIC) projects. This activity provides the project funds for larger scale construction, rehabilitation, and replacement of park assets.
  - The House provides $129.5 million
  - The Senate provides $140.0 million

Legislative Issues

- **NPS Centennial –** The proposed National Park Service Centennial Act would authorize mandatory funding of $500.0 million a year for three years with authority to collect additional fees through NPS Second Century Fund. Together with the appropriated request the full President's Budget proposal would allow NPS to make targeted, measurable upgrades over the next 10 years to all of its highest priority, non-transportation assets, restoring and maintaining them in good condition. This legislative proposal includes:

  - $300.0 million a year for three years for Second Century Infrastructure Investments in high priority deferred maintenance projects;
  - $100.0 million a year for three years for the leveraged Centennial Challenge program;
  - $100.0 million a year for three years for the Public Lands Centennial Fund which will award project funding competitively to Interior's public lands bureaus and the U.S. Forest Service; and
  - The authority to collect additional camping or lodging fees and funds collected from purchases of lifetime pass for citizens 62 years of age or older.
  - Additional titles include the establishment of an endowment, commercial visitor services contracting modernization, and intellectual property rights.

  - A section by section analysis of the Administration's Centennial Act proposal is included in the NPS Centennial paper, including House and Senate versions.

- **Historic Preservation Fund** – The budget proposes to extend the authority to deposit $150 million in receipts from offshore oil and gas revenues annually into the Historic Preservation Fund. The HPF funds the essential infrastructure of the Nation's historic preservation program. Section 5003 of S. 2012, The Energy Policy Modernization Act of 2015, permanently reauthorizes the HPF, and H.R. 2817, the National Historic Preservation Amendments Act, reauthorizes the HPF through 2023.

- **Land and Water Conservation Fund** – The budget proposes $900.0 million in discretionary and mandatory funding in 2017, and, beginning in 2018, $900.0 million in annual mandatory funding for the Departments of the Interior and Agriculture programs funded out of the Land and Water Conservation Fund. Additional detail is included in the Legislative Proposals paper.

- **Recreation Fee Program** – The budget proposes legislation to permanently authorize the Federal Lands Recreation Enhancement Act, which is authorized through September 30, 2017. Additional detail is included in the Legislative Proposals paper.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014-2018, NPS activities most closely align with Mission Area 1, Celebrating and Enhancing America's Great Outdoors. The NPS reports to all three goals under this mission area:
  - Goal One: Protect America's Landscapes and Species,
  - Goal Two: Protect America's Cultural and Heritage Resources, and
  - Goal Three: Enhance Recreation and Visitor Experience.

- NPS directly reports to all four goals under Mission Area 4, Engaging the Next Generation.
  - Goal One: Play - Develop or enhance outdoor recreation partnerships in a total of 50 cities over the next four years to create new, systemic opportunities for outdoor play for over 10 million young people.
  - Goal Two: Learn - In four years, provide educational opportunities to at least 10 million of the Nation's K-12 student population annually.
  - Goal Three: Serve - In 4 years, attain 1,000,000 volunteers annually on public lands.
  - Goal Four: Work - Provide 100,000 work and training opportunities to young people over the next four years.

- NPS also directly reports to one goal under Mission Area 6, Building a Landscape-Level Understanding of our Resources.
  - Goal One: Provide Shared Landscape-Level Management and Planning Tools.

- NPS performance is included within the following Agency Priority Goals:

- *By September 30, 2017, the Department of the Interior will mainstream climate change adaptation and resilience into program and regional planning, capacity building, training, infrastructure, and external programs, as measured by scoring 300 of 400 points through the Strategic Sustainability Performance Plan scorecard.*
- *By September 30, 2017, the Department of the Interior will provide 100,000 work and training opportunities over four fiscal years (FY 2014 through FY 2017) for individuals age 15 to 35 to support Interior's mission.*

Issue Paper: NPS Deferred Maintenance and Other Infrastructure

Summary:

The National Park Service (NPS) currently has a deferred maintenance (DM) backlog of $11.9 billion, of which approximately half or $5.974 billion is paved roads and structures (bridges, tunnels, paved parking lots, etc). The current replacement value of these assets is $166 billion, though many of these assets are historic in nature and arguably irreplaceable. Park infrastructure also has additional issues beyond deferred maintenance; NPS also faces challenges as it seeks to ensure its facility stewardship reflects current mandates and requirements for sustainability, code compliance, and accessibility.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Operation of the National Park System/Facility Maintenance					
Facility Maintenance					
Repair and Rehabilitation	81,961	99,461	148,661	134,461	114,461
Cyclic Maintenance	95,386	112,886	159,519	127,886	122,886
Total ONPS	**177,347**	**212,347**	**308,180**	**262,347**	**237,347**
Construction					
Construction					
Line Item Construction	61,678	116,276	153,344	129,501	139,959
Total Construction	**61,678**	**116,276**	**153,344**	**129,501**	**139,959**
Subtotal, Discretionary	**239,025**	**328,623**	**461,524**	**391,848**	**377,306**
Recreation Fee Permanent Appropriation					
Facilities Routine/Annual Maintenance	5,500	6,500	5,500	5,500	5,500
Facilities Capital Improvement	2,500	9,000	9,000	9,000	9,000
Facilities Deferred Maintenance	85,500	100,000	110,000	110,000	110,000
Total Rec Fees	**93,500**	**115,500**	**124,500**	**124,500**	**124,500**
Federal Lands Transportation Program					
Federal Lands Transportation Program	240,000	268,000	276,000	276,000	276,000
Total FLTP	**240,000**	**268,000**	**276,000**	**276,000**	**276,000**
Second Century Infrastructure Investment	**0**	**0**	**300,000**	**N/A**	**N/A**
Subtotal, Mandatory	**333,500**	**383,500**	**700,500**	**400,500**	**400,500**

Overview:

- For years, NPS maintenance funding has not kept pace with its identified needs.

- As long as NPS maintenance needs exceed annual funding levels, the DM total will continue to rise.

- The NPS uses the Capital Investment Strategy (CIS) to guide the evaluation and prioritization of NPS capital investment projects. The CIS promotes four mission goals: financial sustainability; resource protection; visitor use; and health and safety.

- The last three budget cycles have stressed the importance of using the CIS to eliminate the deferred maintenance backlog on the 7,186 highest priority non-transportation assets.

- In addition to the CIS, the NPS uses its Sustainable Buildings Implementation Plan (SBIP) to meet goals for sustainability in building management. Through implementation of the SBIP, the NPS will achieve greater energy efficiency, reduce the consumption of natural resources, provide healthier buildings and workplaces, and reduce greenhouse gas (GHG) emissions.

Background:

- Deferred maintenance (DM) is maintenance that was not performed at the required intervals to ensure an acceptable facility condition to support the expected life cycle of an asset.

- As DM continues to rise, the NPS is forced to make tough, strategic decisions to protect its priority assets and ensure effective functioning of mission critical assets. Assets are prioritized by interdisciplinary teams which measure an asset's contribution to protecting natural and cultural resources, visitor use, park operational support, and asset substitutability.

- The CIS utilizes the Asset Priority Index (API), a measure of the relative importance of an asset based on several factors to the park mission, and the Facility Condition Index (FCI), a numerical representation of the condition of a facility, to categorize assets into optimizer bands as shown in Table 1.

Table 1 – NPS Optimizer Band Definitions

Band	Priority Level	Definition
Band 1	Highest Priority Assets	Critical to the operations and mission of the park or have high visitor use; require highest base funding
Band 2	High Priority Assets	Very important to park operations; require significant base funds
Band 3	Medium Priority Assets	Important to park operations and mission; require some base funding
Band 4	Low Priority	Less important, but valuable for park

	Assets	operations and mission
Band 5	Lowest Priority Assets	Assets not required for the operations and mission of the park, such as inactive assets, or those fully maintained by partners. These assets are often in poor condition. Many are good candidates for disposal.

- Band 1 assets represent the highest priority assets in the Service, however Band 2 (High Priority) and Band 3 (Medium Priority) assets also heavily contribute to the historical importance or visitor experience of a park, provide safety and security measures, or are the access routes for visitors to see or experience higher priority assets. High and medium priority assets often include trails and campgrounds, parking areas, utility systems, waste water systems, and many other critical operational aspects of a park.

Issue: Centennial Initiative

- In the FY 2016 and FY 2017 President's budget requests, the funding requested supported a specific Centennial performance goal – if increases for deferred, cyclic, and line-item construction projects as well as construction planning and management were fully enacted, the NPS could restore and maintain all its currently-identified highest priority non-transportation assets to good condition over ten years.

- While Congress did appropriate an additional $89.6 million to support this effort in FY 2016, the amount falls far short of the total needed to accomplish the Centennial performance goal.

- The FY 2017 budget proposed a $150.5 million discretionary increase as well as mandatory funding of $300.0 million a year for three years to meet this performance goal.

- The House and Senate marks partially fund these 2017 increases, but that would not be realized under an extended or year-long Continuing Resolution.

- The backlog of DM requirements will remain a big issue for NPS well after 2017.

Issue Paper: Arlington Memorial Bridge

Summary:

The historic Arlington Memorial Bridge spanning the Potomac River in Washington, DC, was constructed in 1932 and is owned and maintained by the National Park Service. It has reached the end of its design life and requires extensive rehabilitation, to include full replacement of its center span. Corrective measures are needed now to keep the structure open to the public until the rehabilitation can be performed.

In 2017, NPS plans to conduct an emergency $5.0 million stabilization project, which will delay full closure until 2021. Without the emergency project, a full sidewalk closure could be required in 2017, with full bridge closure in 2019. In order to prevent closure, Memorial Bridge requires significant rehabilitation estimated at $262 million in addition to the emergency project.

Phase 1 work would rehabilitate the two approach spans (approximately 1,900 linear feet) at a cost of $166 million. Phase 1 will require approximately 2.5 years (including design and construction). Phase 2 work would rehabilitate the draw (bascule) span (approximately 200 linear feet). The current cost estimate is $96 million. The estimated construction time required to complete Phase 2 is two years.

Budget Information:

- The NPS Federal Lands Transportation Program (FLTP) is funded from the Highway Trust Fund through the US Department of Transportation (USDOT).
- NPS is using FLTP funding for preliminary engineering and design and emergency repairs on Memorial Bridge.
- From 2010 through 2017, the NPS estimates it will have spent $14.3 million from FLTP on the Memorial Bridge. This includes
  - $0.6 million for pedestrian bridges;
  - $3.4 million for the Environmental Assessment/Planning/Design;
  - $1.3 million for bearing columns, stringers, and bridge decking;
  - $4.0 million for additional work on support beams, columns, and bridge decking:
  - $5.0 million emergency repair project in 2017.
- NPS is identifying funding sources for Phase I.
  - NPS has received notice of approval for a $90.0 million FY 2016 DOT FASTLANE grant.
  - The NPS plans to fund $42.8 million from its FLTP allocations in FY 2017 and FY 2018.
  - This leaves a shortfall of $33.2 million to meet the estimated Phase 1 cost.

Background:

- The Federal Highway Administration identified Memorial Bridge as structurally deficient in its most recent biennial inspection.
- This is due primarily to severe corrosion of the steel in the bascule span; some support stringers and framing are missing altogether.

- If the bascule span fails, the center section is not expected to fall into the Potomac River, but could suddenly settle, creating an abrupt six to eight inch drop in the roadway on the bridge's center section.
- The bridge's sidewalks have significant damage to the concrete surface, and the granite curbs are out of place.
- There is also significant deterioration of the concrete in the arch spans, several of which are deficient as well.
- Finally, there are widespread areas of patching and rutting throughout the deck surface, and recent core samples indicate the deck concrete is rapidly deteriorating.
- The rehabilitation of the Memorial Bridge will require:
  - Replacement of the steel bascule span;
  - Repairs to deteriorated portions of the abutments, piers, and concrete approach spans;
  - Replacement of the concrete bridge deck;
  - Repair or replacement of all the other systems that make it a safe, functional bridge, including: lighting, drainage, pedestrian access, and safety features.

Issue: Sources of Funding for Phase 1:

- The NPS has received notice of approval for a $90.0 million FY 2016 DOT FASTLANE grant based on the phase 1 cost estimate of $166 million. The grant can only fund up to 60 percent of a project, and requires at least 20 percent (Phase 1: $33.2 million) be funded from sources other than the NPS FLTP program.
- The NPS plans to fund $42.8 million from the NPS Federal Lands Transportation Program allocation.
- This leaves a shortfall of $33.2 million to meet the FASTLANE matching requirement.
- While the District of Columbia was willing to sponsor the FASTLANE grant, neither Virginia nor the District of Columbia has been willing to provide matching funds.
- If no partnership funds are identified, the only other option available to NPS to address the shortfall is NPS Line-Item Construction (FY 2016 enacted: $116.3 million; FY 2017 request: $153.3 million). No funding is identified for this project in the FY 2017 NPS Line-Item Construction request.

Issue Paper: NPS Centennial

Summary:

The National Park Service's centennial year of 2016 kicked off a second century of stewardship of America's national parks and engaging communities through recreation, conservation, and historic preservation programs. The Centennial has spurred additional investment from Congress and the private sector as well as greater public engagement. In FY 2016, Congress provided an additional $122.1 million in support of the Centennial initiative. The FY 2017 President's Budget Request included a significant funding request to build upon the 2016 investment supporting the NPS Centennial with discretionary increases of $190.5 million, as well as several mandatory funding proposals included in the Administration's National Park Service Centennial Act. Certain provisions of the Centennial Act are included within HR 4680 and Senator Portman and Cantwell's amendment to the Senate Energy Bill. However, it is unlikely that the mandatory funding envisioned in the Administration's proposal will be enacted. A side by side comparison is attached to this paper.

Budget Information:

$ in Thousands

			2017				
2017 Centennial Initiative, Current	**2015 Enacted**	**2016 Enacted**	**Centennial Request**	**Non-Centennial Request**	**Total Request**	**House**	**Senate**
Construction: Deferred Maintenance [1/]	138,339	192,937	+54,709	+4,392	252,038	215,707	217,320
ONPS: Repair and Rehabilitation	81,961	99,461	+49,200	0	148,661	134,461	114,461
ONPS: Cyclic Maintenance	95,386	112,886	+46,633	0	159,519	127,886	122,886
ONPS: Every Kid in a Park (Transportation)	0	0	+11,500	0	11,500	0	0
ONPS: Every Kid in a Park (Coordinators)	0	0	+8,500	0	8,500	0	0
Centennial Challenge (Federal Project Match)	10,000	15,000	+20,000	0	35,000	30,000	20,000
Subtotal, 2017 Centennial Initiative	**325,686**	**420,284**	**+190,542**	**+4,392**	**615,218**	**508,054**	**474,667**
Other Items Funded in 2016 Centennial Initiative, Current							
ONPS Seasonal Rangers	N/A	8,000	0	0	8,000	8,000	8,000
ONPS Park Base New Responsibilities	N/A	17,500	0	0	17,500	17,500	17,500
ONPS Volunteers	4,776	6,776	0	0	6,776	6,776	6,776
Subtotal, Funded in 2016 Centennial Initiative	**4,776**	**32,276**	**0**	**0**	**32,276**	**32,276**	**32,276**
Total, Current Appropriation	**330,462**	**452,560**	**+190,542**	**+4,392**	**647,494**	**540,330**	**506,943**
Mandatory							
Centennial Challenge (Federal Project Match)	0	0	+100,000	0	100,000	0	0
Second Century Infrastructure Investment	0	0	+300,000	0	300,000	0	0
Departmental Operations: Public Lands Centennial Fund	0	0	+100,000	0	100,000	0	0
Second Century Fund (New Revenue Source)	0	0	+40,400	0	40,400	0	0
Total, Mandatory	**0**	**0**	**+540,400**	**0**	**540,400**	**0**	**0**

1/ Base funding reflects the entire Construction account The 2017 Centennial increase includes +$37 1M for Line Item Construction, $8 3M for Construction Planning, $5 7M for Regional Facility Project Support, and +$3 7M for the Denver Service Center Total funding in 2017 for that subset of the Construction account is $202 3M
The non-Centennial increase includes +$0 3M in fixed costs and +$4 0M in the equipment replacement program to update public safety and emergency communication systems

Background:

Though the 2016 Centennial provided the impetus for NPS funding increases in FY 2016 and in the FY 2017 President's Request, none of the requested discretionary funding was intended to be a one-time increase solely to support operations in the anniversary year. This is particularly important in the case of addressing the NPS deferred maintenance backlog. Overall, the Centennial initiative – including discretionary and mandatory proposals – will allow the NPS to ensure that all of its highest priority non-transportation park assets are restored and maintained in good condition over ten years.

The FY 2017 President's Budget Request includes significant funding requests to leverage the investment made to support the NPS Centennial in 2016 with discretionary increases of $190.5 million. These current investments are complemented by the proposed National Park Service Centennial Act to authorize mandatory funding of $500.0 million a year for three years with authority to collect additional fees through the NPS Second Century Fund. Certain provisions of the Centennial Act are included within HR 4680 and Senator Portman and Cantwell's amendment to the Senate Energy Bill (S. 2012). However, it is unlikely that the mandatory funding envisioned in the Administration's proposal will be enacted.

The National Park Foundation (NPF) began its Centennial Campaign for America's National Parks on October 1, 2013; the campaign runs through September 30, 2018. The overall fundraising goal is $350 million; as of the end of July 2016, the NPF had raised $235.8 million.

Summary of 2017 Request:

The FY 2017 President's Budget Request included significant funding requests to leverage the investment made to support the NPS Centennial in 2016 with discretionary increases of $190.5 million; including:

- +$150.5 million to address high priority deferred maintenance needs across the national park system; through a combination of funding for repair and rehabilitation and line item construction projects, cyclic maintenance, and project planning and oversight activities.

- +$20.0 million for NPS operations to engage youth through the Every Kid in A Park program; including $11.5 million to transport more than one million students from Title 1 elementary schools in urban areas to nearby national parks and $8.5 million to support park-level youth engagement coordinators.

- +$20.0 million for the Centennial Challenge program, providing an important Federal match to leverage partner donations for projects and programs at national parks in anticipation and support of the upcoming Centennial. In 2015 and 2016, the National Park Service selected more than 150 projects to leverage $25 million in congressional appropriations with more than $45 million matching funds from partner organizations across the country. These projects will improve visitor services, support outreach to new audiences, and strengthen partnerships to reinvigorate national parks and forge connections to new communities.

These current investments are complemented by the proposed National Park Service Centennial Act to authorize mandatory funding of $500.0 million a year for three years with authority to collect additional fees through the NPS Second Century Fund. This proposal includes:

- $100.0 million a year for three years for the Federal matching portion of the Centennial Challenge program,

- $300.0 million a year for three years for Second Century Infrastructure Investments in high priority deferred maintenance projects,

- $100.0 million a year for three years for the Public Lands Centennial Fund which will award project funding competitively to Interior's public lands bureaus and the U.S. Forest Service, and

- Authority to collect additional camping or lodging fees and funds collected from purchases of the lifetime pass for citizens 62 years of age or older. Funding through these fees is estimated to be $41.0 million in 2017, which would be deposited in a Second Century Fund for project investments.

Administration's National Park Centennial Act	**HR 4680 as Marked up 3/13/16**	**Portman/Cantwell Amendment to S. 2012**
Title I – Centennial Declaration	Not included	Not included
Title II – National Park Centennial Challenge Fund. $100 M/yr for three years for signature projects or programs.	Funds projects via price change to the current, lifetime Senior pass (amount above $10/pass deposited into account) and creation of new annual Senior pass.	Authorizes appropriation for each fiscal year through 2020 equal to the amount of qualified donations in each fiscal year.
Title III – Second Century Infrastructure Investment. $300 M/yr for three years for deferred maintenance needs.	Not included	Not included
Title IV – Public Lands Centennial Program. $100 M/yr for three years, competitively awarded among Interior land management bureaus and USDA Forest Service.	Not included	Not included
Title V – National Park Foundation Endowment. Consists of donations provided to NPF for such purpose.	Consists of donations provided to NPF for such purpose, plus funds raised by imposing a 5% fee per night for lodging in NPS facilities.	Consists of donations provided to NPF for such purpose.
Title VI – National Park Service Second Century Fund. Consists of funds raised by imposing a 5% fee per night for lodging in NPS facilities, 5% per person night of camping in designated	Not included, but components have been modified and used to fund the Centennial Challenge Fund.	Not included

campgrounds, and price change to current, lifetime Senior pass (amount above $10 per pass). Funding source for signature projects or programs.		
Title VII– National Park Next Generation Stewards. Codifies authorities on interpretation and education, and expands other youth and volunteer related authorities.	Codifies authorities on interpretation and education, and expands other youth and volunteer related authorities.	Codifies authorities on interpretation and education, and expands other youth and volunteer related authorities.
Title VIII – National Park Services Visitor Services Management Program. Updates authorities for the concession program.	Not included	Not included
Title IX – Allows the Secretary to enter into agreements for the creation of reproduction of museum objects, and retention of funds generated by this authority.	Not included	Defines the term "service emblem" and prohibits the commercial use of it without the written permission of the Secretary.
Title X – National Park Foundation Authorities. Modifies the NPF's Board of Directors, and authorizes appropriations the NPF.	Modifies the NPF's Board of Directors, and authorizes appropriations the NPF.	Modifies the NPF's Board of Directors.

Bureau of Indian Affairs and Bureau of Indian Education
Organization Profile

($ in Thousands)						
		2016	2017			2017 Req
	2015 Actual	Enacted	Request	House	Senate	to 2016
Current	2,601,498	2,796,120	2,933,715	2,869,934	2,854,579	137,595
Permanent	123,054	135,118	122,463	122,463	122,463	-12,655
Total	**2,724,552**	**2,931,238**	**3,056,178**	**2,992,397**	**2,977,042**	**124,940**
FTE	**7,102**	**7,145**	**7,431**			**286**

Bureau Profile

- Funding for Indian Affairs activities is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- Indian Affairs supports 7,145 FTE with approximately 7,900 employees of whom about 80 percent are American Indian or Alaska Native. Staff is located in 12 regional offices and numerous smaller agencies offices throughout the country.

- Indian Affairs includes the Assistant Secretary – Indian Affairs (AS-IA), the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BlE).

- The mission of the Bureau of Indian Affairs is to enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaska Natives.

- The mission of the Bureau of Indian Education is to provide quality education opportunities from early childhood through life in accordance with the tribes' needs for cultural and economic well-being in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities. The bureau considers the whole person including spiritual, mental, physical and cultural aspects.

- Indian Affairs programs serve communities that face great challenges. On Indian reservations, poverty is still commonplace; violence occurs at higher rates than the national average; and rates of infant mortality, alcoholism, and substance abuse are higher than in the rest of America.

- Extensive responsibilities for management and operations of the of BIA and BIE are vested in the Assistant Secretary (AS-IA), including policy and economic development and a range of management functions including information technology, budget and financial management, human capital, planning and policy analysis, and facilities and cultural resources.

- The BIA and BIE provide services directly or through contracts, grants, or compacts to a service population of approximately two million American Indians and Alaska Natives who are members of 567 federally recognized Indian Tribes in the 48 contiguous United States and Alaska.

- Collectively, the Department's Indian programs cover virtually the entire range of services typically offered by State and local governments. Programs administered by either Tribes or BIA include social services such as welfare assistance; natural resources management on 56 million acres of trust land; economic development programs; law enforcement; administration of tribal courts; implementation of Indian settlements; replacement and repair of schools; repair and maintenance of roads and bridges; operation and maintenance of irrigation infrastructures; and repair of structural deficiencies on high hazard dams.

- Programs administered by BIE include an education system comprised of a 183 unit elementary/secondary school system located on 63 reservations in 23 states serving approximately 48,000 individual students. BIE supports operations at 32 tribal colleges, universities, and post-secondary schools.

- The BIE is implementing an extensive reorganization focused on service delivery and improved academic performance. The first phase of this effort focused on restructuring the field and headquarters functions to clarify roles and responsibilities and improve accountability. The second phase provides BIE with greater administrative capability and direct responsibility for school operational services including facilities construction and management, and acquisition.

- While the Congress has given primary responsibility for Indian matters to Interior's Indian Affairs bureaus, several other Federal agencies provide specific funding to Indians, such as Education, Transportation, Health and Human Services, Agriculture, and Housing and Urban Development. The Office of Management and Budget issues a Native American funding crosscut each year.

- In 2013, Executive Order 13647 established the White House Council on Native American Affairs comprised of the heads of executive departments, agencies, and offices; which the Secretary of the Interior chairs. President Obama hosted the White House Tribal Nations Conference each of the past eight years. The conferences provide tribal leaders the opportunity to interact with high-level government officials.

- Funding for Indian Affairs is largely provided through discretionary appropriations which support tribal self-government programs as well as direct basic services to Tribes, construction, a loan guarantee program, and Indian Land and Water Settlements.

Bureau Statistics

- The Bureau of Indian Affairs was established in 1824 under the War Department and transferred to the Department of the Interior in 1849.

- The Department maintains relationships with 567 federally recognized Tribes in the lower 48 States and Alaska and provides support to a service population of more than two million people.

- The BIE provides education services to 48,000 individual students in 23 States attending 183 elementary and secondary schools and dormitories and supports 32 BIE-funded community colleges, universities, and post-secondary schools.

- There are 96 BIA-funded corrections programs and 190 bureau and tribal law enforcement programs.

- The BIA administers and manages 56 million surface acres and 60 million acres of subsurface mineral estates held in trust by the U.S. for individual Indians and Tribes.

Indian Affairs Background and Terminology

Summary:

Due to the government-to-government relationship between the Federal Government and Federally recognized Tribes and existing Native American laws and policies, Indian Affairs has certain unique policies and procedures including:

- Compliance with the Department's Tribal Consultations Policy
- Promotion of Self-Determination and Self-Governance policies allowing Tribes to determine how programs are delivered to Tribes.
- Meeting with the Tribal Interior Budget Council (TIBC) extensively in the Budget formulation process
- The policy that gives qualified Tribes broad authority to reprogram funding as they see fit without BIA, DOI, or Congressional approval.

Consultations with Tribes

The obligation for Federal agencies to consult with Indian Tribes on a government-to government basis derives from the relationships defined in the U.S. Constitution and Federal treaties, statutes, executive orders, and policies. Executive Order (EO) 13175, *Consultation and Coordination with Indian Tribal Governments* was issued in November 2000, and the Presidential Memorandum of November 5, 2009, affirms this relationship and obligates the Department to meet the spirit and intent of EO 13175.

DOI has implemented EO 13175, ensuring that Bureaus or Offices **will consult with Indian Tribes on Departmental actions with tribal implications** and outlines:

- Consultation is to start in the initial planning stage of any policy development.

- Consultation should occur between appropriate Tribal officials and Departmental officials knowledgeable about the matters at hand, who are authorized to speak for the Department, and exercise delegated authority in the disposition and implementation of an agency action.

- Consultation should be an exchange of information to promote enhanced communication that emphasizes trust, respect, and shared responsibility. Communication will be open and transparent without compromising the rights of Indian Tribes or the government-to-government consultation process.

- The Bureau, in any consultation process, shall provide appropriate notification of each stage in the process. Written notice shall be provided where feasible.

Consultation can take many forms including:

- *Negotiated Rule Making.* The Bureau should use negotiated rule-making to develop significant regulations or other formal policies relating to tribal self-government, trust resources, or treaty and other rights, unless such a process would be inappropriate.

- *Tribal Leader Task Force*. The Bureau should consult with a Tribal Leader Task Force on matters that impact tribes across the country where negotiated rule making is unavailable or is not desired by the tribes. A Tribal Leader Task Force may also be used, in appropriate circumstances, for consulting with tribes on regional or issue-specific (e.g., timber) matters.

- *Series of Open Meetings*. The Bureau should consult with tribal leaders in a series of open meetings where appropriate for the action under consideration.

- *Single Meetings*. The Bureau should consult with tribal leaders in a single meeting when appropriate for the Federal action under consideration. Single meetings are particularly appropriate for local, regional or single Tribe issues.

Promotion of Tribal Self-Determination and Self-Governance

Since the 1970s, Self-Determination has been the basis of Federal Indian policy as more operational aspects of Federal programs are transferred to tribal management. At a very basic level, federally recognized Tribes can choose (Self-Determination) how to have services provided to their Tribes. In many cases, they can choose to have services provided to them by the Federal government through the BIA/BIE or they can choose to contract with the Federal government to provide these services for themselves (Self-Governance). For example, law enforcement police services on a reservation may be provided directly by BIA and in those cases, the police officers and their supervisors are Federal employees. As an alternative, a tribal government on a reservation may contract with the BIA and obtain Federal BIA program funding to provide police services for their Tribes. In this case, the police officers are not Federal employees.

Tribes who choose to provide services to their members can do it through:

1) a Self-Determination contract, also known as a “638” contract, a reference to the authorizing act P.L. 93-638, or
2) a Self-Governance compact which typically bundles funding for several programs into one larger contract for a Tribe.

Although these are contracts, they are different from a typical commercial contact in that these tribal contacts are an agreement between the Federal government and the Tribe to provide services to tribal members, whereas a commercial contract is an agreement between the Federal government and a contractor to provide services back to the Federal government.

In addition, when a Tribe enters into a Self-Determination contract or Self-Governance compact to provide a service to their members, the Federal government must provide the Tribe Contract Support Costs (CSC) to administer the program. These costs include a wide array of program management costs including finance, utilities, and insurance. This CSC funding is required by the June 2012 Supreme Court ruling (Salazar v. Ramah Navajo Chapter).

Currently, at least 50 percent of Indian Affairs' appropriations is provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government program services and schools themselves.

Tribal Interior Budget Council

The Tribal Interior Budget Council (TIBC) provides a forum and process for tribes and Federal officials to work together in developing annual budget requests for Indian programs in the Department of the Interior. It provides cooperative participation in Indian Affairs' (IA) budget formulation, justification, and information sharing. IA uses this process to gauge tribal priorities not only on a national basis but on a regional basis too, and IA uses the input to inform its budget requests. TIBC meetings also serve as an education forum to better inform Tribes about the IA budget process and advise on the status of Indian Country initiatives throughout the Federal Government.

TIBC meetings occur four times a year; three meetings are held in the Washington, DC, area and one meeting is hosted by a Tribe at a tribal location. Members of TIBC include the Assistant Secretary of Indian Affairs, the Assistant Secretary's senior management team, the Special Trustee for American Indians, the Special Trustee's senior management team, and two elected or appointed tribal officials from each of the 12 Indian Affairs regions. TIBC is directed by two tribal co-chairs.

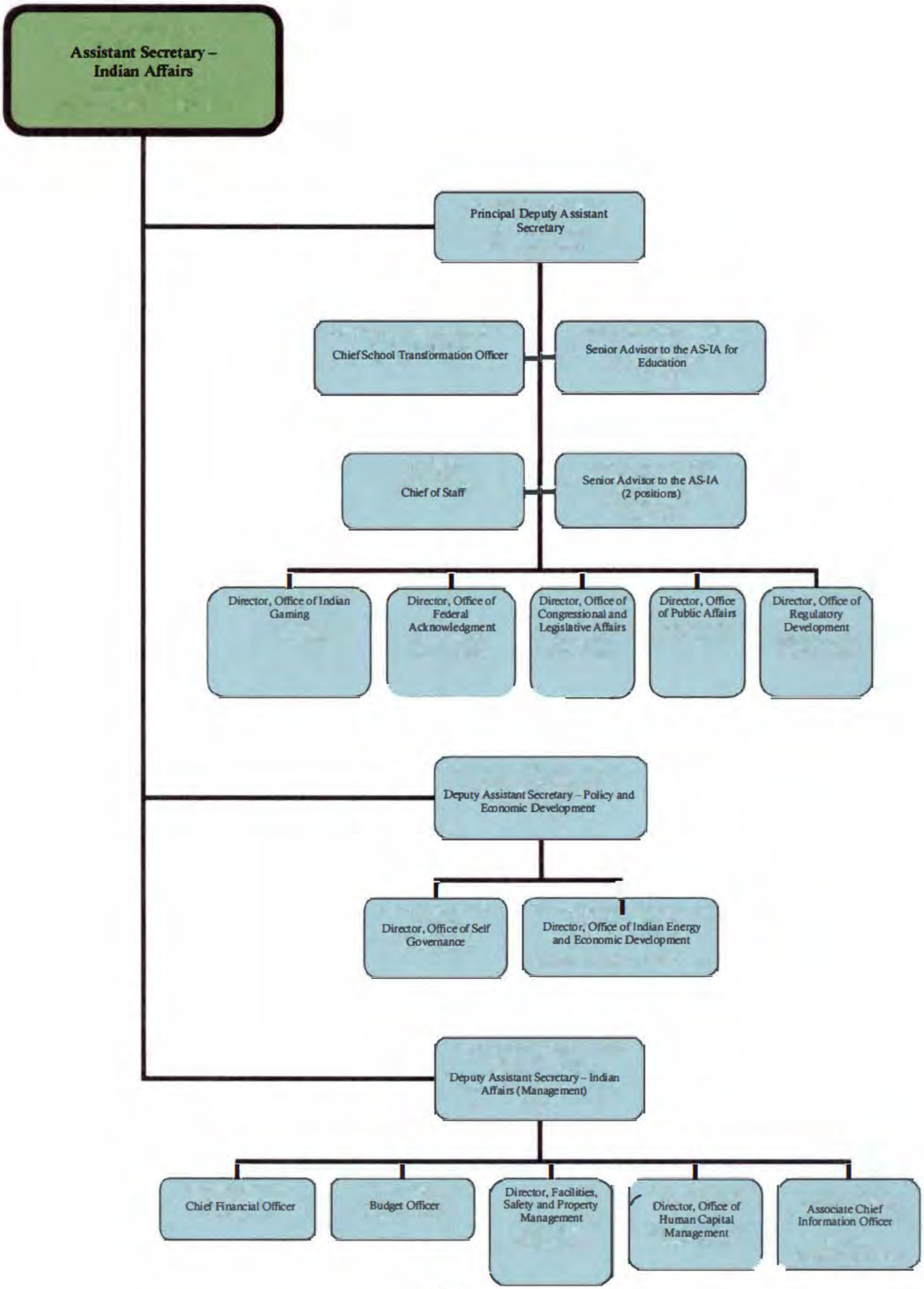
The mission of the TIBC is: to provide an advisory government-to-government forum and process for Tribes and the Department to develop budgets that allow for the fulfillment of tribes' self-determination, self-governance, sovereignty, and treaty rights, as well as sufficient levels of funding to address the needs of Tribes and their tribal citizens.

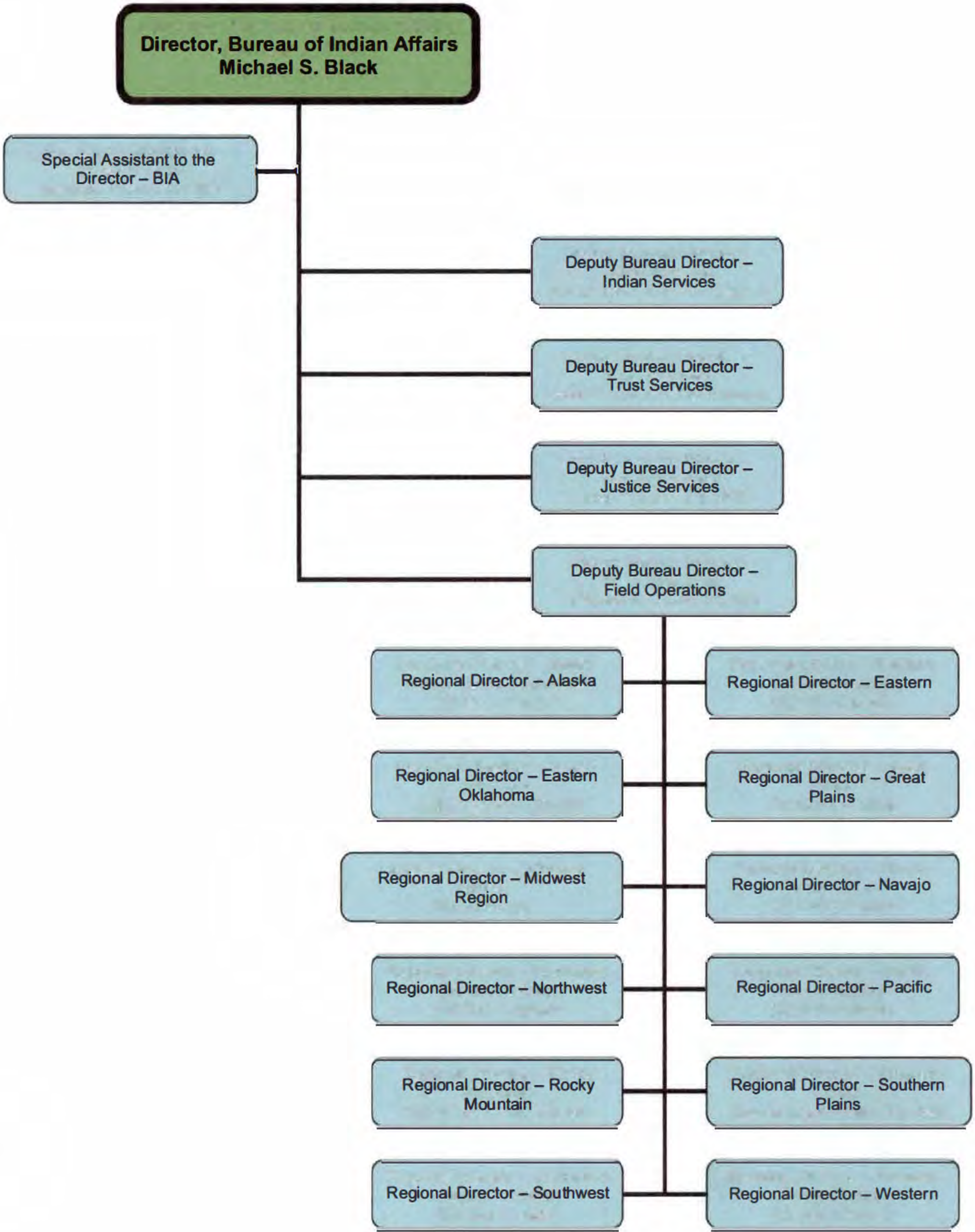
Tribal Priority Allocation (TPA) Funding

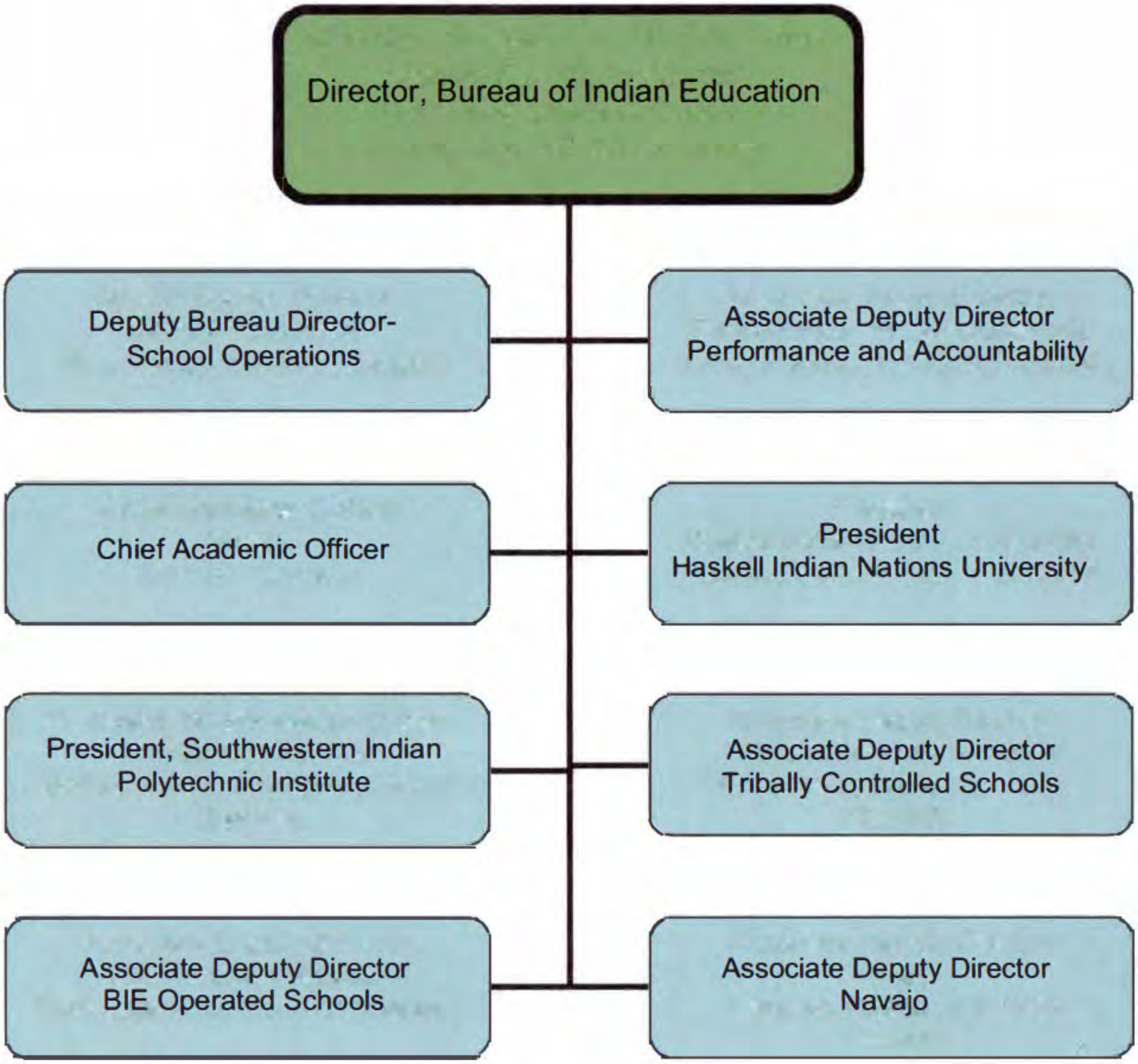
Tribal Priority Allocation (TPA) is a funds allocation policy for Indian Affairs that advances self-determination by allowing Tribes to set priorities and allocate funding based on those priorities. Regarding the history of TPA, the Government Accountability Office (GAO) stated in a 1998 report, "in the early 1970s, BIA began giving tribes more training, involvement, and influence in BIA's budget process, in efforts that evolved into TPA."

Tribal Priority Allocations (TPA) funding is used to fund many basic tribal services, such as social services, job placement and training, child welfare, natural resources management, and tribal courts. There are some Indian Affairs programs which are not subject to the TPA allocation process such as Criminal Investigation and Police Services, Irrigation Operation and Maintenance, and programs that allocate their funding through a more competitive/proposal based process. The determination of whether a program is TPA or non-TPA is based on various factors including: whether the duties of the program are inherently governmental or not, and whether the program is recurring or non-recurring.

When a tribally initiated TPA funding reallocation occurs the decision is not reviewable by Indian Affairs, DOI, or Congress, and is not subject to Congressional reprogramming requirements. Annual TPA program adjustments are included in the internal reprogramming reports to Congress and permanent TPA adjustments are reflected in the annual budget submissions to Congress. For example, if a Tribe has contracted to run the Forestry and Social Service programs on its reservation and in a given fiscal year, it sees a surge in Social Service needs. The Tribe can choose to reallocate funding that would normally have gone to the Forestry to the Social Service program to meet the surge in need. This can be done without Indian Affairs, DOI or Congressional approval.


Assistant Secretary – Indian Affairs
Principal Deputy Assistant Secretary
Chief School Transformation Officer
Senior Advisor to the AS-IA for Education
Chief of Staff
Senior Advisor to the AS-IA (2 positions)
Director, Office of Indian Gaming
Director, Office of Federal Acknowledgment
Director, Office of Congressional and Legislative Affairs
Director, Office of Public Affairs
Director, Office of Regulatory Development
Deputy Assistant Secretary – Policy and Economic Development
Director, Office of Self Governance
Director, Office of Indian Energy and Economic Development
Deputy Assistant Secretary – Indian Affairs (Management)
Chief Financial Officer
Budget Officer
Director, Facilities, Safety and Property Management
Director, Office of Human Capital Management
Associate Chief Information Officer


Director, Bureau of Indian Affairs
Michael S. Black
Special Assistant to the Director – BIA
Deputy Bureau Director – Indian Services
Deputy Bureau Director – Trust Services
Deputy Bureau Director – Justice Services
Deputy Bureau Director – Field Operations
Regional Director – Alaska
Regional Director – Eastern
Regional Director – Eastern Oklahoma
Regional Director – Great Plains
Regional Director – Midwest Region
Regional Director – Navajo
Regional Director – Northwest
Regional Director – Pacific
Regional Director – Rocky Mountain
Regional Director – Southern Plains
Regional Director – Southwest
Regional Director – Western


Director, Bureau of Indian Education
Deputy Bureau Director-
School Operations
Associate Deputy Director
Performance and Accountability
Chief Academic Officer
President
Haskell Indian Nations University
President, Southwestern Indian
Polytechnic Institute
Associate Deputy Director
Tribally Controlled Schools
Associate Deputy Director
BIE Operated Schools
Associate Deputy Director
Navajo

Indian Lands of Federally Recognized Tribes of the United States
Scale 1:4,250,000
CANADA
MEXICO
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
Northwest Region
Rocky Mountain Region
Great Plains Region
Midwest Region
Western Region
Southwest Region
Navajo Region
Pacific Region
Southern Plains Region
Eastern Oklahoma Region
Eastern Region
Alaska Region
Native Entities in Alaska
Scale 1:9,750,000
PROJECTION INFORMATION:
All data except the (Alaska Inset) are projected to:
Lambert Azimuthal Equal Area
Longitude of projection center: 100° West (150° West)
Latitude of projection center: 45° North
False easting and northing: 0.0
DATA SOURCES:
1:10M Satellite-derived land cover data and shaded relief with ocean bottom data from NaturalEarthData.com 2015;
American Indian Reservation data last updated in 2005 from US Census data and USGS 1:24,000 topographic maps;
"ESRI Data and Maps" 2008;
Oklahoma Tribal Statistical Area: Census Bureau (TIGER) data, Eastern Regional Office Natural Resources Department.
Scale of 1:4,250,000 valid only when the map page is 32" X 47"
USE CONSTRAINTS AND REFERENCES:
Updates to Federally Recognized Tribal Land Boundary Data are subject to update by the BIA on a continuous basis, the data presented is the most current available as of the date of this map. This map and related information are prepared strictly for illustrative and reference purposes only and should not be used, and is not intended for survey, engineering or navigation purposes. Any use of trade or product names is for descriptive or required credit acknowledgement only and does not imply endorsement by the United States Government.
ACKNOWLEDGEMENTS:
Trust Services:
Division of Water and Power,
Division of Land Titles and Records
Branch of Geospatial Support
BIA Regional and Land Titles and Records Offices
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
OFFICE OF TRUST SERVICES
OCTOBER 2016
Legend
Federally Recognized Tribal Entity *
Alaska Native Village
Public Domain Allotment
City
American Indian Reservation
Oklahoma Tribal Statistical Area
Trust or Restricted Fee
Lake
Swamp
River
Interstate
* Does not have land held in trust or restricted fee status

#	BIA ALASKA REGION
	BIA Regional and Agency Office
1	Alaska Regional Office, Anchorage, AK
2	Alaska Regional Office, Juneau, AK
3	West Central Alaska Agency, Anchorage, AK
4	Fairbanks Agency, Fairbanks, AK
	Alaska Native Village
1	Afognak
2	Akhiok
3	Akiachak
4	Akiak
5	Akutan
6	Alakanuk
7	Alatna
8	Aleknagik
9	Algaaciq (St Mary's)
10	Allakaket
11	Ambler
12	Anaktuvuk Pass
13	Andreafski
14	Angoon
15	Aniak
16	Anvik
17	Arctic Village
18	Asa'carsarmiut
19	Atka
20	Atmautluak
21	Atqasuk (Atkasook)
22	Barrow
23	Beaver
24	Belkofski
25	Bill Moore's Slough
26	Birch Creek
27	Brevig Mission
28	Buckland
29	Cantwell
30	Chalkyitsik
31	Cheesh-Na Tribe
32	Chefornak
33	Chenega
34	Chevak
35	Chickaloon
36	Chignik
37	Chignik Lagoon
38	Chignik Lake
39	Chilkat (Klukwan)
40	Chilkoot (Haines)
41	Chinik Eskimo Community (Golovin)
42	Chitina
43	Chuathbaluk
44	Chuloonawick
45	Circle
46	Clarks Point
47	Council
48	Craig
49	Crooked Creek
50	Curyung
51	Deering
52	Diomede (Inalik)
53	Dot Lake
54	Douglas
55	Eagle
56	Eek
57	Egegik
58	Eklutna
59	Ekuk
60	Ekwok
61	Elim
62	Emmonak
63	Evansville
64	Eyak (Cordova)
65	False Pass
66	Fort Yukon
67	Gakona
68	Galena (Louden)
69	Gambell
70	Georgetown
71	Goodnews Bay
72	Grayling
73	Gulkana
74	Hamilton
75	Healy Lake
76	Holy Cross
77	Hoonah
78	Hooper Bay
79	Hughes
80	Huslia
81	Hydaburg
82	Igiugig
83	Iliamna
84	Inupiat
85	Iqurmuit
86	Ivanoff Bay
87	Kaguyak
88	Kake
89	Kaktovik (Barter Island)
90	Kalskag
91	Kaltag
92	Kanatak
93	Karluk
94	Kasaan
95	Kasigluk
96	Kenaitze
97	Ketchikan
98	Kiana
99	King Cove
100	King Island
101	King Salmon
102	Kipnuk
103	Kivalina
104	Klawock
105	Kluti Kaah (Copper Center)
106	Knik
107	Kobuk
108	Kodiak
109	Kokhanok
110	Koliganek
111	Kongiganak
112	Kotlik
113	Kotzebue
114	Koyuk
115	Koyukuk
116	Kwethluk
117	Kwigillingok
118	Kwinhagak
119	Larsen Bay
120	Levelock
121	Lime Village
122	Lower Kalskag
123	Manley Hot Springs
124	Manokotak
125	Marshall (Fortuna Ledge)
126	Mary's Igloo
127	McGrath
128	Mekoryuk
129	Mentasta Lake
130	Minto
131	Naknek
132	Nanwalek (English Bay)
133	Napaimute
134	Napakiak
135	Napaskiak
136	Nelson Lagoon
137	Nenana
138	New Stuyahok
139	Newhalen
140	Newtok
141	Nightmute
142	Nikolai
143	Nikolski
144	Ninilchik
145	Noatak
146	Nome
147	Nondalton
148	Noorvik
149	Northway
150	Nuiqsut (Nooiksut)
151	Nulato
152	Nunakauyarmiut
153	Nunam Iqua
154	Nunapitchuk
155	Ohogamiut
156	Old Harbor
157	Orutsararmiut (Bethel)
158	Oscarville
159	Ouzinkie
160	Paimiut
161	Pauloff Harbor
162	Pedro Bay
163	Perryville
164	Petersburg
165	Pilot Point
166	Pilot Station
167	Pitka's Point
168	Platinum
169	Point Hope
170	Point Lay
171	Port Graham
172	Port Heiden
173	Port Lions
174	Portage Creek (Ohgsenakale)
175	Pribilof Islands Aleut Community of St. George
176	Pribilof Islands Aleut Community of St. Paul
177	Rampart
178	Red Devil
179	Ruby
180	Saint Michael
181	Salamatoff
182	Sand Point
183	Savoonga
184	Saxman
185	Scammon Bay
186	Selawik
187	Seldovia
188	Shageluk
189	Shaktoolik
190	Shishmaref
191	Shungnak
192	Sitka
193	Skagway
194	Sleetmute
195	Solomon
196	South Naknek
197	Stebbins
198	Stevens Village
199	Stony River
200	Takotna
201	Tanacross
202	Tanana
203	Tangirnaq (Woody Island)
204	Tatitlek
205	Tazlina
206	Telida
207	Teller
208	Tetlin
209	Tlingit and Haida
210	Togiak
211	Tuluksak
212	Tuntutuliak
213	Tununak
214	Twin Hills
215	Tyonek
216	Ugashik
217	Umkumiut
218	Unalakleet
219	Unalaska
220	Unga
221	Venetie
222	Wainwright
223	Wales
224	White Mountain
225	Wrangell
226	Yakutat

#	BIA EASTERN REGION
	BIA Regional and Agency Office
1	Eastern Regional Office, Nashville, TN
2	Seminole Agency, Hollywood, FL
3	Choctaw Agency, Philadelphia, MS
4	Eastern Cherokee Agency, Cherokee, NC
	American Indian Reservation
1	Allegany
2	Big Cypress
3	Brighton
4	Catawba
5	Cattaraugus
6	Cherokee
7	Chitimacha
8	Choctaw
9	Coconut Creek
10	Coushatta
11	Fort Pierce
12	Hollywood (Dania)
13	Immokalee
14	Mashantucket Pequot
15	Miccosukee
16	Mohegan
17	Narragansett
18	Oil Springs
19	Oneida (New York)
20	Onondaga
21	Passamaquoddy (Indian Township)
22	Passamaquoddy (Pleasant Point)
23	Penobscot
24	Poarch Creek
25	St. Regis Mohawk
26	Tampa
27	Tonawanda
28	Tunica-Biloxi
29	Tuscarora

#	BIA EASTERN OKLAHOMA REGION
	BIA Regional and Agency Office
1	Eastern Oklahoma Regional Office, Muskogee, OK
2	Chickasaw Agency, Ada, OK
3	Miami Agency, Miami, OK
4	Okmulgee Agency, Okmulgee, OK
5	Osage Agency, Pawhuska, OK
6	Talihina Agency, Talihina, OK
7	Wewoka Agency, Semionle, OK
	American Indian Reservation
1	Osage

#	BIA NAVAJO REGION
	BIA Regional and Agency Office
1	Navajo Regional Office, Gallup, NM
2	Chinle Agency, Chinle, AZ
3	Fort Defiance Agency, Fort Defiance, AZ
4	Western Navajo Agency, Tuba City, AZ
5	Eastern Navajo Agency Crownpoint NM
6	Navajo Irrigation Project, Farmington, NM
7	Shiprock Agency, Shiprock, NM
	American Indian Reservation
1	Navajo
2	Navajo (Alamo)
3	Navajo (Canoncito)

#	BIA ROCKY MOUNTAIN REGION
	BIA Regional and Agency Office
1	Rocky Mountain Regional Office, Billings, MT
2	Blackfeet Agency, Browing, MT
3	Crow Agency, Crow Agency, MT
4	Fort Belknap Agency, Harlem, MT
5	Fort Peck Agency, Poplar, MT
6	Northern Cheyenne Agency, Lame Deer, MT
7	Rocky Boy's Agency, Box Elder, MT
8	Wind River Agency, Fort Washakie, WY
	American Indian Reservation
1	Blackfeet
2	Crow
3	Fort Belknap
4	Fort Peck
5	Northern Cheyenne
6	Rocky Boy's
7	Wind River

#	BIA GREAT PLAINS REGION
	BIA Regional and Agency Office
1	Great Plains Regional Office, Aberdeen, SD
2	Winnebago Agency, Winnebago, NE
3	Fort Berthold Agency, New Town, ND
4	Fort Totten Agency, Fort Totten, ND
5	Standing Rock Agency, Fort Yates, ND
6	Turtle Mountain Agency, Belcourt, ND
7	Cheyenne River Agency, Eagle Butte, SD
8	Crow Creek Agency, Fort Thompson, SD
9	Lower Brule Agency, Lower Brule, SD
10	Pine Ridge Agency, Pine Ridge, SD
11	Rosebud Agency, Rosebud, SD
12	Sisseton Agency, Sisseton, SD
13	Yankton Agency, Wagner, SD
	American Indian Reservation
1	Cheyenne River
2	Crow Creek
3	Flandreau
4	Fort Berthold
5	Lake Traverse (Sisseton)
6	Lower Brule
7	Omaha
8	Pine Ridge
9	Ponca
10	Rosebud
11	Santee
12	Spirit Lake Sioux
13	Standing Rock
14	Turtle Mountain
15	Winnebago
16	Yankton

#	BIA MIDWEST REGION
	BIA Regional and Agency Office
1	Midwest Regional Office, Minneapolis, MN
2	Michigan Agency, Sault Ste. Marie, MI
3	Minnesota Agency, Cass Lake, MN
4	Red Lake Field Office, Red Lake, MN
5	Great Lakes Agency, Ashland, WI
	American Indian Reservation
1	Bad River
2	Bay Mills
3	Bois Forte (Deer Creek)
4	Bois Forte (Nett Lake)
5	Bois Forte (Vermillion Lake)
6	Fond du Lac
7	Forest County Potawatomi
8	Grand Portage
9	Grand Traverse
10	Hannahville
11	Ho-Chunk
12	Huron Potawatomi
13	Isabella
14	Lac Courte Oreilles
15	Lac du Flambeau
16	Lac Vieux Desert
17	L'Anse
18	L'Anse (Ontonagon)
19	Leech Lake
20	Little River
21	Little Traverse Bay Bands
22	Lower Sioux
23	Menominee
24	Mille Lacs
25	Mole Lake
26	Oneida
27	Prairie Island
28	Red Cliff
29	Red Lake
30	Red Lake
31	Sac and Fox (Iowa)
32	Sault Ste. Marie
33	Shakopee
34	St. Croix
35	Stockbridge Munsee
36	Upper Sioux
37	White Earth

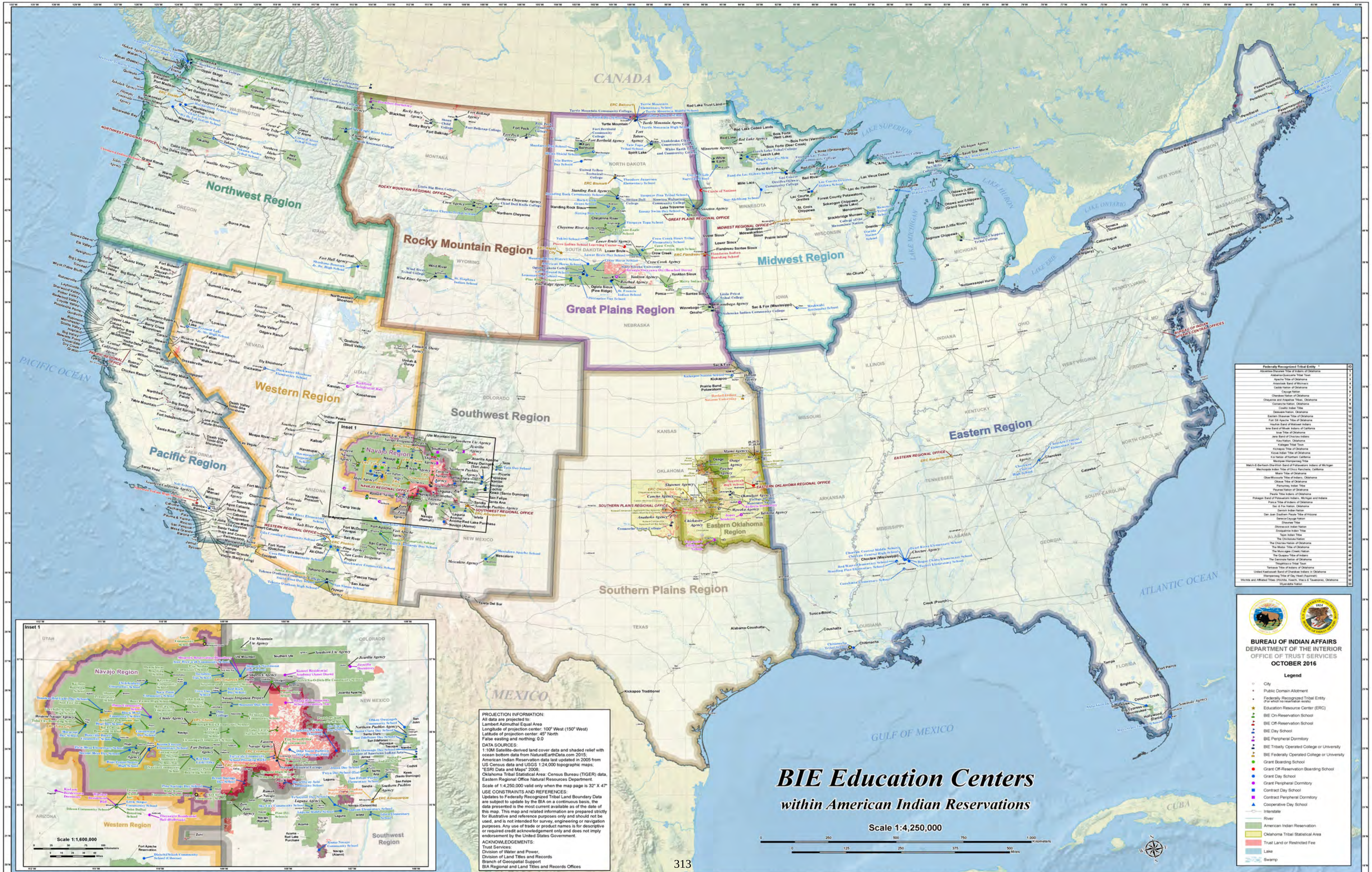
#	BIA NORTHWEST REGION
	BIA Regional and Agency Office
1	Northwest Regional Office, Portland, OR
2	Metlakatla Agency, Annette Island Reserve, AK
3	Flathead Agency, Pablo, MT
4	Fort Hall Agency, Fort Hall, ID
5	Northern Idaho Agency, Lapwai, ID
6	Couer d' Alene Agency, Plummer, ID
7	Siletz Agency, Siletz, OR
8	Umatilla Agency, Pendleton, OR
9	Warm Springs Agency, Warm Springs, OR
10	Colville Agency, Nespelem, WA
11	Makah Agency, Neah Bay, WA
12	Olympic Peninsula Agency, Aberdeen, WA
13	Puget Sound Agency, Everett, WA
14	Taholah Agency, Taholah, WA
15	Spokane Agency, Wellpinit, WA
16	Wapato Irrigation Project, Wapato, WA
17	Yakama Agency, Toppenish, WA
	American Indian Reservation
1	Annette Island
2	Burns Paiute
3	Celilo
4	Chehalis
5	Coeur D'Alene
6	Colville
7	Coos, Lower Umpqua, and Siuslaw
8	Coquille
9	Cow Creek
10	Flathead
11	Fort Hall
12	Grand Ronde
13	Hoh
14	Jamestown
15	Kalispel
16	Klamath
17	Kootenai
18	Lower Elwha
19	Lummi
20	Makah
21	Makah (Ozette)
22	Muckleshoot
23	Nez Perce
24	Nisqually
25	Nooksack
26	Northwestern Shoshoni
27	Port Gamble
28	Port Madison
29	Puyallup
30	Quileute
31	Quinault
32	Sauk-Suiattle
33	Shoalwater
34	Siletz
35	Skokomish
36	Spokane
37	Squaxin Island
38	Stillaguamish
39	Swinomish
40	The Dalles
41	Tulalip
42	Umatilla
43	Upper Skagit
44	Warm Springs
45	Yakama

#	BIA SOUTHWEST REGION
	BIA Regional and Agency Office
1	Southwest Regional Office, Albuquerque, NM
2	Ute Mountain Ute Agency, Towaoc, CO
3	Southern Ute Agency, Ignacio, CO
4	Jicarilla Agency, Dulce, NM
5	Laguan Agency, Laguna, NM
6	Mescalero Agency, Mescalero, NM
7	Northern Pueblos Agency, Ohkay Owingeh, NM
8	Ramah-Navajo Agency, Ramah, NM
9	Southern Pueblos Agency, Albuquerque, NM
10	Zuni Agency, Zuni, NM
	American Indian Reservation
1	Acoma
2	Acoma - Red Lake Purchase
3	Cochiti
4	Isleta
5	Jemez
6	Jicarilla Apache
7	Laguna
8	Mescalero Apache
9	Nambe
10	Navajo (Ramah)
11	Picuris
12	Pojoaque
13	San Felipe
14	San Ildefonso
15	San Juan
16	Sandia
17	Santa Ana
18	Santa Clara
19	Santo Domingo
20	Southern Ute
21	Taos
22	Tesuque
23	Ute Mountain
24	Ysleta Del Sur
25	Zia
26	Zuni

#	BIA WESTERN REGION
	BIA Regional and Agency Office
1	Western Regional Office, Phoenix, AZ
2	Colorado River Agency, Parker, CO
3	Fort Apache Agency, Whiteriver, AZ
4	Fort Yuma Agency, Yuma, AZ
5	Hopi Agency, Keams Canyon, AZ
6	Papago Agency, Sells, AZ
7	Pima Agency, Sacaton, AZ
8	Salt River Agency, Scottsdale, AZ
9	San Carlos Agency, San Carlos, AZ
10	San Carlos Irrigation Project, Coolidge, AZ
11	Truxton Canon Agency, Valentine, AZ
12	Eastern Nevada Agency, Elko, NV
13	Western Nevada Agency, Carson City, NV
14	Southern Paiute Agency, St. George, UT
15	Uintah and Ouray Agency, Fort Duchesne, UT
	American Indian Reservation
1	Battle Mountain
2	Camp Verde
3	Carson
4	Cedar City
5	Chemehuevi
6	Cocopah
7	Colorado River
8	Dresslerville
9	Duck Valley
10	Duckwater
11	Elko
12	Ely
13	Fallon
14	Fort Apache
15	Fort McDermitt
16	Fort McDowell
17	Fort Mojave
18	Fort Yuma (Quechan)
19	Gila Bend
20	Gila River
21	Goshute
22	Havasupai
23	Hopi
24	Hualapai
25	Indian Peaks
26	Kaibab
27	Kanosh
28	Koosharem
29	Las Vegas
30	Lovelock
31	Maricopa (Ak-Chin)
32	Moapa River
33	Odgers
34	Pascua Yaqui
35	Pyramid Lake
36	Reno-Sparks
37	Ruby Valley
38	Salt River
39	San Carlos
40	San Xavier
41	Shivwitz
42	Skull Valley
43	South Fork
44	Stewart
45	Summit Lake
46	Tohono O'odham
47	Tonto Apache
48	Uintah and Ouray
49	Walker River
50	Washoe
51	Wells
52	Winnemucca
53	Woodfords
54	Yavapai
55	Yerington
56	Yomba

#	BIA SOUTHERN PLAINS REGION
	BIA Regional and Agency Office
1	Southern Plains Regional Office, Anadarko, OK
2	Horton Agency, Horton, KS
3	Anadarko Agency, Anadarko, OK
4	Concho Agency, Concho, OK
5	Pawnee Agency, Pawnee
6	Shawnee Agency, Shawnee, OK
	American Indian Reservation
1	Alabama and Coushatta
2	Iowa
3	Kickapoo (Kansas)
4	Kickapoo (Texas)
5	Potawatomi (Kansas)
6	Sac and Fox (KS-NE)

#	BIA PACIFIC REGION
	BIA Regional and Agency Office
1	Pacific Regional Office, Sacremento, CA
2	Central California Agency, Sacramento, CA
3	Northern California Agency, Redding, CA
4	Palm Springs Agency, Palm Springs, CA
5	Southern California Agency, Riverside, CA
	American Indian Reservation
1	Agua Caliente
2	Alturas
3	Auburn
4	Augustine
5	Barona
6	Benton Paiute
7	Berry Creek
8	Big Bend
9	Big Lagoon
10	Big Pine
11	Big Sandy
12	Big Valley
13	Bishop
14	Blue Lake
15	Bridgeport
16	Buena Vista
17	Cabazon
18	Cahuilla
19	Campo
20	Capitan Grande
21	Cedarville
22	Chicken Ranch
23	Cloverdale
24	Cold Springs
25	Colusa
26	Cortina Indian
27	Coyote Valley
28	Cuyapaipe
29	Death Valley Timbi-Sha Shoshone
30	Dry Creek
31	Elk Valley
32	Enterprise
33	Fort Bidwell
34	Fort Independence
35	Graton
36	Greenville
37	Grindstone
38	Guidiville
39	Hoopa Valley
40	Hopland
41	Inaja and Cosmit
42	Jackson
43	Jamul
44	Karuk
45	La Jolla
46	La Posta
47	Laytonville
48	Likely
49	Lone Pine
50	Lookout
51	Los Coyotes
52	Lytton
53	Manchester - Point Arena
54	Manzanita
55	Mesa Grande
56	Middletown
57	Montgomery Creek
58	Mooretown
59	Morongo
60	Northfork
61	Pala
62	Paskenta
63	Pauma and Yuima
64	Pechanga
65	Picayune
66	Pinoleville
67	Quartz Valley
68	Ramona
69	Redding
70	Redwood Valley
71	Resighini
72	Rincon
73	Roaring Creek
74	Robinson
75	Rohnerville
76	Round Valley
77	San Manual
78	San Pasqual
79	Santa Rosa
80	Santa Rosa Cahuilla
81	Santa Ynez
82	Santa Ysabel
83	Scotts Valley
84	Sheep Ranch
85	Sherwood Valley
86	Shingle Springs
87	Smith River
88	Soboba
89	Stewarts Point
90	Sulphur Bank
91	Susanville
92	Sycuan
93	Table Bluff
94	Table Mountain
95	Torres-Martinez
96	Trinidad
97	Tule River
98	Tuolumne
99	Twenty-Nine Palms
100	Upper Lake
101	Viejas
102	Wilton
103	XL
104	Yocha Dehe Wintun
105	Yurok


BIE Education Centers
within American Indian Reservations
Scale 1:4,250,000
CANADA
MEXICO
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
CUBA
Northwest Region
Rocky Mountain Region
Great Plains Region
Midwest Region
Eastern Region
Western Region
Pacific Region
Southwest Region
Navajo Region
Southern Plains Region
Eastern Oklahoma Region
Inset 1
Scale 1:1,600,000
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
OFFICE OF TRUST SERVICES
OCTOBER 2016
Legend
City
Public Domain Allotment
Federally Recognized Tribal Entity (For which no reservation exists)
Education Resource Center (ERC)
BIE On-Reservation School
BIE Off-Reservation School
BIE Day School
BIE Peripheral Dormitory
BIE Tribally Operated College or University
BIE Federally Operated College or University
Grant Boarding School
Grant Off-Reservation Boarding School
Grant Day School
Grant Peripheral Dormitory
Contract Day School
Contract Peripheral Dormitory
Cooperative Day School
Interstate
River
American Indian Reservation
Oklahoma Tribal Statistical Area
Trust Land or Restricted Fee
Lake
Swamp
PROJECTION INFORMATION:
All data are projected to:
Lambert Azimuthal Equal Area
Longitude of projection center: 100° West (150° West)
Latitude of projection center: 45° North
False easting and northing: 0.0
DATA SOURCES:
1:10M Satellite-derived land cover data and shaded relief with ocean bottom data from NaturalEarthData.com 2015;
American Indian Reservation data last updated in 2005 from US Census data and USGS 1:24,000 topographic maps;
"ESRI Data and Maps" 2008;
Oklahoma Tribal Statistical Area: Census Bureau (TIGER) data, Eastern Regional Office Natural Resources Department.
Scale of 1:4,250,000 valid only when the map page is 32" X 47"
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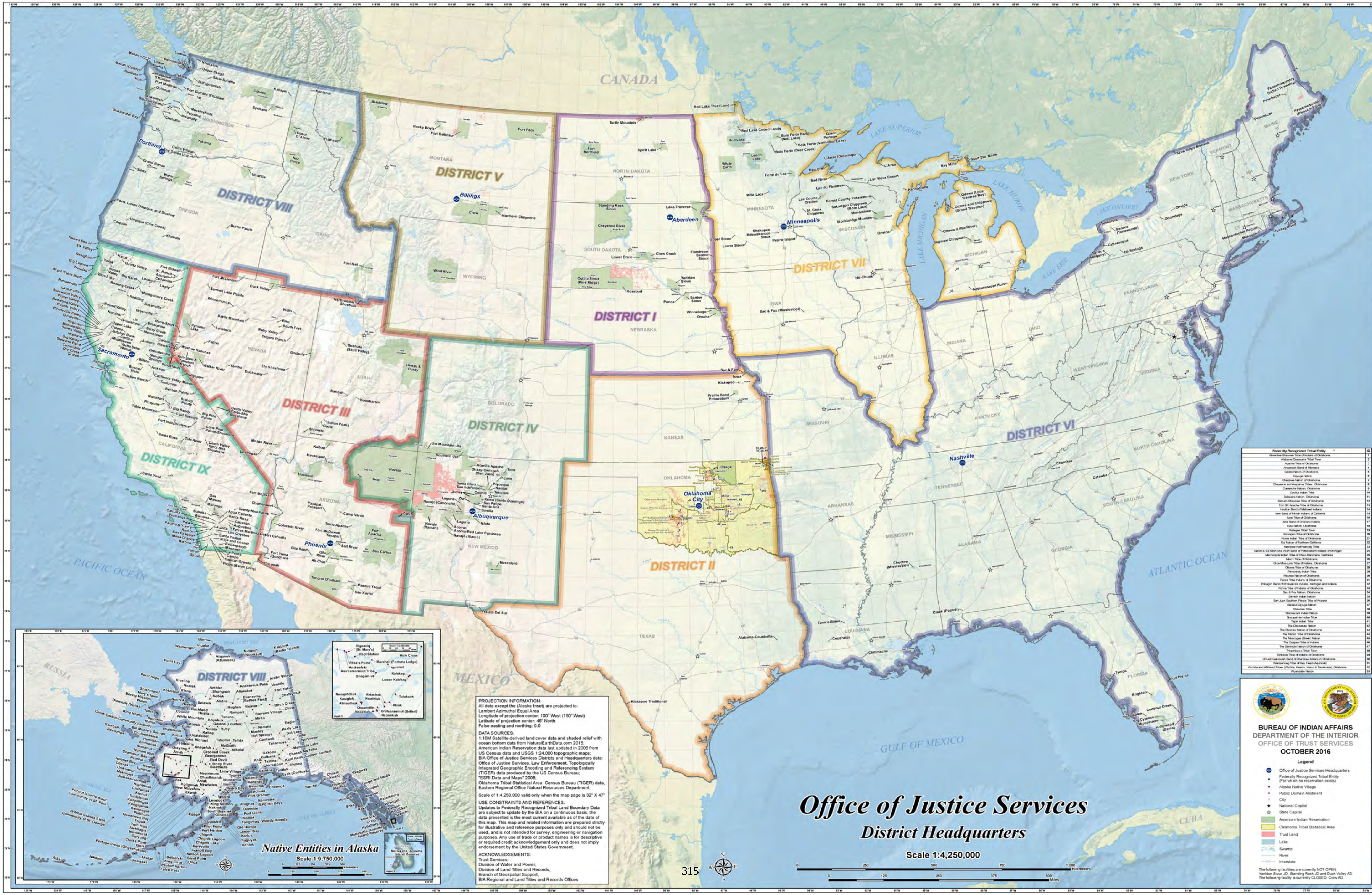
ACKNOWLEDGEMENTS:
Trust Services:
Division of Water and Power,
Division of Land Titles and Records
Branch of Geospatial Support
BIA Regional and Land Titles and Records Offices

ST	SCHOOL NAME	TYPE	CITY
AZ	Black Mesa Community School	Grant	Pinon
AZ	Blackwater Community School	Grant	Coolidge
AZ	Casa Blanca Community School	Grant	Bapchule
AZ	Chilchinbeto Community School	Grant	Kayenta
AZ	Cottonwood Day School	BIE	Chinle
AZ	Cove Day School	BIE	Red Valley
AZ	Dennehotso Boarding School	BIE	Dennehotso
AZ	Dilcon Community School	Grant	Winslow
AZ	Dischchii' bikoh Community School (C becue)	Grant	C becue
AZ	First Mesa Elementary	BIE	Polacca
AZ	Gila Crossing Community School	Grant	Laveen
AZ	Greasewood Springs Community School	Grant	Ganado
AZ	Greyhills Academy High School	Grant	Tuba City
AZ	Havasupai Elementary	BIE	Supai
AZ	Hopi Day School	Grant	Kykotsmovi
AZ	Hopi Jr/Sr High School	Grant	Keams Canyon
AZ	Hotevilla Bacavi Community School	Grant	Hotevilla
AZ	Hunters Point Boarding School	Grant	St. Michaels
AZ	Jeehdeez'a Academy, Inc.	BIE	Pinon
AZ	John F.Kennedy Day School	BIE	Whiteriver
AZ	Ka beto Boarding School	BIE	Ka beto
AZ	Kayenta Community School	BIE	Kayenta
AZ	Keams Canyon Elementary	BIE	Keams Canyon
AZ	Kin Dah Lichi'l Olta	Grant	Ganado
AZ	KinLani Bordertown Dormitory	Grant	Flagstaff
AZ	Leupp School, Inc.	Grant	Winslow
AZ	Little Singer Community School	Grant	Winslow
AZ	Lukachukai Community School	Grant	Lukachukai
AZ	Many Farms Community School	Grant	Many Farms
AZ	Many Farms High School	BIE	Many Farms
AZ	Moencopi Day School	Grant	Tuba City
AZ	Naa Tsis'Aan Community School	Grant	Tonalea
AZ	Nazlini Community School	Grant	Ganado
AZ	Pine Springs Day School	BIE	Houck
AZ	Pinon Community School	Grant	Pinon
AZ	Red Rock Day School	BIE	Red Valley
AZ	Rock Point Community School	Grant	Rock Point
AZ	Rocky Ridge Boarding School	BIE	Kykotsmovi
AZ	Rough Rock Community School	Grant	Chinle
AZ	Salt River Elementary	Grant	Scottsdale
AZ	San Simon School (Tohono O'odham)	BIE	Sells
AZ	Santa Rosa Day School (Tohono O'odham)	BIE	Sells
AZ	Santa Rosa Ranch School	BIE	Sells
AZ	Seba Dalkai Boarding School	BIE	Winslow
AZ	Second Mesa Day School	Grant	Second Mesa
AZ	Shonto Preparatory School	Grant	Shonto
AZ	Theodore Roosevelt School	Grant	Fort Apache
AZ	Tiis Naz Bas Community School	BIE	Teec Nos Pos
AZ	T'iisyaakin Residential Hall (Holbrook)	Grant	Holbrook
AZ	Tohono O'odham High School	BIE	Sells
AZ	Tonalea (Red Lake) Day School	BIE	Tonalea
AZ	Tuba City Boarding School	BIE	Tuba City
AZ	Wide Ruins Community School	Grant	Chambers
AZ	Winslow Residential Hall	Grant	Winslow
CA	Noli Indian School	Grant	San Jacinto
CA	Sherman Indian School	BIE	Riverside
FL	Ahfachkee Day School	Grant	Clewiston
FL	Miccosukee Indian School	Contract	Miami
IA	Meskwaki Settlement School	Grant	Tama
ID	Coeur d'Alene Tr bal School	Grant	DeSmet
ID	Shoshone Bannock Jr./Sr. High School	Grant	Pocatello
KS	Haskell Indian Nations University		Lawrence
KS	Kickapoo Nation School	Grant	Powhattan
LA	Chitimacha Tribal School	Grant	Jeanerette
ME	Beatrice Rafferty School	Grant	Perry
ME	Indian Island School	Grant	Indian Island
ME	Indian Township School	Grant	Princeton
MI	Hannahville Indian School	Grant	Wilson
MI	Joseph K. Lumsden Bahweting Anishnabe	Grant	Sault Ste. Marie
MN	Bug-O-Nay-Ge-Shig School	Grant	Bena
MN	Circle of Life Academy	Grant	White Earth
MN	Fond du Lac Ojibwe School	Grant	Cloquet
MN	Nay-Ah-Shing School	Grant	Onamia
MS	Bogue Chitto Elementary	Grant	Philadelphia
MS	Choctaw Central High School	Grant	Choctaw
MS	Choctaw Central Middle School	Grant	Choctaw
MS	Conehatta Elementary	Grant	Conehatta
MS	Pearl River Elementary	Grant	Choctaw
MS	Red Water Elementary	Grant	Carthage
MS	Standing Pine Elementary	Grant	Carthage
MS	Tucker Elementary	Grant	Philadelphia
MT	Blackfeet Dormitory	BIE	Browning
MT	Northern Cheyenne Tribal School	Grant	Busby
MT	Two Eagle River School	Grant	Pablo
NC	Cherokee Central Elementary	Grant	Cherokee
NC	Cherokee Central High School	Grant	Cherokee
NC	Cherokee Central Middle School	Grant	Cherokee
ND	Circle of Nations	Grant	Wahpeton
ND	Dunseith Day School	BIE	Dunseith
ND	Mandaree Day School	Grant	Mandaree
ND	Ojibwa Indian School	BIE	Belcourt
ND	Standing Rock Community School	Grant	Fort Yates
ND	Tate Topa Tr bal School	Grant	Fort Totten
ND	Theodore Jamerson Elementary	Grant	Bismarck
ND	Turtle Mountain Elementary	BIE	Belcourt
ND	Turtle Mountain High School	Grant	Belcourt
ND	Turtle Mountain Middle School	BIE	Belcourt
ND	Twin Buttes Day School	Grant	Halliday
ND	White Shield School	Grant	West Roseglen
NM	Alamo Navajo Community School	Grant	Magdalena
NM	Atsa'Biya'a'zh Community School	Grant	Shiprock
NM	Baca/Dlo'ay Azhi Community School	BIE	Prewitt
NM	Beclabito Day School	BIE	Shiprock
NM	Bread Springs Day School	BIE	Gallup
NM	Chi Chil'tah Community School	BIE	Vanderwagen
NM	Ch'ooshgai Community School	Grant	Tohatchi
NM	Crystal Boarding School	BIE	Navajo
NM	Dibe' Yazhi'' Habit'iin Olta (Borrego Pass)	Grant	Crownpoint
NM	Dzilth-Na-O-Dith-Hle Community School	Grant	Bloomfiled
NM	Hanaa'dli Community School/Dormitory Inc.	Grant	Bloomfiled
NM	Isleta Elementary	BIE	Albuquerque
NM	Jemez Day School	BIE	Pueblo
NM	Jicarilla Dormitory	Grant	Dulce
NM	Kinteel Residential Academy (Aztec Dorm)	Grant	Aztec
NM	Laguna Elementary School	Grant	Laguna Pueblo
NM	Laguna Middle School	Grant	Laguna Pueblo
NM	Lake Valley Navajo School	BIE	Crownpoint
NM	Mariano Lake Community School	BIE	Crownpoint
NM	Mescalero Apache School	Grant	Mescalero
NM	Na'Neelzhiin Ji'Olta (Torreon)	Grant	Cuba
NM	Navajo Preparatory School	Grant	Farmington
NM	Nenahnezad Community School	BIE	Fruitland
NM	Ohkay Owingeh Community School	Grant	Ohkay Owingeh
NM	Ojo Encino Day School	BIE	Cuba
NM	Pine Hill Schools	Grant	Pine Hill
NM	Pueblo Pintado Community School	BIE	Cuba
NM	San Felipe Pueblo Elementary	BIE	San Felipe Pueblo
NM	San Ildefonso Day School	BIE	Santa Fe
NM	Sanostee Day School	BIE	Sanostee
NM	Santa Clara Day School	BIE	Espanola
NM	Santa Fe Indian School	Grant	Santa Fe
NM	Shiprock Northwest High School	Grant	Shiprock
NM	Shiprock Reservation Dormitory	Grant	Shiprock
NM	Sky City Community School	BIE	Acoma Pueblo
NM	Southwest Indian Polytechnic Institute		Albuquerque
NM	Taos Day School	BIE	Taos
NM	Te Tsu Geh Oweenge Day School	Grant	Santa Fe
NM	T'iis Ts'ozi Bi'Olta' (Crownpoint)	BIE	Crownpoint
NM	Tohaali' Community School	BIE	Newcomb
NM	To'hajiilee Day School (Canoncito)	Grant	Canoncito
NM	Tse'ii'ahi' Community School	BIE	Crownpoint
NM	T'siya Day School	BIE	Zia Pueblo
NM	Wingate Elementary School	BIE	Wingate
NM	Wingate High School	BIE	Wingate
NV	Duckwater Shoshone Elementary	Grant	Duckwater
NV	Pyramid Lake Jr./Sr. High School	Grant	Nixon
OK	Chickasaw Children's Village	Grant	Kingston
OK	Eufaula Dormitory	Grant	Eufaula
OK	Jones Academy	Grant	Hartshorne
OK	Riverside Indian School	BIE	Anadarko
OK	Sequoyah High School	Grant	Tahlequah
OR	Chemawa Indian School	BIE	Salem
SD	American Horse School	Grant	Allen
SD	Cheyenne-Eagle Butte School	BIE	Eagle Butte
SD	Crazy Horse School	Grant	Wanblee
SD	Crow Creek Reservation High School	Grant	Stephan
SD	Crow Creek Sioux Tribal Elementary	Grant	Stephan
SD	Enemy Swim School	Grant	Waubay
SD	Flandreau Indian Boarding School	BIE	Flandreau
SD	Little Wound School	Grant	Kyle
SD	Loneman Day School	Grant	Oglala
SD	Lower Brule Day School	Grant	Lower Brule
SD	Marty Indian School	Grant	Marty
SD	Pierre Indian School Learning Center	Grant	Pierre
SD	Pine Ridge School	BIE	Pine Ridge
SD	Porcupine Day School	Grant	Porcupine
SD	Rock Creek Grant School	Grant	Bullhead
SD	Sicangu Owayawa Oti (Rosebud Dormitory)	Grant	Mission
SD	Sitting Bull School	Grant	Little Eagle
SD	St. Francis Indian School	Grant	St. Francis
SD	Takini School	Grant	Howes
SD	Tiospa Zina School	Grant	Agency Village
SD	Tiospaye Topa School	Grant	Ridgeview
SD	Wounded Knee	Grant	Manderson
UT	Aneth Community School	BIE	Montezuma Creek
UT	Richfield Residential Hall	Grant	Richfield
WA	Chief Leschi	Grant	East Puyallup
WA	Lummi High School	Grant	Bellingham
WA	Lummi Tribal School	Grant	Bellingham
WA	Muckleshoot Tribal School	Grant	Auburn
WA	Paschal Sherman Indian School	Grant	Omak
WA	Quileute Tr bal School	Grant	LaPush
WA	Wa He Lut Indian School	Grant	Olympia
WA	Yakama Nation Tribal School	Grant	Toppenish
WI	Lac Courte Oreilles Ojibwa School	Grant	Hayward
WI	Menominee Tr bal School	Grant	Neopit
WI	Oneida Nation School	Grant	Oneida
WY	St. Stephens Indian School	Grant	St. Stephens



Office of Justice Services
District Headquarters
Scale 1:4,250,000
CANADA
MEXICO
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
CUBA
LAKE SUPERIOR
LAKE MICHIGAN
LAKE HURON
LAKE ERIE
LAKE ONTARIO
DISTRICT I
DISTRICT II
DISTRICT III
DISTRICT IV
DISTRICT V
DISTRICT VI
DISTRICT VII
DISTRICT VIII
DISTRICT IX
Portland
Sacramento
Phoenix
Albuquerque
Billings
Aberdeen
Minneapolis
Oklahoma City
Nashville
Native Entities in Alaska
Scale 1:9,750,000
PROJECTION INFORMATION:
All data except the (Alaska Inset) are projected to:
Lambert Azimuthal Equal Area
Longitude of projection center: 100° West (150° West)
Latitude of projection center: 45° North
False easting and northing: 0.0
DATA SOURCES:
1:10M Satellite-derived land cover data and shaded relief with ocean bottom data from NaturalEarthData.com 2015;
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BIA Office of Justice Services Districts and Headquarters data: Office of Justice Services, Law Enforcement, Topologically Integrated Geographic Encoding and Referencing System (TIGER) data produced by the US Census Bureau;
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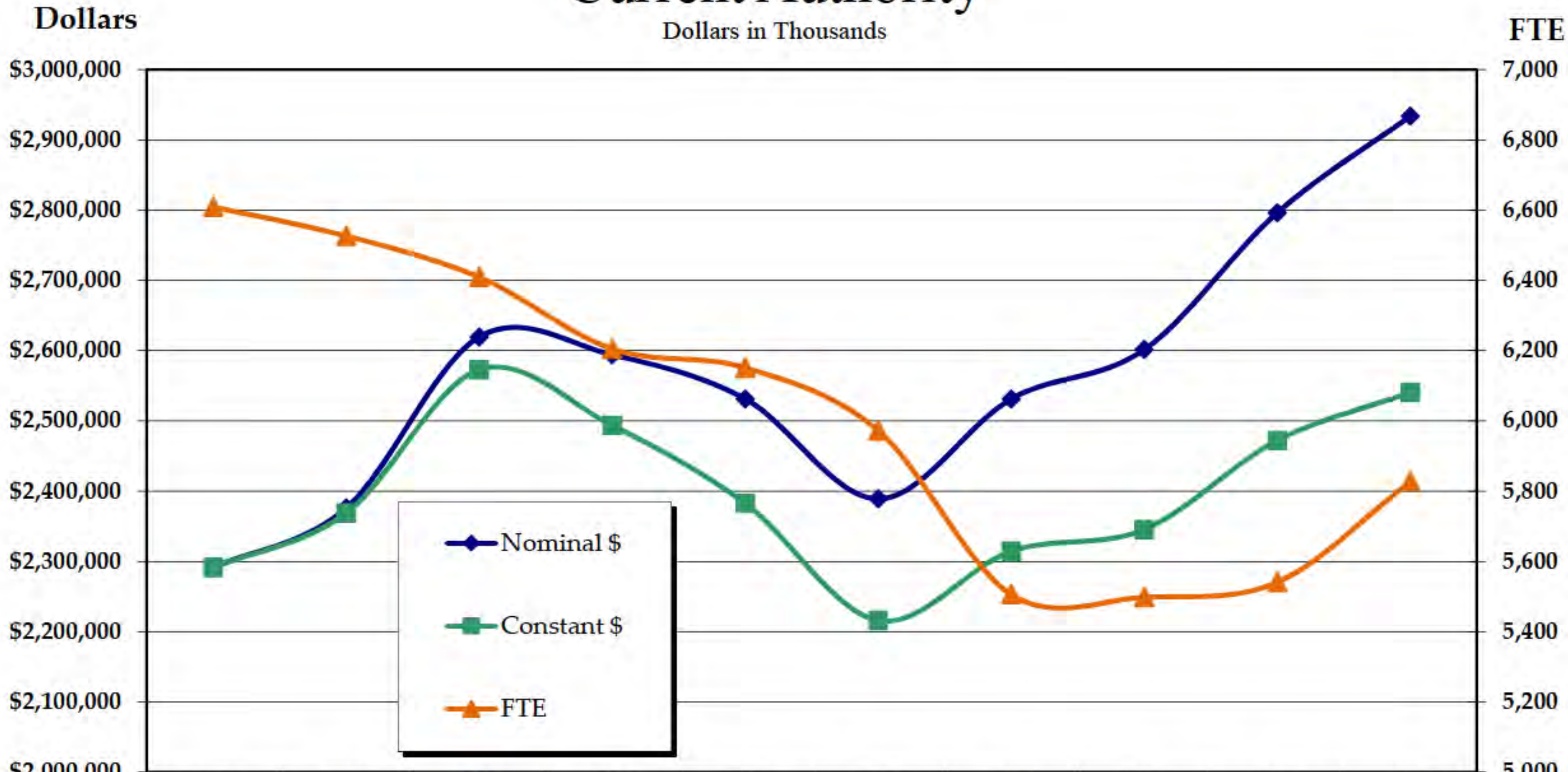
ACKNOWLEDGEMENTS:
Trust Services:
Division of Water and Power,
Division of Land Titles and Records,
Branch of Geospatial Support,
BIA Regional and Land Titles and Records Offices
Federally Recognized Tribal Entity
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
OFFICE OF TRUST SERVICES
OCTOBER 2016
Legend
Office of Justice Services Headquarters
Federally Recognized Tribal Entity (For which no reservation exists)
Alaska Native Village
Public Domain Allotment
City
National Capital
State Capital
American Indian Reservation
Oklahoma Tribal Statistical Area
Trust Land
Lake
Swamp
River
Interstate
The following facilities are currently NOT OPEN:
Yankton Sioux JD, Standing Rock JD and Duck Valley AD
The following facility is currently CLOSED: Crow AD

Indian Affairs
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	2,291,279	2,376,131	2,619,560	2,594,012	2,531,273	2,389,057	2,531,273	2,601,498	2,796,120	2,933,715
Constant $	2,291,279	2,369,003	2,572,851	2,493,713	2,382,628	2,216,124	2,314,453	2,345,536	2,472,051	2,540,531
FTE	6,609	6,526	6,409	6,205	6,151	5,972	5,506	5,498	5,541	5,827

Bureau of Indian Affairs and Bureau of Indian Education
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	2,601,498	2,796,120	2,933,715	2,869,934	2,854,579	137,595
Permanent	123,054	135,118	122,463	122,463	122,463	-12,655
Total	**2,724,552**	**2,931,238**	**3,056,178**	**2,992,397**	**2,977,042**	**124,940**
FTE	**7,102**	**7,145**	**7,431**			**286**

Key Budget Issues

- Tribal consultation on the development of policies and procedures is an important element of the unique government to government relationship with Tribes. Indian Affairs consults annually with the Tribes on the development of the budget through the Tribal Interior Budget Council (TIBC).

- The role of Indian Affairs has changed significantly in the last three decades in response to a greater emphasis on Indian self-determination. Programs are funded and operated in a highly decentralized manner, with about 80 percent of all appropriations expended at the local level, and at least 30 percent of appropriations provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools.

- Tribes argue there are systemic funding deficiencies throughout Indian Affair's programs. Examples:

  - Natural Resource and Real Estate Trust Responsibilities
    - Due to funding levels, tribal and BIA-administered forestry harvests are 50 percent below the annual target which hampers economic development.
    - Backlogs in Indian Affairs Real Estate Service delay the transfer of land to Tribes which impedes economic and community development.

  - Law Enforcement
    - Criminal Investigation and Police Services: funded at less than 35 percent of estimated costs on reservations where the Tribes have criminal jurisdiction.
    - Detention Centers: funded at 45 percent of estimated total cost.

  - Roads: Currently only 16 percent of 29,000 miles of BIA owned roads are in acceptable condition.

- Contract Support Costs (CSC) funding allows Tribes to administer programs previously administered by the Federal government. These costs include a wide array of program management costs including finance, utilities, and insurance. A Supreme Court ruling (Salazar v. Ramah Navajo Chapter), in June 2012, in essence requires IA to fund 100 percent of CSC. In FY 2016, Congress provided an indefinite appropriation to ensure sufficient funding for IA CSC needs and a separate account for those related to the Indian Health Service. The FY 2017 President's Budget requests $278 million for CSC for IA. The House and Senate both funded CSC as the requested level.

- The Tiwahe Initiative started in FY 2015. Tiwahe, which means family in the Lakota language, promotes a comprehensive, integrated and community-based approach to address the great challenges faced by many Indian communities (severe poverty, high rates of violence and substance abuse) to support child welfare, family stability, and strengthening tribal communities as a whole.

    - In FY 2015-FY 2016, over $23.5 million in additional resources were appropriated for the Initiative for the following programs: Social Services, Indian Child Welfare Act (ICWA), Housing Program, Job Placement and Training, Tribal Court, Law Enforcement Special Initiatives (Recidivism).

    - A significant portion of this funding has been allocated to the six designated Tiwahe sites with the remainder allocation to assist Tribes nationwide.

- The BIE Transformation and Reorganization was initiated in 2013 to improve student outcomes and improve the safety and condition of BIE facilities.

    - The goals of the BIE transformation are to foster Tribal involvement in education, provide training for teachers, ensure safe and appropriate academic facilities, and devote more resources for school operations.

    - The Education Reorganization restructures school management to establish a School Operations Division (SOD) that will transfer several administrative responsibilities from AS-IA to BIE.

    - Over the last few years, several GAO reports have been issued noting several BIE deficiencies. The Transformation is targeted to address the noted GAO weaknesses.

- BIA includes programs that support Indian water rights claims negotiations and projects which address critical water needs, such as providing clean and potable water for tribal communities and maintaining irrigation and water delivery infrastructure systems. These activities are essential to sustain the health and well-being of tribal members and Indian communities, preserve existing economies, and over the long-term, bring the potential for jobs and economic development. The BIA also funds payments to Tribes authorized in enacted Indian water rights settlements, generally for maintenance of water infrastructure investments which enacted settlements fund the Bureau of Reclamation to build. The FY 2017 BIA budget request for water settlements was $44.3 million, not including land settlements. The House and Senate funded water settlements at $38.2 million and $38.6 million respectively. The House and Senate funding levels should be sufficient to fund necessary payments in FY 2017.

- Natural Resources Management assists tribes in the management, development, and protection of Indian trust land and natural resource assets. The activities undertaken provide many benefits to the tribal landowners such as revenue, jobs, and the protection of cultural, spiritual, and traditional resources. The FY 2017 budget request for all Natural Resources programs is $215.6 million. The House funded $195.2 million of this request and the Senate funded $202.0 million. Programs within Natural Resources form a composite Federal Trust service required by many treaties, executive orders, and statutes. Natural resources management has four primary aspects:

    - Trust Asset Management
    - Protection and Conservation
    - Restoration and Maintenance
    - Treaty and Subsistence Support
    - Income from energy is one of the larger sources of revenue generated from trust lands, with royalty income of $826 million in 2015.

- Further economic development is needed in American Indian and Alaska Native communities. The Office of Indian Energy and Economic Development supports the advancement of tribal communities by creating jobs and bolstering reservation economies by:

    - Administering the Indian Loan Guaranty Program which provides a $100 million loan guarantee/loan insurance program to Tribes nationwide.
    - Enhancing economic opportunities in Indian country through training and job placements
    - Providing technical or financial assistance to improve tribal business capacity
    - Providing technical assistance and outreach activities to improve access to capital
    - Help tribes build the capacity to take advantage of business opportunities
    - Building tribal energy resource development capacity by providing technical and financial assistance to tribes to assume greater control over their energy resources. As of November 2015, the program was actively involved in 74 renewable energy projects with 58 different tribes. These projects encompass biomass, waste to energy, hydroelectric, geothermal, solar, and wind resources.

Legislative Issues

- In the last two centuries, the Congress has passed more Federal laws affecting Native Americans than any other group of people in the United States. The Snyder Act, the Indian Self-Determination and Education Assistance Act, the Native American Education Improvement Act of 2000, and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country.

- Land into Trust/Carcieri related legislation. In their 2009 Carcieri v. Salazar decision, the Supreme Court held that the Secretary of the Interior may acquire land in trust for an Indian Tribe only if the Tribe was under Federal jurisdiction in 1934. This decision significantly complicates and delays land into trust action and for several years, the DOI budget has proposed appropriations language to clarify the Department's authority to take Indian land into trust for all Tribes regardless of when a Tribe was recognized/came under Federal jurisdiction. Such an amendment would restore two long standing policies of the United States, to assist all Tribes in securing tribal homelands under the IRA, and to ensure federally recognized Tribes are treated equally under the law. This provision was not included in either the House or Senate versions of the FY 2017 appropriations bills.

- On June 29, 2015, the Department of the Interior issued a Federal Acknowledgement Rule to clarify and improve the transparency of the IA's Federal Recognition process. The House Interior Appropriations bill for FY 2017 includes bill language which would prohibit implementation of this rule. House authorizers have introduced legislation to assert that Congress has the sole power to recognize a new Tribe. BIA believes the Federal law allows the administration to recognize Tribes through the Part 83 rules. BIA last recognized the Pamunkey Indian Tribe of Virginia, in January 2016.

- As of July 2016, there are five pending water or land settlements or legislation to amend current water settlements before Congress. The major ones include:

  - S. 1125/H.R. 5633 Blackfeet Water Rights Settlement Act of 2016. Cost: $422 million. DOI testified before House in support.
  - S. 3013 Salish and Kootenai Water Rights Settlement Act of 2016. Cost: $2.3 billion. DOI is still completing a detailed review of legislation but there are some significant initial concerns about the Federal cost of the settlement. The Department cannot support S. 3013 as introduced.
  - Pechanga Band of Luiseno Mission Indians Water Rights Settlement Act, Cost: $28.5 million. DOI testified before Congress in support.

- The Education authorization bill was reauthorized in 2016 as the Every Student Succeeds Act (ESSA). The bill made substantial changes to the accountability and reporting requirements outlined in its predecessor, the No Child left Behind Act passed in 2001.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, Indian Affairs programs are aligned under Mission Area Two: Strengthening Tribal Nations and Insular Communities.

  - Goal One: Meet Our Trust, Treaty, and Other Responsibilities to American Indians and Alaska Natives, including performance measures to demonstrate fulfillment of fiduciary trust responsibilities.

  - Goal Two: Improve the Quality of Life in Tribal and Native Communities, including performance measures demonstrating efforts to support self-governance and self-determination, strengthen Indian education, create economic opportunity, and make communities safer.

- The groundwork is being laid, including Tribal consultation, to develop a 2018-2022 Strategic plan under the new administration.

- Once the new administration has released this Department-wide 2018-2022 strategic plan, Indian Affairs will begin developing an Indian Affairs/Tribal Strategic Plan to complement and provide greater detail on Indian Country priorities as presented in the Department-wide plan.

- Indian Affairs is working with the White House Council on Native American Affairs on a government-wide effort to develop comprehensive native youth performance measures. Indian Affairs is specifically working on measures pertaining to improving education facilities and graduation rates and Indian Child Welfare Act reporting.

Issue Paper: Bureau of Indian Education Transformation

Summary:

In 2014, the Department released a Bureau of Indian Education Blueprint for Reform which laid out recommendations to transform Indian Education programs. The Blueprint was developed in partnership with the Department of Education and identified five major areas of reform.

- Provide Educational Self-Determination for Tribes
- Align Budget to Support New Priorities
- Employ Highly Effective Teachers and Principals
- Create an Agile Organizational Environment
- Provide Comprehensive Support through Partnerships

The transformation of Interior's Indian Education programs became part of a government-wide effort (Generation Indigenous) to break the cycle of poverty for young Native Americans, which included complementary budget proposals across several agencies. The Department's FY 2016 appropriation included a significant increase (+$105.6 million) for BIE programs and Education Construction. Separately, Congress gave the go ahead to proceed with significant organizational changes in the BIE. Interior's FY 2017 budget proposal maintains these increases and proposes additional funds to build technical capacity within BIE to enable autonomy over operating services to better address significant deficiencies identified by the Government Accountability Office (GAO) and Interior's Inspector General (IG).

Budget Information:

$ in Thousands					
	2015	**2016**	**2017**		
ACCOUNTS	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
Operation of Indian Programs	2,429,236	2,267,924	2,395,786	2,337,135	2,326,339
Bureau of Indian Education	810,531	852,367	912,430	892,886	874,159
Construction	*128,876*	*193,973*	*197,017*	*197,017*	*192,017*
Education Construction	74,501	138,245	138,257	138,257	133,257

Background:

The Bureau of Indian Education's (BIE) funds 183 schools, located on 64 reservations in 23 states, serving approximately 48,000 American Indian students. Of these schools, 126 are tribally-controlled under Indian Self Determination and Education Assistance Act (P.L. 93-638) contracts or Tribally Controlled Schools Act (P.L. 100-297) grants, and 57 are Federal schools operated and staffed by the BIE. BIE also funds or operates off-reservation boarding schools and peripheral dormitories near reservations for students attending public schools, and operates two postsecondary schools: Haskell Indian Nations University (KS) and Southwestern Indian Polytechnic Institute (NM).

Nearly half of Native American people are under the age of 24; more than one-third of Native children live in poverty; and Native youth have the lowest high school graduation rate of students across all schools, 69 percent. By comparison the national average for all students is 81 percent. For the eight percent of Native students attending BIE schools the average graduation rate is 53 percent. Students in BIE schools perform consistently below American Indian students in public schools on national and state assessments. A 2011 study using data from the National Assessment on Educational Progress (NAEP) indicated BIE Fourth graders scored on average 22 points lower in reading and 14 points lower in math than Indian students attending public schools.

Failing schools, crumbling infrastructure, failure to include tribal nations in the decision-making process, lack of access to broadband and shortages of teachers and principals contribute to the urgency of the situation. The GAO and the IG have issued several reports outlining deficiencies in the BIE schools, including gaps in school safety and administrative at the national and region levels.

In 2014, Secretary Jewell released a BIE Blueprint for Reform, a review of the BIE system undertaken with support from the Department of Education. The reform document launched a commitment to change the trajectory for students attending BIE-funded schools. The same year, Secretary Jewell issued Order No. 3334 laying out an implementation strategy. The Order directs Indian Affairs to redesign and restructure the BIE into an "innovative organization that will improve operations for both tribally controlled and BIE-operated schools."

A major feature of the transformation focuses on recognition of the need to move BIE from solely a direct provider of education into an organization that also promotes tribal self-governance and self-determination supporting tribal control of BIE-funded schools and serving as capacity-builder and service-provider to those schools. The BIE operates only 52 of the 183 schools it funds. Tribal nations or local school boards have assumed direct management of 71 percent of these schools, and the number is likely to grow. The BIE's mission and organization had not evolved to meet these new realities.

Implementing Reform:

After extensive tribal consultations, the BIE proposed important organizational changes. Changes to the headquarters and field structure were vetted with major stakeholder organizations, e.g., the National Indian Education Association and the National Congress of American Indians, and through the House and Senate Appropriations Committees as required by the Interior Subcommittees' reprogramming guidelines. The following major changes in BIE are currently being implemented:

- Realign the organization from a solely geographically based field structure to one that accounts for the differing service needs of bureau operated and tribally-controlled schools. The reorganization created three divisions each headed by an Assistant Deputy Director in the field: the Bureau Operated Division assists schools directly run by BIE; the Tribally Controlled School Division supports schools operated under contracts by tribes; and the Navajo Schools Division supports schools in the Navajo Nation, whether bureau operated or tribally controlled.

- These divisions run Education Resource Centers that provide primary support to small groups of schools. The school solutions teams working out of these Educational Resource Centers deliver technical assistance to tribes and educators with a focus on improving outcomes for students.

- At headquarters, key positions were established: a Chief Academic Officer, a Chief Performance Officer, and the Deputy Director for School Operations. Each of these positions holds direct line responsibility to improve student outcomes, services to schools, and the quality of school facilities.

Work continues to implement the significant changes in the reorganization including the reassignment and relocation of existing staff and hiring vacant positions. At the same time, the BIE is working to finalize the second phase of the reorganization to strengthen technical capability in BIE's School Operations Division to change the service delivery model and improve support for student achievement. The FY 2016 appropriation included an increase of $2.5 million which enables some hiring in the School Operations Division to add technical expertise in budget and finance, school safety specialists. acquisition, human resources, and key positions in the Deputy Director's office.

FY 2017 Budget Priority – Building Capacity in BIE's School Operation Division:

Interior's FY 2017 budget proposes an $8.0 million increase to fully support the reorganization by building capability in BIE's School Operations Division. Changes proposed would replace a currently fragmented servicing model, where the governance structure and decision-making responsibility over school operations is divided among the BIE, the Bureau of Indian Affairs (BIA), and the Deputy Assistant Secretary of Management's (DAS-M) office. Modeled after the Department of Defense Education school system, the BIE Director will have decision-making responsibility for school operations -- not the BIA or DAS-M's office. Building technical capability within the BIE will enable the BIE Director to make decisions regarding functions affecting the quality and performance of day to day school operations and clarify lines of responsibility to get the job done. The DAS-M will retain responsibility for policy leadership, oversight and overall accountability of the operational functions to continue to ensure coordination and compliance with federal requirements.

This approach is needed to reduce many of the challenges BIE schools face in accessing the services needed to make school improvements. The FY 2017 request will address GAO recommendations to improve accountability, effectiveness, timeliness of services delivered to BIE schools. The $8,000,000 request supports an additional 54 positions in Acquisitions, School Facilities, School Property, Human Resources, Budget and Educational Technology functions. It will also support 19 positions in classrooms helping teachers integrate technology into the instructional program. These additional 73 FTEs will provide skilled talent closer to schools through the new Education Resource Centers; will shorten the path between schools and the resources they need to help students and teachers in the classroom; and deliver timely and responsive services and support closing gaps where they currently exist.

The House Interior mark includes the requested $8.0 million in funding in its 2017, but the Senate mark does not. The Senate requested more detailed information on what the $8 million will be used for. Interior has met with House and Senate Committee staff and has provided the detailed information requested.

Issue Paper: Indian Education Construction

Summary:

Improvement of BIE school facilities is a central component of the Bureau of Indian Education (BIE) transformation. The need to improve the condition of BIE schools has been the subject of several Government Accountability Office (GAO) and DOI Inspector General (IG) reports and is a priority of the Interior Appropriations Subcommittees. The constraints of the annual appropriations process, however, make it difficult to keep pace with the need. Of the 183 BIE schools, 56 are identified in poor condition requiring an estimated $1.7 billion to bring them into good condition. The current deferred maintenance need is estimated to be $3.0 billion. In 2016, the Department requested and received a large funding increase (+$63.7 million, +46%) for education construction. This provided a needed boost to the program which had received minimal funding for new school construction in 2013 and 2014. The 2017 President's budget maintains this level of funding and is fully supported in the House mark and at a slightly lower level in the Senate mark. The 2017 request also includes a $6 million increase for ongoing school operations and maintenance which is supported in both the House and Senate marks.

Budget Information:

INDIAN EDUCATION CONSTRUCTION
(dollars in thousands)

	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Construction					
Education Construction					
Replacement School Construction	**20,165**	**45,504**	**45,504**	**45,504**	**45,504**
Replacement Facility Construction	**0**	**11,935**	**11,935**	**11,935**	**11,935**
Employee Housing Repair	**3,823**	**7,565**	**7,567**	**7,567**	**7,567**
Facilities Improvement and Repair	**55,533**	**73,241**	**73,251**	**73,251**	**68,251**
Major Improvement and Repair Projects	0	17,707	17,707	17,707	17,707
Minor Improvement and Repair Projects	25,242	30,242	25,242	25,242	20,242
Advanced Planning and Design	1,000	1,000	6,000	6,000	6,000
Construction Support Programs	26,051	19,001	19,001	19,001	19,001
Program Management	3,240	5,291	5,301	5,301	5,301
Total, Education Construction	**79,521**	**138,245**	**138,257**	**138,257**	**133,257**
Operations of Indian Programs					
Elementary and Secondary School Programs					
Facilities O&M				**125,262**	
Facilities Operations	**55,865**	**63,098**	**66,219**		**59,043**
Facilities Maintenance	**48,591**	**55,887**	**59,043**		**66,219**
Total, OIP Education Facilities O&M	**104,456**	**118,985**	**125,262**	**125,262**	**125,262**

Background:

Education Construction for the BIE schools program is managed as part of the overall Indian Affairs' construction program by the Office of the Deputy Assistant Secretary - Management. The Education Construction program provides facilities for students attending the 183 Bureau of

Indian Education-funded schools and dormitories. The BIE also owns and operates two post-secondary institutions. Although Indian Affairs may contract with tribes to either construct or operate the BIE schools, ownership of the facilities and overall responsibility for compliance remains with the government.

The Facilities Condition Index (FCI) is used by Indian Affairs to support asset management and develop construction plans for improvement/repair and replacement of facilities. Based on the FCI, buildings and structures are categorized as being in good, fair, or poor condition. Collectively, the FCI of BIE schools is in the fair range. Individually, there are 82 schools in *"good"* condition, 46 in *"fair"* condition and 55 in *"poor"* condition. BIE-funded schools are in "acceptable" condition if their FCI is in the good or fair ranges and in 2016, 70 percent of schools are identified as being in acceptable condition.

Current estimates indicate it would cost about $1.7 billion to bring all of the schools in poor condition into good condition. The effort would require $1.0 billion in school replacement projects, $600 million in facility component replacement projects, and $100 million in focused major facilities improvement and repair (FI&R) projects. There are currently $389 million dollars of deficiencies (major and minor) that need correction. Examples of high cost FI&R projects include HVAC or roof replacements. Minor FI&R projects are those estimated to cost less than $250,000.

The Education Construction program supports: Replacement School Construction (entire school campus); Replacement Facility Construction (single facilities rather than an entire campus); Employee Housing Repair; and Facilities Improvement and Repair.

<u>Current School Construction</u>:

Replacement School Construction: The 2016 appropriation included $45.5 million for Replacement School Construction. This funding enabled the program to address the remaining two schools on the old 2004 Replacement School list, Cove Day School (AZ) and Little Singer Community Day School (AZ).
The FY 2016 appropriation has also launched a competitive planning process for the following ten Indian schools identified through the rigorous Negotiated Rulemaking Process for replacement school construction.

- Blackwater Community School, AZ
- Chichiltah-Jones Ranch Community School, NM
- Crystal Boarding School, NM
- Dzilth-Na-O-Dith-Hle Community School, NM
- Greasewood Springs Community School, AZ
- Laguna Elementary School, NM
- Lukachukai Community School, AZ
- Quileute Tribal School, WA
- T'iis Nazbas Community School, AZ
- Tonalea Redlake School, AZ

Each school was awarded equal funding to initiate planning for their replacement school project following a thorough site visit. Moving forward, assuming the availability of appropriated funding, the priority order for construction will be determined by each project's readiness to proceed with construction.

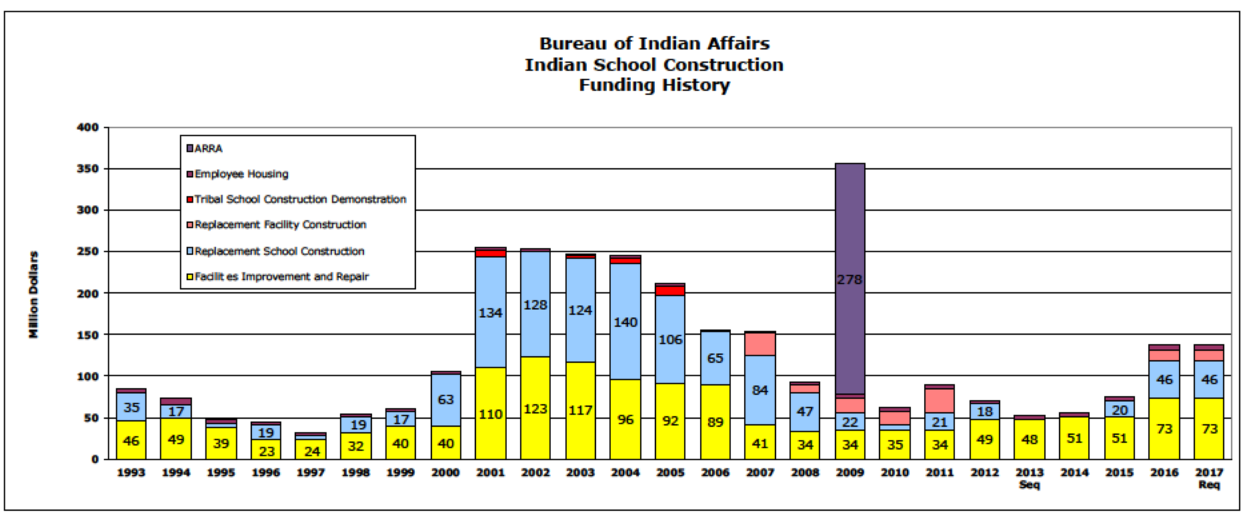
Facility Replacement Construction: The 2016 appropriation provided $11.9 million to re-establish the Facility Replacement program. The initial project for the program is replacement of the Pole building at the Bug-O-Nay-Ge-Shig High School in Minnesota. In consultation with the tribe, the Bug School project will also serve as a pilot for the use of off-site construction as a way to expedite construction and reduce costs. Award of the construction contract is planned for the fall of 2016.

FY 2017 Issues:

The 2017 budget proposes to maintain the 2016 level of $138.3 million for education construction and $125.3 million for the ongoing operation of the schools. Both the House and the Senate marks are supportive of these programs with the House mark equal to the requested level, and $5.0 million above the Senate mark for education construction. Both marks support the requested amount for operation and maintenance of the schools.

The 2017 request proposes to maintain the 2016 level of funding for replacement school and facility replacement construction to provide consistency needed to establish a firm footing for the education construction program. The 2017 budget also includes $6.0 million for advanced planning and design to help work underway to improve multi-year planning for deferred maintenance and school construction projects by establishing a construction pipeline system to better pace project construction.

Needs Outpace Funding – Questions about the safety and ongoing support for school maintenance have been highlighted as significant problems by the GAO and IG. Congressional Appropriators keep a close watch on the status of these programs to ensure improvements are made. Current estimates indicate it would cost about $1.7 billion to bring all of the schools in poor condition into good condition. At the 2017 funding level, based on current replacement values it would take roughly 25 years to get all 56 BIE schools in poor condition into good condition.



The sufficiency of funding to properly address the needs has been a key factor in addressing the situation as has the need to build capacity in the Education Construction program. After an almost $300 million influx for funding for Education construction projects from the American Recovery and Reinvestment Act of 2009, funding for education replacement and major FI&R projects dropped to next to nothing until the programs were revitalized in 2016. The change in annual appropriations disrupted not only the progress of the Education Construction program, but eroded processes and capability as normal attrition occurred.

The 2017 request maintains the 2016 increase for Education Construction to help build consistency in the program, vital to sustain project planning and readiness. At the same time, the request also proposes appropriations language to re-establish the dormant Indian Education Foundation as a way to kick-start non-federal partnerships to help address the need. The current House mark for 2017 includes a version of this language. In 2016, the House Interior Subcommittee also included report language encouraging the Department to pursue alternative financing solutions to leverage federal funding for school construction.

To build capacity within the Education Construction program, Indian Affairs has worked aggressively to institute multi-year planning, launch construction projects, complete a new school replacement list and launch their planning, and build technical capacity within the program. As part of the BIE transformation to clarify lines of authority and promote more responsive servicing to schools, day to day responsibility for education construction and facility maintenance would move under the direct authority of the BIE Director.

Office of Insular Affairs
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	102,441	103,441	102,717	90,294	110,335	-724
Permanent	511,209	502,139	550,000	550,000	550,000	47,861
Total	**613,650**	**605,580**	**652,717**	**640,294**	**660,335**	**47,137**
FTE	**34**	**40**	**42**			**2**

Office Profile

- Funding for the Office of Insular Affairs (OIA) activities is provided through a combination of discretionary or current and permanent appropriations. Current funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- The OIA carries out the administrative responsibilities of the Secretary of the Interior and the Assistant Secretary for Insular Areas to coordinate Federal policy for the territories of:
    - Guam,
    - American Samoa,
    - the U.S. Virgin Islands (USVI), and
    - the Commonwealth of the Northern Mariana Islands (CNMI).

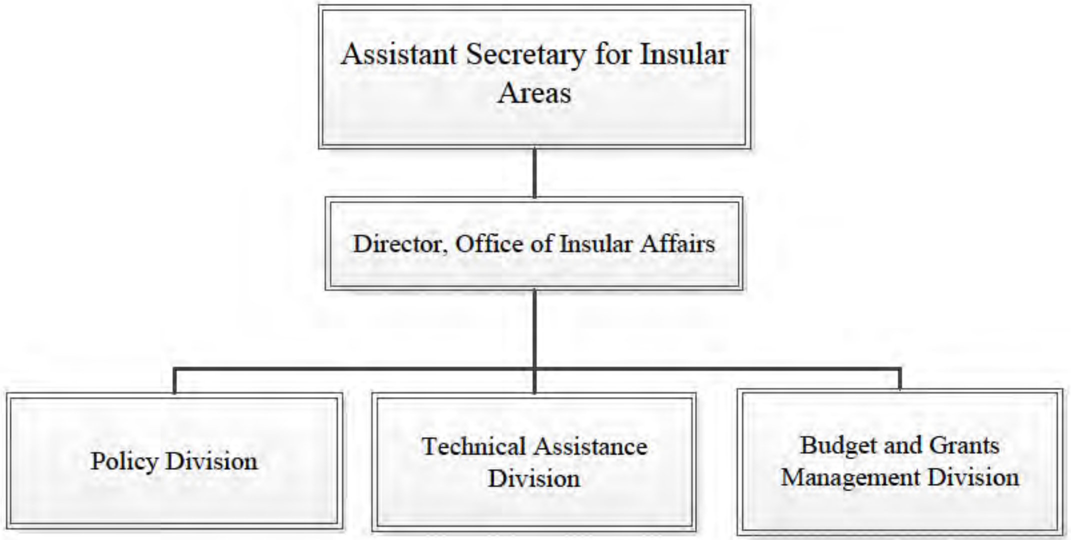
- The Office is also responsible for administering and overseeing U.S. Federal assistance to three Freely Associated States (FAS):
    - the Federated States of Micronesia (FSM),
    - the Republic of the Marshall Islands (RMI), and
    - the Republic of Palau (Palau).

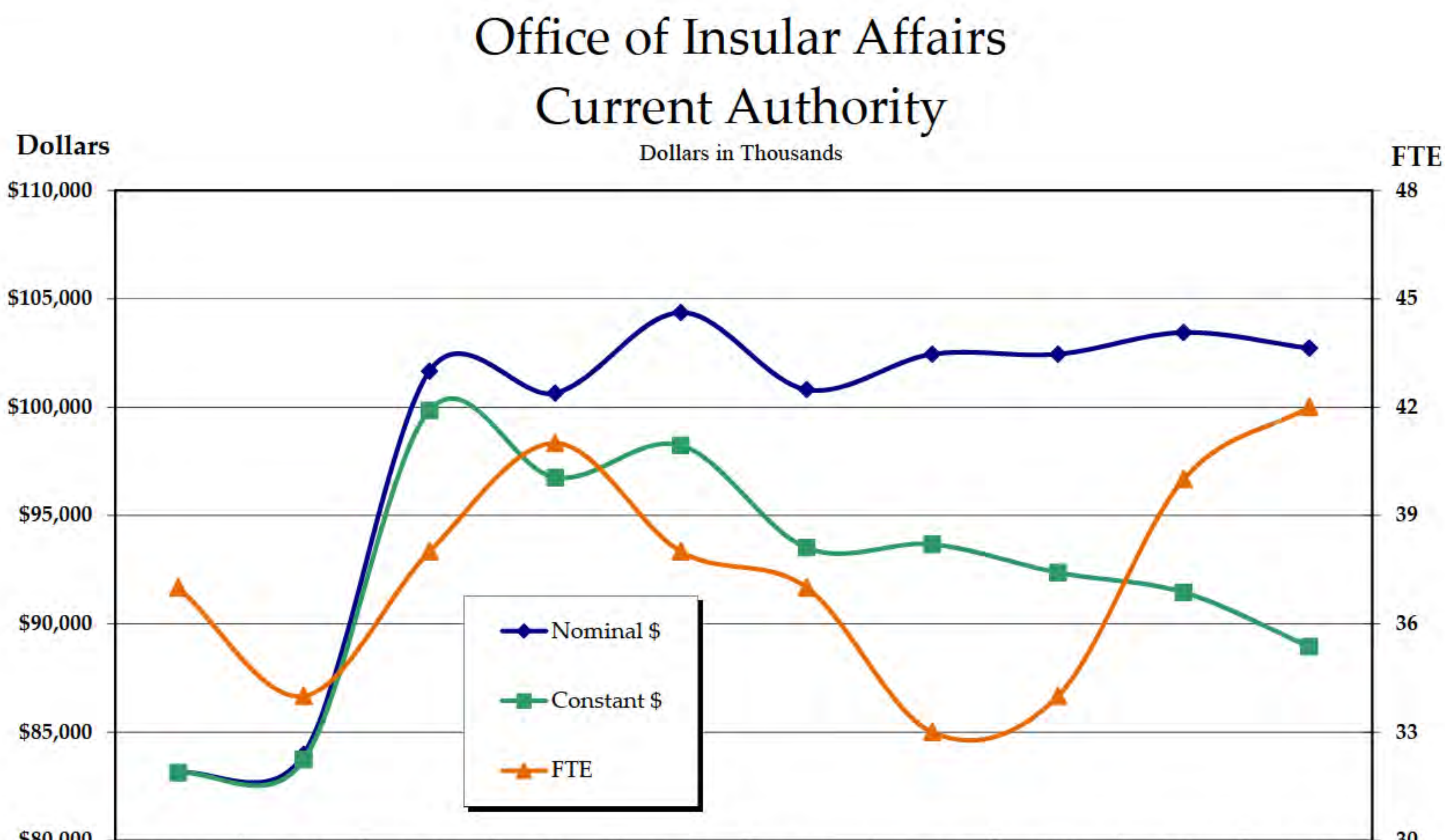
- The mission of OIA is to empower insular communities by improving quality of life, creating economic opportunity, and promoting efficient and effective governance.

- OIA's assistance helps the insular areas confront some of their pressing challenges, improve the quality of life through health and education initiatives, expand economic opportunity and promote efficient and effective governance.

- OIA serves as the administrator of the mandatory financial assistance provided under the amended Compact Agreements for FSM and RMI. The amended Compacts provide direct grants in six sectors: education, health care, infrastructure, public sector capacity building, private sector development, and environment. Joint economic management committees, comprised of high ranking officials from the U.S. and the RMI or FSM, meet no less than annually to agree on the allocation of Compact funds among the sectors and to discuss performance, accountability issues and conditions for the use of assistance.

Office of Insular Affairs





	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	83,129	83,983	101,660	100,640	104,361	100,808	102,441	102,441	103,441	102,717
Constant $	83,129	83,731	99,847	96,749	98,233	93,511	93,666	92,362	91,452	88,951
FTE	37	34	38	41	38	37	33	34	40	42

Amounts in FY 2010 through FY 2016 include funding for the extension of the Palau Compact which expired at the end of FY 2009. Congress included $13.147 million in the annual appropriations bill for the extension of the compact in each of those years.

Office of Insular Affairs
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	102,441	103,441	102,717	90,294	110,335	-724
Permanent*	511,209	502,139	550,000	504,500	504,500	47,861
Total	**613,650**	**605,580**	**652,717**	**594,794**	**614,835**	**47,137**
FTE	**34**	**40**	**42**			**2**

**The 2017 Request assumed authorization of mandatory funding for the Palau compact in 2017. The 2017 Congressional action does not assume authorization of mandatory funding.*

Key Budget Issues

- Overall, the FY 2017 budget requests $102.7 million for Office of Insular Affairs (OIA) programs. The House maintains the FY 2016 level for core programs. The Senate partially funds requested increases in core programs and maintains FY 2016 funding to continue support for Palau.

- OIA's core programs are funded in Assistance to Territories. The 2017 President's Budget proposes $99.4 million for Assistance to Territories, an increase of $12.4 million over the FY 2016 enacted level, as follows:

    - An increase of $781,000 for financial oversight efforts, which is supported by the Senate.

    - An increase of $5.6 million for much needed direct grants in the seven insular areas. The Senate mark provides $2.6 million of the requested increase.

    - An increase of $3.9 million to improve health and safety conditions in insular school facilities. The Senate mark provides $2.9 million of the requested increase.

    - An increase of $2.0 million to implement energy projects identified by the territories in their comprehensive sustainable energy strategies. The Senate mark provides $1.0 million of the requested increase.

    - An increase of $1.0 million from the 2016 enacted level to support invasive species eradication efforts. The Senate mark provides $500,000 of the requested increase.

    - Brown Treesnake Control is funded at $3.0 million, a program decrease of $500,000, reflecting completion of an automated aerial bait system in 2015. The Senate mark provides the request, the House mark provides an increase of $500,000.

- The 2017 budget provides $3.3 million for Compact of Free Association, level with 2016, excluding $13.1 million provided for Palau Compact Extension in 2016. The Senate maintains the FY 2016 level of $13.1 million for the Palau Compact.

Legislative Issues

- Palau Compact – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement. The Compact provides economic assistance to Palau and reaffirms the close partnership between the U.S. and Palau, including exclusive military access to Palau's strategic location through 2024.
    - Palau has a strong track record of supporting the U.S. at the United Nations and its location is key for U.S. national security interests in the Western Pacific Region. Under the agreement, Palau committed to undertake economic, legislative, financial, and management reforms. The U.S. Government agreed to provide $149 million, in fiscal years 2017 to 2024 to support Palau's reform efforts.
    - Compact funding is needed to strengthen the foundations for economic development in Palau by developing public infrastructure and improving health care and education. Compact funding also will be used to undertake infrastructure projects designed to support Palau's economic development efforts.
    - Mandatory funding for the Compact expired at the end of 2009. For the past several years, the President's budget has assumed Congressional authorization of mandatory funding for the Compact and has not included funding in the budget request. In the absence of enacted authorization of the full Compact agreement, Congress has provided discretionary funding of $13.1 million each year since 2010.
    - There have been several attempts to press for Congressional authorization of the Compact which have not been successful. The stumbling point has been the need for an offset from either savings or additional revenue to meet Congressional PAYGO requirements. Offsets and revenue proposals identified in the President's Budget were either used by Congress to address other priorities or were not accepted.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, OIA is aligned under Mission Area Two: Strengthening Tribal Nations and Insular Communities and Goal #3: Empower Insular Communities.

- OIA tracks and reports a total of five GPRA measures, and associated supporting performance measures, to the Department under the three separate strategies:
    - Improve Quality of Life;
    - Create Economic Opportunity: and
    - Promote Efficient and Effective Governance

Issue Paper: Palau Compact Funding

Summary:

The U.S. Government, working through the State Department, reached a revised Compact Agreement with Palau in 2010. Since that time, Congress has provided incremental funding for Palau each year through the Department of the Interior, however, they have not enacted the revised agreement or provided the full associated payment. To meet the requirements of the Palau Compact review agreement, the U.S. must provide $149 million, in fiscal years 2017 to 2024. The U.S. Department of the Interior has made annual payments, beginning with fiscal year 2010, of approximately $13.1 million a year for a total of $92 million in discretionary funds thus far.

The Department of the Interior, along with the Department of State and the Department of Defense, has proposed legislation to provide the funding required to bring the Review Agreement into force. The 2017 President's Budget assumes enactment of legislation that would provide mandatory funding for the agreement, and does not include a request for discretionary appropriations. Treatment of funding for Palau continues to be a significant budget challenge.

In the absence of an approved revised Compact agreement, the annual funding has been limited to direct economic assistance, leaving the other planned commitments in the review agreement unfunded and unimplemented, including financial management reforms by Palau.

Budget Information:

PALAU COMPACT FUNDING
(dollars in thousands)

	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Office of Insular Affairs					
Discretionary funding					
Palau Compact Extension	13,147	13,147	0	0	13,147
Mandatory Funding					
Palau Compact Extension	0	0	45,500	0	0

Background:

The relationship between the United States and the Republic of Palau is grounded in shared history, friendship, and a strong partnership in national security, especially with respect to the Asia-Pacific Region. In the storied Battle of Peleliu, in Palau, more than 1,500 American servicemen lost their lives, and more than 8,000 were wounded, resulting in one of the costliest battles in the Pacific in World War II. After the war, the United States assumed administrative authority over Palau as part of the United Nation's Trust Territory of the Pacific Islands. In 1994, the people of Palau expressed their desire, in plebiscite, to become a sovereign nation in free association with the United States under a Compact of Free Association.

Approving the agreement with Palau is important for the national security of the United States, our bilateral relationship with Palau, and stability in the Western Pacific region.
The Compact provides U.S. military forces full authority and responsibility for security and defense matters in and relating to Palau. The United States has the extraordinary advantage of being able to deny other nations' military forces access to Palau, an important element of our Pacific strategy for defense. The Compact has also helped strengthen democratic principles and economic stability in Palau, and stabilize the larger Micronesia region which includes the U.S. territory of Guam and the Kwajalein Missile Range in the Marshall Islands.

In addition to the important historical and security relationship, Palau has consistently demonstrated a commitment to the U.S.-Palau partnership under the Compact. Palauan nationals have served in U.S. coalition missions and participated in U.S.-led combat operations. Palauan citizens volunteer in disproportionately large numbers in the U.S. military compared to its population. At the United Nations, Palau has voted with the United States more than 95 percent of the time.

The original Compact of Free Association between the Republic of Palau and the U.S., which became Public Law 99-658 on November 14, 1986, required a review of the Compact every 15-years. The review resulted in a review agreement signed on September 3, 2010, primarily revising the U.S. economic assistance aspects of the Compact. The review agreement called for U.S. payment to Palau totaling $229 million through 2024. The planned assistance included: direct economic assistance to Palau, infrastructure project grants and contributions to an infrastructure maintenance fund, a new fiscal consolidation fund, and contributions to the compact trust fund.

On February 22, 2016, the Department of the Interior re-transmitted draft legislation to Congress, along with the Departments of State and Defense, to implement the 15-year Compact of Free Association Review Agreement between the United States and the Republic of Palau and provide $149 million, the remaining funding required to bring the Review Agreement into force.

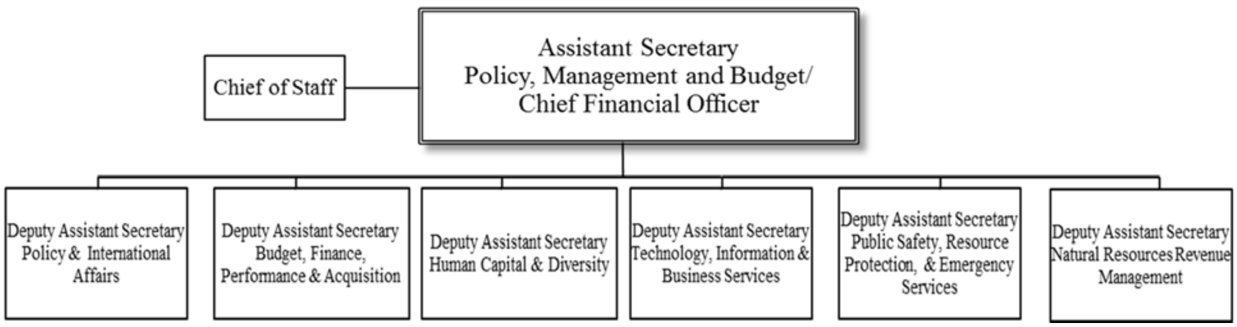
On March 1, 2016, Senators Lisa Murkowski, Maria Cantwell, and Mazie Hirono introduced S. 2610, the Administration's updated bill for approving the 15-year Palau Compact review agreement. The Senators attempted to include the Compact as an amendment to the National Defense Authorization Act (NDAA) for FY 2017, but the Palau Compact amendment was not ultimately included in the Senate version of the 2017 NDAA. However, a resolution supporting full funding for the agreement was included. The U.S. Department of the Interior, in a letter to NDAA conferees, asked for inclusion of the Compact agreement.

The challenge to enacting the Palau Compact has been identifying a "saver" to offset the cost of the legislation under Congressional PAYGO rules. Although the President's Budget has included many offsetting revenue or savings proposals, these have either been used to offset other Congressional priorities or were not adopted by the Congress.

The FY 2017 Senate Interior Appropriations Bill continues to include incremental funding for the Palau Compact ($13.1 million) in the event the Compact is not enacted. The House mark does not include the additional funding. In past years, the additional funding for Palau has been sustained in conference. In the event of a year-long Continuing Resolution in 2017, funding of $13.1 million in discretionary appropriations will be available for the Palau Compact.

Office Of The Assistant Secretary - Policy, Management and Budget Organization Profile

Within the Office of the Secretary, the Office of the Assistant Secretary – Policy, Management and Budget (AS-PMB) provides overall policy direction and leadership on a broad range of management and operational issues that directly affect Interior's ability to fulfill its mission. The Assistant Secretary serves in a number of statutorily designated positions and is the agency's Chief Financial Officer, Chief Acquisition Officer, and Chief Performance Officer. The Office of the Assistant Secretary for PMB ensures Departmental compliance related to annual appropriations bills and functions such as performance, finance, environmental compliance, acquisition and property management, budget, general management, administration, civil rights, and equal access. The Office is organized into six Divisions each led by a Deputy Assistant Secretary.



Policy and International Affairs (81 FTE) – This Division includes five Offices: Environmental Policy and Compliance; Policy Analysis; International Affairs; Native Hawaiian Relations; and Restoration and Damage Assessment.

This Division provides Department-wide coordination supporting environmental compliance as well as the response, clean up, damage assessment, and restoration of resources injured by hazardous substances and oil spills. The Division serves as the official point of contact for international issues supporting the Department's domestic mission and U.S. foreign policy, and coordinates Native Hawaiian relations across the Department. The Deputy Assistant Secretary for the Division also leads crosscutting policy development and analysis including economic analysis, oceans policy, Arctic issues, climate change adaptation, and invasive species management and program implementation.

Budget, Finance, Performance, and Acquisition (239 FTE) – This Division includes six Offices: Budget; Financial Management; Acquisition and Property Management; Small and Disadvantaged Business Utilization; Planning and Performance Management; and the Business Integration Office.

The Division coordinates the Department's interactions with the House and Senate Appropriations Committees and the Office of Management and Budget, on budgetary and policy matters, and the General Services Administration on Federal space management. The Division oversees the financial health of the Department by administering the annual audit, compiling the annual Agency Financial Report, and monitoring corrective actions. The Director of the Office of Financial Management serves as the Deputy Chief Financial Officer for the Department. The

Division supports the Assistant Secretary's role as the Performance Improvement Officer, ensuring performance information is used effectively for planning and reporting purposes.

The Division is responsible for optimization and leveraging of the Department-wide Financial and Business Management System, which is Interior's system of record for accounting, procurement, and property management activities. The Division is responsible for Department-wide Federal procurement policy and regulations, providing executive leadership and oversight for Federal acquisitions, assistance, grants, and cooperative agreements. The Division also oversees and directs policy implementation on governance and accountability for real, museum and personal property, space management, fleet management, and capital planning for real and personal property assets including compliance with sustainability requirements.

Human Capital and Diversity (96 FTE) – This Division includes four Offices: Human Resources; Civil Rights; Strategic Employee and Organizational Development; and Occupational Safety and Health. The Deputy Assistant Secretary for the Division serves as the Department's Chief Human Capital Officer and the Designated Agency Safety and Health Officer with oversight for Department-wide human capital programs, employee training and development, and employee health and safety. The Division is responsible for the coordination of the equal employment, federally assisted and conducted, special emphasis, and affirmative employment activities and programs and human capital policy with the Office of Personnel Management and the Office of Management and Budget.

T*echnology, Information, and Business Services (1,385 FTE)* - This Division includes six Offices: Chief Information Officer; Collaborative Action and Dispute Resolution; Office of Valuation Services; Interior Business Center; Hearings and Appeals; and Facilities and Administrative Services.

This Division oversees a number of major Department-wide operational efforts and policy oversight to promote greater efficiency and effectiveness of Departmental operations. Although the Chief Information Officer reports directly to the Secretary, the Division provides this Office with technical and administrative management. The CIO provides policy direction and some direct operational services across Interior. The Division is responsible for the oversight and management of the Interior Business Center, which delivers administrative and business services across Interior and to more than 140 other Federal agencies, and the Office of Facilities and Administrative Services, which manages the Stewart Lee Udall and South Interior buildings in Washington, D.C.

The Division oversees the conflict management and dispute resolution services used across Interior to facilitate more collaborative problem solving and reduce the unproductive costs and negative impacts of unresolved conflicts. The Division includes the Office of Hearings and Appeals, which serves as the Secretary's representative for probating estates of individual Indians who died owning trust assets and hearing, considering, and deciding administrative appeals through the Interior Board of Indian Appeals, the Interior Board of Land Appeals, and other ad hoc appeals outside of the jurisdiction of these boards. The Division also oversees the Department's Valuation Services program, which supports the land management responsibilities of the Department's bureaus including property and mineral rights valuations.

Public Safety, Resource Protection and Emergency Services (136 FTE) - This Division includes five Offices: Law Enforcement and Security; Aviation Services; Emergency Management; Wildland Fire; and the Interagency Borderland Coordinator.

The Division is responsible for leadership and strategic guidance in five primary areas: law enforcement; emergency management; wildland fire; aviation; and borderlands coordination. The Division provides central coordination and policy guidance for Interior law enforcement, emergency management, and wildland fire management activities conducted through Interior's bureaus. The Division leads Departmental efforts to coordinate with the Department of Homeland Security on border activities impacting Interior equities, particularly installation of border infrastructure and law enforcement activities.

Natural Resources Revenue Management (662 FTE)– This Division consists of the Office of Natural Resources Revenue (ONRR) which is responsible for collecting, disbursing, and verifying Federal and Indian energy and other natural resource revenues on behalf of all Americans. ONRR distributes revenues generated from mineral resources across the Department directly to States, Tribes, and Individual Indian Mineral Owners (IIMOs), and legislatively mandated purposes including the Historic Preservation Fund, the Land and Water Conservation Fund, the Reclamation Fund, as well as the General Fund of the U.S. Treasury. ONRR plays a lead role supporting DOI implementation of the Extractive Industries Transparency Initiatives (EITI). Implementing EITI in the United States will improve the accessibility and understanding of the resource revenues reported by both the U.S. Government and industry; strengthen relationships to deliver a more transparent, participatory, and collaborative government; and enable the U.S. to lead by example internationally on transparency and good governance.

Budget Information

Funding for the programs and activities managed by the Assistant Secretary for Policy, Management and Budget comes from a combination of discretionary appropriations, payments for services, claim settlements, and mandatory funding, available without further appropriation. Discretionary appropriations are requested principally in the Departmental Operations account; however, the Office of the Secretary also manages four Department-wide programs: Payments in Lieu of Taxes, Central Hazardous Materials Fund, Natural Resource Damage Assessment (NRDA), and Wildland Fire Management.
Funding information for the various activities in Policy, Management, and Budget is explained below.

- Additional information is provided in separate issue papers for each appropriation.

Departmental Operations

($ in Thousands)						
	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
Current	266,263	721,769	278,376	741,922	265,000	-443,393
[Payments in Lieu of Taxes]*		[452,000]		[480,000]		
Permanent			305,000			305,000
[OVS - LWCF Transfer]			[5,000]			
[Public Lands Centennial Fund]			[100,000]			
[Coastal Climate Resilience Fund]			[200,000]			
Total	266,263	721,769	583,376	741,922	265,000	-138,393
FTE	1,075	1,161	1,166			5

* PILT is requested as a mandatory program in FY 2017 as a Department-wide program. The FY 2017 Senate mark funds PILT as a discretionary Department-wide program, out of the OS Departmental Operations budget.

The Departmental Operations appropriation funds the Immediate Office of the Secretary, the office of the five Assistant Secretaries, and some AS-PMB staff offices (168 FTE). This appropriation also includes funding through the Land and Water Conservation Fund for the Office of Valuation Services, and a separate line supporting the Office of Natural Resource Revenue.

The Payments in Lieu of Taxes program is administered through the Department's Office of Budget. For the past several years, the budget has requested funding as a mandatory program and in the absence of action to authorize this funding as mandatory, Congress has provided discretionary appropriations. In FY 2016 Congress included PILT within Departmental Operations. A comparison of PILT funding across accounts is shown below.
The FY 2017 request for Permanent Funding reflects funding anticipated from enactment of several legislative proposals submitted with the President's Budget.

Working Capital Fund

($ in Thousands)						
	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
Appropriated	57,100	67,100	111,524	67,100	67,100	44,424
Reimbursable	513,052	530,122	538,831			8,709
[Centralized Billing]	[182,534]	[182,498]	[185,197]			
[Direct Billing]	[318,978]	[337,625]	[343,634]			
Total	570,152	597,222	650,355	67,100	67,100	53,133
Appropriated FTE	81	131	131			0
Reimbursable FTE	1,254	1,351	1,351			0

There are two elements referred to as Working Capital Fund, a discretionary appropriation for specific crosscutting Departmental activities, and a traditional Working Capital Fund supported through reimbursable funding from Interior's bureaus/offices and external customers.

- The Department's Appropriated Working Capital Fund supports enterprise initiatives, such as the operations and maintenance of the Department's Financial and Business Management System, office consolidation, and supporting cybersecurity requirements.

- The Reimbursable Working Capital Fund is a revolving fund that finances centralized administrative and business services in lieu of operating duplicative systems and processes in each bureau and office. It provides the mechanism to collect funds for services provided to Interior.

- The Interior Business Center (IBC) is the Department of the Interior's Shared Service Provider of business management services. The IBC offers a variety of business services designed to create efficiencies of scale for the Department and other Federal agencies. Services include acquisition, financial management, and human resources. IBC is one of four Federal Financial Management Centers of Excellence, and it services multiple small agencies and the Department's bureaus.

Payments in Lieu of Taxes

($ in Thousands)

	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
PILT - Mandatory	67,484		480,000		0	480,000
PILT - DO (Discretionary)		452,000		480,000		-452,000
PILT - DWP (Discretionary)	372,000				480,000	0
FTE	2	2	2			0

The FY 2015 mandatory amounts include $33 million made available in FY 2015 and $34.484 million made available in FY 2016 for FY 2015 PILT payments.

The Payments in Lieu of Taxes program provides Federal payments to local governments that help offset lost property taxes due to nontaxable Federal lands within their jurisdictions. The program is administered through the Department's Office of Budget in the Budget, Finance, Performance and Acquisition Division.

For the past several years, the budget has requested funding as a mandatory program and in the absence of action to authorize this funding as mandatory, Congress has provided discretionary appropriations. The account in which PILT funding is provided also differs across years – Departmental Operations and Department-Wide Program. The table above shows all of the elements of PILT funding to provide an accurate comparison across years.

Interior Franchise Fund

($ in Thousands)			
	2015	2016	2017
Revenue	59,722	52,360	59,217
Operating Expenses	50,486	44,069	50,784
Net Capital Improvement Reserve Conribution	9,236	8,291	8,433
FTE	100	100	112

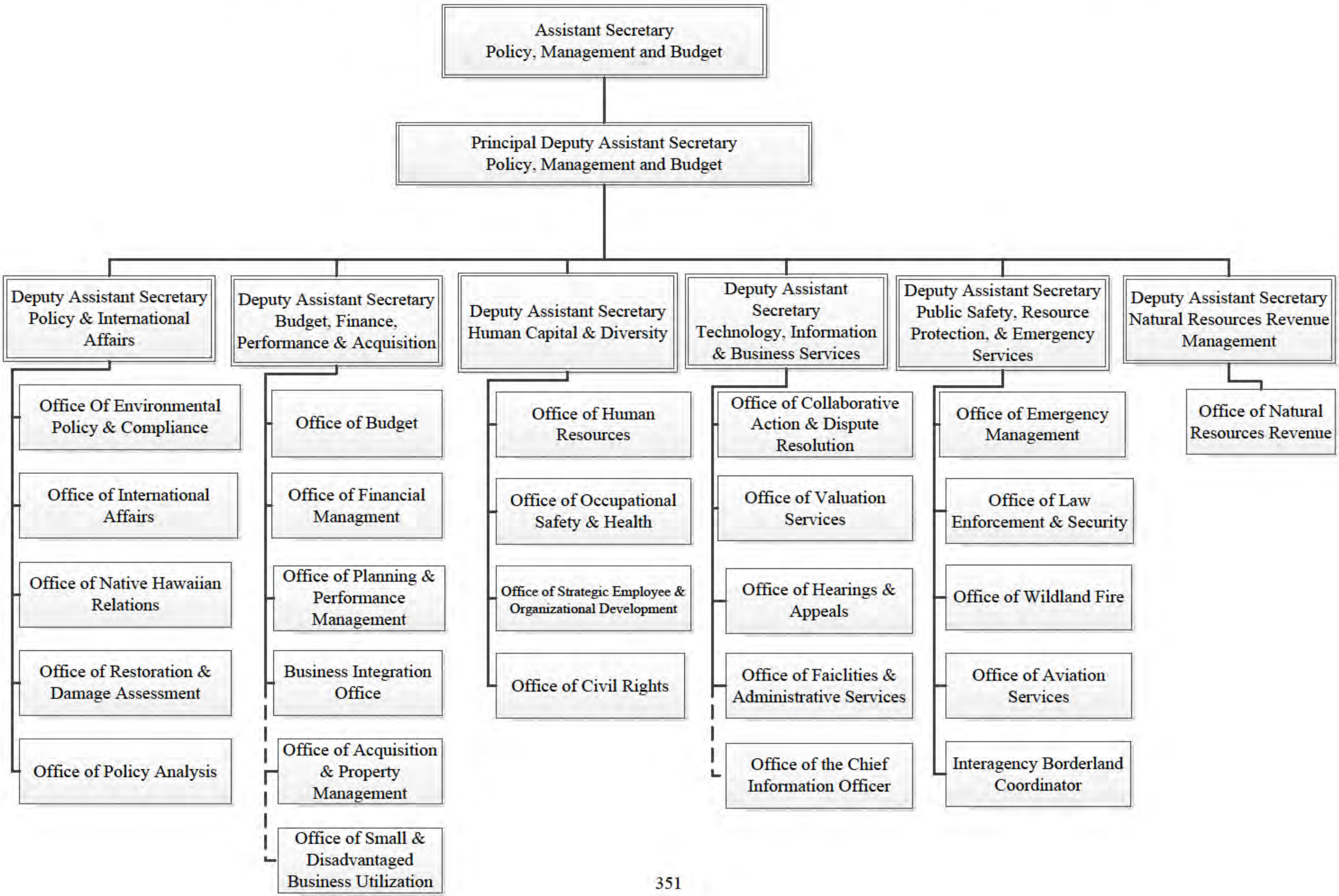
The Department of the Interior has special authority to act as one of several "Federal shared service providers" to provide centralized administrative services to other Federal Agencies on a discretionary and competitive basis. These services are part of the Interior Business Center and funding from authorized shared service revenue is maintained in the Interior Franchise Fund.

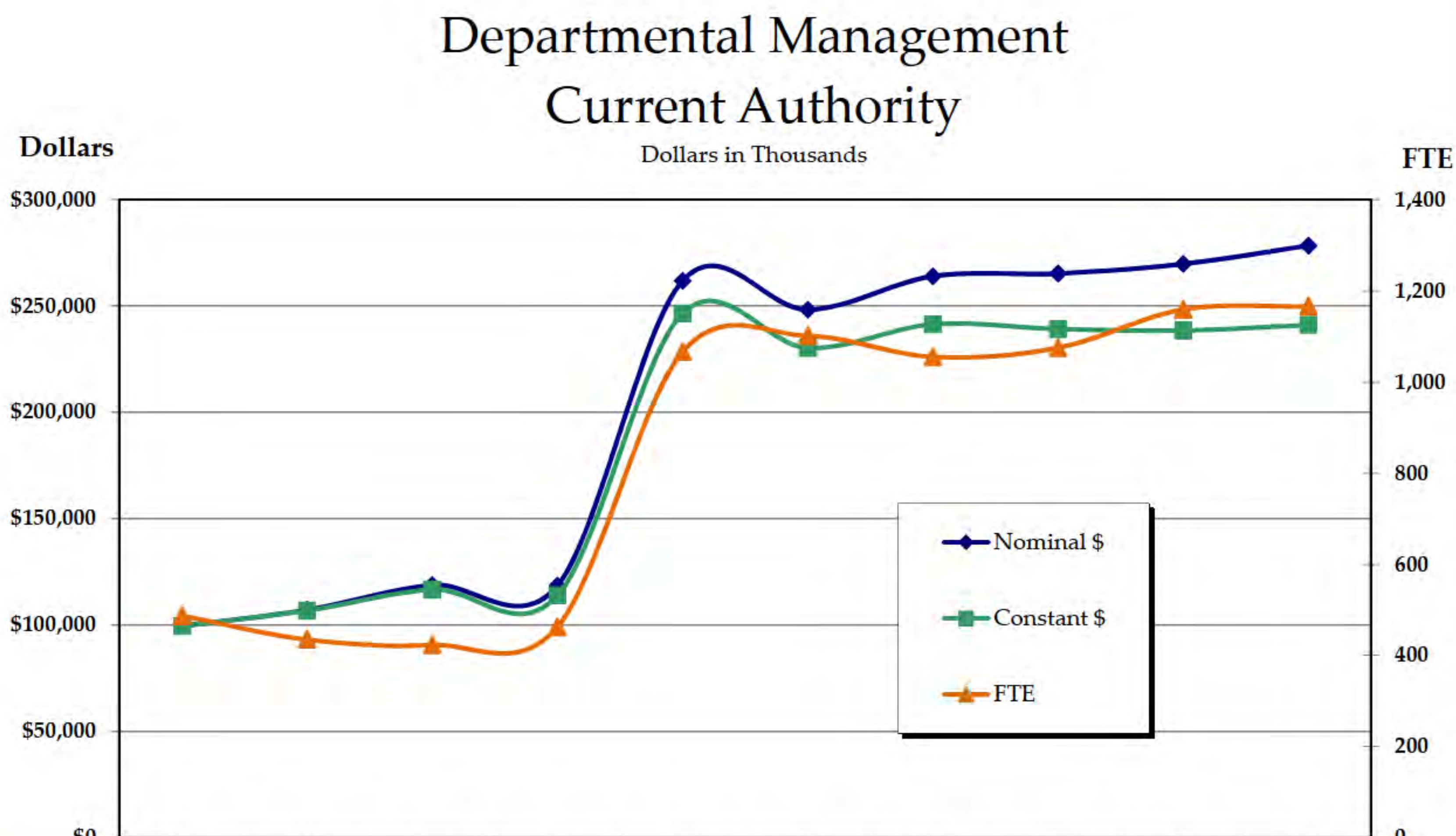
Land Buy-Back Program for Tribal Nations

- The Department's Office of Budget manages financial execution for the $1.9 billion Land Buy-Back program for Tribal Nations authorized by the Claims Resolution Act of 2010.

- The program implements the land consolidation aspects of the Individual Indian Money Account Litigation Settlement. The program provides individual Indians the opportunity to obtain payment for divided land interests and release the lands for the benefit of tribal communities.

Assistant Secretary – Policy, Management and Budget





	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	99,573	107,156	118,836	118,598	261,897	248,260	264,000	265,263	269,769	278,376
Constant $	99,573	106,835	116,717	114,012	246,517	230,290	241,387	239,164	238,503	241,067
FTE	487	435	423	463	1,066	1,101	1,055	1,075	1,159	1,166

Note: Beginning in FY 2012, amounts and FTE reflect the realignment of the Office of Natural Resources Revenue from BOEMRE to the Office of the Secretary. FY 2016 amounts and FTE exclude PILT for comparison purposes.

Policy Management and Budget
Departmental Operations

Summary:

The Departmental Operations Appropriation funds the immediate Office of the Secretary; the offices of the five Assistant Secretaries; and some Policy, Management and Budget staff offices including the Office of Valuation Services and the Office of Natural Resources Revenue. The Offices provide policy and oversight for Departmental functions including budget, finance, information resources, acquisition, and human resources. Other Offices within this appropriation provide direct services across the Department including administrative appeals in the Office of Hearings and Appeals, land and mineral appraisals through the Office of Valuation Services, and energy production revenue collection and disbursement through the Office of Natural Resources Revenue.

Budget Information:

($ in Thousands)						
	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
Departmental Operations						
Leadership and Administration	122,885	122,885	127,394	119,159	121,885	4,509
Management Services	20,747	21,365	21,676	18,638	21,365	311
Office of Natural Resources Revenue	121,631	125,519	129,306	124,125	121,750	3,787
Payments in Lieu of Taxes*	-	452,000	-	480,000	-	-452,000
Transfers	1,000	-	-	-	-	0
Total, OS Departmental Operations	**266,263**	**721,769**	**278,376**	**741,922**	**265,000**	**-443,393**
FTE	**1,075**	**1,161**	**1,166**			**5**

* PILT is requested as a mandatory program in FY 2017 as a Department-wide program. The FY 2017 Senate mark funds PILT as a discretionary Department-wide program, outside of the OS Departmental Operations budget.

Legislative Issues:

- Although, the Department has proposed legislation to extend permanent funding for PILT rather than annual discretionary funding, for the past several years, Congress has provided discretionary appropriations for these payments. In FY 2016, Congress appropriated funding for Payments in Lieu of Taxes (PILT) in the Departmental Operations Appropriation rather than as a separate line in another appropriation account (Department-wide Programs). The House mark continued this practice in the FY 2017 bill, however, the Senate provides funding in a separate account. The Department opposes the inclusion of PILT funding in Departmental Operations as it puts funding for the Office of the Secretary at potential risk if appropriated funding is not sufficient to meet the statutory calculated amounts for the PILT program.

- In the FY 2016 and FY 2017 budgets, the Department has proposed legislation to address deferred maintenance requirements in honor of the Park Service's Centennial anniversary. The proposal includes smaller amounts for deferred maintenance in the BLM, FWS and the U.S. Forest Service and establishes a Public Lands Centennial Fund of $100.0 million a year for three years. The Fund would be awarded through the Office of the Secretary on a competitive basis open to BLM, FWS, NPS, and the US Forest Service to address deferred maintenance and conservation projects.

- The FY 2017 budget also proposed legislation to establish a Coastal Climate Resilience program to be managed through the Office of the Secretary to provide $2 billion in resources over 10 years for at-risk coastal States, local governments, and their communities to prepare for and adapt to climate change. There was no Congressional action on this proposal in 2016.

Key Budget Issues:

- Overall funding for Departmental Operations was the target of several amendments during House floor consideration of the FY 2017 Interior Appropriations bill. The House mark reduces funding for this account $7.8 million below the FY 2016 enacted level and $16.4 million below the FY 2017 request level (without including PILT). The Senate mark reduces funding for this account $4.8 million below the FY 2016 enacted level and $13.4 million below the FY 2017 request level. If sustained during conference, the House mark would have significant impacts on staffing with a potential reduction of 41 FTE from the current 1,166 FTE supported.

- Operation of the Office of Natural Resource Revenue represents approximately 47 percent of the Departmental Operations appropriation. The ONRR's share of the House reduction would total approximately $3.0 million with potential impact to 23 FTE. A program reduction of this magnitude would jeopardize ONRR's ability to assume the Osage trust accounting function, as well as, limit its audit and compliance activities. The Osage work will add 5,000 leases, 30,000 producing wells, and 800 operators to ONRR's systems, and increase ONRR's Indian lease administration workload by 82 percent.

- The Senate reduced ONRR's funding to $121,750,000, or $3.8 million below FY 2016 Enacted levels. At this funding level, ONRR would be unable to assume the $2.6 million Osage trust accounting function and would reduce its audit and compliance activities by $1.2 million (7 FTE). If ONRR does not continue to assume Osage trust accounting responsibilities in FY 2017, which includes the oil and gas revenue and production reporting and verification program on Osage lands, the Department will not comply with the settlement agreement with the Osage Tribe and will remain at risk of not fulfilling its trust responsibilities.

Statistics:

- The Office of Natural Resources Revenue ensures revenue from Federal and Indian mineral leases is effectively and accurately collected and disbursed to recipients, including 37 States, 34 Tribes, some 36,000 individual Indian mineral royalty owners, and U.S. Treasury accounts. In 2015, ONRR disbursed over $9.87 billion to these various recipients.

- Approximately 1,900 counties and local governments receive PILT payments each year. Since the program's inception in 1976, counties and local governments have received over $7.5 billion in PILT payments.

Issue Paper: Cybersecurity

Summary:

In April 2015, the Department of the Interior (DOI) learned that cyber intruders gained access to an Office of Personnel Management (OPM) system hosted by DOI through a shared service provider agreement. The OPM system contained sensitive personnel records of current and former federal employees and the incident elevated concern for cybersecurity protection across the Federal Government. Although access to the system was subsequently found to be related to a breach in credential access within OPM, Interior continues to work collaboratively with OMB and Department of Homeland Security (DHS) to identify, plan, and implement actions to address gaps in DOI's cybersecurity program. In FY 2016, Congress appropriated $10.0 million specifically for cybersecurity efforts. The FY 2017 President's Budget requests an additional $24.7 million, for a total budget request of $34.7 million, to continue remediation activities to reduce risk of exploitation and data breach. DOI's cybersecurity operating environment is funded from three primary sources: 1) Working Capital Fund (WCF) direct appropriations to support remediation activities; 2) DOI WCF central and direct bills that support OCIO-billed enterprise-wide investments and infrastructure, including cyber security functions; and 3) bureau appropriations that maintain each bureau's locally deployed cybersecurity capabilities.

Budget Information:

Cybersecurity $ in Thousands

ACCOUNTS – Cybersecurity	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Working Capital Fund Appropriated					
Cybersecurity Remediation	-	10,000	34,715	10,000	10,000
Working Capital Fund	*26,412	30,052	34,306	34,306	34,306
Bureau Identified Appropriated Funds	23,420	28,028	27,406	27,406	27,406
Total	49,832	68,080	96,427	71,712	71,712

* Does not include a one-time payment of $11,500 for remediation activities since this amount is not an ongoing cost included in the annual cybersecurity baseline.

Background:

The Department's cybersecurity effort is focused on: 1) maintaining current cyber operations; 2) continuing remediation activities launched in 2015 and 2016; and 3) investing in the DHS Continuous Diagnostics and Mitigation (CDM) tools and services to identify, isolate, and respond to cybersecurity threats.

The FY 2016 enacted cybersecurity baseline totals $68.1 million and consists of appropriations spent directly by bureaus and DOI offices or amounts billed centrally through the WCF. Of this amount, $58.1 million supports day-to-day cybersecurity operations, such as network security, encrypting email, and protecting information. The additional $10.0 million in *WCF*

Appropriated dollars provided in the FY 2016 Appropriation Bill funds continuation of remediation activities instituted following the 2015 cyber breach incident.

2017 Budget Issues – Cybersecurity:

DOI budgetary resources used to support cybersecurity are provided from three primary sources of funding:

- WCF Appropriated (FY 2016 $10M baseline; +$24.7M request)
- Working Capital Fund (WCF) Central and Direct Bills (FY 2016 $30.0M baseline; +$4.3M WCF departmental services provided to bureaus);
- Bureau direct appropriations (FY 2016 $28.0M baseline; -$0.6M request)

The FY 2016 WCF Appropriated funding level of $10.0 million continues the highest priority remediation activities following the 2015 incident. Remediation activities include: identifying and managing hardware and software assets and security configuration settings; protecting trusted Internet gateways; and introducing measures to prevent malware and phishing attacks through e-mail.

The FY 2017 President's budget request of $34.7 million is essential for DOI to reduce risk to an acceptable level by further strengthening its cybersecurity posture and securing the Department's most valuable information. Specifically, the additional $24.7 million increase would allow Interior to pursue the following initiatives to meet the Department's outstanding needs:

1) Implement essential next steps to improve secure access and strong authentication for specific high-value assets (HVAs) at the network and application levels:

    - Strengthen cybersecurity controls to protect high value assets, including two-factor authentication and data-level protection.

2) Strengthen network boundary protections from cyber-attacks on publicly facing systems:

    - Support the initial implementation of DOI's agency-wide Information Security Continuous Monitoring program, in accordance with OMB Memorandum M-14-03, Enhancing the Security of Federal Information and Information Systems.

3) Implement additional data protections for HVAs, many of which are mission critical systems that support DOI's core mission:

    - Address weaknesses identified by the OIG regarding publicly accessible systems. This includes enhancing our network perimeter security boundary controls to isolate systems intended to be available to the public from our internal network resources. This action takes initial remediation steps towards consolidating our demilitarized zones within which those systems reside to help minimize the associated attack surface.

Both the House and Senate marks maintain the FY 2016 level of $10.0 million for appropriated cybersecurity activities and leaves the Department exposed to known exploitation risks and potential financial loss. To mitigate this risk, OCIO has begun evaluating alternatives from within currently available resources to fund DOI's highest priority cybersecurity activities for FY 2017.

During the baseline assessment, OCIO is evaluating the following:
1) Net sum zero movements of funds;
2) Savings or efficiencies that can be harvested;
3) Salary lapse and unfilled positions.

The table below illustrates the Department's exposure to vulnerabilities without the additional $24.7 million in FY 2017 funding:

What we need	How much it will cost	What happens without the money
OPM Incident Remediation	≈$4.2M	Unable to complete activities needed to minimize the risk of recurrence of a privacy data breach similar to the OPM incident in FY 2015, which could adversely impact our federal and non-federal customers and partners as a federal shared service provider.
Continuous Diagnostics and Mitigation (CDM)	≈$8.8M	Unable to run/maintain the tools that DHS purchased that DOI implemented in FY 2014. Malicious activities may go undetected delaying DOI assessments and response; this would essentially waste the initial DHS investment funded by Congressional appropriations.
Information Security Continuous Monitoring (ISCM)	≈$2.2M	Malicious activities may go undetected.
Address weaknesses identified by the July 2015 OIG report	≈$2.4M	Public facing systems will remain at risk for hacking, endangering DOI's network and systems.
High Value Asset (HVA) Protections	≈$7.1M	HVAs will remain at risk for hacking exposing sensitive data to theft, manipulation, etc., potentially disrupting primary mission services.

Issue Paper: Land Buy-Back Program for Tribal Nations

Summary:

The *Cobell v. Salazar* Settlement Agreement (Settlement) provides for a $1.9 billion Trust Land Consolidation Fund to be expended within a 10-year period ending in November 2022. In 2012, the Secretary of the Interior established the Land Buy-Back Program for Tribal Nations (Buy-Back Program or Program) to implement the land consolidation aspects of the Settlement. The Settlement makes the Trust Land Consolidation Fund available to the U.S. Department of the Interior to acquire fractional interests in trust or restricted land from individuals who are willing to sell their interests for fair market value. The principal goal of the Buy-Back Program is to reduce the number of fractional land interests through voluntary sales that place purchased interests into trust for Tribes. These transfers consolidate trust land bases for conservation, stewardship, economic development, or other uses deemed beneficial by sovereign tribal nations. The Office of Budget provides budget execution services for the program which is entirely supported by administrative funds provided for in the Settlement.

Budget Information:

The Trust Land Consolidation Fund has various components, summarized as follows:

Land Purchases	$1,555,000,000
Administrative Costs (not to exceed 15%)	$ 285,000,000
Scholarship Fund Contributions	$ 60,000,000
Total, Trust Land Consolidation Fund	$1,900,000,000

Land Buy-Back Program for Tribal Nations
Outlays by Fiscal Year
($$$ in thousands)

Trust Land Consolidation Fund	**2013 Actual**	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2013-2016 Total**	**2017 Estimate**
Land Purchases	$ -	$ 141,894	$ 545,855	$ 210,807	$ 898,557	$ 200,000
Administrative Costs	$ 6,830	$ 12,403	$ 16,023	$ 23,370	$ 58,626	$ 26,876
Subtotal	$ 6,830	$ 154,297	$ 561,879	$ 234,177	$ 957,183	$ 226,876
Cobell Education Scholarship Holding Fund						
Payments to Cobell Education Scholarship Fund	$ -	$ 4,555	$ 25,156	$ 9,890	$ 39,600	$ 10,600
Total	**$ 6,830**	**$158,852**	**$587,034**	**$244,067**	**$996,783**	**$237,476**

Background:

Since its inception in 2012, the Buy-Back Program has paid over $900 million to landowners and consolidated over 1.66 million equivalent acres for Tribes that created or increased tribal ownership in more than 30,000 tracts of land.

Additionally, in accordance with the Settlement, the Buy-Back Program will contribute up to $60 million of the $1.9 billion Trust Land Consolidation Fund to the Cobell Education Scholarship Fund. The Cobell Education Scholarship Fund provides financial assistance to American Indian and Alaska Native students attending post-secondary vocational schools or institutions of higher education. The Cobell Education Scholarship Fund is managed by a Board of Trustees, and as of July 2016, the Program contributed nearly $40 million to the Cobell Education Scholarship Fund.

Fractionation refers to the divided ownership of Indian lands resulting from land parcels (allotments) passing to numerous heirs over generations. The land itself is not physically divided; rather, the heirs of an original allottee own undivided interests in the allotment. Many allotments now have hundreds and even thousands of individual owners.

Divided ownership makes it difficult, if not impossible, to use the land for any beneficial purpose because consent from 50-90 percent of the owners must first be obtained (level of consent depends on the number of owners on a tract). As a result, fractionated allotments often lie idle rather than being used for agricultural, recreational, cultural, commercial or even residential purposes. Even when consent can be obtained to lease an allotment, highly divided ownership often results in individual owners receiving only nominal lease returns. A significant portion of landowners earn $25 or less in annual income from their fractional interests in allotments.

At the start of the Buy-Back Program, there were approximately 150 reservations with 2.9 million purchasable fractional interests owned by approximately 245,000 individuals (as of August 2015, the whereabouts of approximately 23 percent of these individuals were unknown).

Implementation Schedule:

In November 2014, the Department identified 42 locations where land consolidation activities – such as planning, outreach, mapping, mineral evaluations, appraisals, or acquisitions – have either already occurred or are expected to take place through the middle of 2017.

Following extensive outreach with tribal leaders and American Indian landowners, the Department announced in May 2016 an expanded schedule for implementing the program at 63 additional locations from 2018 through mid-2021. The expansion brings the number of locations planned for the program to 105, a total that includes more than 96 percent of all landowners with fractional interests and more than 98 percent of both purchasable fractional interests and equivalent acres in program-eligible areas.

Looking Ahead:

Despite the progress to date and the large size of the Trust Land Consolidation Fund, given the magnitude of fractionation, the Trust Land Consolidation Fund is not believed to be sufficient to consolidate all eligible fractional interests across Indian Country. Continuation of the land consolidation effort beyond the life of the Settlement will require consideration of alternatives for land consolidation and additional resources – beyond those provided by the Buy-Back Program – while pursuing long-term strategies to strengthen the trust land base for the benefit of future generations. In May 2016, Secretary Sally Jewell directed the Oversight Board, which oversees the Program and is chaired by the Deputy Secretary, to undertake an analysis in partnership with the many offices involved in implementation, and return to her options for review to extend the life of the Program so that additional future participants can benefit and perhaps allow the Program to return to locations where implementation has already occurred.

Issue Paper: Working Capital Fund
Department-Wide Appropriations Account

Summary:

The Interior Appropriations bill includes funding within the Department-Wide Appropriations Account which supports cross-cutting Departmental management efforts in the Working Capital Fund activity. Although the line in the budget table is called "Working Capital Fund," it is not to be confused with the Department's internal Working Capital Fund which supports the delivery of centralized services on a reimbursable basis (discussed in a separate paper). The primary component of the Appropriated Working Capital Fund account is support for operation of the Department's Financial and Business Management System (FBMS), the system of record for the Department's accounting, capital management, and acquisition activities.

Budget Information:

($ in Thousands)						
	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
Appropriated	57,100	67,100	111,524	67,100	67,100	44,424
[Financial and Business Mgnt System]	[53,900]	[53,900]	[53,900]	[53,900]	[53,900]	
[Service First]	[1,000]	[1,000]	[1,702]	[1,000]	[1,000]	
[Cultural and Scientific Collections]	[1,000]	[1,000]	[2,000]	[1,000]	[1,000]	
[Office Consolidations]	[1,200]	[1,200]	[6,407]	[1,200]	[1,200]	
[DATA Act Compliance]			[10,200]			
[FITARA Coordination]			[2,600]			
[Cybersecurity]		[10,000]	[34,715]	[10,000]	[10,000]	
FTE	92	131	131			0

Overview:

The components of this account focus on the strategies with the highest potential to achieve meaningful performance improvement within the Department.

- Interior's **Financial and Business Management System** (FBMS) is a modern, integrated, secure system that enables greater efficiencies in management, accountability, and transparency in budget execution, financial management, acquisition and financial assistance, fleet and facilities management, and property management. The FY 2017 request supports the work of the Business Integration Office to operate and maintain FBMS production; plan and execute major version releases; support roadmap activities; and lead proof of concept development for opportunities related to FBMS.

- The **Service First** initiative was launched to achieve greater operational efficiencies across bureaus and offices through sharing of resources and cross-servicing agreements. Service First projects demonstrate strategic cross-servicing operating concepts leveraging resources across the Department to reduce costs and provide more seamless service to the public. The FY 2017 request builds on the successful implementation of prior Service First projects that improved operating efficiencies, streamlined customer service delivery, utilized public-private collaboration, and maximized resources across bureaus and offices within the Department and the Department of Agriculture, which shares Service First authority with Interior.

- Interior's **Cultural and Scientific Collections Management** initiative responds to Inspector General recommendations to improve accountability for and preservation of Interior's cultural and scientific collections and museum holdings. Bureau collections are housed in approximately 2,000 bureau facilities and 840 non-bureau partner facilities. The FY 2017 request includes a $1.0 million increase to address the deficiencies in accountability, management, oversight, and reporting for more than 194 million objects, specimens, and archives housed in bureau facilities. The funding will also help address these issues for more than 23 million items housed in non-bureau owned facilities.

- The **Office Consolidation** initiative supports efforts to maximize Interior's utilization of space through the consolidation and co-location of Interior employees across the Nation. The FY 2017 request supports efforts to reduce the Department's footprint in commercial leased space, and reconfiguring space to support higher occupancy and maximize space utilization. Projects include the renovation of the South Interior Building in Washington, D.C., the consolidation of employees into the National Interagency Fire Center in Boise, Idaho, and the consolidation of staff in the Denver, Colorado metropolitan area into federally owned space.

- The **Digital Accountability and Transparency Act** (DATA Act) was enacted to expand Federal financial transparency and establishes government-wide financial reporting requirements. The FY 2017 request supports Interior's high-priority effort to provide high-quality, transparent Federal spending information to the public.

- The **Federal Information Technology Acquisition Reform** (FITARA) was enacted government-wide to strengthen the Chief Information Officers' authority and accountability to improve management of IT resources. The Department spends over $1 billion annually on its IT investments, operating in a complex, decentralized environment that presents significant challenges and risks. The FY 2017 request supports the implementation of Interior's FITARA Implementation Plan with substantive measures to increase accountability and visibility across the Department to address these challenges.

- Funding in this line supports Interior's strengthened **Cybersecurity** posture. The effort to protect Interior's information assets requires ongoing and continuous vigilance to address the Department's cybersecurity posture. Efforts target information security continuous monitoring programs, intrusion remediation and malware defense solutions to address advance persistent threat, risk mitigation plans, shared services environments, data center assets, firewall auditing and configuration management, anti-phishing and malware defense solutions, authentication efforts, data and application architectures, application portability, and other enterprise level capabilities. (See separate issue paper on Cybersecurity for more information).

Key Budget Issues:

- Funding in this activity has remained relatively stable largely supporting steady state operations, maintenance, and optimization of the **FBMS** system and investments supporting **Cybersecurity.** Both the House and Senate marks maintain funding for FBMS and Cybersecurity at the FY 2016 level. Since neither the House nor the Senate marks included the $24.7 million increase for Cybersecurity, the CIO is evaluating impacts and options.

- The Department proposed investments in the FY 2016 and FY 2017 budget requests to support the significant undertaking needed to implement the recently enacted **DATA Act** and **FITARA** legislation. Congress did not appropriate funding for either of these initiatives in FY 2016 and no funding is included in the House and Senate marks for FY 2017.

- For the past several budgets, Congress has included funding to support small programs in **Service First**, **Office Consolidations**, and **Cultural and Scientific Collections**. The FY 2017 House and Senate marks maintain the FY 2016 level of funding and does not provide requested increases.

Issue Paper: Interior Working Capital Fund – Reimbursable Activity

Summary:

Interior's Working Capital Fund (WCF) provides common administrative and financial management services to DOI bureaus, offices, and other Federal agency customers on a full-cost recovery basis. The WCF is an efficient mechanism to bill bureaus and offices for shared costs, such as office space provided by the General Services Administration. Full costs of service delivery are recovered using workload-based billing algorithms. The Department provides WCF oversight through a formal governance structure and policy including operating principles, criteria, and a management control framework. Interior's WCF does not receive any appropriated funding and relies solely on reimbursements. It is not to be confused with the appropriated budget activity "Working Capital Fund" which supports several discreet Department-wide activities.

Budget Information:

$ in Thousands			
	FY 2015	**FY 2016**	**FY 2017**
Total, Reimbursable WCF	**$ 501,512**	**$ 520,123**	**$ 528,831**
Centralized Billing	182,534	182,498	185,197
Direct Billing	318,978	337,625	343,634
FTE	1,254	1,351	1,351

Overview:

The Department's Working Capital Fund (WCF) was established pursuant to 43 U.S.C. 1467, to provide common administrative and support services efficiently and economically on a fully reimbursable basis to Interior's bureaus and offices as well as other Federal agencies. The WCF finances reimbursable activities provided by individual Departmental Offices, Office of the Secretary offices, the Office of the Chief Information Officer and the Interior Business Center and employs approximately 1,351 FTEs.

Fiduciary responsibility for the WCF rests with the Assistant Secretary – Policy, Management, and Budget. Direct oversight and management of the WCF is conducted by the Office of Budget with supervision of the Deputy Assistant Secretary – Budget, Finance, Performance, and Acquisition. The WCF Consortium, comprised of bureau and office executives, provides oversight and approval for centrally billed activities.

Interior's WCF collects revenue through a Centralized Billing for mandatory services provided to bureaus and offices, as well as revenue for voluntary consumption of services through Direct Billings to bureaus and offices. Additionally, rebates from the use of charge cards throughout the bureaus and offices is collected in the WCF.

Interior's WCF includes services provided to other Interior Bureaus and Offices through the Interior Business Center (IBC). The IBC offers a variety of business services designed to create efficiencies and economies of scale for the Department including Acquisition, Financial Management, and Human Resources services. IBC is one of four Federal Financial Management Centers of Excellence. The IBC is a designated Federal Shared Service Provider with the authority to offer business services to other Federal agencies (discussed separately in the Interior Franchise Fund issues paper). The Office of the Chief Information Officer (OCIO) provides information technology services.

WCF-Reimbursable activities in FY 2017 include:

- Management of Interior's Information Technology infrastructure ($151.9M);
- Human Resources, Drug and Alcohol Testing, and payroll operations ($102.7M);
- Hosting and support of the Department's Financial Business and Management System ($14.8M);
- Finance and accounting operations ($40.7M);
- Acquisition services ($30.9M);
- Procurement, maintenance, and repair of Interior's aircraft fleet ($26.1M);
- Operation and maintenance of the Main Interior and South Interior Building complex ($25.1M);
- Physical security of the Main Interior and South Interior Building complex ($7.5M)
- Implementation and maintenance of Interior's law enforcement incident records system ($4.5M); and
- Negotiation of indirect cost rates for Interior, other Federal agencies, and non-Federal entities including tribal, state and local governments ($3.0M).

Issue Paper: Interior Franchise Fund

Summary:

Interior is one of several federal agencies with statutory authority to provide shared services to other Federal agencies. Interior Franchise Fund (IFF) activities provide common administrative and financial management services to Federal agencies on a discretionary and competitive basis. The Interior Business Center (IBC) provides services executed in the IFF exclusively for external DOI customers. The Department provides IFF oversight through a formal governance structure and policy including operating principles, criteria, and a management control framework for shared services operating in the IFF. The IFF has been instrumental in assisting the Department with major infrastructure improvements and other Department-wide initiatives since 2004.

Budget Information:

$ in Thousands			
	FY 2015	**FY 2016**	**FY 2017**
Revenue	**$ 59,722**	**$ 52,360**	**$ 59,217**
Acquisition Services	39,203	37,250	37,250
Financial Systems	20,518	15,110	21,967
Operating Expenses	**50,486**	**44,069**	**50,784**
Acquisition Services	30,421	28,817	28,817
Financial Systems	20,065	15,252	21,967

Overview:

The Government Management Reform Act of 1994 authorized creation of six executive agency pilot franchise funds. The Director of the Office of Management and Budget approved the Department of the Interior's application for a pilot program in May 1996 and the Interior Franchise Fund was established in the 1997 Interior and Related Agencies Appropriations Act. The 2008 Consolidated Appropriations Act provides permanent franchise fund authority. The Department's Shared Services Provider, the Interior Business Center (IBC), offers business services through the IFF designed to create efficiencies and economies of scale for the Department and other Federal agencies. IFF services are provided to a variety of Federal agency customers, primarily for acquisition services and financial systems, employing approximately 112 FTEs. A description of the services IBC provides is provided below.

- IBC's **Acquisition Services** provide lifecycle assisted acquisition from project inception through contract completion including acquisition planning; pre-award documentation and solicitation; negotiation; contract award and administration; and contract closeout services.

- IBC's **Financial Systems Services** include financial system conversion and implementation as well as financial system operation and maintenance. These services are provided as a component of OMB and

Department of the Treasury's Financial Management Line of Business (FMLoB). FMLoB is a Federal government-wide initiative providing solutions that respond to the financial management needs of participating agencies.

The Department provides IFF oversight through a formal governance structure and policy. The governance structure provides operating principles, criteria, and a management control framework for shared services operating within the IFF. This oversight ensures business lines support the Department's strategic goals and initiatives and service offerings are in compliance with Federal and Departmental programs and expectations.

Issue Paper: Payments in Lieu of Taxes Program

Summary:

The Department of Interior manages the Payments in Lieu of Taxes (PILT) program which distributes Federal payments to local governments to help offset losses in property taxes due to non-taxable Federal lands within their boundaries. The PILT law recognizes the inability of local governments to collect property taxes on federally-owned land. PILT payments to counties and local governments compensate rural communities for non-taxable Federal land in return for the significant support these communities provide for national parks, wildlife refuges and recreation areas within their jurisdictions throughout the year. Approximately 1,900 counties and local governments receive PILT payments each year. Since the program's inception in 1976, counties and local governments have received over $7.5 billion in PILT payments. PILT funds may be used for any governmental purpose but are normally applied to support local services such as emergency response, public safety, public schools, housing, social services, roads, and transportation. The PILT program is critical to maintaining the Federal government's commitment to supporting rural communities.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted (1)	2017(2) Request	2017(2) House	2017(2) Senate
Payments in Lieu of Taxes (PILT)					
Discretionary	372,000,000	[452,000,000]		[480,000,000]*	480,000,000
Mandatory	70,000,000		480,000,000	-	-

(1) PILT funding was appropriated in the Office of the Secretary, Departmental Operations.
(2) The 2017 House Mark also approves PILT funding in the Office of the Secretary, Departmental Operations, while the Senate Mark proposes PILT funding in the PILT account.

Background:

Public Law 94-565, dated October 20, 1976 authorized the PILT program. That statue was later amended by Public Law 97-258 on September 13, 1982 and codified at Chapter 69, Title 31 of the United States Code. The PILT Act prescribes the formula used to compute the annual payments to eligible local governments, based on per acre and population variables, which are annually adjusted for inflation and census data. Prior year Federal payments under certain revenue sharing programs are deducted in formulating the payment amounts. These amounts are reported by states through an annual reporting process. A provision in the PILT Act provides that temporary payments be made to compensate for recent additions to the National Park System and National Forest Wilderness areas.

PILT is a program with enormous interest from Congress, states, counties, and organizations such as the Western Governors Association and the National Association of Counties. PILT funding often comprises significant portions of county budgets and is critical for enabling counties to carry out local services such as emergency response, public safety, public schools, housing, social services, roads, and transportation.

The following displays the appropriated amounts for the PILT Program.

	2008[1]	2009	2010	2011	2012	2013	2014	2015	2016	2017
Discretionary	228,901	0	0	0	0	0	0	372,000	452,000	0
Mandatory	138,693	382,048	358,479	375,558	393,444	402,194[2]	437,307	67,484[3]	0	480,000

(1) P.L.110-161 provided $232,528,000 for the PILT program, which was reduced by a directed 1.56% across the board reduction. P.L. 110-343 provided $138,693,000 to fund the remaining calculated payments (less administrative expenses), and authorized full mandatory payments through FY 2012.
(2) Amount after Sequestration Reduction of $21,605,775.
(3) Amount after Sequestration Reduction of $2,516,000.

Though the program is statutorily authorized, funding for PILT is subject to the annual appropriations process. From FY 2008 through FY 2014, the PILT program received full funding through mandatory appropriations. When the program receives mandatory full funding, the Department issues PILT payments in the amount determined by the statutory formula, less administrative expenses. In FY 2015, the program received a combination of specified mandatory and discretionary funds. In 2016, only discretionary funding was appropriated for the program. When the program receives discretionary funding (or specified mandatory funding), only the amount of funding appropriated, less administrative expenses, may be issued. In these situations, the Department calculates the full statutory amount then prorates to the available funding.

Generally, PILT funding is only available for one year, meaning the Department is required to issue payments by the end of the fiscal year. Since most county and local government fiscal years end in June, however, the Department works diligently to issue payments no later than June 30th each year.

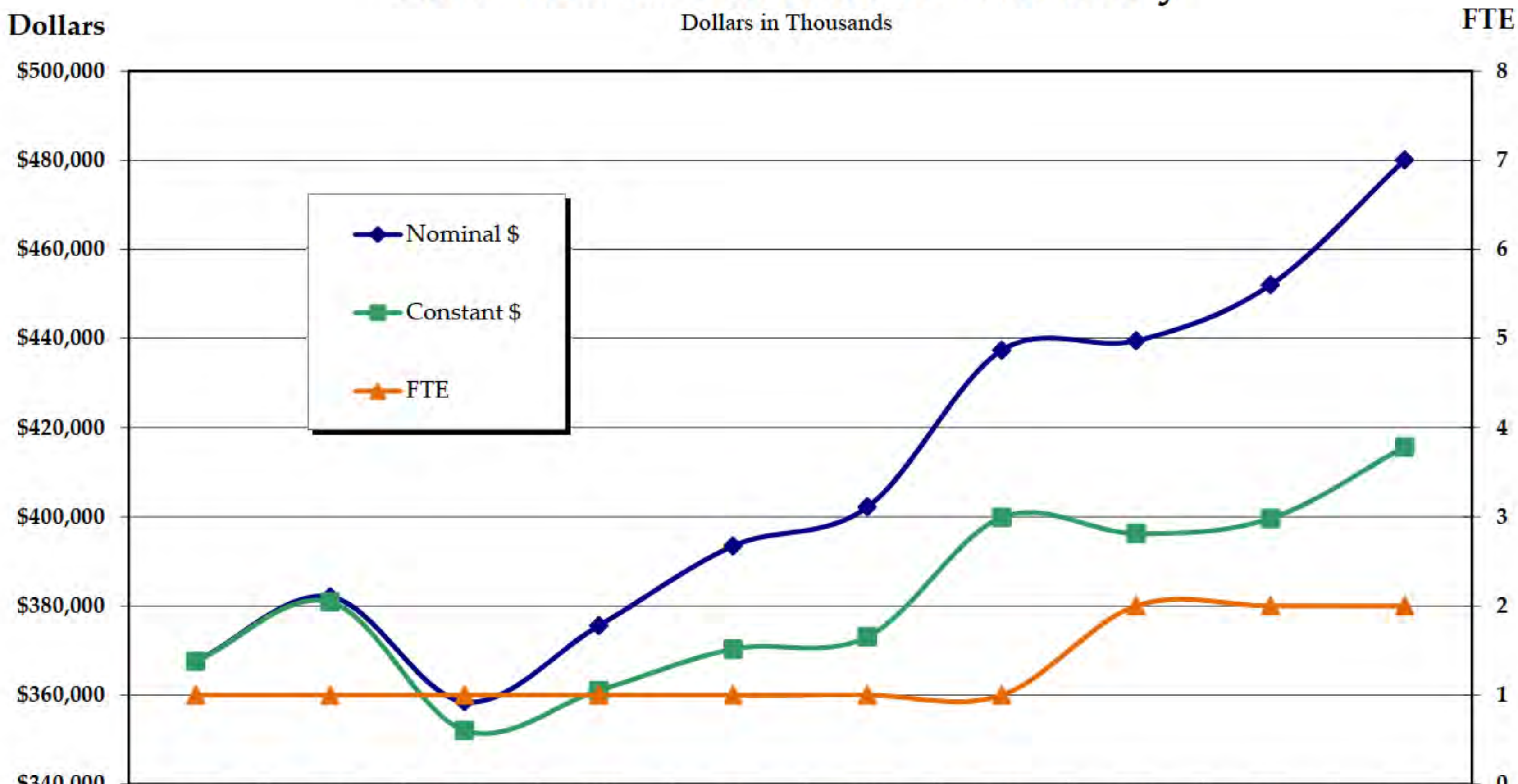
The general provisions for the Office of the Secretary allow the Department to retain up to $400,000 of the appropriated amount each year for necessary PILT program administration costs. These costs include salaries, accounting costs to issue payments, website management services, and other related program management expenses. The PILT program is staffed at two FTE to provide appropriate program oversight as outlined in annual audit requirements.

2017 Budget

The FY 2017 President's Budget requested a one-year extension of the PILT program as mandatory funding at an estimate of $480 million provided in a standalone PILT account. The Department supports removing PILT from the annual discretionary appropriations process to ensure funding stability for the program.

Payments in Lieu of Taxes
Current and Permanent Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	367,594	382,048	358,479	375,558	393,444	402,194	437,321	439,484	452,000	480,000
Constant $	367,594	380,902	352,087	361,037	370,340	373,081	399,862	396,243	399,613	415,669
FTE	1	1	1	1	1	1	1	2	2	2

FY 2008 funding includes both current and permanent appropriations. FY 2009-FY2014 funding was provided in permanent appropriations. FY 2015 funding includes both current and permanent appropriations. FY 2016 funding includes current appropriations. FY 2017 budget proposes permanent appropriations.

Office of Wildland Fire
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	900,581	993,745	824,624	943,945	942,671	-169,121
Cap Adjustment			290,000			290,000
Permanent					171,291	0
Total	**900,581**	**993,745**	**1,114,624**	**943,945**	**1,113,962**	**120,879**
FTE (OWF-only)	**23**	**24**	**24**			
FTE (All)[1]	**3,659**	**3,659**	**3,659**			**0**

[1] Figures include direct FTE (OWF) and allocated and reimbursable FTE in DOI Wildfire programs reported in the bureau totals for BLM, BIA, NPS, and FWS.

Office Profile

- Funding for the Office of Wildland Fire (OWF) is provided through current appropriations: the Wildland Fire Management (WFM) appropriation and the Federal Land Assistance, Management, and Enhancement (FLAME) Wildfire Suppression Reserve Fund. This funding is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

- The Department's Office of Wildland Fire is within the Office of the Secretary and coordinates the Department's wildland fire management program, providing strategic leadership and oversight to support a safe, cohesive, efficient, and effective wildland fire program for the Nation.

- The Department's three land management bureaus (Bureau of Land Management, National Park Service, and Fish and Wildlife Service) and the Bureau of Indian Affairs each have wildland fire management responsibilities/programs that perform the operational aspects of wildfire management.

- Through these four bureaus, DOI strives to achieve a technically effective wildland fire management program that meets resource and safety objectives, while minimizing the cost of suppression and damage to resources.

- The WFM appropriation is appropriated to the Office of the Secretary and funds are allocated out to the four Bureaus and to the Office of Wildland Fire. The Office of Wildfire manages the WFM account, providing transparency, coordination and operational effectiveness to ensure the unique mission requirements of the bureaus are equitably represented.

- OWF maintains two office locations in Washington, DC, and Boise, ID, where the National Interagency Fire Center (NIFC) is located. The Interior's wildland fire bureaus' program offices reside at NIFC, along with the National Incident Coordination Center, and certain operational elements.

Office Statistics

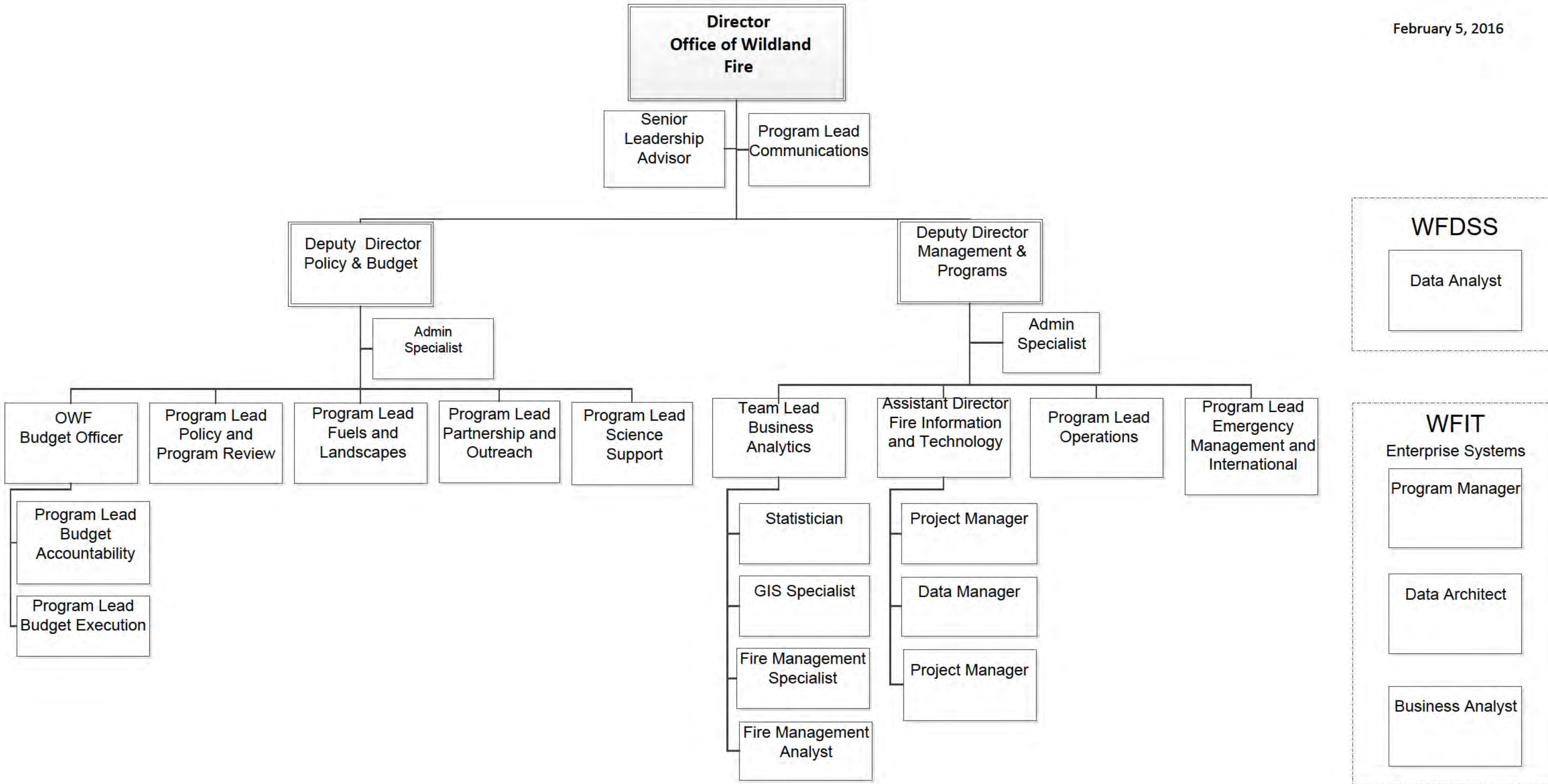
- Wildland fires burned a record 10.1 million Federal and non-Federal acres in 2015, surpassing 2006 in which 9.8 million acres burned.

- The trend toward larger, more complex wildfires will continue due to decreased snowpack, drought, longer summers, wildland-urban interface expansion, and other factors.

- WFM program funds Preparedness activities to protect more than 500 million acres of public land.

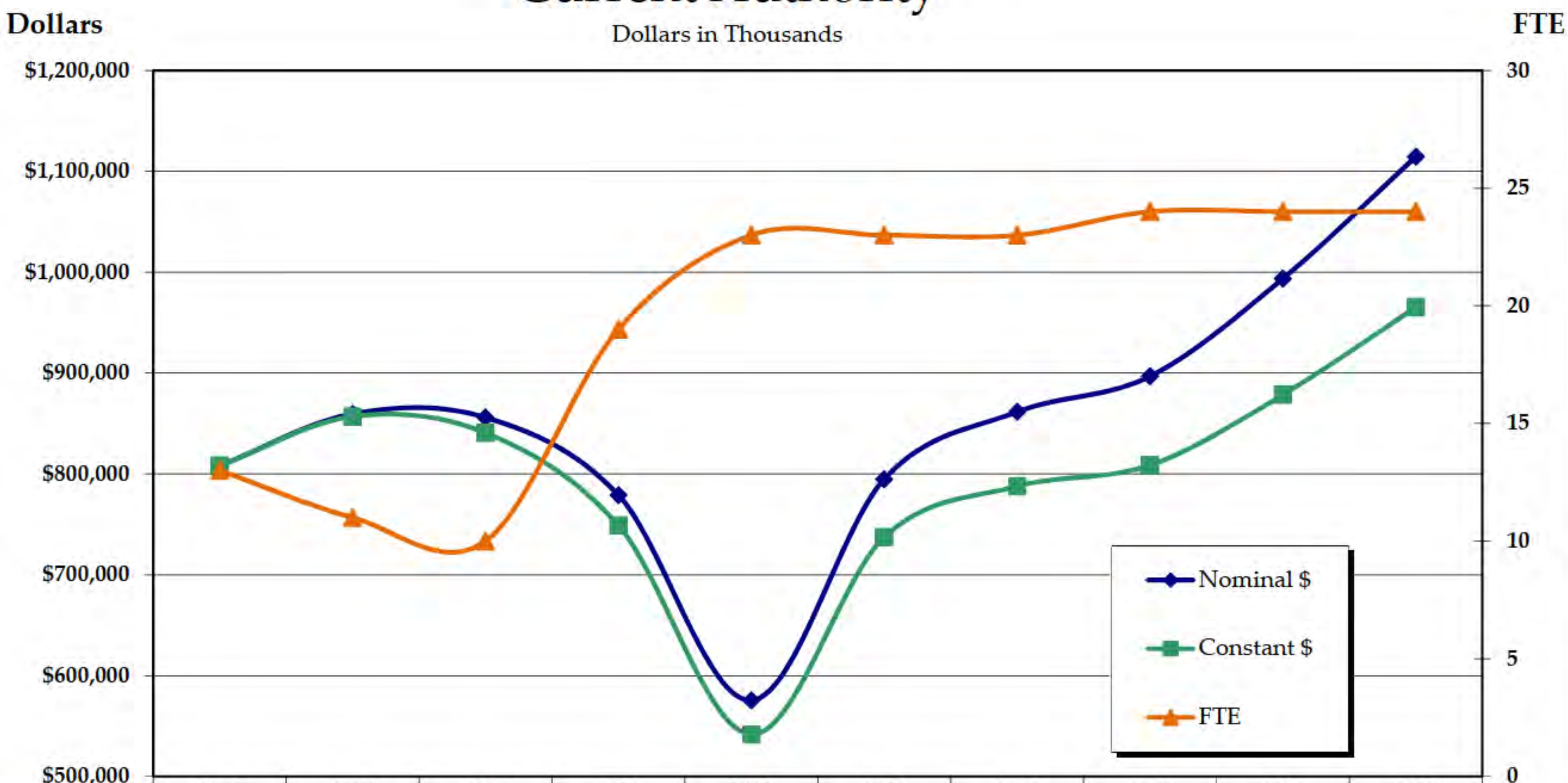
OWF Organization

February 5, 2016



Wildland Fire Management
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	808,072	859,453	855,897	778,935	575,442	794,715	861,482	896,779	993,745	1,114,624
Constant $	808,072	856,875	840,636	748,817	541,650	737,189	787,690	808,545	878,570	965,239
FTE	13	11	10	19	23	23	23	24	24	24

FY 2017 amount includes $290 million for the Wildland Fire Cap Adjustment proposal.

Office of Wildland Fire
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual*	Estimate	Request	House	Senate	to 2016
Current	900,581	993,745	824,624	943,945	942,671	-169,121
Cap Adjustment			290,000			290,000
Emergency					171,291	0
Total	**900,581**	**993,745**	**1,114,624**	**943,945**	**1,113,962**	**120,879**
FTE	**3,659**	**3,569**	**3,659**			**90**

* FTE total includes direct FTE (OWF), allocated FTE (BLM, BIA, NPS, FWS) and reimbursable FTE (BLM), all supported with WFM funding.

Key Budget Issues

- For the past several years the President's Budget has included a budget cap adjustment proposal to address the increasing costs of fire suppression for both Interior and the Forest Service (see Legislative Issues for further details). The FY 2017 proposal assumes only 70 percent of the 10-year average of suppression costs is requested within the discretionary budget caps.

- The 2017 DOI budget proposes $149.1 million for the Fuels Management subactivity and $30.0 million for a new, separate Resilient Landscapes subactivity. Neither the House nor the Senate marks support a new subactivity for Resilient Landscapes, but they both increase funding for Fuels Management and allow a portion of the funding to support resilient landscapes-type work. Specifically, the House provides an additional $30.9 above the request for the Fuels Management program and encourages the Department prioritize projects that fit the description of resilient landscapes projects. At the House level, the Department would allocate $30.0 million of the Fuels Management increase for RLP-type projects, consistent with the funding level proposed in the President's Budget. The Senate also provides an additional $30.9 above the request for the Fuels Management program. The accompanying Senate report language explicitly identifies $20.0 million of the Fuels Management funding as available for resilient landscape activities. The President's Budget requests the RLP as a separate budget subactivity because it is executed differently than the Fuels Management program funding. Funding is awarded competitively for DOI partnership collaborative projects targeting landscape objectives. The goal of RL-type projects is to increase ecosystem resilience to wildfire by focusing landscape level project funding on specific localities. These projects invest and leverage wildland fire funding with cultural and natural resource funding and funding from other Federal, State, tribal, and external partners to achieve landscape objectives for wildfire resilience.

- The 2017 DOI budget request for Preparedness is $332.8 million, and includes program increases totaling $6.9 million. The Preparedness program provides the capability to effectively and cost-efficiently respond to wildfires to meet protection objectives, and provide for firefighter and public safety. Preparedness funds fire prevention, readiness, and initial attack activities. The House and Senate marks fully support the requested increases. The $6.9 million total increase includes $2.8 million for Rural Fire Readiness to assist local cooperators including Rural Fire Departments and Rural fire Protection Associations. Funding would improve the safety, capacity and capabilities of rural and volunteer cooperators that protect remote communities and natural resources and play a substantial cooperative role in the suppression of wildland fires within or in the vicinity of DOI lands. This assistance is also anticipated to increase the likelihood of success in mitigating wildfire damage to the sagebrush landscape, and is therefore one of the recommended action items included in Secretarial Order 3336 on Rangeland Fire Prevention, Management, and Restoration.

Legislative Issues

- In each of the FY 2015 – FY 2017 President's Budgets, the Administration has proposed to amend the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to establish a new budget framework for the WFM program to provide stable funding for fire suppression, while minimizing the adverse impact of fire transfers on the budgets of other fire and non-fire programs.

- Historically, the Department (and Forest Service) budgeted for suppression by requesting the 10-year historical average of suppression obligations, as adjusted for inflation. This has proven to not be a very reliable indicator of funding needs for the budget year, as actual costs frequently exceed the 10-year average and this methodology does not include the trend for increasing fire costs. When the actual costs exceed the historical average costs, the Department is forced to transfer unobligated balances from other WFM programs or other non-Fire accounts (e.g. Construction and Land Acquisition accounts). Even if these transferred amounts are repaid through supplemental appropriations, the transfer and delay in repayment can be very disruptive to the affected programs.

- Under the proposed budget framework, a portion of the funding need for suppression operations is funded within the discretionary spending limits and a portion is funded as an adjustment above those limits. Specifically, 70 percent of the 10-year average is requested within the discretionary budget caps. The remaining identified suppression funding need is proposed to be met through authority to adjust Congressional budget caps to fund the cost of extreme fires. The basis for proposing that 70 percent of the 10-year average be included within the discretionary caps is to ensure the cap adjustment is only used for the most severe fire activity since it is two percent of fires that results in 30 percent of the suppression costs. The requested cap adjustment equals the difference between the total projected suppression needs in the Out-year Forecast developed by the Forest Service's Southern Research Station, and the 70 percent of the 10-year average requested within the discretionary budget caps.

- The argument for the new budget framework is that most catastrophic wildland fires should be addressed in a fashion similar to other major natural disasters such as floods and hurricanes and funded through a cap adjustment similar to other disasters.

- In the FY 2017 appropriations process, the House Interior Appropriations Subcommittee expressed support for the cap adjustment proposal, but states that it is within the Budget Committee's jurisdiction.

- The Senate Interior Appropriations bill includes a modification of the Administration's proposal. A key distinction between the Senate bill and the President's Budget is that the Senate fully funds the suppression 10-year average within the discretionary caps, while the President's Budget funds 70 percent of the 10-year average within the discretionary caps. It should be clarified that while legislative language to enact the cap adjustment proposal is included in Title V, under congressional budgeting rules, the same bill cannot both create a new cap adjustment to the statutory discretionary spending limits and appropriate funding under that cap. Therefore, the Senate bill does not provide any funds through the disaster cap adjustment. Instead, the Senate bill designates one-time emergency funding to address the budget cap funding requested in the President's Budget.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014-2018, the Wildland Fire Management program supports Mission Area One: Celebrating and Enhancing America's Great Outdoors. The Wildland Fire Management program contributes to
    - Goal One, "Protect America's Landscapes", and more specifically, to
        - Strategy #3, "Manage wildland fire for landscape resilience, strengthen the ability of communities to protect against fire, and provide for public and firefighter safety in wildfire response.

Natural Resource Damage Assessment and Restoration Program Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	7,767	7,767	9,229	7,767	7,767	1,462
Permanent	244,509	96,962	97,476	97,476	97,476	514
Total	**252,276**	**104,729**	**106,705**	**105,243**	**105,243**	**1,976**
FTE	**13**	**15**	**19**			**4**

Office Profile

- The mission of the Natural Resource Damage Assessment and Restoration Program is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, tribal, and Federal trustee agencies, damage assessments provide the basis to determine the restoration needed to address the public's loss and use of these resources.

- Damage assessment activities are the critical first step to achieve restoration of natural resources injured through the release of oil or hazardous substances. The nature and magnitude of injury must be identified, investigated, and thoroughly understood if the resulting restoration is to be effective. The resulting physical and scientific evidence of natural resource injury forms the basis for the Department's claim for appropriate compensation via restoration settlements.

- Upon successful conclusion of a damage assessment and receipt of a settlement or judgment, Departmental bureaus, working in partnership with other affected State, Federal, tribal and/or foreign co-trustees, use the funds to carry out restoration activities.

- There are five trustee bureaus (NPS, FWS, BIA, BLM, and BOR). In addition to the five trustee bureaus, the Office of the Solicitor provides legal advice, USGS provides technical scientific support, and the Office of Policy Analysis provides economic analytical expertise to the Program at both national policy and individual case management levels. The Office of Environmental Policy and Compliance within the Office of the Secretary provides a link to response and remedial activities associated with oil or chemical releases.

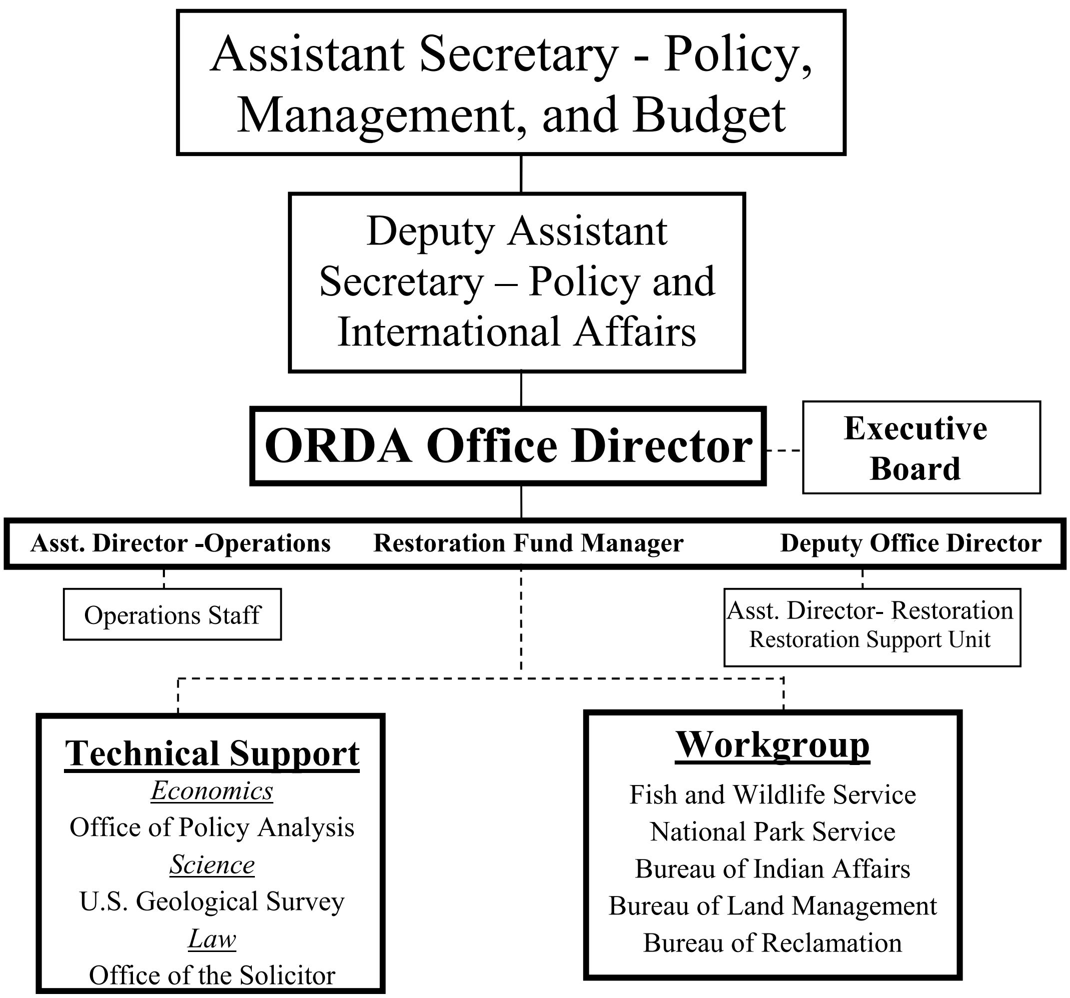
- The Program's headquarters office is located in Washington, D.C., and Restoration Support Unit staff are located in Denver, Colorado.

Office Statistics

- Established in 1992, the Restoration Fund includes damage claim receipts and interest deposited, minus funds disbursed for damage assessment and restoration activities. Since 1992, the Program has collected $1.9 billion dollars in settlement funds and interest earned.

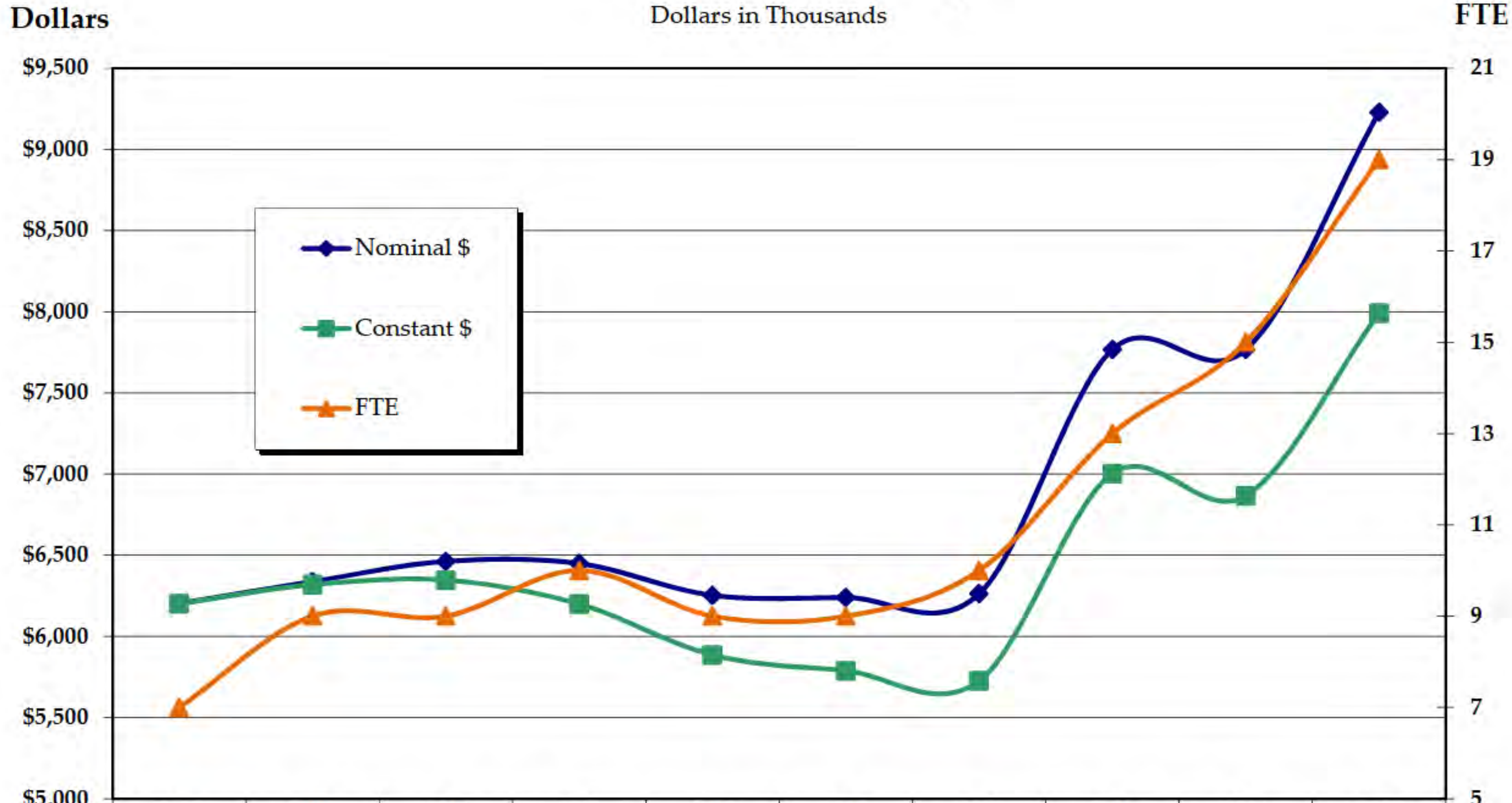
Restoration Program

Natural Resource Damage Assessment & Restoration Program



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

Natural Resource Damage Assessment and Restoration
Current Authority



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	6,202	6,338	6,462	6,449	6,253	6,240	6,263	7,767	7,767	9,229
Constant $	6,202	6,319	6,347	6,200	5,886	5,788	5,727	7,003	6,867	7,992
FTE	7	9	9	10	9	9	10	13	15	19

Natural Resource Damage Assessment and Restoration Program
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	7,767	7,767	9,229	7,767	7,767	1,462
Permanent	244,509	96,962	97,476	97,476	97,476	514
Total	**252,276**	**104,729**	**106,705**	**105,243**	**105,243**	**1,976**
FTE	**13**	**15**	**19**			4

Key Budget Issues

- There are two sources of funds for the NRDA Restoration Program – “appropriated funds” received annually from the Congress and “recoveries” received from the entities responsible for natural resource injuries. These funds are maintained and managed in the Department’s Natural Resource Damage Assessment and Restoration Fund (Restoration Fund).

- The 2017 request includes $9.2 million for the Program and the House and Senate propose to maintain funding at the 2016 level of $7.8 million.

- The Restoration Fund balance stood at $790 million at the end of FY 2016, and is expected to grow dramatically with the receipt of the settlement funds resulting from the BP Deepwater Horizon incident. The Program estimates the fund balance will approach $1.4 billion during FY 2017, even though the estimate in the budget request is only $97.5 million. Estimated and actual receipts can vary depending on when cases are closed and funds received by the Program.

- The Program allocates appropriated and recovered funds from completed damage assessments to DOI bureaus and the Office of the Secretary to perform damage assessments and improve restoration practices and capabilities. The program coordinates closely with the bureaus and the settlement trustees to make funding available to support damage assessments and ensure restoration efforts fulfills the terms of a settlement.

- Coordination can delay restoration and limits on the types of restoration projects eligible for funding under some settlements can make execution difficult. As a result, carryover balances have grown in recent years, nearing $10 million at the end of FY 2015. In cooperation with the bureaus, carryover balances declined by about 30 percent to less than $7 million by the end FY 2016.

- In addition, the Program receives damages from responsible parties in the NRDA Restoration settlements and judgments. These recovered damages include funds used to restore injured natural resources, as well as funds recovered as a reimbursement for the cost of performing damage assessments. The money received from responsible parties for restoration of natural resource injuries is used to address the injuries from site-specific damage assessment cases, and restoration can take decades. Such recoveries are used for the planning, implementation, management, and monitoring of projects to restore, replace, or acquire the equivalent of the injured resources.

- The vast majority of restoration settlement funds are managed on behalf of DOI and multiple other Federal, State, and tribal partners. The funds are held jointly, and any use of them requires a joint consensus of all involved partners for any given settlement. In FY 2016, the Restoration Fund reached a high-water mark, releasing over $70 million to DOI and its partners.

Strategic Plan

- Within the DOI Strategic Plan of FY 2014-2018, NRDA is aligned under Mission Area 1 – Celebrating and Enhancing America's Great Outdoors. Specifically NRDA supports:
    - Goal One: Protect Americas Landscapes by contributing to the restoration of high-quality habitat and landscapes.

- The program also contributes to Mission Area 2 – Strengthening Tribal Nations and Insular Communities.
    - Goal One: Meet Our Trust, Treaty and Other Responsibilities to American Indians and Alaska Natives when restoring damaged tribal or insular natural resources.

Central Hazardous Materials Fund
Organization Profile and Budget Overview

Summary:

The Central Hazardous Materials Fund (CHF) program works to protect the public health and environment by addressing the most highly contaminated sites within national parks, national wildlife refuges, and on other Department-managed lands. The CHF funds cleanup activities performed under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The CHF is used to support high priority projects within the Department that cannot be sufficiently supported by Bureau resources alone.

Budget Information:

($ in Thousands)						
	2015	2016	2017			2017 Req to
	Actual	Enacted	Request	House	Senate	2016 enacted
Current	10,010	10,010	13,513	10,010	10,010	3,503
Permanent	0	0	0	0	0	0
Total	**10,010**	**10,010**	**13,513**	**10,010**	**10,010**	**3,503**
FTE	**5**	**5**	**5**			0

Office Profile:

- The CHF organization reports through the Director of Environmental Policy and Compliance to the Deputy Assistant Secretary Policy and International Affairs.

- The CHF receives direct appropriations through the Department-wide appropriation account, and aggressively pursues cost recovery and cost avoidance actions with those responsible for contaminating Interior lands.

- The CHF is an allocation account, also referred to as a parent/child account, where funds are appropriated centrally and then distributed to eligible bureaus. The bureaus that receive project funding are Bureau of Land Management (BLM), U.S. Fish and Wildlife Service (FWS), National Park Service (NPS), Bureau of Indian Affairs (BIA), Bureau of Reclamation (BOR), and the U.S. Geological Survey (USGS). The CHF also funds staff in the Solicitor's office for legal support.

- The most common CHF sites include abandoned hard rock mines and property transferred to or acquired by the Department as contaminated lands. Some of the larger sites CHF manages include: Red Devil Mine, Alaska; Crab Orchard National Wildlife Refuge, Illinois; Valley Forge National Historic Park, Pennsylvania; Phosphate Mines, Idaho; and Orphan Mine, Grand Canyon National Park, Arizona.

Key Budget Issues:

- Funding requested in FY 2017 will support CHF work at an estimated 38 sites. The request includes a $3.5 million increase to fund remedial design for the Red Devil Mine (AK). Remedial action began in 2009, in coordination with U.S. EPA, the State of Alaska, and local communities. The site is extremely remote which drives up the cost of remediation. Neither the House nor the Senate included the requested increase in their marks for FY 2017.

Statistics:

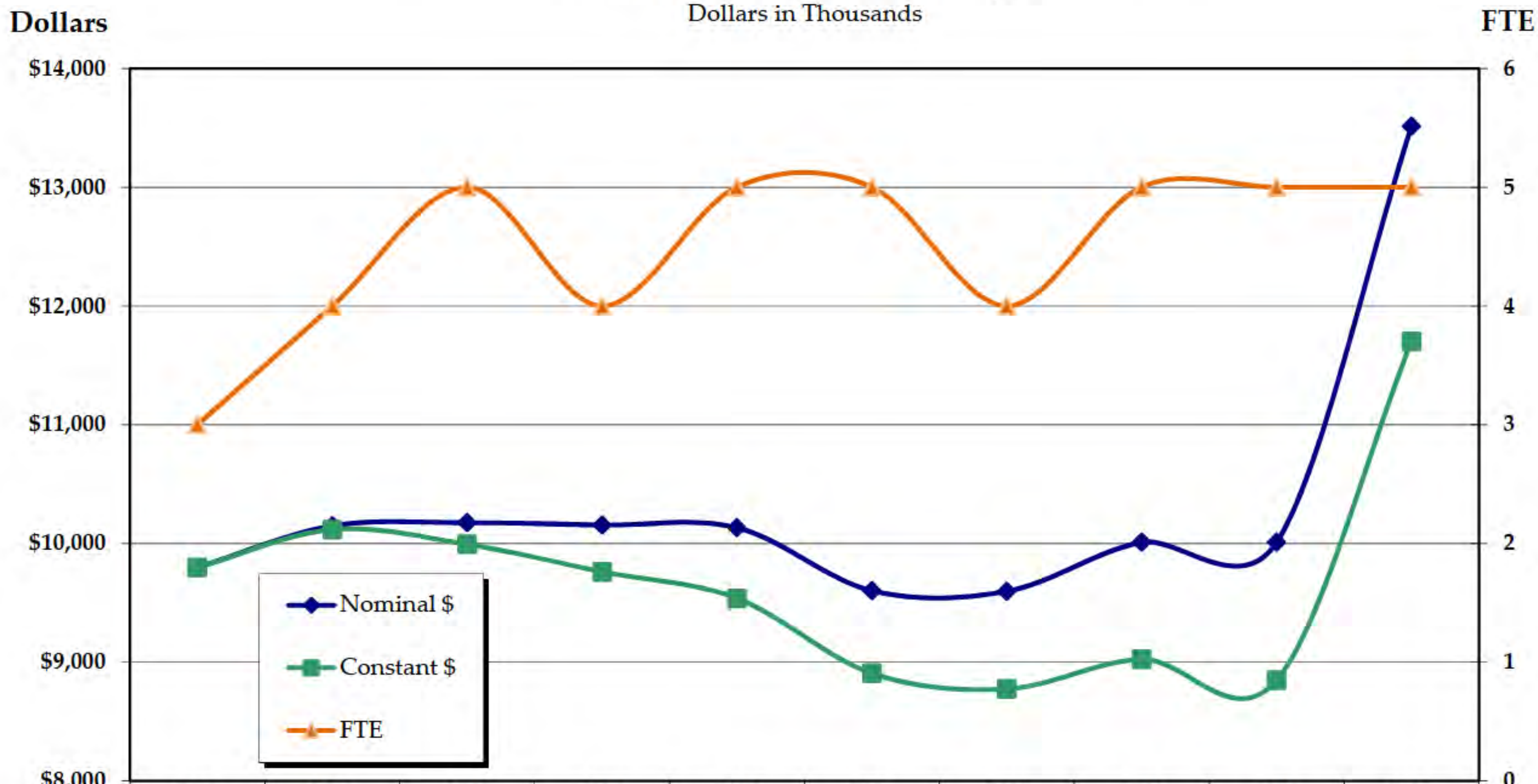
- Since the CHF was established in 1995, it has recovered a total of $95.2 million and avoided approximately $478.3 million in expenditures for work, which was performed by PRPs. The CHF has undertaken response action at more than 69 sites and completed cleanup at over 20 sites.

Strategic Plan:

- The CHF supports the following DOI Strategic Plan mission area/goals: “Protect America’s Landscapes,” “Enhance Recreation and Visitor Experience,” “Improve the Quality of Life in Tribal and Native Communities,” and “Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies.”

Central Hazardous Materials Fund
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	9,799	10,148	10,175	10,155	10,133	9,603	9,598	10,010	10,010	13,513
Constant $	9,799	10,118	9,994	9,762	9,538	8,908	8,776	9,025	8,850	11,702
FTE	3	4	5	4	5	5	4	5	5	5

Issue Paper: Red Devil Mine, Alaska

Summary:

The Bureau of Land Management's (BLM) Red Devil Mine site, located in Red Devil, Alaska, is a complex, expensive, and sensitive abandoned mine project. It was initially anticipated that the Red Devil Mine project would begin the Remedial Design in FY 2017. An increase for the Remedial Design was included in the FY 2017 President's Budget request. However, neither the House nor the Senate included this request in their marks for FY 2017.

Background:

The site is located in a remote area of Alaska on the south bank of the Kuskokwim River, 1.5 miles upstream from the village of Red Devil and 8 miles downstream from the village of Sleetmute. The site is only accessible by boat or aircraft.

Mercury mining occurred at the site from 1933 until 1971. Operating under the 1872 mining laws, mine operators conducted extensive underground surface mining, and disposed of mine tailings and processed wastes at the site. By the mid-1980s, the mine's block of unpatented Federal mine claims were declared "Abandoned and Void" and the site had fallen into ruin.

The BLM initiated a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Remedial Investigation (RI) in 2009, which was finalized in 2014. A Feasibility Study (FS) was finalized in March 2016. A draft proposed plan has been developed which identifies a preferred remediation alternative. The Environmental Protection Agency (EPA) and the Alaska Department of Environmental Conservation (ADEC) have reviewed the draft plan. To satisfy all criteria for selecting a final remedial action, the plan must be presented for public comment, after which the BLM will develop a Record of Decision (ROD).

Discussion:

The BLM began addressing hazardous materials and physical safety hazards at the site in 1987. The initial efforts included removing the remaining processing chemicals, PCBs in transformers, and backfilling open mine shafts and adits. In 2002, the derelict mine buildings and mercury production facilities were demolished and buried in onsite landfills. Between 2003 and 2009, BLM cleaned up spilled fuel from the mine's above ground storage tanks.

In 2009, BLM acting as lead agency, in coordination with the EPA and the ADEC, began a RI/FS. The purpose of the RI/FS was to better understand the contaminants and how they interact with soil, water, and sediment to create potential risk to humans and the environment. The RI showed that tailing piles were eroding into Red Devil Creek, carrying with them high concentrations of mercury, arsenic, and antimony to the Kuskokwim River, which is a major source of pacific salmon and resident fish for the local population. The BLM completed an Engineering Evaluation/Cost Analysis (EE/CA) to support an early action in 2014, to prevent further erosion of the tailings by realigning a portion of Red Devil Creek. Moving the largest tailings pile away from the creek, and constructing a retention basin downstream of the tailings pile to catch future eroded tailings, this action stabilized the movement of tailings until site-wide action can be performed.

The BLM completed the FS in March 2016, and is finalizing the preferred plan, which will outline the remedial action alternatives, preferred alternative, and rationale for the preferred alternative. Community and tribal involvement are an important part of the project and BLM has hosted over 30 meetings in local communities along the Kuskokwim River since the RI/FS began. BLM will hold a public comment period of 60 days once the preferred plan is finalized, and will continue to hold multiple public meetings with the communities along the river during this time.

There is a strong community interest and concern regarding the potential environmental impacts of the Red Devil Mine. In addition to their dependence on the aquatic ecosystem as a primary food source, the community is concerned they will be left with a long-term liability when remedial action is complete. The land occupied by the mine is part of a mandatory selection for conveyance by The Kuskokwim Corporation (TKC) under the Alaskan Native Claims Settlement Act (ANSCA). Of the four remediation alternatives BLM developed for this mine as part of the CERCLA Feasibility Study, two involve constructing some form of containment for the tailings on the site and one includes offsite disposal in a permitted hazardous water facility. TKC believes that removing and disposing all of the contaminated material in an offsite location is the only feasible alternative. BLM's Plan will focus on the bureau's preferred alternative, which is onsite consolidation of the material in an engineered repository constructed with a low permeability cap and long term monitoring. As the BLM progresses toward resolution of the technical challenges of remediating a large volume of contaminants in a remote location, unresolved questions regarding long-term management of the site will become the central issue of this project.

The primary funding sources for this project have been the BLM's Abandoned Mine Land program and the Department of the Interior's (Department) Central Hazardous Materials Fund (CHF). The BLM and the Department are coordinating closely to ensure that the project has sufficient resources to maintain the current project schedule.

Office of the Solicitor
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	65,800	65,800	69,448	65,800	65,758	3,648
Permanent	0	0	0	0	0	0
Total	**65,800**	**65,800**	**69,448**	**65,800**	**65,758**	**3,648**
FTE	**396**	**418**	**438**			**20**

Office Profile

- Funding for the Office of the Solicitor (SOL) activities is provided through current appropriations and is within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee. SOL also receives funding from bureaus and offices through reimbursable agreements for specific services. SOL's client funded FTEs increased from 61 in FY 2009 to 105 projected in FY 2017, an increase of 44 additional FTEs or 72 percent.

- SOL provides quality legal counsel and advice to the Department including ethics advice and training. The Office provides advice, counsel, and legal representation to the Immediate Office of the Secretary, the Assistant Secretaries, and all other bureaus and offices overseen by the Secretary, ensuring the Department's bureaus carry out their responsibilities in accordance with the law.

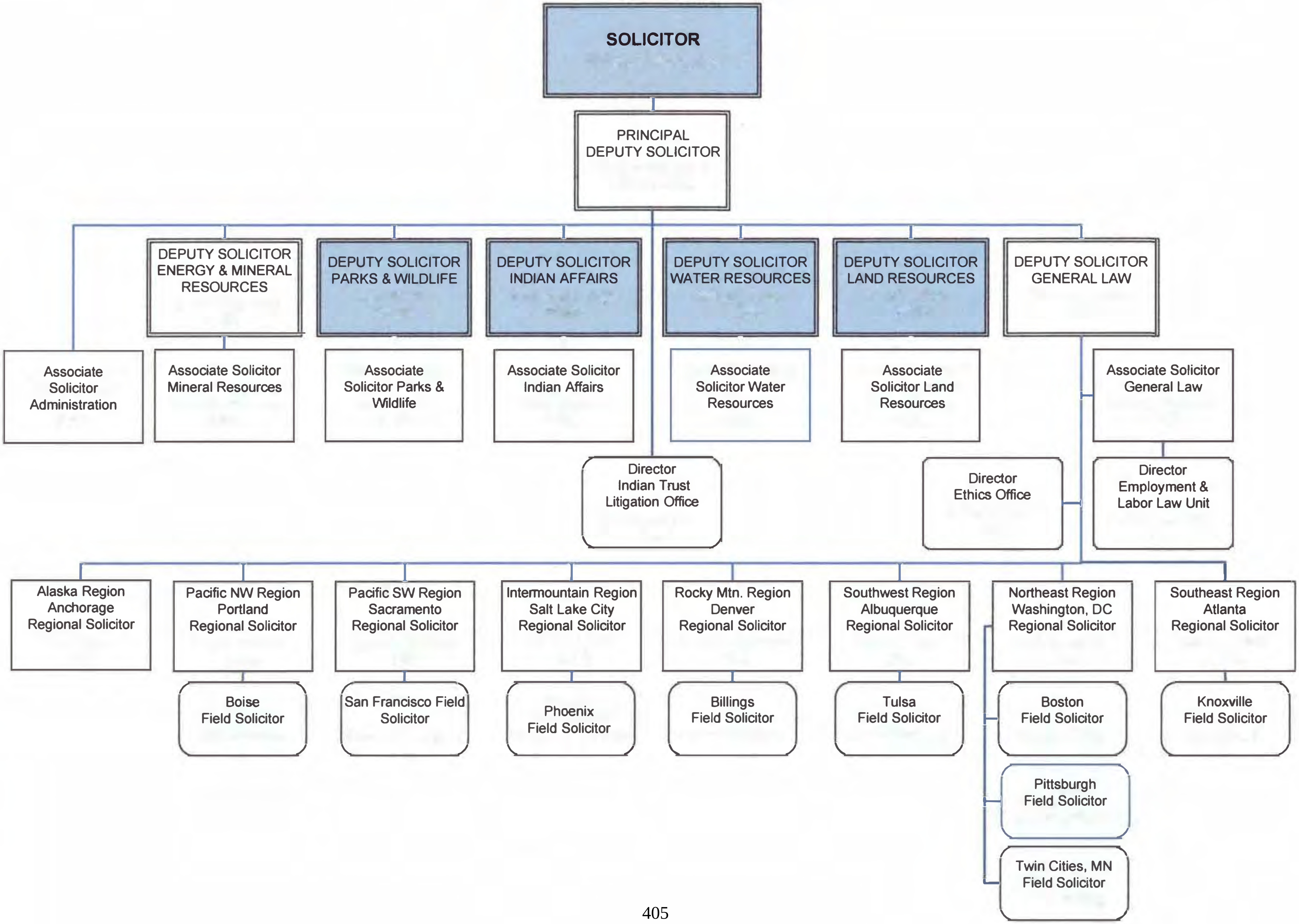
- SOL provides legal representation across the entire spectrum of the Department's broad mission, requiring detailed knowledge of laws relating to a host of natural resource and conservation laws, administrative law, Indian law, as well as contract, tort, personnel, and appropriations law.

- SOL also provides legal assistance in drafting and reviewing regulations, contracts, memoranda of agreement, decisions, agreements, leases, right-of-way, title documents, other legal instruments, and legislation. In addition, SOL manages Interior's Ethics Office and resolves Freedom of Information Act (FOIA) Appeals.

Office Statistics

- The Office of the Solicitor is organized into the Immediate Office of the Solicitor, the Ethics Office, five legal divisions, an administrative division, and eighteen regional and field offices located throughout the United States.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR

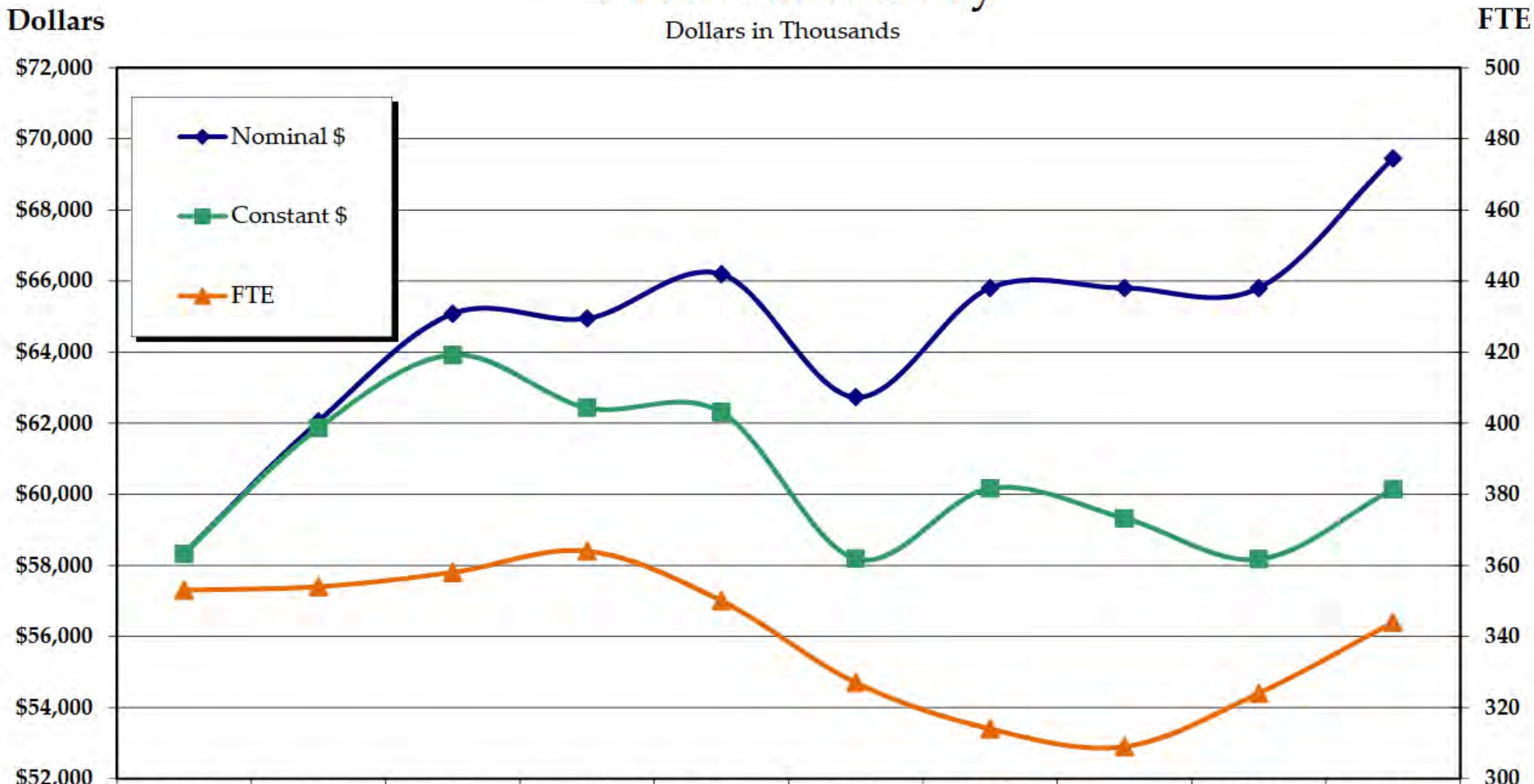


Office of the Solicitor Office Locations (as of 10/13/2016)

Division/Region	Office Name	City	State
DC	Headquarters	Washington	DC
Alaska	Alaska Regional Office	Anchorage	AK
Southwest	Albuquerque Regional Office	Albuquerque	NM
Southeast	Atlanta Regional Office	Atlanta	GA
Rocky Mountain	Billings Field Office	Billings	MT
Pacific Northwest	Boise Field Office	Boise	ID
Northeast	Boston Regional Office	Newton	MA
Intermountain	Boulder City Unit (AZ location)	Phoenix	AZ
Rocky Mountain	Denver Regional Office	Lakewood	CO
Southeast	Knoxville Field Office	Knoxville	TN
Intermountain	Phoenix Field Office	Phoenix	AZ
Northeast	Pittsburgh Field Office	Pittsburgh	PA
Pacific Northwest	Portland Regional Office	Portland	OR
Pacific Southwest	Sacramento Region Office	Sacramento	CA
Intermountain	Salt Lake City Regional Office	Salt Lake City	UT
Pacific Southwest	San Francisco Field Office	San Francisco	CA
Southwest	Santa Fe Field Office	Santa Fe	NM
Southwest	Tulsa Field Office	Tulsa	OK
Northeast	Twin Cities Field Office	Bloomington	MN

Office of the Solicitor
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	58,326	62,050	65,076	64,946	66,190	62,728	65,800	65,800	65,800	69,448
Constant $	58,326	61,864	63,916	62,435	62,303	58,187	60,164	59,326	58,174	60,140
FTE	353	354	358	364	350	327	314	309	324	344

Office of the Solicitor
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	65,800	65,800	69,448	65,800	65,758	3,648
Permanent	0	0	0	0	0	0
Total	**65,800**	**65,800**	**69,448**	**65,800**	**65,758**	**3,648**
FTE	**396**	**418**	**438**			20

Key Budget Issues

- The President's budgets for FY 2016 and 2017 included funding for 20 additional attorneys. Congress did not support the increase in 2016 and neither the House nor the Senate 2017 marks provide additional funds. The Senate mark is slightly below the FY 2016 enacted level.

- The Office has been able to provide adequate legal services through additional client funding.

- As the Department implements new regulations, and finalizes agency actions, SOL expects the counseling and litigation workload to increase making additional FTEs essential for mission readiness.

Strategic Plan

- The work of the Office impacts every program within the Secretary's jurisdiction. SOL attorneys actively engage in client counseling to ensure sound decision-making, including strategies that may decrease the likelihood of litigation and implement corrective strategies post-litigation.

- In the litigation arena, SOL attorneys represent the Department in administrative hearings and work in conjunction with the Department of Justice in representing the Department in judicial proceedings.

- SOL's activities support the Department's strategic plan in all six mission areas: Celebrating and Enhancing America's Great Outdoors; Strengthening Tribal Nations and Insular Communities; Powering our Future and Responsible Use of the Nation's Resources; Engaging the next Generation; Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies; and Building a Landscape-Level Understanding of Our Resources.

Office of Inspector General
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	50,447	50,047	55,911	50,047	50,047	5,864
Permanent	0	0	0	0	0	0
Total	**50,447**	**50,047**	**55,911**	**50,047**	**50,047**	**5,864**
FTE	**263**	**263**	**283**			**20**

Office Profile

- The mission of the Office of Inspector General is to provide independent oversight and promote excellence, integrity, and accountability for the programs, operations, and management of the U.S. Department of the Interior.

- Federal Inspectors General (IGs) are authorized to combat waste, fraud, and abuse within their affiliated Federal entities. Two major enacted bills—the Inspector General Act of 1978 and its amendments of 1988 (codified at 5 U.S.C. Appendix) established Federal IGs as permanent, nonpartisan, and independent offices in more than 70 Federal agencies.

- The Office of the Inspector General is funded through current appropriations within the jurisdiction of the Interior, Environment, and Related Agencies Appropriations Subcommittee.

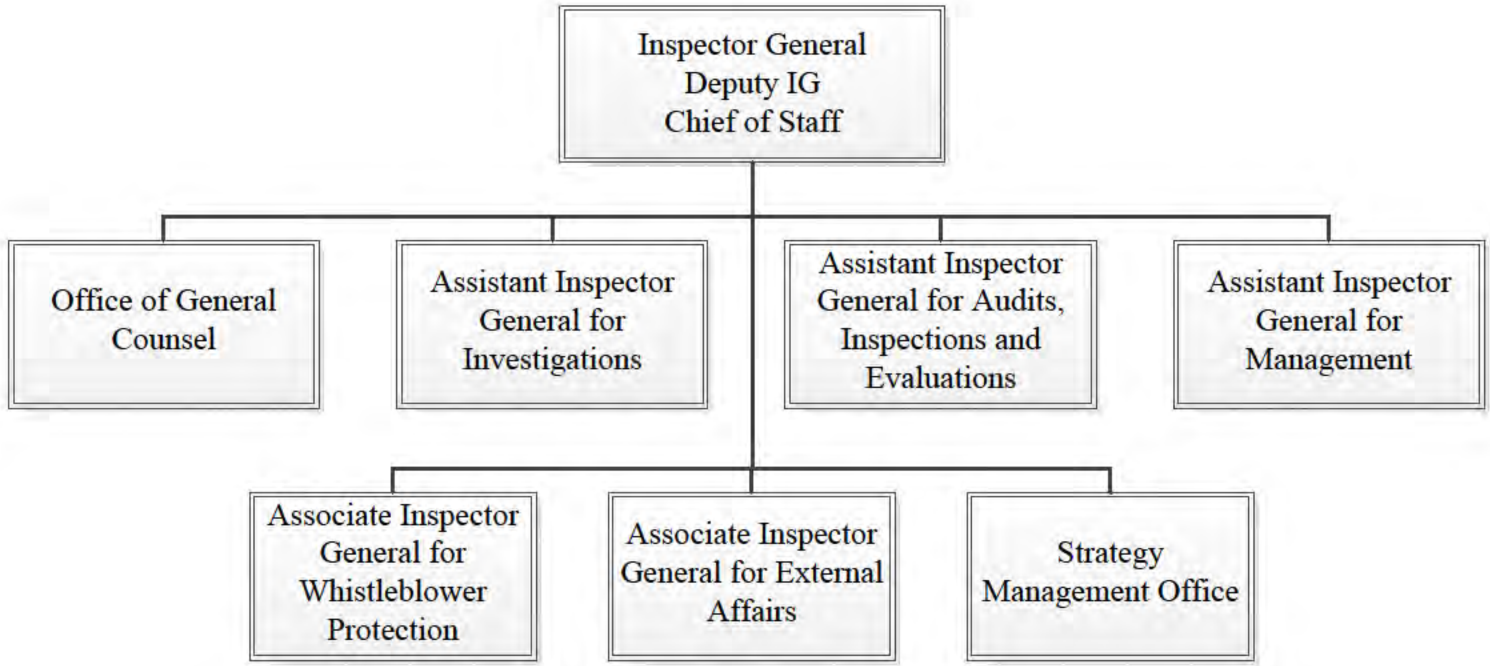
- OIG's investigative priorities are informed by the Department's strategic plan, budget, and top management challenges. These priority areas guide OIG's decisions to strategically deploy limited resources and ensure stakeholders the agency is being the best steward possible by providing oversight of DOI programs and operations. OIG audit and investigative services promote effective and efficient resource stewardship over billions of dollars in annual DOI investments.

Office Statistics

- In 2015, the OIG issued 97 audit reports, issued 264 audit recommendations and resolved 262 audit recommendations, and recommended $32.2 million of funds be put to better use.

- The OIG main office is located in Washington, DC, and staff is located in offices across the country including Anchorage, AK; Sacramento, CA; Lakewood, CO; Atlanta, GA; Honolulu, HI; Billings, MT; Albuquerque, NM; Rapid City, SD; and Herndon, VA.

Office of the Inspector General

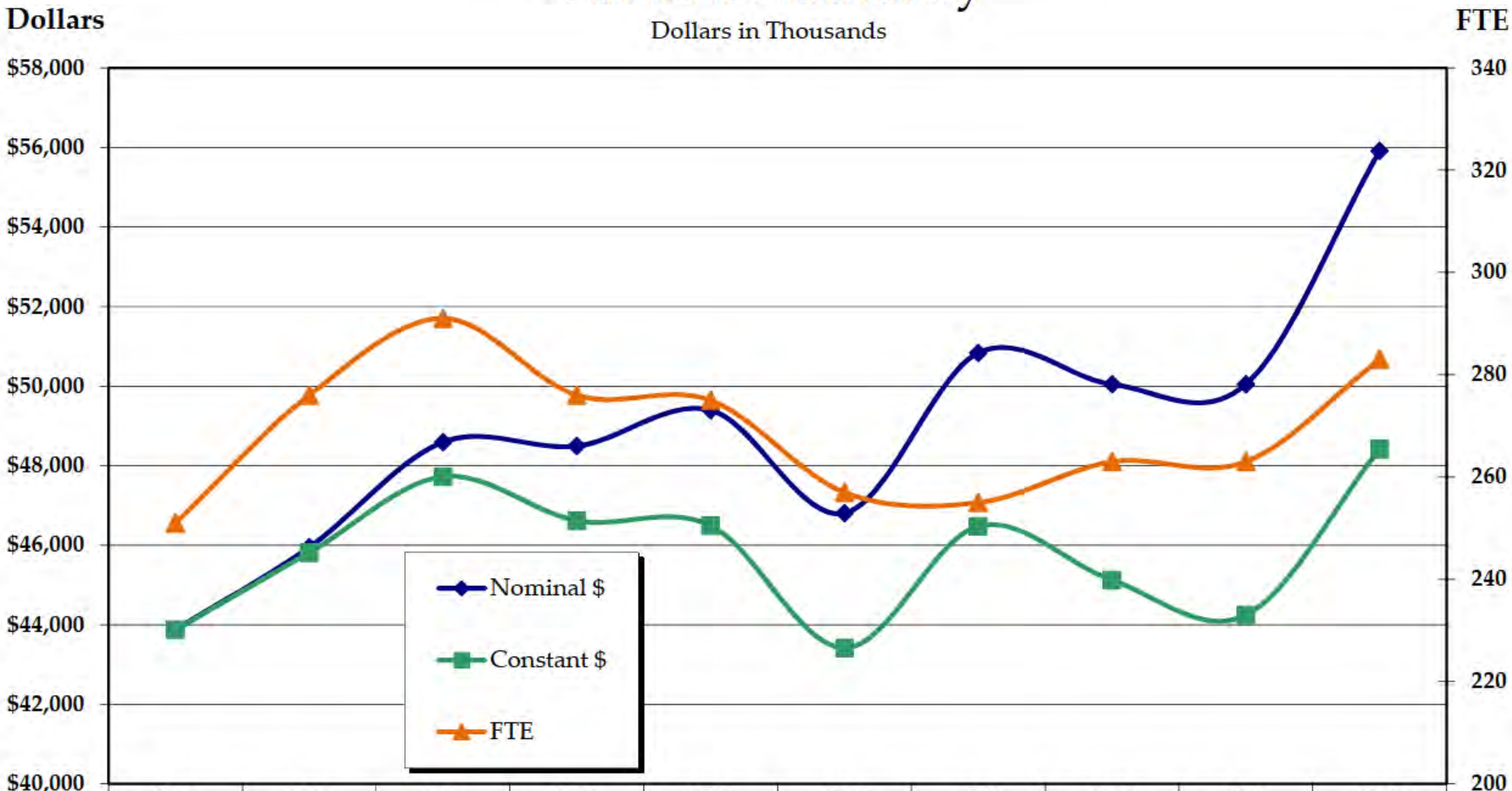


Office of the Inspector General
List of Office Locations

Head Quarters, Washington, DC U.S. Department of the Interior Office of Inspector General 1849 C Street NW - Mail Stop 4428 Washington, DC 20240 Phone: 202-208-5745	**Anchorage, AK** 240 West 5th Avenue Anchorage, AK 99501 Main Phone: 907-644-3325
Sacramento, CA 2800 Cottage Way Suite E-2712 Sacramento, CA 95825 Audits Phone: 916-978-5650 Investigations Phone: 916-978-5630	**Lakewood, CO** 12345 West Alameda Parkway Suite 300 Lakewood, CO 80228 Audits Phone: 303-236-9243 Investigations Phone: 303-236-9243
Atlanta, GA 61 Forsyth Street, SW. Suite 8T12 Atlanta, GA 30303 Main Phone: 770-801-7923	**Honolulu, HI** 1132 Bishop Street Suite 2300 Honolulu, HI 96813 Audits Phone: 808-525-5310 Investigations Phone: 808-525-5348
Billings, MT Post Office Building 2602 First Avenue North Room 136 Billings, MT 59101 Main Phone: 406-657-6298	**Albuquerque, NM** 2424 Louisiana Boulevard, NE. Suite 250 Albuquerque, NM 87110 Audits Phone: 505-346-2717 Investigations Phone: 505-346-2721
Rapid City, SD 333 West Boulevard Suite 301 Rapid City, SD 57701 Main Phone: 605-342-7280	**Herndon, VA** 381 Elden Street Suite 3000 Herndon, VA 20170
Hotline Toll Free: 800-424-5081 Eastern Regional Office: 703-487-8051 Central Regional Office: Lakewood, Colorado 303-236-8296	

Office of Inspector General
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	43,877	45,953	48,590	48,493	49,392	46,808	50,831	50,047	50,047	55,911
Constant $	43,877	45,815	47,724	46,618	46,492	43,420	46,477	45,123	44,247	48,418
FTE	251	276	291	276	275	257	255	263	263	283

Office of the Inspector General
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	50,047	50,047	55,911	50,047	50,047	5,864
Permanent	0	0	0	0	0	0
Total	**50,047**	**50,047**	**55,911**	**50,047**	**50,047**	**5,864**
FTE	**263**	**263**	**283**			**20**

Key Budget Issues

- The Office of the Inspector General (OIG) enacted funding essentially remained at the same level since FY 2012 and FTE dropped by 4 percent from 275 to 263 to help absorb increasing costs. Limited staff reduces OIG's ability to provide proper oversight to DOI programs.

- The 2017 House and Senate marks maintain the 2016 enacted level of $50,047,000 for the Office of Inspector General, $5,864,000 below the President's FY 2017 request. Over the last three fiscal years, OIG has remained at the same funding level and has absorbed fixed costs totaling nearly $1.4 million. OIG has spent several years implementing efficiency plans that have reduced overhead costs through downsizing and consolidating offices. OIG management efficiencies have resulted in significant savings, but absorption of rising fixed costs in OIG's base budget is unsustainable without impacting mission critical staffing requirements.

- Requested increases which were not in the House and Senate marks include:

    - +$3.2 million for Audits, Inspections and Evaluations to address serious vulnerabilities in key focus areas that the U.S. Government Accountability Office also includes in its 2015 list of high-risk federal programs and operations.
    - +$2.5 million for Investigations to expand offshore energy investigations and Indian Country program fraud investigations.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014–2018, OIG contributes to DOI's Effective and Efficient Operations.

- OIG strategic goals include providing customers with top quality products and services; promoting excellence, integrity and accountability in DOI; achieving operational excellence; and ensuring effective stewardship of budget resources.

Office of the Special Trustee
Organization Profile

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	139,029	139,029	140,379	139,029	139,029	1,350
Permanent	190,532	213,000	221,000	221,000	221,000	8,000
Total	**329,561**	**352,029**	**361,379**	**360,029**	**360,029**	**9,350**
FTE	**576**	**655**	**655**			**0**

Office Profile

- The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both Tribal Trust accounts and Individual Indian Money Accounts.

- In addition to core fiduciary functions, OST activities include risk management, IT support and security, as well as general business support functions such as budget, accounting, human resources and communications needed to manage trust activities.

- OST was established by the American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412), to improve the accountability and management of Indian funds held in trust by the Federal government. As trustee, DOI has the primary fiduciary responsibility to manage both tribal trust funds and Individual Indian Money (IIM) accounts.

- For almost 20 years Interior was engaged in a class action lawsuit, *Cobell v. Salazar*, over the trust management and accounting of individual Indian trust accounts and resources.

- The *Cobell* settlement agreement was authorized by Congress as the Individual Indian Money Account Litigation Settlement in the Claims Resolution Act of 2010. The Settlement was finalized on November 24, 2012, following action by the U.S. Supreme Court and expiration of the appeal period. OST implements key pieces of the Settlement through management of additional requirements placed on some Individual Indian Money accounts, support for implementation of the Land Buy Back program, and litigation support from the Office of Historical Trust Accounting.

- OST field officers are the primary point of contact for trust beneficiaries seeking information and services in conjunction with their trust assets.

- OST is responsible for appraisal and valuation services for Indian trust land.

- OST provides litigation support in coordination with the Department of Justice to defend against litigation alleging breach of the Department's fiduciary duties, including its trust obligations. Currently, there are 30 pending cases filed in various courts by Indian Tribes or individual Indians that allege breaches of fiduciary trust duties. Some ongoing support is provided on approximately 20 additional cases for which the parties have reached settlement in principle.

- OST oversees Historical Trust Accounting which was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Individual Indian Money accounts. OHTA's responsibilities were later expanded to include the provision of historical accountings for Tribal accounts. Additional Interior trust functions OST oversees include those carried out by the Bureau of Land Management, Bureau of Indian Affairs, and the Secretary's Office of Hearings and Appeals and the Office of Natural Resources Revenue.

Office Statistics

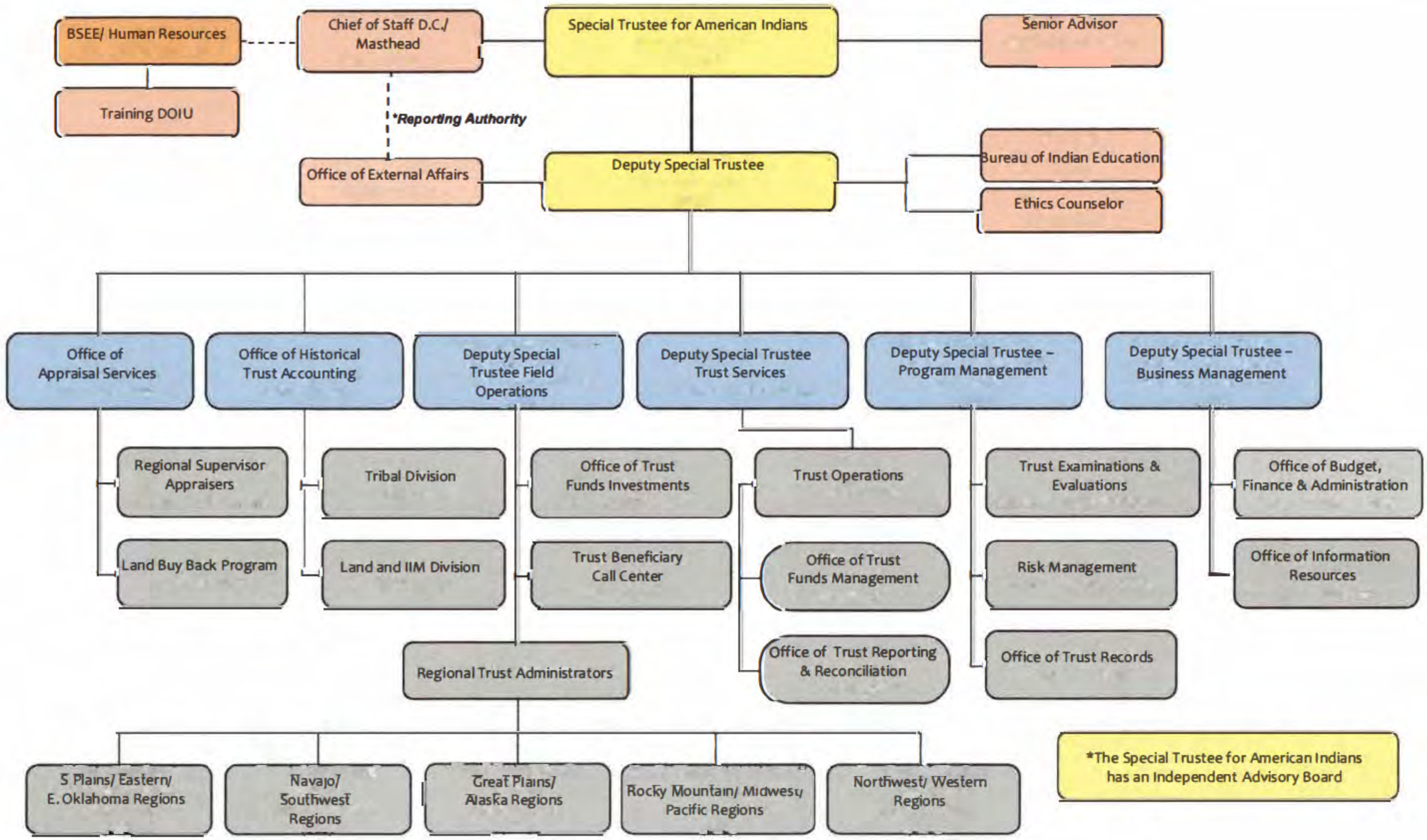
- The Congress designated the Secretary of the Interior as the trustee delegate with the responsibility for approximately 56 million surface acres of land, 60 million acres of subsurface mineral interests. OST implements the trustee responsibilities of the Secretary.

- The Office of the Special Trustee for American Indians (OST) has operational responsibility for financial trust fund management, including receipt, investment, and disbursement, of Indian trust funds and for real estate appraisals on Indian trust lands.

- Trust Fund operations entail management of nearly $4.9 billion held in about 3,300 trust accounts for more than 250 Indian Tribes and approximately 400,000 open Indian Individual Money accounts.

- Trust fund balances are the result of judgement awards, settlement of claims, land use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

U. S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS



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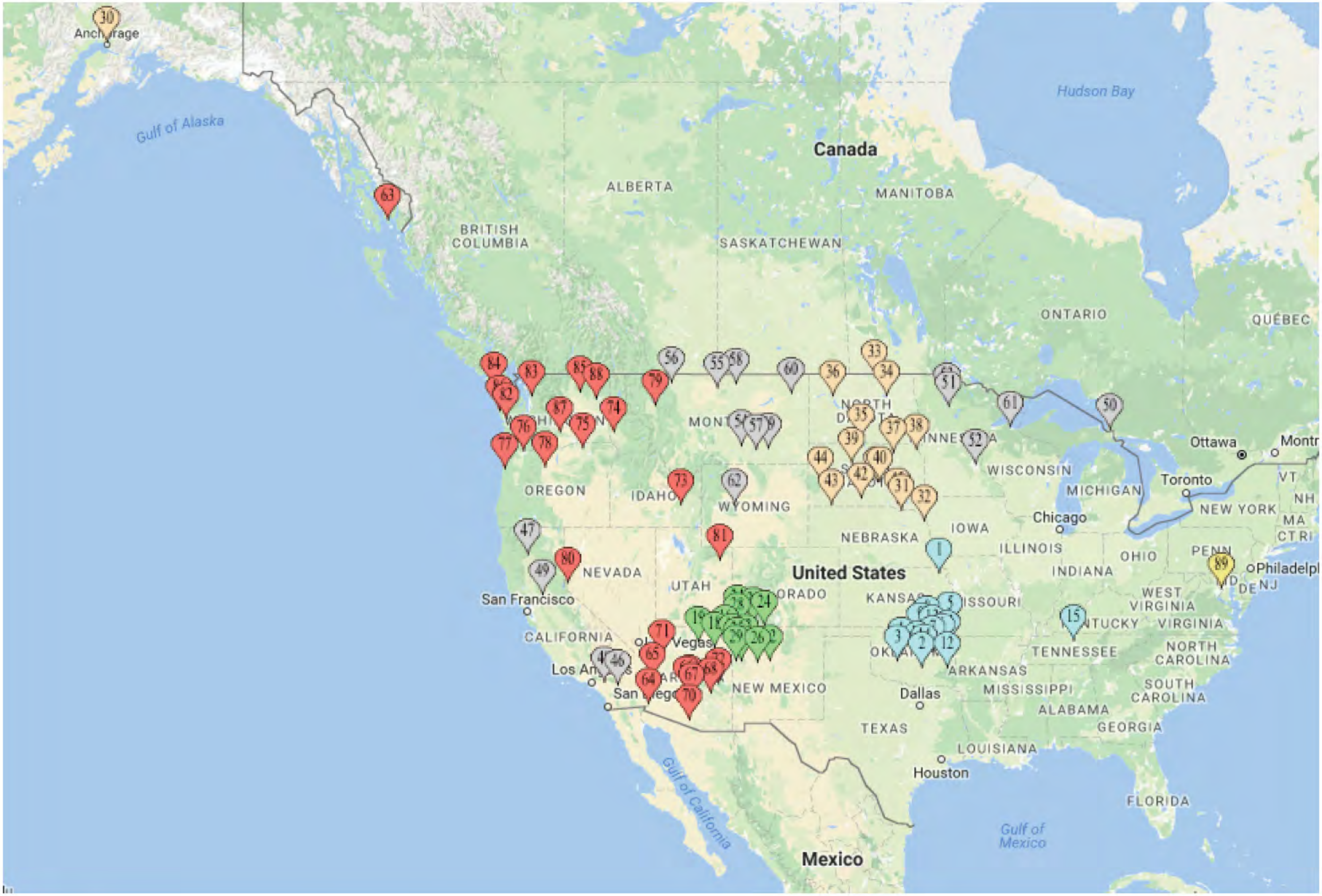
OST Office Locations



Google
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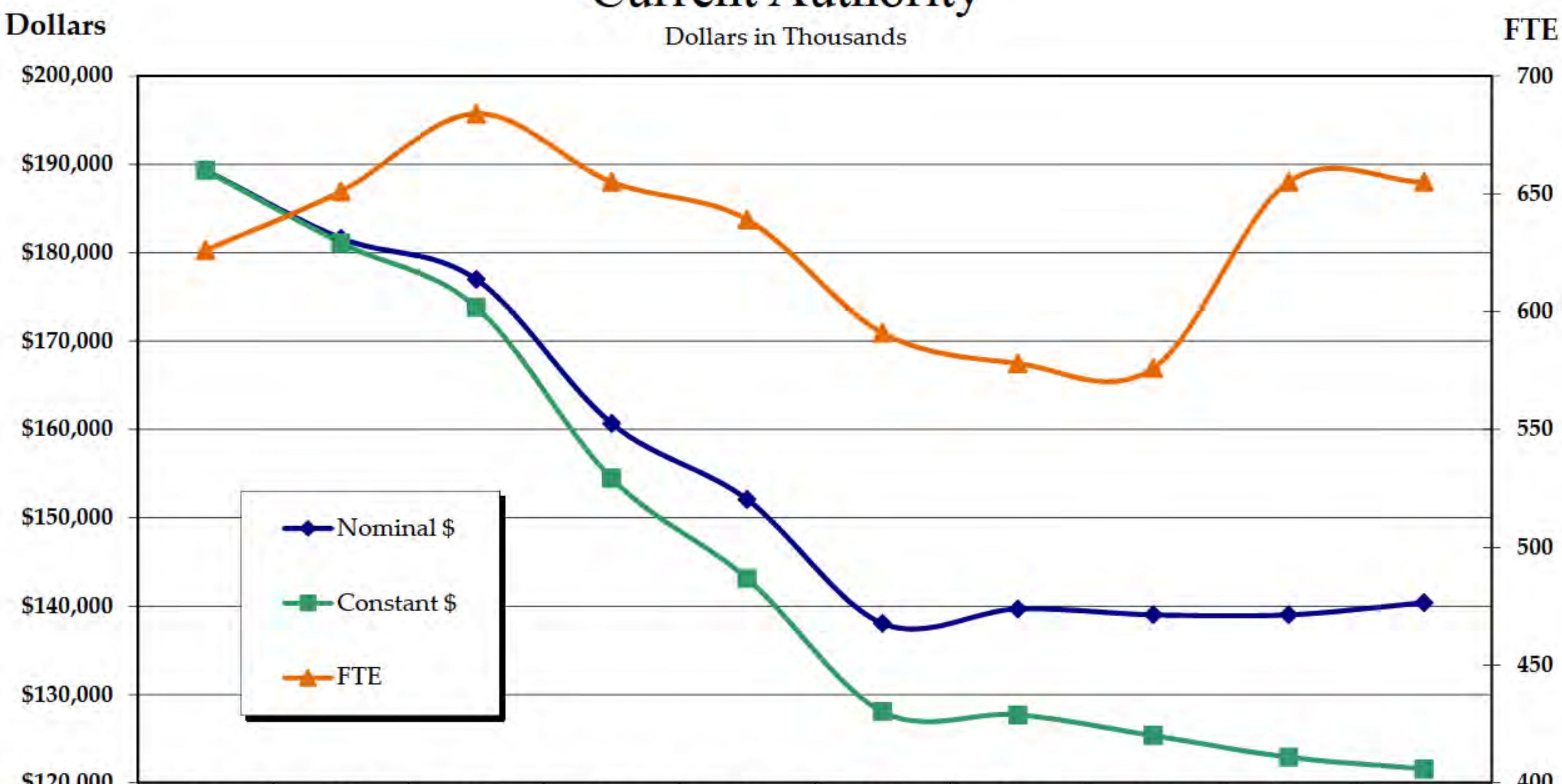
500 km Map data ©2016 Google, INEGI

Horton, KS	Chinle, AZ	Anchorage, AK	Palm Springs, CA	Melakatla, AK	Washington, D.C.
	Fort Defiance, AZ		Redding, CA		
Ada, OK	Keams Canyon, AZ	Niobrara, NE	Riverside, CA	Fort Yuma, AZ	
Anadarko, OK	Tuba City, AZ	Winnebago, NE	Sacramento, CA	Parker, AZ	
El Reno, OK				Phoenix, AZ	
Miami, OK	Ignacio, CO		Sault Ste. Marie, MI	Sacaton, AZ	
Muskogee, OK	Towac, CO	Belcourt, ND		San Carlos, AZ	
Okmulgee, OK		Fort Totten, ND	Bemidji, MN	Scottsdale, AZ	
Pawhuska, OK	Albuquerque, NM	Fort Yates, ND	Fort Snelling, MN	Sells, AZ	
Pawnee, OK	Crownpoint, NM	New Town, ND	Red Lake, MN	Valentine, AZ	
Shawnee, OK	Dulce, NM			Whiteriver, AZ	
Tahlequah, OK	Gallup, NM	Aberdeen, SD	Billings, MT		
Talihina, OK	Laguna, NM	Agency Village, SD	Box Elder, MT	Ft Hall, ID	
Tulsa, OK	Ramah, NM	Eagle Butte, SD	Browning, MT	Lapwai, ID	
Wewoka, OK	Shiprock, NM	Fort Thompson, SD	Crow Agency, MT		
	Zuni, NM	Lower Brule, SD	Harlem, MT	Pendleton, OR	
Nashville, TN		Mission, SD	Lame Deer, MT	Portland, OR	
		Pine Ridge, SD	Poplar, MT	Siletz, OR	
		Rapid City, SD		Warm Springs, OR	
		Wagner, SD	Ashland, WI		
				Pablo, MT	
			Ft. Washakie, WY		
				Carson City, NV	
				Fort Duchesne, UT	
				Aberdeen, WA	
				Everett, WA	
				Neah Bay, WA	
				Nespelem, WA	
				Taholah, WA	
				Toppenish, WA	
				Wellpinit,WA	

Office of the Special Trustee
Current Authority

Dollars in Thousands



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nominal $	189,331	181,648	176,984	160,678	152,075	138,058	139,677	139,029	139,029	140,379
Constant $	189,331	181,103	173,828	154,465	143,145	128,065	127,713	125,350	122,916	121,565
FTE	626	651	684	655	639	591	578	576	655	655

Office of the Special Trustee
Budget Overview

($ in Thousands)						
	2015	2016	2017			2017 Req
	Actual	Enacted	Request	House	Senate	to 2016
Current	139,029	139,029	140,379	139,029	139,029	1,350
Permanent	190,532	213,000	221,000	221,000	221,000	8,000
Total	**329,561**	**352,029**	**361,379**	**360,029**	**360,029**	**9,350**
FTE	**576**	**655**	**655**			**0**

Key Budget Issues

- The OST request in 2017 was $140.4 million dollars, an increase of $1.4 million over 2016 enacted. Both the House and Senate maintain the 2016 enacted level. The OST budget request includes several increases which are partially offset by a program reduction in Historical Trust Accounting:
  - Increase (+$1.5 million) for efforts to streamline trust estate administration and support **financial training and tools** for Individual Indian Money account holders.
  - Proposes an **appraiser training** program (+$1.3 million) to provide opportunities for youth and address a need for trained appraisers.
  - Improvements to OST's **business management systems** (+$1.9 million).
  - Reduces **Historical Trust Accounting** (-$3.4 million) to align with expected reduced workload.

Legislative Issues

- The Indian Trust Asset Reform Act (P.L. 114-178), enacted on June 22, 2016, requires the Administration to evaluate the functions of OST and determine their proper place within the Department, as well as other requirements. Specifically, the Act :
  - Authorizes, but does not require, creation of an Under Secretary for Indian Affairs.
  - Requires the consolidation of appraisals and valuations functions for Indian Trust Land into one office or entity within DOI. Currently, OST reimburses the Office of Valuation Services for valuation of subsurface assets on Indian lands.
  - Requires the Secretary to submit a report to Congress within one year of enactment which includes:
    - Identification and description of any functions of the Office of the Special Trustee that will be transitioned to other bureaus; and
    - A transition plan and timetable for the termination of the Office of the Special Trustee, to occur not later than 2 years after the date of

submission, unless the Secretary determines than an orderly transition cannot be accomplished within 2 years.

- Requires a Cost Savings Report, once any decisions are implemented. The Act requires the Secretary to develop a list of cost savings as a result of realignments and consolidations which shall be shared with the Tribal/Interior Budget Council (TBIC), which will have 90 days to identify its preferred reallocation of the funds.

Strategic Plan

- Within the DOI Strategic Plan for FY 2014-2018, OST primarily contributes to Mission Area Two: Strengthening Tribal Nations and Insular Communities.
    - OST supports Mission Area Two, Goal One: Meet Our Trust, Treaty, and Other Responsibilities to American Indians and Alaska Natives.

Crosscutting Issue Paper: Arctic

Summary:

The Department manages Federal resources in Alaska including more than 75 million acres on national wildlife refuges, the National Petroleum Reserve – Alaska, 23 units of the National Park System spanning 54 million acres, offshore energy resources, and subsistence programs for Alaska Natives. In 2017, the Department requested $160.6 million for programs serving Alaska's Arctic region, an increase of $15.8 million.

U.S. Arctic policy focuses on environmental protection and sustainable development, with particular emphasis on the role of indigenous people and other Arctic residents as stakeholders in the Arctic. This policy is reflected in a 2009 National Security Directive and the 2013 National Strategy for the Arctic Region.

Budget Information:

Bureau/Office	2015 Actual	2016 Enacted	2017 President's Budget	2017 House Mark	2017 Senate Mark
Bureau of Land Management	17,374	16,520	19,331	16,520	16,520
Bureau of Ocean Energy Management	29,078	30,249	30,000	26,791	26,773
Bureau of Safety and Environmental Enforcement	5,026	6,250	5,550	5,550	5,550
Fish and Wildlife Service	48,381	48,381	48,931	48,381	48,931
U.S. Geological Survey	27,362	29,184	38,991	29,184	27,017
National Park Service	10,007	8,829	9,849	8,685	8,685
Bureau of Indian Affairs	5,447	5,447	7,997	5,447	6,447
Total, DOI	**142,675**	**144,860**	**160,649**	**140,558**	**139,923**

Background:

The Department has vast land and resource management responsibilities across the Arctic region of Alaska. This paper describes the guiding policy documents and goals for managing these resources and the varying roles and responsibilities of the Department's bureaus. Through the participation in the Arctic Council, the Department coordinates Arctic resource management with eight neighboring countries on issues of sustainable development and environmental protection.

The role of the Department, and the Federal government as a whole, in the Alaska Arctic is guided, in part, by the National Strategy for the Arctic Region, issued in 2013. The Strategy and its implementation plan are intended to position the U.S. to respond to challenges and utilize emerging opportunities. The Strategy is built on three lines of effort:

- Advance U.S. Security Interests
- Pursue Responsible Arctic Region Stewardship
- Strengthen International Cooperation

Within these lines of effort, the Department is the lead agency for five efforts under the 2013 National Strategy:

- Ensure the safe and responsible development of non-renewable energy sources
- Advance Integrated Arctic Management
- Understand the effects of climate change on terrestrial ecosystems
- Investigate the role of wildland fires in the Arctic
- Identify and assess invasive species impacts and risks

Interior's Arctic activities funded through discretionary appropriations are captured in the crosscut under the following five functional categories:

- *Science* – includes research related to sea ice and marine ecosystems, terrestrial ice and ecosystems, climate modeling, wildlife and habitat impacts and adaptation capabilities, and improvements to geospatial data and topographic maps

- *Land Management* – includes physical restoration, planning, infrastructure development, environmental education, and management of public uses

- *Energy* – includes all preleasing, leasing, and post-leasing activities in support of energy development, including such activities as evaluation of resource development plans, fulfilling energy-related National Environmental Policy Act requirements, permitting, oil spill research, inspections, training, etc. where the primary purpose of completing the activity is energy-related

- *Alaska Native* – includes social services, natural resources management, subsistence management and other activities primarily benefitting Alaska Natives

- *Other Activities* – includes funding for activities that do not apply to other categories such as regional operations and administrative functions. Funding for regional operations and administrative functions is included in this category unless a majority of the subject funds apply to one of the other categories

Bureau/Office	**2015 Actual**	**2016 Enacted**	**2017 President's Budget**	**2017 House Mark**	**2017 Senate Mark**
Science	50,010	51,345	62,002	48,241	46,624
Land Management	34,197	33,328	37,057	33,343	34,343
Energy	23,558	25,381	26,943	24,327	24,309
Alaska Native	20,485	20,748	20,748	20,748	20,748
Other Activities	14,425	14,058	13,899	13,899	13,899
Total, DOI	**142,675**	**144,860**	**160,649**	**140,558**	**139,923**

For the purpose of the Arctic crosscut, the term "Arctic" is defined by the Arctic Research and Policy Act (P.L. 113-185) and means all United States and foreign territory north of the Arctic Circle and all United States territory north and west of the boundary formed by the Porcupine, Yukon, and Kuskokwim Rivers; all contiguous seas, including the Arctic Ocean and the Beaufort, Bering, and Chukchi Seas; and the Aleutian chain. A map depicting the U.S. Arctic and Interior's land holdings within is attached.

As one of eight member nations of the Arctic Council, and the chair of the Council from 2015-2017, the U.S. actively seeks to promote the viability and socioeconomic well-being of Arctic communities and supports scientific research and international cooperation in achieving these goals. The Arctic Council is an intergovernmental forum that promotes cooperation on Arctic issues, especially relating to environmental protection and sustainable development. The Department's leadership on U.S. chairmanship initiatives will result in a better understanding of climate resilience in the region, a circumpolar plan for the prevention and management for invasive species, and a pan-Arctic digital elevation model that will improve the quality of regional topographic information. The Department is leading a range of Arctic Council initiatives under the U.S. chairmanship that focus on Arctic science, conservation, climate resilience, mapping the Arctic, and ocean safety and stewardship. The U.S. currently chairs the Arctic Spatial Data Infrastructure Board and coordinates Arctic Council initiatives for Arctic spatial data including the pan-Arctic digital elevation model. The U.S. will also assume leadership of the Arctic Council's Conservation of Arctic Flora and Fauna Working Group in 2017.

Bureau of Land Management – In Alaska, BLM administers approximately 72 million surface acres of public land, an area larger than the State of New Mexico. The focus of the BLM in Alaska includes:

- *Land transfer* - BLM is tasked with conveying Federal land to the State of Alaska, Alaska Native corporations and individual Alaska Natives. Once final land status is determined, BLM will manage about 70 million acres of public lands and 220 million acres of subsurface mineral estate in Alaska, more than any other State.

- *Energy development* - BLM is committed to sound land use planning for the 23-million-acre National Petroleum Reserve-Alaska (NPR-A). Many resource management issues transcend the boundaries of NPR-A and are applicable to the entire North Slope of Alaska. BLM partners with other Federal and State agencies to form the North Slope Science Initiative, a newly developed organization that encourages sharing knowledge to make science-based decisions about development activities on the North Slope.

- *Trans-Alaska Pipeline System oversight* - BLM partners with other Federal and State agencies at the Joint Pipeline Office to work proactively with Alaska's oil and gas industry to safely operate the Trans-Alaska Pipeline System.

- *Fire management* - The Alaska Fire Service provides wildland fire suppression services for all Interior and Alaska Native corporation lands in Alaska.

Bureau of Ocean Energy Management – BOEM manages development of the Nation's offshore energy and mineral resources in an environmentally and economically responsible way including the Outer Continental Shelf off the coast of Alaska. To carry out its mission, BOEM manages offshore leasing, resource and economic evaluation, review and administration of oil and gas exploration and development plans, renewable energy development, National Environmental Policy Act analysis, and environmental studies. The 2017 budget includes $30.0 million for BOEM's energy management activities in the Alaska OCS, slightly below the 2016 enacted level. BOEM is developing the Outer Continental Shelf Leasing Program for 2017-2022. On March 15, 2016, BOEM published the Proposed Program with a 60-day comment period. BOEM includes 13 potential lease sales in the Proposed Program including one sale each in the Chukchi Sea and Beaufort Seas planning areas. The 2017-2022 Five Year Program will take effect in July 2017. The House and Senate reduce Arctic activities for environmental studies and production of regulations for offshore energy exploration and development by $3.2 million.

Bureau of Safety and Environmental Enforcement – BSEE works to promote safety, protect the environment, and conserve offshore resources through vigorous regulatory oversight and enforcement. The 2017 budget includes $5.6 million for BSEE's safety and enforcement activities in the Alaska OCS, equal to the 2016 enacted level. This includes funding for improved understanding of Arctic conditions on oil spill response and development of new technologies and techniques.

U.S. Fish and Wildlife Service – FWS activities in the Arctic region are diverse and include:

- *National Wildlife Refuge System* – FWS manages 16 national wildlife refuges, totaling more than 76 million acres with five refuges located in the Arctic region. All of Alaska's refuges are open to the public, and provide opportunities to hunt, fish, photograph wildlife, and otherwise connect with our natural world. This premiere network of lands and waters is dedicated to wildlife conservation.

- *Landscape Conservation* – FWS develops and implements landscape approaches to habitat conservation to address such current and emerging conservation issues as climate change. FWS leads four Landscape Conservation Cooperatives within the Arctic. These groups of resource managers, scientists, stakeholders, Tribes, and State, local and Federal government representatives work collaboratively to identify best practices, connect efforts, identify science gaps, and avoid duplication through conservation planning and design. This cooperative natural resource management process promotes conservation of the right habitats in the right places with the right partners.

- *Migratory Birds* – FWS monitors, studies, and manage loons, seabirds, waterfowl, raptors, shorebirds, land birds, and their habitats to ensure the health of our wild birds and provide the public with opportunities for birding, bird-feeding, and hunting.

- *Threatened and Endangered Species* – Alaska has fewer species requiring ESA protection than do most other States. FWS works with partners to maintain healthy populations and to prevent the extinction of, and achieve recovery for, imperiled species found in the Arctic.

- *Aquatic Resources* –FWS works with State and local governments and partners to assess and monitor fish populations and their habitats; conduct public outreach; provide summer work and education opportunities for the next generation of fish conservationists; and inform habitat restoration and landscape planning.

The 2017 budget includes $48.9 million for FWS activities, which the Senate mark provides. The House provides $48.3 million, equal to the 2016 level.

U.S. Geological Survey – The USGS provides science to inform management decisions on a broad range of issues within the Arctic. These programs range from assessments of energy and mineral resources critical to the Nation's security, to understanding how species of management concern to Interior are adapting to habitat shifts driven by climate and land use change, to determining how natural and anthropogenic induced changes to the local environment impact native community subsistence and health. The USGS is taking a whole system approach to advance an integrated, landscape-scale understanding of Arctic ecosystems and the potential for future change. The work is complex and multidisciplinary, including studies of permafrost changes, carbon fluxes and sequestration potential, invasive species, wildlife disease, freshwater ecosystems, changing fire regimes, and gas hydrate potential and implications. The USGS is also improving geospatial data and topographic maps to meet the needs of safety, planning, research, and resource managers.

The USGS will focus work in geographic areas where impacts to Arctic ecosystems and northern communities is the greatest. The USGS will prioritize projects in areas where it has ongoing capabilities in research and topographic mapping to advance understanding of changes in the Arctic and inform near term adaptation and mitigation strategies. These areas include the Beaufort, Bering, and Chukchi Seas, coastal regions and river basins of the North Slope. Efforts are responsive to the goals of the 2013 National Strategy for the Arctic to support responsible Arctic region stewardship with balanced mandates to conserve the Nation's unique marine, coastal, and terrestrial Arctic ecosystems under Interior's stewardship.

The 2017 budget included a request for an additional $9.8 million; however, the House and Senate did not fund the requested increase. In addition, the Senate mark cuts the USGS $2.2 million below the 2016 enacted level.

National Park Service – NPS preserves natural and cultural resources on more than 54 million acres in Alaska, including five units in the Arctic, that are facing challenges including coastal erosion and degrading permafrost, among others. NPS priorities in the Arctic include providing subsistence use for traditional ways of life, such as hunting and fishing; preserving the integrity and heritage of unique cultural landscapes, such as the Bering Strait; monitoring ecosystem health to inform planning and decision making; acquiring and leveraging research on emerging issues related to climate change and other stressors; and promoting public understanding of the complex resource issues in the Arctic. The 2017 budget included a request for an additional $1.0 million; however, the House and Senate did not fund the requested increase.

Bureau of Indian Affairs – The BIA enhances the quality of life, promotes economic opportunity, and carries out the responsibility to protect and improve the trust assets of American Indians, Indian Tribes, and Alaska Natives. BIA in Alaska serves nearly 80,000 tribal members that make up the 229 Tribes stretching from Ketchikan in the Southeast Panhandle to Barrow on the

Arctic Ocean and from Eagle on the Yukon Territory border to Atka in the Aleutian Chain. Funding helps BIA and Tribes manage the operations of Trust offices to include Realty, Rights Protection, Probate, Natural Resource and Subsistence. These resources include funding for the purchasing, warehousing, and shipment of commodities and fuels to Alaska villages, schools, cooperatives, and individuals where alternate freight services are not available. BIA also provides funding to support tribal government, human services, natural resources, real estate, and economic development. Within the Arctic, BIA is supporting Native Villages in the Arctic to evaluate options for the long-term resilience of their communities in the face of a rapidly changing Arctic climate. The 2017 budget included a request for an additional \$2.6 million; however, the House did not fund the requested increase and the Senate only provided an additional \$1.0 million.

Crosscutting Issue Paper: America's Great Outdoors

Summary:

Each year national parks and monuments, wildlife refuges, and Interior's other public lands provide hundreds of millions of visitors the opportunity to recreate on America's land and appreciate the Nation's cultural and natural resources. In 2015, national parks, wildlife refuges, national monuments, and other public lands managed by the Department of the Interior hosted an estimated 443 million recreation visits. The visits contributed $45 billion to the economy and supported 396,000 jobs nationwide.

The America's Great Outdoors initiative lays out a path to achieve lasting conservation of the outdoor spaces that power the Nation's economy, shape its culture, and provide public recreational access.

The initiative broadly groups programs to present the AGO initiative and funding priorities.

Budget Information: *(See table on next page)*

Background:

The 2017 budget bolsters the Administration's commitment to connect Americans to the great outdoors, proposing $5.7 billion for programs that support the AGO initiative, an increase of $287.4 million over 2016.

In 2017, the budget provides a special focus on programs funded through the Land and Water Conservation Fund, to enhance recreational opportunities for visitors particularly in urban areas, protect the Nation's cultural resources, and leave a legacy for future generations.

Land Management Operations

This funding category captures all of the operating activities for the land management bureaus; activities range from maintenance, law enforcement, habitat protection, resource management, visitor services, and administrative support. The main operating accounts for the land management bureaus are:

- *BLM's Management of Lands and Resources, and Oregon and California Grant Lands accounts.*
- *FWS' Resource Management account.*
- *NPS' Operation of the National Park System.*

(dollars in thousands)

	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Land Management Operations					
Bureau of Land Management	1,083,793	1,180,409	1,182,530	1,188,907	1,191,416
Fish and Wildlife Service	1,207,658	1,238,771	1,309,912	1,256,004	1,249,207
National Park Service	2,277,454	2,369,596	2,524,362	2,437,547	2,405,627
Subtotal, Land Management Operations	4,568,905	4,788,776	5,016,804	4,882,458	4,846,250
Land and Water Conservation Fund Programs [1/]					
Federal Land Acquisition					
Bureau of Land Management	19,746	38,630	43,959	18,800	33,416
Fish and Wildlife Service	47,535	68,500	58,655	50,300	47,871
National Park Service	50,843	63,670	68,242	48,752	58,417
Office of Valuation Services	12,000	12,618	12,643	10,000	12,000
Grant Programs					
FWS Coop. Endangered Species Conservation Fund [2/]	27,400	30,800	53,495	55,590	53,495
NPS State Assistance Grants	48,117	110,000	110,006	80,000	110,006
Subtotal, LWCF Programs	205,641	324,218	347,000	263,442	315,205
Other Assistance Programs					
FWS North American Wetlands Conservation Act Fund Grants	34,145	35,145	35,145	37,645	38,145
FWS Neotropical Migratory Bird Grants	3,660	3,910	3,910	3,910	3,910
FWS State and Tribal Wildlife Grants	58,695	60,571	66,981	62,571	62,571
NPS Rivers, Trails, and Conservation Assistance	10,033	10,033	10,101	10,033	10,033
NPS Historic Preservation Fund Grants	56,410	65,410	87,410	83,410	68,410
NPS American Battlefield Protection Program Grants	1,198	1,198	1,198	1,198	1,198
Subtotal, Other Assistance Programs	164,141	176,267	204,745	198,767	184,267
Subtotal, Land Management Agencies	**4,938,687**	**5,289,261**	**5,568,549**	**5,344,667**	**5,345,722**
Reclamation River Restoration [3/]					
Water and Related Resources					
River Restoration Activities	124,236	123,867	94,999	89,450	124,700
San Joaquin Restoration Fund					
River Restoration Activities, Discretionary	0	0	36,000	0	0
California Bay Delta Restoration Fund					
River Restoration Activities	0	0	1,000	1,000	1,000
Central Valley Project Restoration Funds					
River Restoration Activities	4,000	3,500	3,500	3,500	3,500
Subtotal, Reclamation Projects	**128,236**	**127,367**	**135,499**	**93,950**	**129,200**
Total, Department of the Interior	**5,066,923**	**5,416,628**	**5,704,048**	**5,438,617**	**5,474,922**

1/ The FY 2017 President's budget proposes to permanently authorize annual LWCF funding. For ease of comparison, the table does not display any mandatory funding.

2/ The 2015 enacted level for the FWS Cooperative Endangered Species Conservation Fund included a total of $50.095 million, of which $27.4 million was derived from the LWCF. The 2016 enacted level included a total of $53.5 million, of which $30.8 million was derived from the LWCF.

3/ Reclamation amounts listed under 2016 House and Senate do not include funding from additional funds provided by Congress in various categories such as Western Drought and Rural Water. Distributions will not be calculated until the bill is signed into law.

Land and Water Conservation Fund

This funding category captures programs funded through the Land and Water Conservation Fund, including:

- *Federal land acquisition accounts* in BLM, FWS, and NPS. These accounts fund fee acquisitions, easements, certain grant programs (NPS land acquisition Battlefield grants and FWS Highland Conservation grants), and acquisition management.
- *Real estate appraisals,* conducted by the Department's Office of Valuation Services.
- *State grant programs*, include:
  - The NPS State assistance program, which funds matching grants to States for the acquisition and development of public outdoor recreation areas and facilities.
  - The FWS Cooperative Endangered Species Conservation Fund program, also known as Section 6 grants (Section 6 of the Endangered Species Act), provides matching grants to States and Territories to support voluntary conservation projects for listed species and species that are candidates for listing.

Other Assistance Programs

This funding category captures FWS and NPS grant and technical assistance programs that support species conservation, historic preservation, and recreation, including:

- *FWS North American Wetlands Conservation Act Fund* funds matching grants for projects in the United States, Canada, and Mexico that involve long-term protection, restoration, and/or enhancement of wetlands and associated uplands habitats.

- *FWS Neotropical Migratory Bird Conservation Act grants* funds matching grants for projects promoting the conservation of neotropical migratory birds in the United States, Canada, Latin America and the Caribbean. Grants funded under the program help partners protect, research, monitor, and manage bird populations and habitat throughout birds' entire migratory life cycle, as well as conduct law enforcement and community outreach and education.

- *FWS State and Tribal Wildlife Grants* have two components. The State Wildlife grants program provides matching funds to State fish and wildlife agencies for developing and implementing programs that benefit wildlife and their habitats, including species that are not hunted or fished. Tribal wildlife grants provide funds to federally recognized Tribal governments to develop and implement programs for the benefit of wildlife and their habitat, including species of Native American cultural or traditional importance and species that are not hunted or fished. A match is not required for the Tribal program.

- *NPS Rivers, Trails, and Conservation Assistance* supports community-led natural resource conservation and outdoor recreation projects across the nation. The program's national network of conservation and recreation planning professionals partners with community groups, nonprofits, tribes, and state and local governments to design trails and parks, conserve and improve access to rivers, protect special places, and create recreation opportunities.

- *NPS Historic Preservation Fund Grants* provide a variety of grants that support historic preservation and community projects focused on heritage preservation. These grants include:

    - *Grants-in-Aid to States and Territories*: matching grants distributed on a formula basis to State and Territorial Historic Preservation Offices (SHPO) to execute their historic preservation programs and activities.

    - *Grants-in-Aid to Tribes*: grants distributed to Tribes that have signed agreements with the National Park Service, designating them as having an approved Tribal Historic Preservation Office (THPO) to protect and conserve important Tribal cultural and historic assets and sites. A portion of these grants is awarded competitively, but most is distributed via a formula.

    - *Grants-in-Aid to Historically Black Colleges and Universities*: grants competitively awarded to repair historic structures on the campuses of Historically Black Colleges and Universities listed in the National Register of Historic Places or considered eligible to be listed by the State Historic Preservation Officer (SHPO).

    - *Underrepresented Community grants*: competitive grants supporting the survey, inventory, and designation of historic properties associated with communities currently underrepresented in the National Register of Historic Places and among National Historic Landmarks. Eligible applicants for this funding include SHPO, THPO, Federally Recognized Tribes, Alaska Native Groups, Native Hawaiian Organizations, and Certified Local Governments (CLGs).

    - *Civil Rights grants*: competitive grants supporting the preservation, documentation, and interpretation of the sites and stories of the Civil Rights movement and the African-American experience.

- *NPS American Battlefield Protection Program grants (planning)*, competitive grants to groups, institutions, organizations, or governments sponsoring preservation projects at historic battlefields. Any battlefield on American soil is eligible for this grant.

Reclamation River Restoration

This funding category captures Bureau of Reclamation river restoration efforts; projects that contribute to the restoration of important watershed ecosystems in the West.

Crosscutting Issue Paper: Cooperative Landscape Conservation

Summary:

To effectively carry out its mission and priorities, the Department recognizes the need to consider resource management decisions and resilience across large landscapes. Interior analyzes the effects of management decisions across broad scales and multiple jurisdictions, and balances development with conservation to enhance ecosystems and improve community resilience. This approach requires strong applied and basic scientific research, data collection and monitoring systems, and shared information and tools to bolster partnership efforts. Interior's scientific efforts help us understand, communicate, and respond to impacts associated with climate change to improve the resilience of the Nation's communities, natural resources, and safeguard our cultural heritage sites.

Budget Information:

Cooperative Landscape Conservation					
Bureau/Office	2015 Actual	2016 Enacted	2017 President's Budget	2017 House Mark	2017 Senate Mark
U.S. Geological Survey	60,294	59,994	70,194	60,844	55,444
Bureau of Land Management	15,000	15,000	15,000	15,000	15,000
Bureau of Reclamation	30,431	38,281	42,146	42,781	42,146
Fish and Wildlife Service	57,425	56,425	65,946	56,425	54,425
National Park Service	2,840	2,840	5,840	2,840	2,840
Bureau of Indian Affairs	9,948	11,955	29,056	17,212	19,456
Office of Insular Affairs	0	0	3,995	0	0
Office of the Secretary	10,200	200	1,700	0	0
Total, DOI	**186,138**	**184,695**	**233,877**	**195,102**	**189,311**

Background:

This paper presents a brief description of the bureaus' activities and resources directed toward understanding the changing climate and implementing resource management decisions intended to protect wildlife, communities, and natural resources.

The 2016 enacted budget includes $184.7 million for Cooperative Landscape Conservation, a slight decrease from the 2015 level. The 2017 budget request includes $233.9 million though the House mark provides $195.1 and the Senate mark provides $189.3 million.

Understanding and Adapting to Climate Change

The 2017 budget reflects the insights gained during recent extreme events, including the historic western drought, wildfires, and severe flooding in the Southeast. This budget includes a suite of investments intended to build on areas where the Department has a natural leadership role and is positioned to reduce the impact of natural hazards on life and property and increase resilience in the long term.

The request includes increases to expand coastal resilience, landslide response, seismic network activities in the Central and Eastern portions of the U.S., and scenarios to address imminent coastal impacts in the Arctic. The 2017 budget also includes a mandatory proposal for a $2 billion Coastal Climate Resilience program which will provide resources over ten years for at-risk coastal States, local governments, and their communities to prepare and adapt to climate change.

U.S. Geological Survey (2017 request: $70.2 million)
USGS provides practical scientific information to inform resilient and adaptive natural resource decisions and advance implementation of the Climate Action Plan. The budget requests funds for the National Climate Change and Wildlife Science Center and the eight regional Climate Science Centers. The 2017 USGS budget provides $10.2 million in net program increases for scientific investigation of climate variability and resilience in order to understand the Nation's landscapes and inform decisions for activities, such as managing public lands, siting and mitigating the impacts of resource development, and supporting conservation, recreation, and other land uses. This investment in science will increase the understanding of the Nation's critical landscapes, including the Sage-Steppe, the Arctic, and other priority ecosystems.

The 2017 budget includes funding to support community resilience with increases requested to translate science into practical application-ready solutions, tools, and information. This leverages support for key information systems such as Landsat and the three-dimensional elevation program, acceleration of the Alaskan map modernization, and coastal imaging to help communities make infrastructure resiliency investments ahead of future coastal storms.

The House bill maintains funding at the 2016 level denying increases for Climate Science Centers and Arctic coastal resilience. The Senate reduces funding to levels below 2016 and includes reductions for Climate Science Centers and climate research.

Bureau of Land Management (2017 request: $15.0 million)
Resource management plans provide the basis for every BLM management action and are necessitated by changes in energy use, ecological conditions, population growth, and increasing recreation use. The 2017 budget includes funding increases to expand the BLM Assessment, Inventory, and Monitoring program to support increased data collection and monitoring needs central to the success of high priority landscape management efforts such as the Western Solar Energy Plan, as well as implementation of the Department's plan for the National Petroleum Reserve – Alaska, the Greater Sage Grouse Conservation Strategy, and the landscape mitigation strategy. BLM is using Rapid Ecoregional Assessments (REAs), peer-reviewed science products covering over 700 million acres of public and private lands, that synthesize existing information about resource conditions and trends. BLM is using this data to help identify potential development and conservation priorities; prepare land use plans and plan amendments; conduct cumulative impact analyses; develop best management practices; and authorize public land uses. The request includes funding to accelerate implementation of the BLM enterprise geographic information system, which aggregates data and viewing information across boundaries to capture ecological conditions and trends; natural and human influences; and opportunities for resource conservation, restoration, development, and partnering. The House and Senate provide the requested funding which is equal to the 2016 level.

Bureau of Reclamation (2017 request: $42.1 million)
The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. The weather and streamflow patterns that framed the development of water and power systems across the West are changing. As a result, Reclamation's basic mission objectives are at risk, including the ability to deliver needed quantities of water and power to agricultural, tribal, municipal, and industrial water users and water for environmental flows. Climate change also poses a threat to Reclamation's infrastructure, and along with it, the ability to continue to support customers and maintain ecosystems affected by Reclamation projects. Reclamation's response to the changing climate is essential to the sustainability of communities across the Western States and the National economy.

Water availability is a constant and increasing challenge as intensifying droughts, changing hydrology, and increasing climate variability aggravate water shortages; and contributes to impaired water quality, and depletion of groundwater resources. At the same time, population growth and new needs, including energy development, are increasing demand and competition for supplies. Further, maintaining the key features of the Nation's water infrastructure is becoming more costly over time due to cost growth in the broader economy and the increased need for facilities rehabilitation, replacement, and extraordinary maintenance. New approaches are needed to build and maintain resiliency in the face of these challenges. The 2017 budget request supports efforts to collaborate with non-Federal partners on advanced water treatment and clean water technologies while conserving scarce Western water and protecting species habitat. The House provides a small increase for WaterSmart grants while the Senate provides the requested funding which is equal to the 2016 level.

U.S. Fish and Wildlife Service (2017 request: $65.9 million)
The budget request includes $65.9 million, an increase of $9.5 million above the 2016 level, to understand the challenges presented by more frequent and stronger natural hazards and improve the resilience of communities and landscapes. Through its 22 Landscape Conservation Cooperatives, FWS works across Federal agencies, with State and local governments, Tribes, and other partners to define shared conservation goals, identify studies needed to address scientific gaps, and design conservation objectives. The budget increase will support LCCs and science within FWS to increase understanding of how to most effectively conserve populations of fish, wildlife, and plants on landscape scales particularly when facing natural hazards. This includes studies focusing on adaptive management, inventory and monitoring of species and habitat within the National Wildlife Refuge System, and emerging scientific needs such as those informing efforts to stop White nose syndrome affecting bat populations across the country. The House provides funding equal to the 2016 level while the Senate reduces funding for Landscape Conservation Cooperatives and adaptive science.

National Park Service (2017 request: $5.8 million)
This funding allows NPS to assess the vulnerability of park natural resources to the effects of climate change, improve resource resiliency, and develop adaptation strategies. NPS seeks to develop climate change monitoring information in collaboration with parks, other agencies, and partners through Landscape Conservation Cooperatives and Climate Science Centers. NPS

conducts systematic inventories of natural resources and monitoring of park vital signs through the organization of inventory and monitoring networks.

The 2017 budget includes resources needed to implement resiliency-building natural resource projects in parks and to assist parks and park managers to plan, communicate with the public and other audiences, and collaborate with other agencies and academia in designing science-based resiliency-building actions in parks. The most vulnerable parks include those with high elevations, high latitudes, arid lands, and coastal areas. The requested funding would support the preparation of park assessments of natural and cultural resource vulnerabilities to environmental change and apply the information to landscape-level management efforts. The assessments will inform decision-making and help to target NPS adaptation efforts most efficiently through strategies including habitat restoration, collaboration to support migratory corridors, historic structure preservation and engineering solutions, archeological surveys, and redesign and relocation of infrastructure. The House and Senate do not provide the requested funding increase and maintain funding at the 2016 level.

Bureau of Indian Affairs (2017 request: $29.1 million)
Tribes throughout the U.S. are already experiencing the impacts of a changing climate including drought, intensifying wildfires, changes in plants and animals important to subsistence and cultural practices, impacts to treaty and trust resources, coastal erosion, and sea level rise. To prepare for future changes, the budget provides a $17.1 million increase over 2016 across eight BIA trust natural resource programs to support tribal communities in preparing for and responding to the impacts of climate change. Funds will provide support for Tribes to develop and access science, tools, training, and planning; and to implement actions that build resilience into resource management, infrastructure, and community development activities. Funding will be set aside to support Alaska Native Villages in the Arctic and other critically vulnerable communities in improving the long-term resilience of their communities. The House and Senate do not provide the requested funding increase for adaptive management but do provide increases to improve resilience.

Office of Insular Affairs (2017 request: $4.0 million)
The impacts of sea level rise are an immediate and serious threat to the U.S.-affiliated insular areas, which include the territories of Guam, the Commonwealth of the Northern Mariana Islands (CNMI), American Samoa, and the Virgin Islands (USVI); as well as the Freely Associated States of the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), and the Republic of Palau. By their geography, the islands are critically vulnerable to climate change, yet face a formidable challenge in adapting and responding to the expected effects on infrastructure, economic development, food security, natural resources and local culture. The islands are already suffering from rising sea levels and increasingly devastating storms, droughts, and floods.

Island leaders have prioritized strengthening access to and management of technical and financial assistance as a means to address the effects of climate change. The 2017 budget requests a $4 million increase to Technical Assistance to provide support for community, landscape, and infrastructure adaptation and resilience initiatives in American Samoa, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, the Republic of Palau, the Republic of the

Marshall Islands and the Federated States of Micronesia. Examples of resilience projects which could be funded include (but are not limited to) projects which improve drinking water availability, sanitation, health, safety, and economic opportunity and sustainability. The House and Senate do not provide the requested funding increase.

Office of the Secretary (2017 request: $1.7 million)
The impacts of a changing climate include drought, intensifying wildfires, and an influx of non-native species responding to temperature and other environmental changes, among others. The Office of the Secretary serves a coordinating role within the Department to ensure efficient and effective adaptation to climate change. The 2017 request includes an increase of $1.5 million for Early Detection and Rapid Response efforts to combat invasive species. Funding will support multiple pilot projects to demonstrate early detection and rapid response approaches, as well as conducting assessments to identify current capacities and capacity gaps in the context of Federal EDRR authorities, programs, and costs; risk analysis tools; monitoring programs; species identification support; and, information management systems.

The budget also includes $2.0 billion in mandatory funding for a new Coastal Climate Resilience program, which will provide resources over 10 years for at-risk coastal States, local governments, and their communities to prepare for and adapt to climate change. A portion of these program funds will be set aside to cover the unique impacts of climate change in Alaska where rising seas, coastal erosion, and storm surges are threatening Native Villages that must prepare for potential relocation. The House and Senate do not provide the requested funding increase.

Crosscutting Issue Paper: Invasive Species

Summary:

The Department is working to prevent the introduction and spread of invasive plants and aquatic species in the United States. Bureaus including the National Park Service, Fish and Wildlife Service, Bureau of Land Management, and U.S. Geological Survey, have been working to eradicate invasive species on Federal lands and partnering with State and local organizations to restore ecosystems with native plants and species.

The Department's 2017 budget request for invasive species science, control, and management is $105.4 million, an increase of $5.0 million over the 2016 level. The Department has been expanding the use of Early Detection/Rapid Response (EDRR) practices to combat invasive species because it becomes increasingly difficult and costly to control species once they are established.

Budget Information:

Bureau	2015 Actuals	2016 Enacted	2017 President's Budget	2017 House Mark	2017 Senate Mark
Bureau of Land Management	16,605	15,855	15,455	15,455	15,455
Bureau of Reclamation	5,776	5,534	5,670	5,670	5,670
U.S. Geological Survey	17,831	18,831	21,378	19,081	19,331
U.S. Fish and Wildlife Service	26,865	30,265	30,969	32,155	30,969
National Park Service	18,265	18,265	18,265	18,265	18,265
Bureau of Indian Affairs	6,764	6,769	6,770	6,770	6,770
Office of Insular Affairs	3,500	3,500	4,000	3,500	3,500
Office of the Secretary	1,406	1,420	2,920	1,420	1,420
Total, Department of the Interior	**97,012**	**100,439**	**105,427**	**102,316**	**101,380**

Background:

Interior manages more than 530 million acres or about 20 percent of the land area of the U.S., 700 million acres of subsurface minerals, and 418 million acres of submerged land in five Pacific marine national monuments – many of which are threatened by invasive species. High profile invasive species include Asian carp in the Mississippi River watershed, brown tree snakes in the Pacific Islands, wildfire-fueling cheatgrass in the West, and feral pigs destroying habitat and crops in the Southeast. It is estimated that the economic, ecological, and health threats posed by over 6,500 invaders costs over $120 billion in damages annually to the U.S. economy. Invasive species are contributing factors in 40 percent of all threatened and endangered species listings.

The Secretary of the Interior serves as a Co-chair of the National Invasive Species Council (NISC), an interagency group focused on prevention and controlling invasive species, along with the Secretaries of Agriculture and Commerce. Six of the Department's bureaus and two offices feature invasive species programs.

Hundreds of invasive species are already established in the U.S., including brown rats, house mice, emerald ash borer, Asian carp, cheatgrass, kudzu, Asian tiger mosquitos, and the microscopic chytrid fungus that has devastated amphibian populations. Of substantial concern are the potentially harmful organisms that are not yet established in the U.S. but are threatening to do so. Examples include the spotted lanternfly and Zika virus.

Every region of the United States has invasive species problems. However, in some regions the problem is much more severe than others. Some of the places with the most invasive species problems include Hawaii, Florida, the Great Lakes, and the west coast. These places have larger numbers of invasive species because they are transportation hubs (marine, air, tourism) or because they have tropical climates that are more favorable for survival of the invasive species.

The Department is increasing use of EDRR techniques to prevent species from establishing populations in the U.S. EDRR is a series of sustained and coordinated actions to eradicate an invasive species population before it establishes and spreads so widely that eradication (i.e. the elimination of the population) is no longer feasible.

Bureau of Land Management – Part of BLM's commitment to conserve sagebrush-steppe and ensure the Greater sage-grouse will not be listed under the ESA, is to use a multi-tiered risk-based approach on the landscape to protect and restore the most important sagebrush habitat with a focus on addressing the threats from invasive species and frequent wildfire, fueled by invasive annual grasses.

The Weed Management and Invasive Species Program is guided by the latest resource management science, Departmental and bureau priorities such as the Northern Great Plains initiative, and by Congressional mandates for specific initiatives such as salt cedar control. The BLM implements multiple strategies in combating invasive species. These include BLM's Partners Against Weeds (PAW) Plan, the Department's invasive species management plans, and the National Invasive Species Management Plan. Also, as part of its implementation of the National Fire Plan, the BLM acts to reduce invasive weeds such as cheatgrass that function as fire fuels and works with partners to enhance native plant restoration.

In most cases, the BLM works with county governments, local community governments, and private landowners to detect and treat weed infestations. To leverage funding and share expertise, the BLM partners with more than 50 Coordinated Weed Management Areas in the Western United States that include State, Federal, county, and private land managers.

Bureau of Reclamation – Invasive quagga and zebra mussels pose a significant threat to the costs of operation of Reclamation dams, power plants, pumping plants, and other water infrastructure. Starting in January 2007, adult quagga mussels appeared at Lake Mead, AZ/NV, and since have fully infested the lower Colorado River and Reclamation's Hoover, Parker, and Davis Dams and associated power plants. This has necessitated significant installation of protective technology and increased the maintenance activities needed to keep mussels from clogging critical piped systems including the systems that cool generator bearings for hydroelectric turbines.

In 2009, Reclamation began a monitoring and detection program for many of its reservoirs determined most at risk of mussel exposure and infestation. The aim is to detect the earliest stages of mussel exposure or infestation at Reclamation reservoirs, so that response planning and budgeting for protective measures can be initiated. If microscopic mussel larvae are detected early in a reservoir, potentially several years may be available for response actions to be taken prior to full infestation of facilities.

Currently, Reclamation, in partnership with western States and other agencies, is monitoring over 200 water bodies, including approximately 160 Reclamation reservoirs. Prevention measures also include issuing updated inspection and cleaning manuals for equipment and vehicles to prevent the spread of invasive species.

U.S. Geological Survey – USGS research focuses on developing and enhancing capabilities to forecast and predict invasive species establishment and spread. Early detection helps resource managers identify and report new invasive species, especially for cryptic species and those in very low abundance, to better assess risks to natural areas. Tracking the establishment and spread of existing and new invasive species is critical to effectively manage invasive species.

USGS research improves existing invasive species control methods and develops and tests new chemical, physical, molecular, and biological methods of control, stressing integrated control strategies where applicable. For example, USGS scientists are pioneering use of environmental DNA (eDNA) – the identification of species through biological information they leave behind in their habitat – to detect invasive species and how this method could change the way scientists find evidence of biodiversity in ecosystems. These tools permit managers to understand and minimize environmental impacts of invasive species at landscape, regional, and local scales. The USGS has ongoing research to develop and test control methods for a wide variety of invasive species, including Asian carp, brown treesnakes, Burmese pythons and other invasive reptiles, sea lamprey, and zebra and quagga mussels, among others.

The USGS develops strategies and techniques to understand and facilitate restoration of native species and habitats affected by invasive species. This is critical because control without restoration can leave the ecosystem vulnerable to subsequent reinvasion by the same or additional invasive species.

In 2017, the USGS requests an increase of $2.5 million to address new and emerging invasive species. This funding will help USGS develop and improve the power of advanced molecular detection tools (such as eDNA and fecal source tracking) to detect invasive species at very low densities in the field; improve and upgrade capabilities and capacities of the USGS Nonindigenous Aquatic Species database (http://nas.er.usgs) which would include a mobile application to allow reporting of nonindigenous aquatic species; and, enhance interagency collaboration to share research findings and information with decision makers, scientists, and stakeholders to improve the effective management of invasive mussel populations in the future. The House provides an increase of $250,000 for the invasive species program and the Senate provides an increase of $500,000 over 2016 levels.

U.S. Fish and Wildlife Service – FWS addresses invasive species issues through a variety of programs and partnerships using proactive approaches to prevent species introductions, combat the spread of existing invaders, and eradicate populations where possible. The Aquatic Invasive Species (AIS) Program coordinators work closely with the public and private sector to develop and implement invasive species projects. Many FWS field offices also provide support for invasive species activities. The AIS Program also supports the Aquatic Nuisance Species (ANS) Task Force consisting of 13 Federal members and 13 Ex-Officio members, an intergovernmental organization dedicated to preventing and controlling aquatic nuisance species, and implementing the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 and the National Invasive Species Act in 1996. The ANS Task Force coordinates governmental efforts with those of the private sector and other North American interests via regional panels and issue specific committees and work groups. FWS also implements the Injurious Wildlife Provisions of the Lacey Act through an ongoing process of evaluating species and, where appropriate, listing them as injurious.

Several other FWS programs contribute to efforts to prevent, control, and eradicate invasive species. The National Wildlife Refuge System addresses invasive species issues on its 563 Refuges, encompassing more than 150 million acres of wildlife habitat. The Endangered Species Program is involved in the recovery of listed species and the ecosystems on which they depend. Invasive species are often part of the reason these species are threatened. The Office of Law Enforcement, using wildlife inspectors at 32 major U.S. airports, ocean ports, and border crossings, seeks to prevent the introduction of injurious wildlife through its wildlife inspection program.

The 2017 budget requests a program increase of $669,000 to improve prevention by conducting risk analyses and improving coordination with external partners. The Senate funds the requested increase, and the House funds the requested increase and provides an additional $1.2 million for activities related to State and interstate aquatic invasive species plans. This funding supports collaborative efforts to prevent the introduction and spread of invasive species.

National Park Service – NPS is working to manage invasive species on park lands through a suite of national and local programs, each based upon the following strategies: cooperation and collaboration, inventory and monitoring, prevention, early detection and rapid response, treatment and control, and restoration. At the national level, NPS has fostered a successful invasive plant management program with the creation of the Exotic Plant Management Teams. These 16 teams provide highly trained mobile assistance in invasive plant management to parks throughout the NPS. Almost all parks have incorporated invasive species management into long range planning goals for natural and cultural landscapes, as well as day to day operations. For example, Curecanti and Glen Canyon National Recreation Areas have implemented “boat checks” to help visitors make sure their boats are free of zebra and quagga mussels prior to entering the park.

Bureau of Indian Affairs – Through its noxious weed program, BIA provides on-the-ground management and treatment of noxious weeds on trust rangelands. This component provides financial and technical assistance to agencies, Tribes, and tribal entities to implement weed control projects on trust rangelands. Competitive funding criteria emphasize cooperative and integrated weed management, local priority species, and Early Detection/Rapid Response. BIA also provides funding to Tribes to support management, control, and prevention of invasive species threats that occur outside the realm of agricultural operations. This component of the Invasive Species program protects important tribal resources such as fisheries, wildlife, clean water, healthy ecosystems, and forest health, by providing Tribes with funding to address invasive species issues on a landscape level, through collaboration with existing efforts or by developing their own management strategies where ongoing efforts do not exist.

Office of Insular Affairs – The Department is responsible for coordinating Federal policy with respect to U.S. territories and the Office of Insular Affairs mission is to foster economic opportunities, promote government efficiency, and improve the quality of life for the people of the insular areas. In 2017, OIA requests an increase of $1.0 million to support of proposed actions contained within the 2015 Biosecurity Plan for Hawaii and Micronesia and other invasive species eradication efforts. In particular, the requested program increase would augment climate related invasive species control and eradication efforts for the Coconut Rhinoceros Beetle and Little Fire Ant. These two invasive species pose significant challenges to regional ecosystems and present both health and economic risks to communities in the Pacific. It would also augment capacity building efforts within the insular areas in their natural and cultural resources management efforts. The 2017 House mark did not fund the requested increase while the Senate mark provided $500,000.

Office of the Secretary – The National Invasive Species Council (NISC) and the non-Federal Invasive Species Advisory Committee (ISAC) are housed and administered within the Department. The NISC, created by Executive Order 13112 in 1999, provides high-level interdepartmental coordination of Federal invasive species actions and works with other Federal and non-Federal groups to address invasive species issues at the national level. NISC also manages the non-Federal Invasive Species Advisory Committee (ISAC), which was also created under Executive Order 13112 to provide expert advice to NISC. The Office of the Secretary also supports the Department's Invasive Species Coordinator who leads department-wide invasive species initiatives in coordination and consultation with bureaus and offices.

The 2017 budget includes an increase of $1.5 million to support the Department and NISC Secretariat implementation *early detection and rapid response techniques.* This will enable NISC to prioritize future actions to the benefit of Federal agencies, States, Tribes, and other partners. The 2017 House bill and Senate mark do not include the requested increase.

Crosscutting Issue Paper: Ecosystem Restoration

Summary:

Large geographic regions are increasingly stressed by natural and man-made factors, while demands for ecosystem services such as pollination and flood protection increase. At the landscape scale, Interior employs science to support cost-effective outcomes, resolve and avoid conflict and strengthen Interior's public trust stewardship of the Nation's lands and waters. The 2017 President's budget includes over $500 million across targeted ecosystems to work with Federal, State, tribal and local governments partners to advance collaborative strategies.

ECOSYSTEM RESTORATION
(dollars in thousands)

Bureau/Activity/Account	2015 Actual	2016 Enacted	2017 Request	2017 House Bill	2017 Senate Mark
California Bay-Delta					
Bureau of Reclamation (Discretionary)	137,633	128,239	122,418	122,420	122,420
U.S. Geological Survey	8,626	8,626	8,626	8,626	8,383
Fish and Wildlife Service	4,860	5,960	5,960	5,960	5,960
Subtotal, California Bay-Delta	151,119	142,825	137,004	137,006	136,763
Chesapeake Bay					
U.S. Geological Survey	12,620	11,991	12,491	12,393	10,602
Fish and Wildlife Service	19,359	20,567	23,493	19,331	19,740
National Park Service	9,318	5,568	7,591	5,469	5,475
Subtotal, Chesapeake Bay	41,297	38,126	43,575	37,193	35,817
Columbia River (Salmon)					
Bureau of Land Management	9,287	9,287	9,287	9,287	9,287
Bureau of Reclamation	41,455	39,101	44,812	44,812	44,812
U.S. Geological Survey	3,751	3,751	3,567	3,467	3,442
Fish and Wildlife Service	15,334	14,864	15,292	15,055	15,147
Bureau of Indian Affairs	6,551	6,551	6,551	6,551	6,551
Subtotal, Columbia River (salmon)	76,378	73,554	79,509	79,172	79,239
Everglades					
U.S. Geological Survey	7,313	7,313	7,313	7,313	5,365
Fish and Wildlife Service	13,469	15,578	13,487	10,987	13,487
National Park Service	40,625	41,148	41,402	41,217	41,217
Bureau of Indian Affairs	710	390	390	390	390
Subtotal, Everglades	62,117	64,429	62,592	59,907	60,459
Great Lakes					
U.S. Geological Survey	18,826	18,826	19,076	18,826	17,076
Fish and Wildlife Service	39,881	42,571	42,531	42,953	42,531
National Park Service	7,940	8,254	8,309	8,309	8,309
Subtotal, Great Lakes	66,647	69,651	69,916	70,088	67,916
Gulf Coast					
U.S. Geological Survey	31,249	31,249	31,249	29,072	29,072
Fish and Wildlife Service	9,476	10,476	13,476	10,476	13,476
National Park Service	13,551	13,756	13,728	13,895	13,895
Subtotal, Gulf Coast	54,276	55,481	58,453	53,443	56,443
Puget Sound					
U.S. Geological Survey	4,277	4,277	4,277	4,277	4,277
Fish and Wildlife Service	9,292	9,292	9,292	9,298	9,292
National Park Service	6,275	0	0	0	0
Bureau of Indian Affairs	5,211	5,211	5,211	5,211	5,211
Subtotal, Puget Sound	25,055	18,780	18,780	18,786	18,780
Upper Mississippi					
U.S. Geological Survey	7,568	7,568	7,568	7,568	7,068
Fish and Wildlife Service	25,398	25,398	25,398	25,568	25,398
Subtotal, Upper Mississippi	32,966	32,966	32,966	33,136	32,466
Total, Ecosystem Restoration (DOI)	**509,855**	**495,812**	**502,795**	**488,731**	**487,883**
Subtotals by Bureau					
Bureau of Land Management	9,287	9,287	9,287	9,287	9,287
Bureau of Reclamation	179,088	167,340	167,230	167,232	167,232
U.S. Geological Survey	94,230	93,601	94,167	91,542	85,285
Fish and Wildlife Service	137,069	144,706	148,929	139,628	145,031
National Park Service	77,709	68,726	71,030	68,890	68,896
Bureau of Indian Affairs	12,472	12,152	12,152	12,152	12,152
Total, Department of the Interior	**509,855**	**495,812**	**502,795**	**488,731**	**487,883**

Background:

The Department's bureaus aim to conserve wildlife and habitat within priority ecosystems; fulfill treaty obligations; provide water for irrigation and human consumption; and manage mineral and energy resources. Achieving these goals requires unbiased science, tools, and decision support to natural resource managers. The Department's activities enable ecosystem services such as nutrient cycling, climate regulation, and maintenance of biodiversity.

Funding for activities within these ecosystems rose 7.7 percent between 2013 and 2016 from $454 million to $495 million and the 2017 request is 9.2 percent above 2013. However, funding for individual ecosystems has varied widely with funding for the Chesapeake Bay ecosystem rising nearly 50 percent between 2013 and 2016 while funding for the Everglades fell 2.9 percent.

A variety of threats continue to challenge the Department's conservation and restoration efforts and many ecosystems face common threats. In recent years, some ecosystems have been battered by rare storm events such as Hurricane Sandy in 2013 which destroyed wetlands and coastal dunes and flooded inland areas. All of these ecosystems face threats from invasive and nuisance species including large constrictor snakes in the Everglades. Other threats include drought, habitat loss, environmental contaminants, and climate change.

2017 Budget

California Bay-Delta – The Sacramento–San Joaquin River Delta (Bay-Delta) is an integral part of an ecosystem dependent on more than 750 wildlife species and more than 120 species of fish. As a migratory corridor, the Delta hosts two-thirds of the State's salmon and nearly half of the waterfowl and shorebirds along the Pacific flyway. The Delta spans five counties and is home to more than 500,000 people. The Delta is also a highly modified place; levees that were built 100 years ago transformed the Delta from marshlands into dry "islands" and there are now over 1,300 miles of levees in the Delta and Suisun Marsh. The CALFED Bay-Delta Program, established in 1995, develops and implements a comprehensive long-term coordination plan to conserve and restore the health of the ecosystem and improve water management. In April 2015, the Bay Delta Conservation Plan was separated into two programs – California Water Fix (delta conveyance facilities) and California Eco Restore (habitat restoration).

	($ in thousands)				
	2015	2016	2017		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
Bureau of Reclamation /1	137,633	128,239	122,418	122,420	122,420
U.S. Geological Survey	8,626	8,626	8,626	8,626	8,383
U.S. Fish and Wildlife Service	4,860	5,960	5,960	5,960	5,960
Total, Department of the Interior	**151,119**	**142,825**	**137,004**	**137,006**	**136,763**

1/ BOR The amounts listed under House and Senate Marks do not include funding from any Additional Funds Provided by Congress in various categories such as Western Drought and Rural Water. Distribution by project of any Additional Funding is not estimated until the bill is signed into law.

The Delta is the crossroads of California's vast water supply and delivery infrastructure. Two major water projects, Reclamation's Central Valley Project (CVP) and California's State Water Project (SWP), are the primary water supply for 25 million people. The projects operate in a coordinated fashion to store water in major reservoirs upstream of the Delta and then release that water into the Sacramento and San Joaquin rivers. Once water reaches the Delta, it is drawn towards pumps in the south and exported via the state California Aqueduct and the Federal Delta-Mendota Canal. These two projects provide a significant part of the water supply for two thirds of California's population and three million acres of irrigated agricultural land in central and southern California.

Bureau of Reclamation – As the owner and operator of the CVP, Reclamation is the senior partner with other Federal, State, and local agencies, water and power stakeholders, and the public in successfully addressing urgent and emerging priorities. Reclamation's funding supports the equal goals of environmental restoration and improved water supply reliability:

- Reclamation's Yolo Bypass Salmonid Habitat Restoration and Fish Passage project will fulfill more than 50 percent of the restoration efforts associated with California Eco Restore. The State of California is an active supporter and provides in-kind services to the Yolo Bypass Salmonid Habitat Restoration and Fish Passage project.

- Through the interagency ecological program, Reclamation assesses the health of ESA-listed species (e.g. Delta Smelt, Chinook Salmon, Steelhead and Green Sturgeon) to develops plans to resolve or mitigate the ESA issues constraining water operations and investigates the causes of pelagic (open-water) fish decline in the Delta including examining habitat quality, increased mortality, and reduced food availability due to invasive species.

- Reclamation works to address recommendations of the National Academy of Sciences for the Coordinated Long-term Operation of the CVP and SWP. The work, performed in coordination with local, State, and Federal agencies, is to develop and test alternative ways of protecting ESA species from the pumps at the CVP and SWP.

- Reclamation is implementing a number of actions that will assist in meeting the water quality standards and objectives that affect operations in the Delta and San Joaquin River areas. These actions include Best Management Practices plans for wildlife refuges receiving Federal water and discharge to the San Joaquin River and real-time water quality monitoring and modeling studies to better match discharges with capacity in the San Joaquin River.

- The Battle Creek Restoration Project is restoring approximately 42 miles of habitat for threatened and endangered Chinook salmon and Central Valley steelhead through the modification of Battle Creek Hydroelectric Project facilities. The project involves the removal of five diversion dams, the placement of screens and ladders on three other diversion dams, the construction of a fish barrier to protect an upstream trout hatchery, an increase to instream flows, dedication of water rights for instream purposes at dam removal sites, and the implementation of adaptive management. To date, a diversion dam and canal/pipeline system has been removed, fish screens and fish ladders have been installed on two diversion dams, an approximate one mile long bypass and tailrace connector has been constructed, and a fish barrier has been constructed, resulting in about 16 miles of stream habitat restoration.

U.S. Geological Survey – USGS monitoring and research supports the California WaterFix and EcoRestore and ongoing water operations to evaluate the function and sustainability of this crucial ecosystem, the USGS works with partner agencies and organizations on water availability, contamination, habitat, land subsidence, and climate impacts. The USGS is a major source of Bay-Delta science, with a monitoring and research portfolio of about $20 million annually, including about $12 million in reimbursable support from local and Federal partners. Through this mix of funding, the USGS provides water managers information on water quality and availability to balance the needs of California's communities, agriculture, habitat, and planning for water development, to monitor the health and status of habitat and species recovery. In addition to ecosystem recovery, the USGS provides research, including geologic mapping, to define the risks natural hazards (earthquakes, flooding, landslides, wildfires, and drought) pose to the local communities, people across California dependent upon Bay-Delta water, and nationally significant agricultural regions irrigated by Bay-Delta water.

U.S. Fish and Wildlife Service – Within the Bay-Delta, FWS provides consultations and develops biological opinions under the Endangered Species Act (ESA) for Federal and local projects to determine if species listed under the ESA are likely to be impacted. FWS also develops Habitat Conservation Plans (HCPs) that provide a pathway forward to balance wildlife conservation with development. The primary objective of the HCP program is to conserve and protect at-risk species and the ecosystems they depend on while streamlining permitting for economic development. Given that recovering species is the ultimate goal of the ESA, FWS works with stakeholders to conduct research, protect species, and restore habitat to keep at-risk species off the ESA list when possible and create a road map for recovery for listed species.

Chesapeake Bay – The Chesapeake Bay ecosystem includes portions of six States and the District of Columbia. The Bay's resources offer access to outdoor recreation including boating, fishing, and hiking. Its fisheries and tourism opportunities also support the economy while providing habitat for waterfowl and other migratory birds, endangered species, and other fish and wildlife. Threats to the ecosystem include but are not limited to pollution, sedimentation, and habitat loss from agriculture and development; invasive and nuisance species; and climate change among others.

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
U.S. Geological Survey	12,620	11,991	12,491	12,393	10,602
U.S. Fish and Wildlife Service	19,359	20,567	23,493	19,331	19,740
National Park Service	9,318	5,568	7,591	5,469	5,475
Total, Department of the Interior	**41,297**	**38,126**	**43,575**	**37,193**	**35,817**

U.S. Geological Survey – USGS provides scientific information for the improved understanding and management of the Bay ecosystem. USGS works with Federal, State, and academic science partners to provide research, assessment, monitoring, and modeling. The bureau collects high-quality elevation data of the Chesapeake Bay shoreline, forecasts and assesses impacts of climate change and land use; assesses and explains water quality conditions and change; documents the status and change of the health of wildlife, fish, and important habitats; and promotes adaptive management and decision support to enhance ecosystem management.

U.S. Fish and Wildlife Service – FWS operates 25 National Wildlife Refuges in the Chesapeake Bay ecosystem conserving prime habitat for fish, birds, and other wildlife and the enjoyment of millions in nearby urban communities. FWS biologists work to protect endangered and threatened species, migratory birds, freshwater and anadromous fish, and wildlife habitats. FWS also works with partners to preserve and protect living resources of the Chesapeake Bay ecosystem.

National Park Service – NPS works with multiple partners to manage and develop the Chesapeake Bay Gateways and Watertrails Network, the Captain John Smith Chesapeake National Historic Trail, and other NPS units for the protection and restoration of the Chesapeake Bay. NPS conserves habitat and offers recreation opportunities across a range of units including National Seashores as well as Historical Parks.

Columbia River (Salmon) – The Columbia River system, spanning from British Columbia to Nevada and from Wyoming to Oregon, is home to about eight million people, including tribal Nations, as well as one of the most important salmon habitats in the world, including 13 federally listed salmonids. Urbanization, recreation, commercial fishing, hydropower, and agriculture have all had profound impacts on the Basin's aquatic habitat and fish populations, with salmon a particular concern. Hydropower generation is a key feature of this landscape.

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
U.S. Fish and Wildlife Service	15,334	14,864	15,292	15,055	15,147
Bureau of Reclamation	41,455	39,101	44,812	44,812	44,812
Bureau of Indian Affairs	6,551	6,551	6,551	6,551	6,551
Bureau of Land Management	9,287	9,287	9,287	9,287	9,287
U.S. Geological Survey	3,751	3,751	3,567	3,467	3,442
Total, Department of the Interior	**76,378**	**73,554**	**79,509**	**79,172**	**79,239**

Bureau Land Management – As one of the primary land management agencies within the Columbia Basin, the BLM's efforts focus on protection and restoration of aquatic ecosystems. The majority of BLM-managed lands within the basin are located in the Willamette Valley, Northeastern Oregon and Southern Idaho. Within these regions, the specific land management approach has been guided by five key objectives: treatment and control of invasive plant and animal species, removal of passage barriers to anadromous and resident salmonids, restoration of riparian plant communities, restoration of channel complexity, and protection of aquatic ecosystems from further damage. The BLM furthers its efforts through numerous partnership groups, including the Upper Salmon Basin Watershed Program, and continues to look for new opportunities to meet these objectives.

Bureau of Reclamation – Reclamation's Northwest region encompasses the Columbia River basin and includes Idaho, Washington, and parts of Montana, Oregon and Wyoming. In the Pacific Northwest, water for irrigation and power generation is supplied from 54 reservoirs with a total active storage capacity of approximately 18 million acre-feet. Reclamation delivers water to 175 irrigation districts and more than 72 dams and related structures support this water delivery. In the Columbia River basin, Reclamation is involved in numerous anadromous fish initiatives, from cooperative watershed planning to the design and installation of fish passage devices. Working in concert with the Northwest Power and Conservation Council, state and local agencies, and irrigation districts, Reclamation is participating in water conservation demonstration projects and model watershed programs. In total, 13 species of anadromous fish (salmon and steelhead) and two nonanadromous species (Kootenai River white sturgeon and bull trout) are ESA-listed in the Columbia River Basin and affected by Reclamation's operations. Reclamation response to improve habitat and increase populations include hydro system improvement actions for salmon including flow augmentation in the Columbia River, improving tributary habitat, including water acquisitions to improve instream flows, and hatcheries for salmon and steelhead, predator reduction, and monitoring. These mitigation actions allow continued operation of the hydroelectric power plants, including Grand Coulee and Hungry Horse dams, and continued compliance with the ESA.

U.S. Geological Survey – The USGS is helping States, land and water managers, and tribal leaders better manage this ecosystem by assessing the effects of dam operations, tracking salmon populations by using revolutionary techniques to gather DNA right from the water, assisting in restoration of tribal first foods including lamprey, discovering chemicals in other fish species that are harmful to humans, and informing Interior's Columbia River Treaty recommendations to the State Department. To help managers increase the resiliency of the system to climate change, the USGS is conducting contaminant exposure studies to better understand the effects of pesticides, mercury, and other potential disease agents in fish, and are examining the potential for these contaminants to travel through food webs in this critical Pacific Northwest ecosystem.

U.S. Fish and Wildlife Service – FWS offices in the Columbia River watershed focus on four primary areas; operation and configuration of the Federal Columbia River Power System and the effects on native resident and anadromous fish, instream flow and fish passage evaluations, bull trout research and recovery, and development of Biological Opinions and Habitat Conservation Plans. FWS also monitors the status of imperiled fish, evaluates management measures for recovery and assist in species recovery, and to prevent future listings. The bureau's research and analysis provides for science-based management of aquatic resources on Federal and tribal lands in the area from the Columbia River mouth upstream to McNary Dam and in other areas throughout the Columbia River Basin that have been and continue to be affected by human actions. Providing technical assessment, interagency coordination, and representation on technical and policy level workgroups, committees, councils, and commissions for hydrosystem, hatchery, harvest, and habitat management represent some of the FWS priority activities.

Bureau of Indian Affairs – Through an agreement with the Columbia River Inter-Tribal Fish Commission and its member Tribes in Oregon, Washington, and Idaho, BIA coordinates management policy and provides fisheries technical services for the Yakama, Warm Springs, Umatilla, and Nez Perce tribes. This program's mission is to ensure a unified voice in the overall management of fishery resources, and as managers, to protect reserved treaty rights through the exercise of the inherent sovereign powers of the tribes. This focuses on four primary goals:

- put fish back in the rivers and protect watersheds;
- protect tribal treaty fishing rights;
- share salmon culture; and
- provide fisheries services.

These goals are achieved through policy coordination, fisheries management and science, intertribal fisheries enforcement, and outreach and education efforts.

Everglades – Encompassing nearly 4 million acres of the southern tip of the Florida peninsula the Everglades and the greater Everglades ecosystem (spanning from the Kissimmee River basin north of Lake Okeechobee all the way south to Florida Bay) are also the focus of the world's largest intergovernmental watershed restoration effort. Together, Federal, State, tribal and local governments, and stakeholders are implementing numerous projects that are intended to restore the quantity, quality, timing and distribution of fresh water in an effort to reverse decades of unintended environmental decline as well as provide for future water-related needs of the region. The Department has a number of important responsibilities in the management, restoration, and preservation of this unique ecosystem.

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
U.S. Geological Survey	7,313	7,313	7,313	7,313	5,365
U.S. Fish and Wildlife Service	13,469	15,578	13,487	10,987	13,487
National Park Service	40,625	41,148	41,402	41,217	41,217
Bureau of Indian Affairs	710	390	390	390	390
Total, Department of the Interior	**62,117**	**64,429**	**62,592**	**59,907**	**60,459**

U.S. Geological Survey – USGS conducts research to address key science information gaps and to assist in the sustainable use, protection, and restoration of the South Florida ecosystem through the Comprehensive Everglades Restoration Plan (CERP) and in partnership with the South Florida Ecosystem Restoration Task Force. Research efforts include investigations of wildlife habitat responses to natural and human disturbances, including modeling of flow impacts, studies of specific vertebrate species, invasive species (plant and animal) impacts on the native ecosystem, vegetation responses, and linking science results to support adaptive management.

U.S. Fish and Wildlife Service – FWS supports the restoration and conservation of the Everglades through completion of interagency projects, consultations under the ESA, management of wildlife refuges, enforcement of wildlife laws such as the Lacey Act, and cooperative efforts to develop a better scientific understanding of Everglades resources. FWS leads the Peninsular Florida Landscape Conservation Cooperation, an applied conservation science partnership supporting biological planning, conservation design, and adaptive management. Scientific studies increase understanding and help prevent the introduction and spread of non-native, invasive species. On-the-ground projects help control invasives plants and animals, such as Brazilian pepper and pythons, on wildlife refuges and port inspections prevent introduction of additional invasive species.

National Park Service –The NPS is a major partner in the combined State and Federal effort to restore the Everglades ecosystem. The south Florida park units are among the collaborating entities implementing major water resource projects such as the Modified Water Deliveries, Tamiami Trail Next Steps bridging, and regional CERP. The NPS works with FWS and USGS to support CERP projects through the development of restoration performance measures, ecological models and quantitative evaluations of the environmental benefits of proposed actions. Long-term monitoring and assessment plans that are critical for adaptive management are developed and implemented through the Critical Ecosystems Studies Initiative, while the South Florida Ecosystem Restoration Task Force provides assistance in coordinating this multi-agency effort. Additionally, while the funding for the Everglades restoration effort to date has focused almost exclusively on water management infrastructure and operations, in the last decade new information provided by the research component of the Program has highlighted the need to address exotic invasive species and climate change, issues that interact with water management and affect NPS resources at the ecosystem scale.

Great Lakes – Comprised of more than 10,000 miles of coastline and 30,000 islands, the Great Lakes provide drinking water, transportation, power and recreational opportunities to the 30 million citizens who call the Great Lakes basin home. As the largest group of fresh water lakes on Earth, the Great Lakes hold 95 percent of the United States' surface fresh water. Years of environmental degradation has left the Great Lakes in need of immediate on-the-ground action to save this precious resource for generations. The Great Lakes Restoration Initiative (GLRI) is a driver for environmental action in the Great Lakes and represents a collaborative effort on behalf of the U.S. Environmental Protection Agency and 15 other Federal agencies to address the most significant environmental problems in the Great Lakes.

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
U.S. Geological Survey	18,826	18,826	19,076	18,826	17,076
U.S. Fish and Wildlife Service	39,881	42,571	42,531	42,953	42,531
National Park Service	7,940	8,254	8,309	8,309	8,309
Total, Department of the Interior	**66,647**	**69,651**	**69,916**	**70,088**	**67,916**

Excludes Great Lakes Restoration Initiative funding.

U.S. Geological Survey – USGS is working with Interior bureaus and other agencies to provide scientific tools for strategic decision making in restoration efforts. USGS research includes long-term, consistent, lake-wide assessments of forage fish stocks that support sport and commercial fish species; monitoring invasive species for protection and restoration of Great Lakes fisheries; beach health and monitoring; and developing scientific and technological monitoring tools to assess and conserve aquatic species. The USGS also operates five large research vessels to conduct ecosystems research throughout the Great Lakes. USGS also receives reimbursable GLRI funds. The GLRI targets the highest priority environmental issues in the Great Lakes, such as contaminated sediments and toxics, habitat degradation and loss, invasive species, and rainfall/snowmelt water pollution from many diffuse sources, which is the leading remaining cause of water-quality problems. The USGS has led over 133 projects to tackle these challenges, and continues to work closely with community stakeholders and GLRI partners to provide water managers at State and local levels with valuable information to make informed decisions regarding the potential effects of future water use.

U.S. Fish and Wildlife Service – FWS biologists in offices across the 31-State Gulf watershed work to protect endangered and threatened species, migratory birds, freshwater and anadromous fish, and wildlife habitats. Through its Landscape Conservation Cooperatives network, FWS also works with many partners to conserve, protect, and restore this vital ecosystem. The Great Lakes LCC includes more than 30 partners that focus on coastal resilience, aquatic connectivity, and forest conservation in the region. FWS is also works with other Federal agencies under the GLRI to accelerate efforts to protect and restore the largest system of fresh surface water in the world. FWS also operates national wildlife refuges and fish hatcheries in the Great Lakes region conserving natural resources and offering outdoor education and recreation opportunities to millions of Americans.

National Park Service – The NPS administers sites on or near Lake Superior, Lake Michigan, and Lake Erie. In addition, the Great Lakes Research and Education Center increases the effectiveness and communication of scientific research in ten national parks in Indiana, Michigan, Wisconsin, and Minnesota. The Center facilitates the use of parks for scientific inquiry, promotes science literacy and resource stewardship, and integrates science into park resource management, educational outreach programs, and the visitor experience. NPS also participates in the GLRI to improve ecosystem restoration across multiple park units.

Bureau of Indian Affairs – BIA contributes to the restoration of the Great Lakes through a tribal grant program funded by the Environmental Protection Agency's GLRI Program. BIA provides financial assistance to Great Lakes tribes to protect, enhance, and restore the Great Lakes. Priority actions are to: identify, protect, conserve, manage, enhance, or restore species or habitat, as well as to build tribal capacity to manage natural resources within the Great Lakes Basin.

Gulf Coast – The Gulf of Mexico ecosystem is critically important to the health and vitality of our Nation's natural and economic resources. With more than half the continental U.S. draining into the Gulf of Mexico, this vast watershed provides rich soils to feed the Nation and oil and gas to power it. It is an important economic engine, producing more than half of America's crude oil and natural gas, and the majority of the Nation's annual shrimp and oyster harvest. The Gulf ecosystem is also at the heart of our Nation's outdoor legacy with 40 percent of all North American migrating waterfowl and shorebirds using the Mississippi Flyway. Between 2011 and 2015, more than $1.5 billion has been invested in Gulf Coast restoration efforts using funds from civil and criminal settlements reached with the parties responsible for the 2010 Deepwater Horizon incident.

	($ in thousands)				
	2015	**2016**	**2017**		
Account/Activity	**Enacted**	**Enacted**	**Request**	**House**	**Senate**
U.S. Geological Survey	31,249	31,249	31,249	29,072	29,072
U.S. Fish and Wildlife Service	9,476	10,476	13,476	10,476	13,476
National Park Service	13,551	13,756	13,728	13,895	13,895
Total, Department of the Interior	**54,276**	**55,481**	**58,453**	**53,443**	**56,443**

U.S. Geological Survey – Through a network of science centers in the Gulf Coast States, USGS maps, monitors, and conducts research in the Gulf of Mexico ecosystem. The bureau applies its biologic, geologic, geographic, and hydrologic expertise to provide the scientific information, knowledge, and tools required to facilitate management decisions that promote restoration, increase coastal resilience, and mitigate risks associated with both man-made and natural hazards.

U.S. Fish and Wildlife Service – The Service manages millions of acres on 235 National Wildlife Refuges in the Gulf watershed. The 45 wildlife refuges located in the Gulf Coast States conserve thousands of acres of prime habitat for fish, birds, and other wildlife and the enjoyment of millions in nearby urban communities. FWS biologists in offices across the 31-State Gulf watershed work to protect endangered and threatened species, migratory birds, freshwater and anadromous fish, and wildlife habitats. FWS also works with many partners to conserve, protect, and restore this vital ecosystem.

National Park Service – NPS manages eight units along the Gulf Coast, comprising more than two million acres. The National Park Service continues to be part of the ongoing recovery of the Gulf Coast – on the ground and from afar. Although Gulf Islands National Seashore was the most directly affected, other parks around the Gulf still have to cope with the effects of the spill on plants and wildlife circulating in the water. Drifting oil may also continue to affect archeological resources. On beaches where cleanup efforts have reached the point where cleaning might cause more damage than leaving the oil in place, staff continue to monitor for more oil washing ashore, especially after storms.

Puget Sound – As the second largest estuary in the U.S., Puget Sound supports a productive and rare biological diversity, including many species of fish, wildlife, marine invertebrates, and plants. The Sound consists of 1.6 million acres of land and water, with 2,500 miles of shoreline, all of which is fed by 14 major river systems. Major threats to the Sound include human population growth and urbanization, invasive species, and contaminants.

	($ in thousands)				
	2015	2016	2017		
Account/Activity	Enacted	Enacted	Request	House	Senate
U.S. Geological Survey	4,277	4,277	4,277	4,277	4,277
U.S. Fish and Wildlife Service	9,292	9,292	9,292	9,298	9,292
National Park Service /1	6,275	0	0	0	0
Bureau of Indian Affairs	5,211	5,211	5,211	5,211	5,211
Total, Department of the Interior	**25,055**	**18,780**	**18,780**	**18,786**	**18,780**

1. FY 2015 funding for NPS results from a completed line-item construction project.

U.S. Geological Survey – USGS provides scientific information for the improved understanding and management of the Puget Sound ecosystem. USGS works with Federal, State, and academic science partners to provide research, assessment, mapping, monitoring, and modeling. The bureau forecasts and assesses impacts of climate change and land use; assess and explain water quality conditions and change; document the status and change of the health of wildlife, fish, and important habitats; and promote adaptive management and decision support to enhance ecosystem management.

U.S. Fish and Wildlife Service – FWS supports the restoration and conservation of Puget Sound habitats through completion of interagency projects, providing technical assistance in the restoration process and cost sharing where appropriate. FWS uses outreach and education to improve stewardship and conservation of Washington's natural resources. Scientific studies increase understanding and help prevent the introduction and spread of coastal and marine non-native, invasive species. FWS supports the strategic priorities of the Puget Sound Partnership and the Puget Sound Nearshore Ecosystem Restoration Project and strives to work with federally recognized Tribes to restore habitats and species. Due to the highly developed and impacted state of many coastal resources in Washington, coastal habitat restoration projects tend to be large and include multiple partners. FWS also operates national wildlife refuges and national fish hatcheries within the Puget Sound watershed.

Bureau of Indian Affairs – BIA implements funding agreements with the Northwest Indian Fisheries Commission (NWIFC) and its member tribes in northwest Washington. Tribes coordinate continuing treaty harvest management, population assessment, habitat protection, stock enhancement, and data gathering programs involving fish, wildlife, and shellfish resources. Tribal staffs also work closely with landowners and State agencies to ensure tribal treaty rights and cultural resource issues are recognized, protected, and maintained across the region's forestlands of ceded and traditional use areas, while also facilitating forest management goals. Tribal staffs provide expertise and assistance on a wide range of topics concerning fish, water quality, streamflows, wildlife, archaeology, and other cultural resources.

Upper Mississippi River – The Mississippi River is the largest floodplain river ecosystem in North America and the world's third largest, draining nearly 2/3 of the continental United States. The Upper Mississippi River Basin is a major sub-watershed of the Mississippi, draining approximately 189,000 square miles in portions of six Midwest states. Major challenges within the ecosystem include habitat loss, water pollution, and invasive species including Asian carp.

	($ in thousands)				
	2015	2016	2017		
Account/Activity	Enacted	Enacted	Request	House	Senate
U.S. Geological Survey	7,568	7,568	7,568	7,568	7,068
U.S. Fish and Wildlife Service	25,398	25,398	25,398	25,568	25,398
Total, Department of the Interior	**32,966**	**32,966**	**32,966**	**33,136**	**32,466**

U.S. Geological Survey – USGS research is examining how natural and human factors affect the Upper Mississippi River ecosystem sustainability, restoration and resilience. The USGS conducts research on living resources (including aquatic invasive species), human uses, and impact mitigation in the Upper and Middle Mississippi River Basins. The USGS also provides decision support and analysis tools to develop resource management goals critical to wise future management of river flow and material sources on the landscape.

U.S. Fish and Wildlife Service – FWS operates more than a dozen National Wildlife Refuges in the Upper Mississippi ecosystem conserving prime habitat for fish, birds, and other wildlife and the enjoyment of millions in nearby urban communities. FWS biologists work to protect endangered and threatened species, migratory birds, freshwater and anadromous fish, and wildlife habitats. FWS works with Federal, State, and local agencies, and other private stakeholders, to create a sustainable control program to prevent introduction and implement actions to protect and maintain the integrity and safety of the Great Lakes ecosystem from an Asian carp invasion via viable pathways.

Crosscutting Issue Paper: Powering Our Future

Summary:

Providing for the responsible development of conventional and renewable energy sources on public lands and areas, both onshore and offshore, is central to the mission of the Department of the Interior. Across its multiple bureaus and programs, Interior oversees the production of more than 1/5 of the nation's energy supply, providing one of the Federal government's largest sources of non-tax revenue. DOI works to ensure this is done safely, and to guarantee a fair return to the American people. DOI must balance its mandate to "power the future" with its critical responsibility to conserve and protect our nation's waters, lands, wildlife, and cultural heritage.

Budget Information:

	2015 Actual	2016 Enacted	2017 Request	2017 House	2017 Senate
Conventional Energy *(dollars in thousands)*					
Bureau of Land Management	138,608	158,989	186,606	165,703	161,284
Bureau of Ocean Energy Management	136,357	137,327	141,001	135,726	135,344
Bureau of Safety and Environmental Enforcement /1	204,625	203,921	204,117	204,117	203,921
U.S. Geological Survey	30,442	28,097	32,051	28,097	28,097
Fish and Wildlife Service	3,120	3,120	3,120	3,120	3,120
Bureau of Indian Affairs	2,370	5,870	5,870	5,870	5,870
Office of Natural Resource Revenue	121,631	125,519	129,306	126,487	121,750
Renewable Energy *(dollars in thousands)*					
Bureau of Land Management	29,061	29,061	29,189	29,061	27,061
Bureau of Ocean Energy Management	33,413	33,530	34,137	33,580	34,216
Bureau of Safety and Environmental Enforcement	0	750	750	750	750
Bureau of Reclamation	1,197	1,300	1,300	1,300	1,300
U.S. Geological Survey	6,509	6,509	6,888	6,509	6,509
Fish and Wildlife Service	11,054	11,054	11,054	11,054	11,054
Bureau of Indian Affairs	7,986	8,986	8,986	8,986	8,986
Office of Insular Affairs	2,971	2,971	5,000	2,971	3,971
Total Energy	**729,344**	**757,004**	**799,375**	**763,331**	**753,233**

/1 The figures in this crosscut do not include the $20 million carryover rescission approved by the House or the $25 million carryover rescission approved by the Senate.

Background:

As illustrated by the chart above, a majority of the Department's bureaus are engaged in energy-related activities. To accomplish both resource stewardship and development objectives, Interior increasingly strives to transition from a reactive, project-based approach, toward policy-driven and data-driven predictability in managing lands and resources. The goal in this approach is to add certainty for stakeholders, while achieving more effective resource management. Energy-related programs conducted by the various bureaus across DOI generally fall into five main areas:

Planning and Leasing:
Onshore and offshore estates are leased for energy development primarily through the Bureau of Land Management (BLM) onshore and the Bureau of Ocean Energy Management (BOEM) on the Outer Continental Shelf (OCS); the Bureau of Indian Affairs (BIA) is involved on tribal lands. These and other bureaus conduct in-depth analyses of potential environmental impacts, and engage in broad stakeholder outreach and public engagement around lease programs.

Permitting:
DOI has primary permitting authority (through BLM, Bureau of Reclamation (BOR), Bureau of Safety and Environmental Enforcement (BSEE), BOEM, and to a lesser extent BIA) for conventional and renewable energy exploration, development, and production. Examples of this authority include permitting of pipeline and transmission rights of way, review and approval of geological and geophysical survey requests, hydropower development through Lease of Power Privilege, drilling permits, installation of offshore platforms and onshore infrastructure, review of exploration and development plans, and installation of wind and solar facilities. In addition, wildlife and habitat-related review and permitting are performed by the Fish and Wildlife Service.

Regulatory Oversight:
On the OCS, BSEE exercises primary regulatory oversight of the full life cycle (including facility decommissioning) of conventional and renewable energy exploration, development, and production. As of October 2016, regulatory oversight of renewable energy exploration, development and production rests with BOEM, until approximately the end of the calendar year. At that time, the bulk of these responsibilities will transfer to BSEE, with BOEM retaining the review of Site Assessment Plans and Construction and Operations Plans. Onshore, this oversight falls primarily to the BLM. Oversight tools include inspections, tests, incident investigations, and enforcement actions up to and including facility shut-in, operator debarment, civil penalties, and referral for criminal prosecution.

Revenue:
The Office of Natural Resource Revenue (ONRR), within the Office of the Secretary, is responsible for collecting, accounting for, analyzing, auditing, and disbursing revenue generated from Federal and Indian mineral leases, both onshore and offshore. ONRR disbursed over $9.87 billion to States, Tribes, individual Indian mineral royalty owners, and to the U.S. Treasury in FY 2015. The latter disbursements totaled $4.75 billion and are one of the Federal government's largest sources of non-tax revenue.

Science:
The USGS, BOEM and BSEE all sponsor world class science related to renewable and conventional energy, both onshore and offshore. Interior's bureaus and programs focus on resource conservation management and responsible use of our Nation's natural and cultural resources, all of which require a scientific understanding. Interior relies on the scientific

capabilities of its bureaus, particularly the USGS to provide that understanding and inform decision-making. USGS provides unbiased, reliable energy assessments needed to better understand our Nation's energy resource supply and the impacts of its development on wildlife, ecosystems, and land and water resources. Both conventional energy sources (including fossil fuels) and renewable energy sources (including wind, solar, biofuels and geothermal energy) comprise our Nation's domestic energy supply mix.

Notable Energy Program Trends:

Oil, Gas and Coal

BOEM has recently completed public outreach and NEPA analysis on its 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program, and the Secretary will soon be in a position to decide upon that final plan. The proposed program includes 13 potential lease sales in six OCS planning areas, including ten potential lease sales within the Gulf of Mexico Region and one potential lease sale each in the Beaufort Sea, and the Cook Inlet and Chukchi Sea planning areas. No lease sales are currently proposed for the Pacific or Atlantic.

The issuing of new leases under BLM's coal leasing program is currently (as of January 15, 2016) on hold, while DOI conducts a "comprehensive review to identify and evaluate potential reforms to the Federal coal program in order to ensure that it is properly structured to provide a fair return to taxpayers and reflect its impacts on the environment, while continuing to help meet our energy needs."

Renewable Energy

Several Interior bureaus contributed to increased renewable energy production. BLM has approved (since 2009) more than 32 utility-scale solar projects, including five in 2015 totaling 977 megawatts of power. BOEM continues to accelerate the development of offshore renewable energy in the United States. To date, BOEM has issued a total of eleven commercial leases for 7.7 gigawatts of generating capacity. BOEM continues active engagement and coordination with industry and other stakeholders, who express interest in additional renewable energy activities on the Atlantic and Pacific OCS as well as offshore Hawaii. Federal lease sales (both onshore and offshore) have increasingly been moving online, creating efficiencies for DOI and minimizing some uncertainty and security concerns in the process.

Onshore renewable energy development is expanding on Federal lands with wind, solar, and hydroelectric projects. DOI is working to reach 20,000 megawatts of permitted renewable energy capacity on public lands by 2020, and has already surpassed 16,000 megawatts.

Since 2009, the number of hydroelectric projects authorized through a Lease of Power Privilege operating on BOR infrastructure has tripled, from four to twelve. An additional 18 hydroelectric projects are currently under development through a Lease of Power Privilege.

Energy Production on Tribal Lands

BIA launched the Indian Energy Service Center in FY 2016 to expedite the leasing, permitting, and reporting for conventional and renewable energy on Indian lands, and provide resources to ensure development occurs safely, protects the environment, and manages risks appropriately with technical assistance to support assessment of the social and environmental impacts of energy development. Working with the Department of Energy's Office of Indian Energy, the Center is providing a full suite of energy development-related services to Tribes nationwide. The Center will coordinate and enhance BIA's ability to process leases, BLM's responsibility for Applications for Permits to Drill approval and monitoring, and ONRR's responsibilities for royalty accounting; and will institute streamlined processes, standardized procedures, and best practices for all development of conventional and renewable energy at various locations and bureaus.

Budget Trends:

Offsetting Collections are a significant funding source for Interior's Energy programs. DOI energy regulatory agencies (i.e. BSEE, BOEM, and BLM) rely on mandatory funding and offsetting collections to support their programs. Declining oil and gas prices required proposed changes in 2017. Proposals to increase revenue from energy related fees and other offsetting collections have been proposed, but not adopted by the Congress.

Crosscutting Issue Paper: Indian Water Rights Settlements

Summary:

The United States holds Indian water rights in trust and has a fiduciary duty to protect those water rights for Tribes and their members. Indian water rights settlements are consistent with the general Federal trust responsibility to Indian Tribes and with Federal policy promoting tribal sovereignty, Indian self-determination, and economic self-sufficiency. There are 282 Tribes in the 17 western States with a total population of over 1.6 million. With increasing drought conditions and pressure from an expanding population, the potential for increased conflict over water grows, as does the cost of water. Some Indian water rights disputes date back 100 years or more, and are a tangible barrier to socio-economic development for Tribes and hinder the management of water resources. Settlement of Indian water rights disputes can improve water resources management by providing certainty for major water rights holders. This certainty provides opportunities for economic development, improves relationships, and encourages collaboration among neighboring communities.

Background:

The United States pursues a policy of settling Indian water rights disputes whenever possible, which is preferable to protracted litigation over Indian water rights claims. Interior has 19 Federal Indian Water Rights Negotiation Teams working to resolve tribal water rights claims and anticipates additional tribal governments will request the appointment of Federal negotiation teams to address their respective water needs and unresolved water right claims. Currently, there are 20 Federal Indian Water Rights Implementation Teams working to carry out enacted settlements.

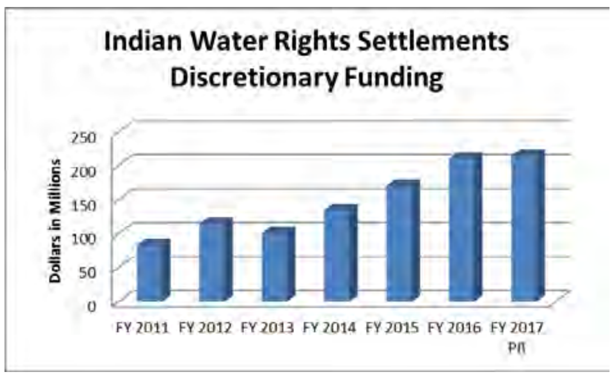
At Interior, the Secretary's Indian Water Rights Office (SIWRO) is responsible for the Indian water rights settlement program, which includes management and oversight of all Indian water rights settlement negotiations and implementation of enacted settlements. SIWRO also is the lead for inter-agency coordination of programmatic funding and technical support for Indian water rights settlements. When a settlement is enacted the Bureau of Reclamation (Reclamation) builds water infrastructure, and the Bureau of Indian Affairs (BIA) supports water infrastructure operations and maintenance trust funds transferred to the Tribe on the settlement enforceability date.

Collectively, these activities support water projects, which address critical needs, such as providing clean and potable water for tribal communities, repairing irrigation, and repairing water delivery infrastructure, which are essential to sustain these communities. These infrastructure investments improve the health and well-being of tribal members, preserve and improve existing economies, and over the long-term generate potential for jobs and economic development.

The BIA and Reclamation budgets include funding for settlement negotiations and implementation including water studies, payments to Tribes for long-term operation and maintenance of water delivery systems and construction of projects for enacted settlement agreements. Some of the payments are mandatory funding requiring no further Congressional appropriation, while other payments are discretionary funding requested in the President's budget and appropriated by Congress annually.

Twenty implementation teams are working to carry out enacted settlements. Congress authorizes most settlements over a period of several years. In most cases, a completion date, called a settlement enforcement date, sets a deadline for the Federal government to meet certain conditions. If the Federal government does not meet these conditions by that date, the settlement is invalid and must be renegotiated and reenacted. Payments are usually one of these conditions. The Federal cost of individual Indian water rights settlements range from a few million to hundreds of millions of dollars in individual settlements.

Budget Information:



$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Negotiation and Legal Support					
Bureau of Indian Affairs	16,335	16,323	29,210	16,340	17,840
Bureau of Reclamation	3,841	6,089	6,089	6,089	6,089
Other Bureaus and Offices	3,738	3,873	4,659	4,602	3,897
Subtotal, Negotiation and Legal Support	23,914	26,285	39,958	27,031	27,826
Settlement Implementation					
Bureau of Reclamation					
Ak Chin Indian Water Rights Settlement Act	14,093	15,341	15,735	15,735	15,735
Aamodt	3,000	6,000	6,379	6,379	6,379
Crow	2,000	12,772	12,772	12,772	12,772
Navajo-Gallup Water Supply	81,000	89,663	87,000	87,000	87,000
Taos Pueblos	4,000	4,048	-	-	-
Other Ongoing Settlement Operation and Maintenance	7,879	8,192	9,352	9,352	9,352
Subtotal, Reclamation	111,972	136,016	131,238	131,238	131,238
Bureau of Indian Affairs					
Aamodt	6,246	6,246	25,008	*	*
Navajo-Gallup Water Supply	9,000	9,000	15,130	*	*
Taos Pueblos	15,392	29,212	-	*	*
Navajo Nation Water Resources Trust Fund	4,000	4,000	4,000	*	*
Other Ongoing Settlement Operation and Maintenance	142	142	142	*	*
Subtotal, Indian Affairs	34,780	48,600	44,280	49,025	49,475
Subtotal, Settlement Implementation	146,752	184,616	175,518	180,263	180,713
Total, Settlement Funding	170,666	210,901	215,476	207,294	208,539

* 2017 House and Senate bills request operating plans to spread BIA funding designated for land and water settlements.

2017 Funding Issues:

The 2017 budget request reflects the priority to meet Interior's trust responsibilities and more effectively partner with Tribes on water issues. The FY 2017 budget proposed funding for enacted settlements from the Claims Resolution Act of 2010 (P.L. 111-291) and the Omnibus Public Land Management Act of 2009 (P.L. 111-11). In compliance with these Acts, the 2017 budget includes funding for projects and actions necessary to implement settlements with the Crow Tribe in Montana; the Nambe, Pojoaque, San Ildefonso, and Tesuque Pueblos (Aamodt settlement) in New Mexico; the Navajo-Gallup Water Supply Project in New Mexico; and the Navajo Nation Water Rights agreement. Funding outside of water rights settlement accounts also provides for negotiation of Indian water rights claims, technical assistance to Tribes, and enables ecosystem restoration and rural water projects with a tribal nexus. Providing a permanent water supply, improving reservation water systems, rehabilitating irrigation projects, constructing regional multi-pueblo water systems, and codifying water-sharing arrangements between Indian and neighboring communities are some of the beneficial outcomes.

Legislated Completion Dates for Authorized Settlements

Settlement	Settlement Enforcement Date	Remaining to be Appropriated
Bureau of Indian Affairs		
Navajo-Gallup Water Supply Project	September 30, 2019	$14.1 million[1]
Navajo Nation Water Resources Development Trust Fund	September 30, 2019	$8.0 million
Bureau of Reclamation		
Aamodt Litigation Settlement	June 30, 2024	$60.4 million
Crow Tribe Water Rights Settlement	June 30, 2030	$137.9 million
Navajo-Gallup Water Supply Project	December 31, 2024	$300.5 million

Interior anticipates dozens of water rights negotiations and enacted settlements in the coming years. Consistent with Interior's tribal trust responsibilities, the budget includes funding to support a coordinated, Interior-wide approach to working with and supporting Tribes in resolving water rights claims and supporting sustainable stewardship of tribal water resources. The budget provides funding to Reclamation and BIA, in coordination with SIWRO, to conduct technical analysis, which informs settlement negotiation teams about cost effective and cost-sharing options to resolve Indian water rights claims.

Settlements are usually crafted to allow the Federal government a fixed period of years to satisfy the appropriations requirements of the settlement. Interior develops funding glide paths to minimize fluctuations in the requests for settlement appropriations and still meet the settlements' statutory due dates. A significant portion of enacted settlement funding supports construction of infrastructure. Reclamation funds and manages project construction. Existing commitments will require a significant increase in discretionary funding for Indian Water Rights Settlements in Reclamation's budget. This must balance what is feasible within budget constraints, while

[1] This amount does not include indexing.

allowing efficient project management to meet the mandated completion dates. Lower funding in the near term requires increased funding in later years and puts mandated deadlines at risk. In recent years, the President's Budget proposed establishing a separate Indian Water Rights Settlements account for Reclamation. Currently, settlements are funded within Reclamation's main operating account. Establishing a new account assures continuity in the construction of authorized projects, highlights and enhances transparency in handling these funds, and protects these funds from future sequestration. The House and Senate Appropriations Committees have not accepted this proposal.

Legislation is pending for the Blackfeet Water Rights Settlement Act of 2015 (S. 1125) and the Pechanga Band of Luiseno Mission Indians Water Rights Settlement Act (S. 1983). If enacted, Reclamation and BIA could need additional funding to support the implementation of these settlements. Absent enacted legislation, the exact amounts needed for Reclamation and BIA are unknown at this time.

Crosscutting Issue Paper: Land and Water Conservation Fund

Summary:

Congress enacted the Land and Water Conservation Fund Act of 1965 as a bipartisan commitment to safeguard natural areas, water resources, and cultural heritage, and to provide recreation opportunities to all Americans. Today, the LWCF is helping to provide for America's outdoor spaces—public and private, large and small, urban and rural—as envisioned by the American people. LWCF has been a priority in recent President's Budgets, but it has been a challenge to achieve full funding at the authorized level of $900 million.

Budget Information:

Interior and USDA Forest Service LWCF Discretionary Funding, 2008 Enacted - 2017 Request ($ in Thousands)									
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Enacted	Request
255,055	270,834	450,374	300,534	322,349	304,329	306,043	306,141	450,000	475,000

Background:

The LWCF authorization allows for a reinvestment of a small portion of royalties from offshore oil and gas activities into public lands and waters nationwide. The authorization allows deposits of up to $900 million annually into the Fund. Congress determines and approves how much of those funds may be spent each year. Typically, Congress approves only a portion of LWCF funding. In FY 2016, Congress appropriated $450 million for LWCF programs, out of the $900 million available for LWCF. Roughly half of LWCF funding is allocated for Federal Land Acquisition activities at the National Park Service, Fish and Wildlife Service, Bureau of Land Management and the Forest Service. The remaining funding supports conservation grant programs administered by the NPS (LWCF Stateside Assistance, American Battlefield Protection), FWS (Highland Conservation Act, Cooperative Endangered Species Conservation Fund) and FS (Forest Legacy). A detailed program funding table is provided at the end of this paper.

Collaborative Landscape Planning – Since 2013, DOI and USDA have taken a collaborative, strategic approach to LWCF Federal land acquisition. While the land management agencies receive funding for agency-specific land acquisitions, DOI and USDA also allocate a portion of funds for the bureaus to work together on joint landscape-scale conservation goals, known as Collaborative Landscape Planning (CLP) projects. Competitively selected among the bureaus, CLP projects emphasize support for collaborative, community-based and locally-driven landscape conservation efforts that make the best use of science, partnerships, and leverage to deliver a high return on investment.

Permanent Funding and Authorization – The LWCF is currently authorized to receive up to $900 million annually for federal lands purchases, private land easements, and state recreation grants, among other activities. The program briefly lapsed last fall before Congress renewed it for three years in PL 114-113. That temporary reauthorization included a sizable one-time funding boost.

While the LWCF is authorized at $900 million, the program has only been appropriated at that level one year since its enactment in 1965, and the Fund currently has approximately $20 billion in unobligated balances. The President's budget request in recent years has included full, permanent, and mandatory funding to increase financial certainty; embrace opportunities with willing sellers; support State, county, and neighborhood parks; conserve working forests and ranches that maintain water quality and wildlife habitat, public access, and jobs in the woods and on the range; and facilitate appropriate development while protecting critical wildlife habitat. Private landowners who want to permanently conserve their lands for future generations need the assurance that LWCF authorities will not expire.

2017 Budget Request

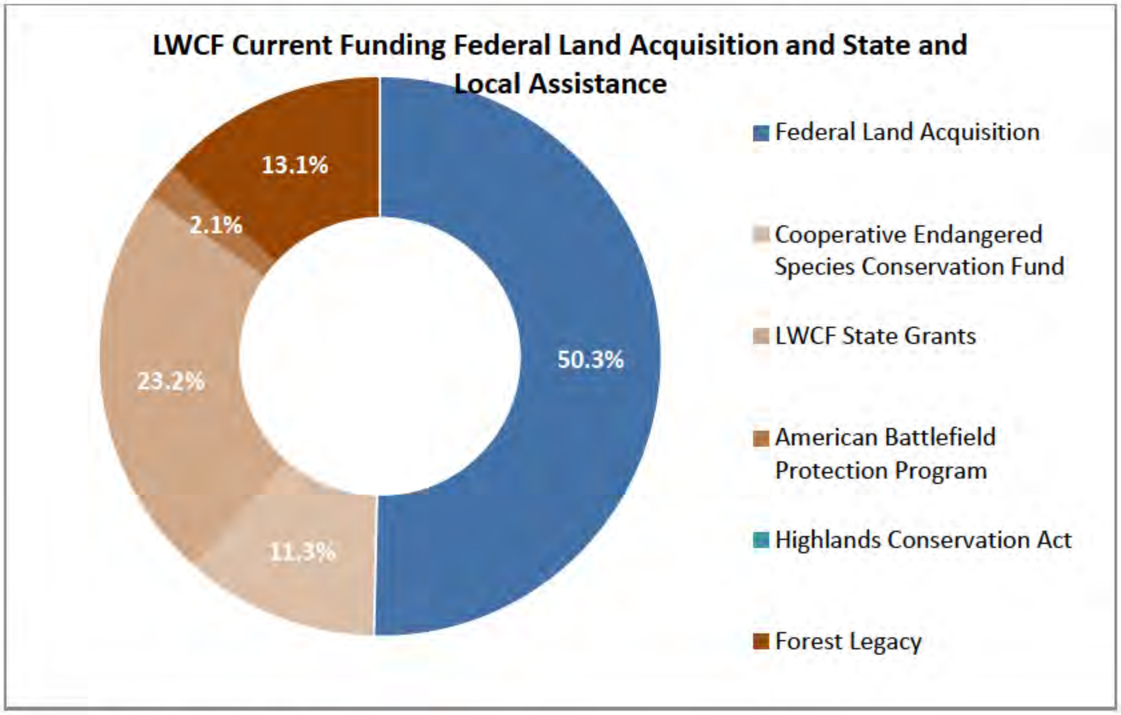
The 2017 budget requests full funding for the LWCF, including $672.0 million for Interior, with $347.0 million requested as current funding and $325.0 million proposed as mandatory funding. Interior's 2017 current funding request includes $183.5 million for Federal land acquisition, of which $45.9 million is for Collaborative Landscape Projects.

Interior's 2017 request in current funding is $22.8 million above the 2016 enacted level, maintaining the important commitment to LWCF demonstrated by Congress in the 2016 appropriation.

The current request also includes $53.5 million for FWS Cooperative Endangered Species Conservation Fund grants, $110.0 million for NPS State Assistance grants, and $10.0 million for NPS American Battlefield Protection grants. The mandatory proposal for Interior includes $325.0 million for Federal land acquisition and grants to States and local communities, including:

- $96.8 million for Federal acquisition/collaborative landscape projects,
- $71.1 million for Federal acquisition/core projects
- $55.0 million for FWS Cooperative Endangered Species Conservation Fund grants,
- $45.0 million for NPS State Assistance grants,
- $30.0 million for NPS Urban Parks and Recreation Fund grants,
- $10.0 million for NPS American Battlefield Protection grants, and
- $4.0 million for Recreational Access projects.

The 2017 House mark provides $321.5 million, $153.5 million below the discretionary request. The 2017 Senate mark includes $400.0 million for LWCF, $75.0 million below the discretionary request. There has been increased interest from some members of Congress to have a greater amount of LWCF funding provided to States and local assistance, rather than Federal land acquisition. The chart below shows the split of 2017 request for current funding between Federal Land Acquisition and assistance to State and local governments.



Reauthorization of the LWCF

Long term reauthorization of LWCF has been a challenge. The Consolidated Appropriations Act, 2016 reauthorized the LWCF through 2018. The Senate passed S. 2012, the Energy Policy Modernization Act of 2015, in April, 2016. This bill includes permanent reauthorization of the LWCF.

$ in Thousands

			2017				
Programs	**2015 Actual**	**2016 Enacted**	**Discretionary Request**	**Mandatory**	**Total LWCF Request**	**Discret. House**	**Discret. Senate**
Federal Land Acquisition							
Department of the Interior							
Bureau of Land Management	**19,746**	**38,630**	**43,959**	**44,818**	**88,777**	**19,400**	**33,416**
Projects	*5,000*	*7,072*	*13,139*	*13,741*	26,880	*10,600*	*7,800*
Collaborative Landscape Planning (CLP)	*9,226*	*19,942*	*19,162*	*28,577*	47,739	*TBD*	*14,000*
Sportsmen/Recreational Access	*2,000*	*8,000*	*8,000*	*0*	8,000	*6,000*	*8,000*
All Other LA	3,520	3,616	3,658	2,500 0	6,158 0	2,800	3,616
Acquisition Management	*1,904*	*2,000*	*2,042*	*1,000*	3,042	*1,800*	*2,000*
Inholdings/Emergencies/Hardships	*1,616*	*1,616*	*1,616*	*1,500*	3,116	*1,000*	*1,616*
Fish and Wildlife Service	**47,535**	**68,500**	**58,655**	**78,967**	**137,622**	**50,300**	**47,871**
Projects	*18,071*	*19,431*	*19,893*	*34,817*	**54,710**	*23,800*	*21,106*
Collaborative Landscape Component (CLP)	*7,000*	*16,480*	*15,991*	*39,609*	**55,600**	*TBD*	*6,300*
Sportsmen/Recreational Access	*0*	*2,500*	*2,500*	*0*	**2,500**	*1,000*	*2,000*
All Other LA	22,464	30,089	20,271	4,541	24,812	25,500	18,465
Land Protection Planning	*0*	*465*	*465*	*1,541*	2,006	*0*	*465*
Acquisition Management	*12,613*	*12,773*	*12,955*	*3,000*	15,955	*10,000*	*12,000*
Inholdings/Emergencies/Hardships	*5,351*	*5,351*	*5,351*	*0*	5,351	*4,500*	*5,000*
Exchanges	*1,500*	*1,500*	*1,500*	*0*	1,500	*1,000*	*1,000*
Highlands Conservation Act	*3,000*	*10,000*	*0*	*0*	0	*10,000*	*0*
National Park Service	**50,843**	**63,670**	**68,242**	**66,215**	**134,457**	**48,752**	**58,417**
Projects	*10,250*	*17,746*	*26,564*	*22,587*	49,151	*22,500*	*23,017*
Collaborative Landscape Planning (CLP)	*13,225*	*15,389*	*10,750*	*28,628*	39,378	*TBD*	*6,400*
Recreational Access	*0*	*2,000*	*2,000*	*0*	2,000	*1,000*	*2,000*
All Other LA	27,368	28,535	28,928	15,000	43,928	25,252	27,000
Acquisition Management	*9,526*	*9,679*	10,000	3,000	13,000	*8,752*	*9,000*
Emergencies/Hardships/Relocations	*3,928*	*3,928*	*3,928*	*1,000*	4,928	*2,500*	*3,000*
Inholdings/Donations/Exchanges	*4,928*	*4,928*	*5,000*	*1,000*	6,000	*4,000*	*5,000*
American Battlefield Protection Program	8,986	10,000	10,000	10,000	20,000	*10,000*	*10,000*
OS Office of Valuation Services	**12,000**	**12,618**	**12,643**	**5,000**	**17,643**	**10,000**	**12,000**
Subtotal, DOI Land Acquisition	**130,124**	**183,418**	**183,499**	**195,000**	**378,499**	**128,452**	**151,704**
Department of Agriculture							
Forest Service	**47,500**	**63,435**	**65,653**	**62,347**	**128,000**	**27,280**	**54,738**
Projects	*23,285*	*22,020*	27,975	42,797	70,772	*13,330*	*19,110*
Collaborative Landscape Planning (CLP)	*12,715*	*22,665*	21,728	13,550	35,278	*TBD*	*19,415*
Sportsmen/Recreational Access	*2,000*	*8,000*	4,700	4,000	8,700	*4,700*	*5,000*
All Other	9,500	10,750	11,250	2,000	13,250	9,250	11,213
Acquisition Management	*7,500*	*8,500*	8,500	0	8,500	*7,000*	*7,200*
Cash Equalization	*500*	*250*	750	0	750	*250*	*700*
Critical Inholdings/Wilderness	*1,500*	*2,000*	2,000	2,000	4,000	*2,000*	*3,313*
Subtotals for Land Acquisition	**177,624**	**246,853**	**249,152**	**257,347**	**506,499**	**155,732**	**206,442**
Collaborative Landscape Planning	*42,166*	*74,476*	67,631	110,364	**177,995**	*TBD*	*46,115*
Sportsmen/Recreational Access	*4,000*	*20,500*	17,200	4,000	**21,200**	*12,700*	*17,000*
Other Conservation Grants							
Department of the Interior							
Cooperative Endangered Species Conservation Grants (FWS)*	[50,095]	[53,495]	**53,495**	**55,000**	**108,495**	**[55,590]**	**[53,495]**
Species Recovery and HCP Land Acquisition	**27,400**	**30,800**	*30,800*	*55,000*	*85,800*	*30,800*	*30,800*
LWCF State Grants (NPS)	**48,117**	**110,000**	**110,006**	**45,000**	**155,006**	**80,000**	**110,006**
Formula Grants to States	*42,000*	*94,839*	*94,000*	*37,700*	131,700	*71,839*	*94,000*
Stateside Administration	*3,117*	*3,161*	*4,006*		4,006	*3,161*	*4,006*
Competitive Grants to States	*3,000*	*12,000*	*12,000*	*7,300*	19,300	*5,000*	*12,000*
Urban Parks and Recreation Fund (NPS)	**0**	**0**	**0**	**30,000**	**30,000**	**0**	**0**
Subtotal, DOI Conservation Grants	**75,517**	**140,800**	**163,501**	**130,000**	**293,501**	**110,800**	**140,806**
Department of Agriculture							
U.S. Forest Service							
Forest Legacy	**53,000**	**62,347**	**62,347**	**37,653**	**100,000**	**55,000**	**52,752**
Total, DOI**	**205,641**	**324,218**	**347,000**	**325,000**	**672,000**	**239,252**	**292,510**
Subtotal, USDA	**100,500**	**125,782**	**128,000**	**100,000**	**228,000**	**82,280**	**107,490**
Total Land and Water Conservation Fund	**306,141**	**450,000**	**475,000**	**425,000**	**900,000**	**321,532**	**400,000**

Crosscutting Issue Paper: Native American Programs Across Interior

Summary:

The U.S. government as a whole carries out trust, treaty, and other obligations to tribes, with DOI, and Indian Affairs especially, playing important roles. Over 20 Federal departments and agencies collectively provide a full range of Federal programs to Native Americans similar to those provided to the general public. There are 567 Federally-recognized tribes with a DOI service population of over 2.0 million people.

The FY 2017 budget proposes $3.6 billion, an increase of $148.0 million over 2016, for programs that support the Native American programs in DOI. The Federal government-wide budget includes over $21.0 billion in programs in support of American Indians and Alaska Natives (AIAN). BIA and BIE provide the bulk of DOI funding for programs in Indian Country and other bureaus and offices throughout the DOI also play a large role. The House and Senate 2017 marks provide $3.5 billion for DOI Native American programs, with slightly different funding priorities.

DOI programs deliver community services, restore tribal homelands, fulfill commitments related to water and other resource rights, execute fiduciary trust responsibilities, support the stewardship of energy and other natural resources, create economic opportunity, expand access to education, and advance cultural heritage preservation. DOI also includes the Office of Insular Affairs and Office of Native Hawaiian Relations to address issues concerning other Native populations in the United States, U.S. Territories, and Freely Associated States.

Budget Information:

The FY 2017 budget proposes $21.0 billion, an increase of $1.4 billion over 2016, for programs that support the Native American programs government-wide. Within DOI, the request is $3.6 billion, an increase of $148.0 million. The FY 2017 budget proposed funding for Native American Issues across four main themes: Tribal Nation-Building, Sustainable Stewardship of Trust Resources, Creating Opportunities for Native Youth, and Supporting Indian Families and Protecting Indian Country.

NATIVE AMERICAN PROGRAMS
(dollars in thousands)

	2015	2016	2017		
	Enacted	**Enacted**	**Request**	**House**	**Senate**
Bureau of Indian Affairs	**1,716,466**	**1,805,508**	**1,883,028**	**1,838,791**	**1,847,163**
Operation of Indian Programs	1,618,705	1,415,557	1,483,356	1,444,249	1,452,180
Contract Support Costs		277,000	278,000	278,000	278,000
Construction	54,375	55,728	58,760	58,760	58,760
Settlements	35,655	49,475	55,155	49,025	49,475
Guaranteed Loan Program	7,731	7,748	7,757	8,757	8,748
Bureau of Indian Education	**885,032**	**990,612**	**1,050,687**	**1,031,143**	**1,007,416**
Operation of Indian Programs	810,531	852,367	912,430	892,886	874,159
Construction	74,501	138,245	138,257	138,257	133,257
Subtotal, Indian Affairs	**2,601,498**	**2,796,120**	**2,933,715**	**2,869,934**	**2,854,579**
Bureau of Land Management	16,930	16,930	16,930	16,930	16,930
Office of Surface Mining	4,978	4,897	5,250	5,250	5,250
Bureau of Reclamation	185,333	219,380	216,691	216,691	216,691
U.S. Geological Survey	3,812	3,811	5,522	3,811	3,811
Fish and Wildlife Service	11,163	11,163	13,079	11,163	11,413
National Park Service	13,537	14,953	18,955	16,953	14,953
Office of Natural Resources Revenue	35,000	39,000	40,000	40,000	40,000
Indian Arts and Crafts Board	1,279	1,279	1,397	1,350	1,287
Office of the Special Trustee for American Indians	139,029	139,029	140,379	139,029	139,029
Subtotal, Other DOI Bureau/Offices	**411,061**	**450,442**	**458,203**	**451,177**	**449,364**
Wildland Fire	**159,865**	**165,703**	**168,338**	**168,338**	**168,338**
Total, Department of the Interior	**3,172,424**	**3,412,265**	**3,560,256**	**3,489,449**	**3,472,281**

Background:

The Indian Self-Determination and Education Assistance Act of 1975 (Public Law 93-638) formalized the Federal Indian policy of self-determination and self-governance. Since then, the U.S. government has continued to affirm and strengthen its recognition of tribal sovereignty, to promote self-determination, and to support tribal nation-building and economic development.

The Federal Government provides a wide range of programs that support tribal education, social services, health, infrastructure, cultural heritage, and stewardship of land, water, and other natural resources. Funding for these programs is provided to over 20 different government agencies. In 2015, BIA initiated a website called Native One-Stop to help American Indians and Alaska Natives (AIAN) find information about Federal funds, expertise, and programs across the U.S. government of specific benefit to individual Indians and tribal communities.

Almost all of the DOI bureaus and offices have programs that serve Native Americans. Below is a short summary of programs by Bureau.

- Bureau of Indian Affairs: BIA is the face of the Federal government's legal and political relationship with Indian tribes and Alaska Natives. Within the government-to-government relationship, BIA provides services directly or through self-determination contracts and compacts or grants to tribes. BIA offers an extensive scope of programs that cover the entire range of Federal, State, and local government services. BIA manages trust lands representing 55 million surface acres and 57 million acres of subsurface minerals estates.

    - Programs include social services; natural resources management; economic development programs in some of the most isolated and economically depressed areas of the United States; law enforcement and detention services; administration of tribal courts; implementation of land and water claim settlements; housing improvement; disaster relief; and replacement, repair and maintenance of schools, roads, bridges, and high hazard dams.

    - Indian Affairs programs support Tribes ability to improve tribal governance, community infrastructure, education, job training, employment opportunities, and other components of long term, sustainable development that work to improve the quality of life for their members.

- Bureau of Indian Education: BIE administers 183 schools and dormitories educating approximately 42,000 elementary and secondary students in 23 States and 32 tribal colleges, universities, and post-secondary technical schools. Programs are administered either by BIE or Tribes through grant funding. BIE also provides funding for scholarship programs administered by Tribes.

- Bureau of Land Management: BLM manages Federal lands that contain Native American archeological sites as well as sacred sites and places of religious significance. BLM works with Tribes to preserve Native American cultural and religious uses and other traditional tribal activities and places of special meaning on the public lands. BLM also works with tribes to accommodate subsistence hunting and fishing on public lands near reservations, rock hounding, managed off-highway vehicle use, and livestock grazing. BLM funds environmentally responsible management of onshore energy resources operations (including permits to drill, inspections and enforcement, and unit and communitization agreements) on roughly 4,500 oil and gas leases on behalf of Tribes and individual Indian mineral owners. The BLM Coal Management program provides pre-lease evaluations of mineral tracts. The Non-Energy Solid Leasable Minerals program manages post-leasing and production activities for Indian Tribes and individual Indian mineral owners. BLM aquatic resources support public recreation and subsistence fisheries that sustain Native American cultural heritages and are critical for sustaining the Nation's native aquatic biodiversity and sport fishing heritages. The Alaska Conveyance Program transfers land title from the Federal Government to individual Alaska Natives, Alaska Native Corporations, and the State of Alaska pursuant to various enacted Federal laws.

- Office of Surface Mining Reclamation and Enforcement: OSMRE is the regulatory authority for coal mining operations that occur on Indian lands in the Western United States. The OSMRE issues mining permits and ensures the public and the environment are protected and mining operations are fully reclaimed. Currently, OSMRE is monitoring mining activities associated with ten mine properties located on the Navajo, Hopi, Crow, and Ute Mountain Ute reservations, in Arizona, New Mexico, Montana, and Colorado. Four of these properties involve active mining and reclamation operations, while the remaining six involve reclamation activities only.

- Bureau of Reclamation: Reclamation's Native American Program activities include such efforts as: irrigation projects; municipal, rural, and industrial water systems; dam construction; safety of dams; drought relief; emergency assistance; other planning and engineering studies; and activities facilitating the implementation of Indian water rights settlements.

- U.S. Geological Survey: USGS coordinated efforts with Tribes span a wide variety of activities across the Nation, including monitoring an extensive network of USGS streamflow gages and groundwater monitoring stations, development of models and decision making tools, and scientific research on how human factors can affect the water cycle, and water quantity and quality.

- Fish and Wildlife Service: FWS works with tribal resource agencies to manage fish and wildlife on 56 million acres of tribal trust lands and 44 million acres of Alaska Native lands. Fish and wildlife conservation on tribal lands is advanced through cooperative management with the Tribes, specifically by providing technical assistance, training, financial support, and equipment. The FWS Subsistence Management Program provides a direct benefit to rural subsistence users on more than 237 million acres of Federal lands encompassing 66 percent of Alaska's land area and 52 percent of Alaska's rivers and lakes. The Service is the lead Federal agency in administering this program for the Departments of the Interior and Agriculture. FWS also implements the Tribal Wildlife

Grant program to provide funds to federally-recognized tribal governments to develop and implement programs for the benefit of wildlife and their habitats, including species of Native American cultural or traditional importance and species that are not hunted or fished. Projects serve to strengthen tribal nations throughout the U.S. by providing critical resources to help them protect valued cultural and economic assets upon which many Tribes depend.

- National Park Service: The Historic Preservation Act authorizes NPS to administer grants for Tribal Historic Preservation Officers and Tribal Heritage to Indian Tribes, Alaska Natives, and Native Hawaiians for operating sustainable preservation programs to preserve and protect their cultural heritage, resources, and traditions. NPS also implements the Native American Graves Protection and Repatriation Act (NAGPRA) which provides a process for museums and Federal agencies to return certain Native American cultural items -- human remains, funerary objects, sacred objects, or objects of cultural patrimony -- to lineal descendants, and culturally affiliated Indian tribes and Native Hawaiian organizations. NPS units preserve for future generations Native American historical and cultural sites, including cliff dwellings, villages, kivas, shrines, and rock art, some of which are over 10,000 years old.

- Office of the Secretary:

  - Office of Natural Resources Revenue: ONRR provides revenue management services for mineral leases, including energy minerals, on American Indian lands and advocates for the interests of Indian Tribes and individual Indian mineral owners. One hundred percent of the revenues ONRR collects for mineral leases on Indian lands are transferred to the Office of the Special Trustee for American Indians for distribution to the appropriate Tribe or individual Indian mineral owner. Income from energy is one of the larger sources of revenue generated from trust lands, with royalty income of $826 million in 2015.

  - Other Programs: DOI is also home to entities such as the National Indian Gaming Commission and the Land Buy-Back Program for Tribal Nations which address American Indian and Alaska Native issues but are funded by means other than annual discretionary appropriations.

- Office of the Special Trustee for American Indians: The OST provides fiduciary guidance, management, and leadership for Tribal Trust and Individual Indian Money accounts and oversees and coordinates efforts to establish consistent policies, procedures, systems, and practices throughout the Department of the Interior for the Indian Trust Administration System. The OST has operational responsibility for financial trust fund management, including receipt, investment, disbursement, and reporting of Indian trust funds on behalf of individuals and Tribes, and real estate appraisals on Indian trust and restricted real property. The OST manages nearly $4.9 billion held in nearly 3,300 trust accounts for more than 250 Indian Tribes and over 400,000 open IIM accounts. In addition, OST provides litigation and document production support for lawsuits related to those accounts. The OST also has responsibility to conduct a historical accounting of

Tribal Trust accounts and IIM accounts. This work is accomplished by the Office of Historical Trust Accounting.

- Indian Arts and Crafts Board: IACB promotes the economic development of AIAN through the expansion of the Indian arts and crafts market. IACB provides promotional opportunities and information on the Indian Arts and Crafts Act to Native American artists, craftspeople, businesses, museums, and cultural centers. IACB also operates three regional museums, produces a directory of AIAN-owned and operated arts and crafts businesses, and oversees implementation of the Indian Arts and Crafts Act.

- Wildland Fire Management: The Wildland Fire program is responsible for preventing, preparing for, and fighting fires on public and tribal lands. The program provides funding both to BIA and directly to tribes for fire preparedness and fuels management. Funding for fire suppression on tribal lands is made available as the need arises. Fire preparedness funds are used for prevention and education programs, fire management planning, and readiness. Fire suppression includes initial and extended attacks on fires and post fire emergencies that present threats to life such as property damage associated with post-fire erosion, flash floods, and debris flows.

Crosscutting Issue Paper: Oceans, Great Lakes, and Coasts

Summary:

Interior has a range of responsibilities for coasts, oceans, and the Great Lakes including: science, management of lands and ocean areas, and public access. Interior manages coastal lands and waters, including the Outer Continental Shelf (OCS) to provide recreation, ensure responsible resource development, and protect habitat. The 1.7 billion acre OCS is a major source of realized and potential conventional and renewable energy. Interior manages about 3,800 active OCS oil and gas leases, accounting for about 16 percent of domestic oil production and four percent of domestic natural gas production. This production generates billions in revenue for the U.S. Treasury and State governments and supports about 492,000 jobs. The more than 35,000 miles of ocean and Great Lakes coastline managed by Interior, covering 35 States and territories.

Budget Information:

(dollars in thousands)

Bureau	2015 Actual	2016 Enacted	2017 Request	2017 House Mark	2017 Senate Mark
Bureau of Ocean Energy Management	169,770	170,857	175,138	169,306	169,560
Bureau of Safety and Environmental Enforcement /1	204,625	204,671	204,867	204,867	204,671
U.S. Geological Survey	96,380	96,354	103,137	97,454	95,505
Fish and Wildlife Service	236,690	240,490	247,176	239,653	242,173
National Park Service	93,504	93,544	93,558	93,558	93,558
Office of Natural Resource Revenue	60,816	62,760	64,565	63,244	60,875
Office of Insular Affairs	1,000	1,000	1,000	1,000	1,000
Natural Resource Damage Assessment and Restoration /2	45,639	54,000	54,000	54,000	54,000
Total, Department of the Interior	**908,424**	**923,676**	**943,441**	**923,082**	**921,342**

/1 The figures in this crosscut do not include the $20M carryover rescission approved by the House or the $25M carryover rescission proposed by the Senate in their FY 2017 bills. A rescission would impact the 2015 and 2016 numbers, but how the rescission would be allocated has not been decided at this time.

/2 Does not include Deepwater Horizon settlement funds.

Background:

Interior is one of the Nation's principal stewards for coastal and marine resources. Interior manages 88 marine and coastal National Parks, 180 marine and coastal National Wildlife Refuges, vast coastal public lands, and more than 1.7 billion acres of the OCS. Maintaining the health and sustainability of coastal and marine ecosystems relies on regional-level understanding of the effects of human and environmental actions. As one of the major Federal agencies implementing marine and coastal policy, Interior supports and addresses issues of promoting use, resource management and restoration, adapting to changing coastal and marine environments, assessing hazards to communities, infrastructure, and ecosystems, and coordinating with partners at national, regional, and local levels.

Promoting Sustainable, Responsible Use that Achieves Value for People – Interior engages with the ocean and coastal community at the local, regional, national, and international levels and supports state-led Regional Ocean Partnerships and Federal/State/Tribal partnerships (Regional Planning Bodies). Fish and Wildlife Service, National Park Service, Bureau of Ocean Energy and Management, the Office of Insular Affairs, and Bureau of Land Management have

programs that work closely with partners to fulfill extensive coastal and marine-based natural resource conservation planning and coordinate statutory responsibilities.
Collectively, BOEM and BSEE manage energy and mineral development on the OCS. BOEM promotes efficient, responsible development through leasing, assessing offshore resources, developing transparent plans for OCS offerings, and reviewing industry plans for leased resources. BOEM conducts environmental studies, National Environmental Policy Act analyses, and geologic and economic analyses to inform policies, decisions, and documents regarding conventional and renewable energy and marine minerals. BSEE is responsible for the oversight of operations for oil and gas on the OCS, conducts important oil spill research, and assures that industry is adopting an overall and comprehensive approach to environmental protection. Scientists at BOEM and USGS research the distribution of gas hydrates and conventional energy resources on the OCS and the BLM-led, multi-jurisdictional North Slope Science Initiative integrates inventory, monitoring, and research activities across the North Slope of Alaska and its adjacent seas.

USGS scientists study interactions of coastal and estuarine fisheries and other aquatic species to determine how changes affect species, and improve restoration and mitigation strategies for ecosystem resilience to disturbance. This includes changes to freshwater delivery from streams to nearshore habitats impacting economically important species such as herring and salmon. The USGS provides research to anticipate, quantify and respond to coastal change hazard impacts on communities and ecosystems. The FWS Sport Fish Restoration Program provides grants to States for fishery projects that enhance the Nation's sport-fish resources in both fresh and salt waters, and are the cornerstone of fisheries recreation and conservation efforts in the United States. The BLM manages coastal land, primarily in Alaska, California, and Oregon with extensive watersheds that flow to the ocean and spawning rivers for economically, recreationally, and culturally important fish, such as Pacific salmon.

Managing and Protecting Coastal and Marine Resources – Interior manages many protected landscapes renowned for their public investment and engagement, including coral reefs, kelp forests, rivers, estuaries, beaches, coastal wetlands, shipwrecks, and lighthouses. The National Park System includes 88 ocean, coastal, and Great Lakes parks attracting over 89 million visitors and generating $5 billion in visitor spending for local communities annually. The National Wildlife Refuge System includes 180 units in the ocean, coastal areas, and Great Lakes that protect a wide diversity of habitats. The BLM manages six protected coastal landscapes primarily on the West Coast. Interior bureaus without direct land management responsibility support these efforts as well:

- USGS research on changes in the coastal and marine environment supports forecasts of ecosystem vulnerability and the effects of shoreline change, erosion, coastal storms, and sea-level rise. Research on offshore settings and processes provides science-based tools to assess resource occurrence and vulnerability and the safety and environmental consequences of marine resource use.

- BOEM conveys rights to OCS sand and gravel resources used for coastal restoration and protection projects, bolstering regional economies and protecting infrastructure.

- BSEE encourages reuse of obsolete oil and gas structures as artificial reefs, generating benefits for local economies.

Interior provides support for restoring and protecting fish and wildlife habitat through a number of programs. The NPS collaborates with partners to restore coastal ecosystems and enhance their resilience to climate change. These efforts include restoration in the Everglades, restoration after dam removal on the Elwha River, and managing marine reserves in the Channel Islands, the Gulf of Mexico, and other areas. The FWS Coastal Program is a partnership-based, habitat conservation initiative on public and private lands providing grants that assist States in protecting and restoring coastal wetlands. The FWS Coastal Barrier Resources System Program conserves coastal habitats and saves millions in taxpayer dollars by reducing the intensity of development in hurricane-prone and biologically sensitive areas. The FWS Marine Mammal Program sustains efforts to survey and assess population status and trends for sea otters, Pacific walruses, polar bears, and West Indian manatees. The Office of Insular Affairs Coral Reef Initiative assists insular areas by providing technical assistance to meet priority needs and flexibility to respond to urgent, immediate needs in the insular areas. Through partnerships with other agencies and academia, NPS engages in long-term studies on marine mammals, sea turtles, coral reefs, fish, and other marine resources to better understand and manage species within and adjacent to parks.

Responding to changing coastal and marine environments – Coastal change threatens resources and communities across the nation. Changes to the marine environment alter how communities use and derive benefits from coastal resources:

- Aquatic invasive species harm native ecosystems and the commercial, agricultural, or recreational activities dependent on these ecosystems. The FWS Aquatic Invasive Species Program provides support for Federal ocean activities through its leadership of the Federal Interagency Aquatic Nuisance Species Task Force.

- Harmful algal blooms (red tides) caused by excess nutrients, and other environmental contaminants increasingly affect coastal ecosystems, threatening the safety of seafood, drinking water, and wildlife. The USGS measures, monitors, and characterizes the persisting risk of nutrient exposure, providing managers with a better understanding of how these inputs impact our coastal and marine ecosystems.

- Interior constructs tools to understand effects of storms and sea-level rise on coastal ecosystems helping coastal communities adapt to changing environmental conditions. The USGS collects high resolution hydrographic data along coastlines and performs a range of studies that document, assess, and model coastal change and vulnerability. After Hurricane Sandy, Interior invested almost $800 million to repair damaged parks and refuges, restore coastal wetlands and beaches, and improve waterways for fish passage and flood resilience. These ecosystem services investments make coasts more resilient, and improve the quality of natural resources, generating a direct economic benefit for the surrounding communities.

- Bureaus conduct vulnerability assessments of infrastructure, recreational, natural, and cultural resources to changes in sea and lake levels, storm inundation, and ocean acidification. As a result, they have formulated decision-making guidelines, tools, and adaptation actions to address coastal vulnerabilities.

- Effects of changing climate also threaten access to traditional food sources for native communities. These resources provide sustenance and are cornerstones of cultural and economic health for many federally recognized tribes, especially in Alaska where melting sea ice and glaciers and thawing permafrost damage critical infrastructure and traditional livelihoods. Some native coastal communities are relocating to higher ground after increasingly frequent extreme storm surges, flooding, and persistent sea level rise. Permafrost thawing along the coasts is a potent threat to villages, causing erosion, flooding, and destruction of infrastructure.

Restoring Injured Ocean and Coastal Natural Resources - Interior is actively involved in the restoration of natural resources damaged by oil spills and releases of hazardous substances along the Nation's coastal and Great Lakes environments. Among these is the work along the Gulf coast to address damage from the Deepwater Horizon oil spill. Bureaus and Offices, under the auspices of the Department's Natural Resource Damage Assessment and Restoration Program, cooperate with other Federal, State, and tribal partners to plan, implement, and monitor a variety of restoration actions to restore natural resources to their pre-spill or release condition. Restoration is funded through settlement funds received from the parties responsible for the spill or release. These science-based restoration efforts collaborate with other coastal related programs, such as the Gulf Coast Ecosystem Restoration Council, and the Great Lakes Restoration Initiative, and multiple non-governmental organizations (NGOs) to ensure restoration efforts are complementary and not duplicative.

Collaboration and Coordination Among Coastal-Related Programs – Interior formally established the Senior Ocean Policy Team in 2008 to facilitate collaboration across bureaus to ensure that Interior has a coordinated approach to implementing ocean policies and ocean-related matters of budgeting, leveraging internal resources, and developing plans to implement ocean policies. This includes strengthening partnerships, coordination with the National Ocean Council and its subordinate committees, and ensuring effective communication in order to strengthen the stewardship of ocean, Great Lakes, and coastal resources.

Interior sustains an effective leadership role within the ocean and coastal community at the State, regional, and national levels. One of the significant obstacles to effective management of the ocean, coasts, and the Great Lakes is the complex set of Federal, State, tribal, and local laws, authorities, mandates, and governance structures intended to manage their use and conservation. Interior works alongside partners through several interagency partnerships, including, but not limited to:

- The U.S. Coral Reef Task Force, which includes leaders of twelve Federal agencies, seven U.S. States, Territories, Commonwealths, and three Freely Associated States.

- The Extended Continental Shelf Project Task Force, which works to define the sovereign rights of the United States on and under the seabed.

- The Gulf Coast Ecosystem Restoration Council (a Federal entity comprised of six federal agencies and the five Gulf States), which administers $3.2 billion dollars from the RESTORE Act Trust Fund allocated for the restoration and protection of Gulf Coast natural resources, ecosystems, fisheries, habitats, beaches, wetlands, and economy.

- The Great Lakes Restoration Initiative Interagency Task Force, a partnership of eleven Federal agencies, focuses on the protection and restoration of the Great Lakes by preventing and controlling invasive species, reducing nutrient runoff that contributes to harmful/nuisance algal blooms, and restoring habitat to protect native species.

- The Federal Renewable Ocean Energy Working Group, a partnership of twelve federal agencies, facilitates partnerships and increases communication and collaboration on issues related to marine renewable energy development.

- The Interagency Working Group on Ocean Partnerships, which addresses the full range of ocean science, technology, and resource management priorities and includes oceans, coasts, and the Great Lakes.

Crosscutting Issue Paper: Sage Steppe/Rangeland Fire

Summary:

The Department is engaged in a multi-year and multi-bureau effort to conserve and restore the West's expansive sagebrush ecosystem. This effort primarily involves implementation of the BLM's Greater Sage-Grouse (GRSG) Plans and the Department's Integrated Rangeland Fire Management Strategy (IRFMS) developed in response to Secretarial Order 3336, Rangeland Fire Prevention, Management and Restoration. In these efforts, BLM is coordinating with the U.S. Fish and Wildlife Service (FWS), U.S. Geological Survey (USGS), U.S. Forest Service (USFS), Natural Resources Conservation Service (NRCS), numerous States, and other groups whose efforts on Forest Service lands, State lands, and private lands are critical to the conservation of sagebrush.

Protecting, conserving, and restoring the health of the sagebrush ecosystem and, in particular, priority GRSG habitat, while maintaining safe and efficient operations, is a critical wildland fire management priority for the Department.

Implementing the GRSG Plans and the IRFMS will maintain the availability and functionality of the sagebrush ecosystem for multiple uses and prevent the listing of the GRSG for protection under the Endangered Species Act (ESA).
The Department has successfully requested and received significant resources to implement the GRSG Conservation Strategy.

Budget Information:

$ in Thousands					
			2017		
ACCOUNTS	**2015 Enacted**	**2016 Enacted**	**Request**	**House**	**Senate**
GRSG Conservation					
BLM/MLR/Wildlife Mgt					
Implement GRSG Conserv Strategy	12,373	52,000	66,150	63,750	57,685
BLM/MLR/Resource Mgt Planning					
Monitoring Component of Strategy	2,627	8,000	8,000	8,000	8,000
BLM/MLR/Wildlife Mgt					
Implement Nat Seed Strategy	0	0	5,000	1,000	5,000
FWS/RM	3,000	3,250	4,000	3,250	3,250
USGS/SIR	3,511	3,511	6,511	3,511	3,511
Total, GRSG Conservation	21,511	66,761	89,661	79,511	77,446
Integrated Rangeland Fire Mgt					
WFM/Preparedness					
Rural Fire Readiness	0	0	2,800	2,800	2,800
USGS/SIR/Ecosystems/Environments					
Develop Better Fire Response Capal	542	542	1,042	542	542
Total, IRFMS	542	542	3,842	3,342	3,342

Overview:

The success of GRSG conservation requires a long-term commitment to high levels of funding. The annual funding needs depend on the pace of implementation and the scope of implementation actions needed to conserve the sagebrush ecosystem and ensure the survival and recovery of the GRSG without requiring the protections of the Endangered Species Act. Beginning to reduce the threat posed by the invasive plant/wildfire cycle is an immediate need and delay increases the risk and the difficulty of the task. Inadequate implementation is projected to result in continued habitat loss and higher costs in the future to recover an even larger area.

Background:

2010 Listing Decision
In March 2010, the FWS found a petition to list the GRSG had sufficient merit to weigh whether protection under the ESA was warranted. Higher priorities precluded the FWS from making a determination. The FWS identified the primary threat as the loss and fragmentation of sagebrush habitat, coupled with a lack of regulatory mechanisms to protect habitat across the bird's range. The BLM developed the National Greater Sage-Grouse Planning Strategy in response to the FWS 2010 petition determination and commitment to make a listing determination by the end of Fiscal Year 2015. The Strategy was developed in collaboration with the USFS, FWS, and the States within the range for the GRSG.

While the immediate impetus for the GRSG Planning Strategy was conservation of the GRSG and its habitat, the goals and benefits of the Strategy are broader. Restoring and conserving the sagebrush ecosystem of the interior West is essential to at least 350 other species dependent on the sagebrush ecosystem. The Strategy aids preservation of the local economies and communities that depend on ranching, outdoor recreation, tourism, oil and gas development, and other activities.

Resource Management Plans
Providing "regulatory certainty" involved a major undertaking to revise or amend 68 BLM resource management plans across 11 States to incorporate stipulations and other measures to ameliorate threats to GRSG and conserve and restore sagebrush habitat. The 68 BLM plans were revised through two Records of Decision (RODs). The USFS amended 30 of its resource management plans. The planning involved coordination between the BLM and the USFS, which manage about half of the remaining GRSG habitat; relevant State agencies, which make decisions affecting State and private lands and currently manage the GRSG; the NRCS, which provides technical assistance and financial support for conservation on private lands; and the FWS, which works with private landowners to protect sagebrush habitat through Cooperative Conservation Agreements, has provided input into the BLM and USFS planning effort, and supported conservation efforts across the range.

The plans were built upon the foundation of GRSG conservation initiated by a number of States, including Wyoming's core area strategy, Idaho's three-tiered conservation approach, and Oregon's "all lands, all threats" approach. In addition, the plans were developed in coordination with stakeholders and cooperators, including farmers and ranchers, energy developers, State fish and wildlife agencies, and many others. The plans are being implemented by the BLM and USFS in coordination with State and local partners through formal mechanisms, such as implementation agreements, as well as continued collaboration with the intergovernmental Sage Grouse Task Force, a chartered group of Federal and State government representatives, and local working groups. The plans contain three broad categories: minimizing new or additional surface disturbance; improving sagebrush habitat condition; and assessing and monitoring habitat conditions. The plans provide a layered management approach that offers the highest level of protection in the most valuable habitat, known as Priority Habitat Management Areas. Within priority habitat, the plans seek to limit or eliminate new surface disturbance, particularly in Sagebrush Focal Areas, identified by FWS as "stronghold" areas essential for the species' survival. The plans seek to minimize disturbance in General Habitat Management Areas, which are lands that require some special management to sustain GRSG populations, but are not considered as important as priority habitat. In 2020, the FWS will determine whether the cumulative conservation efforts being undertaken are working so that ESA protection is still not warranted.

S.O. 3336 – Rangeland Fire Prevention, Management, and Restoration
Secretarial Order 3336 complements the GRSG Plans by seeking to reduce the threat of wildfire to the sagebrush ecosystem. The Order emphasizes that rangeland fire management is a critical priority for protecting, conserving, and restoring the health of the sagebrush ecosystem and, in particular, GRSG habitat, while maintaining safe and efficient operations. The Order also emphasizes that the allocation of wildland fire management resources and assets before, during, and after wildland fire incidents will reflect this priority. The Order established a Rangeland Fire Task Force and directed it to develop a science-based strategy to reduce the threat of large-scale rangeland fire to the sagebrush ecosystem through effective rangeland management (including the appropriate use of livestock), fire prevention, fire suppression, and post-fire restoration efforts at a landscape scale. The resulting strategy, the Integrated Rangeland Fire Management Strategy (May, 2015), recommends investments and action items to achieve the goals of strengthening rangeland fire prevention, suppression, and post-fire rehabilitation and restoration.

The IRFMS does not prescribe specific funding levels for the goals or action items, and many do not necessarily require additional funding. In 2015 and 2016, DOI wildland fire bureaus (most notably BLM) supported the goals and action items to the extent possible within base funding, while also balancing other wildland fire management priorities.

2015 Listing Decision
On September 22, 2015, the FWS found proposing to add the GRSG to the list of Endangered Species Act protected species was not warranted at that time, based in part on the actions BLM committed to in the two GRSG Records of Decision and the IRFMS as well as the commitments in the new Forest Service plans, private land commitments, and regulatory approaches in State plans. In its 2015 finding, the FWS committed to review the status of the GRSG species in five years (by 2020). The 2020 review will assess whether the collective efforts to conserve GRSG are continuing to sufficiently remove threats to the species and its habitat.

2017 Budget for Sagebrush-Steppe Landscape Conservation and IRFMS priorities

BLM

Significant resources have been invested in this effort so far, particularly in BLM. In the FY 2013 and FY 2016 enacted budgets, Congress fully supported significant requested increases to implement GRSG conservation (increases of $15.0 million in FY 2013 and $45.0 million in FY 2016). Funding for implementation of the plans has been directed to protecting and restoring high-quality sagebrush habitat and riparian areas by treating invasive species and seeding to reestablish the native ecosystem, mitigating disturbance from authorized activities, and reducing disturbance and fragmentation within high priority GRSG habitat. BLM has also redirected existing fire preparedness and fuels funding within its base budget to increase its capability to respond quickly and stop fires while they are still small, create firebreaks, and complete vegetation treatments, in coordination with the habitat restoration discussed previously, to reduce fuels on the landscape.

Significant funding has also been targeted to monitor and assess conditions in GRSG habitat in partnership with the NRCS and other State, Federal and private partners. A portion of the funding has been used to coordinate with the Western Governors Association, the Association of Fish and Wildlife Agencies, and other State, Federal, and private partners. This has led to the formation of regional conservation teams to collaboratively set conservation and mitigation priorities to ensure expenditures are targeted to maximize results.

Monitoring, evaluation and adaptive management play major roles in the GRSG Plans. The plans call for coordinated monitoring and evaluation of population changes, habitat condition and mitigation efforts to assess the effectiveness of voluntary and required conservation actions. In response to this monitoring and evaluation, the plans may be adjusted based on a series of pre-determined benchmarks and actions developed with State wildlife agencies to ensure there is an immediate, corrective response when population or habitat thresholds identified in the plans are exceeded.

During FY 2016, BLM determined more acres needed to be restored per year to meet the plan habitat objectives and has been working to leverage existing resource and fire fuels funds. BLM and the Department have worked together to leverage other funding to support critical work such as conducting mineral withdrawals and wild horse gathers.

2017 President's Budget Request. The 2017 BLM budget request included an increase of $14.2 million for continued implementation of the GRSG Plans. The BLM request also included a $5.0 million increase to implement the National Seed Strategy (NSS). The NSS is a high priority action item in the IRFMS and supports and complements the GRSG Plans.

In the 2017 appropriations process, the House and Senate have only partially funded the requested increases for BLM. The House appropriations bill provides $11.8 million of the $14.2 million requested for the GRSG Plans and $1.0 million of the $5.0 million requested for the NSS, while the Senate fully funds the NSS request but only provides $5.7 million for the GRSG Plans.

The House does not fund two components of the requested increase: $1.2 million to support 12 additional permanent FTE and $1.2 million to support the implementation needs of the States along with additional support for training for field staff. The GRSG Plans encompass approximately 60 million acres, nearly 25 percent of BLM-managed public lands, and require the active engagement and coordination of hundreds of employees across a myriad of disciplines and numerous local work groups, State agencies, and other interested parties. The specific funding reductions recommended by the House will severely hinder BLM's efforts to implement the GRSG Plans in coordination with our partners. The BLM needs the requested additional personnel to support the increased implementation needs, including: outreach, geospatial capacity, data management, contracting and agreement support, and to implement the programs of work for habitat restoration. Without the additional, new FTEs, the current/existing staff will need to assist with and prioritize contract and agreement support and oversight, data management, and implementation management. As a result, planned habitat treatment work would be extended over a longer period. Alternatively, a portion of the approved funding could be used to hire additional contract, seasonal, or term positions to assist with the associated support needs.

By not providing the full requested increase for the National Seed Strategy, little progress would be made in developing additional restoration seed species, increasing the supply of appropriate seed, developing appropriate application techniques, and coordinating seed development and availability with other State and Federal agencies as well as the private sector. Implementation of the National Seed Strategy is an integral part of the interconnected actions of breaking the cheatgrass – fire cycle in the Great Basin, restoring areas burned by wildfires or otherwise disturbed, and enhancing the resistance and resiliency of native plant communities to provide the needed habitat components for wildlife species and watershed function across the West. Success in restoration of burned GRSG habitat will be a major factor in FWS's 2020 review of the status of the species.

The Senate's large reduction to the GRSG conservation request will slow the implementation of the GRSG Plans, not allowing the BLM to provide some of the core elements necessary to support the on-the-ground work at the needed pace or provide the additional staff support to effectively engage with local working groups, State agencies, and other interested parties. At this lower funding level, existing staff will need to assist with contract and agreement support and oversight, data management, and implementation management. As a result, new starts on habitat treatment work will be extended over a longer period using the available funding to complete previously started treatments and monitor those efforts for effectiveness.

FWS

The 2017 FWS budget request includes $4.0 million, $750,000 above the 2016 enacted level, to support conservation of GRSG and other sagebrush-dependent species and fully develop a long-term conservation vision for the sagebrush ecosystem. There continues to be an unmet demand for Candidate Conservation Agreements with Assurances (CCAA) within this landscape. There are a number of CCAAs in Wyoming, Colorado, Oregon, and Montana that are in development, and interest from other States continues. Participation of private landowners is essential to conserve large landscapes like the sagebrush ecosystem. The 2017 request supports FWS's ability to work closely with landowners considering enrollment in these programs across the ecosystem. Further, the FWS must continue to work with Federal and State partners to implement important on-the-ground conservation efforts, help set priorities for restoration efforts, and monitor results. The additional resources in this request will expand the range-wide coordination efforts, ensuring that individual efforts are coordinated, consistent, and sufficient to address the threats to the species. The 2017 House and Senate marks did not fund the requested increase. Without this funding, FWS will be challenged to work with its partners to ensure individual efforts are coordinated, consistent, and sufficient to address the threats to the species. Without additional staffing, FWS may miss a critical opportunity to engage private landowners in the voluntary conservation of the sagebrush ecosystem through the enrollment of large blocks of privately-owned habitat.

USGS

The 2017 USGS budget request related to sagebrush is $6.5 million, an increase of $3.0 million over 2016 enacted. The additional funding will expand research on the sagebrush ecosystem to support priority needs of land managers for addressing changing fire regimes, drought, and shifting climates; controlling the spread of invasive cheatgrass; designing conservation and management strategies for GRSG; and effectively restoring and adaptively managing the sagebrush ecosystem. The 2017 House and Senate marks did not fund the requested increases.

As a result, BLM, FWS, NPS, USFS, and State agencies will not have the science needed to improve efforts for reducing the threats of wildfires and to advance development of cost-effective techniques for restoring the sagebrush ecosystem. This lack of scientific information and tool development could reduce the success of land management efforts that were critical elements in FWS's 2015 decision that ESA protections for the GRSG were not needed.

Research on developing and testing techniques for controlling invasive cheatgrass will not be completed, thereby impacting the success of post-fire rehabilitation and restoration. Without improved cheatgrass controls, it will continue to be difficult for Federal and State managers to stop the spread of this very invasive grass, which not only threatens habitat important to GRSG, but also serves as a fuel catalyst for catastrophic wildfires in the West. Breaking the cheatgrass/wildfire cycle is critical to conserving GRSG habitat.

Targeted IRFMS funding for USGS and Wildland Fire Management

The 2017 DOI budget request also includes increases for the IRFMS. The House and Senate appropriations bills both support a $2.8 million increase in the Wildland Fire Management program to strengthen the capacity of rural fire departments and rural fire protection associations to respond to wildfires. The bills do not fund a $500,000 increase requested in the USGS budget to expand the capabilities of USGS to fully address the priority science needed to reduce the growing threat of rangeland fire and improve the effectiveness of actions to stabilize, rehabilitate, and restore ecosystems after wildfire. The absence of increased funding will slow the study of efforts to control flammable vegetation, development of climate-adapted revegetation strategies, creation of tools to support a new conservation and restoration strategy that will provide landscape prioritization for both wildland fire and land managers, and development of new monitoring techniques to assess the effectiveness of wildland fire management actions and post-fire rehabilitation efforts. The requested increase also allows USGS to develop a proactive rapid science response capacity for wildfires. Without the requested funding increase, USGS will not have the capacity to provide needed geospatial information, monitoring strategies, and other relevant scientific information to wildfire response organizations for real-time response to a wildfire.

Crosscutting Issue Paper: DOI Science Overview

Summary:

Interior invests $1.0 billion on Research and Development. Key science investments include Landsat satellites, science centers focused on critical issues in every State and Territory, nation-wide monitoring networks and innovative science to inform decision-making. Interior's bureaus and programs focus on resource conservation, management, and responsible use of our Nation's natural and cultural resources, all of which require broad, interdisciplinary scientific understanding. Interior relies on the scientific capabilities of its bureaus, particularly the USGS, to provide that understanding and inform decision-making. Generally, the USGS focuses on larger, crosscutting research and monitoring, while also supporting bureaus on site-specific issues. The diverse range of this scientific expertise enables Interior to carry out small or large-scale, targeted or multi-disciplinary investigations and, critically, provide impartial scientific information to resource managers, planners, and decision-makers.

Budget Information:

Research and Development
(dollars in thousands)

	2015 Actual	2016 Enacted	2017 President's Budget	2017 House Mark	2017 Senate Mark
Bureau of Land Management	20,226	23,536	30,452	23,536	23,536
Bureau of Ocean Energy Management	74,051	72,826	73,293	71,941	72,035
Bureau of Safety and Environmental Enforcement	24,808	26,703	26,703	26,703	26,703
Office of Surface Mining Reclamation and Enforcement	-	-	5,023	-	-
Bureau of Reclamation	81,058	93,891	95,432	95,437	95,437
U.S. Geological Survey	665,845	676,914	736,323	687,531	674,211
Fish and Wildlife Service	32,476	32,476	38,622	35,325	33,028
National Park Service	26,992	26,992	28,702	27,002	27,002
Indian Affairs	9,500	9,500	10,957	9,500	9,500
Wildland Fire Management	5,990	5,990	5,990	5,990	5,990
Total, Department of the Interior	**940,946**	**968,828**	**1,051,497**	**982,965**	**967,442**

Background:

Interior is a critical player in the Federal R&D portfolio. Interior employs some of the Nation's premier scientists to provide information on the health of ecosystems, warning of risks from natural and manmade hazards, assessment of condition of resources and measurement of a changing environment.

Interior's science provides tools to analyze and understand the effects of management decisions across a spectrum of natural and cultural resources. Interior continues to incorporate tools such as geospatial technologies, remote sensing, resource assessment, predictive modeling, scenario development, forecasting, and simulation into resource management and ecosystem services that protect and support communities and natural resources. In addition, science improves land and resource management (such as energy development on public lands or restoration of degraded ecological conditions) and addresses challenges such as drought, climate change, and competing demands for resources. The tools built on science improve decisions, provide transparency, and maximize benefits for stakeholders.

Geospatial mapping and imagery tools facilitate planning and provide real-time feedback on management decisions. The Geospatial Platform provides applications for the public, government agencies, and partners to meet their needs. By centralizing critical inputs (e.g., habitat characteristics, mineral resources, energy potential, conservation priorities, cultural resources, water resources, surface elevation, and property ownership), the Platform and similar tools provide reliable information to effectively manage resources and enable analysis.

Interior's research improves *models and forecasts of climate and other environmental drivers* on ecosystems, natural resources, and communities. Satellite data from USGS (e.g., Landsat) provides information at a large geographic scale for policy decisions and at a refined scale to inform local management. It provides this information at a frequency that facilitates quick response to change and creates a historical record to detect slowly evolving trends. Adapting to change requires field data and modeling to develop and implement response strategies; Interior's models are continually improved by research and monitoring of carbon, nitrogen, and water cycles, and their effects on ecosystems.

Science improves the *resilience of communities to natural hazards and wildlife diseases*. For example, the USGS and its partners collect data from networks of streamgages, earthquake sensors, and observatories for volcanic eruptions and geomagnetic storms. It analyzes those data to assess areas that are at risk due to natural hazards, and conducts focused research to improve hazard prediction.

The risks to people, plants, and animals from *exposure to contaminants and emerging and invasive diseases* are a growing concern. Interior provides information needed to safeguard public health by identifying emerging environmental quality concerns and emerging threats from disease transmitted from animals to humans. Interior also provides critical knowledge that helps guide actions to manage, mitigate, and prevent adverse impacts on the environment, plant, wildlife, and human health.

Interior provides data to the public for various uses. The data, at both targeted and large geographic scales, includes three-dimensional models of aquifers and energy and mineral deposits, vegetation data and maps for wildland fire management, and precise estimates of water availability and use for meeting current and future human and habitat requirements. The data include geologic maps and research for developing and managing mineral, energy, and water resources, reducing losses from natural hazards, mitigating effects of erosion, and informing placement of critical infrastructure.

Departmental Science Coordination:

Interior has several science coordinating bodies, which engage leadership and staff from across Interior, and many of the members sit on more than one of these groups.

- **Bureau Science Advisors** meet regularly to discuss common science and emerging issues. They also have joint meetings with the budget community to identify crosscutting science priorities and projects that are ongoing or proposed for the new budget cycle, to optimize alignment with leadership priorities.

- **Scientific Integrity Officers** at each bureau and Interior's scientific integrity officer collaborate regularly in the review and adjudication of allegations of scientific misconduct or loss of scientific integrity.

- The **Strategic Sciences Group** provides the capacity to rapidly assemble teams of experts to develop interdisciplinary, science-based scenarios of environmental crises (e.g. oil spill, major hurricane) affecting Interior's resources. The Secretary can activate a crisis science team with members from inside and outside of government to respond to an environmental crisis, as was done during Hurricane Sandy. During non-crisis times, this group develops science-based assessments and interdisciplinary scenarios and methods, identifies hazard impacts and possible interventions to reduce impacts, and prepares to activate future crisis science teams.

- **Other Science Coordination Bodies**: Interior has several issue-based policy groups which address science as part of their efforts, such as the Senior Ocean Policy Team, the Task Force on Energy and Climate Change, the Climate Change Working Group, the Invasive Species Task Force, the Interior Arctic Coordinating Group, the DOI International Biodiversity Group, the Technology Transfer Working Group, and others.

Science-related Policies and Action Plans:

Interior is implementing a number of policies and action plans to guide and support the science enterprise, including:

- Climate Change Adaptation Policy (523 DM 1) (December 2012)
- Secretarial Order 3330 - Improving Mitigation Policies and Practices (October 2013)
- Department of the Interior Invasive Species Action Plan (January 2014)
- Department of the Interior Climate Change Adaptation Plan (June 2014)
- Technology Transfer Policy (761 DM 1) (May 2014)
- Secretarial Order 3336 - Strategy to Protect and Restore Sagebrush Lands (January 2015)
- Landscape-Scale Mitigation Policy (600 DM 6) (October 2015)

Bureau and Office Science:

Science coordination across the Department is critical to effective science application. Science advisors in bureaus and offices share information, evaluate emerging science needs, and ensure effective science application.

Bureau of Land Management focuses on maintaining and improving land health and productivity of resources. In recent years, this has largely focused on Sagebrush (Sage Grouse) conservation and habitat resilience, invasive species detection and response, improving geospatial data to correlate condition to land management activities and land use plan implementation, and controlling wild horse and burro populations.

Bureau of Ocean Energy Management science is critical to responsible development of offshore energy and mineral resources. BOEM's science identifies potential effects of offshore energy and mineral development, develops ways to prevent and mitigate those effects, and implements monitoring/measuring of effects for environmental and economic protection. BOEM's environmental studies include oceanography, atmospheric science, biology, social sciences, submerged cultural resources, and the environmental impacts of energy development. The findings from these studies are used to determine steps to mitigate and/or monitor the impact of energy and mineral resource development on the OCS and to support decision-making. Data are collected through BOEM's environmental programs largely by other Federal agencies, State and local governments, academic institutions, and industry.

Bureau of Safety and Environmental Enforcement conducts research into new technologies to respond to oil spills in the marine environment, and to assess how new operating environments (e.g. the Arctic) affect oil spill response operations. It is also funding cutting-edge research and evaluation of offshore safety technologies, providing support to agency decision-makers and influencing new regulations and standards. The BSEE provides independent, objective testing of oil spill response equipment and marine renewable energy systems.

Office of Surface Mining Reclamation and Enforcement science advances technologies to improve mined land reclamation effects on water quality, stability of post-mining features such as coal refuse structures, and comprehensive ecosystem restoration of mine sites. Its GeoMine project, a geospatial data sharing system for State and Federal agencies, supports decisions related to coal mining activities.

Bureau of Reclamation conducts research to address advanced water treatment and desalination (to increase water use efficiency and expand the supply of water), climate change, infrastructure sustainability, renewable energy, and invasive species. Reclamation science produces important tools for water managers, such as climate model projections of water supply.

U.S. Geological Survey is Interior's principal science agency, providing real-time and long-term monitoring and analysis to minimize losses from natural disasters, manage resources, and enhance quality of life.

- Water science supports flood and drought forecasting, managing water supplies, establishing water rights, and managing habitat. Principal customers include NOAA, other DOI bureaus, the U.S. Army Corps of Engineers, many State, tribal, and local agencies, private industry and academia. The USGS operates a vast streamgage network in cooperation with more than 850 Federal, State, tribal, regional, and local partners.

- Ecosystems and species science improves decisions that balance resource use and conservation, improves management of species and habitat, and protects the nation from wildlife diseases and invasive species.

- Natural hazards science information and tools are provided to emergency responders, policy makers, and the public to reduce losses from a wide range of natural hazards, including earthquakes, floods, hurricanes, landslides, magnetic storms, tsunamis, volcanic eruptions, and wildfires. As an example, seismic hazard maps assist in refining building codes and developing emergency response plans.

- Energy and minerals assessments are critical to understanding resources available in the United States, the feasibility and environmental impact of recovering those resources, and methods for better leveraging underutilized sources.

- Environmental Health provides science to enhance knowledge of toxicologic and infectious disease agents in the environment, including their sources, transmission, and health risks posed to humans and other organisms.

- Mapping and geospatial data collection is the foundation for disaster response, mitigation, infrastructure siting, natural resource management, and many business applications of government and industry.

Fish and Wildlife Service focuses applied science capacities to answer questions about threats to fish, wildlife, plant and habitat resources and make better decisions for sustaining healthy, functional ecosystems that benefit human communities. Its core science capabilities include resources for combatting aquatic invasive species, improving health and survival of fish and other aquatic species, recovery of native species, and applying genetic information to management and conservation issues.

National Park Service conducts scientific studies to increase resiliency and inform preservation and conservation actions for vulnerable park resources, especially those at high elevations, at high latitudes, on arid lands, and in coastal areas, which are at greatest risk. As a key example, coastlines contain significant cultural resources marking the legacy of human history in a region and NPS archaeologists document these sites before coastal erosion destroys them. The NPS is also using science to combat invasive species and diseases, manage social and cultural elements of visitation, restore disturbed lands and support other mission-critical activities.

Bureau of Indian Affairs uses science to inform trust management decisions and support tribal self-determination in trust resource management. Scientific data, often collaboratively developed with the traditional knowledge of Tribes, is critical to protecting resources used for subsistence, economic sustainability, and to support Indian and Alaska Native communities as they meet their resource goals.

Office of Wildland Fire conducts research through the Joint Fire Science Program with the United States Forest Service, which is integral to wildland fire management. It evaluates fuel treatment effectiveness (including treatment economics and landscape scale effectiveness), synthesizes and improves smoke emissions inventory, modeling, and impact analyses, supports science delivery through the Fire Science Exchange Network, and conducts research of human factors in fire-adapted communities.

Crosscutting Issue Paper: Water Sustainability

Summary:

The Department of the Interior plays a significant role in water delivery to one in every five farmers in the West and to over 36 million people; Interior must focus on innovative approaches to water conservation to meet current water needs and anticipate future challenges. Drought is estimated to cost the Nation billions of dollars and impact thousands of jobs. With reservoir levels at historic lows and continued depletion of aquifers, improved water management, water conservation, mapping, and analysis of drainage basins and surface water systems, and water recycling are critical to address the imbalance between the demand for water and the available supply.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Bureau of Reclamation	**64,557**	**58,054**	**61,494**	**65,379**	**61,494**
Water SMART Grants	23,500	20,000	23,365	24,000	23,365
Title XVI Programs	26,000	23,365	21,500	24,000	21,500
Cooperative Watershed Management	250	250	1,750	2,500	1,750
Drought Response	5,000	2,500	4,000	4,000	4,000
Water Conservation Field Services	4,457	4,239	4,179	4,179	4,179
Basin Study Program	3,850	5,200	5,200	5,200	5,200
Resilient Infrastructure	1,500	2,500	1,500	1,500	1,500
U.S. Geological Survey	**16,480**	**18,709**	**37,064**	**20,209**	**17,459**
Total, Water Sustainability	**81,037**	**76,763**	**98,558**	**85,588**	**78,953**

Background:

Sustainable, secure water supplies are the foundation of healthy communities and economies, requiring healthy watersheds. This is particularly challenging with climate change, record drought conditions, and increasing demand taxing those watersheds. Recognizing the States' primary role in managing water resources, Interior partners with States, Tribes, local water users, and other Federal agencies and stakeholders to leverage funding to increase the reliability of water supplies through programs that provide better tools for water management, promote water conservation and efficiency, and maintain and improve infrastructure. In addition, the USGS collects and distributes geospatial data on drainage network features such as rivers, streams, canals, lakes, ponds, coastline, and dams. The USGS and others use this data and other information from sources such as streamgages, to produce maps, models, and mitigation plans.

These tools provide knowledge of the relationships of actions and outcomes, such as how poor water quality upstream affects downstream aquatic species or how a toxic release would affect a nearby waterbody.

Interior launched the WaterSMART (Sustain and Manage America's Resources for Tomorrow) initiative in 2010 by Secretarial Order 3297 to implement the SECURE Water Act (P.L. 111-11). The objective of this initiative is to address current and future water shortages; degraded water quality; increased demands for water from growing populations and energy needs; amplified recognition of environmental water requirements; and the potential for decreased water supply availability due to drought and climate change. WaterSMART enables the USGS and Reclamation to address these water resource challenges through focused and leveraged investments and implementation of a National Water Census. The programs included in WaterSMART are collaborative in nature, work across jurisdictional boundaries, and most activities include cost-share contributions from non-Federal partners.

Support collaborative conservation-related programs to address the need for adequate and safe water supplies.
WaterSMART includes grants for water and energy efficiency improvement projects; Title XVI funding for water reclamation and reuse projects that provide flexibility during water shortages by diversifying water supply; establishment and expansion of collaborative watershed groups and implementation of cooperative watershed projects; a comprehensive approach to drought planning and implementation actions that address water shortages; Basin-wide efforts to identify adaptation and mitigation strategies to address potential water supply and demand imbalances on water supplies; a program to identify resilient infrastructure investments that take into account potential effects of climate change while continuing to support healthy watersheds; and smaller-scale Water Conservation Field Services Program projects which are conducted through Reclamation. WaterSMART also includes grants to States to support a National Groundwater Monitoring Network. WaterSMART Grants and Title XVI, along with other programs, contribute to the Department's Priority Goal for Water Conservation of 1,040,000 acre-feet of water savings cumulatively since 2009. Through 2015, Reclamation has reported in excess of 977,000 acre-feet of water savings.

Providing Science to Assist Water Managers.
The SECURE Water Act charges the USGS to provide science to help water managers understand and address competing demands for water. The primary focus of this includes developing a National Water Census, which will allow resource managers to gain a better understanding of water budgets in their area of concern that, in turn, will support sustainable and environmentally sound water management. Leveraging expertise across USGS mission areas enables a broader focus to address these issues in a time of growing competition for water resources.

Coordination between the USGS and Reclamation has been ongoing on from the very beginning of WaterSMART. For example, the USGS worked with Reclamation to draft the WaterSMART Secretarial Order in February 2010. The USGS and Reclamation are currently co-leading one of three uses cases with the USGS to visualize historic and projected future water interactions in the Lower Colorado River Basin for the Open Water Data Initiative. Finally, the USGS is working very closely with Reclamation on preparations for new assessments in the Rio Grande and Red River basins (2016-2018).

The USGS provides water resource, ecosystem, and land use managers the decision-support tools to make informed decisions. This improves the data and understanding associated with groundwater, surface water, human water use, and the ways in which these and other water budget components influence water availability, and to develop tools that will allow managers to apply the new understanding and data.

Crosscutting Issue Paper: Engaging the Next Generation

Summary:

The Department of the Interior takes a strong, proactive role in introducing, involving, and encouraging young people as stewards of culture, history, land, water, and wildlife. The Department goal is to build the next generation of conservationists, natural resource managers and scientists by supporting efforts to get young people to play, learn, serve, and work outdoors.

Budget Information:

$ in Thousands

ACCOUNTS	2015 Enacted	2016 Enacted	2017 Request	2017 House	2017 Senate
Bureau of Land Management	1,000	1,000	1,000	1,000	1,000
Office of Suface Mining Reclamation and Enforcement	-	-	1,000	-	-
Bureau of Reclamation	3,500	3,500	3,500	3,500	3,500
U.S Geological Survey	23,715	23,715	26,278	23,715	23,715
Fish and Wildlife Service	10,993	13,493	19,143	13,493	13,493
National Park Service	17,648	18,170	38,187	18,170	18,170
Bureau of Indian Affairs	4,950	4,950	13,510	12,265	5,455
Total	61,806	64,828	102,618	72,143	65,333

Background:

In 2017, the budget proposes to fund $102.6 million for youth programs in the Bureau of Land Management, Office of Surface Mining and Reclamation and Enforcement, Bureau of Reclamation, U.S. Geological Survey, and Bureau of Indian Affairs-a collective $37.8 million increase over the 2016 enacted funding levels.

Partnerships are an important component of Interior's Youth Engagement strategy. Organizations including American Eagle Outfitters, Camelbak, The Campion Foundation, Youth Outdoor Legacy Fund, Coca-Cola, and The North Face joined the Department's youth initiative. Interior also teamed up with the National League of Cities and the YMCA in an effort to coordinate and create meaningful connections to nature. Under the agreement, Interior will encourage relationships to enrich NLC and YMCA programs on lands managed by its bureaus, including the National Park Service, U.S. Fish & Wildlife Service, and the Bureau of Land Management.

The Department's Youth agenda has been driven by the Priority Goal to engage and employ youth. The Goal states that by September 30, 2017, the Department of the Interior will:

- Involve 10 million children in the outdoor recreation programs.
- Engage 10 million youth in environmental education programs.
- Support one million volunteers annually in service projects on public lands.

- Provide 100,000 work and training opportunities for young adults on public lands between 2013-2017.

U.S. Geological Survey
The 2017 request includes a $2.6 million increase within USGS for investments in the Youth and Education in Science program and outreach to underserved communities. The USGS has a longstanding commitment to the development and mentoring of young people in the Earth and Biological sciences through grant programs with universities, internships, educational outreach to teachers and students, partnerships with local governments to engage underserved youth, and postdoctoral programs. The USGS also conducts the Native Youth in Science summer camp, which demonstrates to Native youth how science topics learned in school relate to tribal culture and the environmental health of local lands. These developmental efforts are investments in the USGS workforce of the future and provide opportunities to introduce young people to their Earth and the field of biological science. USGS also sponsors undergraduate and graduate education programs-such as the Doris Duke Conservation Scholars Program-that focus on minority student recruitment and career training in natural resources to increase the number of undergraduate students from groups underrepresented in the workforce who choose to pursue studies and a career in conservation. The 2017 House and Senate marks did not fund the requested increase.

Fish and Wildlife Service
Through the Urban Wildlife Conservation Program, the FWS is inviting city dwellers to enjoy the outdoors by creating opportunities for urban communities. An additional $5.7 million is requested in the 2017 budget to extend successful partnerships in San Diego, California, and Providence, Rhode Island, to refuges across the country. The FWS will use this increase to create additional urban community partnerships to engage urban youth in nature-related activities and programs. Additionally, FWS is partnering with communities under its Urban Wildlife Refuge Partnership Initiative to establish eight pilot partnerships nationwide. In the Seattle metro area, FWS is going into classrooms to teach young people about the efforts to restore declining kokanee salmon runs in the Lake Sammamish Watershed. Field trips to hatcheries focus on how both fish and people depend upon a healthy watershed to flourish, attempting to bridge the disconnect between young people and the great outdoors. The 2017 House and Senate marks did not fund the requested increase.

National Park Service
The budget proposes an additional $20.0 million for NPS to develop meaningful connections between public lands and youth and their families by expanding opportunities to visit park sites, participate in programming developed specifically for youth, and access information via social media. Of this increase, $11.5 million will be used to introduce one million 4th grade students from elementary schools serving disadvantaged students in urban areas to nearby national parks. The remaining $8.5 million will ensure park units have messaging and programming tailored for young people and their families; especially at high visitation and urban parks. The 2017 House and Senate marks did not fund the requested increase.

Bureau of Indian Affairs
Within BIA, the budget includes an additional $2.0 million to support youth participation in Natural Resources Programs that focus on the protection, enhancement, and conservation of

natural resources through science, education and cultural learning. Programs aimed at tribal youth will open doors to future job opportunities, instilling respect for the resources and an appreciation of their importance to tribal culture and livelihood. The request supports new tribal youth projects and training programs throughout Indian Country and supplements the existing training programs within the Forestry, Water and Agriculture programs. Neither the House nor the Senate provided this requested increase in their respective FY 2017 marks.

The Bureau of Indian Education budget includes a $6.6 million increase for scholarships for post-secondary education with a focus on recipients seeking degrees in science, technology, engineering and mathematics fields. The availability of advanced education opportunities for tribal members is a high priority for Tribes. An educated and skilled tribal member workforce is seen by Tribes as a key element of economic development. This increase is part of the Administration's launch of Generation Indigenous, focused on removing the barriers to success for Native youth by taking a comprehensive, culturally-appropriate approach to help improve the lives and opportunities for Native youth. This government-wide initiative builds on work the Department and other agencies have begun, to working with Tribes to implement education reforms and address other issues facing Native youth.

The House provided $7.3 million of the total $8.6 million requested increase. The Senate only funded an increase of $4,505,000.

ISSUE: ARCTIC

I. KEY POINTS

The Department of the Interior (DOI) is an Arctic agency, managing 62% of all lands in the US Arctic. The region is vast and represents over 20% of the land DOI manages nationwide. DOI plays a lead role in both domestic and international issues related to managing resources in the Arctic. DOI was deeply involved in updating the US National Strategy for the Arctic Region (NSAR), and plays an important leadership role for the US in activities of the Arctic Council. DOI chairs the Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska and co-chairs the Community Resilience Working Group, established by the White House Arctic Executive Steering Committee to address threats to Alaska Native villages from coastal erosion and sea level rise.

The United States holds the two-year rotating chairmanship of the Arctic Council until May 2017. DOI leads the resilience and climate change adaptation priority of the Chairmanship on behalf of the State Department, and USGS is engaged in digital mapping efforts for the chairmanship. Multiple bureaus are engaged in Arctic Council activities that include search and rescue, oil spill response, science cooperation, environmental, and sustainable development issues. DOI bureaus are active in five of the Council's six working groups, and regularly participate in various temporary task forces. The Fish & Wildlife Service (FWS) is the US Head of Delegation to the Conservation of Arctic Fauna and Flora (CAFF) Working Group of the Arctic Council, and will become chair and lead agency for that Working Group from May 2017 until 2019.

Beyond the multilateral setting of the Arctic Council, DOI also maintains key bilateral relationships with Arctic nations, most notably with Canada on a range of issues including species conservation and support for indigenous communities, and with Norway relating to safe offshore energy development. DOI bureaus, most notably BOEM, USGS, BLM, and FWS, are engaged in or funding substantial research activities in the region, ranging from ecosystem research to land cover mapping. For this reason, DOI sits on the Interagency Arctic Research Policy Committee.

II. OPPORTUNITIES AND CHALLENGES

The Department's ongoing Arctic role presents a number of opportunities as well as challenges. The Energy Permitting working group has functioned extremely well, including the recent signing by the Alaska-based member agencies of a MOU on implementing Integrated Arctic Management, a region-wide approach to decision-making proposed by the working group in 2013. Continued follow-up to this approach could improve overall agency management. The United States will conclude its Chairmanship at the Arctic Council Ministerial meeting on May 11, 2017, in Fairbanks, Alaska. The Secretary of State typically represents the United States at Arctic Council Ministerial meetings, but Interior Secretaries have joined the U.S. delegation in the past, demonstrating DOI's role and commitment. As the U.S. concludes its Chairmanship, a number of Arctic Council deliverables will require clearance by U.S. agencies. This process could be streamlined with the official designation of high level Arctic points of contact from each DOI bureau.

DOI has led the development of an “Arctic Resilience Action Framework,” a regional framework that identifies shared Arctic priorities and encourages enhanced circumpolar cooperation on resilience and adaptation. It is expected that the framework will be endorsed by the Foreign Ministers at the May 2017 meeting. DOI also has made important strides in advancing international discussions about invasive alien species in this region of the world, and the associated economic, environmental and human-health costs. Continued work on this topic will be a priority for the upcoming CAFF chairmanship.

The loss of sea ice and melting permafrost has placed as many as 31 Alaska villages at significant risk from erosion and flooding (as identified by the Government Accountability Office and Army Corps of Engineers), with four villages of immediate concern. Current Federal programs are not designed to relocate entire communities in remote areas, and funding is lacking. There is a significant risk that one or more communities could be over-washed in a severe storm, with significant fatalities, in the near future. Due to the Department’s role as Federal Trustee for Tribes, DOI co-chairs (with HUD) the Community Resilience Working Group of the White House Arctic Executive Steering Committee. This working group is tasked with coordinating federal efforts to address this problem.

III. BACKGROUND

DOI manages over 98% of Federal land in the U.S. Arctic (as defined by the Arctic Research and Policy Act, the only statutory definition of the U.S. Arctic) through BLM, FWS and NPS. Through the Bureau of Indian Affairs, DOI provides a wide variety of services to the 229 federally recognized tribes in Alaska, approximately half of which are in the Arctic. DOI has sole authority to lease all oil, gas and minerals on the Outer Continental Shelf (through BOEM) and Federal lands on-shore (through BLM). Through BLM, FWS and NPS, DOI manages all subsistence hunting and fishing on Federal lands in the Arctic; and through FWS manages all migratory birds, most endangered species and three marine mammals (polar bears, walrus and sea otters) in Alaska.

The Arctic Council consists of the eight Arctic countries and six Arctic indigenous organizations, and addresses issues related to environmental protection and sustainable development. Several Interior bureaus participate in Arctic Council processes. Under the U.S. chairmanship a key priority has been climate change adaptation and resilience. DOI has been leading the implementation of this priority, including the development of the Arctic Resilience Action Framework.

IV. **PREPARED BY:** Joel Clement, Director, Office of Policy Analysis 208-3295
DATE: September 26, 2016

ISSUE: Arlington Memorial Bridge, Virginia

I. KEY POINTS

Arlington Memorial Bridge (AMB) is owned and maintained by the National Park Service (NPS). Without full rehabilitation, the Federal Highway Administration (FHWA) projects that AMB will not be safe to carry traffic by 2021. The NPS is developing a financial strategy and implementing a rehabilitation schedule beginning in 2018 to prevent closure. The total cost of rehabilitation is currently estimated to be $250 million if completed in a single phase, or $262 million if completed in two successive phases.

The NPS has received preliminary notice of approval from the U.S. Department of Transportation (USDOT) for a $90 million Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant in FY 2016. The grant requires a match of at least $33.2 million to be funded from sources other than USDOT funding. In addition to the required match, an estimated $127 million will be needed to complete the project.

II. OPPORTUNITIES AND CHALLENGES

While the District of Columbia was willing to sponsor the FASTLANE grant, neither Virginia nor the District is able to provide the required $33.2 million match. If no other sources of funding are identified, the last option available to NPS to address the required program match is NPS Line Item Construction (LIC) over-target funding in FY2018 and/or later (the LIC FY 2016 enacted level: $116.2 million; the FY 2017 request of $153.4 million did not include any funding for AMB).

The project should be ready to award as a design/build contract in summer 2017. Due to funds availability, NPS anticipates rehabilitating AMB in two phases:

- Phase 1 would rehabilitate the bridge deck (approximately 1,900 linear feet) at a total cost of $166 million. The time required to complete this phase (including design and construction) would be approximately 2.5 years. This project, combined with a temporary shoring system to brace the bascule span currently scheduled to be constructed in FY 2017, will keep the bridge open to traffic until 2028. The NPS currently plans to use the $90 million FASTLANE grant, $42.8 million of Federal Lands Transportation Program (FLTP) funds, and $33.2 million of FY 2018 LIC funding. If the States (VA, MD and/or DC) could contribute the $33.2 million, the project could go to award in 2017, but without their support the project will be required to wait until 2018 at the earliest for potential LIC funds.

- Phase 2 work would replace the approximately 200 foot long bascule (drawbridge) span. The current cost estimate is $96 million, scheduled to be awarded in FY 2019. The estimated construction time required to complete this phase is two years. Funding sources have yet to be identified.

The NPS has significant deferred maintenance needs across the country, and dedicating $33.2 million in FY 2018 LIC projects to fund a regionally significant commuter route for the national capital area will have substantial impacts to other deferred facility and cultural resource projects. The NPS plans to aggressively seek additional USDOT grant funding for Phase 2. Existing options include FASTLANE and Transportation Investment Generating Economic Recovery (TIGER) grants. Both require state sponsorship, though TIGER grants do not require a funding match. The Nationally Significant Federal Lands and Tribal Projects grant program was authorized by Congress, but to date, has not been funded and may not be a viable option.

III. BACKGROUND

The historic AMB spanning the Potomac River in Washington DC was constructed in 1932. The Bridge is under the management of George Washington Memorial Parkway. The bridge links the west end of the National Mall with the Arlington Cemetery at the footstep of our Nation's Capital and is on the National Register of Historic Places. The drawbridge was last opened on Feb. 28, 1961.The multiple arch bridge structure serves as an iconic national treasure and accommodates approximately 68,000 vehicles each day. The bridge also serves as a key evacuation route for the District of Columbia.

This bridge is in the worst condition of all high volume urban federally-owned bridges across the country. Of the 10,300 total federally-owned bridges, AMB is one of the highest traffic volume bridges, is currently one of the most costly to rehabilitate, and is one of the oldest bridges. National Environmental Policy Act and National Historic Preservation Act compliance for the total project is scheduled to be completed in November 2016.

In addition to the FASTLANE grant funding, the USDOT provides funding for NPS transportation improvements annually (a total of $276 million in FY 2017), under the FLTP. The FLTP funding is distributed to NPS regions to address transportation projects at national park units nationwide. The NPS has committed up to $50 million in FLTP funds towards the AMB rehabilitation, but any further redirection of FLTP funding will have a significant impact upon other NPS transportation projects across the Nation, resulting in additional costs and continued deterioration for those deferred projects.

IV. PREPARED BY: Aron Reif, Office of Acquisition and Property Management, Senior Transportation Analyst, (202) 513-0698
DATE: September 15, 2016

ISSUE: EDUCATION CONSTRUCTION

I. KEY POINTS

Education Construction is one aspect of the five-year plan of needs for Bureau of Indian Education (BIE) school facilities. The program includes school replacement, facility replacement, and Facilities Improvement and Repair. The BIE funds 179 school locations serving over 46,000 American Indian students nationwide. The school assets have a current replacement value of $ 4.2 billion with a deferred maintenance cost approaching half a billion dollars. Using the Facilities Condition Index (FCI) as a measure of condition, 35% of the school locations are in good condition, 27% are in fair condition, and 38% are in poor condition.

II. OPPORTUNITIES AND CHALLENGES

The Indian Affairs strategy is to assess all sites individually to identify actual needs to bring the school location to a good condition. Every school site receives a detailed facilities condition assessment once every three years. Based on validated site assessment findings, program execution involves entire campus replacement, or a combination of individual building replacements with major FI&R to bring remaining buildings to good condition. Unfunded but required improvement requests receive annual project level reviews to ensure sites outside of the inspection window receive sufficient funding to maintain existing building systems, address emergency maintenance, and to maintain facilities from further disrepair.

III. BACKGROUND

The goal of the Education Construction Program is to bring locations in poor and fair condition to good condition and maintain locations in good condition at that level. To accomplish this goal, Education Construction uses three major programs: 1) school replacement construction, 2) facility replacement construction, and 3) major Facilities Repair and Improvement (FI&R) construction. School replacement construction focuses on sites that require replacement of all or most buildings and require significant site utility upgrades and improvements. Facility replacement construction replaces individual buildings that are in poor condition on a site that can support the new building utilizing existing utilities or with only minor site utility improvements. Major FI&R is used to make major repairs exceeding $250K. Major FI&R typically renovates or replaces major building systems such as electrical, HVAC, water and/or sewage, roofs, etc. or makes major improvements to the classroom environment.

IV. PREPARED BY: Daniel A. Galvan, Division of Facilities Management and Construction, Division Chief, (505) 563-5140.

ISSUE: BOEM/BSEE BUDGET OUTLOOK AND DECLINE OF OFFSETTING COLLECTIONS

I. KEY POINTS

Offsetting collections (including rental receipts, cost recoveries, and inspection fees) from offshore oil and gas operations comprised 57 percent of total budget authority in FY 2016 for both the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE).

Significant budgetary shortfalls are projected to occur for BOEM during the coming decade due to declining rental receipts and for BSEE from declining rental receipts and inspection fees.

Although offsetting collections are set to decline, overall Outer Continental Shelf (OCS) activity and programmatic requirements remain high and increasingly complex. It is critically important for BOEM and BSEE to maintain current levels of funding to support expected levels of program activity and to achieve mission. With the current funding structure and forecasted market conditions, BOEM and BSEE will face compounding deficits that could undermine timely and science-based decisions regarding access to OCS resources and erode the important gains in safety and environmental protection that have been achieved in the last five years.

II. OPPORTUNITIES AND CHALLENGES

The latest economic assumptions project oil prices that are lower than previous economic assumptions and reflect an environment of overall declining prices. These declines have led to expectations that fewer OCS blocks will be leased (directly affecting rental revenues) and of reduced bonuses and royalty revenue. Near-term declines in rental revenue are inevitable, and at this point there is no expectation that they will return to current or prior levels in the near future, which will result in budgetary shortfalls over the next decade.

It is important to note that while rent-producing leases are declining, overall OCS activity remains high and increasingly complex. While activity in shallow water has decreased in recent years, deepwater activity has remained robust. Deepwater facilities in the Gulf of Mexico account for a greater share of total OCS production (as of January 2016, 80 percent of the total OCS production occurred in deepwater) and according to the U.S. Energy Information Administration, deepwater oil and natural gas production will continue to increase through the end of the decade. These facilities require additional travel time to reach, and the increased complexity of these facilities results in longer inspection times.

In addition to traditional oil and gas development on the OCS, renewable energy and marine minerals components of the OCS program continue to grow. Achieving mission critical activities will be difficult given the magnitude of the projected budgetary shortfalls.

III. BACKGROUND

The Outer Continental Shelf Lands Act (OCSLA) and its amendments mandate that annual inspections be performed on each permanent offshore structure and drilling rig that conducts drilling, completion, or workover operations. Consistent with this act, BSEE conducts thousands of inspections of OCS facilities and operations, including coverage of tens of thousands of safety and pollution prevention components each year to prevent offshore accidents and spills, and to ensure a safe working environment. Annual inspection fee collections have been decreasing since FY 2013. Factors contributing to BSEE's declining Inspection Fee collections include decreased oil prices, appropriations language constraints, and a shift in operations from less complex shallow water facilities toward more complex deepwater facilities.

Several factors contribute to the projected downward trend in rental receipts. First, fewer leases are being sold in the Gulf of Mexico as the area matures and world oil prices decline. The Gulf of Mexico as an oil and natural gas resource basin has been heavily leased and developed for over 50 years. While there are still abundant estimated undiscovered oil and gas resources, finding and developing them is becoming technologically and economically more challenging. For this reason, fewer tracts are expected to be leased. Second, a decline in the number of leases subject to rentals is expected to accelerate because, beginning in 2010, primary terms for leases in 800-1600 meters were shortened from ten years to a "7+3" year approach, wherein a lessee receives an extended initial period (an additional three years) if a well is drilled within the first seven years. BOEM anticipates approximately 90 percent of these leases will be returned after the primary seven year term, resulting in fewer deepwater rent-generating leases in FY 2017. Although many of those areas are likely to be re-leased, their re-acquisition may not keep pace with relinquishment. Third, the downturn is, in some respects, a result of the success of BOEM's leasing strategy. BOEM has modified its fiscal policies in the Gulf of Mexico five times since 2007 to encourage industry to lease and hold fewer non-producing leases, consistent with the Administration's policy on encouraging diligent development of leases.

IV. PREPARED BY:

Walter Cruickshank, Deputy Director, Bureau of Ocean Energy Management, 202-208-6300
Margaret Schneider, Deputy Director, Bureau of Safety and Environmental Enforcement, 202-208-3500

V. DATE: October 17, 2016

ISSUE: BORDER SECURITY

I. KEY POINTS

The Department of Homeland Security (DHS) currently deploys over 20,000 Border Patrol Agents along the Nation's borders and many of them conduct operational activities on or near Department of the Interior (DOI) managed lands, mostly on the Southwest border in Texas, New Mexico, Arizona, and California. In addition to patrol operations, DHS also uses and maintains border infrastructure (e.g., surveillance towers, roads, and forward operating bases) on DOI lands. Some construction activities are ongoing and require continued coordination to avoid or minimize unintended impacts on the environment. DOI regularly communicates and coordinates with DHS and U.S. Border Patrol (USBP) personnel to help reduce the impacts on DOI managed lands, trust resources, and visitors to National Parks, National Wildlife Refuges, and Bureau of Land Management lands. This coordination is essential to avoid, minimize, and mitigate to the extent possible impacts to the environment while DHS implements border security measures.

II. OPPORTUNITIES AND CHALLENGES

The Department's Interagency Borderlands Coordinator (IBC) position is instrumental to the successful, positive working relationship among DOI, DHS, and USBP. The Department must maintain this close coordination to ensure border security needs are addressed in a timely manner. At the same time, the Department and its bureaus must be diligent in protecting trust resources and assuring safety for employees and visitors.

Congress has maintained regular oversight of DOI's border security activities and some Members have introduced legislation in the past to try to exempt border security measures from environmental review. The Department takes the position that its collaborative relationship with DHS on environmental and border security activities ensures that the missions of both Departments are accomplished. Having the dedicated DOI border coordinator helps ensure this collaboration is ongoing.

Another border issue relates to land mobile radio and field communications which have been a long-standing concern for the Department. In 2007, the Office of Inspector General reported a number of concerns that posed a risk to the health and safety of DOI employees. As a result, DOI developed a coordinated approach with the Interagency Borderlands Coordinator serving as Chair of the Department-wide Radio Executive Steering Committee. A pilot project in Arizona is designed to consolidate and enhance infrastructure in the border region and enhance operation of dispatch centers. Personnel tracking devices are now in use to allow local dispatch centers to monitor the location and status of personnel in remote areas. There is an opportunity to expand the Arizona pilot to address program deficiencies across the entire border region.

III. BACKGROUND

In the mid-1990's, illegal activities began to increase, especially along the Southwest border. This increased activity peaked in the early to mid-2000's and resulted in a massive increase in the number of Border Patrol Agents, the construction of as much as 700 miles of vehicle and pedestrian fencing, construction of forward operating bases, and various types of mobile and stationary surveillance equipment. DHS used authority granted by Congress to waive environmental reviews for some of this work. DHS provided $17.8 million to the Department for use in mitigating impacts of these activities on endangered species. DOI used the funds to complete all projects mutually identified. Major border security construction projects have ended, and no additional funding is anticipated.

In 2006, DOI, the U.S. Forest Service, and DHS entered into a Memorandum of Understanding designed to facilitate communication and coordination, provide guidelines for DHS to access Department-managed and National Forest System lands, and to implement border security measures. The 2006 MOU has been instrumental in developing good working relationships among the signatories and has continued support among those parties.

Coordination is facilitated through Borderland Management Task Forces in each sector which meet regularly to maintain awareness of activities of all parties and to identify and resolve issues at the field level. DOI helped develop training and awareness campaigns implemented by the USBP. The Department continues to support the USBP Public Lands Liaison Agent program, with training and orientation locally and nationally for all USBP agents.

IV. **PREPARED BY:** Jon Andrew, Office of the Deputy Assistant Secretary, Public Safety, Resource Protection and Emergency Services, Interagency Borderlands Coordinator, (202) 208-7431.

ISSUE: BUREAU OF INDIAN EDUCATION BLUEPRINT FOR REFORM

I. KEY POINTS

The Blueprint for Reform for the Bureau of Indian Education (BIE) focuses on five main priority areas: Highly Effective Teachers and Principals, Agile Organizational Environment, Promote Educational Self-Determination for Tribal Nations, Comprehensive Supports through Partnerships, and Budget that Supports Capacity-Building Mission. There are numerous activities occurring under each priority area as implementation of the Blueprint continues.

II. OPPORTUNITIES AND CHALLENGES

Highly Effective Teachers and Principals: BIE is partnering with the National Board for Professional Teaching Standards (NBPTS). Research has shown that teachers who complete the rigorous professional development offered by the NBPTS and earn the National Board Certification (NBC) have greater impact on student learning and achievement than non-NBC teachers. By fall of 2016, BIE had 440 teachers who had completed one or more components of the training, and has identified an incentive approach to recruit hundreds more by offering bonuses to teachers complete one or all components for the NBC. In addition, the BIE is exploring the possibility of a multi-partner effort to support educators to develop culturally responsive and relevant instructional modules that can be shared across our schools.

BIE is also partnering with The New Teacher Project (TNTP) to help the BIE build capacity to attract, develop, and retain great educators. As noted in the BIE Educator Equity Plan (Plan) Transition Memo, the BIE will also begin implementation of its own Plan to attract, develop, and retain effective educators.

Agile Organizational Environment: Under Phase I of the reorganization, the BIE established three divisions - Tribally Controlled, Bureau Operated, and Navajo - to better serve its schools through more direct and focused technical assistance, trainings, and support. The school divisions run Education Resource Centers (ERCs) who are first line support providers to small groups of schools. In 2016, the three Associate Deputy Directors (ADDs) and their Instructional Leadership Teams (ILT) were hired. However, the BIE currently faces a high vacancy rate across the organization. Under Phase II of the reorganization, the BIE is establishing a fully operational School Operations Division. The Department proposed an additional $8 million in the FY2017 budget to complete the School Operations realignment. If Congress does not appropriate the additional $8 million requested for FY 2017, BIE will not be able to complete the reorganization according to BIE's current reorganization plan.

Promote Educational Self-Determination for Tribal Nations: Under the reorganization, the Office of Sovereignty in Indian Education was established in the Director's office to build the BIE's capacity to promote tribal self-determination in Indian education. This office oversees the Sovereignty in Indian Education and Tribal Education Department grants outlined in the BIE's transition memo, the Johnson O'Malley Program, and the Early Childhood Program. The positions in this office are currently being hired.

Comprehensive Supports through Partnerships: Going into the 2016 school year, BIE has established wide partnerships with national and regional stakeholder groups, reform-oriented education nonprofits and other agencies in the federal family. These include:

- The National Congress of American Indians
- The National Indian Education Association
- The New Teacher Project
- The Council of Chief State School Officers
- The National Board for Professional Teaching Standards
- The Vallas Group
- The Aspen Institute
- The Department of Education
- The White House Initiative on American Indian and Alaska Native Youth
- The White House Interagency Work Group for Pine Ridge Youth

The Council of Chief State School Officers (CCSSO) is the member organization representing the nation's state education agencies, and has served as a key partner during the BIE's reform. They are currently working with the BIE to build its capacity in a wide range of fields, especially performance management and data systems management. The BIE will continue to develop and utilize these partnerships, in particular emphasizing improved communication with and through organizations such as the National Congress of American Indians and the National Indian Education Association.

Budget that Supports Capacity Building Mission
In the 2016 and 2017 budgets, support for Indian education included significant investments in the BIE's reform. In the FY 2016 budget, the BIE received $100 million above the targeted amount, allowing the Bureau to fully fund tribal grant support costs, Tribal Education Department grants, and provide funding for planning and designing new schools. The FY 2017 budget request includes $1 billion to BIE, including $912 million for BIE elementary, secondary, and post-secondary schools, and $138 million to improve school infrastructure and facilities.

III. BACKGROUND

In 2013, the Secretary of the Interior Sally Jewell and Secretary of Education Arne Duncan convened an American Indian Education Study Group to diagnose the systemic challenges facing the Bureau of Indian Education and to propose a comprehensive plan for reform to ensure all students attending BIE-funded schools receive a world-class education. The Study Group drafted a framework for reform based on stakeholder input from tribal leaders, Indian educators, and others throughout Indian Country on how to facilitate tribal sovereignty in American Indian education and how to improve education outcomes for students at BIE-funded schools. The resulting Blueprint for Reform was released on June 13, 2014. Based on the Blueprint's recommendations, Secretary Jewell issued Secretarial Order 3334 redesigning the BIE. Following a "green light" from Congress, BIE began implementing the Blueprint in early 2016.

IV. **PREPARED BY:** Shoshana Silverstein, Office of the Assistant Secretary - Indian Affairs, Program Analyst/Truman-Albright Fellow, (202) 208-3274

ISSUE: California Water Issues

I. KEY POINTS

California Drought

California has now endured five years of severe drought, and the effects have been felt throughout the State, including the Central Valley where the Sacramento and San Joaquin rivers and their Delta are the source of much of the water that supports California's economy. The drought complicated long-term efforts to provide a more reliable water supply for communities, industry, farmers, and wildlife refuges, while at the same time protecting, restoring, and enhancing the Delta ecosystem. While precipitation improved in 2015-2016, reservoirs in Reclamation's Central Valley Project (CVP) have been severely drawn down during this period. Not only has the drought impacted water supplies, reductions in CVP water supply adversely affect the health of listed species and migratory birds overwintering in the Pacific Flyway, and interfere with meeting established national wildlife refuge purposes. DOI agencies have worked with partner state and Federal agencies to develop operational plans that are protective of species and habitats while minimizing impacts to water supplies to the extent possible.

CA WaterFix (previously known as Bay Delta Conservation Plan) - CA WaterFix is a proposal to improve the reliability of the water supply to the water users who depend on it while reducing the impacts of water exports on the California Bay-Delta ecosystem. It envisions new conveyance facilities to move water around the Delta. The new intakes would be operated with the existing south Delta pumping facilities as a "dual conveyance system," to provide operational flexibility to the system. Federal permitting of the project is a high priority of the state.

CVP re-initiation of consultation on Operations Criteria and Plan Biological Opinion (BiOp) - Delta smelt and winter run Chinook salmon are on the brink of extinction. In August 2016, Reclamation sent a letter to the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS) requesting re-initiation of consultation under Section 7 of the Endangered Species Act (ESA) on the Coordinated Long-Term Operation of the Central Valley Project and State Water Project. The results of this consultation will be a replacement of the current BiOps, tentatively targeting final BiOps in early 2018. During the reinitiated consultation period, the CVP and SWP will continue to operate pursuant to the requirements of the existing BiOps until new opinions are issued.

Delta Smelt Resiliency Strategy –The State released a Delta Smelt Resiliency Strategy in July to address immediate and near term needs of Delta Smelt, to promote their resiliency to drought conditions as well as future variations in habitat conditions. The State and Federal agencies are working together to implement the Strategy, and expect to include several of the actions in their water management planning for the 2017 water year. Successfully implementing the Strategy will be critical to minimizing risk of continued decline of the Delta Smelt population and to challenges to completing consultations on the California WaterFix and Coordinated LTO of the CVP and SWP.

II. OPPORTUNITIES AND CHALLENGES

Balancing competing demands for water while maintaining environmental protections for water quality, human health, and species and ecosystem conservation in the context of sustained drought and population growth will continue to challenge California's water infrastructure. At the same time, improved understanding of climate change, river basin demands, species needs and effective water conservation offer opportunities to improve operations and reduce communities' exposure to the effects of drought. Grant programs like WaterSMART, which require relatively small Federal investment, are leveraging millions in annual local cost-sharing that is resulting in hundreds of thousands of acre-feet of water being conserved or recycled in California every year.

While conservation and recycling alone will not erase the effects of several dry years, Reclamation is publishing several studies detailing options for longer term investments in additional water supply in California. In addition, the State passed new water management legislation and the State Water Resources Control Board is working toward new water quality control standards that, if collaboratively coordinated with Federal initiatives, could help improve water supply reliability and ecosystem sustainability.

III. BACKGROUND

The CVP is operated by Reclamation and is one of the world's largest water storage and transport systems. CVP reservoirs have a combined storage of 11 million acre-feet of water compared to the State Water Project's (SWP) 5.8 million acre-feet. The CVP and SWP's water supply capability depends in part on how much rain and snow from the Sierras makes it into the Delta. In recent years, water available for export has significantly declined due to severe drought conditions. Together the CVP and SWP provide drinking water to nearly 27 million consumers and irrigate 4 million acres of farmland and 19 different Federal, State, and privately managed wetlands (including national wildlife refuges). These wetlands represent just 5 percent of historic wetlands that occurred in the Central Valley. They are intensively managed, and together with flooded rice fields annually support 10-12 million overwintering waterfowl, water birds and other wetland-dependent wildlife.

Reclamation and Departmental officials at all levels continue to meet with groups to understand their concerns while reviewing laws, policies, and guidelines for any available operational flexibility to mitigate drought impacts. Reclamation has taken a number of actions to provide operational flexibility and to minimize the impacts to the ecosystems and to water users. For example, Reclamation has:

- Implemented arrangements allowing for transfers and exchanges of water supplies, while continuing to satisfy the needs of the senior water rights holders.
- Developed a Drought Contingency Plan that was submitted to the State Water Resources Control Board in January 2015 and again in January 2016 that provided a road map for how Reclamation and CA Department of Water Resources would operate the CVP and State Water Project (SWP).
- Monitored real-time conditions to determine adjustments to Delta pumping needed to protect the environment, while optimizing water supply.
- Met frequently with NMFS, USFWS, and water contractors to monitor conditions under the Sacramento River/Shasta Reservoir Temperature Management Plan.

IV. **PREPARED BY:** David Murillo, Bureau of Reclamation, Mid-Pacific Region Regional Director, 916-978-5000

V. **DATE:** September 16, 2016

ISSUE: COMPACT IMPACT AID

I. KEY POINTS

Through the Compacts of Free Association, thousands of citizens from the Freely Associated States (FAS), the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, have migrated to the United States. Large populations are now present in Hawaii and Guam causing significant impacts to the health and education sectors. This has become a source of tension for those areas. Because the Compacts are a federal agreement, Hawaii and Guam view the costs of providing services (between \$100-\$150 million annually for each jurisdiction) to FAS citizens as an unfunded mandate. Although the federal government provides some funding to offset costs, it does not come close to fully offsetting all costs. In addition, authorization for the federal offsets is set to expire in 2023, leaving very little funding going to the affected jurisdictions while costs will likely continue to escalate.

II. OPPORTUNITIES AND CHALLENGES

Available Aid. Each year, the Office of Insular Affairs (OIA) disperses \$30 million in compact impact aid to the affected jurisdictions. This is well below the combined total of more than \$300 million that is reported each year. Because increased appropriations close to reported costs is unlikely, one option is to focus on restoring the federal benefits that were taken away from FAS citizens through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This includes direct assistance through Medicaid, Temporary Assistance for Needy Families, the Supplemental Nutrition Assistance Program, and other means-tested public assistance programs.

Community Backlash. As costs related to FAS citizens increase, the communities of affected jurisdictions have shown signs of becoming unfriendly to FAS citizens. In Hawaii, there is a large homeless population attributed to the FAS along a popular stretch of waterfront on Oahu creating a public outcry. In Guam, Governor Calvo has issued a number of executive orders, citing “residual authority” to commute the prison sentence of a convict if that individual agrees to go back to the FAS and not return to Guam.

Coordination of Federal Programs. More coordination among federal agencies is needed in order to more efficiently utilize funds to help FAS citizens with job training and improved education, health and social services in affected jurisdictions. OIA has funded one-stop shops for Micronesians in Hawaii and Guam for FY 15 and FY 16. These are places where FAS citizens can get information on services and job training to facilitate their integration into the United States. These offices have also been helpful in making connections between social services agencies in the Hawaii and Guam governments to Micronesian communities and overall are making a positive impact where they serve. If it is determined that it would be beneficial to sustain these operations, a longer-term source of funding may be needed.

III. BACKGROUND

In 1986, the Compacts of Free Association were approved in Public Law 99-239 and Public Law 99-658. The Compacts allow FAS citizens to live and work in the United States as legal nonimmigrants for an indefinite time period without having to obtain a visa. The U.S. also has responsibility for the defense of the FAS, and the Compacts provide the U.S. with the crucial ability to deny other nations' military forces access to these countries. This is an important component of our defense strategy for the Pacific.

The Compacts' enabling legislation states that it is not Congress's intent to cause any adverse consequences for an affected jurisdiction, defined as "American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the State of Hawaii." The Compact of Free Association Amendments Act, Public Law 108-188, provides $30 million in mandatory funds annually through 2023 to defray costs associated with FAS citizens that migrate to the affected jurisdictions. For the last several years, Congress also provided approximately $3 million in discretionary funds to offset education impacts. As a result, in FY 15, Guam received about $18.5 million, Hawaii received about $12.3 million, and the CNMI received $2.1 million. However, these are well below the costs reported by each jurisdiction, particularly for Guam and Hawaii who report about $150 million in compact related costs each year.

Reported compact impact costs are largely in the health and education sectors. Reported health costs would be reduced if eligibility to all federal programs is restored for FAS citizens. To facilitate this conversation, the Interagency Group on Insular Areas has established a Task Force on Compact Impact Aid. The Task Force will be exploring long-term strategies to address the financial impact of the Compacts on the affected jurisdictions and other areas of the U.S. where FAS citizens move to. This is critical for mitigating some of the impacts of the Compacts and will help FAS integrate so that the communities they live in do not view them as burdens.

IV. PREPARED BY: Wendy Clerinx, Office of Insular Affairs, Advisor to the Assistant Secretary for Insular Areas, 208-3153

V.

DATE: October 4, 2016

VI. CONGRESSIONAL RELATIONS AND ISSUES

A. OVERVIEW OF CONGRESSIONAL COMMITTEES OF JURISDICTION – 114TH CONGRESS

House Committees

Natural Resources (HNR)

Energy and Mineral Resources
Bureau of Land Management
Bureau of Ocean Energy Management
Bureau of Safety and Environmental Enforcement
Office of Surface Mining
Office of Natural Resources Revenue
U.S. Geological Survey (except Water Mission Area)

Federal Lands
Bureau of Land Management
Fish and Wildlife Service (National Wildlife Refuge System)
National Park Service

Indian, Insular and Alaska Native Affairs
Bureau of Indian Affairs
Bureau of Indian Education
Bureau of Land Management
Office of Insular Affairs
Office of Special Trustee

Oversight and Investigations
Department of the Interior

Water, Power and Oceans
Bureau of Reclamation
Fish and Wildlife Service (ESA implementation)
U.S. Geological Survey (Water Mission Area only)

Oversight and Government Reform (HOGR)
Department of the Interior

Senate Committees

Energy and Natural Resources (SENR)
Office of Insular Affairs
U.S. Geological Survey

Energy
Bureau of Ocean Energy Management
Bureau of Safety and Environmental Enforcement
Office of Natural Resources Revenue

National Parks
National Park Service

Public Lands, Forests, and Mining
Bureau of Land Management

Water and Power
Bureau of Reclamation

Environment and Public Works (EPW)

Fisheries, Water and Wildlife
Fish and Wildlife Service

Homeland Security and Governmental Affairs (HSGAC)
Department of the Interior

Indian Affairs (SCIA)

Bureau of Indian Affairs
Bureau of Indian Education
Bureau of Land Management
Office of Special Trustee

B. KEY ISSUES OF EACH COMMITTEE OF JURISDICTION—114TH CONGRESS

House Committee on Natural Resources (HNR)

1. **Full Committee**

Chairman: Rob Bishop (UT-1)
Ranking Member: Raul Grijalva (AZ-3)
Staff Director Majority: Jason Knox
Staff Director Minority: David Watkins

Key Issues:

- Oversight of the Department's yearly budget requests
- Utah Public Lands Initiative (BLM, NPS, BIA) –
  Significant interest by Chairman Bishop in his bill that provides direction for future management and use of Federal lands in eastern Utah. The Department supported goals but had significant concerns with many provisions at a September 2016 hearing.
- Endangered Species Act issues (FWS) –
  The Committee has been critical of FWS revised rules that clarify how the FWS addresses tribal lands and DOD lands when designating critical habitat (April 2016 hearing) and of FWS's ESA litigation settlement actions.
- Gold King Mine (BOR, BIA, FWS, NPS, BLM, USGS) –
  The Committee conducted significant oversight, including document requests, on Reclamation's technical review and assessment of the abandoned hardrock mine's history and events leading to the accidental waste water spill into the Animus River.
- Land and Water Conservation Fund reauthorization (BLM, FWS, NPS) –
  The Fund has been reauthorized through 2018. The Committee has generally declined to support reauthorization of the LWCF Act without changes to provisions of the act that address federal and state land acquisition. The Administration supports permanent authorization and has requested full dedicated funding ($900m/annually) of the Fund.
- Antiquities Act (NPS, BLM, FWS) –
  The Committee has been critical of the Administration's use of the Antiquities Act to extend additional federal protections over natural and cultural resources by designating them as monuments, without an act of Congress.
- Offshore energy production (BOEM, BSEE) –
  The Committee has been critical of the Department's management of the offshore energy program and has reported several bills that would overturn the Department's decision and impose a more aggressive program. A new 5 year program for 2017-2022 is currently under development.
- Oversight of proposed onshore energy/resource regulations (BLM) –

The Committee has been critical of the Department's onshore regulatory agenda, including BLM regulations on hydraulic fracturing and venting and flaring, and has reported legislation that prohibits implementation of certain regulations and gives more control over management of public lands to states.

- Oversight of the Office of Surface Mining's Stream Protection Rule (OSMRE) –
  The Committee has been critical of the OSMRE's rule and the process for developing the rule, and has conducted significant oversight on this issue.
- Recreation fees/public access for recreation (BLM, FWS, NPS, BOR) –
  The Committee seeks changes to the Federal Lands Recreation Enhancement Act, which authorizes land managing agencies to collect fees for accessing certain federal lands. The short term authorization for the law expires September 30, 2018. The Administration supports reauthorization.
- NPS Centennial (NPS) –
  The Chairman introduced a bill that contains some of the Administration's proposals that would establish, clarify or expand key NPS authorities; the Administration's proposal is significantly broader.

2. <u>Subcommittee on Energy and Mineral Resources</u>

Chairman: Doug Lamborn (CO-5)
Ranking Member: Alan Lowenthal (CA-47)
Staff Director Majority: Kate MacGregor [Bill Cooper]
Staff Director Minority: Steve Feldgus

Issues of Interest:

- Methane venting, flaring in development on public lands (BLM)
- Hydraulic fracturing on public lands (BLM)
- Renewably energy development on public lands (BLM, FWS)
- Development of Arctic resources
- Offshore energy 5 Year Program (BOEM)
- Oil/gas geographical and geophysical survey permitting (BOEM)
- Self-bonding by coal companies (OSMRE)
- Well Control Rule (BSEE)
- Study/development of critical minerals (USGS)
- Induced seismicity from mineral development activities (USGS)

3. <u>Subcommittee on Federal Lands</u>

Chairman: Tom McClintock (CA-4)
Ranking Member: Niki Tsongas (MA-3)
Staff Director Majority: Erica Rhoad
Staff Director Minority: Brandon Bragato

Issues of Interest:

- Consolidation of State and Federal lands (BLM, FWS, NPS)
- Utah Public Lands Initiative (BLM, BIA, NPS)
- 21st Century Conservation Corps (BLM, FWS, NPS)
- Management of wild horses and burros (BLM)
- Federal/local land management cooperation (BLM)
- NPS Centennial (NPS)
- Sportsmen's access to federal lands (BLM, FWS, NPS)

4. **<u>Subcommittee on Indian, Insular and Alaska Native Affairs</u>**

Chairman: Don Young (AK)
Ranking Member: Raul Ruiz (CA-36)
Staff Director Majority: Chris Fluhr
Staff Director Minority: Chris Kaumo

Issues of Interest:

- Economic development/energy development on tribal land (BIA, BLM)
- Land entitlements for Alaska Natives and Alaska Native Veterans (BIA, BLM)
- Tribal recognition administrative decisions (BIA)
- Land into trust determinations by the Department (BIA)
- Management of Alaska subsistence program (BIA)
- Trust land acquisition standards (BIA)

5. **<u>Subcommittee on Oversight and Investigations</u>**

Chairman: Louie Gohmert (TX-1)
Ranking Member: Debbie Dingell (MI-12)
Staff Director Majority: Rob Gordon [Casey Hammond]
Staff Director Minority: Vic Edgerton

Issues of Interest:

- Oversight of DOI ethics issues (FWS, NPS, USGS, BLM)
- Wolf management (FWS)
- Ivanpah solar project (BLM)
- BLM planning 2.0 draft rule (BLM)
- Department mitigation requirements – Executive Order (FWS)
- Border security and public land management (BLM, BIA, FWS, NPS)
- Oversight of Departmental efforts to update cross-bureau law enforcement records system
- Gold King Mine (BOR, FWS)

- Oversight of NPS cultural resource management/Effigy Mounds (NPS)

6. Subcommittee on Water, Power and Oceans

Chairman: John Fleming (LA-4)
Ranking Member: Jared Huffman (CA-2)
Staff Director Majority: Kiel Weaver
Staff Director Minority: Matthew Muirragui/Matthew Strickler

Issues of Interest:

- California drought and west-wide water supply reliability (BOR)
- Indian water rights settlements – San Luis Rey, Blackfeet, Perchanga, Navajo (BIA, BOR)
- Limiting NEPA/NHAP, ESA, CWA and other environmental laws, particularly with regard to California water issues (BOR)
- Invasive species and the development of public water supplies (FWS, BOR)
- Aging water infrastructure (BOR)
- Sportsmen's access to public lands (FWS, NPS, BLM)

House Committee on Oversight and Government Reform (HOGR)

1. Full Committee

Chairman: Jason Chaffetz (UT-3)
Ranking Member: Elijah Cummings (MD-7)
Staff Director Majority: Jennifer Hemingway
Staff Director Minority: David Rapallo

Key Issues:

- Document requests –
  The Committee has requested documents and information on a number of different issues (including, among others, those noted below) in its oversight of the Department and its bureaus.
- FOIA/Document production process –
  In October, Committee staff were given a briefing on the Department's FOIA and document production process, and staff have indicated they would like to return for additional information.
- NPS ethics and harassment issues (NPS)
  The Committee has held a number of hearings addressing Office of the Inspector General reports related to investigations regarding sexual harassment and hostile work environments and ethics breaches within the NPS.
- Departmental Cybersecurity/Federal Information Technology (Department CIO)

2. **Subcommittee on the Interior**
Chairman: Cynthia Lummis (WY)
Ranking Member: Brenda Lawrence (MI-14)
Staff Director Majority: William McGrath

Issues of Interest:
- ESA delisting issues generally (FWS)
- Oil and gas leasing on public lands (BLM)
- Stream protection rule (OSMRE)
- Oversight of management and reform of the NPS concessions (NPS)
- Well Control Rule (BSEE)

Senate Committee on Energy and Natural Resources (SENR)

1. **Full Committee**
Chairman: Lisa Murkowski (AK)
Ranking Member: Maria Cantwell (WA)
Staff Director Majority: Colin Hayes [Tristan Abbey]
Staff Director Minority: Angela Becker-Dippmann [Spencer Gray]

Key Issues:
- Oversight of the Department's yearly budget requests
- Energy reform legislation (BLM, BOEM, BSEE, USGS, FWS, NPS, BIA) –
  The Committee has been interested and aggressive in trying to develop and move bipartisan energy reform legislation, which is currently in conference.
- Izembek National Wildlife Refuge (FWS) –
  Chairman Murkowski strongly opposes Secretary Jewell's support of the FWS's decision to oppose a road through the Izembek National Wildlife Refuge and has introduced legislation that would mandate the land exchange.
- Arctic issues –
  Chairman Murkowski has focused on Arctic issues, including energy development both on- and offshore (BLM, BOEM), Alaska mapping (USGS), ANC issues (BIA, BLM), the application of DOI's mitigation policy on federal lands, progress on Alaska lands conveyances (BLM), and subsistence management on federal lands (FWS).
- Revenue sharing (ONRR, PMB) –
  Chairman Murkowski has introduced and held hearings on legislation that would provide a larger share of revenue from development on the Outer

Continental Shelf to coastal states. The Administration has not supported this legislation.

- Offshore energy development (BOEM, BSEE) –
  The Committee has been interested in the progress on finalizing the 5 Year Program, in issues relating to geographical and geophysical survey permitting on the OCS, and on the status of various rules affecting development underway in the Department that affect development.
- Antiquities Act (BLM, FWS, NPS)—
  The Committee has been split on this issue, with divergent views on proposed limitations on the use of the Antiquities Act.
- Land and Water Conservation Fund reauthorization (BLM, FWS, NPS) –
  The Committee has shown an interest in reauthorizing this law. The Administration supports permanent authorization and has requested full dedicated funding ($900m/annually) of the Fund.
- Palau agreement (OIA) –
  The Committee has sought information from the Department that would assist in enactment of legislation to implement the U.S.-Palau Compact of Free Association.
- Coal development (OSMRE, BLM) –
  Members of the Committee from coal states (WV, WY) have been vocal about their concerns related to the Department's development of the Stream Protection Rule, updated rules for self-bonding by coal companies, and the status of coal development on public and Indian lands.
- NPS Centennial (NPS)
- Sportsmen's access (BLM, FWS, NPS)
- Oversight of wildfire issues, including funding and federal land management issues (BLM, NPS)

2. <u>Subcommittee on Energy</u>
Chairman: James Risch (ID)
Ranking Member: Joe Manchin III (W.VA)

Issues of Interest:

- Hard rock mining (BLM)
- Methane venting and flaring on public lands (BLM)
- Regulating hydraulic fracturing on public lands (BLM)
- NPR-A oil and gas development (BLM)

3. <u>Subcommittee on National Parks</u>
Chairman: Bill Cassidy (LA)
Ranking Member: Martin Heinrich (NM)
Staff Majority: Lucy Murfitt

Staff Minority: David Brooks

Issues of Interest:
- Park specific authorities for various national parks, including boundary revisions, study authorizations, and new designations
- NPS Centennial

4. **Subcommittee on Public Lands, Forests, and Mining**
Chairman: John Barrasso (WY)
Ranking Member: Ron Wyden (OR)

Issues of Interest:
- Sage grouse conservation and BLM land use plans (BLM, FWS) –
  Committee concerns have included lack of opportunity and consideration of input by locals as well as locking up federal lands from development.
- BLM planning 2.0 (BLM)
- Natural gas waste reduction (BLM)
- Soda ash competitiveness (BLM)
  The Committee supports legislation that would lower the royalty rate, which the Department has opposed.
- Hydraulic fracturing on public lands (BLM)

5. **Subcommittee on Water and Power**
Chairman: Mike Lee (UT)
Ranking Member: Mazie Hirono (HI)
Staff Majority: Chris Kearney
Staff Minority: Melanie Stansbury

Issues of Interest:
- California drought and west-wide water supply reliability (BOR)
- Rural water projects (BOR)
- Colorado River Storage Project (BOR)
- Indian water rights settlements (BIA, BOR)
- Aging water infrastructure (BOR)

Senate Committee on Environment and Public Works (EPW)

1. **Full Committee**
Chairman: Jim Inhofe (OK)
Ranking Member: Barbara Boxer (CA)

Staff Director Majority: Ryan Jackson
Staff Director Minority: Bettina Poirier/Jason Albritton

Key Issues:

- ESA implementation, transparency, settlement agreements, northern long-eared bat (FWS)
- ESA implementation issues and the stream protection rule (OSMRE, FWS)
- Impact of FWS regulations on private property rights (s/c on superfund, waste management and regulatory oversight)

2. **Fisheries, Water and Wildlife**
   Chairman: Dan Sullivan (AK)
   Ranking Member: Sheldon Whitehouse (RI)
   Staff Majority: Erik Elam
   Staff Minority: Adena Leibman

   Issues of Interest:

   - Mitigation requirements on federal lands – FWS revised policy (FWS)
   - Marine debris issues (FWS)

Senate Committee on Homeland Security and Governmental Affairs (HSGAC)

1. **Full Committee**
   Chairman: Ron Johnson (WI)
   Ranking Member: Thomas Carper (DE)
   Staff Director Majority: Keith Ashdown
   Staff Director Minority: Gabrielle Batkin

   Key Issues:

   - Retrospective review of existing regulations –
     The Committee held a hearing on the Administration's progress on its commitment to carry out a retrospective review of regulations.

Senate Committee on Indian Affairs (SCIA)

1. **Full Committee**
   Chairman: John Barrasso (WY)
   Vice Chairman: Jon Tester (MT)
   Staff Director Majority: Mike Andrews
   Staff Director Minority: Anthony Walters

Key Issues:

- Indian energy development (BIA)—

  The Chairman has been aggressive in moving legislation that would promote the development of energy resources on tribal lands. The Department has supported the goals of this legislation.
- Indian water rights settlements – Hualapai, White Mountain Apache, Salish and Kootenai (BIA, BOR)
- Continued oversight of tribal law enforcement, justice systems, juvenile justice, victim services, drugs
- Indian education (BIE) –

  There has been interest in recent congresses among Committee members to reform programs that support Indian education, including underlying authorities, as well as the construction budget. The Department has been supportive of these efforts.
- Land into trust (BIA) –

  The Committee has held a number of hearings on legislation that would place land into trust for a number of tribes. DOI is generally supportive of these bills, which advance DOI's goal of fostering tribal self-governance.
- Indian irrigation projects (BIA) –

  Chairman Barrasso has been interested in reforming this program and has introduced legislation that would fund these projects through use of the Reclamation Fund. The Department testified in support of the goals of rehabilitating Indian irrigation projects, but has identified concerns with the use of the fund in this manner.

C. MAJOR LEGISLATION WITH SIGNIFICANT DEPARTMENT OF THE INTERIOR INTEREST THAT MAY BE PENDING AFTER THE RECESS

1. **Department of the Interior FY17 Appropriations Bill [see Budget briefing]**

2. **Energy Bill (S. 2012, as amended, and H.R. 8, as amended**):
   a. Current Status: Conference held 9/8/16, ongoing staff discussions.
   b. Conferees: Senate – (7 members) Murkowski (AK), Barrasso (WY), Risch (ID), Cornyn (TX), Cantwell (WA), Wyden (OR), Sanders (VT). House – (24 Republican members from 5 committees) includes Bishop (UT), Young (AK), Lummis (WY), Denham (CA), Westerman (AK), Upton (MI), Smith (TX), Conaway (TX)
   c. Issues: The bills makes changes to a number of programs, mostly Department of Energy related, that would increase energy efficiency and distribution. However, there are a number of provisions that impact DOI programs, including provisions

related to expediting development of geothermal, wind and solar energy projects on federal lands; designation of national energy security corridors for the construction of natural gas pipelines on federal lands; reauthorization of BLM land disposal authority, Land and Water Conservation Fund, and Historic Preservation Fund; and modifying the boundaries and authorities for specific federal lands.

3. **Water Resources Development Act of 2016 (WRDA – S 2848 and H.R. 5303):**
    a. Current Status: Bills have passed the House and Senate, ongoing staff discussions.
    b. Issues: The bills, which reauthorize U.S. Army Corps of Engineers programs, contain provisions that impact DOI programs, including provisions related to water storage, environmental banks, restoration initiatives, dredged materials, and Indian water rights settlements.

4. **National Defense Authorization Act FY 2017 (NDAA) (S. 2943 and H.R. 4909)**
    a. Current Status: Committee Chairmen met 6/23/16, ongoing staff discussions.
    b. Conferees: Senate – (26 members) including McCain (AZ) , Inhofe (OK), Sessions (AL), Lee (UT), Manchin (WV), Hirono (HI), Heinrich (NM). House – (63 members) including Bishop (UT), Lamborn (CO), Wittman (VA), Bordallo (GU), Grijalva (AZ), Tsongas (MA), Garamendi (CA), Hardy (NV), Chaffetz (UT).
    c. Issues: The House bill, in particular, contains certain provisions that impact the Department's programs, such as provisions related to the Endangered Species Act [e.g. sage grouse], National Historic Preservation Act, land withdrawals, grants programs, and other environmental laws.

5. **Agency Priorities**
    a. **Wildland Fire Funding Fix**
    b. **Indian Education**
    c. **NPS Centennial**
    d. **BLM Foundation**
    e. **U.S. Fish and Wildlife Service Resource Protection Act**
    f. **LWCF/National Historic Preservation Act Reauthorization**
    g. **National Volcano Early Warning and Monitory System Act (S 2056)**

D. PRESIDENTIALLY APPOINTED SENATE CONFIRMED POSITIONS (PAS) WITHIN THE DEPARTMENT OF THE INTERIOR AND COMMITTEE OF JURISDICTION (18 total)

1. Committee on Energy and Natural Resources

- Secretary of the Interior
- Deputy Secretary of the Interior
- Assistant Secretary for Fish, Wildlife and Parks *
- Assistant Secretary for Insular Affairs
- Assistant Secretary for Land and Minerals Management
- Assistant Secretary for Policy, Management, and Budget and Chief Financial Officer
- Assistant Secretary for Water and Science
- Commissioner – Bureau of Reclamation
- Director – Bureau of Land Management
- Director – National Park Service
- Director – Office of Surface Mining Reclamation and Enforcement
- Director – United States Geological Survey
- Solicitor
- Inspector General of the Department of the Interior **

2. Committee on Indian Affairs

- Assistant Secretary – Indian Affairs
- Chair – National Indian Gaming Commission (three-year term of office)
- Special Trustee – American Indians

3. Committee on Environment and Public Works

- Assistant Secretary for Fish, Wildlife and Parks *
- Director – United States Fish and Wildlife Service

Notes

* The Assistant Secretary for Fish, Wildlife and Parks has confirmation hearings before two Senate committees.
** The Office of Inspector General is an independent entity but is administratively housed in the Department.

E. NOMINATION PROCESS WITHIN THE DEPARMENT OF THE INTERIOR

1. Nomination (or "intent to nominate") announced by the President
2. Meeting Scheduling

- The Department's Office of Congressional and Legislative Affairs (OCL) is responsible for scheduling courtesy meetings with Senators.
- Note that the Office of Inspector General manages the confirmation process for the Inspector General.

3. Briefing Material
   - OCL, working with bureau congressional offices, prepares general briefing material for the nominee. If the nominee is not a federal employee, material that is deliberative or reflective of internal, non-public discussion will not be provided.
   - OCL, working with bureau congressional offices, coordinates topic specific briefings as requested.
4. Delivery of Material to the Committee
   - Nominee's Committee questionnaire.
   - Nominee's Ethics Documents: Ethics agreement letter; SF-278 Financial Disclosure form, and transmittal from Departmental Ethics Officer
   - 5 Day Letter (Ethics/Financial update)
5. Mock Hearing
   - OCL prepares and holds a mock hearing for the nominee.
6. Nominee's personal statement
   - OCL ensures that nominee's personal statement is prepared and delivered to the committees.
7. Hearing
   - OCL coordinates with committees and accompanies nominee to the hearing.
8. Post Hearing Questions for the Record
   - OCL manages process for responding to written questions presented to the nominee by the committee.
9. Congressional Follow-up
   - OCL works with the nominee and Congress to secure Senate confirmation of the nominee.

ISSUE: Cybersecurity

I. KEY POINTS

The Department of the Interior's (DOI) IT assets are a target for entities interested in stealing, manipulating, or obstructing access to DOI's mission critical information. Every week, the Department detects and prevents between five and six million malicious connection attempts to exploit vulnerabilities in its Internet perimeter and Internet facing systems. Daily email phishing campaigns attempt to exploit our computer users and trick them into downloading malware onto DOI's network, exposing the overall IT environment to harm. National critical infrastructure and physical structures and systems (e.g., dams, heating and cooling systems, lighting, vehicles, etc.) that are now computerized and connected to the network (and Internet), are particularly susceptible because industry has not yet implemented strong IT security controls into these new technologies. Furthermore, in fiscal year (FY) 2015, the Department was part of a major cybersecurity and privacy breach involving the compromise of Office of Personnel Management (OPM) official personnel files, which DOI hosted in one of its data centers. This incident and others reinforce the message that the threats for DOI are real and can have significant adverse impacts.

The DOI Chief Information Officer (CIO) is working in partnership with the Department's senior leadership and IT personnel in the bureaus and offices to improve our ability to manage the risk of cyber-attacks, while delivering the Department's mission. DOI's implementation of the 2014 Federal Information Technology Acquisition Reform Act (FITARA) and Federal Information Security Modernization Act (FISMA) establish a chain of authority and accountability between the Department and its bureaus and offices. FITARA is part of a long-term strategy to drive greater central management and accountability for information management and technology (IMT). On August 15, 2016, Secretary Jewell signed Secretary's Order 3340 to implement FITARA at DOI.

DOI's implementation of FITARA and FISMA requires bureaus to consolidate all IMT authority under a single Associate CIO (ACIO). Bureau ACIOs have dual reporting lines to their bureau leadership and the DOI CIO. The DOI CIO must approve the selection of the most qualified individuals to these positions, has input into their performance evaluations, and must approve the final annual performance ratings for them. A similar relationship is in place between the DOI's Chief Information Security Officer (CISO) and Privacy Officer and respective bureau Associate Chief Information Security Officers (ACISOs) and Associate Privacy Officers (APOs). FITARA and FISMA provide an unprecedented opportunity for Interior to change how we manage IT - particularly our cybersecurity efforts.

II. OPPORTUNITIES AND CHALLENGES

DOI's largely decentralized management of IT resources presents serious challenges, including inefficient and duplicative IT spending, poor interoperability and integration among mission IT systems, and limited visibility and understanding of the full IT environment at the Department and bureau levels, which presents significant cybersecurity risks. The DOI OCIO provides leadership, oversight, and policy guidance for the Department's bureaus and offices in all areas of information resource management. The OCIO also operates many Department-wide IT systems, such as the email system, and supports the Department's delivery of shared services for other Federal agencies, such as payroll. Bureaus are responsible for their respective mission systems and underlying IT infrastructure, and for most of DOI's largest bureaus, IT is further decentralized to program managers in the field with limited, if any, central authority or accountability within the bureau. The Department's implementation of FITARA addresses these challenges by establishing new and formal lines of authority and accountability for IT and information resources management between the Department CIO and bureau IT leaders, and by requiring bureaus to centralize accountability under a single IT leader, i.e., the bureau ACIO.

In FY 2016, the DOI CIO established a new IMT Leadership Team (IMTLT) comprised of bureau ACIOs and the CIO's primary IMT program leaders. The IMTLT is developing a new multi-year DOI IMT Strategic Plan that will include specific goals, initiatives, and performance measures to recommend to DOI leadership. The CIO expects to present IMTLT recommendations by January 27, 2017.

III. BACKGROUND

In December 2014, Congress enacted the FISMA and FITARA to strengthen Department-level CIO authority and accountability over agency IMT, and build on the Clinger-Cohen Act of 1996, eGovernment Act of 2002, and the Federal Information Security Management Act of 2002. FISMA requires the integration of the information security management process with budget planning, and vests information security responsibilities with senior agency officials, while requiring all employees to comply with the agency-wide information security program. In accordance with FISMA, Congress must be notified within seven days of a major security incident and/or data breach, and affected individuals must be notified as soon as possible. There are also annual reporting requirements on the security program and corrective actions. The Federal CIO and the Secretary of the Department of Homeland Security are formally designated as the lead entities in the executive branch for guidance, oversight, and Congressional reporting. FITARA imposes new legal requirements that enhance Department-level CIO authorities for IMT including: (1) planning, programming, budget formulation, and execution; (2) the management, governance, and oversight processes related to IT; (3) contracts or agreements for IT or IT services; (4) decision-making for major IT investments; and, (5) the appointment of any bureau/office CIO or equivalent.

IV. PREPARED BY: Sylvia Burns, Office of the Chief Information Officer, Chief Information Officer, 202-208-6194.
DATE: September 13, 2016

ISSUE: Deferred Maintenance and Infrastructure

I. KEY POINTS

Real property assets directly support and enable Interior's mission. In many cases, the constructed assets are explicitly central to the mission (e.g., Statue of Liberty, Blue Ridge Parkway, or Hoover Dam). Interior's constructed asset portfolio is diverse, including visitor centers, schools, office buildings, roads, bridges, laboratories, police stations, housing, fish hatcheries, dams, levees, canals, campgrounds, water systems, and wastewater facilities. Interior reports[1] a deferred maintenance backlog estimated at $16.1 billion at the start of 2016, with additional programmatic needs exceeding $1 billion; approximately half of this backlog is associated with transportation-related assets.

The deterioration of facilities threatens the health and safety of visitors, employees, and residents, and impairs mission effectiveness. Deferring regular operations and maintenance (O&M) increases the need for more costly future repairs, shortens the useful asset life, and hastens early replacement.

Interior prioritizes and reviews investments through a national capital investment strategy, which allows for bureau-specific mission priorities. Bureaus fund investments through individual appropriations for deferred maintenance and/or construction activities, while annual/preventive maintenance is often funded through programmatic appropriations (which compete for funds with other activities). The total FY 2016 Interior budget for maintenance and repairs is approximately $1.4 billion (including Construction, which is primarily focused on major repairs and replacements).

Interior also acquires lands to support its conservation mission or as directed by Congress. These lands can include facilities in poor condition, and many times the land acquisition happens without funds dedicated for abatement/disposal of the excess buildings.

II. OPPORTUNITIES AND CHALLENGES

Appropriated funding for annual operations, maintenance, and repairs is not always aligned with need, and remains at approximately 1/3 to 1/2 of the need, as defined by industry standards. Interior requires bureaus to budget 3% of their Construction funding on disposals and space consolidations, with emphasis on actions that result in significant future cost avoidance. Sustainability and resilience to natural hazards are also important considerations for investments. Additionally, the bureaus are working to shift their focus to a life-cycle approach of prioritizing investments, versus a run-to-failure approach followed by large repairs. However, the lack of sufficient resources forces bureaus to consciously neglect assets that will receive no O&M. Several large capital investments are needed to address aging infrastructure throughout the bureaus, which exceed the budgets at the local or regional levels:

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[1] The deferred maintenance referenced here is as reported in the annual financial report (AFR). Bureau estimates will differ when asset categories excluded from the AFR are included.

- Employee Housing Realignment (Need Multi-tenant vs. Single-family)
- School Replacements and Major Renovations in Indian Country
- Recreation (e.g. Transcanyon Pipeline, El Portal Sanitary Sewer)
- Transportation (e.g. Arlington Memorial Bridge)
- Metering and Energy Retrofits

III. BACKGROUND

Interior owns and operates more than 43,000 buildings and 75,000 structures. The current replacement value of these assets exceeds $285 billion and many are eligible for listing on the National Register of Historic Places. Interior focuses its capital investments on:

- Protecting health and safety of visitors, employees, and residents
- Protecting cultural and natural resources
- Providing visitor experiences
- Treaty and trust obligations to American Indians and Alaskan Natives

A key goal is to achieve a financially sustainable portfolio of constructed assets, focusing investments through appropriate O&M on assets that bureaus are committed to preserving in acceptable condition. Interior spends more than $1.5 billion annually on operations, maintenance, and repair activities, but this does not keep pace with required maintenance needs, nor does it address emergent capital or programmatic needs. Historic investment levels for maintenance and repairs fall short of the industry recommended 2-4% of the replacement value for buildings. This chronic underfunding creates an ever-increasing backlog of deferred maintenance, which results in more costly future repairs and potential loss of irreplaceable assets and contents.

In addition to the funding appropriated to Interior, the Department also receives approximately $325 million annually in Federal Lands Transportation Program funds from the Federal Highway Administration, for improving Interior-owned transportation facilities.

IV. PREPARED BY: Craig Lasser, Office of Acquisition and Property Management, General Engineer, 202-513-0697
DATE: September 16, 2016

ISSUE: DOI EMERGENCY MANAGMENT

I. KEY POINTS

The Department of the Interior (DOI) is the Nation's premier conservation agency, managing 500 million acres of surface land, approximately 1.76 billion acres of the Outer Continental Shelf and much of the Nation's federal mineral, energy and renewable energy resources. DOI also manages and protects much of the Nation's natural and cultural heritage through the National Wildlife Refuge and National Park Service (NPS) systems and public lands managed by the Bureau of Land Management (BLM), as well as through statutes including the Endangered Species Act and National Historic Preservation Act. DOI is charged with maintaining key Tribal and individual Indian Trust responsibilities and provides support to the Insular Areas. DOI is thus a principal federal leader in assisting the government's emergency management needs.

Incidents and disasters can be either natural or man-made. Disasters such as Hurricane Sandy and Hurricane Katrina demonstrated the need for an integrated, comprehensive emergency management program. Because DOI manages and safeguards the Nation's natural resources and cultural heritage and provides scientific and other information about those resources, DOI is well positioned to support the Federal agencies that are charged with managing the responses to each type. DOI's emergency management program is coordinated by the Office of Emergency Management (OEM) and encompasses all types of hazards and incidents that affect DOI lands, facilities, infrastructure and resources, including tribal lands, the territories and freely associated states. DOI's emergency management program includes the Interior Operations Center (IOC), operating 24/7/365 capability to integrate and disseminate information to provide a common operating picture. A key building block for the emergency management program lies with the Department's Continuity of Operations (COOP) program.

In addition to planning and preparing for emergencies affecting the resources with which they are entrusted, DOI bureaus and offices also support the National Preparedness System and interagency response plans. To accomplish this, DOI's Emergency Management Program provides DOI support through FEMA for federal response activities as detailed in the National Response Framework (NRF), and recovery efforts, as detailed in the National Disaster Recovery Framework (NDRF) to Presidentially declared disasters and Emergencies. The NRF delivers federal capabilities to States and Tribes through 14 different Emergency Support Functions (ESFs). The NDRF delivers federal capabilities to States and Tribes through 6 different Recovery Support Functions (RSFs). These two Frameworks along with the Protection and Prevention Frameworks (led on behalf of DOI by the Office of Law Enforcement and Security) and the Mitigation Framework (led by the U.S. Geological Survey [USGS]) provide the structure and mechanisms to guide the intergovernmental response to national disasters and other nationally significant incidents.

DOI provides primary agency coordination or support to all 14 ESFs (DHS, DOI and DOD are the only departments that support all 14 ESFs). DOI, through the NPS is the primary Federal agency for land search and rescue (SAR) under ESF#9. NPS integrates the SAR capabilities of the Fish and Wildlife Service (FWS), USGS and other components in planning for and supporting ESF#9. DOI is the primary Federal agency for implementing Natural and Cultural Resources and historic properties (NCH) under ESF#11and the coordinating federal agency for the entire Nation for the Natural and Cultural Resources (NCR) RSF, both led by the Office of Environmental Policy and Compliance (OEPC). DOI, led by the USGS, serves as the primary federal agency to provide reliable and objective scientific support States or Tribes to minimize loss of life and property from natural hazards and zoonitic diseases and natural hazards (e.g., flooding, earthquakes, volcanos, land slides, coastal inundation). Other ESFs and RSFs are supported by DOI wildland fire capabilities, engineers, environmental specialists, and federal law enforcement officers.

DOI has provided support and leadership in the recent flooding in Louisiana and for Hurricane Matthew. OEPC, as the National NCR RSF lead has provided personnel to support FEMA's Joint Federal Unit in the Federal recovery efforts in Louisiana and the Bureau of Reclamation has been working with the US Army Corps of Engineers to also support the Infrastructure RSF in Louisiana. In response to Hurricane Matthew, the Department received 10 different mission assignments from FEMA to provide support to the States of FL, GA, SC, and NC totaling an estimated $2.5M for search and rescue, stream gage sensor deployment, and for Departmental coordination. Simultaneously, DOI responded to Hurricane Matthew impacts and damage to 11 National Park Service and 25 Fish and Wildlife Service units. The USGS supported the largest deployment of storm surge sensors and rapid deployment gages in the history of that program

One common man-made disaster faced by DOI stems from pollution incidents that include oil spills and hazardous substance releases. Preparedness and response to these types of disasters is governed by the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). OEPC and its Regional Environmental Offices coordinate with the bureaus in preparing the Department for and responding to oil and hazardous substances spills. OEPC Regional Environmental Offices have provided support and coordination for the recent Colonial and Sunoco pipeline spills.

II. OPPORTUNITIES AND CHALLENGES

DOI's conservation mission involves striking a dynamic balance between preservation and protection on the one hand and resource development and use on the other. Consequently, as extreme weather events become exacerbated by the effects of global climate change, and more disasters occur, there are many opportunities and challenges for DOI's unique role in disaster preparedness, response, and recovery. The width and breadth of DOI's responsibilities and technical expertise represent both an opportunity and a challenge. Coordination efforts at the Departmental level are key to addressing challenges and there is opportunity to tap the expertise found throughout DOI to assist in response and recovery. It is important to note that DOI support to disaster response is through the ESF lead agency. However, there has been a lack of coordinated emergency management leadership in the Regions and field for natural disasters impacting DOI resources and personnel at a regional level. The challenge is implementing regional level emergency coordination without dedicated emergency management personnel in place. Another challenge is the collection of data prior to a disaster that may be used as a baseline to restore and recovery resources impacted by an event, whether natural or man-made.

III. BACKGROUND

Presidential Policy Directive 8: *National Preparedness* and Homeland Security Presidential Directive (HSPD) 5: *Management of Domestic Incidents*, provide the baseline policies and support requirements for the Federal government. Specifically, PPD-8 requires DOI to support the National Preparedness Goal to include engaging in five interagency frameworks (Prevention, Protection, Response, Recovery, and Mitigation) and their subsequent Federal Interagency Operational Plans. HSPD-5 mandates the establishment of a National Incident Management System (NIMS) to provide a consistent nationwide approach for Federal, State, and local governments to work effectively and efficiently together to prevent, protect against, respond to, and recover from domestic emergencies. Presidential Policy Directive 40: *National Continuity Policy* provides the baseline policies for the DOI COOP Program. The *DOI COOP Plan* describes the roles and responsibilities for the Department and bureaus for establishing a COOP capability at the Department and bureau levels.

The NCP is a federal regulation based on the statutory authorities of the Clean Water Act as amended by the Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). These govern intergovernmental emergency planning, preparedness, and response to oil spills and hazardous substance releases.

IV. **PREPARED BY:** Lisa Branum, Director, Office of Emergency Management and Michaela Noble, Director, Office of Environmental Policy and Compliance

V. **DATE:** November 3, 2016

ISSUE: DROUGHT

I. KEY POINTS:

Drought poses a serious threat to the security of the U.S. food supply, critical infrastructure, and economy, regularly impacting communities across the Nation. The effects of climate change are expected to increase the frequency, intensity, and duration of droughts in many regions. Rather than just reacting to periodic drought emergencies, the Federal agencies are making a concerted effort to make proactive investments in drought resilience. The Department of the Interior plays a key role in building drought resilience, in two primary ways: 1) Understanding the science behind the causes and effects of drought; and 2) working with local communities to incorporate drought resilience into land and water management strategies. The Department also serves a leadership role in coordinating and leveraging Federal capabilities in drought resilience through the National Drought Resilience Partnership.

Understanding the science behind the causes and effects of drought is key to creating resilient communities that can effectively plan for and respond to drought. The USGS provides scientific knowledge, data, and tools to improve understanding of drought, its causes, and its effects on water resources and ecosystems. Resource managers and policy makers use USGS information in their planning for and response to drought. The USGS is currently developing an integrated approach to drought science that will assess existing key data assets, strengthen the observation networks where needed, and synthesize data and models to improve understanding of interactions among water, climate, and ecological data.

The Department has multiple interests and capabilities related to building drought resilience on public lands and waters. As the nation's largest water provider, the Bureau of Reclamation works to build drought resilience for its facilities and customers across the West. Reclamation's WaterSMART Drought Response Program was initiated in 2015, and has awarded $10.1 million in Federal funding for 44 cost-shared grants for drought contingency plans and projects to build long-term drought resilience across the West. When leveraged with cost-share funding, these grants will provide a total of $64 million in efforts associated with the program. The 44 grants include 20 drought contingency plans and 26 drought resiliency projects across 13 states. Drought varies geographically and over time, and many drought solutions are local in nature. Reclamation is addressing drought in basins across the West, for example:

- In the Colorado River Basin, the past 16 years have been the driest water years in the historic record, which includes 100 years of record keeping. Reclamation is actively seeking new sustainable options for affected stakeholders. Efforts include drought contingency plans in both the Upper and Lower Colorado River basins and a Colorado River System Conservation Pilot Program that would reduce Colorado River water use.
- For the last four years, California has undergone the most severe drought on record. Water supplies to Reclamation water users have been significantly curtailed, and environmental conditions for species and habitats have declined. The Mid-Pacific Region of Reclamation has taken a number of actions to provide operational flexibility, working to stretch water supplies for multiple purposes.
- Reclamation and the Washington State Department of Ecology, with cooperation from the Yakima River Basin Water Enhancement Project Workgroup, have developed the

Yakima River Basin Integrated Water Resource Management Plan as a comprehensive approach to identify and address water resources and ecosystem issues in the basin.

Other Interior bureaus have significant equities in drought resilience. For example, the USFWS is concerned about species impacts, the BLM and Office of Wildland Fire deal with wildfire risk associated with drought, and the BIA works with tribes to address tribal water supply security. There are career-level bureau leads on drought across the Department who have been engaged on drought issues.

In March 2016, President Obama issued a Memorandum and Action Plan on Building National Capabilities for Long-Term Drought Resilience, which formalizes the role of the *National Drought Resilience Partnership* in helping communities manage drought impacts by linking information, such as forecasts and early warnings, with drought preparedness strategies in critical sectors like agriculture, municipal water, tourism and transportation. A number of significant collaborative achievements have already been established through the National Drought Resilience Partnership (NDRP) working under the Federal action plan.

II. OPPORTUNITIES AND CHALLENGES

The stakeholder community, including tribes, water users and conservation groups, has a significant interest in Federal actions to build drought resilience. One recent example is the Western Governors' Association drought initiative, led by Nevada Governor Brian Sandoval.

Other Federal agencies have significant capabilities in drought. Interior has an opportunity to marshal other agency programs in support of DOI mission, for example NOAA forecasts, USDA drought relief and conservation programs, and FEMA emergency funding.

Drought is often called "the creeping disaster," – often hard to know when a drought period has started and then hard to know when it will subside once it has clearly begun. This can make it harder to drive relief efforts like those typical for a hurricane, tornado or earthquake. Often, when drought subsides, affected communities may become complacent on commitments to reduce water use or invest in resilience measures, making drought a difficult issue to address effectively.

III. BACKGROUND

The US drought portal (drought.gov) and associated national drought monitor provide critical resources for understanding drought.

IV. SUBMITTED BY: Tom Iseman, Principal Deputy Assistant Secretary for Water and Science, 202-208-3186
DATE: 9/22/16

ISSUE: ENDANGERED SPECIES ACT (ESA) IMPLEMENTATION: IMPROVING THE ESA

I. KEY POINTS

The Endangered Species Act (ESA) is one of the nation's most important conservation laws. Since it was enacted by Congress in 1973, the ESA has successfully prevented the extinction of more than 99 percent of the species it protects, demonstrating that it is working for the American people to accomplish its purpose of conserving threatened and endangered species and protecting the ecosystems upon which they depend. It is a powerful and far-reaching authority, and the application of that authority receives a high level of public and political attention.

The Service is committed to making the ESA work effectively and has taken a number of steps in recent years to improve the implementation of the ESA. We have focused on administrative improvements, since the prospects are poor for successful legislative action. Our goals are to make our ESA regulations and policies more effective for conserving imperiled species, more efficient and clear for both agency staff and the public, more supportive of innovation and conservation partnerships, and less likely to generate conflict. A number of administrative improvements have been finalized in recent years, and three proposed actions remain pending and are likely to be finalized in late 2016 or early 2017.

In addition to our administrative improvements, we routinely publish rules to add or remove species from the list of threatened and endangered species, and designate critical habitat for listed species, and those rules can, on occasion, be controversial. To ensure that our listing activities are transparent and predictable, we operate under a multi-year listing work plan that provides the public advance notice of what listing determinations and critical habitat designations are scheduled for FY17 and out years.

II. OPPORTUNITIES AND CHALLENGES

The Service, in partnership with the National Marine Fisheries Services (our sister agency in implementing the ESA), revised a number of regulations and policies during the past 6 years. Those updates served to clarify our interpretation and definition of key terms ("significant portion of its range," "destruction or adverse modification" of critical habitat), clarify and revise our procedures for designation of critical habitat for listed species, and expand opportunities for States and other parties to engage in collaborative efforts to conserve at-risk species. The Service has also operated under a court-approved work plan guiding our listing activities, resulting in listing determinations for all 251 species that were candidates for listing in 2010 and a >90% reduction in deadline-related ESA litigation.

Three significant administrative actions that are currently underway remain to be finalized in late 2016 and early 2017. The first is a revised handbook to guide the development and permitting of habitat conservation plans (HCPs). HCPs are voluntary conservation plans that serve to mitigate the harm (take) resulting from otherwise lawful development activities. HCPs are a very successful tool for reconciling development needs with endangered species conservation. The handbook revisions incorporate 20 years of experience in working with landowners and communities to develop and permit HCPs and seek to make the process of developing and permitting a plan more predictable, efficient, and timely. We expect to announce a final handbook revision in late November.

We will also be finalizing revisions to our policy and regulations regarding Candidate Conservation Agreements with Assurances (CCAAs). CCAAs are voluntary conservation agreements with non-federal landowners to improve the condition of species that are candidates for listing under the ESA. If a landowner implements an approved CCAA and the Service ultimately lists the species, any harm associated with implementing the CCAA will be permitted by the Service, giving the landowner regulatory certainty that their ESA obligations are satisfied. The revisions to our policy and regulations serve to simplify the standard for approval of a CCAA so as to streamline the process and encourage more voluntary conservation efforts. We expect to finalize the revised policy and regulations in January 2017.

The Service will also be finalizing updated guidance for compensatory mitigation efforts under the ESA. The revised guidance reflects our experience over the past 20 years in working with conservation banks and other compensatory mitigation mechanisms and serves to establish consistent standards for compensatory mitigation, regardless of the manner in which it is delivered. The resulting "level playing field" is very important to facilitating the continued growth of market-based mitigation mechanisms, such as conservation banks. We expect to announce final guidance in early 2017.

The settlement agreement and work plan that has guided the Service's listing activities during the past 6 years expired at the end of September 2016. As a result, the Service may soon face an increase in litigation seeking to challenge the priorities and timelines reflected in our new listing work plan for FY17 and out years. In addition, both the House and Senate appropriation bills reduced funding for listing activities. If those reductions carry through to the final FY17 appropriation, we will have to revise our work plan accordingly and again face increased deadline litigation as a result of the reduced ability to make progress on our existing workload.

III. BACKGROUND

Interest in improving the ESA continues to be strong. The Western Governors Association launched the Western Governors' Species Conservation and Endangered Species Act Initiative in June of 2015. Through a series of four workshops, five webinars, and other outreach efforts across the Western United States and Hawaii, the Chairman's Initiative has created a mechanism for states and stakeholders to share best practices in species management; promoted the role of states in species conservation; and explored options for improving the efficacy of the

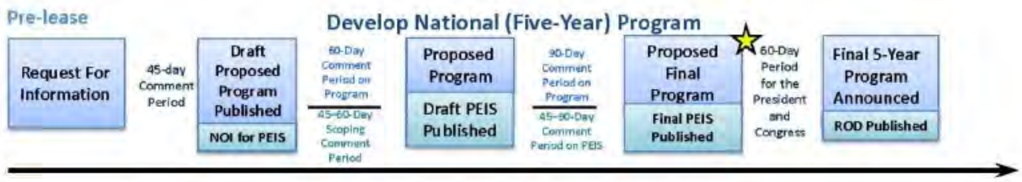
Endangered Species Act (ESA). The Service has attended each workshop and anticipates working with the WGA if they continue the initiative in FY 2017.

IV. **PREPARED BY:** Gary Frazer, 202-208-4646
DATE: September 16, 2016

ISSUE: 2017-2022 National Oil and Gas Leasing Program Development and Implementation

I. KEY POINTS

- BOEM is responsible for administering the leasing program for oil and gas resources on the Outer Continental Shelf (OCS) and developing a National-level, five-year schedule of lease sales to best meet national energy needs, as required by Section 18 of the OCS Lands Act.
- The national program development process has multiple required steps:



- BOEM published the 2017-2022 OCS Oil and Gas Leasing Proposed Final Program on November 18, 2016.
- The Proposed Final Program schedules 11 potential lease sales in four OCS Planning areas:

2017–2022 Proposed Program Lease Sale Schedule

	Year	Program Area	Sale Number
1.	2017	Gulf of Mexico	249
2.	2018	Gulf of Mexico	250
3.	2018	Gulf of Mexico	251
4.	2019	Gulf of Mexico	252
5.	2019	Gulf of Mexico	253
6.	2020	Gulf of Mexico	254
7.	2020	Gulf of Mexico	256
8.	2021	Gulf of Mexico	257
9.	2021	Cook Inlet	258
10.	2021	Gulf of Mexico	259
11.	2022	Gulf of Mexico	261

II. OPPORTUNITIES AND CHALLENGES

- The current 2012-2017 OCS Oil and Gas Leasing Program is set to expire on August 17, 2017.
- In order to revert back to a typical program approval schedule, BOEM recommends the 2017-2022 Program be effective by July 1, 2017.
- Planning and environmental reviews for the first few Gulf of Mexico sales have already been initiated so that the first sales of the 2017-2022 Program could occur as proposed. A Draft Multi-sale EIS for the Gulf of Mexico was published in April 2016 to support preparation of the Proposed Notice of Sale Package for Lease Sale 249, the first Gulf of Mexico Region-wide sale scheduled in the 2017-2022 Program (August 2017). BOEM has also initiated scoping on the environmental document for Lease Sales 250/251.
- Any lease sale can be canceled or delayed at any time but no additional lease sales or areas can be added without preparing a new National OCS Oil and Gas Leasing Program and following each of the analytical and procedural steps required by Section 18 of the OCS Lands Act. Department policy normally requires the preparation of a Programmatic EIS under the National

Environmental Policy Act. However, recent D.C. Circuit decisions have indicated that preparation of an EIS could be considered discretionary.

III. BACKGROUND

- BOEM initiated the development of the 2017-2022 Oil and Gas Leasing Program with a Request for Information that was published in the *Federal Register* on June 16, 2014.
- The Draft Proposed Program (DPP), the first proposal in the preparation process of a new Program, was published on January 29, 2015. The DPP included an Atlantic OCS region lease sale that was later removed in the Proposed Program step.
- The Proposed Program (the second proposal) and the Draft Programmatic EIS were published on March 15, 2016. The Proposed Program included Arctic lease sales that were removed at the Proposed Final Program step.

See BOEM's web page for more information: http://www.boem.gov/Five-Year-Program/

IV. PREPARED BY: Renee Orr, Bureau of Ocean Energy Management, Chief, Office of Strategic Resources, 202-208-3515

DATE: November 22, 2016 (updated)

ISSUE: ONSHORE AND OFFSHORE CONVENTIONAL AND RENEWABLE ENERGY

I. KEY POINTS

The Department of the Interior protects and enables development of America's natural resources to supply the energy that powers the Nation through an all-inclusive approach that responsibly balances the development of conventional and renewable resources on the Nation's public lands. The four bureaus that report to the Assistant Secretary for Land and Minerals Management are responsible for several priority energy initiatives that are in progress or recently completed:

- BLM has completed or will complete this fall regulations to improve management of conventional and renewable energy development, including modernizing the Federal oil and gas program, reducing waste of natural gas from facilities on BLM-managed leases, and providing for solar and wind competitive leasing.
- Secretarial Order 3338 directed BLM to prepare a Programmatic Environmental Impact Statement (PEIS) to evaluate reforms to the Federal coal program; coal leasing is paused pending completion of the PEIS.
- BOEM has proposed offshore air quality regulations that reflect current science and align with industry practices; regulations will be finalized in fall 2016 or winter 2017.
- In late 2016, BOEM will roll out a 5 Year Plan that will determine areas available for offshore oil and gas leasing and set the schedule of lease sales for 2017-2022.
- BSEE is implementing its recent Well Control, Arctic, and Production Safety System rules, and is engaging stakeholders during implementation and enforcement efforts.
- OSMRE is finalizing a stream protection rule that more completely implements the Surface Mining Control and Reclamation Act of 1977 and strikes an improved balance between satisfying the Nation's need for coal as an essential energy source and protecting streams, fish and wildlife and the environment.

II. OPPORTUNITIES AND CHALLENGES

Conventional Energy

- As noted, BLM is a preparing a PEIS that evaluates the Federal coal leasing program and considers implications for climate change; local jobs and revenues; transparency and public participation; and royalty rates. The review will take about three years.
- BSEE will continue to innovate in the way it approaches oversight of safety, environmental protection, and resource conservation on the outer continental shelf (OCS).
- Over the last four years, BLM, BOEM, BSEE, and OSMRE have finalized rules to improve the management and reduce the impacts of conventional energy development on Federal, Indian, and OCS lands. The success of these rulemaking efforts will hinge on thoughtful and thorough implementation, outreach, and enforcement. BLM's rule to regulate Hydraulic Fracturing on Federal and Indian Lands is stayed by the U.S. District Court, D. Wyoming. The decision is on appeal to the Tenth Circuit.

Renewable Energy

- President Obama's Climate Action Plan set a 2020 goal of producing 20,000 megawatts (MW) from renewable energy projects on public lands; DOI is on track to meet that goal.

- BLM expects to complete a solar and wind development rule in 2016 that will facilitate responsible commercial-scale solar and wind development on public lands, promoting the use of designated leasing areas (DLA) to decrease conflicts and protect important resources. DLAs have now been established for both solar and wind projects.
- An outstanding OIG report recommends that BLM update its geothermal regulations, primarily related to inspection and enforcement.
- In September 2016, DOI and DOE released the first National Offshore Wind Strategy, which outlines priorities and identifies 30 actions to facilitate offshore wind development.
- BOEM is working diligently with the DoD and the Navy to resolve conflicts in the Pacific and Hawaii in areas where there is potential to lease for offshore wind energy development.
- BSEE and BOEM will continue to work collaboratively while also ensuring that responsibilities related to offshore wind are appropriate divided between the bureaus.

III. BACKGROUND

ASLM bureaus are responsible for the majority of the energy portfolio in the Department:

- BLM is the lead Federal agency for onshore conventional energy development and administers 700 million acres of sub-surface Federal mineral estate throughout the nation.
    - BLM manages approximately 44,000 Federal onshore oil and gas leases (32.2 million acres) across 32 States, generating in excess of $2.0 billion annually.
    - BLM administers operational activities on approximately 3,700 Indian oil and gas leases, generating in excess of $850 million annually.
    - BLM's 306 coal leases (482,691 acres) account for 41% of U.S. coal production, nearly 14% of the Nation's electricity generation, and about $10 billion in revenue since 2006.
    - BLM is a leader in authorizing renewable energy development with 16,642 MW on public land. Since 2009, BLM has authorized 15,134 MW of renewable energy: 9,763 MW of solar; 4,767 MW of wind; and 942 MW of geothermal.
- BOEM promotes energy security, environmental protection and economic development through responsible, science-informed management of offshore conventional and renewable energy and marine mineral resources.
    - BOEM administers more than 5,030 active oil and gas leases on over 27M OCS acres.
    - In FY 2015, production generated from OCS oil and gas leasing activities generated $5.1 billion in revenue for the Federal Treasury and state governments, provided 553 million bbls of oil and 1.35 trillion cubic feet of natural gas to energy markets.
    - BOEM has issued 11 commercial wind energy leases and approved a construction and operations plan for the Cape Wind project offshore Massachusetts.
- BSEE is charged with improving safety and protecting the environment for offshore energy development, including oil, gas, and wind. BSEE regulates worker safety, emergency preparedness, environmental compliance, and resource conservation.
    - Annually, BSEE conducts over 20,000 inspections of well operations, production facilities, pipelines, metering devices, and environmental compliance.
    - In 2015, BSEE collected about $3.7 million in fines from civil penalty cases.
- OSMRE is responsible for carrying out the requirements of the Surface Mining Control and Reclamation Act (SMCRA) in cooperation with States and Tribes, ensuring that coal mines

are operated in a manner that protects citizens and the environment during mining and that the land is restored to beneficial use following mining.

- OSMRE is the primary regulator of coal mining under SMCRA until a State or Indian Tribe develops a regulatory program and receives "primacy," which means they have approved surface coal mining reclamation programs. Currently, 24 States have primacy. OSMRE provides oversight after a State or Tribe achieves primacy.
- OSMRE collects fees from surface coal mining operators, which are then deposited into an Abandoned Mine Land (AML) fund in the Treasury and distributes those funds as grants to states and Indian Tribes to pay the States' surface mining program administration costs and to reclaim abandoned mines.
- Since enactment of SMCRA in 1977, the AML program has collected over $10.5 billion in fees from current coal production and distributed more than $8.0 billion in grants to States and Tribes, mandatory distributions to the United Mine Workers of America (UMWA) retiree health and pension plans, and to OSMRE's operation of the national program to reclaim land and waters damaged by coal mining before the law's passage.
- In FY 2015, OSMRE distributed $226.5 million to States and Tribes in AML funds.

IV. **PREPARED BY:** Rich Cardinale, ASLM, Chief of Staff, 202-208-7214
DATE: November 1, 2016

ISSUE: EVERGLADES RESTORATION

I. KEY POINTS

Everglades restoration is the largest intergovernmental landscape-level environmental restoration effort now underway. It is in its second decade of implementation and enjoys broad popular and bipartisan support in Florida and the Congress; and was a policy priority in the Clinton, Bush and Obama Administrations and for every Florida Governor since the mid-1980s. Everglades restoration is primarily a water management infrastructure investment program aimed at overhauling outdated, unsustainable flood control infrastructure over an 18,000 square mile area (twice the size of New Jersey). It is largely a 50-50 partnership between the Federal government and the State of Florida, with the U.S. Army Corps of Engineers (USACE) and the Department of the Interior as the two lead Federal agencies. As the primary Federal resource agency in the Everglades, Interior plays a critical leadership role as the Federal "voice of the Everglades."

Interior's many formal roles in the Everglades include the following:

- <u>The Secretary of the Interior</u>: By federal statute, the Secretary chairs the South Florida Ecosystem Restoration Task Force (SFERTF). The Secretary also has statutory responsibilities related to the congressionally-authorized Comprehensive Everglades Restoration Plan.
- <u>ASFWP</u>: Office of Everglades Restoration Initiatives (OERI): Responsible for coordinating Interior and bureau activities related to Everglades Restoration and to help the bureaus navigate cross jurisdictional issues that involve restoration. OERI administers the SFERTF on behalf of the Office of the Secretary, and produces a number of reports mandated by Congress and the GAO.
- <u>NPS</u>: Everglades and Dry Tortugas National Parks, Biscayne National Park, and Big Cypress National Preserve. NPS is also responsible for implementing specific large-scale Everglades Restoration capital projects.
- <u>FWS</u>: Eighteen National Wildlife Refuges in the Everglades and more than 70 species listed under the Endangered Species Act fall under the jurisdiction of FWS.
- <u>USGS</u>: Staff of the Greater Everglades Priority Ecosystem Sciences (GEPES) program and the Everglades Ecosystem Mission Area provide high-quality, neutral science in support of Everglades restoration and management.
- <u>BIA</u>: There are two federally recognized Tribal Nations of the Everglades: the Seminole Tribe of Florida and the Miccosukee Tribe of Indians of Florida.
- <u>PMB</u>: During budget development, PMB assists with coordinating Everglades budget requests across the bureaus and with the ASFWP and the Office of the Secretary.

II. OPPORTUNITIES AND CHALLENGES

Everglades Restoration has enjoyed an extended period of positive momentum and there are a number of opportunities to maintain and build on that momentum in the years ahead, including:

- Establish a senior Interior Everglades Team with career SES and Schedule C representation from relevant bureaus, ASFWP and the Office of the Secretary.

- Develop a strong working relationship between the ASFWP and the Assistant Secretary of the Army for Civil Works (ASA-CW), and their career SES staff to promote a unified federal policy & funding approach to Everglades Restoration.
- Prepare budget requests that maintain or accelerate restoration construction and planning schedules, particularly on Interior's priority projects and on projects that deliver the most critical ecosystem benefits.
- Work with USACE and the Congress to address structural problems with Everglades science funding.

Everglades Restoration faces the following challenges:

- Even as we make good progress on Everglades restoration, recent extreme climatic events ranging from record droughts to record El Nino rainfall have produced serious environmental consequences in the Everglades. These have included widespread algal blooms and massive seagrass die-offs across prime fishing grounds. These highly visible and dramatic events have increased public pressure on the executive branches of both the state and Federal governments to make faster and bolder strides toward meeting restoration objectives.
- Over the past 12 months, in the context of the increasing public pressure described above and in the midst of a few specific contentious issues, the state/federal partnership has become strained making intergovernmental administration difficult on a broad range of Everglades issues.

III. BACKGROUND

The greater Everglades ecosystem covers an area of approximately 18,000 square miles, from Orlando and the Kissimmee River chain of lakes through Lake Okeechobee, the Everglades and to Florida Bay and the Florida Keys. The Everglades ecosystem has helped shape the natural heritage, culture, and economy of Florida and the Nation. Recognized worldwide as a unique and treasured landscape, the Everglades is a one-of-a-kind network of natural resources that makes up the largest wilderness east of the Mississippi River, and the largest subtropical wilderness in the United States. The Everglades is the primary source of drinking water for more than 7 million Americans – more than a third of Florida's population – and a cornerstone of the regional economy, supporting the State's estimated $67 billion tourism industry, $13 billion outdoor recreation economy, and $100 billion agriculture sector. Over the past 100 years, population growth, development, the excessive drainage of wetlands, and the resulting changes in water flow and quality have caused great stress to this fragile ecosystem, and absent restoration, stresses are only expected to grow.

IV. PREPARED BY: Shannon A. Estenoz, Director, Office of Everglades Restoration Initiatives, ASFWP. (954) 377-5967

DATE: September 19, 2016

ISSUE: FAST 41 Implementation (Fixing America's Surface Transportation Act, Title 41)

I. KEY POINTS

Interior is one of 13 designated agencies on the Federal Permitting Improvement Steering Council (FPISC) with responsibilities for implementing provisions of FAST-41(Fixing America's Surface Transportation Act, Title 41), in cooperation with the Office of Management and Budget, the Council on Environmental Quality and the FPISC Executive Director. FAST-41 requires early coordination among federal agencies on proposed infrastructure projects and posting timelines and other project information on the Permitting Dashboard. The Act includes authorities to collect fees for projects that opt-in to FAST-41.

Interior's FAST-41 activities have been coordinated through the Deputy Secretary's office. An internal working group comprised of BLM, BIA, BOR, FWS, BOEM and NPS staff has helped identify 12 initial DOI projects for the Dashboard. Currently, an inventory of approximately 38 existing covered infrastructure projects are being posted to the Dashboard. DOI and the Federal Energy Regulatory Commission have responsibility for the majority of the projects and are expected to shoulder most of the administrative burden.

II. OPPORTUNITIES AND CHALLENGES

The Interior working group meets on a regular basis to ensure coordination among bureaus and to troubleshoot implementation issues. Interior provided comments for the FAST-41 implementation guidance, highlighting concerns about the creation of additional bureaucracy beyond what the Act intended and which may run counter to the goal of expediting and streamlining permitting processes. Interior is also concerned that an apparent shift in authority and decision-making to the FPISC Executive Director may impact agency mission responsibilities. The Interior working group also is involved in efforts to develop the fee structure for participating projects. Interior has concerns that potential future funding may be required from agencies to support the FPISC office, should a new fee structure not be sustainable.

III. BACKGROUND

On December 4, 2015, President Obama signed into law the FAST Act. Title 41 created a new governance structure, set of procedures, and funding authorities applicable to/available for a set of major infrastructure projects (i.e., "covered projects") across a range of sectors and project types. A "covered project" is one that:

- Requires authorization or environmental review by a Federal agency involving construction of infrastructure for a covered sector,
- Is subject to the National Environmental Policy Act of 1969 (NEPA),
- Is likely to require a total investment of more than $200 million, and
- Does not qualify for abbreviated authorizations or environmental review processes for all of its reviews and authorizations.

Participation in FAST-41 is optional per the discretion of the project sponsor and subject to additional fees payable to the Federal Infrastructure Permitting Improvement Steering Council. Key provisions of FAST-41 are 1) the limitation of lawsuits on authorizations and environmental reviews to those filed not later than 2 years after the date of a Federal Register notification of the final approval, and 2) special consideration for the judicial review of actions seeking temporary restraining orders or preliminary injunction against covered projects. Agencies are also required to post covered projects on the Permitting Dashboard, providing greater transparency for the public.

The provisions of FAST-41 apply to covered projects initiated after June 1, 2016. Covered projects initiated prior to June 1st are included in the inventory of existing covered projects posted on the Permitting Dashboard, however, these projects are not subject to additional fees, and will not benefit from the additional provisions available under FAST-41.

DOI FAST-41 Draft Project Inventory as of September 16, 2016

Department of the Interior – Bureau of Indian Affairs
Aiya Solar Project (Moapa)
Fort Mojave Solar Project (Fort Mojave Tribe)

Department of the Interior – Bureau of Land Management
Boardman to Hemingway
Chokecherry - Sierra Madre
Denbury Riley Ridge CO2
Desert Quartzite Solar
Energy Gateway South
Gateway West Segments 8 & 9
Ten West Link
TransWest Express
West of Devers

Department of the Interior – Bureau of Offshore Energy Management
OCS Beaufort Sea - Liberty

IV. **PREPARED BY:** Olivia Ferriter, Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition, 202-208-4881; and Erika Vaughan, DOI FAST-41 Working Group Coordinator, 202-219-2257.
DATE: September 16, 2016

ISSUE: GREATER SAGE GROUSE CONSERVATION

I. KEY POINTS

The decline of the greater sage-grouse (GRSG) and its sagebrush steppe habitat has been a concern for more than two decades. As early as 2002, the Fish and Wildlife Service (FWS) received petitions under the Endangered Species Act (ESA) to list the GRSG as threatened or endangered. In 2005, the FWS issued a decision that listing the GRSG for protection under the ESA was not warranted; however, that determination was ruled "arbitrary and capricious" in a court challenge and the FWS was ordered to revisit the decision. In 2010, the FWS determined that the GRSG warranted ESA protection, but that listing was precluded by higher listing priorities. Since that time, Federal agencies, states, and stakeholders have initiated efforts to address identified threats to the GRSG, including efforts to reduce habitat fragmentation; partner with ranchers and private landowners to reclaim millions of acres of GRSG habitat impacted by invasive pinyon-juniper; minimize the impacts of development; and protect remaining habitat areas. The resulting conservation strategy forms a three-legged stool dependent upon strong Federal plans to protect and restore habitat on Federal lands, conservation efforts to protect habitat on state and private lands, and a better strategy to combat rangeland fire.

Strong management plans on Federal lands that are home to more than half of GRSG habitat are critical to this effort. The final Bureau of Land Management (BLM) and U.S. Forest Service (USFS) plans provide a strategic management approach that offers the highest level of protection to the most important habitat, known as Sagebrush Focal Areas (SFAs), which are based on the "stronghold" areas identified by the FWS as essential for the species' survival. In Priority Habitat, of which SFAs are a subset, the plans seek to limit major new surface disturbance with few exceptions. General Habitat areas are lands outside of priority habitat that require some special management to protect and sustain GRSG populations, but permit more flexible management and resource development. The BLM-managed lands within the SFAs have been proposed for withdrawal from mineral location and entry. The final BLM plans require mitigation that provides a net conservation gain to the species for any residual impacts from development in GRSG priority habitat. In addition, the BLM plans call for coordinated monitoring and evaluation of population changes, habitat condition, and mitigation efforts so that the effectiveness of voluntary and required conservation actions can be assessed. In response to this monitoring and evaluation, the plans may be adjusted based on a series of pre-determined benchmarks (i.e., "triggers") developed with state wildlife agencies to ensure that there is an immediate, corrective response to any identified declines in population or habitat that exceed previously determined benchmarks. The plans recognize the different nature of the threats to the GRSG in each planning region. While threats in the eastern portion of the GRSG range are mainly associated with disturbance due to development (e.g., oil and gas development, mining, pipeline or transmission line construction and agricultural conversion), the greatest threats in the Great Basin are rangeland fire and invasive plants.

In recognition of the nature and extent of the rangeland fire threat in the Great Basin, a separate though related initiative was undertaken by DOI under Secretarial Order 3336 to develop a rangeland fire strategy in coordination among several Federal agencies and the states. This strategy is critical to avoiding extensive loss of GRSG habitat in the Great Basin (i.e., the western portion of the GRSG remaining range). Similarly, many states have developed and implemented their own GRSG conservation efforts in response to threats within their states. Wyoming was the first state to develop a comprehensive strategy for GRSG conservation known as the Core Area Strategy. Other states followed suit, developing strategies that vary in structure and approach, primarily focused on efforts to reduce the impacts of threats to the GRSG, most often based on voluntary measures, and targeted to state and private lands.

To date, DOI has convened workshops for Federal agency staff, states, and key stakeholders to explain the strategy, field questions, and communicate specific plans for implementation; issued instruction memoranda (IMs) to guide the implementation of specific aspects of the strategy following extensive review and comment by the states through the Sage Grouse Task Force (SGTF); directed $45M in new resources to the GRSG offices and redirected $17M in fuels management funds to habitat protection and restoration; developed an interagency, multi-scale science framework for conservation and restoration of the sagebrush biome, including the Fire and Invasive Assessment Tool and the Sagebrush Management Resistance and Resilience Tool; and established teams to facilitate internal bureau, interagency, intergovernmental, and cross-sectoral communication and coordination to support all-lands implementation.

II. OPPORTUNITIES AND CHALLENGES

The GRSG Conservation Strategy is an unprecedented effort to prevent the listing of an indicator species and other species associated with the sagebrush ecosystem through implementation of a landscape-level, science-based, collaborative approach. In 2020, the FWS will re-assess the status of the GRSG, the degree to which the plans have been implemented and their success in conserving habitat. The future of the sagebrush-steppe and the ability to avoid listing the GRSG under the ESA depends on the successful implementation of the Federal and state plans and the actions of private landowners. The GRSG plans create a framework for managing the sagebrush biome at multiple spatial scales, across multiple jurisdictions and ownerships. Successful implementation will require a continued commitment to interagency coordination and collaboration among the BLM, USFS, FWS, NRCS, and USGS. Dedicated budget and staffing, systematic data collection and reporting, and effective collaboration with the states, the Western Association of Fish and Wildlife Agencies (WAFWA), and private landowners are essential to the success of this ongoing effort. Building and maintaining trust among public and private partners is critical.

III. BACKGROUND

For over a decade, state and Federal scientists and wildlife managers have articulated common conservation objectives for management of GRSG populations and sagebrush habitat. In particular, the 2006 WAFWA *Greater Sage Grouse Comprehensive Conservation Strategy* stated goal for management of the GRSG was to “maintain and enhance populations and distribution of GRSG by protecting and improving sagebrush habitats and ecosystems that sustain these populations.” The BLM’s National Technical Team (NTT) report, completed in 2012, also endorsed this goal, as did the Conservation Objectives Team (COT), established with the backing of the Sage Grouse Task Force (SGTF)[1].

COT Report objectives guided the development of the BLM/USFS GRSG Conservation Strategy, leading to amendments and revisions in land use plans and identified both threats and strategies that guided development of state GRSG conservation strategies. The objectives were to:

- Stop population declines and habitat loss;
- Implement targeted habitat management and restoration;
- Develop and implement state and Federal stage-grouse conservation strategies and associated incentive-based conservation actions and regulatory mechanisms;
- Develop and implement proactive, voluntary conservation actions;
- Develop and implement monitoring programs to track the success of state and Federal conservation strategies and voluntary conservation actions; and
- Prioritize, fund, and implement research to address existing uncertainties.

The resulting Federal public land conservation strategy reflects several key concepts:

- Focus on the remaining habitat of the GRSG on BLM and Forest Service lands, covering 10 western states in the Great Basin and Rocky Mountain regions;
- Use of best available science;
- Use of a targeted, multi-tiered approach to avoid or minimize additional surface disturbance in the most valuable habitat;
- Engage in a joint planning process led by the BLM with the Forest Service as partners;
- Collaborate with states and local stakeholders;
- Incorporate mechanisms for monitoring and adaptive management strategies; and
- Reflect standards to mitigate unavoidable impacts to GRSG habitat, consistent with guidance provided by FWS, and incorporate mitigation mechanisms in development by individual states.

The conservation strategy began with mapping areas of important habitat across the remaining range of the GRSG and within each state, with the BLM and Forest Service identifying priority habitat management areas (PMHAs) and general habitat management areas (GHMAs). Some states developed additional habitat categories which can be found in specific state plans. The plans mapped approximately 35 million acres identified as PHMA and 31 million acres as GHMA. SFAs consist of 10 million acres of BLM and Forest Service-administered lands in PHMAs. This tiered habitat framework provides for a nested or layered conservation design with the greatest protections and limited new surface disturbance in SFAs, a high degree of certainty that the integrity of PHMAs can be maintained through land allocations to avoid or minimize further disturbance while allowing greater flexibility for land use development in GHMAs.

Prepared by: Jim Lyons, 202-208-4318
DATE: 10/13/2016

[1] The SGTF includes designees from the 11 western states as well as representatives from the FWS, BLM, NRCS, Forest Service, USGS, and Department of the Interior. The COT was established with the concurrence of the SGTF.

ISSUE: GULF OF MEXICO RESTORATION

I. KEY POINTS

The Department of the Interior (DOI) has been deeply involved in restoration efforts funded by recoveries from the *Deepwater Horizon* oil spill. Settlements and the Consent Decrees with BP and other responsible parties provide over $15 billion for Gulf of Mexico restoration efforts over the next 15 years. Nearly $9 billion will be expended through the Natural Resource Damage Assessment and Restoration (NRDAR) process and $4.4 billion will flow through the Gulf Coast Ecosystem Restoration Council (RESTORE). Criminal settlements with BP and other responsible parties direct an additional $2.5 billion to the National Fish and Wildlife Foundation for further restoration in the Gulf. Restoration planning, implementation, and expenditures are coordinated with impacted States and other federal agencies.

Within DOI, the efforts are led by a team involving the Offices of the Deputy Secretary, the Assistant Secretary for Fish and Wildlife and Parks (ASFWP), the Assistant Secretary for Policy, Management and Budget, the Solicitor, and the U.S. Fish and Wildlife Service, the National Park Service, the U.S. Geological Survey, the Bureau of Land Management, the Bureau of Ocean Energy Management and the Bureau of Indian Affairs. DOI is hiring a Director of Gulf of Mexico Restoration career SES position to collaboratively lead these efforts going forward. The position will report to the ASFWP.

II. OPPORTUNITIES AND CHALLENGES

This historic settlement presents a unique opportunity for comprehensive, ecosystem-wide restoration of the Gulf of Mexico. Coordinating efforts between NRDAR and RESTORE, as well as the National Fish and Wildlife Foundation's Gulf Environmental Benefits Fund and other Gulf of Mexico restoration funding will be critical. In addition, the Federal agencies play an important role in ensuring that landscape-level ecosystem restoration occurs across the region, which often stresses already fragile relationships with the States.

III. BACKGROUND

NRDAR: On October 5, 2015, the U.S Department of Justice announced it had reached a proposed settlement with BP, the party primarily responsible for the *Deepwater Horizon* oil spill. On April 4, 2016, the federal Louisiana District Court approved Justice's motion to enter the Consent Decree, and approved the global settlement resolving the government's claims against BP. The settlement represented the largest civil settlement with a single entity in U.S. history. To streamline decision making and increase efficiency, the NRDAR Trustees (DOI, the 5 Gulf States, USEPA, NOAA, and USDA) have established eight Trustee Implementation Groups (TIGs), which will receive the NRDAR settlement dollars and make decisions on restoration planning, implementation, project evaluation and monitoring and adaptive management. The TIGs are responsible for discrete resources and geographic ranges across the Gulf. These TIGs are in addition to the over-arching Trustee Council (TC), which will continue to ensure transparency, accountability, and consistency across all eight TIGs. As all four federal trustees are members of each TIG and must "speak with a single voice" on decisions in each of the five State-specific TIGs, the Department, NOAA, USEPA, and USDA drafted and signed a Federal MOU in March 2016. The Department continues to serve as the Lead Administrative Trustee

(LAT) for the TC. In this role, Department staff is responsible for providing administrative support and coordination of TC and TIG meetings, providing assistance with future TIG restoration plans, managing TC level public outreach, maintaining the restoration database, and assembling the administrative record that will be important in documenting Trustee decisions pertaining to restoration project selection.

Implementation of "Early Restoration" with a down payment on liability provided by BP in 2011 was a very successful process for all Trustees. The Trustees were able to plan, begin or complete 65 restoration projects totaling $868 million. DOI is currently implementing over $119 million in Early Restoration across all five Gulf States. DOI projects occur on national wildlife refuges, national parks, and state and local government lands, and benefit sea turtles, migratory birds, and coastal habitat and enhance visitor experiences on refuges and parks. DOI's largest Early Restoration project is a collaboration with Louisiana that benefits migratory birds and promotes coastal resilience – Restoration of Breton Island for $72 million.

RESTORE: The RESTORE Act was enacted in July 2012 and created the Gulf Coast Ecosystem Restoration Council (Council) and the Gulf Coast Restoration Trust Fund (Trust Fund). Congress directed that this Trust Fund will receive 80% of the Clean Water Act civil and administrative penalties resulting from the oil spill. The Council has direct responsibility for 30% of these funds for restoration of the Gulf Coast region. Council members include DOI, USDA, USEPA, Department of Commerce, Department of Homeland Security, Department of the Army, and the five Gulf States.

As a result of a civil settlement with Transocean, $800 million plus interest was deposited into the Trust Fund resulting in $240 million for the Council to allocate for restoration activity. The Council finalized an initial Funded Priorities List (FPL) in December 2015 totaling approximately $157 million. The FPL was made up of projects and programs that have been proposed by Council members. DOI proposed the following projects and programs, which were funded in the initial FPL:

- ***Abandoned Oil and Gas Well Plugging and Site Reclamation (NPS & FWS)*****:** Funding - $8,731,000 (NPS in LA) and $1,317,567 (NPS in TX) – Total $10,048,567.
- ***Strategic Conservation Assessment of Gulf Coast Landscapes (FWS)*****:** Funding - $1,879,380
- ***Monitoring and Assessment Program (USGS & NOAA)***: Funding - $2,500,000
- ***Gage Analysis (USGS & EPA)***: Funding - $5,800,000
- ***Youth Conservation Corps (Department of Commerce & BIA)*****:** Funding - $8,000,000 (Commerce) of which $500,000 (BIA) is set aside for tribal youth conservation corps. This project will require ongoing DOI leadership.

Currently, the Council is in the process of updating its 2013 Comprehensive Plan, which is out for public comment until October 7, 2016. There is no granularity on the timing and frequency of future FPLs in the update to the Comprehensive Plan.

IV. PREPARED BY: Karen Hyun, Department of the Interior, Deputy Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, 208-4943
DATE: September 20, 2016.

ISSUE: INDIAN ENERGY SERVICE CENTER

I. KEY POINTS

The Indian Energy Service Center received its initial funding in 2016, and is designed to expedite leasing, permitting, and reporting for conventional and renewable energy on Indian lands, and provide resources to ensure development occurs safely, protects the environment, and manages risks appropriately with technical assistance to support assessment of the social and environmental impacts of energy development. The Center continues to train BIA, BLM, and the Office of Natural Resource Revenue employees on the Standard Operating Procedures, which set forth the roles and responsibilities of each agency regarding permit processing for the development of energy on Indian land.

The Center is also working with local BIA and BLM agencies on addressing current backlogs. The recent drop in oil prices has resulted in slower rate of development; however, the Center is preparing for an influx of permits if oil prices begin to rise.

II. OPPORTUNITIES AND CHALLENGES

The Indian Energy Service Center is hiring additional employees to fill key personnel positions. Currently, the Center relies on contract employees for current work.
The Center is also working in coordination with GSA in acquiring office space to accommodate all staff.

III. BACKGROUND

The Indian Energy Service Center is composed of four Interior agencies: BIA, BLM, the Office of Natural Resource Revenue, and Office of the Special Trustee. Intended to help expedite the leasing and permitting processes associated with Indian energy development, the Center was a response to the inability of Federal agencies to timely process administrative requirements. Delay in production causes a very real and immediate adverse economic consequence to reservation and mineral estate owners- namely that drilling rigs go on to non-Indian sites to drill instead. The Center provides a wide suite of support services and assists in coordination between Federal agencies that are involved in the permitting process.

IV. PREPARED BY:
Helen Riggs, Office of Trust Services, Deputy Bureau Director, (202) 208-5831

ISSUE: TRIBAL CONSULTATIONS ON POTENTIAL REVISIONS TO THE CRITERIA AND PROCEDURES USED FOR FEDERAL INVOLVEMENT IN INDIAN WATER SETTLEMENTS

I.KEY POINTS

On September 9, 2016, the Department of the Interior sent a letter to tribal leaders to initiate a consultation with federally recognized Indian tribes to obtain the tribes' perspectives on the current process used by the federal government to negotiate, review and reach final positions on Indian water rights settlements. Consultation sessions have been scheduled for October 9 and November 3, with a third to be scheduled in January 2017. The Department also encouraged tribes to send written comments by January 31, 2017, to the Secretary's Indian Water Rights Office.

The Department has not made any final decisions about whether to change or replace the Criteria and Procedures, and will need to consult with the Department of Justice and the Office of Management and Budget (OMB) on any proposed revisions.

For more than 30 years, the Interior Department has supported negotiating, rather than litigating, unresolved Indian claims to water. In 1990, the *Criteria and Procedures for participation of the Federal Government in Negotiations for Settlement of Indian Water Rights Claims,* 55 Fed. Reg. 9233 (1990) (Criteria and Procedures) were published. The Criteria and Procedures identify factors to guide settlements, including fulfilling the United States' trust responsibility to Indians and ensuring benefits for Indians equal to any rights relinquished by settlement. They also describe factors to be considered in determining an appropriate level of federal funding for settlements and stress the importance of non-federal cost share.

The September letter that initiated the consultation requested that tribes provide specific feedback on the Criteria and Procedures, including:

- Do the Criteria and Procedures need to be reviewed and reconsidered?
- Have the Criteria and Procedures been useful to achieve Indian water rights settlements and applied fairly and consistently?
- Should both the substantive criteria and the procedures be re-examined?
- Which criteria or procedures be revised and why?

The Criteria and Procedures have not been updated or modified since they were first issued in 1990. Several tribes and states have criticized the Criteria and Procedures, including in testimony to Congress, as being outdated, overly restrictive and not representative of the federal government's role and responsibilities. Tribes especially have been critical, as the original Criteria and Procedures were published with very little tribal input.

Recently, through the National Congress of American Indians (NCAI) and individually, tribes have been critical of a recent memorandum issued by OMB to the Interior and Justice Departments. From the tribes' perspective, the June 23, 2016, OMB memorandum contained significant new process for federal review of tribal water settlements and was issued without consultation with tribes. We expect that tribes will address their concerns with the OMB memorandum in the current consultation on the Criteria and Procedures.

II. OPPORTUNITIES AND CHALLENGES

Proceeding with revisions at this time would provide an opportunity to update, clarify and modernize the Criteria and Procedures. When they were first published, relatively few Indian water negotiations had been completed, and the federal government was in the early stages of establishing the processes for federal teams and Departmental review of settlements. Nearly three decades of experience since issuing the Criteria and Procedures has given the Department and others within the federal government considerable practical, legal and policy experience and insight on what should be considered in the negotiations.

The Department's current consultation with tribal governments is an opportunity to obtain needed input from Indian tribes. Tribes and their members are increasingly focused on and capable of actively negotiating for their water rights on their own behalf. In the negotiations, tribes often bring credible settlement proposals to the table, and they will expect a fair review of those proposals by the federal government.

Reconsidering the Criteria and Procedures comes at a challenging time for Indian water settlements. The federal government faces limited resources on two important fronts. First, although tribes, states and local parties are increasingly interested in solving tribal water disputes through negotiations, the Interior Department and its agencies have limited staff and funding to participate in existing and any new negotiation teams. Second, there is limited federal funding available for tribal water settlements. The costs for settlements recently approved by Congress have been significantly higher than earlier settlements, and at the same time the availability of federal funds for these settlements is decreasing. Revised criteria and procedures would have to address these funding challenges.

III. BACKGROUND

For the past three decades, all administrations have supported the resolution of Indian water rights claims through negotiated settlement. Settlements resolve long-standing claims to water; provide reliability with respect to supplies; facilitate the development of much-needed infrastructure; improve environmental and health conditions on reservation; and promote collaboration between tribes, states and local communities. At this time, over 30 tribal water settlements have been completed.

It is important that all parties understand the procedures under which the relevant federal departments and agencies will participate in tribal water right negotiations and the criteria by which they will evaluate proposed settlements and federal costs for settlements.

IV. PREPARED BY: Duane Mecham, Office of Indian Water Rights, Acting Deputy Director, 202-208-5967; 503-502-5904

DATE: October 7, 2016

ISSUE: INVASIVE SPECIES

I. KEY POINTS

Invasive species—plants, animals, and other organisms that are not native and cause harm—significantly threaten the ecological, economic, and cultural integrity of America's lands and waters. While the scale of the problem is daunting, opportunities exist to prevent and mitigate adverse impacts. The Department of the Interior (DOI) is strengthening internal efforts to address invasive species more strategically through improved Department-wide leadership and coordination and through extensive efforts led by bureaus. Invasive species management is a critical factor in bureau missions to protect and preserve natural, cultural, historic, and tribal resources. The Department invests approximately $100 million annually to address invasive species through prevention, early detection and rapid response, control and management, and research.

The Office of Policy Analysis leads invasive species coordination activities across DOI's bureaus and offices, guides the DOI Invasive Species Task Force comprised of bureau/office representatives, and implements the DOI Invasive Species Action Plan, which calls for improving coordination to address the most pressing needs. DOI, through the US Fish and Wildlife Service and with NOAA, chairs the Aquatic Nuisance Species Task Force (ANSTF), an interagency body established by the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990, and reauthorized by the National Invasive Species Act in 1996. The ANSTF consists of 13 Federal agency representatives and 12 Ex-officio members and coordinates efforts to prevent and control aquatic nuisance species. DOI also co-chairs the National Invasive Species Council (NISC), an interagency body established in 1999 by Executive Order 13112 to provide national leadership and coordination on invasive species among 13 Federal Departments and agencies. DOI sponsors the NISC Secretariat which staffs the Council. (S*ee NISC briefing paper*).

II. OPPORTUNITIES AND CHALLENGES

The DOI Invasive Species Task Force is improving relationships among the bureaus and offices and motivating collaboration and shared problem solving. The Department can further encourage these connections by increasing Task Force engagement and continuing to implement the DOI Invasive Species Action Plan. There are also opportunities to address other strategic needs, such as communications, planning, policy improvements, and budget coordination. The Department produces an Invasive Species cross-cut for the President's annual budget submission and highlights examples of bureau efforts on particular high profile invasive species. There is opportunity for more internal coordination to develop cross-cutting initiatives that could leverage investments to meet management needs and achieve shared goals. Shared budget proposals also would help to effectively and efficiently align and execute resources to focus on invasive species priorities and enhance their collective impact.

In February 2016, the federal government released an interdepartmental report, *Safeguarding America's Lands and Water from Invasive Species: A National Framework for Early*

Detection and Rapid Response. Recommendations from the report are included in the NISC Management Plan as action items and represent an important step in improving Early Detection and Rapid Response capacity and effectiveness to detect and eradicate non-native species before they spread and cause harm. Advancements in science provide managers with the tools and techniques necessary to prevent, eradicate, and control invasive species. Fostering the development, application, and coordination of research supports the science-management partnerships necessary to implement effective approaches. Examples include tools to improve detection of invasive species at low abundances, risk assessment models that account for current and changing climatic conditions, and tools and best practices to prevent invasive species and contain and control high priority invasive species that are well-established.

III. BACKGROUND

The Department's lands, facilities, and resources are vulnerable to biological invasions and can in turn be pathways and sources for invasive species introductions to both public and private land. DOI has been actively engaged in managing invasive species for more than 60 years. Investments range across various strategies, species, and landscapes. Examples include researching methods to stop the spread of Asian carp in the Great Lakes, surveying for Burmese pythons in Everglades National Park, controlling cheatgrass in the Great Basin, and preventing the spread of zebra and quagga mussels in waterbodies across the west.

Invasive species are still arriving in the United States, and invasive species already present are expanding their ranges. Coordinated efforts are necessary to protect natural and cultural resources now and into the future. Increased Departmental attention and focus on invasive species, greater collaboration among bureaus, and building institutional capacities would help to address these expanding issues and achieve tangible results by cooperating in a more strategic way.

IV. PREPARED BY: Joel Clement, Director, and Hilary Smith, Invasive Species Coordinator, Office of Policy Analysis
DATE: September 19, 2016

ISSUE: THE INDIAN TRUST ASSET AND REFORM ACT OF 2016 (ITARA) TRANSITION PLAN

I. KEY POINTS

The Indian Trust Asset and Reform Act of 2016 (ITARA) allows the Secretary of the Interior (Secretary), at his/her discretion, to establish an Under Secretary for Indian Affairs who would report directly to the Secretary of the Interior and coordinate with the Office of the Special Trustee for American Indians (OST) to ensure an orderly transition of OST functions to an agency or bureau within the Department of the Interior (DOI).

The legislation requires appraisals and valuations of Indian trust property to be administered by a single administrative entity within DOI. It calls for DOI to establish minimum qualifications for individuals to prepare appraisals and valuations of Indian trust property and allows an appraisal or valuation by a qualified person to be considered final without being reviewed or approved by DOI.

ITARA also requires OST to identify any non-monetary management functions it performs and requires DOI to prepare a transition plan and timetable for how the functions might be moved to other entities within DOI. The Secretary must establish an Indian trust asset management demonstration project in which all Indian tribes have an opportunity to participate. Selected Indian tribes will prepare an Indian Trust Asset Management Plan in accordance to the DOI's guidance.

II. OPPORTUNITIES AND CHALLENGES

There is opportunity for focused discussions with Indian country regarding OST, the relationship between the 1994 Act that established OST and ITARA, and options for OST moving forward. A proposal to have appraisals and valuations under one organization could be considered. Any impacts to customer/beneficiary services as well as to OST staff should be considered with any change to OST functions.

III. BACKGROUND

On June 22, 2016, President Obama signed into law the Indian Trust Asset Reform Act (ITARA), Pub. L. 114-178. Within one year of the signed law, the Secretary is required to prepare, and submit a report to Congress that describes OST's nonmonetary trust functions, a description of any functions that will be transitioned to other bureaus or agencies within the DOI. Also required is a transition plan for OST to transition within two years of submission, or an alternative date if an orderly transition cannot be done within two years. The legislation does not terminate OST, or affect application of the existing provisions in the 1994 Act. Additionally, within 18 months, the Secretary of the Interior "shall ensure that appraisals and valuations of Indian trust property are administered by a single bureau, agency, or other administrative entity within the Department."

IV. PREPARED BY: Deb DuMontier, Office of the Special Trustee for American Indians, Deputy Special Trustee, 505-816-1131
DATE: September 13, 2016

ISSUE: Klamath River Dam Removal

I. KEY POINTS

Removal of four hydroelectric dams owned by PacifiCorp on the Klamath River (southern Oregon and northern California) is moving forward under the leadership of the newly formed Klamath River Renewal Corporation (KRRC) using the Federal Energy Regulatory Commission's (FERC) decommissioning process. This will be the largest dam removal in the nation's history. Science, engineering, and environmental compliance documents prepared by the Departments of the Interior and Commerce provide the most recent technical foundation for the removal of these dams. It is critical that Interior continues to work with KRRC and FERC to ensure these technical documents are fully understood and utilized, and to provide further technical assistance as requested, in order to efficiently remove these dams within the $450 million budget and by the 2020 target date.

II. OPPORTUNITIES AND CHALLENGES

USGS and the Bureau of Reclamation are currently preparing a Supplemental Information Report (SIR) that updates the Klamath Facilities Removal final Environmental Impact Statement (EIS) prepared by Department of the Interior (DOI) in 2012. This SIR will be provided to the KRRC in late 2016 for their use in preparing any additional EIS analyses with FERC. In addition, the Klamath Federal Team continues to provide briefings and assistance to the KRRC and FERC when requested because much of the pertinent analyses to date regarding Klamath dam removal have been done by federal agencies within Interior and Commerce.

Many dams in this country are reaching the end of their useful life. The Klamath River provides a rare and unique opportunity to measure, monitor and evaluate the impacts and benefits of the largest dam removal in history and thereby provide guidance and insights for future dam removals. The recent removal of two Elwha River dams (State of Washington) provided many valuable lessons, insights, and best practices for analyzing the likely impacts and benefits of Klamath dam removal, the cost of removing the four dams, and the mitigations that most likely will be needed. Therefore, studying the Klamath River fisheries, biology, water quality, hydrology, and sediment transport before, during, and after dam removal will provide a similar opportunity to improve how dams are removed in the future, including how to reduce dam removal costs and mitigations, how to maximize long-term benefits to aquatic resources, and how do minimize short-term impacts to people and the environment.

III. BACKGROUND

Removal of four PacifiCorp hydroelectric dams on the Klamath River in 2020 has been a high priority for the Secretary of the Interior because of their adverse impacts on salmon fisheries and the six local tribes and fishing-based communities that depend on them. Recent federal studies show that dam removal would greatly enhance the Klamath River ecosystem, salmon and steelhead fisheries, tribal wellbeing, and the local economy.

Lack of Congressional action in 2015 nearly ended the Klamath Hydroelectric Settlement Agreement (KHSA), which was signed in 2010 by over 40 Klamath Basin stakeholders, including the Secretary of the Interior. The 2010 KHSA included a process that required a DOI Secretarial Determination and Congressional authorization before dam removal could occur. USGS engaged with other federal agencies to finalize in February 2016 a new technically sound Agreement in Principle among Department of the Interior, NOAA, PacifiCorp, and the States of Oregon and California for Klamath River dam removal. USGS also helped finalize in April 2016 a technically sound amended KHSA that no longer required new Congressional action or a Secretarial Determination to proceed with dam removal; the amended KHSA was signed in April 2016 (including Secretary Jewell). The 2016 amended KHSA set in motion a process for the newly formed KRRC to removal the four dams under a FERC decommissioning process, funded with $450 million dollars being obtained from an electricity customer surcharge and a State of California bond measure.

USGS has been the technical lead on the science and engineering of Klamath dam removal since 2009, leading a team of experts from eight federal agencies to produce 50 technical reports and a final EIS regarding dam removal and its effects on the environment. It is critical that Interior continues to work with KRRC and FERC to ensure these technical documents are fully understood and utilized, and to provide further technical assistance as requested, so dam removal can proceed efficiently, economically, and within compliance of government regulations, including the Federal Power Act, Endangered Species Act, Clean Water Act, and the National Environmental Policy Act.

IV. PREPARED BY: Dennis Lynch, U.S. Geological Survey, Associate Regional Director, Northwest Region, 503-803-6392

DATE: October 7, 2016

ISSUE: FUTURE OF LAND CONSOLIDATION EFFORTS

I. KEY POINTS

The Department of the Interior Land Buy-Back Program implements the land consolidation component of the *Cobell* Settlement, which provided $1.9 billion to purchase fractional interests in trust from willing sellers at fair market value. Interests consolidated through the Program are restored to tribal trust ownership for uses benefiting the reservation community and tribal members.

Since the Buy-Back Program began making purchase offers in December 2013, approximately $900 million has been paid to landowners at 30 locations, and the equivalent of nearly 1.7 million acres of land has been restored to tribal governments. Tribal ownership now exceeds 50 percent in approximately 11,000 fractionated tracts comprising nearly 1.8 million total acres, allowing for more efficient and effective use of the land for the benefit of tribal communities. Tribes are already making decisions about consolidated lands.

Even with the Program's significant progress to date – and the results expected through its congressional funding authorization, which expires in 2022 – fractionation will continue to pose challenges. In addition, the Consolidation Fund created by the *Cobell* Settlement is not sufficient to consolidate all fractional interests. The Program estimates that more than four million equivalent purchasable fractionated acres may still exist after the Fund is fully expended.

Sustained Departmental, Congressional and tribal attention will likely be necessary to address this issue and maximize the value of the land base for the benefit of tribal communities.

II. OPPORTUNITIES AND CHALLENGES

In May 2016, Interior Secretary Sally Jewell traveled to the Blackfeet Nation with U.S. Senator Jon Tester to commemorate an agreement with the Tribe. There, she announced that the Department would consider ways to extend the Program, in part given the many requests to return to locations where implementation has already occurred. At that time, the Department initiated an analysis of the options to extend the life of the Program so that additional future participants may benefit and so that the Program could return to locations where implementation has already occurred.

Preliminary ideas, for discussion with congressional leaders, the Executive Branch, and with Indian Country at the Program's next **Listening Session to be held in spring 2017**, include: (1) continued land purchases through an extended authorization for purchasing fractionated land, and (2) legislative and policy changes that will provide opportunities for more effective probate processes; additional estate planning tools; and land use planning to further conservation, stewardship, and economic development for trust lands.

A long-term commitment to land consolidation will produce several benefits. Among other things, it will improve government-to-government relationships, increase tribal sovereignty and self-determination, foster cultural preservation, and enhance economic and social development.

In addition, an uninterrupted continuation of the Program would avoid the expense of stopping and then starting operations again.

III. BACKGROUND

Approximately 90 million acres of the Indian trust land base were lost through 1934 because of federal allotment policies that broke up tribal land bases into individual allotments. Although the allotted land itself is not divided physically, the children, spouses, and other relatives of the original and successive landowners inherit undivided common ownership interests in the land.

As a result, fractionation has grown exponentially over generations. Fractionation now affects nearly 11 million acres of remaining allotted land across Indian Country, locking up a significant area and creating an overly complicated land tenure status where single tracts of land, like those at the Navajo Nation or Crow Creek Reservation, have more than 1,000 individual owners.

As a result of the fractionated ownership of the allotted lands and the checkerboard nature of land ownership patterns on many reservations, tribes are experiencing major challenges that impact tribal sovereignty and self-determination.

In 2010, Congress enacted historic legislation to ratify and confirm a settlement between Plaintiffs and the federal government in the *Cobell* litigation. The Claims Resolution Act set the framework to help reverse the fractionation of Indian lands that was set in motion under repudiated policies of allotment and assimilation.

The *Cobell* Settlement was approved with finality on November 24, 2012, following the exhaustion of appeals through the U.S. Supreme Court. Congress provided a $1.9 billion Trust Land Consolidation Fund to compensate individuals who willingly choose to transfer fractional land interests to tribal nations at fair market value. Consolidated interests would then be immediately restored to tribal trust ownership for uses benefiting the reservation community and tribal members.

Less than a month following final approval, the Department of the Interior established the Land Buy-Back Program for Tribal Nations (Buy-Back Program). The Buy-Back Program was created to work collaboratively across Indian Country, with both tribes and individuals, to realize this historic opportunity.

IV. PREPARED BY:

John McClanahan, Land Buy-Back Program for Tribal Nations, Program Manager, 202-208-5386

DATE: October 28, 2016

ISSUE: LANDSAT

I. KEY POINTS

The USGS and NASA are jointly developing the new Landsat 9 satellite, currently targeting a December 2020 launch date at the direction of Congress. Landsat 9 is the newest endeavor of the joint NASA-USGS Sustainable Land Imaging (SLI) program, designed to ensure the continuation of the Landsat data record into the next two decades to provide high quality, global land images used worldwide to make water resource decisions, track forest health, respond to natural hazards, and manage agriculture.

Landsats 7 and 8 are currently collecting nearly 1,200 images every day− an area greater than Europe and North America combined. Together, they are able to revisit any location on the Earth every 8 days, which supports the operational monitoring of agricultural growing seasons. Landsat 7 is projected to end its mission life in 2020/2021 due to fuel depletion, though it is operating on some backup systems and may not last that long. The goal is to minimize the time gap between the decommissioning of Landsat 7 and commissioning of Landsat 9. NASA is currently developing Landsat 9's space segment, while USGS is developing the ground segment. Landsat development and operations activities within DOI/USGS includes overall project management and system engineering for Landsat 9 ground segment development, including coordination with NASA, which will build, launch and conduct the on-orbit check-out before transferring the mission to USGS for operations; flight operations for two on-orbit Landsat satellites (i.e., Landsat 7 and 8), and ground system operations for archiving, processing and distributing Landsat 1-8 data to tens of thousands of users worldwide.

The Landsat satellite mission has provided data used by resource managers around the world since 1972. Landsats 1-8 sequentially collected seasonal imagery documenting the condition of a planet that grew from 3.9 billion to nearly 7.5 billion people. Landsat's imagery are repetitive and at a resolution that permits detecting and distinguishing between natural- and human-caused land and water changes. Landsat has provided continuous images of the Earth and serves as an "unparalleled witness" to the enormous changes occurring on Earth. Landsat provides undisputed evidence of: rates and consequences of land and water change from local to global scales; changes in the condition of land and water resources; impacts of historical and contemporary weather and climate events; and, the impacts of land policy and management decisions.

Findings from a user survey in a 2012 USGS/DOI report estimated the economic benefit from Landsat imagery to be just over $1.79 billion for U.S. users, and almost $400 million for international users, resulting in a total annual economic benefit of $2.19 billion. This estimate did not include benefits from reuse of imagery or from the use of value-added products based on Landsat imagery. Altogether, this *annual* benefit estimate far exceeds the *multi-year* total cost of any new Landsat satellites.

USGS's decision to institute a free and open data policy in 2008 for the entire Landsat archive established it as *the* data standard for Earth monitoring. Prevalent application areas include agriculture, forestry, fire and disaster management; ecosystems and drought monitoring; coastal mapping; carbon assessments; and famine early warning.

II. OPPORTUNITIES AND CHALLENGES

DOI/USGS and NASA have demonstrated strong commitment to maintaining and continuing the long-term Landsat record. This continued leadership and collaboration among the agencies represents an opportunity to buttress U.S. leadership in understanding climate change and land use issues in relation to national security. As the Earth warms, populations expand, and the competition for resources increases, Landsat must continue to serve as the basis for objective evidence on the causes and consequences of land use and climate change.

There are challenges ahead, including our ability to stay on track in building and launching Landsat 9 by December 2020, and defining, building, and launching Landsat 10 by ~2025. Other challenges include building capacity for:

- Continued calibration and performance monitoring of Landsat instruments to enable cross-calibration and synergistic use with other satellite remotely sensed data.
- Expanding the historical and contemporary depth of the now 6.5 million-image Landsat archive and making all data available in a consistently calibrated format to anyone in the world at no cost.
- Producing baseline data on land cover and land change, wildfire occurrences, surface water extent, snow and ice extent, surface reflectance, and surface temperature.

III. BACKGROUND

The Landsat program was initiated back in 1966 when Interior Secretary Udall first called for a national program to use NASA space system technology to observe the changing surface of the Earth. Interior and USGS have worked closely over the past 50 years with NASA to execute this program, consisting of a series of eight satellite missions over the years providing a continuous record of moderate-resolution multispectral data of the Earth's land and inland water surfaces. Recent President's budget submissions have recognized the need to accelerate the Landsat 9 launch date into 2020/2021, in line with Congressional language, while continuing the multi-year technology development and system innovation activity that will lead to the next generation of Landsat satellites. The budget request for USGS for FY 2017 was $15.4 million above the $57.6 million FY16 base for the continued development of the Landsat 9 ground system. This allows the USGS to keep pace with NASA's space segment on the accelerated launch schedule, which is critical for Landsat 9 to replace Landsat 7 *without a break* in near-weekly revisit data collection, a requirement for tens of thousands of Landsat users around the Nation. The budget request also called for $2.2 million to implement handling of European Sentinel-2 data at USGS. The European Space Agency is expected to launch the second Sentinel-2 mission in 2017. Two Landsats and two Sentinels on-orbit would enable 2-3 day revisit over any land area on Earth, a potentially groundbreaking opportunity for most applications. Although Sentinel-2 does not have a thermal imaging sensor, it could mitigate a gap in data collection should Landsat 7 be decommissioned prior to the launch of Landsat 9.

IV. PREPARED BY: Tim Newman, Program Coordinator, Land Remote Sensing Program, USGS, 703-648-4405
DATE: September 28, 2016

Office of the Solicitor
Index of Briefing Papers

Pacific Northwest Region	*National Wildlife Federation et al. v. National Marine Fisheries Service, et al.* (D. Oregon) (Federal Columbia River Power System salmon)	29
Pacific Northwest Region	*Association of O&C Counties v. Kornze* (D.D.C.) (O&C Act challenge to BLM's RMPs for western Oregon); *AFRC v. Kornze* (D.D.C.) (O&C Act & APA challenge to RMPs); *Pacific Rivers Council v. BLM* (D. Or.) (NEPA, FLPMA & O&C Act challenge to RMPs; ESA claims forthcoming) (Northwest Forest Plan)	31
Pacific Northwest Region	*In Re: Waters of the Klamath River Basin* (Klamath Cir. Ct.) (Klamath Basin water rights adjudication)	33
Pacific Northwest Region	*United States v. Ammon Bundy et al.* (D. Or.) (criminal prosecution of occupiers of the Malheur National Wildlife Refuge)	35
Rocky Mountain Region	*In re Peabody Energy Corp., et al.* (Bankr. E.D. Mo.) (major coal bankruptcy); *Montana Elders for a Livable Tomorrow v. OSMRE* (D. Mont.) (DOI mining plan approval); *Western Organization of Resource Councils v. BLM* (D.D.C.) (federal coal leasing) (and 14 similar or related cases)	36
Southeast Region	*Pimm v. Ashe* (D.D.C.) (challenge under ESA to Everglades Restoration Transition Plan, Phase I (ERTP-1), and associated biological opinion)	38
Southeast Region	Take of Watercress Darter in Birmingham, Alabama (Potential Administrative Penalty Case)	40
Southwest Region	*Aderholt et al. v. Bureau of Land Management* (N.D. Tex.) (Quiet Title Act litigation over the boundary of the Federal public lands along the Red River between Texas and Oklahoma)	41

Office of the Solicitor Briefing Paper

Subject: Defense and Management of Sexual Harassment Claims and Other Misconduct

Background: In recent months, several high-profile sexual harassment allegations have come to light, primarily in the National Park Service (NPS), Bureau of Land Management, Bureau of Indian Affairs, and the Fish and Wildlife Service. The publicity surrounding the allegations and the release of reports by the Office of Inspector General (OIG) relating to the apparently long-standing sexual harassment issues within the NPS appears to have spurred more employees across the Department to come forward with harassment and reprisal allegations. In response, the Department is poised to address the issues of sexual harassment and reprisal at the departmental level and the Employment and Labor Law Unit (ELLU) of the Office of the Solicitor is central to those efforts as well as managing and intervening in these various cases and issues as they come to light.

At present, the ELLU estimates that attorneys in the Office of the Solicitor, Division of General Law (DGL) and in the offices of the Regional Solicitors have received approximately 120 new counselling and litigation matters in the past few months that relate to new allegations of harassment, reprisal and/or management abuses. Those new matters include requests by Bureaus for EEO training, new EEO sexual harassment and reprisal cases, requests for advice and counseling on proposed discipline of individuals accused of harassment and/or retaliation, FOIA requests relating to harassment and reprisal allegations, allegations relating to Privacy Act violations arising from the release of information relating to some individuals who reported harassment, and investigations by the Office of Special Counsel relating to alleged whistleblower retaliation. This influx of new matters has exponentially increased the work of the ELLU and General Law attorneys who were already carrying a full load of employment, FOIA and Privacy Act-related matters.

Attorneys in the ELLU are responsible for advising on, and litigating claims of, sexual harassment and reprisal. In addition, ELLU attorneys advise on, and litigate, disciplinary actions taken against the officials who commit this, and other types of, misconduct. The ELLU has also taken a lead role in Departmental and Bureau efforts to track and manage these and related cases, to minimize the litigation risks associated therewith, as well as the damage and disruption to the Department's mission. For example, the ELLU is involved in the drafting of new Departmental Policy, extensive training efforts (particularly at NPS), efforts to streamline and improve disciplinary proceedings, efforts to streamline and improve administrative investigation processes, communication efforts aimed at informing both victims and Congress of the measures taken to address the cases and ameliorate their consequences. In short, the ELLU and its efforts are poised to play a vital role in changing the culture of the Department and resolving the issues of sexual harassment and reprisal that currently taint the Department and many of its Bureaus.

Because the ELLU's existing resources were inadequate to manage and litigate these cases, as well as to undertake efforts necessary to ensure such cases do not recur in the future, DGL requested client funding to hire six new experienced employment and labor law attorneys to fill two-year term GS-905 positions and client funding to hire one additional attorney with experience with the Freedom of Information Act (FOIA), the Privacy Act and general information law.

Deadlines: There are no major deadlines associated with ELLU's general effort to manage the existing and emerging sexual harassment and other misconduct matters primarily concentrated within NPS, FWS and BLM. As described above, however, the ELLU has a leading role in Departmental efforts designed to minimize damage to the Agency's mission caused by these incidents, to prevent a recurrence of such incidents, and to litigate claims arising therefrom. Therefore, the ELLU is involved in and/or leading numerous ongoing efforts designed to address sexual harassment and other misconduct and to spur culture change with the Agency.

Contact: Karen Richardson, Director, Employment and Labor Law Unit, Division of General Law, 202-208-5708

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *Carcieri v. Salazar* Litigation and Opinions (E.D. Cal; 9th Cir; D.C. Cir; 2d Cir; D.D.C.; D. Mass.) (land-into-trust litigation)

Issues: The Department's authority to acquire land in trust on behalf of tribes under Section 5 of the Indian Reorganization Act (IRA); the Department's two part test for analyzing whether a tribe was "under federal jurisdiction" in 1934

Background: In *Carcieri v. Salazar*, 555 U.S. 379 (2009), the United States Supreme Court held that the Department's authority to take land into trust for tribes under the first definition of "Indian" in the IRA is limited to "recognized Indian tribes that were "under federal jurisdiction" in 1934. For tribes seeking to have land acquired on their behalf under the IRA, since *Carcieri*, the Department is required to analyze whether they were "under federal jurisdiction" in 1934 or whether they meet another definition of "Indian." The Solicitor has developed a two-part test for analyzing whether a tribe was "under federal jurisdiction" in 1934, as set forth in M-37029. Under the test, the Department first determines whether there is a sufficient showing in the tribe's history prior to 1934 that the United States had taken an action or series of action that are sufficient to establish, or that generally reflect, federal obligations, duties, responsibility for, or authority over the tribe by the Federal Government. The Department then ascertains whether the tribe's jurisdictional status remained intact in 1934. At the request of the Bureau of Indian Affairs or the Assistant Secretary – Indian Affairs, the Solicitor's Office prepares a legal opinion applying its analytical framework to each tribe with a pending land-into-trust application under the IRA. Several requests for *Carcieri* opinions are currently pending with the Solicitor's Office.

The Department is currently defending against numerous lawsuits challenging decisions to acquire land in trust on behalf of Indian tribes under Section 5 of the Indian Reorganization Act. Plaintiffs have argued that tribal applicants are not eligible to have land acquired on their behalf under *Carcieri*, and that therefore the Department's trust acquisition decision is invalid. Pending *Carcieri* cases, with their current status, include:

- *County of Amador, California v. U.S. Dep't of the Interior/No Casino in Plymouth et al v. Jewell*, Case Nos. 15-17253, 15-17189 (9th Cir.) – Challenges to May 2012 land-into-trust decision for gaming for Ione Band; United States prevailed before district court; in briefing before 9th Circuit.
- *Upstate Citizens for Equality et al v. United States/Central New York Fair Business Association v. Salazar*, Case Nos. 15-1688, 15-1726, 16-53 (2d Cir) – Challenges to May 2008 land-into-trust decision for gaming and non-gaming for Oneida Nation of New York; United States prevailed before district court; waiting for decision
- *Stand Up for California v. U.S. Dep't of the Interior*, Case Nos. 12-2039, 12-2071 (D.D.C.) – Challenges to November 2012 land-into-trust decision for gaming for North Fork Rancheria of Mono Indians; United States

prevailed before district court and Plaintiffs have stated intent to appeal to D.C. Cir.

- *Citizens for a Better way et al v. U.S. Dep't of the Interior*, Case No. 12-03021 (E.D. Cal.) – Challenges to November 2012 land-into-trust decision for gaming for Estom Yumeka Maidu Tribe of the Enterprise Rancheria; United States prevailed on summary judgment; Colusa Indian Community sought reconsideration; motion pending before district court.
- *Confederated Tribes of the Grand Ronde Community of Oregon v. Jewell*, Case Nos. 14-5326, 15-5033 (D.C. Cir.) – Challenges to April 2013 land-into-trust decision for gaming for Cowlitz Indian Tribe; United States prevailed before district court and D.C. Circuit; Grand Ronde has stated its intent to file a cert petition with the Supreme Court.
- *Littlefield v. U.S. Dep't of the Interior*, No. 16-10184 (D. Mass.) – Challenge to September 2015 land-into trust decision for gaming for Mashpee Wampanoag Tribe; District court ruled against United States; United States motion for reconsideration pending.

Deadlines: No immediate deadlines for the United States at this time, but depending on court action, expect deadlines in the next 6 months.

Contact: Jennifer Turner, Acting Assistant Solicitor, Division of Indian Affairs, 505-248-5617.

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: Indian Child Welfare Act (ICWA) Litigation (4th Cir.; D. Ariz.)

Issues: Constitutionality of ICWA and the Department's ICWA Guidelines; the Department's issuance of ICWA Guidelines

Background: ICWA protects the best interests of Indian children by establishing minimum Federal standards for state court proceedings involving the removal of Indian children from their families and the placement of such children in foster or adoptive homes. After ICWA was passed in 1978, the Department issued 1979 Guidelines for state courts to reference in implementing ICWA, and the Department also promulgated relatively narrow regulations related to ICWA in 1979 and 1994. Because of continued overrepresentation of Indian children in the foster care system and the development of competing standards applied in ICWA adjudications across the country, the Department undertook revision of the Guidelines (released February 2015) and notice-and-comment rulemaking. In June 2016, the Department announced a final rule on ICWA in state courts, which takes effect on December 12, 2016. The rule and the Guidelines include many of the same requirements. Finally, the Department has indicated its intent to publish a further revision of the Guidelines, also by mid-December.

The Department is defending two lawsuits involving ICWA and the ICWA Guidelines, and anticipates that additional lawsuits will be filed once the rule takes effect in mid-December:

- *National Council for Adoption (NCFA) v. Jewell* (4th Cir.) – district court denied Plaintiffs' motion for partial summary judgment, holding that: (1) Plaintiffs lacked standing to challenge the Guidelines; (2) the Guidelines are not justiciable as a "final agency action" because they do not create legal rights and obligations; and (3) the Guidelines are non-binding interpretive rules. The court also granted the Department's motion to dismiss and found that Plaintiffs had not demonstrated any authority to support their equal protection, due process, or Indian Commerce Clause claims and that the 2015 Guidelines do not commander state entities in violation of the Tenth Amendment.

- *Carter v. Washburn* (the "Goldwater Institute" case) (D. Ariz.) – class action; court has not yet decided Department's motion to dismiss; Ohio Attorney General filed an amicus brief in support of the Goldwater Institute and against the Arizona Attorney General's motion to dismiss.

Deadlines: The Fourth Circuit mediation office has put the *NCFA* case on hold pending the expected release of the updated ICWA Guidelines in December. There will be a mediation conference in October to check in and make sure the Guidelines are still on schedule. In the Goldwater Institute case, we expect the judge to issue a decision on the Department's Motion to Dismiss in the near future. Depending on the outcome, the class certification issues could then proceed.

Contact: Rebekah Krispinsky, Assistant Solicitor, Division of Indian Affairs, 202-208-4479

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: Onshore Renewable Energy Litigation

Issues: Challenges to renewable energy decisions raising compliance with NEPA, FLPMA, ESA, NHPA, and other statutes

Background: Since 2009, the Department has approved approximately 60 onshore renewable energy projects (solar, wind, and geothermal). In the same period, the BLM has also issued land use planning decisions to facilitate renewable energy development, including its national blueprint for utility-scale solar energy projects, the 2012 Western Solar Plan, and state initiatives, such as BLM California's 2016 Desert Renewable Energy Conservation Plan (DRECP) and BLM Arizona's 2012 Restoration Design Energy Project (RDEP).

Plaintiffs have brought 31 challenges to these decisions, 27 of which comprise federal judicial litigation and 4 of which comprise administrative appeals to the IBLA. While each challenge raises different issues, they typically allege that the decision violated the National Environmental Policy Act (NEPA) and the Federal Land Policy and Management Act (FLPMA), and often that it violated section 7 of the Endangered Species Act (ESA) or section 106 of the National Historic Preservation Act (NHPA), including tribal consultation obligations. Counting victories on appeal, the United States has secured 35 favorable decisions overall: 27 favorable judicial decisions, 5 judicial dismissals because of modified or abandoned projects, and 3 wins in administrative appeals. We also have two losses: one in the Ninth Circuit and one in Nevada district court.

Five matters remain active, including three cases pending before the Ninth Circuit on appeal: *Quechan Tribe of the Fort Yuma Indian Reservation v. DOI* (9th Cir.) (challenge to the Ocotillo Express wind project); *Protect Our Communities Foundation v. Jewell* (9th Cir.) (same); and *Defenders of Wildlife v. Jewell* (9th Cir.) (challenge to the Silver State South solar project). We also are presently defending one decision in federal district court, *Protect Our Communities Foundation v. Black* (S.D. Cal.) (challenge to the BIA's Tule wind energy project), and one in an administrative appeal, *Aurora Solar LLC*, *et al. v. BLM* (IBLA) (appealing the BLM's decision not to further process the application for the Silurian Valley Solar project on the grounds that the project would not be in the public interest).

Deadlines: In *Protect Our Communities Foundation v. Black* (S.D. Cal.) (challenge to the BIA Tule Wind project), the United States will file a cross-motion for summary judgment in October or November 2016. Briefing has been completed in the other pending matters.

Contact: Greg Russell, Attorney, Division of Land Resources, 202-208-4327

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: Bankruptcy Cases Involving Oil and Gas Lessees on Federal Lands

Issues: Debtor's compliance with non-bankruptcy law, including all environmental regulatory requirements for decommissioning; providing adequate financial assurance to cover the cost of performance of decommissioning; debtor obtaining the Department of the Interior's approval before any assumption, transfer, sale or assignment of a federal offshore oil and gas lease interest–may be deemed effective; continuation of actions or proceedings to enforce the Department of the Interior's police or regulatory power.

Background: The recent decrease in energy prices coupled with the relatively high cost of energy production on the Outer Continental Shelf ("OCS" or "offshore") has caused financially distressed entities with OCS leases to restructure their debt obligations or liquidate their assets under the supervision of the U.S. Bankruptcy courts. As the lessor of OCS leases, the United States has an interest in protecting its economic rights and ensuring that environmental, health and safety obligations attached to OCS leases of insolvent entities are addressed during the confirmation of a restructuring or lessee dissolution. Included in these obligations are the requirements that the lessee submit rents and royalties to the United States and that upon cessation of lease activities, the lessee assures the decommissioning of platforms and structures, the plugging of wells and that the seafloor is returned to its pre-lease condition. These obligations in many cases exceed the current level of financial assurance leaving the Department of Interior vulnerable and its interests in need of effective advocacy in the bankruptcy proceeding. Providing sufficient financial assurance to cover estimated decommissioning costs often presents a significant challenge to a financially distressed entity and the lessee may seek approval to sell or reject the offshore lease while under bankruptcy protection. The Solicitor's Office strives to protect the Department's interests by informing the court and purchasers of OCS leases that the lease remains encumbered by the decommissioning obligation. This requires the Solicitors Office to negotiate with parties in the bankruptcy case, including prior lessees, creditors, sureties and industry to devise solutions that ensure the decommissioning costs are adequately secured, or if due, that decommissioning takes place. The Solicitor's Office has been successful in this regard and prevented the Department from needing to seek appropriations to fund an insolvent debtor's decommissioning obligations.

The significant cost of decommissioning and the obstacle it represents to a restructuring entity has presented a challenge to the Solicitor's Office as it continues to ensure that environmental, health and safety regulations are met and respected in the accelerated timetables imposed by the bankruptcy process. Currently, there exists an estimated $40 billion in decommissioning liabilities in the Gulf Region alone, and several common themes have presented themselves to the Department of the Interior as debtors address these significant decommissioning obligations while in bankruptcy. For instance, in a recent case the liquidating debtor held 107 offshore leases totaling approximately $660 million in decommissioning liabilities that required the Solicitor's Office to work with the debtor in approving the assignment of these leases to viable operators, establish that the bond for decommissioning liabilities was timely posted, and ensure that the new lessee remains liable for the future performance of decommissioning obligations inherent in an OCS lease. Additionally, on an assumption of a lease, DOI is entitled to a cure of any default, such as underpaid royalties. Otherwise, ONRR pursues unpaid debts as an unsecured creditor.

The onshore oil and gas industry has also felt the economic effects of the decrease in the price of energy and responded similarly, including ensuring that the debtor-lessee complies with all applicable non-bankruptcy law, including environmental regulatory requirements for decommissioning, and ensuring the debtor provides adequate financial assurance to cover the cost associated with performance of decommissioning on the federal onshore oil and gas leases.

To effectively protect the Department's interests in these cases, the Office of the Solicitor interacts with several agencies both within the Department of the Interior and at the Department of Justice, which represents Interior. While protecting the Department's interests in oil and gas bankruptcies, the Office of the Solicitor gathers information from several bureaus, including: Bureau of Ocean Energy Management ("BOEM"), which oversees the OCS leasing operations, including the financial assurance requirements; Bureau of Safety and Environmental Enforcement ("BSEE"), which oversees and enforces the OCS environmental regulatory requirements, including performance of decommissioning; and the Bureau of Land Management ("BLM"), which manages onshore leasing operations, financial assurance requirements and environmental regulatory requirements, as well as the Office of Natural Resources Revenue ("ONRR") and the Bureau of Indian Affairs ("BIA"). The Office of the Solicitor thoroughly ensures that accurate and timely information related to OCS and onshore records, unresolved compliance issues, decommissioning cost estimates, decommissioning status, rents, and royalties are reviewed and that proofs of claim are submitted to the Bankruptcy Court so that the interests of the United States are fully protected. Presently, there are approximately 12 active offshore bankruptcy cases and 19 active onshore bankruptcy cases, and the industry expects many more over the coming months and years.

Deadlines: Specific to each case; the major deadlines include filing Proofs of Claim by the government bar date (filing deadline); objection to the debtor's disclosure statement; and objection to the debtor's reorganization plan and confirmation.

Contact: Phyllis Leslie, Attorney Advisor, Division of Mineral Resources, 202-208-5739

Date: September 23, 2016

Office of the Solicitor Briefing Paper

Subject: *Wyoming v. Jewell* (10^{th} Circuit) (BLM's Hydraulic Fracturing Rule)

Issues: Does the Secretary have authority to regulate hydraulic fracturing of oil and gas wells on federal land under the Mineral Leasing Act and the Federal Land Policy and Management Act, and on Indian land under the Indian minerals statutes?

Did Congress remove any such authority by enacting the Safe Drinking Water Act or the Energy Policy Act of 2005?

Background: In 2015 BLM promulgated regulations governing hydraulic fracturing on federal and Indian lands. The rule would require prior approval of hydraulic fracturing operations on Federal and Indian lands, require verification of the integrity of casing and cementing, require disclosure of the chemicals used, and assure proper management of recovered fluids on the surface. BLM estimates that about 90 percent of all wells on Federal and Indian lands are hydraulically fractured.

The rule was challenged in the District of Wyoming by two associations of oil and gas firms, and the States of Colorado, North Dakota, Utah and Wyoming. Five citizen-environmentalist groups intervened in support of the rule. Several entities and groups have filed amicus briefs for or against the rule, or BLM's statutory authority.

The District of Wyoming preliminarily enjoined the rule, and then in 2016 issued a final decision holding that BLM had no statutory authority to regulate hydraulic fracturing operations. The court did not rule on whether BLM violated the Administrative Procedure Act. BLM and the citizen groups appealed. The rule has not gone into effect.

Deadlines: Appellees' briefs are due September 16, 2016. BLM's reply brief is due October 7, 2016. The court has not yet scheduled oral argument.

Contact: Richard McNeer, Attorney, Division of Mineral Resources, 202-208-5793.

Date: September 13, 2016.

Office of the Solicitor Briefing Paper

Subject: *People for the Ethical Treatment of Property Owners v. FWS* (10^{th} Cir.) (Utah prairie dog constitutional challenge to ESA)

Issue: Does the regulation setting forth prohibitions with respect to the Utah prairie dog (under section 4(d) of the ESA) fall within Congress's power to regulate intrastate activities that substantially affect interstate commerce?

Background: The Utah prairie dog is listed as threatened under the Endangered Species Act. It is found solely within the state of Utah. Section 4(d) of the ESA authorizes FWS to publish regulations that FWS deems necessary and advisable for the conservation of threatened species. FWS published such a regulation for the prairie dog. Plaintiff challenged the regulation as being beyond Congress's power under the Commerce Clause. The district court agreed, despite five circuit courts having previously upheld the ESA against similar constitutional challenges. We appealed. The case is fully briefed. The Tenth Circuit held oral argument on 9/28/15.

Deadlines: The Tenth Circuit could rule any day.

Contact: Ben Jesup, Deputy Assistant Solicitor, Division of Parks and Wildlife, 202-208-3170; Lead attorney: Kate Williams-Shuck, Attorney-Advisor, Rocky Mountain Region, 303-445-0597.

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *ANSWER Coalition v. Basham* (D.C. Cir.) (NPS Inaugural regulations set-side for designated park areas for the Presidential Inaugural Committee)

Issues: Challenge regarding the constitutionality of the NPS Inaugural regulation's set-aside for the Presidential Inaugural Committee bleachers along designated portions of Pennsylvania Avenue National Historic Park.

Background: In *ANSWER Coalition v Jewell*, 2016 U.S. Dist. LEXIS 10027 (D.D.C. January 28, 2016), District Court Judge Friedman upheld the constitutionality of the NPS Inaugural regulation's set-aside for the Presidential Inaugural Committee bleachers along designated portions of Pennsylvania Avenue National Historic Park as well as upheld the legality of the Secret Service's security-based ban on sticks and poles along the Inaugural parade route. ANSWER appealed Judge Friedman's decision regarding the NPS Inaugural regulations. In the meantime, ANSWER has submitted two applications to demonstrate on Federal parkland that is subject to the NPS regulatory set-aside, for the 2017 Presidential Inaugural Parade.

Deadlines: Oral argument is set for November 14, 2016, with the United States brief due September 28 and ANSWER's reply brief is due October 19. The Joint Appendix and ANSWER's initial brief was filed August 22.

Contact: Randolph J. Myers, Kim Fondren, Attorneys, Division of Parks & Wildlife, 202-208-4338.

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *Firebaugh v. United States* (E.D. Calif.); *Westlands Water District v. United States* (Fed. Cl.); and *Etchegoinberry v. United States* (Fed. Cl.) (San Luis drainage settlement litigation)

Issues: These cases concern the federal government's obligations under the San Luis Act of 1960 to provide drainage for irrigation water from the San Luis Unit of the Bureau of Reclamation's Central Valley Project in California. Agreements to resolve these disputes – a settlement agreement between the United States and Westlands Water District, and an agreement between the U.S. Department of the Interior and the remaining "Northerly" Districts of the San Luis Unit – are contingent upon enactment of legislation authorizing implementation of the agreements. Such legislation was introduced by Rep. Valadao on January 12, 2016 (H.R. 4366) and by Rep. Costa on May 12, 2016 (H.R. 5217). The House Committee on Natural Resources, Subcommittee on Water, Power and Oceans held a hearing on May 24, 2016, at which the Department submitted testimony. The Subcommittee staff has indicated a willingness to move a bill to markup. Scoring of the bill by the Congressional Budget Office will likely be key to further movement of the legislation.

Background: In 1986, Interior halted construction of an "interceptor drain" from the Unit to the Sacramento-San Joaquin River Delta, and permanently closed Kesterson National Wildlife Refuge, after selenium pollution in the drain water caused massive embryonic waterfowl deformities and mortality at the Refuge. Litigation over the United States' obligation to provide drainage to the San Luis Unit began shortly thereafter. Recent developments in this litigation are discussed below.

Firebaugh v. United States: Landowners within and adjacent to the Unit brought this action in 1988 seeking compensatory and specific relief. In 2000, the Ninth Circuit Court of Appeals ruled that the Interior Secretary has a mandatory duty to provide drainage service to the Unit but has discretion to satisfy this duty through a plan other than completing construction of the interceptor drain to the Delta. On remand, the district court entered an injunction requiring the Secretary to provide drainage service "promptly." After preparing an environmental impact statement, Reclamation executed a record of decision (ROD) in 2007 identifying an In-Valley Drainage Program that did not require discharge to the Delta. In a feasibility report, Reclamation advised Congress that the cost of implementing the In-Valley alternative would be approximately $3.8 billion (in 2015 dollars), substantially in excess of a statutory cap on authorization of appropriations for drainage under the 1960 Act. In 2009, while awaiting congressional action, Reclamation began complying with the injunction by implementing the ROD utilizing existing appropriations. So far, Reclamation has completed approximately $700 million of the program; $500 million remains within the appropriations ceiling. At the same time, the United States has been negotiating the agreements referenced above. These agreements, and the legislation they are contingent upon, would, among other things, relieve the United States from all drainage obligations under the San Luis Act, including implementation of the 2007 ROD; transfer the drainage obligation to the irrigation districts comprising the Unit; and provide for the release, waiver and abandonment of all past, present and future claims against the United States concerning drainage. To allow congressional consideration of this legislation, the injunction is currently stayed, in part, through January 15, 2017.

Etchegoinberry v. United States: In 2011, individual landowners within Westlands filed this action against the United States alleging that failure to provide drainage service has caused a physical taking of their lands without just compensation in violation of the Fifth Amendment. The Court of Federal Claims has denied the government's motion to dismiss, and litigation is currently stayed.

Westlands Water District v. United States: In 2012, Westlands filed a suit alleging that the Government's failure to provide drainage service breached Westlands' water service and repayment contracts. Litigation is currently stayed.

Deadlines: The agreements and stays expire on January 15, 2017 absent enactment of legislation.

Contact: Shelly Randel, Attorney-Advisor, Division of Water Resources, 202-208-5432.

Date: September 15, 2015

Office of the Solicitor Briefing Paper

Subject: *Texas v. New Mexico and Colorado, No. 141 Original* (S. Ct.); *New Mexico v. Elephant Butte Irrigation District* (D.N.M.); *New Mexico v. United States* (D.N.M.) (Rio Grande)

Issues: These cases implicate the relationship between New Mexico state water law and the Rio Grande Compact. The Compact was executed by the States of New Mexico, Texas, and Colorado and approved by Congress in 1938 "to remove all causes of present and future controversy among the States . . . with respect to the use of the waters of the Rio Grande above Fort Quitman, Texas," and "for the purpose of effecting an equitable apportionment of such waters." The Compact requires Colorado to deliver specified quantities of water at the New Mexico state line, and requires New Mexico to deliver specified quantities of water into the Elephant Butte Reservoir, a component of the U.S. Bureau of Reclamation's Rio Grande Project. The Project provides water for irrigators in New Mexico (Elephant Butte Irrigation District) and Texas (El Paso County Water Improvement District No. 1), and for delivery to Mexico under a 1906 treaty.

In *Texas v. New Mexico and Colorado, No. 141 Original*, the State of Texas brought an Original Action in the U.S. Supreme Court, in which the United States intervened as a plaintiff, against the States of New Mexico and Colorado, alleging violations of the Rio Grande Compact by New Mexico. Texas and the United States argue that New Mexico is breaching the Compact by allowing agricultural and municipal groundwater pumping in New Mexico that diminishes Project "return flows," i.e. water delivered from Elephant Butte to Project irrigators in New Mexico, that historically returned to the Rio Grande, through seepage and run-off from the agricultural fields, for use by Project irrigators in Texas and delivery by the United States to Mexico. New Mexico contends that groundwater use in New Mexico is subject only to the restraints of state law, regardless whether that use decreases the amount of water available for delivery by the Project.

In *New Mexico v. Elephant Butte Irrigation District*, a state general stream adjudication of all water rights in the Rio Grande basin downstream of Elephant Butte Reservoir, New Mexico is opposing the United States' claim for a Project priority date that is senior to those of major groundwater pumpers, including the City of Las Cruces and New Mexico State University. The state court has made rulings that exclude the United States' water right claims for Project use in Texas or delivery to Mexico, and discount the United States' contentions about groundwater pumping that depletes Project return flows.

In *New Mexico v. United States*, New Mexico sued Reclamation in U.S. District Court challenging the 2008 Operating Agreement, an agreement reached among the United States and the Project irrigation districts in New Mexico and Texas that adjusts Project water allocations in New Mexico in order to maintain deliveries to Texas at 1951-1978 levels. New Mexico alleges the Operating Agreement was adopted without adequate analysis under the National Environmental Policy Act.

Background: In the Original Action, New Mexico filed a Motion to Dismiss Texas' Complaint and the United States' Complaint in Intervention, which the Supreme Court referred to Special Master A. Gregory Grimsal. Elephant Butte Irrigation District (EBID) and El Paso County Water Improvement District No. 1 (EPCWID) moved to intervene. On June 30, 2016, the Special Master issued a draft report and recommendations. The Special Master recommends the Supreme Court (1) deny New Mexico's Motion to Dismiss Texas's complaint; (2) deny in part New Mexico's Motion to Dismiss the United States (ruling that the United States' claims will lie under federal Reclamation law but not under the Compact), and (3) deny EBID and EPCWID's motions to intervene. Pending a decision in the Supreme Court case, the federal district court lawsuit is stayed, and EPCWID and the City of El Paso have moved to stay the New Mexico general stream adjudication.

Deadlines: Oral argument regarding the motion to stay the New Mexico state general stream adjudication is set for November 30, 2016. Deadlines in the Supreme Court depend upon when the Special Master submits a Final Report to the Court, and the Final Report is distributed for conference. After conference, the Court will order the Report received and set a briefing schedule, typically allowing exceptions to the Report to be filed within 45 days, and then replies within 30 days and sur-replies within 30 days thereafter. If the final Report is submitted in September, we anticipate that the Court could set oral argument for the spring of 2017.

Contact: Bella Sewall Wolitz, Attorney-Advisor, Southeast Region, 865-545-4948.

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *Ninilchik Traditional Council v. Towarak, Jewell et al.* (D. Alaska) (ANILCA subsistence fishery litigation)

Issues: Whether the Secretary of the Interior has failed to provide rural Alaskans with the subsistence priority guaranteed by Title VIII of the Alaska National Interest Lands Conservation Act, or improperly delegated authority to the U.S. Fish and Wildlife Service, for refusal to approve use of a gillnet on waters within Kenai National Wildlife Refuge for reasons of conservation while others are allowed to fish using different methods in the same river.

Background: Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) requires the Secretaries of the Interior and Agriculture to implement a priority for subsistence uses of fish and wildlife by rural Alaskans on public lands in Alaska. The Secretaries have by regulation delegated authority to implement this priority to the Federal Subsistence Board (Board). The Board is comprised of five federal agencies (Regional directors of BIA, NPS, USFWS, State Director of BLM, and the USDA Alaska Regional Forester) and three Alaska residents. It is advised by statutorily mandated Federal Advisory Committee Act (FACA) chartered regional advisory councils.

In March of 2014, Ninilchik Traditional Council (NTC) submitted two proposals to the Board to would allow residents of Ninilchik to operate two community subsistence gillnets between June 15 and August 15 – one on the Kenai River and another on the Kasilof River. The upper reaches of both rivers, where many salmon spawn, fall within the boundaries of the Kenai National Wildlife Refuge.

The Southcentral Subsistence Regional Advisory Council recommended that the Board adopt both proposals. Both the State of Alaska and U.S. Fish and Wildlife Service (FWS) opposed, citing conservation concerns over the use of gillnets because they are indiscriminate and do not allow particular species of fish to be returned to the river unharmed. To address the conservation concerns, the Board required NTC to submit an annual operational plan to the Board's delegated federal in-season fishery manager – a FWS employee -- for approval.

In late May of 2015, NTC's operational plan for the Kasilof River was approved, but no decision was made on its plan for the Kenai River because both the State of Alaska and the FWS implemented emergency closures to Chinook salmon (King Salmon) fishing on that river due to a low return. Fishing for another species of salmon, using selective gear types continued to be permitted, as long as any incidentally caught Chinook were released. The State of Alaska, the FWS, and over 700 individuals submitted requests for reconsideration that the Board to reverse its decisions. Those requests remain pending.

NTC filed a complaint October 22, 2015, alleging among other things that the Secretaries and the Board had failed to take appropriate administrative action to provide a subsistence priority for Ninilchik residents as required by ANILCA.

The government filed a motion to dismiss, which resulted in dismissal of several of NTC's claims but NTC was allowed to proceed with its claims that: the delegation of authority to the in-season manager was illegal; the FSB violated its regulations by not establishing "frameworks" to guide the delegation of its authority; and the in-season manager's failure to make a decision on NTC's operational plan violated the gillnet regulation promulgated by the Board.

In June of 2016, the in-season manager declined to approve NTC's annual operational plan for the Kenai River. NTC submitted a special action request with the Board seeking direct approval of the gillnet fishery on a specific stretch of the upper Kenai River. NTC then filed both an amended complaint in District Court and a motion seeking an order allowing Ninilchik residents to use a gillnet. NTC argued that its residents would suffer irreparable harm due to the loss of a "vital subsistence opportunity," despite the fact that other opportunities to harvest salmon are available to them. At oral argument on NTC's motion, the judge verbally opined that the Service would be "wildly out of line" if the Fish and Wildlife Service refused to implement a fishery approved by the Board. He did however deny NTC's motion in light of the Board's scheduled meeting the following week to consider NTC's special action request.

On July 27, 2016, over the continuing objections of the FWS, the Board voted to allow Ninilchik residents to use a short gillnet on an experimental basis in shallow waters of the upper Kenai River during the remainder of the 2016 season. Ninilchik residents commenced fishing the following day. By the end of the season, Ninilchik had caught 723 sockeye, six pink salmon, and twelve Coho salmon. During the same period, sport fishermen report taking 6504 Chinook, while the commercial set net fishermen at the mouth of the river report taking 6423.

Deadlines: NTC has indicated to the Court that it intends to file a second amended complaint but as of the date of this memo has not done so. The government's answer will be due thirty days after it is filed.

Contact: Kenneth Lord, Attorney-Advisor, Alaska Region, 907-271-4184; Joseph Darnell, Alaska Regional Solicitor, 907-271-4118

Date: September 13, 2016

Office of the Solicitor Briefing Paper

Subject: *Sturgeon v. Frost* (9th Circuit) (National Park Service jurisdiction in Alaska)

Issues: Whether the National Park Service regulation prohibiting the use of hovercraft in units of the National Park System applies to navigable waters within Alaska units of the National Park System.

Background: Appellant John Sturgeon is a moose hunter who was told by NPS rangers in 2007 that he could not operate his small personal hovercraft on the Nation River which is a navigable waterway within the exterior boundaries of Yukon and Charley Rivers National Monument (Yukon and Charley Rivers), a unit of the National Park System established in 1980 by ANILCA. NPS rangers told him its operation violated a park service nation-wide regulation which prohibits the operation of hovercraft by the public in National Park Service units and that he would be criminally cited if he did not remove it - which he did. He then sued the National Park Service (NPS) seeking declaratory and injunctive relief permitting him to operate his hovercraft within Yukon and Charley Rivers National Preserve.

Mr. Sturgeon argued the regulation does not apply to navigable waters within NPS units in Alaska because the submerged lands underlying those waters went to the State of Alaska at the time of statehood in 1959 under the Submerged Lands Act and that consequently the Park Service lacks regulatory authority over those waters. The district court granted NPS summary judgement and the 9th Circuit affirmed on appeal. The U.S. Supreme Court granted certiorari and after oral argument issued a decision March 22, 2016. It rejected the 9th Circuit's interpretation of section 103(c) the Alaska National Interest Lands Conservation Act (ANLCA) and vacated and remanded to the 9th Circuit for further proceedings consistent with the decision. Oral argument before a panel of that court is scheduled for October 25, 2016.

At issue is the meaning of section 103(c) of ANILCA which states:

> Only those lands within the boundaries of any conservation system unit which are public lands (as such term is defined in this Act) shall be deemed to be included as a portion of such unit. No lands which, before, on, or after December 2, 1980 [date of ANILCA enactment], are conveyed to the State, to any Native Corporation, or to any private party shall be subject to the regulations applicable solely to public lands within such units. If the State, a Native Corporation, or other owner desires to convey any such lands, the Secretary may acquire such lands in accordance with applicable law (including this Act), and any such lands shall become part of the unit, and be administered accordingly.

The Supreme Court concluded the Ninth Circuit's interpretation of section 103(c) was inconsistent with both the text and context of ANILCA. It stated the Ninth Circuit's interpretation violates "a fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme."

In the unanimous decision by Chief Justice Roberts, the Court rejected the 9th Circuit's reading of section 103(c) that if the Park Service wanted to differentiate between that "public" and "non-public" land in an Alaska-specific way, it would have to regulate the "non-public" land within park boundaries pursuant to rules applicable outside Alaska, and the "public" land inside park boundaries pursuant to Alaska-specific provisions. The Court concluding such was an implausible reading of the ANILCA and of Section 103(c).

The Court did not reach many of the arguments made by the parties as well as the amicus in briefing including 1) whether the Nation River qualifies as "public land" for purposes of ANILCA; 2) whether the Park Service has authority under its Organic Act to regulate Sturgeon's activities on the Nation River; and 3) whether the Park Service has authority under ANILCA over both "public" and "non-public" lands within the boundaries of conservation system units in Alaska, to the extent a regulation is written to apply specifically to both types of land. This last issue was of interest to the several Alaska Native ANCSA corporations which filed amicus briefs in the Supreme Court.

Deadlines: Oral argument before a panel of the Ninth Circuit Court of Appeals on the remand is scheduled for October 25, 2016.

Contact: Joseph Darnell, Alaska Regional Solicitor, 907-271-4118; Barry Roth, Associate Solicitor, Division of Parks and Wildlife, 202-208-3126.

Date: September 15, 2016

Office of the Solicitor Briefing Paper

Subject: *Uintah County, Utah, et al. v. Jewell* (D. Utah) and *State of Utah v. Jewell* (D. Utah) (consolidated) (challenge to BLM wilderness characteristics management)

Issues: Uintah County alleges that (1) the Secretary lacks legal authority under the Federal Land Policy and Management Act (FLPMA) to manage lands with wilderness characteristics; (2) the Department's action to manage public lands to protect wilderness characteristics is *ultra vires* and violates the separation of powers doctrine; (3) implementation of Secretarial Order 3310 notwithstanding the appropriations ban is arbitrary and capricious; (4) BLM implemented mineral lease reform and management of lands with wilderness characteristics without complying with rulemaking procedures; (5) BLM changed management prescriptions without following land use planning procedures; (6) BLM violated FLPMA's coordination and consistency requirements; and (7) BLM has closed lands with wilderness characteristics from mineral development, which is unlawful *de facto* mineral leasing withdrawal.

The State of Utah claims that Secretarial Order 3310 and BLM's Instruction Manual 2011-154 (relating to lands with wilderness characteristics) are: (1) *ultra vires*; (2) in violation of APA rulemaking; (3) violate FLPMA's public comment and state and local coordination process; and (4) arbitrary and capricious. The State also argues that BLM's management of lands with wilderness characteristics is unlawful *de facto* wilderness management.

Background: Uintah County and the Utah Association of Counties originally filed their complaint on November 8, 2010, alleging that the Department was engaged in illegal *de facto* management of wilderness characteristics on public lands in Utah. On December 23, 2010, following the Department's issuance of policies on managing lands with wilderness characteristics (Secretarial Order 3310 (Secretary Salazar's wildlands policy) and BLM's implementing draft guidance), Uintah County filed an amended complaint focusing on the policies. The State of Utah filed its complaint on April 29, 2011, raising similar claims.

The Department filed a motion to dismiss both complaints raising jurisdictional arguments, including lack of standing, failure to state a claim, and failure to challenge a final agency action. Plaintiffs responded by filing a motion for jurisdictional discovery, which the court granted in July 2012. After nearly a year of discovery, plaintiffs filed amended complaints on July 19, 2013, and the Department filed another motion to dismiss. On July 7, 2014, the court issued a one paragraph order denying the Department's motion to dismiss and, in August 2014, it denied the Department's motion to reconsider that order.

In July 2015, the Department certified completion of the Administrative Record (AR). Plaintiffs objected to the AR and filed a motion to compel completion of the record that identified over 400 documents plaintiffs argue are part of the record on their *de facto* wilderness management and withdrawal claims.

Although the magistrate judge initially denied plaintiffs' motion, on August 11, 2016, the district court judge reversed and granted plaintiffs' motion.

The Department is currently in the process of identifying additional documents for inclusion in the AR in accordance with the August 11, 2016 order. On September 15, 2016, the Department filed a motion seeking clarification on whether the AR must include actions beyond the date of plaintiffs' amended complaints (July 2013). Briefing on the merits of plaintiffs' complaints cannot occur until the AR is deemed complete.

Southern Utah Wilderness Alliance, Sierra Club, The Wilderness Society, and Biodiversity Conservation Alliance are intervening defendants in this case. The State of Alaska and the State of Wyoming are participating as *amicus curiae*.

Deadlines: The court did not assign a deadline for completing the AR. The Department's current clarification motion may prompt the court to set a deadline.

Contact: Michael Smith, Attorney-Advisor, Division of Land Resources, Branch of Public Lands, 202-513-0580; John Steiger, Regional Solicitor, Intermountain Region, 801-239-0548

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *Southern Utah Wilderness Alliance, et al. v. Schneider, et al.* (D. Utah), *appeals pending* (10th Cir.) (challenge to six Utah resource management plans)

Issues: Plaintiffs challenge six 2008 resource management plans (RMPs) and associated travel management plans (TMPs) for six Bureau of Land Management (BLM) planning areas covering half the State of Utah. Plaintiffs allege that BLM violated the Federal Land Policy and Management Act (FLPMA) by (a) failing to (i) ensure that the RMPs and TMPs comply with applicable air quality standards, (ii) consider or ensure that the TMPs comply with off-road vehicle regulations and executive orders, and (iii) give priority to the designation and protection of certain Areas of Critical Environmental Concern (ACEC) in the RMPs; (b) selling 63 oil and gas leases in November 2014 in the Vernal and Price field offices in contravention of air quality standards; and (c) refusing to consider to apply the wilderness study area non-impairment standard set forth in the Interim Management Policy for Lands Under Wilderness Review in creating the RMPs.

Plaintiffs also alleged BLM violated the National Environmental Policy Act (NEPA) by failing to (a) take a hard look at the impacts of the RMPs and TMPs on air quality, (b) consider reasonable alternatives in the RMPs, (c) take a hard look at the impacts of the November 2014 lease sale on air quality, national parks, and public health, and (d) analyze the effects of climate change and greenhouse gas emissions from the activities authorized by the RMPs; the National Historic Preservation Act (NHPA) by failing to take into account the TMPs' impacts on cultural resources; and the Wild and Scenic Rivers Act (WSRA) by not considering eligible river segments for inclusion in the National Wild and Scenic River System (NWSRS) based on impermissible administrative concerns.

Background: The litigation began as a challenge in the D.C. federal district court to a December 2008 oil and gas lease sale in Utah. After successfully arguing to enjoin the lease sale, plaintiffs amended their original complaint to include challenges to three Utah RMPs and TMPs completed in 2008 (Vernal, Price, and Moab). Plaintiffs then filed a second complaint related to three additional planning areas (Kanab, Richfield, Monticello) alleging similar claims as the first suit. Shortly thereafter, the State of Utah, several counties, and a number of off-highway vehicle advocacy groups and oil and gas companies intervened as defendants. The two cases were consolidated and transferred to the Utah federal district court in February 2012.

Given the breadth of the litigation, the parties agreed to litigate plaintiffs' claims in a tiered manner, with the Richfield RMP and TMP first. On November 4, 2013, the court issued a ruling (Merits Order) upholding the Richfield RMP, but finding that BLM had failed to comply with the minimization criteria in 43 C.F.R. § 8342.1 when designating routes in the TMP and that BLM violated the NHPA by failing to make a good faith effort to identify historic properties along routes designated in the TMP. The court also found that BLM's decision not to designate the potential Henry Mountain ACEC was arbitrary and capricious and that the agency's consideration of certain river segments violated the WSRA.

After additional briefing, the court issued an order on May 22, 2015 (Remedy Order) that required BLM to apply the minimization criteria in § 8342.1 and conduct Class III inventories—intensive, on-the-ground inventories of all cultural resources—of all 4,277 miles of designated routes in the Richfield TMP within three years. In addition, the court ordered BLM to reevaluate the potential Henry Mountain ACEC and to reconsider its decision not to designate certain river segments as part of the NWSRS.

The Department filed a notice of appeal in the Tenth Circuit on October 8, 2015 and filed a request for an emergency stay of the Remedy Order on December 21, 2015, which the Tenth Circuit denied on December 30, 2015. The Department's opening brief was filed on April 6, 2016, arguing for reversal of the district court's NHPA rulings in the Merits and Remedy Orders.

Litigation of the Price and Vernal RMPs in the district court began shortly after the court issued the Remedy Order. Plaintiffs supplemented their complaint (over BLM's opposition) on February 16, 2016, to include FLPMA and NEPA challenges to the November 2014 lease sale in Vernal and Price. BLM is currently preparing supplemental administrative records (ARs) for plaintiffs' non-oil and gas claims and ARs for plaintiffs' oil and gas claims. On May 16, 2016, the Department filed a motion to extend the time to complete the first phase of the Remedy Order, which the district court originally ordered BLM to complete by May 22, 2016. Plaintiffs have yet to respond to the Department's motion; however, pursuant to the parties' joint motions, the court has extended BLM's deadline until December 22, 2016.

The parties have entered into formal settlement discussions. The discussions are occurring under the Tenth Circuit's Mediation Program and are being facilitated by a Tenth Circuit mediator.

Deadlines: In the Tenth Circuit, plaintiffs' response brief is due on November 29, 2016, and BLM's reply brief is due on January 6, 2017. Oral argument is anticipated to occur in March 2017. In the district court litigation, BLM's supplemental ARs for the non-oil and gas claims are due on October 17, 2016, the ARs for the oil and gas claims are due on October 31, 2016, and plaintiffs' response to the Department's motion to extend the time to complete the first phase of the Remedy Order is due on November 9, 2016.

Contact: Ryan Sklar, Attorney-Advisor, Division of Land Resources, 202-208-3039; John Steiger, Regional Solicitor, Intermountain Region, 801-239-0548

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *State of Utah*, *et al. v. United States* (D. Utah) (27 cases seeking to quiet title to R.S. 2477 rights-of-ways)

Issues: The State of Utah and various counties seek to quiet title under the Quiet Title Act to over 12,000 claimed R.S. 2477 rights-of-ways located on federal lands throughout Utah managed by the Bureau of Land Management (BLM) and the National Park Service (NPS).

Background: Enacted as part of the Mining Law of 1866, R.S. 2477 provides: "The right of way for the construction of highways over public lands, not reserved for public uses, is hereby granted." Upon enactment of the Federal Land Policy and Management Act (FLPMA) on October 21, 1976, Congress repealed R.S. 2477; however, FLPMA preserved valid R.S. 2477 rights-of-way existing as of the date it was enacted. R.S. 2477 rights-of-way were self-executing, meaning that establishment of such rights-of-way could occur without government approval or public recording of title. As a result, there is considerable uncertainty regarding the existence of R.S. 2477 rights-of-way that may have been established on federal public lands prior to the enactment of FLPMA. This uncertainty has resulted in substantial litigation involving state and local governments, which generally claim title to R.S. 2477 rights-of-way, and federal land management agencies, particularly BLM, NPS, and the Forest Service.

While R.S. 2477 is an issue in every state with federal lands that were open to operation of the statute prior to 1976, Utah has been the focal point of the controversy. This controversy has engendered massive litigation, and between 2005 and 2012, the State of Utah and 22 counties in Utah filed 29 lawsuits under the Quiet Title Act alleging title to over 12,000 claimed R.S. 2477 rights-of-way. All of the lawsuits are in Utah federal district court, and all but two are still pending. The vast majority of the claims are on BLM-managed lands, but at least 60 claims are within National Park units, including Canyonlands National Park (9), Capitol Reef National Park (15), Zion National Park (3), Dinosaur National Monument (15), and Glen Canyon National Recreation Area (~20).

Six cases in the Utah litigation are active, short-cited as *Kane 1, 2, 3* and *4,* and *Garfield 1* and *2*. Pursuant to case management orders agreed upon by the parties, all remaining cases are currently stayed; however, "preservation" depositions are currently being conducted in these cases throughout the state. The six active cases involve approximately 1,520 claimed R.S. 2477 right-of-ways, many of which are located on BLM-managed lands, including the Grand Staircase Escalante National Monument (GSENM). Of the 1,520 claims, all or parts of approximately 150 claims are within Wilderness Study Areas (WSAs). In addition, all or parts of 33 claims are located in Capitol Reef National Park and Glen Canyon National Recreation Area.

In May 2015, the federal district court in Utah issued a proposal to proceed with one or two "bellwether" lawsuits covering a limited number of R.S. 2477 claims from *Kane 2, 3, and 4* or *Garfield 1 and 2* involving unsettled legal issues that, once determined, might allow for resolution of certain of the other pending claims without protracted litigation. In July 2015, the court issued a detailed order designating a special master and specifying how the first bellwether case, involving certain R.S. 2477 claims from *Kane 2, 3, and 4*, shall proceed. The order required the parties to file briefs identifying the unsettled legal issues that they believe require resolution, after which the court would hold oral argument and subsequently issue a decision identifying those issues it believed should be given preference in the selection of the so-called bellwether roads. The parties would then nominate and the court would select a total of 12 bellwether roads and transfer the proceedings to the special master to preside over the discovery necessary to prepare for trial, and the trial on the merits of the claims. Pursuant to the July order, the parties filed their respective briefs. However, to date, the court has not scheduled oral argument on the matter.

Deadlines: As of this date, there are no litigation-based deadlines.

Contact: Jim Karkut, Attorney-Advisor, Intermountain Region, 801-239-0544; John Steiger, Regional Solicitor, Intermountain Region, 801-239-0548

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *Curtis Temple v. Cleve Her Many Horses, Superintendent, Pine Ridge Agency, BIA* (D. South Dakota) (BIA grazing trespass litigation)

Issues: Authority of BIA to impound and sell Plaintiff's trespassing cattle.
Alleged violations of Plaintiff's due process rights.
Calculation of trespass costs, penalties and damages.

Background: Plaintiff Curtis Temple is a holdover permittee, whose grazing permit expired in 2012. Hundreds of livestock belonging to Mr. Temple, an Oglala Sioux Tribe member and Indian landowner, have been observed in trespass on the Pine Ridge Reservation since 2013. The BIA grazing permit for the range units in question was issued to another tribal member pursuant to the Tribe's allocation of grazing permits. Plaintiff first brought action in tribal court and an administrative appeal challenging the allocation of grazing privileges to another tribal member. The U.S. was dismissed as a party in the tribal court action and Plaintiff voluntarily dismissed his administrative appeal. The BIA then impounded 121 of Temple's trespassing livestock on August 19, 2015 and scheduled a public sale of the livestock. Plaintiff sought a Temporary Restraining Order. As a result of this and other interference by Temple and his representatives, the BIA was forced to reschedule the public sale of the impounded cattle multiple times when the private sale barn owners backed out due to harassment by Temple. The care of the livestock was further complicated by the quarantine placed on the livestock after a bull in the herd tested positive for *trichomonas foetus*, a causative agent of trichomoniasis disease (Trich), a contagious venereal protozoal disease.

In February 2016, the Court denied Temple's motion for a temporary restraining order brought to prevent the sale of the impounded cattle. Sale of the cattle took place by sealed public bid on April 7, 2016.

On June 21, 2016, after additional notices, the BIA impounded and additional 241 trespassing cattle belonging to Temple. The impounded cattle are considered a Trich infected herd and are under quarantine. The public sale was again rescheduled due to Temple's interference. A sale by public bid was scheduled for September 21, 2016; however, on September 19, 2016 Temple filed another motion for a temporary restraining order in this federal district court matter to halt the sale.

Temple has also challenged the BIA's actions in administrative litigation pending before the IBIA and has filed a tort claim under the FTCA, and he claims publicly that the Government/BIA wrongfully seized his cattle. According to BIA field reports in September 2016, there are additional cattle belonging to Temple continuing to trespass on the same range units.

Deadlines: The sale of impounded cattle scheduled for September 21, 2016 is stayed pending a hearing on Plaintiff's Motion for Temporary Restraining Order scheduled for

September 22, 2016. There are upcoming discovery deadlines in October, but there may be request for an extension.

In the parallel IBIA administrative litigation, the Administrative Record is due October 14, 2016.

Contact: Caitlin Lock Coomes, Attorney-Advisor, Twin Cities Field Office, 612-713-7100

Date: September 21, 2016

Office of the Solicitor Briefing Paper

Subject: *National Wildlife Federation et al. v. National Marine Fisheries Service, et al.* (D. Oregon) (Federal Columbia River Power System salmon)

Issues: Whether NMFS's 2008 biological opinion and supplemental opinions comply with section 7 of the Endangered Species Act (ESA) and the Administrative Procedures Act.

Whether the Bureau of Reclamation and the Corps of Engineers violated the National Environmental Policy Act (NEPA) by adopting the reasonable and prudent alternative in NMFS's biological opinion without first preparing an environmental impact statement (EIS).

Background: The Federal Columbia River Power System (FCRPS) consists of 14 federal multiple purpose dams in the Columbia River Basin. Reclamation and the Corps jointly operate those dams as a system, for purposes of hydropower generation, irrigation, flood control, navigation, recreation, and fish and wildlife. The Bonneville Power Administration markets and transmits the power the dams generate.

In 2008, NMFS prepared a biological opinion under section 7 of the ESA on the effects of the operation of the system on 13 listed salmonid species. NMFS supplemented that opinion in 2011 and 2014, following remands from the district court in Oregon, which found NFMS's previous efforts unlawful. Together, the 2008, 2011, and 2014 biological opinions found that operation of the FCRPS was likely to jeopardize the continued survival and likelihood recovery of listed salmon. Accordingly, the opinions provided a reasonable and prudent alternative to avoid jeopardy. The alternative entailed a suite of seventy-three categories of mitigation actions. Those actions involved changes to hydro-system operations, tributary and estuary habitat restoration, predator control, and hatchery management, among others.

The National Wildlife Federation, the State of Oregon, and other parties challenged the biological opinions. In May 2016, the federal district court in Oregon invalidated NMFS's biological opinions on multiple grounds and found that Reclamation and the Corps violated NEPA by adopting the opinion without completing an EIS. In July 2016, the court ordered NMFS to issue a new, interim biological opinion by the end of 2018 and a new long-term opinion by the end of 2021, and Reclamation and the Corps to complete a new EIS by the end of 2021. Pending completion of the 2018 opinion, the court ordered Reclamation and the Corps to continue implementing the invalidated biological opinions.

On September 9, 2016, the United States filed a protective notice of appeal of the decision with the Ninth Circuit.

Deadlines: December 12, 2016: opening Ninth Circuit brief due

Contact: Jeremiah Williamson, Attorney-Advisor, Pacific Northwest Region, Boise Field Office, 208-334-1915.

Date: September 13, 2016

Office of the Solicitor Briefing Paper

Subject: *Association of O&C Counties v. Kornze* (D.D.C.) (O&C Act challenge to BLM's RMPs for western Oregon); *AFRC v. Kornze* (D.D.C.) (O&C Act & APA challenge to RMPs); *Pacific Rivers Council v. BLM* (D. Or.) (NEPA, FLPMA & O&C Act challenge to RMPs; ESA claims forthcoming) (Northwest Forest Plan)

Background: BLM's 2.5 million acres of forested land in Western Oregon has been referred to as the "Billion Dollar Checkerboard" due to its immense value for producing timber and the unique timber production direction under the Oregon and California (O&C) Act. At the same time, these lands are critical habitat for a number of threatened and endangered species, including the northern spotted owl. Accordingly, forestry decisions receive close scrutiny from Congress, local governments, the timber industry, and nongovernmental organizations.

Following the Endangered Species Act (ESA) listing of the northern spotted owl in the early 1990s, President Clinton convened a forestry conference in Portland to develop comprehensive and coordinated land use plans for the Forest Service and BLM within the range of the owl. In 1994, the agencies adopted the Northwest Forest Plan (NFP) to provide for timber production while conserving habitat in late successional and riparian reserves for listed species where timber harvest was generally prohibited. The NFP also included protections for non-ESA species, known as the "Survey and Manage" program, which required pre-timber harvest surveys and buffers for certain species, and an "Aquatic Conservation Strategy" to provide protections for riparian habitat. BLM adopted Resource Management Plans (RMPs) in 1995 to be consistent with the NFP, setting the level of annual timber sale offerings, known as the Annual Sale Quantity (ASQ), at 203 million board feet, 1/5 of the timber volume BLM was selling prior to the ESA listing of the spotted owl.

Between 2000 and 2008, BLM and the Forest Service made several attempts to achieve the timber goals of the NFP by amending the plan to clarify the applicable scale of the Aquatic Conservation Strategy, and to eliminate the Survey and Manage program, which ended in adverse court decisions vacating the amendments. Following a 2003 settlement with timber industry representatives stemming from their litigation challenging the NFP, BLM revised its 1995 RMPs in 2008 in what was known as the "Western Oregon Plan Revisions" (WOPR). The WOPR set an ASQ of 502 million board feet (MBF). In 2009, Secretary Salazar administratively withdrew the WOPR due to the lack of ESA Section 7 consultation on the new plans. Timber industry representatives successfully challenged the administrative withdrawal in the D.D.C. and WOPR was temporarily reinstated; environmental organizations quickly reinitiated their ESA challenge to the reinstated plan, and the D. Or. vacated the WOPR.

In 2012, BLM prepared an analysis for its western Oregon lands and found the 1995 RMPs were in need of revision due to several factors, most notably new science on the continued decline of the northern spotted owl, and the downward departure of timber outputs from the management direction in the 1995 RMPs. Highlighting this second factor is serial litigation brought by the timber industry in *Swanson Group v. Salazar* and subsequent cases, challenging BLM's failure to offer the declared ASQ of timber on an annual basis. Following a four year planning effort and NEPA analysis culminating in a Final Environmental Impact Statement, BLM signed the Records of Decision for the RMPs on August 5, 2016. Industry and county litigation against the new RMPs was filed that same day in the D.D.C., and environmental groups filed days later in D. Or.

BLM's new RMPs for western Oregon declare an ASQ of 205 MBF while increasing the acres of lands within late successional reserves, committing to avoiding "take" of spotted owls when planning timber sales until a program begins to remove an invasive owl species known as the barred owl that competes with the spotted owl for habitat and forage, and modernizing the Aquatic Conservation Strategy by tailoring riparian reserve widths to salmonid habitat needs and increasing habitat protections within those buffers. BLM worked closely with the Fish and Wildlife Service, National Marine Fisheries Service (NMFS), and the EPA to develop the aquatic strategy and habitat protections of the new plans and to complete ESA Section 7 consultation on the RMPs.

Issues Presented by Litigation Challenging BLM's new RMPs: The key issue presented by all three cases centers on the meaning of the 1937 O&C Act. The timber industry and the counties take the position that the Act is a timber dominant law that prohibits the designation of reserves where timber harvest is restricted for the benefit of threatened and endangered species, and requires BLM to offer a minimum of between 500 MBR and 1 billion board feet annually. Conservation groups take the position that the O&C Act is a multiple-use act and requires BLM to balance timber harvest with other non-timber values. The conservation groups' litigation also brings FLPMA and NEPA challenges, arguing BLM did not adequately justify the agency's departure from the NFP or adequately disclose impacts from changes to riparian buffer widths and climate change. The conservation groups have notified DOJ that ESA claims against the Fish and Wildlife Service, NMFS and BLM are forthcoming.

Deadlines: In *AFRC* and *AOCC,* BLM's Answer to the Complaint is due 30-days after the court rules upon the Government's pending motion to transfer venue to Oregon. In *PRC*, BLM's Answer is due October 11, 2016. An index to the Administrative Record must be lodged in D.D.C. by November 14, 2016.

Contact: O&C/FLPMA/NEPA claims: Brian Perron, Staff Attorney, Pacific Northwest Region, 503-231-6298; Laura Damm, Staff Attorney, Division of Land Resources, 202-208-5431; ESA claims: Diane Hoobler, Staff Attorney, Pacific Northwest Region, 503-231-2174

Date: September 21, 2016

Office of the Solicitor Briefing Paper

Subject: *In Re: Waters of the Klamath River Basin* (Klamath Cir. Ct.) (Klamath Basin water rights adjudication)

Issues: The extent of federally reserved water rights for the Klamath Tribes and the Fish and Wildlife Service (FWS). We are seeking instream flows and lake levels (including off-reservation rights) to protect treaty-protected tribal fisheries, as well as irrigation rights. The Oregon Water Resources Department (OWRD) denied the off-reservation rights. The FWS is seeking both federal reserved water rights and water rights from the Klamath Project operated by the Bureau of Reclamation (BOR) for use on four national wildlife refuges; OWRD ruled against FWS on some components of its claimed rights.

Background: The United States filed claims in the Adjudication for the following Interior agencies: Bureau of Indian Affairs (BIA) as trustee on behalf of the Klamath Tribes; Bureau of Land Management (BLM); BOR; FWS; and the National Park Service (NPS). The Klamath Tribes adopted the BIA's claims. Private parties, including the Klamath Project irrigation districts or individual irrigators, non-Project private irrigators, and other water users also filed claims.

In 2013, the Oregon Water Resources Department (OWRD) issued its Final Order in the Adjudication, bringing to a close the administrative portion of the proceeding. While all the federal claims had been approved in the first instance by administrative law judges, the Final Order (which was amended in 2014) denied portions of the federal claims. Various parties, including the United States, filed exceptions to the Final Order in Klamath Circuit Court, as provided for under Oregon law. Claims for the NPS and BLM are not likely to be significant issues in the judicial phase compared to BIA and FWS claims. NPS claimed federal reserved water rights for Crater Lake National Park, which OWRD approved. The BLM filed federal reserved water right claims for stockwatering (which were settled) and instream uses for a designated Wild and Scenic River (which were approved).

In this second, judicial phase of the Adjudication, the parties have broken the proceedings into two phases. Phase 1 has been broken into three sub-phases and addresses cross-cutting procedural issues. Phase 1A has been fully briefed and includes issues such as jurisdiction, lawfulness of the Final Order, and the court's authority. Phase 1B briefs are due near the end of the year, and will address such issues as standard of review, introduction of new evidence, burdens of production and persuasion, discovery, and the applicability of the Oregon Rules of Civil Procedure. No further scheduling has been set at this time, but Phase 1C will address cross-cutting issues and should include some of the issues that directly affect the federal reserved water rights.

At the same time, parties in the Basin are exploring possible settlement options that would involve the water rights involved in the Adjudication. The awarded water rights are enforceable at this time, but Tribal calls for water (with the support of BIA) and subsequent enforcement actions by OWRD have been challenged by some irrigators and resulted in two pieces of spin-off litigation in the Marion County Circuit Court. Both of those lawsuits (one in 2015 and one just recently in 2016) are against OWRD; the United States intervened in the first case.

Deadlines: October 19, 2016: Hearing on Phase 1A motions.
December 19, 2016: Phase 1B opening motions due.

Contact: Michael Schoessler, Attorney-Advisor, Pacific Northwest Region, 503-231-2140; Steve Palmer, Attorney-Advisor, Pacific Southwest Region (BOR claims),

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: *United States v. Ammon Bundy et al.* (D. Or.) (criminal prosecution of occupiers of the Malheur National Wildlife Refuge)

Issues: Criminal prosecution of seven defendants who were part of the occupation of the Malheur NWR in early 2016. In addition to elements of the crimes charged, federal ownership of the Malheur NWR is being challenged as part of the defense.

Background: Ammon and Ryan Bundy were leaders of an occupation of the Malheur NWR in January and February of 2016. There was a protest in the nearby town of Burns relating to the criminal prosecution of two local ranchers for arson on land managed by the Bureau of Land Management (BLM). Spinning off of that protest, the Bundys and others initiated an armed occupation of the Malheur NWR which lasted for 41 days. Twenty-seven of the occupiers were charged criminally. Of those, twelve have pleaded guilty, trial for seven started on September 7, 2016, trial for another seven is scheduled to begin on February 14, 2017, and charges against one defendant were dismissed.

Deadlines: Trial for seven defendants started on September 7, 2016; trial for seven more is scheduled to begin on February 14, 2017. Requests from the U.S. Attorney's Office for assistance have come in with little notice and short turn-around times. The Solicitor's Office has assisted primarily with issues relating to land ownership at the Refuge. No requests are currently pending.

Contact: Frank Wilson, Assistant Regional Solicitor, Pacific Northwest Region, 503-231-2132.

Date: September 16, 2016

Office of the Solicitor Briefing

Subject: *In re Peabody Energy Corp., et al.* (Bankr. E.D. Mo.) (major coal bankruptcy); *Montana Elders for a Livable Tomorrow v. OSMRE* (D. Mont.) (DOI mining plan approval); *Western Organization of Resource Councils v. BLM* (D.D.C.) (federal coal leasing) (and 14 similar or related cases)

Issues: Major coal companies and subsidiaries have filed voluntary petitions to reorganize under Chapter 11 of the U.S. Bankruptcy Code. The companies collectively "self-bonded" over $2 billion in reclamation obligations without providing underlying security or collateral. Many federal coal planning and leasing decision by the BLM, DOI-approved plans for the mining of federal coal, and surface coal mine permitting actions by OSMRE are subject to judicial challenges for failure to comply with the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), the Mineral Leasing Act (MLA), and the Surface Mining Control and Reclamation Act (SMCRA).

Background: SMCRA requires that surface coal mining operations be reclaimed to specific standards to meet approved post-mining land uses. Operators must provide adequate financial assurance to provide for completion of reclamation in the event that the work must be performed by the regulatory authority. SMCRA allows operators to "self-bond" reclamation obligations without providing underlying security or collateral, if they meet financial requirements. Where coal operators have filed for bankruptcy, the ability to meet financial requirements to continue to self-bond is in serious question. Similarly, operators may be unable to provide substitute financial assurance. The United States has participated in three major coal company bankruptcy proceedings (Alpha Natural Resources, Inc., Arch Coal, Inc., and Peabody Energy Corporation) to assure that operators do not attempt to discharge their significant reclamation obligations or other environmental liabilities, and to assure that the companies' reorganization plans recognize and will provide adequate means for continued regulatory compliance. Such provisions include mechanisms for the replacement of self-bonding with adequate third-party or collateralized financial assurances upon emergence from bankruptcy.

Through the land use planning process, the BLM allocates uses for public land pursuant to the Federal Land Policy and Management Act. During the land use planning process, BLM evaluates lands within the planning area for coal leasing suitability based on provisions of SMCRA and regulatory screening criteria. In areas determined suitable for coal leasing through the land use planning process, BLM exercises the authority of the MLA to issue leases to operators wishing to mine federally owned coal. BLM offers leasing of federal coal through two application processes, 1) the "lease by application" process, or 2) through a request by existing lessees to modify an existing lease to include contiguous coal lands or deposits. In either case, the BLM is responsible for compliance with NEPA and other applicable federal laws. Four of the reported cases involve NEPA challenges from environmental organizations to BLM coal leasing decisions, primarily related to analysis of climate change impacts from greenhouse gas emissions expected from eventual coal mining and combustion.

Under the MLA, plans for the mining of federal coal must be approved by the Assistant Secretary for Mineral Management. Decisions on federal mine plans and mine plan modifications are based on recommendations made by OSMRE. OSMRE makes its recommendations based on, in part, the SMCRA permitting decision of the regulatory authority, information gained during the NEPA processes, and recommendations from other federal and state agencies with jurisdiction by law. Until recently, OSMRE typically relied on NEPA documents prepared by the BLM for the issuance of the underlying federal coal lease(s), in which OSMRE participated as a cooperating agency. Nine of the reported cases involve challenges from environmental organizations to DOI approval of mining plans and modifications for failure to comply with NEPA, the ESA and SMRCA, primarily related to public involvement, climate change and air quality.

On Indian Lands, OSMRE is the regulatory authority under SMCRA and is charged, in part, with issuing mining permits. In doing so, OSMRE must comply with NEPA, the ESA, and other applicable federal laws. OSMRE permitting actions are frequently subject to challenges under NEPA and the ESA. One reported cases involves a NEPA and ESA challenge by environmental groups to the SMCRA permit issued for the Navajo Mine and BIA approval of leases and rights-of-way for the Four Corners Power Plant and associated infrastructure, located primarily on the Navajo Nation, New Mexico.

Deadlines: Deadlines vary across the 17 related cases.

Contacts: Kristen Guerriero (303-445-0614), Ruth Hamilton-Heese, 303-445-0593, Phil Lowe, 303-445-0622, and Art Kleven, 303-445-0619, Attorney-Advisors, Rocky Mountain Region (RMR); Karan Dunnigan, Assistant Regional Solicitor, Billings Field Office, RMR, 406-247-7059; Emily Morris, Attorney-Advisor, Division of Minerals Resources, 202-208-5236.

Office of the Solicitor Briefing Paper

Subject: *Pimm v. Ashe* (D.D.C.) (challenge under ESA to Everglades Restoration Transition Plan, Phase I (ERTP-1), and associated biological opinion)

Issues: (1) Whether ERTP-1 jeopardizes continued existence of endangered Cape Sable seaside sparrow under Section 7(a)(2) of the ESA, constitutes unauthorized take of the sparrow under Section 9 of the ESA, and otherwise violates Sections 7(c) and 7(a)(1) of the ESA; (2) whether FWS's biological opinion on ERTP-1 violates Section 7(a)(2) and is arbitrary and capricious in violation of the Administrative Procedure Act

Background: Since the 1990s, the U.S. Army Corps of Engineers (COE) and other entities have been engaged in a massive effort to restore historic waterflows in the Everglades ecosystem. While this restoration is expected to benefit the system as a whole and in the long term, there are concerns that the operation of the restoration plans could, in the short term, have adverse effects on some listed species in the Everglades, including the endangered Cape Sable seaside sparrow. Indeed, the sparrow's population has sharply declined since the 1990s.

ERTP-1 is the latest iteration of the COE's Everglades restoration plan. On November 10, 2010, the FWS issued a biological opinion stating that ERTP-1 would not jeopardize the continued existence of the sparrow. By its own terms, the plan was set to expire on January 1, 2016. On November 17, 2014, COE reinitiated consultation with FWS, not just because of the pending expiration but because a reinitiation trigger in the 2010 biological opinion was met.

On April 30, 2015, Center for Biological Diversity and two individual plaintiffs (Plaintiffs) filed the referenced complaint, alleging that ERTP-1 and the 2010 biological opinion violated the ESA and APA (see Issues above). On July 22, 2015, following a meeting between the parties, COE formally advised FWS that it was initiating formal consultation on the continued implementation of ERTP-1. On July 23, 2015 the parties filed a joint motion to stay the litigation until January 29, 2016, at which time the parties would report to the court on the status of the case. The court granted the motion on the same date.

On December 9, 2015, FWS staff formally advised the Director that it was likely to issue a jeopardy biological opinion for the sparrow, and the Director concurred. On the same date, FWS staff sent key portions of the draft biological opinion to the COE for review. FWS advised that, because FWS and the COE would need additional time to establish reasonable and prudent alternatives (RPAs) and terms and conditions pursuant to the jeopardy opinion, the new biological opinion would not be completed by the January 1, 2016 expiration date for the 2010 biological opinion. On December 10, 2015 FWS and the COE agreed to administratively extend the biological opinion, until April 1, 2016. FWS sent formal notification of the extension to the COE and Plaintiffs on December 30, 2015. On January 27, 2016 the parties filed a joint motion to further stay the litigation until April 15, 2016. The court granted the motion on the same date.

The winter of 2016 was extremely rainy in the Everglades resulting in unusually high water levels, requiring the COE to implement an emergency 90-day deviation from ERTP-1. Because of the effects of the deviation, and the demand on both FWS and COE resources to respond to the emergency, FWS proposed yet another extension of the 2010 biological opinion until July 15, 2016, and proposed to Plaintiff that the stay be extended to August 5, 2016. Plaintiffs agreed, and on April 15, 2016, the court issued the extension.

FWS issued the final biological opinion on July 22, 2016. As expected, the biological opinion concluded that the continued implementation of ERTP-1 would jeopardize the continued existence of the sparrow, and included RPAs and terms and conditions to avoid jeopardy. Plaintiffs were sent the signed opinion on August 4, 2016. To allow Plaintiffs time to review the biological opinion, and COE's plan to implement the biological opinion (which is still being prepared), on August 5, 2016 the parties asked the court to further stay the litigation until October 7, 2016. The court issued the stay on the same date, ordering that the parties provide a status report on October 7. We have reason to hope that Plaintiffs will be satisfied with the biological opinion, and the COE's implementation plan, and will dismiss the complaint.

Deadlines: Joint status report to court due October 7, 2016.

Contact: Michael Stevens, Attorney-Adviser, Southeast Region, 404-331-5617

Date: September 19, 2016

Office of the Solicitor Briefing Paper

Subject: Take of Watercress Darter in Birmingham, Alabama (Potential Administrative Penalty Case)

Issues: Whether actions of City of Birmingham caused take of almost 1,700 endangered watercress darter in 2013; amount of potential penalty

Background: The endangered watercress darter is found only in five spring runs within metropolitan Birmingham, Alabama. One of these is Roebuck Springs, located within a city-owned park. In 2008, city employees caused the take of over 11,000 darters while draining a spring pond upstream of the run. FWS brought an administrative penalty action against the city, which resulted in a 2012 settlement agreement under which the city paid $185,000 to a third party land trust for mitigation actions related to the darter, and agreed to take actions to minimize the likelihood of future take, including consulting with FWS on future actions that might affect the darter.

In February 2013, FWS documented another take of watercress darter in the same spring run, and determined that it was caused by actions of city employees despite assistance provided by FWS to city officials only the day before the incident. An estimated 1,700 darters were killed or otherwise taken. Between February 2013 and December 2014, the United States' response to the take was delayed while the U.S. Attorneys' Office debated whether to bring criminal charges against the city, ultimately deciding not to do so. Further delays resulted from the retirement of the lead SOL attorney, who also worked on the civil penalty proceeding in the 2008 case. In August 2015, SOL sent the city a demand letter, advising that FWS was considering a civil penalty action for the 2013 take incident, but would accept a substantially reduced penalty if the city would agree to perform specific actions to benefit the darter. Discussions were delayed while SOL responded to a document request from the city. Since May 2016, FWS and SOL have been in discussions with the city over potential remedial actions (coordinated with actions proposed under the 2012 settlement agreement).

Deadlines: The violations of the ESA took place in February 2013. The statute of limitations for bringing a civil penalty action is five years. SOL has asked the city to enter into a tolling agreement while discussions are ongoing. A draft agreement, that would toll deadlines until the end of January 2017, is being reviewed by city management.

Contact: Michael Stevens, Attorney-Adviser, Southeast Region, 404-331-5617; Kim Fondren, Attorney-Adviser, Division of Parks and Wildlife, 202-208-5372

Date: September 21, 2016

Office of the Solicitor Briefing Paper

Case: *Aderholt et al. v. Bureau of Land Management* (N.D. Tex.) (Quiet Title Act litigation over the boundary of the Federal public lands along the Red River between Texas and Oklahoma)

Issues: What are the boundaries of the Federal public lands that lie along the Red River, which also forms the boundary between the States of Texas and Oklahoma: at the southern bank gradient as asserted by the United States or at another point asserted by Plaintiffs?

Have Bureau of Land Management (BLM) surveys of the boundaries of Federal public lands and Indian allotments been performed in accordance with U.S. Supreme Court precedent in *Oklahoma v. Texas*, 261 U.S. 340 (1923) and related decisions?

Should the State of Oklahoma, Indian allottees, and private landowners with real property along the Red River be joined in the litigation?

Background: The Red River forms part of the boundary between Texas and Oklahoma. There are Federal public land holdings along the Red River. Establishing the exact boundaries of the Federal public land holdings and the jurisdictional boundary between the States is challenging because periodic floods have cut a wide bed, while the usually small river meanders in varying areas within the bed. The United States owns public land and minerals in a narrow, 116-mile-long swath of land between the boundary with Texas and the medial line of the Red River.

In a series of cases in the 1920s, the U.S. Supreme Court held that the northern boundary of the Federal public lands is the medial line of the Red River and the southern boundary of the Federal public lands is located at the gradient of the southern bank. The Court established the gradient of the southern bank as the boundary between the states of Oklahoma and Texas, as well. Because identifying this boundary proved challenging from a practical standpoint (for determining jurisdiction for law enforcement purposes, etc.), Texas and Oklahoma jointly agreed in the 2000 Red River Boundary Compact to establish the state jurisdictional boundary at a southern "vegetation line." But the Compact expressly provides that it does not alter the property rights or boundaries of any public or private person.

In November, 2015, Quiet Title Act litigation was initially filed by local government entities and private landowners asserting that the United States had taken their property by identifying in surveys lands adjacent to their properties as Federal public lands. The State of Texas intervened to assert its sovereign boundary and the Texas General Land Office intervened to assert its mineral interests. Discovery and preparation of expert reports are currently under way, with trial scheduled to begin on July 24, 2017. The litigation has engendered interest from Congress, including an amicus brief filed by 22 Members of the

Texas delegation asserting that BLM is applying incorrect survey methods and is consequently harming property rights.

Deadlines: February 20, 2017 – complete discovery
March 22, 2017 – dispositive motions due
July 24, 2017 – trial begins

Contacts: Joan Marsan, Attorney-Advisor, Southwest Region, 505-248-5618
Elizabeth Carls, Attorney-Advisor, Division of Land Resources, 202-208-6401

Date: September 19, 2016

ISSUE: Landscape-Level Mitigation

I. KEY POINTS

The Department of the Interior (DOI) has issued guidance directing the bureaus to more systematically apply a mitigation hierarchy at the landscape scale, rather than on a project-by-project basis. The mitigation hierarchy, established by regulation, is designed to first avoid and then minimize negative impacts to resources of concern. If impacts remain, project proponents may then compensate for those unavoidable impacts. While federal agencies have applied the full mitigation hierarchy in situations involving impacts to wetlands and endangered species, they have not systematically done so for impacts to other significant resources and values. Both the Fish and Wildlife Service and the Bureau of Land Management are implementing this approach. Shifting the implementation of mitigation from a project-by-project approach to a science-based, landscape-level approach allows DOI and its bureaus to better balance and achieve development and conservation goals; promote certainty and transparency in planning; foster resilience; and improve the durability of mitigation measures. The mitigation hierarchy is being systematically incorporated into landscape-level planning effort including, for example, the BLM's and USFS's Greater Sage Grouse Conservation Plans, Western Solar Plan, and the Desert Renewable Energy Conservation Plan in California.

Many private investors are interested in establishing mitigation banks to generate and sell mitigation credits to developers, and a number of state governments, working with non-governmental organizations, are developing exchanges for conservation credits and debits. The mitigation banking and exchange markets, in concert with more strategic mitigation policies and procedures, have the potential to greatly improve restoration and conservation efforts on private and public lands.

The landscape-level approach is an advanced form of collaborative problem-solving at a time when the uncertainties of a rapidly changing climate and the imperative of an energy transformation pose challenges for sustaining the natural ecosystems that buffer us from extreme weather events and play a fundamental role in the maintenance of America's clean air, clean water, agricultural productivity, recreational opportunities, and economy.

II. OPPORTUNITIES AND CHALLENGES

Implementing mitigation, and other management practices, at the landscape level allows for a more comprehensive and strategic approach to meeting mission and statutory goals by balancing objectives across multiple scales, multiple time frames, and multiple jurisdictions. This approach can also more effectively address the often rapid changes taking place as a result of resource use and climate trends.

Addressing mitigation issues at the landscape level also allows for a more deliberate and transparent approach to stakeholder and partner engagement as well as a more structured and strategic approach to monitoring and evaluating the success or failure of mitigation measures over time. This approach also ensures that conservation or restoration actions are at least as durable as the impacts that they are intended to mitigate.

However, this more expansive and strategic approach requires managers to adapt to unfamiliar scale considerations, working across district offices and even states to address landscape-level objectives. This will require training and experimentation. It will also require that managers have accurate scientific assessments of resources and their values. As a means to improve DOI capacity in this regard, an Agency working group will address cross-jurisdictional issues in specific geographies, and establish best practices for landscape-level management in general, but particularly for mitigation. As articulated in the 5-year Oil and Gas Development Plan, the Bureau of Ocean Energy Management is exploring the application of landscape-level mitigation principles for the Outer Continental Shelf, which may provide opportunities for restoration investments on the OCS.

III. BACKGROUND

The Council on Environmental Quality defined mitigation in its NEPA regulations at 40 CFR 1508.20 to include: avoiding impacts, minimizing impacts, rectifying impacts, reducing or eliminating impacts over time, and compensating for remaining unavoidable impacts. These elements of mitigation, summarized as avoidance, minimization, and compensation, provide a useful sequenced approach to addressing the foreseeable impacts to resources and their values, services, and functions beyond the NEPA process. First, impacts should be avoided by altering project design, location, or declining to authorize the project; then minimized through required design features and permit conditions; and, generally, after all appropriate and practicable avoidance and minimization measures have been applied, the project proponent may then compensate for the remaining unavoidable impacts to those scarce, important, or protected resources.

Over time, the cumulative impacts of permitting projects on a project-by-project basis has led, in some landscapes, to inadequate mitigation and undesirable impacts to resource values. The increasing uncertainty brought on by climate change has amplified these undesirable impacts and increased the challenges associated with managing natural resources, particularly when the goal is to address impacts to a variety of resources such as species, habitats, historic and cultural resources, water quantity and quality, and air quality across multiple jurisdictions.

While the landscape-level approach to mitigation and other management actions requires more systematic scientific assessments, greater stakeholder engagement, and rigorous monitoring and evaluation systems, the payoff in terms of certainty – both for permitting processes and mitigation success – can be substantial.

IV. PREPARED BY: Joel Clement, Director, Office of Policy Analysis, 208-3295
DATE: September 19, 2016

ISSUE: OIG and GAO Audit Recommendations

I. KEY POINTS

The Office of Inspector General (OIG) and the Government Accountability Office (GAO) conduct audits of Department of the Interior programs and management which can result in recommendations for corrective actions. The OIG also issues a letter to the Secretary outlining major management challenges in Interior's annual Agency Financial Report which can be found at: https://www.doi.gov/pfm/afr. The current OIG-reported major management challenges include: energy management, information technology, responsibility to American Indians and territories, water programs, acquisition and financial assistance (grants and cooperative agreements), climate change, disaster response, operational efficiencies, and public safety.

The most recommendations from the OIG and the GAO are focused on:

- Responsibility to American Indians and Territories – Challenges include maintaining and/or supporting tribal lands, agriculture, energy management, justice systems, social services, and education.
- Information Technology (IT) – Cyber threats to software, hardware, and personally identifiable information are an ongoing concern.
- Oil and Gas – Concerns relate to collecting appropriate revenues from companies drilling for oil and gas on Federal lands and waters as well as problems hiring, training, and retaining staff for oversight and management of oil and gas operations. Since 2011, GAO has included Federal oil and gas challenges on their "high risk" list. GAO's complete list can be found at: http://www.gao.gov/highrisk/overview.

II. OPPORTUNITIES AND CHALLENGES

The Office of Financial Management operates an audit follow-up program that ensures detailed corrective action plans are compiled for audit recommendations and holds Bureaus and Offices accountable for commitments to take action by specified dates. However, there are several issues which have been unresolved for years, including those above. Climate change, water programs, and operational efficiencies have been outstanding issues since 2011. Each of these issues is expected to carry over into the new administration.

There is a Departmental goal of closing 85% of the recommendations scheduled for closure each fiscal year (the remaining 15% allows for unforeseen delays). The scheduled closure dates are taken from corrective action plans. Senior leaders receive a weekly report on outstanding audit recommendations and progress towards meeting the 85% goal. Critical to success in closing out OIG and GAO audit recommendations is the engagement of senior leadership.

III. BACKGROUND

Over the past eight years, the Department has received 306 audit reports containing 2,155 new recommendations (on top of 323 existing recommendations) for tracking and has closed 2,121 recommendations with 357 currently open.

IV. PREPARED BY:

Douglas Glenn, Director, Office of Financial Management, (202) 513-0362

DATE: November 22, 2016

ISSUE: IMPLEMENTING 2010 U.S.-PALAU 15-YEAR REVIEW AGREEMENT UNDER THE U.S.-PALAU COMPACT OF FREE ASSOCIATION

I. KEY POINTS

On February 22, 2016, the Secretary of the Interior (with the Departments of State and Defense) transmitted draft legislation to the Congress to implement and fund the 15-year Review Agreement, signed September 2, 2010, pursuant to the U.S.-Palau Compact of Free Association. Senate Energy and Natural Resources Chairwoman Murkowski and Ranking Member Cantwell introduced the legislation in S. 2610.

The Agreement called for $229 million in direct assistance for Palau. Deducting $92 million in annual payments made through Interior since fiscal year 2010, $149 million remains to be paid under the Agreement.

Although $92 million in direct economic assistance has been paid, key reforms in the Review Agreement have not been implemented because the Congress has not yet approved the Agreement. The lack of full United States funding and approval of the Review Agreement negatively affects United States standing in Palau and the Pacific region.

II. OPPORTUNITIES AND CHALLENGES

Part of the reason for the stalemate in Congress is that while the Administration has offered a number of offsets in Interior's budget, they have been unacceptable to Congressional members or used for other projects.

More recently, the Department of Defense (DOD) has stepped forward with DOD cost savings in the National Defense Authorization Act (NDAA) for fiscal year (FY) 2017 that could fund the $149 million in remaining Review Agreement costs. The current version of the Senate FY17 NDAA only contains a sense of Congress provision urging implementation of the review agreement, not funding. However, the FY17 NDAA remains a possible vehicle for implementing the Agreement.

Should the Congress not fully fund Palau this Congress, then the progress made by the Department of the Interior to have the Department of Defense also provide funds for Palau will likely not continue in the next Administration given that there will be new players at all of the agencies. As such, the Department of the Interior will be expected to fund the remaining funds of the Agreement.

III. BACKGROUND

The Republic of the Palau was the last and final district of the former United States administered Trust Territory of the Pacific Islands, acquired following World War II, to emerge upon its dissolution. The people of Palau chose, through plebiscite, to be in a Compact of Free Association relationship with the United States. The people of the Commonwealth of the Northern Mariana Islands chose to be a U.S. territory while two other entities, the Republic of the Marshall Islands and the Federated States of Micronesia also chose to be in Free Association with the U.S. similar to Palau.

The Compact provides the U.S. military strategic rights in Palau and is an important part of the entire U.S.-affiliated Micronesia region surrounding the U.S. territories of Guam and the Northern Mariana Islands and is an important element of the U.S. Pacific strategy in the region.

The initial Compact agreement between the U.S. and the Republic of Palau was enacted on November 14, 1986, and implemented on October 1, 1994.

Under the new Agreement, Congress has appropriated funding for continued economic assistance to Palau in annual amounts of $13.15 million since the Compact expired on September 30, 2009. Full implementation in FY 17 of the 15-year Review Agreement would cost $149 million.

IV. PREPARED BY: Steve Sander, Office of Insular Affairs, Congressional and Legislative Affairs, 208-4754 and Tanya Joshua, Deputy Policy Director, 208 6008

DATE: October 4, 2016

ISSUE: Final Rule: Part 50 - Procedures for Reestablishing a Formal Government-to-Government Relationship with the Native Hawaiian Community

I. KEY POINTS

In October 2016, the Department issued a final rule entitled, "Procedures for Reestablishing a Government-to-Government Relationship with the Native Hawaiian Community," also known as Part 50 (to be codified at 43 C.F.R. Part 50). Part 50 creates an administrative path for a reorganized Native Hawaiian government to reestablish a formal government-to-government relationship with the United States. The rule purposefully does not address whether or how the community may reorganize a formal government; such decisions are up to the community itself as an exercise in self-determination over its own affairs. Rather, the rule establishes a procedure and criteria that the Secretary of the Interior would apply if the Native Hawaiian community forms a unified government that then seeks a formal government-to-government relationship with the United States.

After extensive public comment on the Advance Notice of Proposed Rulemaking (ANPRM), issued in June 2014, and the Notice of Proposed Rulemaking (NPRM), issued in October 2015, the Department decided to take the next step in the reconciliation process set in motion by Federal law over 20 years ago by issuing a final rule. (In 1993, Congress passed the "Apology Resolution" in which the United States formally acknowledged and apologized for its role in the illegal overthrow of the Kingdom of Hawaii.) The Department believes that reestablishing a government-to-government relationship would allow the United States to more effectively implement the special political and trust relationship that Congress has long recognized with the Native Hawaiian community through over 150 Federal laws.

Importantly, the process set out in Part 50 is optional and Federal action will only occur upon an express, formal request from a reorganized Native Hawaiian government. Part 50 does not authorize compensation for past wrongs, land-into-trust, gaming, or make the Native Hawaiians eligible for programs and services applicable to members of Indian tribes in the continental United States; all these benefits require Congressional action. Further, Part 50 makes clear that reestablishment of a formal government-to-government relationship does not affect the title, jurisdiction, or status of Federal lands or property in Hawaii.

II. OPPORTUNITIES AND CHALLENGES

Public comments throughout the rulemaking process urged the Department to move forward with a rule that sets out a process for reestablishing a formal government-to-government relationship with the Native Hawaiian community. But the Department also received comments that urged it to abandon its rulemaking efforts entirely. Therefore, recognizing that there are differing views on whether to reestablish a formal government-to-government relationship, the final rule simply sets out a process that is optional and triggered only when the Native Hawaiian government submits a written request to the Secretary.

There was broad support for the Department's proposal at both the ANPRM and the NPRM stages of the rulemaking. But a vocal minority within the Native Hawaiian community opposed the rulemaking on the mistaken belief that the Department lacks jurisdiction in the

State of Hawaii because it was “illegally” annexed by the United States in the late 1800s. These comments were outside the scope of the proposed rule. Two members of Congress, Senator Barrasso (R-WY) and Senator Alexander (R-TN), submitted testimony opposing the proposed rule, suggesting that the Department’s rule would violate the 14th Amendment as race-based, and that in any event, the Secretary of the Interior lacked authority to promulgate such a rule. Supporters of the proposed rule include former and current members of the Hawaii Congressional delegation, Hawaii state governors, Native Hawaiian leaders, and the National Congress of American Indians.

For over 120 years, the Native Hawaiian community has been denied any opportunity to engage with the United States on a government-to-government basis. Now, Part 50 will provide the Native Hawaiian community with an administrative process to exercise principles of self-determination and self-governance akin to that currently exercised by Indian tribes in the continental United States.

III. BACKGROUND

In the late 1800s, the United States participated in the overthrow of the Kingdom of Hawaii and annexed the territory of Hawaii. Since that time, Congress has enacted over a 150 statutes providing benefits and programs to Native Hawaiians pursuant to its constitutional authority over Indian affairs. In an effort to make the provision of those benefits and programs more effective, and in response to decades of advocacy from leaders within the Native Hawaiian community, Hawaii’s elected leaders, and members of the community, the Department issued a proposed rule in October 2015 that sets out a multistep process for a reorganized Native Hawaiian government to request a government-to-government relationship with the United States, if it chooses to do so.

IV. PREPARED BY: Jennifer Romero, Senior Advisor for Native Hawaiian Affairs, Office of the Secretary, 208-1820.
DATE: October 5, 2016

ISSUE: RESILIENCE AND CLIMATE ADAPTATION

I. KEY POINTS

It is the policy of the Department of the Interior to effectively and efficiently adapt to the challenges posed by climate change to its mission, programs, operations, and personnel. The Department uses the best available science to increase understanding of climate change impacts, inform decision-making, and coordinate an appropriate response to impacts on land, water, wildlife, cultural and tribal resources, and other assets.

The Department is taking action to build the resilience of the Department's programs, operations and management responsibilities in the face of climate change. Key actions that carry into 2017 include implementing the Federal Flood Risk Management Standard and other guidance while integrating climate change considerations into program management, providing climate change training opportunities for employees, and advancing the use of landscape-scale planning to build the climate resilience of natural resources.

The Department is tracking progress toward achieving bureau climate resilience priorities and objectives through the Department's Climate Resilience Priority Goal and the Climate Resilience Goal of the Department's Strategic Sustainability Performance Plan (Goal 10).

II. OPPORTUNITIES AND CHALLENGES

Climate change poses difficult challenges for bureau managers. Historic approaches to natural resource management may not be effective in the face of climate change impacts, as ecological conditions change, habitats shift, and species migrate toward more suitable climates. Bureaus will also face new challenges in maintaining buildings and infrastructure in areas highly vulnerable to climate change impacts, such as coastal areas and the Arctic region. Tribes and indigenous communities are especially vulnerable, as climate change threatens the ecological balance that supports their traditional and cultural way of life.

The Department's bureaus are implementing the Department's Climate Change Adaptation Policy and are in the process of building organizational capabilities to address climate change. Some bureaus face challenges communicating climate change matters with both internal and external audiences – particularly those bureaus that manage or regulate fossil fuel extraction as part of the bureau mission. While bureaus have made significant advancements in their efforts to address climate change, many opportunities remain. Additionally, while the Department provides support to tribes through DOI's Tribal Climate Resilience Program, there are opportunities to improve coordination between the many federal agencies that provide support to tribes through other various Federal programs and activities.

III. BACKGROUND

As the Nation's largest land manager, climate preparedness and resilience is a high priority for the Department. Climate change has significant impacts on the Nation's natural resources and the communities that depend on them.

In 2008, Secretary of the Interior Dirk Kempthorne created a Departmental task force to conduct a review of the Department's climate change risks and to develop recommendations to address those risks. Among the recommendations, the task force identified a need for improved

Departmental coordination on climate change matters. In 2009, Secretary of the Interior Ken Salazar issued Secretarial Order 3289, *Addressing Climate Change Impacts on America's Water, Land, and Other Natural and Cultural Resources*, which established the Department's Landscape Conservation Cooperatives and Climate Science Centers. Congress passed the Secure Water Act of 2009 (Public Law 111-11), which required the Bureau of Reclamation to assess long-term risks to the Nation's water supply and to develop strategies to mitigate those risks and to help ensure that the long-term water resources management of the United States is sustainable.

The Department's Climate Change Adaptation Policy was issued in 2012 to provide guidance to bureaus and offices for addressing climate change impacts on the Department's mission, programs, operations, and personnel. Also, in 2015, the Department issued policy and guidance for assessing vulnerability and increasing resilience for facilities and infrastructure. Several of the Department's bureaus have developed or are developing bureau vulnerability assessments as well as climate change adaptation policies and strategies. Examples of existing bureau policies and strategies include the Bureau of Indian Affairs Climate Change Adaptation Plan (2013), the National Park Service Climate Change Response Strategy (2010), the U.S. Fish and Wildlife Service Climate Change Strategic Plan (2010), and the Bureau of Reclamation Climate Adaptation Policy (2015). Additionally, Departmental budget and capital planning guidance instructs bureaus to consider climate risks and resilience measures in major capital improvement projects.

The Department also is tracking its greenhouse gas (GHG) emission reductions and reports progress to OMB and CEQ in the annual Strategic Sustainability Performance Plan. The Department has targets to reduce direct emissions by 36 percent and indirect emissions by 23 percent by FY 2025 (from the FY 2008 baseline).

In conjunction with the start of the comprehensive review of the federal coal leasing program in 2016, the Secretary directed USGS to establish and maintain a public database to account for the annual carbon emissions from fossil fuels developed on federal lands. As such, USGS is currently undertaking an assessment of the greenhouse gas emissions resulting from the extraction of coal, oil, and natural gas from federal lands, including the outer continental shelf. This project will rely upon data from existing sources and established methods to lay the groundwork for ongoing annual or biannual reporting of these quantities.

IV. PREPARED BY: Joel Clement, Director, Office of Policy Analysis, 208-3295
DATE: September 27, 2016

ISSUE: Space Consolidation

I. KEY POINTS

In FY 2015, the Department of the Interior (DOI) paid more than $350 million in rent for office and warehouse space and those costs continue to rise, eroding capacity to execute mission. DOI has a plan to improve its use of real property through targeted space reductions and disposal of unneeded real property, actively implementing the Office of Management and Budget's (OMB) Reduce the Footprint (RtF) directive. DOI's plan is to reduce commercial leases, focusing on geographic areas with high concentrations of DOI employees and maximizing use of DOI-owned or other federally-owned space. For FY 2016 – FY 2020, DOI is targeting 1.3 million square feet of reductions for office and warehouse space. This follows a reduction of more than 2 million square feet achieved between FY 2012 and FY 2015, representing a net annual cost avoidance of approximately $8 million. The table below summarizes DOI's space portfolio. Additional details are available in the DOI Real Property Efficiency Plan.

Table FY 2015 Portfolio Summary
(All property, including the RtF Baseline properties)

	Direct Lease Space (Rentable Square Feet)	Owned Space (Gross Square Feet)	GSA Occupancy Agreement Space (Rentable Square Feet)	Total (Square Feet)
Office	2,751,894	10,909,219	11,523,405	25,184,518
Warehouse	66,536	13,750,663	1,507,760	15,324,959
All Other	607,959	76,301,065	508,690	77,417,714

To achieve the targets, DOI will participate in the competitive Consolidation Fund Program of the General Services Administration (GSA), which offers funding necessary to renovate space to allow for priority consolidations. DOI and the U.S. Department of Agriculture (USDA) will also continue to work collaboratively to develop joint co-location and consolidation projects through their Service First authority.

II. OPPORTUNITIES AND CHALLENGES

DOI's current focus for consolidation opportunities is in three main geographic areas: the Denver Federal Center (DFC), the greater Washington, D.C., Maryland, and Virginia metropolitan area (DMV), and the National Interagency Fire Center (NIFC) in Boise, ID. A joint DOI-GSA Working Group at the DFC recently produced the DFC Long-Term Space Strategic Plan which will reduce expensive commercial leased space by maximizing the use of federally-owned space through co-locations of multiple bureaus and offices. Based on the success of the DFC Working

Group, a similar working group has been chartered for the DMV. Other complementary efforts are also underway at NIFC, where Office of the Secretary staff in multiple leased spaces will be consolidated into Department-owned facilities. On a smaller scale, in Seattle, Washington, the National Park Service is consolidating into the Federal Office Building, and in Portland, Oregon, the Office of Special Trustee for American Indians is consolidating at the 911 Federal Building. Future opportunities may include consolidations in Menlo Park, CA; Portland, OR/Vancouver, WA; and Sacramento, CA.

DOI bureaus are working to determine if having GSA assume their direct leases by creating GSA Occupancy Agreements would be beneficial for either lowering costs or creating efficiencies. Partnering with GSA allows DOI organizations to benefit from funding tools such as the GSA Total Workplace Program (e.g., furniture/information technology), which can enable DOI to achieve its desired goals.

A challenge for Interior is that nearly all DOI-owned constructed assets are intentionally situated on public lands (including national parks, national wildlife refuges, national wilderness areas and other protected resources) or lands held in trust, in order to be closely connected to the public or resources they serve. This makes mission delivery more efficient, but poses specific challenges when implementing initiatives involving real property consolidation, as the lands must be retained. Interior must balance directives to reduce space and operating costs and improve overall real property portfolio sustainability with public demands to provide greater wildlife habitat, resource protection, recreation, and other services. DOI also maintains many historic properties and sites that have cultural significance with specialized needs.

III. BACKGROUND

In March 2013, the OMB issued a Freeze the Footprint (FtF) directive through Management Procedures Memorandum No. 2013-02. This directive established a square footage baseline of office and warehouse space and directed that agencies "shall not increase the size of its domestic real estate inventory, measured in square footage, for space predominately used for offices and warehouses." Following FtF, OMB issued a Reduce the Footprint (RtF) directive in March 2015, through Management Procedures Memorandum No. 2015-01. The RtF directive required agencies to develop five-year plans with "reduction targets for their portfolio of domestic office and warehouse space on an annual basis." In response, Interior has developed the DOI Real Property Efficiency Plan which describes the strategies, actions, and targets planned by DOI to implement the RtF initiative while continuing to deliver critical services to the American people.

IV. PREPARED BY: Kenneth Casey, Office of Acquisition and Property Management, Project Manager, 303-202-4265.
DATE: September 1, 2016

ISSUE: Status of DOI Hurricane Sandy Response Program

I. KEY POINTS

Nearly four years after Hurricane Sandy hit, DOI bureaus are making substantial progress on hundreds of projects throughout the Atlantic Coast and are working with partners to stabilize beaches, restore wetlands and improve the hydrology of coastal areas. These efforts help protect local residents from the next big storm while creating jobs, engaging youth and veterans, restoring habitat for wildlife and advancing scientific knowledge that can be applied elsewhere. All Hurricane Sandy recovery projects have been completed or will be completed in the near future. More than 91% of all resilience projects will be completed by the originally established date of November 8, 2016, or with approved project extensions. Interior's projects have been well-coordinated among bureaus and offices and through a strong partnership with the National Fish and Wildlife Foundation (NFWF), Interior is building capacity to better understand how these restoration projects are performing to build ecological as well as socio-economic benefits.

II. OPPORTUNITIES AND CHALLENGES

Working with NFWF, DOI is soliciting proposals in the Fall of 2016 to provide $15 million in funding for up to seven years (2024) to collect data that will be used to assess the impact of resilience restoration projects funded through DOI's Hurricane Sandy Coastal Resilience Program. To help determine project success, DOI created a metrics expert group to recommend Hurricane Sandy ecological resilience performance metrics. Through a competitive process, Abt Associates was selected to develop socio-economic metrics and perform a third party performance evaluation of the DOI Hurricane Sandy Resilience Projects. The Socio-Economic Metrics Report identifies metrics to measure the socio-economic benefits/ecosystem services associated with the Hurricane Sandy program. The ecological and socio-economic metrics will demonstrate project performance to meet community and ecological resilience goals while providing communities and natural resource managers with tools to inform best practices and guide future investments. Applying ecological and socio-economic metrics as a standard operating procedure to current and future projects is essential to consistently evaluating the effectiveness of projects to provide ecological and community resilience. Through these efforts, Interior is developing best practices for future projects and there is opportunity to expand the use of ecological and socio-economic metrics to cover all U.S. landscapes, not just areas impacted by Hurricane Sandy. Pursuing projects that promote resilience and address key science and knowledge gaps will greatly improve resilience strategies, early hazard warnings, and avoid costly mistakes in restoration and mitigation actions. These efforts will better position government agencies and the public to address challenges posed by climate change and sea level rise.

III. BACKGROUND

Hurricane Sandy made landfall on the Atlantic coast on Oct. 29, 2012, wreaking havoc on communities in 12 states and the District of Columbia. On January 29, 2013, the Disaster Relief Appropriations Act, was signed into law and included $829 million ($786.7 million post sequestration) for the Department of the Interior and its bureaus. This amount included $47.5 million to the National Park Service (NPS) for historic preservation grants to States. These investments were used to clean up and repair damaged national parks and wildlife refuges; restore and strengthen coastal marshes, wetlands and shoreline; connect and open waterways to increase fish passage and improve flood resilience; and bolster local efforts to protect communities from future storms. DOI also supported the development of new science to better understand impacts of storms and sea level rise on coastal ecosystems and help managers respond and adapt to changing environmental conditions. Over 160 resilience projects were funded for DOI Bureaus, local governments, non-profits, environmental agencies, and tribes across twelve states along the Atlantic Coast from Maine to Virginia, and west to Ohio. Projects were designed to rebuild natural ecosystems such as coastal marshes, beach and dune habitats, and provide aquatic connectivity that will benefit and protect wildlife, communities, and the economy. Also included are assessment, modeling, and planning projects using cutting-edge technology to determine vulnerabilities and assess resilience strategies to improve decision making capabilities. Other projects include the identification of sand resources from 3 to 8 nautical miles offshore from Miami to Maine, the strengthening of the Ohmsett Oil Spill Response and Renewable Energy Test Facility to improve the facility's resilience to future storms, and the development of a new seed collection program to provide locally adapted plant material to Hurricane Sandy restoration projects. DOI partnered with NFWF to administer an external funding competition to support similar projects led by state and local governments, universities, non-profits, community groups, tribes, and other non-Federal entities. Through this process, $100 million in DOI funding from the Sandy Supplemental was invested in 54 projects along with more than $2.7 million in private funding leveraged by NFWF.

The DOI Hurricane Sandy website, https://www.doi.gov/hurricanesandy, provides updates on DOI Hurricane Sandy projects, such as, press releases, a map of all Hurricane Sandy response projects, and links to Bureau and NFWF webpages.

IV. **PREPARED BY**: Olivia B. Ferriter, Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition, 202-208-4881, and Richard Bennett, Ph.D., Regional Scientist, USFWS, 413-253-8305
DATE: September 19, 2016

ISSUE: Updating the Department's Strategic Plan and Use of Agency Priority Goals

I. KEY POINTS

Strategic Plan: The Department-wide Strategic Plan is updated within one year after the President's inauguration (in accordance with the GPRA Modernization Act of 2010). The Strategic Plan typically reflects strategic Secretarial priorities using "Mission Areas" with corresponding goals, achieved through strategic objectives that describe how to realize those priorities, and measured using key performance indicators. The current Plan includes six mission areas corresponding to Secretary Jewell's priorities, as well as 104 key performance indicators that are targeted and reported annually to track progress in achieving objectives. The Office of Management and Budget (OMB) and the Department review accomplishments and potential corrective actions annually during the Strategic Objective Review. These activities are led by the Department's Office of Planning and Performance Management.

Agency Priority Goals: The eight FY 2016-2017 Agency Priority Goals (APGs) are a subset of the Strategic Plan goals. The Department must continue to conduct Quarterly Status Reviews with senior leadership, led by the Deputy Secretary, to assess and report to OMB interim progress on these goals through September 30, 2017. Incoming senior leadership will develop new APGs for FY 2018-2019 to reflect the new Administration's strategic priorities.

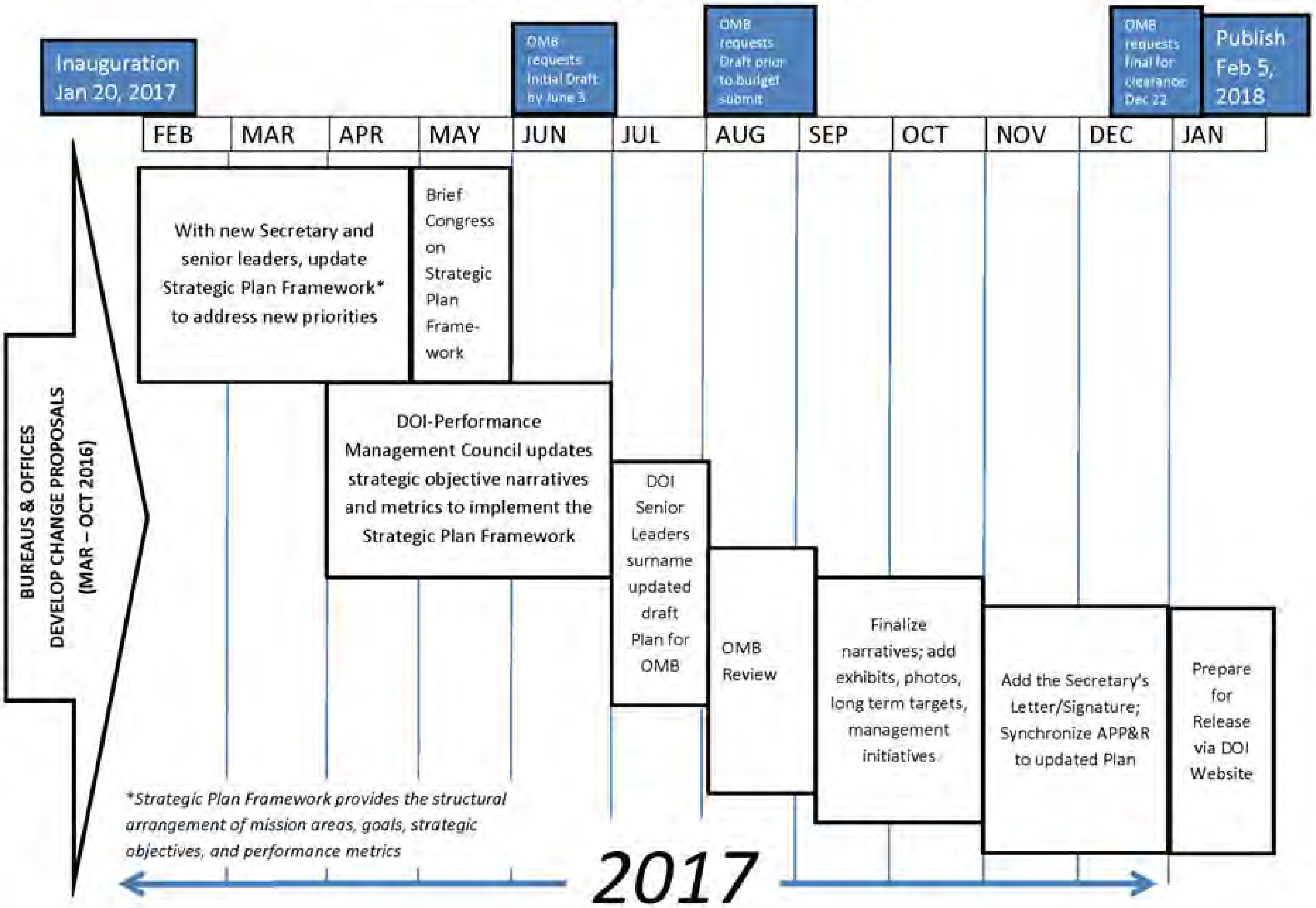
II. OPPORTUNITIES AND CHALLENGES

Strategic Plan: Updating the Strategic Plan provides the Department an opportunity to highlight and track the Administration's top priorities and goals, and to communicate this information across the Department and to stakeholders. In 2017, the new senior leadership kicks off the Strategic Plan update process by reviewing a Strategic Plan Framework outlining mission areas, goals, and strategic objectives to determine adjustments needed to best reflect the new Administration's priorities. This framework aligns with the key performance indicators that track progress toward accomplishing the Department's mission. The exact timing for updating the Strategic Plan to accommodate the Administration's strategic priorities depends on when the new Secretary and senior leadership team arrive. Attached is a potential schedule including OMB-specified deadlines.

Agency Priority Goals: APGs help the Department focus resources and effort to achieve selected priorities of the Secretary and the Administration. APGs are a limited number of specific, quantifiable targets from the Department-wide Strategic Plan tracked over a two-year period. For example, the Water Conservation APG sets a goal of facilitating the availability of 1.1 million acre feet of water by the end of FY 2017 through conservation grants, scientific studies, and technical assistance. Priority Goal Leaders and Bureau Directors present interim progress and results to the Deputy Secretary at Quarterly Status Reviews. The APG quarterly results are publicly available on OMB's www.performance.gov website.

III. PREPARED BY: Richard Beck, Office of the Secretary (Policy, Management and Budget), Director, Office of Planning and Performance Management, 202-208-5020.
DATE: September 12, 2016

FY 2018-2022 Strategic Planning Schedule



DOI STRATEGIC PLAN FRAMEWORK (FY 2014-2018)

Celebrating and Enhancing America's Great Outdoors

- Protect America's Landscape
  - Land and Water Condition
  - Species Sustainability
  - Wildland Fire
- Protect America's Cultural and Heritage Resources
- Enhance Recreation and Visitor Experiences

Strengthening Tribal Nations and Insular Communities

- Trust, Treaty, and Other Responsibilities
  - Treaty and Subsistence Rights
  - Fiduciary Trust
- Improve the Quality of Life in Tribal and Native Communities
  - Self governance determination
  - Economic Opportunity
  - Indian Education
  - Safer Communities
- Empower Insular Communities
  - Improve Quality of Life
  - Economic Opportunity
  - Efficient/ Effective Governance

Powering Our Future and Responsible Use of the Nation's Resources

- Secure America's Energy Resources
  - Env. Compliance and Safety
  - Renewable Energy
  - Conventional Energy
  - Account for Energy Revenues
- Sustainably Manage Timber, Forage, and Non-Energy Minerals

Engaging the Next Generation

- Create Systemic Opportunities for Outdoor Play
- Educational (Natural Resource Mgmt) Opportunities
- Volunteers on Public Lands
- Conservation Work and Training Opportunities

Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies

- Manage Water and Watersheds for the 21st Century
  - Improve Reliability of Delivery
  - Ensure Against Climate Change
- Extend Water Supplies Through Conservation
- Availability of Water to Tribal Communities

Building a Landscape-level Understanding of Our Resources

- Landscape Level Management and Planning Tools
- Provide Science to Model and Predict Ecosystem, Climate, and Land Use Change
- Provide Scientific Data to Protect, Instruct, and Inform Communities
- Provide Water and Land Data to Customers

ISSUE: STREAM PROTECTION RULE

I. KEY POINTS

The stream protection rule is a comprehensive rule that will more completely implement the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and strike an improved balance between satisfying the Nation's need for coal as an essential energy source and protecting streams, fish, wildlife, and related environmental values from the adverse impacts of coal mining. The rule also modernizes the regulations governing the mining of coal and reclamation of mined lands to reflect advances in scientific knowledge and mining and reclamation techniques in the 30 or more years since the regulations were last updated.

The proposed rule was published in the Federal Register in July 2015. The Office of Surface Mining Reclamation and Enforcement (OSMRE) held six public hearings and received approximately 94,000 comments on the proposed rule during the extended public comment period. The proposed rule is currently undergoing review within the Administration

The rule requires the collection and analysis of adequate pre-mining data about the proposed permit and adjacent areas to establish a comprehensive baseline that will facilitate evaluation of the effects of mining and determination of whether adverse impacts result from a mining or a non-mining source. The rule requires effective, comprehensive monitoring of groundwater and surface water throughout mining and reclamation and during the revegetation responsibility period to provide timely information documenting mining-related changes in the values of the parameters being monitored. More timely detection of adverse trends should enable operators to take corrective action earlier, which should improve the probability of success of those measures and reduce costs.

The rule includes measures to protect or restore perennial and intermittent streams and related fish and wildlife resources, especially the headwater streams that are critical to maintaining the ecological health and productivity of downstream waters. Maintenance, restoration, or establishment of streamside vegetated corridors, comprised of native species, is a critical element of stream protection.

Restoring mine sites to a condition in which they are capable of supporting all uses that they could support before mining, rather than to a condition in which they are capable of supporting a single, possibly low quality, post-mining land use, will benefit future generations by preserving other land use options. A single temporary use of land for mining purposes should not result in permanent degradation of the site's capability to support other longer-term uses.

II. OPPORTUNITIES AND CHALLENGES

The rule is highly controversial with strong opposition from industry, state regulatory authorities, several members of Congress, and state elected officials. The environmental community has expressed qualified support for the rule.

III. BACKGROUND

On June 11, 2009, DOI, the U.S. Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers entered into a Memorandum of Understanding (MOU), implementing an interagency action plan to better protect streams in the Appalachian Region from the adverse effects of coal mining. Under the MOU, OSMRE committed to review its existing regulatory authorities and procedures to determine whether regulatory modifications should be proposed to better protect the environment and public health from the impacts of Appalachian surface coal mining. As a result of that review, OSMRE filed a motion to vacate the 2008 Stream Buffer Zone (SBZ) rule that had been promulgated at the end of the previous Administration, because OSMRE had failed to initiate consultation with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act (ESA). The court denied the government's motion and ultimately vacated the 2008 SBZ rule for lack of consultation with the USFWS under section 7 of the ESA, and remanded the vacated rule to OSMRE for further proceedings consistent with the decision. OSMRE moved forward with the stream protection rulemaking to address the deficiencies in the SBZ rule.

After conducting extensive public outreach through an Advanced Notice of Proposed Rulemaking published in November 2009, stakeholder outreach, and public scoping meetings, OSMRE initiated a major rulemaking effort to modernize its regulations to provide comprehensive protection to streams and related environmental values, and to strike a better balance between environmental protection and the need for coal as an essential energy source, just two of the fundamental purposes of the Surface Mining Control and Reclamation Act of 1977 (SMCRA).

IV. PREPARED BY: Harry Payne, Office of Surface Mining Reclamation and Enforcement, Chief Regulatory Support, 208-2895
DATE: September 20, 2016

ISSUE: The Land and Water Conservation Fund

I. KEY POINTS

The Department of the Interior derives important benefits from Land and Water Conservation Fund (LWCF) investments which help conserve public lands in or near national parks, refuges, forests and other public lands, including landscapes identified for collaborative, strategic conservation. LWCF helps Interior increase recreational access for hunting, fishing, hiking, and other outdoor activities, protect historic battlefields, and provide grants to States for close-to-home parks, recreation and conservation projects.

Robust LWCF funding is a critical priority for Interior, which co-manages the Fund with the U.S. Department of Agriculture (USDA). Since 1965, LWCF invested over $17.6 billion in land and water conservation and outdoor recreation nationwide. This includes more than $10.8 billion for land acquisition by the Bureau of Land Management, U.S. Fish and Wildlife Service, the National Park Service, and USDA's U.S. Forest Service, and $4.1 billion in Stateside matching grants. Grants alone helped fund over 41,000 projects in every State and nearly every county in the U.S., supporting protection of three million acres of recreation lands and 29,000 recreation facility projects to provide close-to-home recreation opportunities readily accessible to all Americans.

The LWCF plays a crucial economic role for local communities and contributes to the larger national economy. Every $1 invested in public land acquisition through LWCF returns at least $4 in economic value for local communities.[1] More broadly, outdoor recreation activities in national parks, wildlife refuges, national forests, marine sanctuaries, and other public lands and waters contributed roughly $51 billion and 880,000 jobs to the U.S. economy in 2012 alone.[2] In 2015, Interior's public lands hosted an estimated 443 million visits, which contributed roughly $26 billion in value added and supported 396,000 jobs.[3] Nationally, outdoor recreation activities contribute $646 billion to the economy annually and support 6.1 million jobs.[4] These economic drivers are one of many reasons Interior and USDA put a high priority on the program.

II. OPPORTUNITIES AND CHALLENGES

Collaborative Landscape Planning – Since 2013, DOI and USDA have taken a collaborative, strategic approach to LWCF Federal land acquisition. While the land management agencies receive funding for agency-specific land acquisitions, DOI and USDA also allocate a portion of funds for the bureaus to work together on joint landscape-scale conservation goals, known as Collaborative Landscape Planning (CLP) projects. Competitively selected among the bureaus, CLP projects emphasize support for collaborative, community-based and locally-driven landscape conservation efforts that make the best use of science, partnerships and leverage to deliver a high return on investment. This approach to landscape conservation results in resource

[1] The Trust for Public Land, *Return on the Investment from the Land & Water Conservation Fund*, 2010
[2] Federal Interagency Council on Recreation, *Fact Sheet on Outdoor Recreation: Jobs and Income*, 2014
[3] U.S. Department of the Interior, *Economic Report FY 2015*, 2016
[4] Outdoor Industry Association, *The Outdoor Recreation Economy*, 2013

and economic benefits to the American public, including clean drinking water, recreational opportunities, protected habitat for at-risk and game species, and jobs generated on and off these lands. The early successes of the Collaborative LWCF is evidence that DOI, USDA, and their bureaus are committed to a tactical, outcome-focused LWCF in the future, and that full funding helps support smart investments.

Permanent Funding and Authorization – This is a critical time for the future of LWCF and America's public lands. Annual need far outstrips available annual funding, placing undue burdens on landowners and leaving many key outdoor resource areas at risk. Chronically underfunded, LWCF typically receives around one-third of the intended revenues. Unpredictable appropriations prevent land management bureaus from engaging in multi-year planning required by large-scale conservation and effective collaboration with local communities. Funding uncertainty makes it increasingly challenging for local, State, and Federal managers to rely on LWCF as a tool. Full, permanent, and mandatory funding represents the minimum needed to increase financial certainty; embrace opportunities with willing sellers; support State, county and neighborhood parks; conserve working forests and ranches that maintain water quality and wildlife habitat, public access, and jobs in the woods and on the range; and facilitate appropriate development while protecting critical wildlife habitat. Permanent LWCF authorization is just as critical. Private landowners who want to permanently conserve their lands for future generations need the assurance that LWCF authorities will not expire. The benefits provided by LWCF from 1965 to 2015 testify to the likely success of a permanent authorization and dedicated funding of the program.

III. BACKGROUND

Congress created the Land and Water Conservation Fund (LWCF) in 1965 as a bipartisan commitment to safeguard natural areas, water resources, and cultural heritage, and provide recreation opportunities to strengthen the health of all Americans. The program reinvests a small portion of royalties from offshore oil and gas activities into public lands and waters nationwide. The LWCF authorization allows deposits of up to $900 million annually into the Fund. Congress determines and approves how much of those funds may be spent each year. Typically, Congress approves only a portion of LWCF funding – the Fund could have supported $38 billion in projects to date, but Congress allocated only $17.6 billion to the Fund itself. This has resulted in a lost opportunity to invest $20.3 billion in critical conservation projects since 1965. In FY 2016, for example, Congress appropriated $450 million for LWCF programs, out of the $900 million available for LWCF. Over the past decade, LWCF funding ranged anywhere from $255 million to the high-water mark of $450 million.

Congress authorized LWCF for 50 years, but allowed the authorization to expire for several months in 2015, during which LWCF did not receive deposits. The FY 2016 Omnibus Appropriations Act extended LWCF's authorization through September 2018. In April 2016, the Senate passed the bipartisan Energy Policy Modernization Act of 2015, which includes a provision for permanent LWCF reauthorization. The energy bill passed by the House in December 2015 does not include permanent reauthorization of LWCF and includes substantial changes to LWCF. To date, the differences between the two bills are unresolved.

IV. PREPARED BY: Jessica Berry, Office of Policy, Management, and Budget, Senior Advisor, 208-4242

DATE: September 21, 2016

ISSUE: TIWAHE INITIATIVE

I. KEY POINTS

Tiwahe, which means family in Lakota, is a five-year demonstration project that began in FY 2015, and is designed to demonstrate the effectiveness of wraparound services in tribal communities. It looks at funding streams from social services, child welfare, employment and training, recidivism and/or tribal courts and asks tribes to come up with a plan to improve service coordination in their communities. The goal is to reduce the rate that American Indian and Alaska Native children enter foster care, increase the rate at which they are reunited with their families, reduce recidivism rates, and build capacity within tribal courts.

II. OPPORTUNITIES AND CHALLENGES

To date, the six Tiwahe tribes are at various stages of plan development and implementation. Two tribes (Pascua Yaqui and Fort Belknap) will submit their Tiwahe plans before the end of the calendar year, while the other four tribes are in process of amending their original plan in accordance with priority areas for the upcoming fiscal year. The Tiwahe program is under scrutiny from the Office of Management and Budget (OMB) to demonstrate this program's effectiveness. A solicitation for a contractor that will gather and evaluate program data went out in summer 2016, and will be critical for achieving strong documentation. An opportunity for the Tiwahe program will be to find more ways to coordinate on an interagency basis to reduce duplication of programs or fill in gaps between federal grants.

III. BACKGROUND

The Department of the Interior's Bureau of Indian Affairs (BIA) operates the Tiwahe program through its Office of Indian Services and Office of Justice Services. Tiwahe tribes receive a recurring 50% increase to their Social Services Tribal Priority Allocation (TPA) and Indian Child Welfare Act (ICWA) FY14 base level funding for each year of the program. A one time Job Placement and Training (JPT) funding was also given to selected tribes in FY 2015.

Each participating tribe is required to develop and submit a plan for how it will incorporate a coordinated service delivery model that centers on the multiple needs of their tribal community and addresses the interrelated problems that are often a result of high rates of substance abuse, child abuse, and neglect, poverty, family violence, unemployment, and a high incidence of incarceration in tribal communities.

BIA assists participating tribes in creating a more useful and capable coordinated service delivery model that includes improved screening, access to family and social services, creates alternatives to incarceration via solution-focused sentencing options, improves links to appropriate prevention, intervention and treatment opportunities, improves case management services, and improves the overall partnerships among local, tribal, county, state and federal providers to improve access to services for tribal children, youth, and families.

Tiwahe sites were selected based on geographic diversity, governance structure diversity, unmet need, and capacity. Four sites were selected in 2015: the Association of Village Council Presidents (AVCP) in Alaska, the Red Lake Tribe in Minnesota, the Spirit Lake Tribe in North Dakota and the Ute Mountain Ute Tribe in Colorado. An additional two sites were selected in 2016: the Pascua Yaqui in Arizona, and Fort Belknap Tribes in Montana, and they are in process of submission of their Tiwahe plans.

The Tiwahe Initiative will also document and demonstrate how change happens in tribal communities. A contractor will study and evaluate the Initiative in relation to its overall goal to demonstrate the importance of service coordination between programs within a tribal community so that critical services more effectively and efficiently reach American Indian and Alaska Native children, youth, and families and improve outcomes for children and families.

IV. PREPARED BY: Hankie Ortiz, Office of Indian Services, Deputy Bureau Director, (202) 513-7640

ISSUE: WATER MANAGEMENT PROGRAMS AND INITIATIVES IN THE WEST

I. KEY POINTS

Through WaterSMART (Sustain and Manage America's Resources for Tomorrow), the Department of the Interior is working with non-Federal partners to take steps toward a sustainable water management strategy for the West. WaterSMART includes a number of complementary programs coordinated by the Bureau of Reclamation (Reclamation):

- Grants for water and energy improvement projects (*WaterSMART Grants*);
- Basin-wide efforts to identify adaptation and mitigation strategies to address potential water supply and demand imbalances including the assessment of climate change impacts on water supplies (*Basin Study Program*);
- Water reclamation and reuse projects that provide flexibility during water shortages by diversifying the water supply (*Title XVI Program*);
- A comprehensive approach to drought planning and implementation actions that address water shortages (*Drought Response Program*);
- Establishment and expansion of collaborative watershed groups and funding for watershed management projects (*Cooperative Watershed Management Program*);
- Small-scale water conservation planning activities (*Water Conservation Field Services Program*); and
- A program to identify resilient infrastructure investments that take into account potential effects of climate change while continuing to support healthy watersheds (*Resilient Infrastructure Program*).

WaterSMART Grants, Title XVI and the Water Conservation Field Services Program, along with other programs, contribute to the Department's Strategic Plan Priority Goal for Water Conservation. Through FY 2015, Reclamation has reported in excess of 977,000 acre-feet of water savings achieved through these programs. In March 2016, Reclamation released the SECURE Water Act (Title IX, Subtitle F of Public Law 111-11) Report to Congress, which describes potential climate impacts to water supply and demand across the West and highlights ongoing collaboration between Reclamation and stakeholders to improve climate resilience in the West.

The U.S. Geological Survey (USGS) is undertaking a National Water Census as part of the Department's WaterSMART Initiative.

II. OPPORTUNITIES AND CHALLENGES

Reclamation is currently developing several new or revised grant funding opportunities under the WaterSMART Program, including an improvement to Water and Energy Efficiency Grants funding criteria to emphasize proposed projects that have broad water sustainability benefits such as the dedication of conserved water for endangered species, development of a new funding categories to explore water marketing activities, and for small-scale water management implementation projects. Reclamation and USDA's Natural Resources Conservation Service (NRCS) are also working to expand collaborative efforts to leverage Reclamation's funding for water delivery improvements with NRCS's funding of complementary on-farm improvements. Reclamation is finalizing program revisions to focus the existing Water Conservation Field Services Program on water conservation planning efforts that complement on-the-ground improvements funded through WaterSMART Grants.

In FY 2017, Reclamation will release a new funding opportunity as part of the Cooperative Watershed Management Program to provide cost-shared funding for water management projects. As part of the Basin Study Program, Reclamation is implementing the Reservoir Operations Pilot Initiative to explore the tracking of water supplies affected by climate change and to identify corresponding reservoir operations opportunities. The effort is a key aspect of the National Drought Resilience Partnership Action Plan and a high priority action under Reclamation's Climate Change Adaptation Strategy.

WaterSMART Grants, the Water Conservation Field Services Program, and some activities that are part of the Drought Response Program rely upon the authority of Section 9504(e) of the SECURE Water Act, which now authorizes $350 million to carry out financial assistance agreements for water management improvements. Reclamation estimates that approximately $65 million of the authorized appropriations ceiling remained after FY 2016 appropriations. Language is included in the FY 2017 President's Budget to increase the authorized appropriations ceiling by $50 million to a total of $400 million. Reclamation had also requested an extension and ceiling increase under the Reclamation States Emergency Drought Relief Act of 1991, as amended (Drought Act), which provides authority for certain elements of the Drought Response Program.

III. BACKGROUND

WaterSMART was established by Secretarial Order 3297 in 2010, to address current and future water shortages; degraded water quality; increased demands for water from growing populations and energy needs; amplified recognition of environmental water requirements; and the potential for decreased water supply availability due to drought and climate change. WaterSMART provides assistance to water users, integrates water and energy policies, and coordinates water conservation activities among all Department bureaus. WaterSMART helps water resource managers make sound, scientific decisions about water use, including adaptive measures to address climate change and its impact on future water demands.

The USGS provides unbiased knowledge of the Nation's water resources. The USGS's water science capabilities serve society through water-resource monitoring, assessment, modeling, and research to provide data, information and tools that managers and policy makers can use to preserve the quality and quantity of the Nation's water resources; balance water quantity and quality in relation to potential conflicting uses; understand, predict and mitigate water-related hazards such as floods, droughts, and contamination events; and quantify the vulnerability of human populations and ecosystems to water shortages, surpluses, and degradation of water quality. USGS water science starts within Water Science Centers that are located in every State and in Puerto Rico, and are supported by a regional and national structure dedicated to the development of models, methods, tools, databases, and quality-assurance measures. These Centers operate and maintain over 8100 streamgages to monitor water levels and flows in the Nation's rivers and streams, more than 20,000 wells to monitor groundwater levels, and over 100 comprehensive river and stream water quality monitoring sites.

IV. SUBMITTED BY:

Roseann Gonzales, Director, Policy and Administration, Reclamation, 303-445-2780;
Don Cline, Associate Director for Water, USGS, 703-648-4557

DATE: October 31, 2016

ISSUE: WILD HORSE AND BURRO PROGRAM

I. KEY POINTS

The Bureau of Land Management is taking a number of steps to achieve its overall goal of managing healthy wild horses and burros on healthy rangelands, including: sponsoring a significant research program focused on fertility control; transitioning off-range horses from corrals to more cost-effective pastures; working to increase adoptions with new programs and partnerships; and requesting legislative authority to allow for the immediate transfer of horses to other federal, state, and local agencies that have a need for work animals. Despite these many initiatives, additional tools and resources are needed to address the challenges of managing wild horses and burros both on and off Western public rangelands and to put the Wild Horse and Burro Program on a sustainable path. .

Two principal barriers exist regarding the effective use of population-control methods to return Herd Management Areas (HMAs) to appropriate management levels (AML). The first barrier is that nearly all herd population sizes already substantially exceed AML and double in size about every four years. It would take several decades of implementing population-control measures to return overpopulated HMAs back to AML without removals from the range. The second barrier stems from not having highly effective, easily delivered, and affordable fertility-control methods available for use, as noted by a National Academy of Sciences report published in June 2013.

II. OPPORTUNITIES AND CHALLENGES

The President's Fiscal Year 2017 budget included a legislative initiative that would provide authority for the immediate transfer of wild horses and burros to local, state, and other Federal agencies that could use them as work animals in their programs. The BLM is also considering the feasibility of a subsidy/grant program for individuals who adopt wild horses or burros. This would provide several benefits, including: 1) the potential for more animals to be placed in good homes and caring owners; 2) the adopter would know that some of the costs of feeding, caring for, and training the animal would be subsidized, lessening the overall costs of ownership; and 3) American taxpayers could save tens of thousands of dollars over the lifetime of each horse that is adopted under a subsidy/grant program rather than paying for off-range holding facilities.

At the 2017 funding level, the BLM is on track to achieve AML by 2020 in the 22 HMAs that contain high-priority Greater sage-grouse habitat. Funding levels in 2016 and 2017 (based on the President's budget request) permit the removal of 3,500 horses and burros per year and about 750 fertility-control applications of the contraceptive vaccine PZP (*porcine zona pellucida*).

Despite these actions, the on-range wild horse and burro population will have grown to 85,000 by 2018. Operationally, to reach AML in all HMAs in 10 years, beginning in 2018, the BLM would need to remove 17,500 animals annually for about five years and significantly increase fertility control treatments. As the benefits of fertility control begin to be realized, removals in years six through 10 would be somewhat, but not substantially, less. Once AML is achieved in year 10, and assuming the fertility-control measures are successful, minimal removals should be needed to achieve balance with annual adoptions of about 2,500. The annual cost to implement this program would depend on the effectiveness of fertility-control methods, adoption levels, contracting costs for gathers, and whether or not less expensive pastures in lieu of corrals can be obtained to maintain unadopted or unsold horses. Consequently, significant resources would be necessary to accomplish these objectives.

III. BACKGROUND

- More than 67,000 (as of March 2016) wild horses and burros are estimated to roam on BLM-managed rangelands in 10 Western states – far in excess of the current West-wide AML of 26,715 animals that the range can viably support. Foals born in the spring of 2016 have already increased the on-range population by an estimated 10,000.

- The WHB program is limited in its ability to remove animals from overpopulated HMAs by financial realities, as it costs nearly $50,000 to care for one horse in an off–range corral over its lifetime. Costs for maintaining the current 45,000+ off-range horses and burros will total more than $1 billion over their lifetime. In FY 2016, the removal of horses and burros from overpopulated HMAs was limited to 3,500 animals, which roughly equals the same number of animals that leave the system annually through adoptions, sales, and natural mortality.

- Since 1971, the BLM has placed more than 235,000 wild horses and burros into private care through adoption. Over the past 10 years, adoptions have steadily declined from approximately 8,000 animals annually to a low of 2,135 animals in 2014.

- In June 2013, the National Academy of Sciences confirmed that there are no highly effective, easily delivered, and affordable fertility-control methods for wild horses and burros. To address this issue, the BLM has teamed up with top universities and the U.S. Geological Survey to initiate a five-year, $11 million research program to develop better management tools; longer-lasting fertility-control vaccines; and safe, effective methods for spaying and neutering wild horses and burros.

IV. PREPARED BY:

PREPARED BY: Dean Bolstad, Wild Horse and Burro Program, Bureau of Land Management, Division Chief, 202-912-7648
DATE: September 12, 2016

ISSUE: WILDLAND FIRE

I. KEY POINTS

The Department of the Interior (DOI) and its Federal, tribal, state, and local wildland fire management partners annually respond to over 73,000 wildfires that burn more than 9 million acres across the U.S. The cumulative impacts of climate change, drought, and invasive species are creating landscapes more susceptible to devastating wildfire. An ever-expanding wildland urban interface and the inherent complexities and dangers of fighting wildfire in and around these communities exacerbate these conditions.

Wildland fire poses challenges greater than one organization can solve alone. It is critical that DOI work with partners, across landscapes, using the goals and principles defined in the National Cohesive Wildland Fire Management Strategy as the foundation. Wildland fire management and natural resource planning needs to be better integrated. DOI has been working to align resource management objectives with the natural fire dynamics of the land in order to respond more effectively and efficiently to wildfire and help to promote fire-resilient landscapes.

In its annual budget submissions, DOI and the Forest Service have been proposing a legislative provision to establish a new framework for funding Fire Suppression Operations to provide stable funding, while minimizing the adverse impacts of fire transfers on other programs. This proposal recognizes that the practice of using a 10-year average of prior-year suppression expenditures to fund fire suppression efforts annually is not sustainable. The proposal calls for a domestic discretionary cap adjustment to be used only for extreme fires that require emergency response or are near urban areas or activities during abnormally active fire seasons – which rightly should be considered disasters. Employing a cap adjustment would provide the flexibility to accommodate peak fire seasons, without adversely affecting other Interior missions or increasing overall spending.

II. OPPORTUNITIES AND CHALLENGES

Congress currently funds wildland fire suppression using a 10-year average of prior year suppression expenditures. Over the long term there has been a general trend of increasing suppression costs. Within a capped discretionary budget, this is an unsustainable approach for calculating the suppression budget, as the increased funding needed to fund the 10-year average crowds out funding needed for other priority investments, including funding for other fire and resource management programs that over the long-term can help to reduce suppression costs. Through its annual budget submission, DOI has been proposing to treat catastrophic fires as natural disasters, with additional funding through a cap adjustment, as discussed above, to ensure that other critical programs are not impacted to pay for unpredictable suppression costs.

Wildland fire across the Nation poses challenges greater than one government, Department, or agency can solve alone. The National Cohesive Wildland Fire Management Strategy brings together all stakeholders, across all landscapes and landownerships, using the best available science to make meaningful progress in helping agencies to safely and effectively extinguish fire when needed; use fire where allowable; manage natural resources, and as a Nation, live with wildland fire. DOI's wildland fire program has adopted the goals of the Cohesive Strategy in order to restore and maintain fire-resilient landscapes and communities and efficiently and effectively respond to wildfires.

Integrating fire and resource management is essential to the creation of a more fire-resilient landscape and the safe, efficient, and effective response to wildfire. The Fire Resource Executive Council (FREC), composed of leaders from a variety of Department programs, brings together fire and natural resource management to optimize program investments to create a more fire-resilient landscape. The Department expects the FREC will be operational in the fall of 2016; and together with the Office of Wildland Fire (OWF), they will ensure that program investments have the greatest possible impact toward the creation of fire-resilient landscapes.

III. BACKGROUND

The Department has four bureaus with wildland fire management responsibilities: Bureau of Indian Affairs, Bureau of Land Management, National Park Service, and U.S. Fish and Wildlife Services. Each bureau has a unique culture, mission, and associated mandates; and within each bureau, wildland fire can play a different role and occur at a different scale. The Office of Wildland Fire (OWF) bridges these four bureaus to create a single, fully integrated, and coordinated Department-wide program. OWF provides governance, policy guidance, budget oversight, and operational accountability for the Department's fire program and coordinates essential partnerships with the USDA Forest Service, and other Federal, tribal, state, and local governmental and non-governmental partners.

OWF administers the Department's Wildland Fire Management account, which totals approximately $1 billion and is allocated to the bureaus for the following activities:

- Preparedness – includes prevention and education, fire management planning, equipment and training for firefighters, acquires and prepositions critical equipment and aircraft, and supports technical staff to assist in forecasting fire activity across the Nation.
- Suppression Operations – includes full range of fire management activities and emergency stabilization of stream banks and soils undertaken during and immediately following a wildfire to reduce the risk of resource damage caused by floods, landslides, and erosion. .
- Fire Risk Management – includes Fuels Management program to actively reduce unwanted vegetation and mitigate the risk of wildfire and for Wildland Fire Resilient Landscapes activities to improve fire resiliency across landscapes.
- Other Operations – includes funding for facilities, the Joint Fire Science Program, and for Burned Area Rehabilitation. The BAR program funding is provided to initiate longer-term actions to repair damages caused by catastrophic wildfire. Rehabilitation treatments are designed to repair or improve lands unlikely to recover naturally from severe wildfire damage. Rehabilitation treatments funded by the BAR program may build upon emergency stabilization measures funded in the Suppression Operations budget activity.

IV. PREPARED BY: Bryan Rice, Office of Wildland Fire Director, (202) 208-2719

V. DATE: September 26, 2016

OFFICE OF THE ASSISTANT SECRETARY – FISH AND WILDLIFE AND PARKS

FROM: Principal Deputy Assistant Secretary Michael Bean

SUBJECT: Transition

I. SUMMARY OF ORGANIZATION

The Assistant Secretary for Fish and Wildlife and Parks (ASFWP) discharges the duties of the Secretary with the authority and direct responsibility for programs associated with the development, conservation and utilization of fish, wildlife, recreation, historical, and national park system resources. The ASFWP exercises Secretarial direction and supervision over the United States Fish and Wildlife Service (FWS) and the National Park Service (NPS).

II. MANAGEMENT AND KEY PERSONNEL

The position of the ASFWP is currently vacant without an Acting Assistant Secretary.

Non-Career SES employees:

- Michael Bean, Principal Deputy Assistant Secretary
- Karen Hyun, Deputy Assistant Secretary

Schedule C employees:

- Joan Padilla, Senior Advisor
- Craig Dorsett, Advisor
- Tommy Caggiano, Special Assistant

Career SES/SL employees:

- Shannon Estenoz, Director, Office of Everglades Restoration Initiatives
- Vacant, Director, Gulf of Mexico Restoration
- Maureen Foster, Chief of Staff

The remaining members of the office include:

- Rasheedah Morgan, Executive Assistant
- Tameka Lewis-Robinson, Executive Assistant

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

ESA – The ASFWP is heavily engaged in the FWS efforts regarding the ESA. Together we have been working on rulemakings, policy announcements, handbook revisions, etc. to improve the implementation of the ESA by (1) increasing transparency of decisions, (2) engaging the states as fuller partners, (3) incentivizing voluntary conservation, and (4) investing resources where they will do the most good. In addition, over the last eight years, more species have been delisted due to recovery than during all previous administrations combined.

Mitigation – The ASFWP is involved in the FWS efforts to implement the Presidential Memorandum on Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment and Secretarial Order 3330 on Improving Mitigation Policies and Practices at the Department of the Interior. These efforts include revisions to the FWS Mitigation Policy, which has guided agency recommendations on mitigating the adverse effects of land and water developments on fish and wildlife since 1981; and FWS Compensatory Mitigation Policy (CMP), which provides clear and consistent measures to address anticipated but unavoidable adverse impacts of proposed actions on listed species and other resources of concern. The FWS Mitigation Policy was proposed on March 8 and the public comment period closed on June 13; the CMP was proposed on September 2 and the comment period closed on October 17.

Bald and Golden Eagle Protection Act – The ASFWP is involved in the FWS revised regulations governing incidental take of bald and golden eagles that results from a broad spectrum of activities, such as utility infrastructure, energy development, construction, operation of airports, resources recovery, etc. The rule was proposed on May 6 and the comment period closed July 5.

Gulf of Mexico Restoration - Under the Consent Decree from the Deepwater Horizon incident, $14.9 billion will be dedicated to Gulf of Mexico restoration efforts over the next 15 years, of which $8.8 billion will flow through the Natural Resource Damage Assessment and Restoration (NRDAR) process and $4.4 billion will flow through the Gulf Coast Ecosystem Restoration Council (RESTORE). The ASFWP has been involved with the RESTORE Council: DOI bureaus received almost $21 million through the RESTORE Council's first Funded Priorities List issued in December 2015, and has been participating in updates to the Comprehensive Plan. The Council released a draft plan on August 23 and the comment period ended October 7. A new position, Director of Gulf of Mexico Restoration, will lead these efforts.

Everglades – DOI has a number of important responsibilities in the management, restoration, and preservation of the Everglades. NPS manages four national park units in the region (Everglades, Dry Tortugas and Biscayne National Parks, and Big Cypress National Preserve) and FWS manages 16 National Wildlife Refuges, including the A.R.M. Loxahatchee National Wildlife Refuge. In 1996, Congress established the South Florida Ecosystem Restoration Task Force and designated the Secretary of the Interior as Chair, which has been delegated to the ASFWP. The Executive Director of the Task Force coordinates the development of policies and priorities, and reports to the ASFWP.

Youth engagement – The ASFWP office has been heavily involved in coordinating the Department's activities related to youth engagement. Through this office, the Department has led several Administration efforts including the First Lady's *Let's Move! Outside* initiative, as well as the interagency Every Kid in a Park program.

Historical and Cultural Preservation - The ASFWP is DOI's representative to the Advisory Council on Historic Preservation, which is an independent federal agency that promotes the preservation, enhancement, and productive use of our nation's historic resources, and advises the President and Congress on national historic preservation policy. The ASFWP also chairs the US Interagency Panel on World Heritage, consisting of representatives from the State Department, the Smithsonian Institution, and other federal agencies. The World Heritage program itself lies within the National Park Service.

NATIONAL PARK SERVICE

FROM: Jonathan B. Jarvis, Director, National Park Service

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The National Park Service was established by the Act of August 25, 1916 (39 Stat. 535), commonly referred to as the National Park Service Organic Act. This Act states that "the Service thus established shall promote and regulate the use of Federal areas known as national parks, monuments and reservations . . . by such means and measures as conform to the fundamental purpose of the said parks, monuments and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." Numerous laws provide authority or direction for Servicewide programs and policies. Congress has provided for the authorities of the National Park Service generally under Title 54 of the US Code (128 Stat 3096).

The National Park Service conserves unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. The National Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world. It provides technical assistance and funding through the various preservation and recreation programs that the National Park Service manages with its many partners, such as the natural and cultural resources (including properties listed on the National Register of Historic Places), wild and scenic rivers, national trails, national landmarks, and heritage and recreation areas. These resources are commonly outside park boundaries and are not directly managed by the National Park Service, but are supported through legislated formal partnership programs and federal funding. The National Park Service conserves natural and cultural resources through partnerships with national and international organizations, and other federal, state, and local agencies, resulting in a nationwide system of parks, open spaces, rivers, and trails that provides educations, recreational, and conservation benefits for the American people.

The National Park Service is headed by a Director (presidential appointee subject to Senate confirmation). The organization consists of a headquarters office, seven regional offices, and multiple park and support units. The headquarters office consists of the Director, three Deputy Directors (Operations; Management and Administration; Congressional and External Relations), six Associate Directors, the Comptroller, the Associate Chief Information Officer, two Assistant Directors, and the Chief of Staff. Located in Washington, DC, the headquarters office provides national level leadership and advocacy; policy and regulatory formulation and direction; program guidance; budget formulation; legislative support; accountability for programs and activities managed by the field and key program offices. It manages Servicewide programs that by their nature can most effectively be carried out from a central location.

Each of the seven regions is headed by a regional director. The regional directors report to the Deputy Director, Operations. The regional director is responsible for strategic planning and direction, policy oversight, and assistance in public involvement, media relations, and strategies for parks and programs within the region. The regional director is also responsible for program coordination, budget formulation and financial management. Each regional director serves as the principal authority and spokesperson for the area as a whole and ensures consistency with national policies and priorities. The regional director and deputy regional directors are the line managers for all park superintendents within each region. Regional offices also provide direct oversight and support for other National Park Service programs including Rivers and Trails Conservation Assistance (RTCA), National Rivers and National Trails in coordination with the Washington office. The regional office headquarters are: Anchorage, Alaska; Denver, Intermountain; Omaha, Midwest; Washington, DC, National Capital; Philadelphia, Northeast; San Francisco, Pacific West; and Atlanta, Southeast.

Park units are the basic management entity of the National Park Service. Each is headed by a superintendent (or site manager) who may be responsible for more than one park unit. Park superintendents report to the regional director or deputy regional director. The superintendent manages all park operations to achieve program goals. The superintendent also develops and fosters external partnerships. They direct and control all program activities, including: interpretation and education; visitor services; resource management and protection; facility management; and other administrative functions, such as procurement, contracting, personnel, and financial management. In addition, superintendents are field representatives for all National Park Service programs.

The National Park System covers more than 84 million acres and is comprised of over 410 sites with 28 different designations. These include 128 historical parks or sites, 84 national monuments, 59 national parks, 25 battlefields or military parks, 19 preserves, 18 recreation areas, 10 seashores, four parkways, four lakeshores, and two reserves. Yellowstone National Park was established by Congress as the nation's (and the world's) first national park on March 1, 1872. Wrangell-St. Elias National Park and Preserve is the largest park with 13.2 million acres. The smallest site is the Thaddeus Kosciuszko National Memorial at 0.02 acres.

The budget for fiscal year 2016 was $3.4 billion. Annual visitor spending in communities within 60 miles of NPS sites supports more than 240,000 mostly local jobs and contributes about $27 billion to the U.S. economy. In 2015, there were 307.2 million recreation visits to national parks.

The NPS maintains 879 visitor centers and contact stations which were visited by more than 307 million people in 2015. More than 500,000 attended special events and ranger programs. More than 660,000 children participated in the Junior Ranger program. The NPS employs more than 20,000 permanent, temporary, and seasonal workers. They are assisted by 246,000 Volunteers-In-Parks (VIPs), who donate about 6.7 million hours annually. This is the equivalent of having about more than 3,200 additional employees.

National parks contain:

- At least 247 species of threatened or endangered plants and animals.
- More than 75,000 archeological sites.
- Nearly 27,000 historic and prehistoric structures.

- More than 167 million museum items, including George Washington's inaugural coat and Carl Sandburg's typewriter.
- 18,000 miles of trails.
- The world's largest carnivore, the Alaskan brown bear.
- The world's largest living things, Giant Sequoia trees.
- The highest point in North America, Mt. McKinley (20,320 feet), in Denali National Park.
- The longest cave system known to the world, Mammoth Cave National Park, with more than 400 mapped miles of caves.
- America's deepest lake, Crater Lake in Crater Lake National Park, at 1,943 feet.
- The lowest point in the Western Hemisphere, Badwater Basin in Death Valley National Park, at 282' below sea level.

The NPS has more than 500 concession contracts at more than 100 sites. Concessioners provide visitors with food, lodging, transportation, shops, and other services. They employ approximately 25,000 people. Gross revenues are about $1.3 billion annually, and they pay the government $80 million in franchise fees each year.

Public support for America's national parks is a tradition as old as the parks themselves. More than 150 non-profit park friends groups contribute time, expertise, and about $50 million annually to national parks across the country. The National Park Foundation, the national nonprofit partner to the NPS, raises private funds to help protect national parks. The Foundation has provided nearly $120 million in support to park projects and programs over the past seven years. More than 70 cooperating associations enhance educational and interpretive experiences at parks by offering programs and selling park-related retail items in their shops. The associations provide about $75 million to the NPS in annual contributions and volunteer support.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:
Jonathan B. Jarvis, Director

Non-career SES:
Denise Ryan, Deputy Director, Congressional and External Relations

Schedule C employees:
Theodora Chang, Advisor to the Director
Clarence Fluker, Centennial Public Affairs Specialist (on detail to the Council on Environmental Policy as Deputy Associate Director, National Parks and Youth Engagement
Kevin Thompson, Senior Advisor to the Director (on detail from the Immediate Office of the Secretary)

Career SES:
Michael Reynolds, Deputy Director, Operations
Lena McDowall, Deputy Director for Management and Administration

Stephanie Toothman, Associate Director, Cultural Resources, Partnerships, and Science
Julia Washburn, Associate Director, Interpretation, Education, and Volunteers
Shane Compton, Associate Chief Information Officer
Raymond Sauvajot, Associate Director, Natural Resource Stewardship and Science
Shawn Benge, Associate Director, Park Planning, Facilities, and Lands
Richard Obernesser, Associate Director, Visitor and Resource Protection
Vacant, Comptroller
Vacant, Associate Director, Business Management
Bert Frost, Regional Director, Alaska Region
Sue Masica, Regional Director, Intermountain Region
Cameron Sholly, Regional Director, Midwest Region
Robert Vogel, Regional Director, National Capital Region
Michael Caldwell, Regional Director, Northeast Region
Laura Joss, Regional Director, Pacific West Region
Stan Austin, Regional Director, Southeast Region
Cassius Cash, Superintendent, Great Smoky Mountains National Park
Joshua Laird, Commissioner, National Parks of New York Harbor
David Vela, Superintendent, Grand Teton National Park and John D. Rockefeller Memorial Parkway
Lizette Richardson, Superintendent, Lake Mead National Recreation Area
Pedro Ramos, Superintendent, Everglades and Dry Tortugas National Park s
Christine Lenhertz, Superintendent, Grand Canyon National Park
Gay Vietzke, Superintendent, National Mall and Memorial Parks
Daniel Wenk, Superintendent, Yellowstone National Park
Ray Todd, Manager, Denver Service Center

Other senior career employees:
Chief of Staff (vacant)
April Slayton, Assistant Director, Communications
Donald Hellmann, Assistant Director, Legislative and Congressional Affairs
Jeffrey Reinbold, Assistant Director, Partnerships and Community Engagement
JJ DiBella, Acting Associate Director, Workforce and Inclusion (to be advertised as a SES-position)

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Infrastructure – The NPS currently has a deferred maintenance (DM) backlog of $11.9 billion, of which approximately half or $5.974 billion is paved roads and structures (bridges, tunnels, paved parking lots, etc.). The current replacement value of these assets is $166 billion, though many of these assets are historic in nature and arguably irreplaceable. Park infrastructure also has additional issues beyond deferred maintenance; the NPS faces challenges as it seeks to ensure its facility stewardship reflects current mandates and requirements for sustainability, code compliance, and accessibility. NPS maintenance funding has not kept pace with its identified needs; thus the DM total will continue to rise.

Hostile Work Environment/Harassment – Last year, a group of employees who worked at the Grand Canyon outlined the sexual harassment and terrible conditions they faced at the park. Across the NPS, victims of sexual harassment and hostile work environments are telling their stories and bringing about important and necessary changes at the NPS. Training to prevent and report harassment, support for victims, updated policies and procedures, and a survey are underway to address the issues. These efforts, and every other action that the NPS could take, will be insufficient unless there is long-term, sustained commitment to culture change at all levels. Everyone who works for the NPS deserves a safe and respectful work environment.

Find Your Park and the Centennial – The Find Your Park public awareness campaign invited people to rediscover America's parks and public lands. It was made possible through the support of the National Park Foundation. The campaign reached multicultural and diverse audiences across traditional and social media; it redefined and broadened public understanding of the breadth of the public lands system, the role of the NPS in communities, and the impact of partners. The National Park Foundation added the support of corporate sponsors, media partners, and a new national licensing program for the NPS Centennial. Corporate sponsors' participation significantly raised the profile of the NPS. We will use this momentum into 2017.

Philanthropy – Private philanthropy is an integral part of park and resource preservation. Partners played a significant role in the centennial, raising money and working to pilot new approaches to donor recognition. The NPS is evaluating these pilot efforts and revising its donation and fundraising policies, known as Director's Order #21. Ultimately, these new relationships will continue to generate more support to preserve our nation's heritage and to inspire future generations. The National Park Foundation announced a $500 million Centennial Campaign for America's National Parks in 2016. With more than $300 million already raised, and more than half of that from individual and family foundations, significant investment in parks is underway.

Urban Parks – More than 87 percent of the U.S. population will be living in cities by 2030, underscoring the valuable role national parks and open spaces play in urban areas. From expanding the use of parks for health, improving access to recreation, launching a national system of water trails, and working with communities, the NPS contributes to a better quality of life for all communities. To foster collaboration and to better leverage the resources of parks and programs in communities across the country, the NPS launched its Urban Agenda in 2015. NPS Urban Fellows are working with community leaders, businesses, and many new partners in 10 model cities to create healthier and more livable cities.

U.S. FISH AND WILDLIFE SERVICE

FROM: Dan Ashe, Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The U.S. Fish and Wildlife Service (FWS) is the premier government agency dedicated to the conservation, protection, and enhancement of fish, wildlife, and plants, and their habitats. It is the only agency in the federal government whose primary responsibility is management of these important natural resources for the American public. FWS helps ensure a healthy environment for people through its work benefiting wildlife, and by providing opportunities for Americans to enjoy the outdoors and our shared natural heritage.

> *The mission of the U.S. Fish and Wildlife Service is working with others to conserve, protect and enhance fish, wildlife, plants and their habitats for the continuing benefit of the American people.*

FWS is responsible for implementing and enforcing some of our Nation's most important environmental laws, such as the Endangered Species Act, Migratory Bird Treaty Act, Marine Mammal Protection Act, North American Wetlands Conservation Act, and Lacey Act. The Service fulfills these and other statutory responsibilities through a diverse array of programs, activities, and offices that function to:

- Protect and recover threatened and endangered species;
- Monitor and manage migratory birds;
- Restore nationally significant fisheries;
- Enforce federal wildlife laws and regulate international wildlife trade;
- Conserve and restore wildlife habitat such as wetlands;
- Help foreign governments conserve wildlife through international conservation efforts; and,
- Distribute hundreds of millions of dollars to states, territories and tribes for fish and wildlife conservation projects.

FWS also manages the National Wildlife Refuge System, the world's preeminent system of public lands devoted to the protection and conservation of wildlife. With the recent expansion of the Papahānaumokuākea Marine National Monument in the Pacific, FWS is now responsible for nearly 1 billion acres of lands and waters – the largest conservation estate on the planet.

The 565 units of the Refuge System host more than 48.5 million visitors each year and support a broad range of outdoor activities, including hunting, fishing, wildlife observation and photography, environmental education and interpretation, and other outdoor recreation activities. The Refuge System is also an economic engine for local communities, supporting an estimated 37,000 jobs and $2.4 billion in visitor expenditures in 2013, the most recent year surveyed.

FWS Today
FWS's origins date back to 1871 when Congress established the U.S. Fish Commission to study the decrease in the nation's food fishes and recommend ways to reverse that decline. Today, FWS employs over 9,000 dedicated professionals located at facilities across the country, including a headquarters office in Falls Church, Virginia, eight regional offices, and over 700 field offices located throughout the country.

FWS utilizes a diverse and largely decentralized organization to meet its conservation and management responsibilities. The headquarters office has primary responsibility for policy formulation and budget allocation within major program areas, while the regional offices have primary responsibility for implementation of these policies and management of field operations. This decentralized organizational structure allows FWS to address wildlife issues effectively at the regional, state and local level, as well as work effectively with a variety of partners, including private landowners, tribes, states, other federal agencies, and nongovernmental organizations.

FWS's fiscal year 2017 budget request is $1.56 billion in appropriated funding. FWS also has $1.47 billion in permanently appropriated funding, most of which is apportioned to the states and territories. FWS's business model is focused on three primary goals that support its mission:

1. Protecting and restoring priority species and landscapes;
2. Creating a connected conservation constituency; and,
3. Strengthening FWS's capacity to meet evolving conservation challenges.

Looking Forward
We are facing global wildlife conservation challenges of staggering scope and complexity. Among them:

- *Accelerating climate change*. Climate change is disrupting the ecosystems that support native species and human society worldwide, and intensifying water scarcity in many regions.
- *Growing habitat loss and fragmentation*. The world's growing human population requires more food, energy and raw materials which is accelerating habitat loss and fragmentation.
- *Urbanization*. A rapidly urbanizing and increasingly diverse society that is losing its connection to nature, and its understanding of humanity's deep reliance on functional ecosystems.
- *Globalization*. The spread of invasive species and wildlife disease, fueled by global trade that makes it easier than ever for these threats to spread.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Dan Ashe, Director

Schedule C employees:

Teresa Christopher, Associate Deputy Director
Emily Porcari, Special Assistant

Career SES:

Jim Kurth, Deputy Director of Operations
Stephen Guertin, Deputy Director for Policy

Cynthia Martinez, Assistant Director – National Wildlife Refuge System
William Woody, Assistant Director – Office of Law Enforcement
Betsy Hildebrandt, Assistant Director – External Affairs
Jerome Ford, Assistant Director – Migratory Birds
Bryan Arroyo, Assistant Director – International Affairs
Gary Frazer, Assistant Director – Ecological Services
David Hoskins, Assistant Director – Fish and Aquatic Conservation
Paul Rauch, Assistant Director – Wildlife and Sport Fish Restoration
Denise Sheehan, Assistant Director – Budget, Planning & Human Capital
Kenneth Taylor, Assistant Director – Information Resources

Robyn Thorson, Regional Director – Pacific Region (1)
Dr. Benjamin Tuggle, Regional Director – Southwest Region (2)
Thomas Melius, Regional Director – Midwest Region (3)
Cynthia Dohner, Regional Director – Southeast Region (4)
Wendi Weber, Regional Director – Northeast Region (5)
Noreen Walsh, Regional Director – Mountain-Prairie Region (6)
Greg Siekaniec, Regional Director – Alaska Region (7)
Paul Souza, Regional Director – Pacific Southwest Region (8)
Jay Slack, Director – National Conservation Training Center

Other senior career employees:

Brian Bloodsworth, Acting Assistant Director – Business Management and Operations
Seth Mott, Acting Assistant Director – Science Applications
Scott Aikin, Native American Liaison
Anne Badgley, National Ethics Program Director & Deputy Ethics Counselor
Charisa Morris, Chief of Staff

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

National Strategy for Combating Wildlife Trafficking – Under Executive Order 13648, the President established a Task Force to develop and implement a strategy to combat wildlife trafficking. The resulting implementation plan provides further specificity on the responsibilities of Federal agencies under the strategy. The three Strategic Pillars of the Plan are: Strengthen Enforcement, Reduce Demand for Illegally Traded Wildlife, and Build International Cooperation, Commitment, and Public-Private Partnerships. FWS is the lead for 23% of the implementation plan's objectives. Recently, under the Strengthen Enforcement pillar, the Service enacted a near total ban on trade in elephant ivory.

Endangered Species Act (ESA) Implementation – FWS is committed to making the ESA work to accomplish its purpose of conserving threatened and endangered species and protecting the ecosystems upon which they depend and has continued to take steps to improve its implementation. In May 2015, FWS announced a second suite of actions to be taken to improve the effectiveness of the Act and demonstrate its flexibility. The actions sought to engage the states, promote the use of the best available science and transparency in the scientific process, incentivize voluntary conservation efforts, and focus resources in ways that will generate even more successes. FWS finalized many of the proposed actions recently, and is expecting to have finalized all proposed actions by spring 2017.

Sagebrush Ecosystem Conservation – Building on our 2015 ESA not warranted finding for greater sage-grouse (GrSG), FWS is partnering with diverse interests to conserve the larger sagebrush ecosystem. Our goal is a healthy sagebrush landscape working for people and for wildlife. This effort is a national priority for FWS and offers an unprecedented opportunity to conserve the largest ecosystem type in the contiguous U.S., much of which remains relatively intact; safeguard at least 350 native plant and animal species, including golden eagle, pronghorn, and species of great economic value to the sagebrush states.

Migratory Bird Treaty Act (MBTA) Incidental Take – There is a need to clarify that the MBTA's prohibitions on taking and killing migratory birds includes direct taking and killing that is unintentional, or incidental to an activity. FWS is proposing a rule that would codify the government's longstanding interpretation of the Act. The rule would also provide the organizational and legal basis for approving incidental take under the MBTA. It would create the legal mechanism for approving incidental take through the issuance of individual incidental take permits, development of general permits for specific industry sectors, and negotiation of federal agency authorizations. FWS is currently developing a programmatic EIS to analyze the effects of developing this rule.

Eagle Incidental Take Permit Regulations – FWS is revising regulations governing incidental take of bald and golden eagles. A proposed rule and programmatic environmental impact statement (PEIS) was issued in May (81 FR 27934, May 6, 2016) and the comment period closed July 5, 2016. The Service plans to complete the final rule and final PEIS by late 2016. The revisions now being promulgated primarily address shortcomings of 2009 regulations with regard to permitting incidental take from long-term operations, such as electrical utilities and energy development industries.

Pivot to the Pacific – Within the Pacific, FWS has management and regulatory responsibilities for an area larger than the continental U.S. – from Hawaii and American Samoa, to the Marianas Archipelago and the associated states of Palau, Micronesia and the Marshall Islands. This area comprises more than 2,300 islands, 10 distinct cultures and 7 political entities, and 492 ESA-listed species. The isolated islands and atolls separated by vast expanses of ocean have resulted in a high degree of species endemism. Wildlife populations are especially vulnerable to habitat loss, climate change, disease and invasive species introductions. There are significant challenges associated with management of these resources, but the region also offers many opportunities for conservation.

Gulf of Mexico Restoration – In April 2010, *Deepwater Horizon* mobile drilling unit exploded and sank. The oil well below the rig discharged 3.19 million barrels of oil and natural gas for 87 days. The oil spill caused widespread and severe injury to the nation's natural resources and the services they provide. Under a settlement agreement reached in April 2016, BP will pay $20.8 billion in penalties. FWS is playing a key role, both directly and in advisory capacities, to steer restoration funds to projects and activities that restore the nation's federal lands and natural resources and the services they provide. The Department is a member of the *Deepwater Horizon* NRDAR Trustee Council and the RESTORE Council.

Everglades Restoration – Everglades Restoration is one of the world's largest ecological restoration efforts, and FWS has major management responsibilities associated with this effort. The foremost opportunity is the potential to restore ecological function to millions of acres in south Florida. The most pressing challenges FWS faces in Everglades Restoration is maintaining what has become a strained relationship with the South Florida Water Management District (the State's key participating agency in the Comprehensive Everglades Restoration Plan) and securing the appropriate funding necessary to support/conduct much-needed scientific monitoring and research.

Monarch Butterfly and Other Pollinators – Monarch butterfly populations are in peril in North America. The monarch's decline is the result of complex and intersecting factors, including habitat loss and fragmentation. By leveraging resources, FWS is working with partners and engaging the public to build and enhance habitat for monarchs and other pollinators. This is in support of the larger National Pollinator Health Strategy to conserve pollinators and increase their habitat across the country. The effort to conserve monarchs is also an outstanding example of international conservation collaboration. The United States, Canada, and Mexico pledged to work together to protect the monarch and to take collective action to reverse its decline.

California Water – Except for 2011, California has been in a persistent drought since 2007. The effects of drought have been felt throughout the State, including California's Central Valley where the Sacramento and San Joaquin rivers and their Delta are the source of much of the water that supports California's economy. The drought complicated long-term efforts to provide a more reliable water supply while at the same time protecting, restoring, and enhancing the Delta ecosystem. Communities, farmers, and fish and other wildlife suffered as water became increasingly scarce. Continuing a long-term trend exacerbated by drought, Delta Smelt relative abundance indices fell precipitously over the last several years. Indices thus far for 2016 are the lowest on record, raising concerns that Delta Smelt may become extinct in the wild.

Information Technology Infrastructure Improvements – There are several areas within the Information Technology infrastructure that are in need of immediate attention. These areas include: network bandwidth upgrade, continuous diagnostics and mitigation (CDM), GIS infrastructure, and data management. FWS employees rely on IT-dependent applications. Increased investment and capacity in these systems is a critical need for the agency. In particular, cybersecurity is one of the current highest priorities for FWS in order to protect government data and Personally Identifiable Information (PII). Keeping up with the continuous threats against the agency through a continuous diagnostics and mitigation program is crucial.

ASSISTANT SECRETARY – INDIAN AFFAIRS (AS-IA)

FROM: Lawrence S. Roberts, Principal Deputy Assistant Secretary – Indian Affairs

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

Indian Affairs provides services directly or through contracts, grants, or compacts to American Indians and Alaska Native people and 567 federally recognized tribes. Through tribal self-governance and self-determination, Tribes now directly administer two-thirds of BIE schools and countless BIA programs and services. Indian Affairs continues to provide a broad spectrum of direct services to some tribes and sets national policy for nearly all matters that impact Indian country other than health care.

The Office of the Assistant Secretary for Indian Affairs oversees the Bureau of Indian Affairs (BIA), the Bureau of Indian Education (BIE), and numerous offices that report directly to the Office of the Assistant Secretary-Indian Affairs (AS-IA). The extensive scope of Indian Affairs programs and services is authorized by treaties, court decisions, and legislation. Indian Affairs programs serve communities that face great challenges. On Indian reservations, poverty is often much higher than in non-Native communities; crime is often at higher rates than the national average; and rates of infant mortality, alcoholism, and substance abuse are higher than in the rest of America. This Administration's focus to address these multi-generational challenges is on restoring tribal homelands, promoting strong and stable tribal governments through funding sufficient to achieve self-determination. Indian Affairs plays a critical role in removing obstacles to maintaining safe and strong communities that promote education, family and economic development. With the support of Indian Affairs programs, tribes improve the quality of life for their members, along with their tribal government and community infrastructure.

Indian Affairs is led by the Assistant Secretary – Indian Affairs who provides overall leadership and direction for all organizational components of Indian Affairs nationwide. The Assistant Secretary advises the Secretary of the Interior on Indian Affairs policy issues, provides leadership in consultations with tribes, and serves as the Department official for intra- and interdepartmental coordination and liaison within the Executive Branch on Indian Affairs matters.

Principal Deputy Assistant Secretary - the Assistant Secretary is supported by the Principal Deputy Assistant Secretary. The Principal Deputy serves as the first assistant and principal advisor to the Assistant Secretary and has full authority to act on behalf of or in the absence of the Assistant Secretary. The BIA and BIE Directors, as well as the Chief of Staff, the Deputy Assistant Secretary-Policy and Economic Development and the Deputy Assistant Secretary-Management report directly to the Principal Deputy.

Deputy Assistant Secretary - Management - the Office of the Chief Financial Officer; the Office of Facilities, Property and Safety Management; the Office of Budget and Performance Management; the Office of Human Capital; and the Assistant Director Information Resources, who provide senior leadership, policy, and oversight of budget, acquisition, property, accounting, fiscal services, information technology, planning, facilities operations, and human resources down to the regional office level; and

Deputy Assistant Secretary - Policy and Economic Development - the Office of Indian Energy and Economic Development, and the Office of Self-Governance, oversee and administer programs pertaining to economic development, and self-governance activities of Indian Affairs.

Director of the Bureau of Indian Affairs – the BIA Director has line authority over all Regional and Agency offices within the BIA. The mission of the BIA is to enhance the quality of life, promote economic opportunity, and carry out the responsibility to protect and improve the trust assets of American Indians, Indian Tribes, and Alaska Natives. The Director provides program direction and support to Indian Services, Trust Services, Justice Services, and Field Operations. Other programs administered through Indian Affairs by the BIA include land-into-trust, social services, natural resources management, economic development, law enforcement and detention services, administration of tribal courts, implementation of land and water claim settlements, replacement and repair of schools, repair and maintenance of roads and bridges, repair of structural deficiencies on high hazard dams, and land consolidation activities.

Director of the Bureau of Indian Education – the BIE Director has line authority over the education resource centers stationed throughout the country and two post-secondary schools. The mission of the BIE is to provide quality education opportunities from early childhood through life in accordance with the Tribes' needs for cultural and economic well-being, in keeping with the wide diversity of Indian tribes as distinct cultural and governmental entities. Further, the BIE considers the whole person by taking into account the spiritual, mental, physical, and cultural aspects of the individual within his or her family and tribal context. The BIE supports the operation of day schools, boarding schools, and dormitories, including housing some Indian children who attend public schools. Programs administered by either tribes or Indian Affairs through the BIE include an education system consisting of 183 schools and IA-GS-3 dormitories located in 23 states for approximately 41,300 individual elementary and secondary students (with a calculated three year Average Daily Membership of 41,333 students), and 32 tribal colleges, universities, tribal technical colleges, and post-secondary schools.

Indian Affairs functions are closely coordinated with the Office of the Special Trustee for American Indians (OST). The functions performed by OST support Indian Affairs efforts to ensure continued trust management improvements, sound management of natural resources, accurate and timely real estate transactions, and leasing decisions that preserve and enhance the value of trust lands. Indian Affairs strives to meet its fiduciary trust responsibilities, be more accountable at every level, and operate with people trained in the principles of fiduciary trust management.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

VACANT, Assistant Secretary - Indian Affairs

Non-career SES:

Lawrence S. Roberts, Principal Deputy Assistant Secretary - Indian Affairs

Ann Marie Bledsoe Downes, Deputy Assistant Secretary, Policy and Economic Development

William “Brad” Jupp, Chief School Transformation Officer

Schedule C employees:

Cheryl Andrews-Maltais, Senior Policy Advisor

Alison Grigonis, Senior Policy Advisor

Clint Hastings, Advisor

Career SES:

James Burckman, Acting Deputy Assistant Secretary - Management/Director, Human Capital

Weldon “Bruce” Loudermilk, Director, Bureau of Indian Affairs

Tony Dearman, Director, Bureau of Indian Education

Paula Hart, Director, Office of Indian Gaming

Sharee Freeman, Director, Office of Self-Governance

Jack Stevens (GS-15 acting in SES role), Acting Director, Office of Indian Energy and Economic Development

Mike Black, Senior Advisor to the Director, Bureau of Indian Affairs

Other senior career employees:

Sarah Walters, Chief of Staff

Morgan Rodman, Executive Director, White House Council on Native American Affairs

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Restoring Tribal Homelands – During this Administration, the Department has prioritized the restoration of tribal homelands by placing over 500,000 acres into trust. This is an initial start to addressing the over 90 million acres of land that were lost by tribes as a result of the repudiated allotment policy. In addition, the Administration has amended its fee-to-trust rules to allow for land to be placed into trust in Alaska. Further, questions remain concerning over a million acres of land administered by BLM within the Ute Reservation. While significant progress has been made on this issue, it is likely that the next Administration will need to bring it to resolution. Restoring tribal homelands is critical to promoting tribal self-determination, strong and healthy tribal communities, and tribal culture. Further action will need to be taken to examine additional possibilities to streamline the process as well as address the Carcieri decision so that land may be accepted into trust for all tribes.

BIE Reform - Indian Affairs has embarked on an ambitious reform of the Bureau of Indian Education. It involves a reorganization of the BIE to move from a provider of education services to a provider of funding and support to tribal operators of BIE-funded schools. Of the 183 BIE-funded schools, fewer than 60 are operated directly by the BIE. Yet the agency's structure and services did not reflect that BIE, at its core, is a support agency to tribal schools. This reform restructures and refocuses the BIE to improve academic and life outcomes for students in BIE-funded schools, and improves the effectiveness and efficiency of services provided by the BIE. Hiring of key personnel, as well as continued support from the Department and Congress, are needed to completely implement the reform.

Supporting Native Youth – Indian Affairs continues to support interagency efforts to improve opportunities for Native youth through internship programs and interagency collaborations between BIE, BIA, HHS, DOJ, and other agencies. We developed the Indian Affairs Student Leadership Summer Institute, a leadership internship for Native students in college or postgraduate school to increase job opportunities for talented youth. In addition, we continue to support MOUs between the BIE and HHS to provide counseling services to students in BIE schools, among other activities.

School Construction - More than 50 BIE schools are in poor physical condition and need to be completely replaced. In addition, we have a significant backlog of repairs and deferred maintenance. Current funding is severely inadequate for repairs and replacements of BIE schools. We are seeking alternative funding sources as well as additional appropriations to address this crisis.

BIA Facilities - Like BIE school facilities, BIA buildings also have a significant backlog of replacement and repair needs.

Promoting Economic Development through Preemption of Dual Taxation – The Administration has consistently made clear that the strong federal interest in promoting tribal economic development preempts dual state and local taxation. Most recently, the Administration's updated leasing and right-of-way regulations as well as affirmative litigation on behalf of the Tulalip Tribes have underscored the Administration's commitment to ensuring that dual taxation does not stifle economic development and tribal authority. We expect further actions on this issue in the fall, with the possibility of issuing an advance notice of proposed rulemaking to update regulations implementing the Indian Trader statute.

Support for Tribal Courts and Law Enforcement – Tribal courts and law enforcement in Indian Country need continued and additional support to keep Indian Country safe. Indian Affairs supports key initiatives including tribal courts needs assessments and funding, the Tribal Law and Order Act (TLOA) and Violence Against Women Act pilot projects, Tiwahe, and others, in addition to support for state retrocessions of P.L.-280 jurisdiction back to the federal government. Indian Affairs continues to struggle with significant understaffing and under-resourcing issues, but safety in Indian Country remains a top priority.

Indian Child Welfare Act - The BIA takes all issues of child welfare seriously. With limited resources, the BIA collaborates with federal partners to develop a tracking and coding system of suspected child abuse and neglect and to ensure that children under tribal social services programs can access the full range of federal services. The BIA continues to provide technical assistance, staffing, and training to tribal social services programs as requested and as funding resources allow. Further, to curtail and hopefully prevent child abuse, BIA will work on training for mandatory reporters of child abuse, establish procedures for federal background checks for each foster care placement, and will provide continuing education for child protection workers in tribal social services programs for child welfare certification training.

Continuance of and expansion of the Tiwahe Initiative - The Tiwahe Initiative is a five-year demonstration project that began in FY 2015. Tiwahe means family in Lakota. The Initiative allows BIA to leverage DOI programs in concert with other federal programs to support family and community stability and cultural awareness. It seeks to demonstrate the importance of service coordination among programs in tribal communities so that critical services reach native communities more effectively and efficiently.

Dakota Access Pipeline (DAPL)/Horizontal Infrastructure - Consultations will occur throughout this fall with tribes regarding permitting and other processes related to pipelines and other horizontal infrastructure throughout the United States. Following the consultations, AS-IA will have a role in collecting and analyzing comments, and working with the U.S. Department of Justice, Army Corps of Engineers, and others, to address concerns and issues raised.

BUREAU OF INDIAN AFFAIRS (BIA)

FROM: Michael S. Black

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

History: The Bureau of Indian Affairs (BIA) is the oldest bureau of the United States Department of the Interior. Established in 1824 in the Department of War, the BIA currently provides services to approximately 2 million American Indians and Alaska Natives, in 567 federally recognized American Indian tribes and Alaska Natives. Historically, BIA has been viewed as the bureau charged with carrying out the government's "trust" responsibility to Tribes. Under this Administration, however, other bureaus and Departments have embraced their federal trust responsibility to tribes. This all of government responsibility is reflected in the White House Council on Native American Affairs. The Nation to Nation relationship has been difficult at times due to misguided federal policies that included forced relocations, attempts to assimilate Indians into the mainstream culture, and the outright termination of Tribes. Since the early1970's, however, the official policy of the United States toward Tribes has been one of self-determination and self-governance, under which Tribes can choose to take on more and more of the responsibilities that had been provided by the BIA. Currently Tribes can operate programs under either "self-governance" or "self-determination" agreements, or can have BIA provide the services directly (direct service).

The **Bureau of Indian Affairs** (BIA) is part of the Office of Indian Affairs and is organized into four centralized Offices, twelve regional offices, and eighty-five agencies and field offices. The Director, BIA, reports to the Principal Deputy Assistant Secretary and provides leadership and direction for all matters relating to policies and procedures for the BIA.

The **Office of the Deputy Bureau Director for Field Operations** provides management and direction to 12 BIA Regional offices and 86 agencies and field offices located in various parts of the 48 contiguous United States and Alaska. This office monitors and evaluates the performance of the regional and field offices, and through the Deputy Bureau Directors for Office of Trust and Indian Services, coordinates periodic/specific program reviews of field operations. This office also provides specialized and programmatic reviews to field offices and tribes.

<u>The Bureau of Indian Affairs is comprised of three centralized Offices</u>:
The Deputy Bureau Directors at headquarters report to the Director, BIA. The Regional Directors report to the Deputy Bureau Director for Field Operations.

The **Office of Justice Services (OJS)**, administered by the Deputy Bureau Director for Justice Services, upholds tribal sovereignty and customs and provides for the safety of Indian communities by ensuring the protection of life and property, enforcing laws, maintaining justice and order, and by confining American Indian offenders in safe, secure, and humane environments. Eight areas comprise the Public Safety and Justice sub-activity: Criminal

Investigations and Police Services, Detention/Corrections, Inspections/Internal Affairs, Law Enforcement Special Initiatives, the Indian Police Academy, Tribal Court Justice Support, Program Management, and Facilities Operations and Maintenance.

The **Office of Trust Services**, administered by the Deputy Bureau Director for Trust Services, executes Indian Affairs trust responsibilities to Indian tribes and individuals and oversees all headquarter activities associated with management and protection of trust and restricted lands, natural resources, and real estate services. The office provides land related functions to Indian trust owners including acquisition, disposal, rights-of-way, leasing and sales, and assists them in the management, development, and protection of trust land and natural resource assets.

The **Office of Indian Services,** managed by the Deputy Bureau Director for Indian Services, provides support to the Director, BIA, to fulfill the Bureau's responsibilities in the areas of Human Services; Indian Self-Determination; Tribal Government; Transportation, and Workforce Development. The Office is charged with providing and promoting safe and quality living environments, strong communities, self-sufficiency and individual rights for tribal people and tribal governments. Indian Services oversees and coordinates all headquarters organizations, activities, and functions that promote the achievement of the BIA mission and goals. This Office also ensures that all policies, practices, procedures and systems within Indian Services program are effective and consistent Bureau-wide.

II. MANAGEMENT AND KEY PERSONNEL

Director, Bureau of Indian Affairs – Weldon "Bruce" Loudermilk

Michael S. Black – Senior Advisor to the Director

Deputy Bureau Director for Field Operations – Michael R. Smith

Deputy Bureau Director, Office of Justice Services – Darren Cruzan
- Assistant Deputy Bureau Director, OJS - Jason Thompson
- Associate Director, Field Operations Directorate, OJS – David Little
- Associate Director, Professional Standards Directorate, OJS – Vacant
- Associate Director, Tribal Justice Support Directorate, OJS – Tricia Tingle
- Associate Director, Support Services Directorate, OJS – Audrey Sessions
- Deputy Associate Director, Field Operations, OJS– Jason O'Neal
- Deputy Associate Director, Field Operations, OJS-William McClure (Acting)
- Deputy Associate Director, Corrections Division, OJS– Patricia Broken Leg-Brill
- Deputy Associate Director, Drug Enforcement Division, OJS – Charles Addington
- Deputy Associate Director, Support Services Directorate, OJS – Kevin Martin
- Chief, Division of Emergency Management, OJS– Sid Caesar

Deputy Bureau Director, Office of Indian Services – Hankie Ortiz
- Associate Deputy Bureau Director – Spike Bighorn
- Chief, Division of Transportation – LeRoy Gishi

Chief, Division of Human Services – Evangeline Campbell
Chief, Division of Self-determination – Sunshine Jordan
Chief, Division of Tribal Government – Laurel Iron Cloud
Chief, Division of Workforce Development – Terrence Parks

Deputy Bureau Director, Office of Trust Services – Helen Riggs
Associate Deputy Bureau Director – Faline Haven
Chief, Division of Probate – Charlene Toledo
Chief, Division of Real Estates Services – Sharlene Roundface
Chief, Division of Natural Resources – Ira New Breast
Chief, Division of Forestry & Wildland Fire Management – Peter Wakeland
Chief, Division of Land Title and Record – Beth Wenstrom
Chief, Division of Irrigation, Power and Safety of Dams – Yulan Jin
Director, Indian Energy Service Center – Johnna Oberly

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE ISSUES

Support of Law Enforcement: The Tribal Law and Order Act (TLOA) and Violence Against Women Act Reauthorization of 2013 have promoted tribal courts; however, neither piece of legislation came with increased funding. Compounding this issue is the shrinking in-house capacity (BIA-run facilities) available to hold inmates. Over the last decade, the IA budget has lacked a clear strategy to replace aging BIA-run detention facilities. As a result, two of 13 facilities have been closed in the past year due to declining facility conditions and safety risks to staff and inmates.

Youth Initiatives: The BIA Youth Program Initiative implements the Secretarial Order announced on June 8, 2009. The goal was to provide opportunities to provide jobs, outdoor experiences and career opportunities for young people-especially women, minorities, tribal, and other underserved youth. The desired outcome was to expose youth to career choices at the Department of the Interior and continue encouraging students to pursue their education in natural resource careers or careers within the Department. BIA developed the youth initiative by building over 2,000 partnerships over the past 7 years.

Tiwahe Initiative: The Tiwahe Initiative is a five-year demonstration project that began in FY 2015. The purpose of the initiative is to demonstrate the importance of social service coordination between programs within a tribal community, so that critical services more effectively and efficiently reach Native individuals and families. Addressing the chronic issues faced by Native families and communities requires a holistic approach centered on cultural and traditional practice, which serves as the crux of the Tiwahe Initiative.

Indian Child Welfare Act: BIA has an important role in promoting compliance with the Indian Child Welfare Act (ICWA), which was enacted in 1978 to address the policies and practices that resulted in the "wholesale separation of Indian children from their families." Most recently, BIA published a comprehensive final rule that directs State courts on how to implement ICWA's provisions. The rule becomes effective on December 12, 2016. BIA has been conducting training on the new rule for State court and social service agency personnel throughout the Summer and Fall and will publish updated Guidelines to provide further guidance on implementation.

Contract Support Costs (CSC) Policy: Under the Indian Self-Determination and Education Assistance Act (ISDEAA), the Federal government is required to pay contract support costs (CSC). In the past, the Secretary had been unable to fund 100% of the overall CSC need. In 2012, the Supreme Court issued a decision favoring Indian tribes and required the Secretary to pay the entirety of costs associated with contracting with Indian tribes and tribal organizations for each contract based on government contract law.

Indian Energy Service Center: The Indian Energy Service Center is composed of four Interior agencies: BIA, BLM, the Office of Natural Resource Revenue, and Office of the Special Trustee. Intended to help expedite the leasing and permitting processes associated with Indian energy development, the Center was a response to the inability of Federal agencies to timely process administrative requirements. Delay in production causes a very real and immediate adverse economic consequence to reservation and mineral estate owners- namely that drilling rigs go on to non-Indian sites to drill instead. The Center provides a wide suite of support services and assists in coordination between Federal agencies that are involved in the permitting process.

Tribal Climate Resilience: The federal government has a mandate to mainstream/integrate future climate considerations in all its activities. The Department has an Agency Priority Goal for Climate Change Resilience. The BIA has been funded to support tribes and BIA managers with training, data and tools needed for climate adaptation management.

Fee to Trust/Restoring Tribal Homelands: The Secretary has delegated the power to take land into trust to the Assistant Secretary – Indian Affairs. Restoration of the tribal homelands has increased through Fee to Trust developments. As of October 2016, completed cases have brought a total of 542,062 acres to the federal trust. These lands are brought in for multiple uses including residential and business development, natural resource management, agriculture, grazing, and also gaming.

Recruitment and Retention of Indian Affairs Employees: Indian Affairs continues to experience recruitment and retention problems in maintaining a quality workforce to carry out the mission and strategic goals of the organization. Indian Affairs utilizes Indian Preference in hiring for their positions which are directly and primarily related to the provision of services to Indians. Indian Preference applies to all positions in the Bureaus of Indian Affairs and Indian Education; within the Assistant Secretary – Indian Affairs, the preference applies to over 70% of their positions.

BIA Facility Conditions/Safety: Indian Affairs maintains $6.5 billion in facilities spread across three lines of effort, BIA administrative offices, BIE schools, and Office of Judicial Services (OJS) law enforcement sites. The Indian Affairs strategy is to ensure all facilities and operations at each site receive scheduled inspections to properly maintain overall site and facility functionality and ensure the safety and health of students, employees, and the visiting public.

BUREAU OF INDIAN EDUCATION

FROM: Ann Marie Bledsoe Downes

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

History: The Bureau of Indian Education (BIE), formerly known as the Office of Indian Education Programs, reports to the Assistant Secretary for Indian Affairs and is headed by a Director, who is responsible for the line direction and management of all education functions, including the formation of internal policies, supervision of BIE program activities, and the approval of the expenditure of funds appropriated for BIE education functions.

As stated in Title 25 CFR Part 32.3, BIE's mission is to provide quality education opportunities from early childhood through life in accordance with a tribe's needs for cultural and economic well-being, in keeping with the wide diversity of Indian tribes as distinct cultural and governmental entities. The BIE school system employs thousands of teachers, administrators, and support personnel, while many more work in tribal school systems which are funded by the BIE. Currently, the BIE oversees a total of 183 elementary, secondary, residential, and peripheral dormitories across 23 states. One hundred thirty (130) schools are tribally controlled under P.L. 93-638 Indian Self-Determination Contracts or P.L. 100-297 Tribally Controlled Grants. Fifty three (53) schools are operated by the BIE. The BIE also oversees two (2) post-secondary schools: Haskell Indian Nations University and Southwestern Indian Polytechnic Institute.

There have been three major legislative actions that restructured the Bureau of Indian Affairs (BIA) with regard to educating American Indians since the Snyder Act of 1921. First, the Indian Reorganization Act of 1934 introduced the teaching of Indian history and culture in BIA schools (until then it had been Federal policy to acculturate and assimilate Indian people by eradicating their tribal cultures through a boarding school system). Second, the Indian Self-Determination and Education Assistance Act of 1975 (P.L. 93-638) gave authority to federally-recognized tribes to contract with the BIA for the operation of Bureau-funded schools and to determine education programs suitable for their children. The Education Amendments Act of 1978 (P.L. 95-561) and further technical amendments (P.L. 98-511, 99-99, and 100-297) provided funds directly to tribally-operated schools, empowered Indian school boards, permitted local hiring of teachers and staff, and established a direct line of authority between the Education Director and the Assistant Secretary for Indian Affairs (AS-IA). The No Child Left Behind Act of 2001 (P.L. 107-110) brought additional requirements to the schools by holding them accountable for improving their students' academic performance with the U.S. Department of Education (ED) supplemental program funds they receive through the BIE.

The BIE is currently implementing a reorganization of its structure. In 2013, Secretary of the Interior Sally Jewell and Secretary of Education Arne Duncan convened the American Indian Education Study Group ("Study Group"). Following an intensive period of study and consultation with Indian tribes, the Study Group issued the BIE Blueprint for Reform in 2014. The Blueprint provided a framework for transforming the internal organization of BIE. Following the issuance of the Blueprint for Reform, Secretary Jewel issued Secretarial Order No.

3334, ordering a two phased reorganization. Phase I involved the realignment of the internal organization of BIE from a regional basis to a structure based on the types of schools serviced; namely, (1) schools in the Navajo Nation, (2) tribally-controlled schools, and (3) BIE-operated schools. Phase I also replaced the Line Offices with Educational Resource Centers ("ERCs") which will house School Solutions Teams. Phase II will involve a realignment of additional support operations such as contracting, IT, and facilities functions to BIE and includes an expansion of the School Support Solutions Teams to include school operations staff.

The Bureau of Indian Education is comprised of one Central Office in Washington, DC, that includes two divisions, two program offices, and the Chief Academic Officer. Three Associate Deputy Director (ADD) offices are located in Albuquerque, NM, Minneapolis, MN, and Window Rock, AZ. Across the country there are 15 Education Resource Centers* and two post-secondary institutions. The largest field office is located in Albuquerque, NM.

The **Central Office** includes the BIE Director's immediate support staff, the Deputy Bureau Director for School Operations, ADD for the Division of Performance and Accountability, and the Chief Academic Officer. The Central Office interfaces with top-level Departmental management offices, responds to Federal and Congressional inquiries and requests, and advises the Assistant Secretary – Indian Affairs on all matters related to Indian education.

The **School Operations Division** strengthens the financial stewardship of BIE schools, provides direct line expertise in education technology; human resources (teacher and principal recruitment); communications; educational facilities, safety and property; and acquisition and grants components. The Division works closely with the policy components of the Deputy Assistant Secretary-Indian Affairs (Management) to resolve budget execution, staffing, acquisition, and facilities related issues of direct concern to BIE schools and is a resource for school administrators to resolve questions, fast track priorities, and identify best practices.

The **Division of Performance and Accountability** (DPA) manages ED's supplemental programs for BIE and its schools. These responsibilities include the implementation of the Elementary and Secondary Education Act (ESEA, most recently authorized as the Every Student Succeeds Act, ESSA) and the Individuals with Disabilities Education Act (IDEA). DPA is the primary point of contact between BIE and ED. DPA staff members collaborate with leaders in the BIE's three ADD regions to help schools improve outcomes for students.

The **Office of Research, Policy and Post-Secondary** is responsible for planning, research, education legislation review, preparing reports for Congress, and compiling evaluation data of BIE education program operations. The Office also provides management oversight to two federally operated post-secondary schools, administers grants to 28 Tribally Controlled Colleges and Universities.

The **Office of Sovereignty in Indian Education** provides competitive funding to tribes and tribal education departments (TEDs) to promote tribal control and operation of BIE-funded schools on their Indian reservations. The mission of this Office is to support tribal capacity to manage and operate tribally controlled schools as defined in the Tribally Controlled Schools Act of 1998 (P.L. 100-297). These funds will support the development of a school-reform plan to improve educational outcomes for students and improve efficiencies and effectiveness in the operation of BIE-funded schools.

The **Chief Academic Officer** oversees the BIE K-12 program, including the three school divisions (Bureau Operated, Tribally Controlled and Navajo), and leads the support of improved school performance through needs based, results oriented technical assistance to schools and tribes. The Assesement and Accountabilty office reports to the Chief Academic Officer.

In the field there are three **Associate Deputy Directors (ADD)** – an ADD Bureau Operated Schools in Albuquerque, NM, ADD Tribally Controlled Schools in Minneapolis, MN, and an ADD Navajo Schools in Window Rock, AZ, that have oversight of 15 Education Resource Centers (ERCs) across the country that provide technical assistance to tribes and schools. The ERCs are located in:

Albuquerque	Seattle	Window Rock
Minneapolis	Chinle	Belcourt*
Nashville	Tuba City	Bismarck*
Oklahoma City	Crownpoint	Flandreau*
Phoenix	Shiprock	Kyle*

*Four ERCs are on hold pending litigation.

At the post-secondary institutions, **Haskell Indian Nations University** provides a four year post-secondary education to enrolled federally recognized tribal members. Haskell is a unique and diverse intertribal university committed to the advancement of sovereignty, self-determination, and the inherent rights of tribes. The mission of Haskell Indian Nations University is to build the leadership capacity of Indian higher education students. **Southwest Indian Polytechnic Institute** provides a two year post-secondary education to enrolled federally recognized tribal members. The Institute prepares its culturally diverse student body with career skills through partnerships with tribes, employers and other organizations.

II. MANAGEMENT AND KEY PERSONNEL

Director, Bureau of Indian Education – Tony Dearman
- Chief of Staff to the Director – Juanita Mendoza
- Special Assistant to the Director – Jacquelyn Cheek
- Staff Assistant to the Director – Lorenda Begay

- Office of Research, Policy and Post-Secondary Program Analysts
  - Research – Vacant
  - Policy – Vacant
  - Post-Secondary – Katherine Campbell

- Program Manager, Office of Sovereignty in Indian Education – Vacant
  - Early Childhood Education Program Specialist – Sue Bement

Johnson O'Malley Program Specialist - Vacant
Student Health Specialist - Vacant

Acting Chief Academic Officer – William Jupp
Associate Deputy Director, Tribally Controlled Schools – Rose Marie Davis
Associate Deputy Director, Bureau Operated Schools – Tony Dearman
Associate Deputy Director, Navajo – Tamarah Pfeiffer

Deputy Bureau Director, School Operations Division – Vacant
Financial Specialist – Joe Herrin
Budget Officer – Angela Salazar
Communications Specialist – Kim Vigue
Acting Human Resources Officer, BIE Human Resources – Anna Smith

Associate Deputy Director, Division of Performance and Accountability – Jeffrey Hamley
Supervisory Education Specialist, Special Education – Gaye Leia King
Supervisory Education Specialist, Supplemental Title – Don Griffin

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE ISSUES

As stated in the Blueprint for Reform, the BIE must become an institution of world-class instruction and shift significant attention towards providing the services, resources, and technical assistance that tribes need in order to operate high-achieving schools. In order to actualize this transformation, the BIE has focused on five priority areas of reform:

1. Highly effective teachers and principals
2. Agile organizational structure
3. Promotion of self-governance
4. Comprehensive supports through partnerships
5. Budget aligned with stated priorities

The following matters address these priorities as well as the ultimate goal of creating a world-class instruction for all BIE students:

1. **Staffing** - The BIE must complete all hiring under the new ADD and ERC structure as well as any positions in the Washington, D.C., office.

2. **School Operations Division** - The BIE must secure support for the Phase II School Operations Division which will, for the first time, allow BIE to control human resources, contracting, facilities, and grant management functions under the direct supervision of a Deputy Bureau Director for School Operations.

3. **Tribal Education Department and Sovereignty in Indian Education Grants** - The BIE must continue to provide technical assistance support to tribes considering converting

schools to tribally controlled and to tribes who have received grants to revise educational codes and develop their tribal education departments.

4. **Data Collection and Performance Indicators**– BIE will establish a basic common set of data to be gathered from all schools using the Native American Student Information System (NASIS). Using data collected, BIE will develop a small set of performance indicators to manage school performance. Performance indicators will be used in the BIE State Plan.

5. **Every Student Succeeds Act** (ESSA) – Concurrent to the BIE's reform and reorganization efforts, federal law has changed. The ESSA places a number of new legal requirements on the BIE. The BIE has several very important activities and must maintain momentum in order to meet the new legal requirements and have the proper plans in place for the start of the 2017-2018 School Year. The Educator Equity Plan, BIE State Plan and Negotiated Rulemaking are all aspects of the implementation of ESSA.

6. **Educator Equity Plan** - The BIE must complete, in consultation with teachers, parents, school staff, administrators and tribes, a plan for making sure that BIE students have equitable access to teachers. The plan must show BIE will close the gap where students are taught by inexperienced, unqualified, or out-of-field teachers, and how the BIE will report on the success of those steps.

7. **State Plan -** BIE will develop and submit a "State Plan" to ED that meets the needs of educators, students, and communities. The State Plan must have a robust set of consultations with stakeholders. The State Plan will cover the areas of assessment, accountability, educator certification, and educator evaluation**.**

8. **Negotiated Rulemaking on New Accountability System –** Pursuant to ESSA, the BIE must plan for and develop a new standards, assessment and accountability system. This process is required by law and is a time intensive process that requires a negotiated rulemaking committee to complete. Any delay in the work of the committee could result in BIE failing to meet the 2017-2018 school year deadline to operate under a new standards, assessment and accountability system under ESSA.

OFFICE OF INSULAR AFFAIRS

FROM: Esther Kia'aina, Assistant Secretary for Insular Areas

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Secretary of the Interior has administrative responsibility for coordinating federal policy in the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and the responsibility to administer and oversee U.S. federal assistance provided to the Freely Associated States of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau under the Compacts of Free Association. The Office of Insular Affairs (OIA) executes these responsibilities on behalf of the Secretary.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Esther Kia'aina, Assistant Secretary for Insular Areas

Schedule C employees:

Wendy Clerinx, Advisor to the Assistant Secretary for Insular Areas

Career SES:

Nikolao Pula, Director, Office of Insular Affairs

Other senior career employees:

Wendy Fink, Counsel to the Assistant Secretary (On detail)
Basil Ottley, Director of Policy
Tom Bussanich, Director of Budget
Charlene Leizear, Director of Technical Assistance

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Climate Change Adaptation and Resiliency – OIA needs to continue building the capacity of its jurisdictions to plan for and respond to climate change using a multi-sector approach by providing funding, technical assistance, and policy support. This includes addressing the growing threat of invasive species on island economies and ecosystems. OIA will establish and manage the U.S. Territories Invasive Species Coordinating Committee where territorial invasive species officials can share best practices and work cooperatively with federal agencies to improve invasive species management in the islands. This is important since invasive species management is one of the weakest sectors of climate change adaptation efforts in the insular areas.

Self-Determination – The United States, through the U.S. Departments of the Interior and State, should take a more proactive approach in promoting and facilitating self-determination processes in the U.S. territories, particularly in Guam, American Samoa and the U.S. Virgin Islands who are all on the United Nation's List of Non-Self Governing Territories. The Office of Insular Affairs provided educational awareness funding for self-determination projects through its FY 2016 Technical Assistance Program. The outcomes of these projects, as well as federal initiatives on self-determination, need to be followed up on and taken to the next step with leadership from the White House and the Departments of Interior and State.

Capital Improvement Project – OIA's Capital Improvement Project (CIP) program has been level-funded at $27.72 million annually since the passage of P.L. 104-134 in 1996. Meanwhile, the Consumer Price Index (CPI) has shown a cumulative inflation increase of 51.1 percent from 1996 to 2015. Had the CIP funding been adjusted for inflation over the last twenty years, the program would have received more than $41 million in funding in 2015, a cumulative loss of well over $100 million to the territories since 1996. An inflationary adjustment would help grow their economies and provide jobs, restore the real purchasing power of the CIP program, and boost the territories' ability to meet federal mandates.

Compact Impact – Thousands of citizens from the Freely Associated States (FAS) have migrated to the United States under provisions of the Compact. Large populations in Hawaii and Guam have created significant impacts to the health and education sectors. Hawaii and Guam view the costs of services ($100-$150 million annually for each jurisdiction) as an unfunded mandate. The Federal government provided $30 million annually that is shared among the jurisdictions. The authorization for the federal offsets is set to expire in 2023 while the numbers of immigrants and related costs will continue to increase.

Palau – The review agreement called for U.S. payment to Palau totaling $229 million through 2024. The planned assistance included direct economic assistance to Palau, infrastructure project grants and contributions to an infrastructure maintenance fund, establishing a fiscal consolidation fund, and contributions to the compact trust fund. The Departments of the Interior, State and Defense have proposed legislation to provide the funding required to bring the review agreement into force, but Congress has not acted on the legislation. Because of this, the U.S., through Interior, has made annual payments beginning with FY 2010, of approximately $13.1 million a year for a total of $92 million in discretionary funds thus far.

Regional Immigration Issues in Guam and in the Commonwealth of the Northern Mariana Islands (CMNI) – The remoteness and small populations of Guam and the CNMI impede these territories' workforce development efforts in an economically vibrant Asia-Pacific region. These issues have been exacerbated recently as nearly all H-2B visas for Guam are getting declined, shutting down sections of their new private hospital and creating workforce shortages just as the Department of Defense initiates construction to accommodate the relocation of Marines from Okinawa as part of the Administration's rebalance toward the Asia-Pacific region. In the CNMI, the CNMI-Only Transitional Worker Program (CW) that allows in skilled and unskilled foreign labor into the CNMI will expire on December 31, 2019. OIA will work with the next Administration to consider regulatory changes that will help stabilize the CW Program for the CNMI and support Congress' consideration of regional immigration policies to meet the unique circumstances for Guam and the CNMI given their importance to U.S. national security interest in the Asia-Pacific region.

Potential Economic Crisis in the Smaller U.S. Territories – The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) created procedures for adjusting debt accumulated by the Puerto Rico government and also transferred economic and fiscal powers to a federal oversight board, provisions which can be applied to the other four smaller U.S. territories. Given the potential for economic crisis, it is critical for political and financial leaders from these areas to put in place prudent fiscal measures to avoid a debilitating fiscal crisis and the loss of broad powers to an oversight board. The jurisdictions would need to pass legislation and adopt proven fiscal management systems already in place in many states. The federal government needs to extend economic and financial expertise as well as devise new strategies and consider amending existing policies to address the unique challenges facing the territories. Adopting this strategy would strengthen the long-term financial outlook of these areas and establish the territories as market places that attract new capital and skills from around the world.

American Samoa – The U.S. Territory will be electing a new governor in November 2016. OIA is prepared to brief the new incoming governor on OIA initiatives and on ongoing concerns regarding economic development, continuing operations of the LBJ Hospital, and infrastructure development.

Commonwealth of the Northern Mariana Islands (CNMI) – As noted above, the CNMI-Only Transitional Worker Program (CW) that allows in skilled and unskilled foreign labor into the CNMI will expire on December 31, 2019. OIA will work with the next Administration to consider regulatory changes that will help stabilize the CW Program for the CNMI and support Congress' consideration of regional immigration policies to meet the unique circumstances for Guam and the CNMI given their importance to U.S. national security interest in the Asia-Pacific region.

Guam – With the impending relocation of U.S. Marines to Guam from Okinawa, Guam is expecting a number of impacts on the local community (i.e. infrastructure, population growth, social impacts, etc.). The work to mitigate these impacts has been exacerbated by the high rate of H-2B visa denial, as noted above. In addition, there is continuing efforts to provide visa free access from China to Guam, which would have a significant impact on Guam's main industry of tourism, especially in light of declining numbers of visitors from Japan, the traditional

The U.S. Virgin Islands (USVI) – The USVI is contending with an economic crisis, and per the PROMESA section above, needs to implement prudent fiscal measures to avoid a debilitating fiscal crisis and the loss of broad powers to an oversight board.

OFFICE OF THE ASSISTANT SECRETARY LAND AND MINERALS MANAGEMENT

FROM: Richard T. Cardinale
Chief of Staff and Senior Policy Program Manager

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of the Assistant Secretary – Land and Minerals Management (ASLM) provides administrative oversight and policy guidance to four bureaus within the Department of the Interior: the Bureau of Land Management (BLM); Bureau of Ocean Energy Management (BOEM); Bureau of Safety and Environmental Enforcement (BSEE); and the Office of Surface Mining Reclamation and Enforcement (OSRME). The Assistant Secretary's office develops and reviews policies concerning public land management, resource use, and regulatory oversight and enforcement, and promotes their effective implementation by the ASLM bureaus.

The ASLM office consists of the Assistant Secretary, a Presidentially nominated, Senate-confirmed appointee (PAS); three Deputy Assistant Secretaries (non-career, SES); an Advisor (Schedule C, General Schedule); a Chief of Staff /Senior Policy Program Manager (career, SES); five bureau-sponsored analysts/liaisons on two-year details (career, General Schedule), and three administrative support staff (career, General Schedule).

II. MANAGEMENT AND KEY PERSONNEL

PAS Officials
Janice M. Schneider, Assistant Secretary – Land and Minerals Management

Non-career SES:
James R. Lyons, Deputy Assistant Secretary
Amanda C. Leiter, Deputy Assistant Secretary
Vacant – Deputy Assistant Secretary

Schedule C employees:
Lauren E. Bogard, Advisor to the Assistant Secretary

Career SES:
Richard T. Cardinale, Chief of Staff and Senior Policy Program Manager

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE ISSUES

BLM

<u>Federal Oil and Gas Program Modernization</u> - Updating a number of outdated oil and gas regulations has been an important element of the BLM's ongoing efforts to modernize its regulatory regime to ensure that it keeps pace with changing industry operations and technologies. The regulatory updates respond to concerns expressed by the Government Accountability Office (GAO), the Department's Office of Inspector General (OIG), and the Secretary of the Interior's Subcommittee on Royalty Management with respect to the adequacy of the BLM requirements, and their ultimate effect on the management of Federal oil and gas resources. During this Administration, the BLM has updated rules for hydraulic fracturing, site security, oil measurement, gas measurement, electronic submission of applications for permits to drill, methane waste prevention, royalty payments, and internet leasing.

Federal Coal Program Review - On January 15, 2016, the Department announced a comprehensive review to examine a broad array of concerns about the Federal coal program following critical reports issued by the GAO and OIG, as well as concerns expressed by Congress and the general public. A Programmatic Environmental Impact Statement (PEIS), which is currently under development, will address such topics as whether Americans are receiving a fair return for Federal coal, how market conditions affect coal, how Federal coal affects the environment, whether the leasing and production of coal under the Federal coal program is consistent with the Nation's goals to reduce greenhouse gas emissions, and how these and other factors impact coal-dependent communities.

Conserving Sage Grouse and Sagebrush Steppe - Conserving the Greater Sage-grouse (GRSG) is a multi-year effort involving Federal, state, tribal, and local governments, and private land owners. The focus of the effort is to conserve the 165-million acre sagebrush-steppe ecosystem and the 350 species of wildlife, including the GRSG, that are dependent on it, while providing a stable and robust economy in the Intermountain West. In September 2015, BLM finalized the GRSG Plans which address management on nearly 60 million acres of public land. Largely because of these plans, the U.S. Fish and Wildlife Service (USFWS) determined that the GRSG was not warranted for listing under the Endangered Species Act (ESA). Implementing the plans will require a multi-decadal effort, requiring sustained staffing and budget and continued active engagement with partners.

Managing Wildland Fire to Protect Life, Property and Resources - Driven largely by climate change and historic land management practices, Wildland fire is increasing in severity and frequency, straining the BLM's ability to treat fuels to decrease the risk of fire and to limit damage to property and resources from catastrophic fire. The Department is working closely with the Department of Agriculture and engaging the Congress to treat catastrophic fires as natural disasters and provide adequate funding to address these events. In addition, the Department is working internally to improve its management and budget practices by allocating fire and fuels funding to those places most at risk from fire.

Increasing Renewable Energy Development on Public Lands - Renewable energy development is a priority for the Department and BLM. To date, BLM has authorized nearly 15 GW of solar and wind development on public lands, with the goal of authorizing 20 GW by 2020. While the public lands have always been available for renewable energy development, in the last 10 years large-scale solar and wind development has increased substantially. The BLM has completed several planning efforts, including the Solar Energy Zone Plan and the Desert Renewable Energy Conservation Plan, aiming to identify low conflict areas that are appropriate for solar or wind energy. BLM also expects to complete a solar and wind development rule in 2016 that will facilitate responsible commercial scale solar and wind energy development on the public lands.

Implementing the Mitigation Hierarchy for Development on the Public Lands - The BLM first issued policy to mitigate the impacts of projects on public lands in 2005 and updated it in 2008. In 2013, BLM issued a draft mitigation manual that built on these efforts. In 2015, the Council on Environmental Quality produced guidance and the Department produced a manual for implementing the mitigation hierarchy when considering projects with a Federal nexus. BLM will finalize its mitigation manual and handbook in the fall of 2016 to incorporate lessons-learned from use of the draft policy since 2013, as well as guidance from CEQ and the Department. The manual and handbook encourages consideration of mitigation in advance of anticipated public land uses on a regional scale.

Taking a Landscape Approach to Land Management - BLM manages a vast landscape, but has historically managed on a field office basis, covering relatively small areas of several million acres. As populations in the west and demands on the public lands have grown, along with other drivers of change such as climate, this approach has fallen short. Considering larger landscapes in planning and management allows the BLM to work collaboratively with other agencies, stakeholders, and the public to identify areas for various types and intensities of use, including renewable and conventional energy, recreation and grazing, and areas for conservation. In support of this ongoing transition, BLM will complete an update to its planning rule in the fall of 2016. The updated rule aims to increase public involvement and incorporate the most current data and technology into land-use planning. In 2017, BLM will complete the associated planning handbook to provide detailed guidance to the field on implementing the updated rule.

BOEM

Updating Regulatory Programs to Ensure Proper Management of the OCS - BOEM is pursuing two significant updates to its regulatory program: financial assurance and air quality. One of BOEM's most challenging issues involves identifying and mitigating risks associated with approximately $40 billion in routine decommissioning liabilities in the OCS. BOEM is implementing new guidance, published in July 2016, on requiring industry to provide additional security for OCS liabilities. BOEM's air quality rules date from 1980 and have not been updated substantially since that time. In FY 2011, Congress added the area offshore Alaska's North Slope to BOEM's existing responsibility in the Gulf of Mexico for regulating OCS air quality. BOEM intends to finalize updated regulations to reflect these changes.

Restructuring BOEM's Budget - Offsetting collections (including rental receipts and cost recoveries) from offshore oil and gas operations currently make up the majority of both BOEM's and BSEE's total budget authority. Because of projected declines in leasing due to the low price of oil and gas and the success of leasing policies to encourage diligent development, offsetting rental receipts are estimated to decline and create substantial budgetary shortfalls that are anticipated to begin in FY 2017 and grow over the next decade. Restructuring BOEM's budget to address this issue will need to be considered.

BSEE

Adapting the Budget to Account for Variable Offsetting Collections – Similar to BOEM, BSEE's total budget is offset by revenue from rental receipts, cost recoveries, and inspection fees. However, based on current economic projections, the Bureau anticipates declines in rental revenue that may create budgetary shortfalls over the next decade if a long-term solution is not identified. BSEE expects to collect over $108.5 million in offsetting collections in FY 2017, a decrease of approximately $7.7 million from FY 2016, due primarily to a decline in lease rental receipts. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to operate aging infrastructure, and to move new drilling and production operations into deeper waters and more hostile operating environments.

Implementation Rules for Safety Enhancements for the Outer Continental Shelf - BSEE issued three major final rulemakings in 2016 that improve Outer Continental Shelf (OCS) safety by upgrading regulatory requirements and increasing BSEE's ability to provide effective regulatory oversight. The Well Control Rule addresses recommendations arising out of *Deepwater Horizon*, increases reliability and performance of critical safety equipment, and assists in incident prevention through identification of leading indicators. The Production Safety Systems rule provides updated requirements for systems that protect personnel and the environment on production facilities. The Arctic Rule addresses regulatory gaps with detailed requirements for unique issues related to Arctic exploratory drilling.

Addressing Human Capital Challenges - To fulfill its oversight responsibilities, BSEE is dependent on a highly technical workforce. The Bureau competes with the industry it regulates for much of its workforce, and industry in most cases pays higher salaries. BSEE is also facing potential high turnover related to retirements, as 25% of the Bureau's workforce is eligible for retirement over the next two years. BSEE has taken several steps to overcome these challenges, including permanent approval of special salary rates for critical job series, development of technical and leadership training programs for staff, leveraging workforce planning strategies, and implementing systems that allow BSEE to collect and analyze data to improve human capital processes. These efforts also respond to recommendations by the GAO that contributed to the Department's oil and gas programs being included in the GAO's High Risk Report in 2011 and subsequent biennial reports.

OSMRE

Stream Protection Rule - OSMRE is finalizing a stream protection rule that more completely implements the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and strikes an improved balance between satisfying the Nation's need for coal as an essential energy source and protecting streams, fish, wildlife, and related environmental values from the adverse impacts of coal mining. The rule requires the collection and analysis of adequate pre-mining data about the proposed permit and adjacent areas to establish a comprehensive baseline that will facilitate evaluation of the effects of mining and determination of whether adverse impacts result from a mining or a non-mining source. The rule requires effective, comprehensive monitoring of groundwater and surface water throughout mining and reclamation and during the revegetation responsibility period to provide timely information documenting mining-related changes in the values of the parameters being monitored.

Coal Industry Bankruptcy and Self-bonding Rulemaking - Three of the largest coal mine operators in the nation (Alpha Resources, Arch Coal, and Peabody Energy) filed for Chapter 11 bankruptcy protection in 2015 and 2016, and it is highly likely that additional companies will seek bankruptcy protection. These companies held approximately $2 billion in unsecured or non-collateralized self-bonds that various states with federally approved SMCRA regulatory programs previously accepted to guarantee reclamation of land disturbed by coal mining. The recent bankruptcy filings of companies allowed to self-bond under the current regulations call into question the sufficiency of existing self-bonding regulations and confirm the existence of significant issues about the future financial abilities of coal companies and how they will meet future reclamation obligations. OSMRE has begun the process to develop a rule that would update its existing bonding regulations to ensure there are sufficient funds to complete all of the required reclamation in the mine reclamation plan if the regulatory authority has to perform the work in the event of forfeiture. The rule will help minimize the risk that self-bonding by financially unstable companies become worthless in the ongoing bankruptcy processes.

The Abandoned Mine Land Reclamation Economic Development Pilot Program (AML Pilot) - The Consolidated Appropriations Act, 2016 (Public Law 114-113) made available to OSMRE $90 million for projects under the AML Pilot. The AML Pilot program provides grants of $30 million to each of the three Appalachian Region States - Kentucky, Pennsylvania, and West Virginia - with the highest unfunded high priority AML sites to accelerate the remediation of those sites in conjunction with economic and community development end uses. Each State AML program is encouraged to collaborate with its respective State and local economic development authorities and local communities to identify potential projects and apply funds received from the AML Pilot to projects that will offer the greatest benefits for communities.

BUREAU OF LAND MANAGEMENT

FROM: Steve Ellis, BLM Deputy Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Bureau of Land Management (BLM) is the Nation's premier land-management agency – affecting the lives of more Americans than any other natural resource organization. The BLM's roots date back 200 years to the General Land Office, and its organic act, the Federal Land Policy and Management Act, was passed in 1976. The BLM has a complex mission that is significant to local and regional economies and to Americans' quality of life. Overseeing 245 million surface acres (located primarily in the West) and 700 million acres of subsurface mineral estate across the United States, the BLM manages more acres than any other Federal land management agency and does so for a range of uses and resources, including outdoor recreation; natural, cultural, and historical resources; livestock grazing; wild horses and burros; mineral development; and renewable and conventional energy development. The National Conservation Lands are some of the showcases for the conservation side of the BLM's multiple-use and sustained-yield mandate.

The BLM raises more for the taxpayer than it spends. The BLM's management of public lands contributed more than $88 billion to the national economy in FY 2015 and supported about 375,000 American jobs. The BLM carries out its complex mission with a workforce of just 9,500 people. The BLM management cost per acre is $3.31, compared to $7.61 for the U.S. Forest Service, $11.23 for the U.S. Fish and Wildlife Service, and $24.38 for the National Park Service.

As the population of the West continues to grow, public expectations of BLM-managed public lands also rise. As a leader in renewable energy development, the BLM will continue to be at the center of national concern about energy and our country's ability to sustain itself, both now and into the future. Many of the potential sites for wind and solar development are on public lands managed by the BLM. Geothermal, wind, and solar energy development boosted the American economy while adding more than $2 billion to the Federal Treasury. The BLM administers world-class oil and natural gas resources that have the potential to provide secure supplies of energy for decades. Such development is always controversial. Some Western states' economies rely heavily on revenue shared by the Federal government from energy development. In FY 2015, the public lands yielded $77.8 billion worth of energy and non-energy minerals.

The BLM manages a myriad of recreational uses over a broad geographic area. BLM lands provide recreational opportunities for about 32 million visitors for everything from hunting, fishing, camping, hang gliding, mountain biking, off-highway vehicle use, wildlife viewing, horseback riding, and many other activities. These opportunities also generate $5.9 billion each year in local economic output.

The greatest diversity of fish and wildlife habitat also is found on BLM-managed lands. Because of the isolation of some places, these lands include many of America's rarest habitats, which support many plant and animal communities. To fulfill its obligation to current and future generations, the BLM supports aggressive habitat conservation and restoration activities. Many of these activities are conducted in conjunction with public and private partners.

II. MANAGEMENT AND KEY PERSONNEL

The BLM currently has 6 political positions, all located in the Director's office in Washington, D.C.: 1) the BLM Director, Neil Kornze (PAS position); 2) the BLM Deputy Director, Policy Linda Lance (Non-Career SES); and 3) Advisors to the Director, including Dylan Fuge, Alexandra Tietz; Katie Kovacs; and Liz Pardue (Schedule C). All other staff in the Director's Office and Senior leadership positions are career.

Current Members of the BLM's Executive Leadership Team:

Employee Name	Position Title
Neil Kornze	Director
Steve Ellis	Deputy Director, Operations
Linda Lance	Deputy Director, Policy
Anita Bilbao	Chief of Staff
Sal Lauro	Director, Law Enforcement, Security &Protection
Kristin Bail	Assistant Director, Resources and Planning
Mike Nedd	Assistant Director, Minerals and Realty Management
Christopher McAlear	Acting Assistant Director, National Conservation Lands and Community Partnerships
Matthew Allen	Assistant Director, Communications
Carole Carter-Pfisterer	Assistant Director, Human Capital Management
Janine Velasco	Assistant Director, Business, Fiscal and Information Resources Mgmt
Howard Hedrick	Acting Assistant Director, Fire and Aviation
Bud Cribley	State Director, Alaska
Ray Suazo	State Director, Arizona
Jerome Perez	State Director, California
Ruth Welch	State Director, Colorado
Karen Mouristen	State Director, Eastern States
Tim Murphy	State Director, Idaho
Jamie Connell	State Director, Montana
John Ruhs	State Director, Nevada
Amy Lueders	State Director, New Mexico/Texas/Oklahoma
Ron Dunton	Acting State Director, Oregon/Washington
Edwin Roberson	State Director, Utah
Mary Jo Rugwell	State Director, Wyoming
Diane Friez	Acting Director, National Operations Center

III. CRITICAL POLICY, LEGAL, MANAGEMENT, AND INFRASTRUCTURE ISSUES

The BLM is working diligently on a wide array of issues related to our multiple-use and sustained-yield mandate. Several items in the list below are ongoing and may already be completed at the time of election or at the point of transition. These efforts represent the highlights of BLM's ongoing work, but are not comprehensive.

A. Major Policies or Proposed and Final Rules Completed within the Last Year:

1. **Energy Development and Modernizing Regulations:** Many of the BLM's oil and gas regulations date to the 1980s, soon after the BLM assumed responsibility for onshore leasing. Key priorities in managing energy development on public lands include:
   - instituting new rules that establish procedures for how producers measure and account for oil and gas extracted from the public lands, which will ensure accurate royalties are paid;
   - implementing stronger regulations to reduce the wasteful release of natural gas from oil and gas operations on public and American Indian lands, reducing harmful methane emissions and providing a fair return on public resources;
   - implementing the hydraulic fracturing rule to require oil and gas operators to publicly disclose all chemicals used during the stimulations of a well by fracturing; and
   - modernizing the Automated Fluid Minerals Support System to increase efficiencies in the management of oil and gas operations.
2. **Coal Reform and PEIS:** In January 2015, the Department announced a comprehensive review to examine a broad array of concerns about the Federal coal program following critical reports issued by the Government Accountability Office and Office of Inspector General, as well as concerns expressed by Congress and the general public. The Programmatic Environmental Impact Statement will address such topics as whether Americans are receiving a fair return for Federal coal, how market conditions affect coal, how Federal coal affects the environment, and how these and other factors impact coal-dependent communities.
3. **Solar/Wind Rule:** In September 2014 the BLM issued a proposed rule to amend existing regulations to facilitate responsible commercial scale solar and wind energy development on the public lands. The rule promotes the use of "designated leasing areas." The rule would establish competitive processes, terms and conditions (including rental and bonding requirements) for solar and wind energy development rights-of-way both inside and outside the designated leasing areas and provides incentives for leases in designated leasing areas. The BLM is working to issue a final rule in 2016.
4. **Mitigation Policy:** The BLM has developed foundational guidance for considering mitigation in advance of anticipated public land uses and applying mitigation to resource impacts from public land uses. This would include incorporating mitigation into land-use plans and programmatic or large geographic-scale National Environmental Policy Act analyses. The policy calls for a minimum standard of "no net loss" and in the case of scarce, sensitive, important, or legally mandated resources a goal of "net conservation gain." Implemented in the fall of 2016, the rollout strategy highlights the need for extensive

outreach to partners, stakeholders, legislators, and public land users, as well as internal briefings and training for BLM managers and staff to ensure broad exposure and consistent implementation of the policy and its guidance.

5. **Planning 2.0 Implementation:** The BLM will publish in December its new planning rule in order to update and modernize the procedures for developing land-use plans. The new rule aims to increase public involvement and incorporate the most current data and technology into land-use planning. These efforts support the BLM's shift to science-based, landscape-scale approaches to resource management utilizing geospatial information while increasing opportunities for early engagement by state and local governments, Tribes, partner agencies, stakeholders, and the general public.
6. **Tribal Consultation Policy:** BLM issued revised policy on Tribal Relations (Manual 1780 and Handbook H-1780) in the Fall 2016 to present a comprehensive and coordinated approach to tribal consultation across all program areas and the development of ongoing partnerships with Indian tribes, replacing former guidance that was limited to tribal engagement within the cultural program. BLM coordinated with Indian tribes to incorporate tribal review and comments in the development of these documents. Roll-out and training are planned through 2017.

B. Critical Program Management and Resource Issues and Actions:

1. **Greater Sage-Grouse:** In September 2015, the Departments of the Interior and Agriculture finalized the Greater sage-grouse Resource Management Plans (GSG RMP), which included amendments and revisions to 98 BLM and U.S. Forest Service land-use plans across the West. The plans, which were developed in cooperation with local, state, and Federal agencies and private landowners, were cited by the FWS as a key reason in finding that the Greater sage-grouse did not warrant protection under the Endangered Species Act. For the past year, the BLM has advanced its historic effort to implement the Greater sage-grouse Resource Management Plans, including the recent release of key policy documents to ensure full and consistent implementation of habitat restoration and monitoring work associated with the plans. A key component for ensuring success with the habitat protection required under the GSG RMPs is the completion of a mineral withdrawal EIS. The BLM has continued to work with the U.S. Geological Survey (USGS) to complete the EIS.
2. **Wild Horse and Burro (WH&B) Management:** Since receiving Federal protection in 1971, WH&B populations on public lands have soared, far exceeding what is healthy for the land and the animals. Over 235,000 animals have been adopted since 1971, but in the last decade WH&B population growth on public lands has significantly outpaced adoptions. The BLM spends two-thirds of its WH&B budget to care for animals removed from the range. The BLM continues to research how best to control population growth.
3. **Wildland Fire:** Driven largely by climate change and historic land management practices, Wildland fire is increasing in severity and frequency, straining the BLM's ability to treat fuels to decrease the risk of fire and to limit damage to property and resources from catastrophic fire. The Department is working closely with the US Forest Service to engage Congress to treat catastrophic fires as natural disasters and provide adequate funding to address these events.
4. **Abandoned Mine Lands (AML):** The BLM AML program addresses hardrock mine sites that were abandoned before January 1, 1981, prior to enactment of BLM's surface mining

regulations in 43 CFR, Subpart 3809. BLM has identified approximately 51,000 hardrock AML sites and 94,000 mine on public land that it administers. Of these sites, approximately 20 percent have been addressed or are in the process of being addressed. A single site may encompass one or more AML features. AML sites are classified as either physical site features (such as open shafts, adits, highwalls, mine facilities) or environmental features (tailing piles, pit lakes, and draining underground mine workings) that may release hazardous substances. From 2009 to 2016, the average BLM AML congressional appropriation has been $17.2 million.

5. **Cultural and Paleontological Resources:** The BLM manages the largest, most diverse and scientifically important aggregation of cultural, historical, and paleontological resources on the public lands, as well as nearly 10 million items in museum collections. BLM reviews approximately 7,000 proposed land-use projects for affects to historic properties and works to limit or mitigate impacts. Current activities focus on synthesizing heritage data at a broad-scale to allow for more efficiency and predictability in planning and decisions-making processes, including energy and transmission, addressing collections' space constraints, and repatriating Native American ancestors. In the Fall 2016, the Department published a proposed rule on Paleontological Resources Management to implement the 2009 Omnibus Public Lands Act's mandate to manage and preserve fossils on BLM, FWS, NPS and Reclamation lands using scientific principles and expertise.
6. **Law Enforcement:** The BLM employs approximately 265 law enforcement officers – a ratio of roughly one law enforcement officer for every one million acres. BLM officers are uniquely trained to enforce the various Federal laws and regulations designed to protect public land resources in support of the agency's multiple-use and sustained-yield mission. Current public lands enforcement priorities include (1) addressing the pressures caused by growing urban populations; (2) combating environmental impacts linked to large-scale marijuana cultivation; (3) deterring resource damage caused by smuggling activities along the Southwest border; and (4) responding to employee safety concerns arising from anti-Federal land management sentiments.
7. **Key Energy Issues:**
    a. **Oil and Gas Online Leasing:** As part of the National Defense Authorization Act (NDAA) for FY2015, Congress amended the Mineral Leasing Act to allow the BLM to conduct online lease sales. Prior to that amendment, the Mineral Leasing Act authorized Federal onshore oil and gas lease sales only by oral auctions. In September, the BLM updated its regulations to make clear that, as provided by the NDAA, either Internet-based or oral auction procedures are permissible. The BLM estimates that Internet-based auctions could increase aggregate lease sale revenues by about $2 million a year. The BLM believes that online sales have the potential to generate greater competition by making participation easier, which has the potential to increase bonus bids.
    b. **Oil and Gas Workforce:** To meet the management and oversight requirements of the oil and gas program, the BLM has needed a well-trained and experienced staff. Rising private sector demands have caused retention challenges for the BLM, which the Government Accountability Office and the Office of Inspector General identified as reasons for identifying the oil and gas program as a high-risk program. In recent years the BLM, in cooperation with the Department of the Interior, has pursued higher pay

rates and completed BLM-wide corporate hiring and training efforts to ensure that workforce needs are met.

c. **Renewable Energy and Major Transmission projects:** For the years 2016 and 2017, the BLM anticipates processing 7 renewable energy projects (5 solar and 2 geothermal) representing 1337 MW, or enough electricity to power over 400,000 homes. The BLM anticipates that the projects on the list may reach a decision point by the end of 2017. The BLM is also participating on the interagency Rapid Response Team for Transmission (RRTT) which aims to improve the overall quality and timeliness of electric transmission infrastructure permitting, review and consultation on Federal and non-Federal lands. As part of that effort the BLM is focused on completing environmental reviews and permitting in 2016 for the 500 kilovolt (kV) Boardman to Hemingway line in Oregon and Idaho; segments 8 and 9 of the 500kV Gateway West project in southern Idaho; and the 600kV TransWest Express project in Wyoming, Colorado, Utah and Nevada.

8. **National Conservation Lands (NCL):** The BLM's NCLs contain some of the West's most spectacular landscapes. The system is 16 years old and currently includes over 870 units covering about 35 million acres. This Administration has added 10 national monuments to the system, nine by designation through the Antiquities Act and one through legislation in the Omnibus Public Land Management Act of 2009. These lands follow the BLM's multiple-use and sustained-yield mandate while being managed to conserve the resources, objects, and values for which they were designated.
9. **Desert Renewable Energy Conservation Plan (DRECP) –** In September 2016, the BLM completed collaboration on largest landscape-level renewable energy and conservation planning effort in California, covering approximately 22.5 million acres of Federal and non-Federal land in the Mojave and Colorado (Sonoran) deserts of southern California. DRECP constitutes a blueprint for streamlining renewable energy development while conserving valuable ecosystems and providing outdoor recreation opportunities. The lands specifically identified for renewable energy development by the plan have the potential to generate up to 27,000 megawatts of renewable energy.
10. **Alaska Legacy Wells:** The BLM assumed management of the National Petroleum Reserve-Alaska (NPR-A) in 1976, and in 1982 inherited the responsibility for assessing, plugging, and cleaning up oil and gas well sites. Many of these legacy wells pose surface and sub-surface risks to human health and the environment. Over the last few years, the BLM has worked closely with the Alaska Oil and Gas Conservation Commission to assess the condition of all 136 legacy wells and to identify those still in need of plugging and other types of remediation. In September 2013, the BLM issued a strategy laying out plans and priorities for cleaning up 50 wells requiring additional attention and on-the-ground work. Besides paying for some of the cleanup work with the BLM's oil and gas funding, the Helium Stewardship Act of 2013 provided the Bureau with $50 million to plug three legacy wells at Umiat, located in the eastern portion of the NPR-A, and to conduct surface cleanup at well sites on Cape Simpson.
11. **Western Oregon Plan Implementation:** The BLM completed Resource Management Plan revisions providing goals, objectives, and direction for the management of approximately 2.5 million acres of BLM-administered lands in western Oregon. The planning area consists of

the Coos Bay, Eugene, Medford, Roseburg, and Salem Districts, as well as the Klamath Falls Resource Area of the Lakeview District.

BUREAU OF OCEAN ENERGY MANAGEMENT

FROM: Abigail Ross Hopper

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Bureau of Ocean Energy Management (BOEM) is charged with managing development of the Nation's Outer Continental Shelf (OCS) energy and mineral resources in an environmentally and economically responsible way, through oil and gas leasing and plan reviews, renewable energy development, and a commitment to rigorous environmental evaluations and scientific study.

BOEM's organizational structure is designed to advance each of the elements of its mission. The national functions are grouped into three offices headquartered in the greater Washington area and focus on strategic resource development, environmental analysis and applied science, and renewable energy development. Additionally, BOEM has three regional offices that oversee and execute the agency's responsibilities in the Gulf of Mexico, Pacific and Alaska. This structure is summarized below.

The **Office of Strategic Resources** manages offshore resources to help meet the Nation's energy and resource needs by providing access to, and fair return to the American taxpayer for, offshore energy and mineral resources through strategic planning and resource and economic evaluation. This includes development and implementation of the Five-Year OCS Oil and Gas Leasing Program; assessment of mineral resource potential, tracking of inventories of oil and gas reserves, and development of production projections; and economic evaluation to ensure the receipt of fair value through lease sales and lease terms. BOEM implements the Secretary's responsibilities through an OCS oil and gas exploration and development program that resulted in 16% of U.S. domestic oil production and 5% of U.S. domestic natural gas production in 2015, as well as over $5 billion in revenues to the federal government in Fiscal Year 2015. BOEM's Marine Minerals Program provides coastal states offshore sand to restore and protect hundreds of miles of coastline.

The **Office of Renewable Energy Programs** advances a sustainable OCS renewable energy future through interactive site planning and environmentally responsible operations and energy generation. BOEM facilitates siting, leasing, and construction of new offshore renewable energy projects, including the development of offshore wind resources off the Atlantic and Pacific coasts. Since 2009, BOEM has made significant progress in implementing its OCS renewable energy responsibilities, including establishment of Renewable Energy Task Forces with fourteen states and the issuance of eleven commercial leases offshore the Atlantic coast.

The **Office of Environmental Programs** conducts and oversees applied science and environmental assessments at every stage of the offshore energy development planning process – for both conventional and renewable energy activities – in order to inform decisions for environmentally responsible ocean energy and mineral development. The bureau must consider the potential environmental impacts from the activities that it authorizes on the marine, coastal, and human environments, as required by the Outer Continental Shelf Lands Act and National Environmental Policy Act (NEPA). The bureau engages in consultations under a suite of other environmental laws such as the Endangered Species Act and Marine Mammal Protection Act. In existence since 1973, the BOEM Environmental Studies Program has developed, funded and managed more than $1 billion in award winning scientific research. This office oversees the integration of BOEM's rigorous scientific analysis with resource development decision-making.

BOEM has three **regional offices** located in New Orleans, Louisiana; Camarillo, California; and Anchorage, Alaska. The regional offices are integrated into BOEM's national programs and conduct oil and gas resource evaluations, environmental studies and assessments, leasing activities, review of exploration and development plans, fair market value determinations, renewable energy leasing and project reviews, and geological and geophysical permitting.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:
None

Non-career SES:
Abigail Ross Hopper, Director

Schedule C employees:
Celina Cunningham, Advisor to the Director
Natalie Mamerow, Special Assistant to the Director

Career SES:
Walter Cruickshank, Deputy Director
Renee Orr, Chief, Office of Strategic Resources
William Brown, Chief, Office of Environmental Programs
Michael Celata, Gulf of Mexico Regional Director
James Kendall, Alaska Regional Director

Other senior career employees:
James Bennett, Chief, Offshore Renewable Energy Program
Joan Barminski, Pacific Regional Director
Emily Lindow, Chief of Staff

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

<u>Contributing to the American Economy and Energy Security through Development of Conventional Outer Continental Shelf (OCS) Energy Resources</u>
BOEM is responsible for developing and administering a National-level, five-year program of lease sales to best meet national energy needs. While it continues to implement the current 2012-2017 OCS oil and gas leasing program, BOEM is finalizing the development of the 2017-2022 OCS oil and gas leasing program, through engaging with partners, stakeholders, and

the public; advancing internal programs for evaluation of the geological and economic resource potential of the OCS; and ensuring the public receives fair value for use of this public resource.

Enhancing Domestic Energy Diversity and Efforts to Provide Clean Energy through Development of Renewable OCS Energy Resources

BOEM must continue its efforts to: identify potential leasing areas while minimizing potential conflict with other ocean uses; and maintain effective environmental and regulatory oversight and stakeholder involvement. As part of the recently announced National Offshore Wind Strategy, BOEM has committed to optimizing the regulatory process to increase certainty for offshore wind developers and stakeholders while continuing to provide effective stewardship of the OCS. In several areas, BOEM's leasing efforts are transitioning to site assessment and project development planning by lessees. As part of this transition, BOEM will transfer the inspection and enforcement responsibility for offshore wind to BSEE.

Increasing Access to OCS Marine Mineral Resources

Storm events such as Hurricane Sandy have created a large and rapidly growing demand for OCS sand. BOEM must continue OCS sand assessment and delineation efforts, database development and planning, and identification and management of conflicts with other activities on the OCS. Challenges remain in identifying potential environmental effects of dredging on biological and physical systems to ensure the proper management and protection of these natural resources; and in educating the public, partners, stakeholders, and other federal agencies on the bureau's role as steward of OCS marine mineral resources.

Conducting Rigorous Environmental Analysis to Ensure that Development is Appropriately Mitigated

BOEM is committed to setting high standards for analyses conducted under NEPA and other governing statutes. BOEM is conducting a comprehensive review of its application of NEPA in order to design a framework that ensures that potential environmental impacts are thoroughly analyzed, appropriate mitigation and monitoring measures are implemented, and that BOEM's processes are transparent. BOEM continues to work with the National Oceanic and Atmospheric Administration on issues surrounding Marine Mammal Protection Act authorizations for geological and geophysical permitting and other noise producing activities.

Ensuring that Mission-Critical Decisions are Informed by the Best Available Science and Technical Information.

Section 20 of the OCS Lands Act establishes the BOEM Environmental Studies Program (ESP) to provide the science needed to predict, assess and manage potential environmental impacts from offshore energy and marine minerals projects. Appropriate funding levels are necessary for applied environmental research and to support the Resource Evaluation Program (REP) in conducting the rigorous analyses (economic, geological and geophysical) that identify and assess areas of the OCS that are promising for resource development. Collectively, the ESP and REP ensure that BOEM decisions are informed by the best technical and scientific information available.

Updating Regulatory Programs to Ensure Proper Management of the OCS

BOEM is pursuing two significant updates to its regulatory program: financial assurance and air quality. One of BOEM's most challenging issues involves identifying and mitigating risks associated with approximately $40 billion in routine decommissioning liabilities in the OCS. BOEM is implementing new guidance, published in July 2016, on requiring industry to provide additional security for OCS liabilities. BOEM's air quality rules date from 1980 and have not been updated substantially since that time. In FY 2011, Congress added the area offshore Alaska's North Slope to BOEM's existing responsibility in the Gulf of Mexico for regulating OCS air quality. BOEM intends to finalize updated regulations to reflect these changes.

Restructuring BOEM's Budget

Offsetting collections (including rental receipts and cost recoveries) from offshore oil and gas operations currently make up the majority of both BOEM's and BSEE's total budget authority. Because of projected declines in leasing due to the low price of oil and gas and the success of leasing policies to encourage diligent development, offsetting rental receipts are estimated to decline and create substantial budgetary shortfalls that are anticipated to begin in FY 2017 and grow over the next decade. Restructuring BOEM's budget to address this issue will need to be considered.

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

FROM: Brian M. Salerno, Director (submitted by Margaret N. Schneider, Deputy Director)

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

Mission Statement: The Bureau of Safety and Environmental Enforcement (BSEE) works to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement.

BSEE's FY2016-2019 Strategic Plan, released in December 2015, guides the bureau's annual activities and is centered on six strategic goals, divided among operational excellence and organizational excellence.

Established in 2011, BSEE is the Nation's regulator for energy and mineral extraction operations on the U.S. Outer Continental Shelf. Central to BSEE's mission is the continuous improvement of its regulatory functions involving worker safety, emergency preparedness, environmental compliance, and conservation of resources (i.e., improving oil and gas recovery and ensuring accurate production measurement). The Bureau's jurisdiction extends from the end of "state waters," typically three miles offshore, to the seaward extent of federal jurisdiction, typically 200 nautical miles offshore. This vast area encompasses more than 1.7 billion acres of submerged lands.

Headquartered in Washington D.C., BSEE's strength lies in coordination among six national programs, three regional offices (located in Anchorage, Camarillo (California), and New Orleans) and five Gulf Coast district offices. Staff in Sterling, Virginia, and research arms in Texas and New Jersey provide the Bureau and the energy industry with innovative solutions to address new technologies, safety issues, and new approaches to lessen the impacts of oil spills and other environmental concerns. The Bureau collaborates extensively with the U.S. Coast Guard and other federal agencies to make sure offshore risks are minimized or eliminated.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

N/A

Non-career SES:

Brian M. Salerno, Director

Kelly Kryc, Senior Advisor

Schedule C employees:

John Northington, Advisor to the Director

Career SES:

Margaret N. Schneider, Deputy Director, Chief Financial Officer

Scott Mabry, Associate Director for Administration

Doug Morris, Chief, Office of Offshore Regulatory Programs

Lars Herbst, Regional Director, Gulf of Mexico Region

Other senior career employees:

Mark Fesmire, Regional Director, Alaska and Pacific Region

David Fish, Chief, Environmental Compliance Division

Robert Fisher, Acting Chief, Safety Enforcement Division

Julie Fleming, Chief, Office of Congressional and International Affairs

Thomas Lillie, Chief of Staff

Molly Madden, Chief, Office of Policy and Analysis

Eric Modrow, Chief, Office of Budget

David Moore, Chief, Oil Spill Preparedness Division

Stacey Noem, Chief, Safety and Incident Investigations Division

Nicholas Pardi, Chief, Office of Public Affairs

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Budget Outlook – BSEE is primarily a regulatory, compliance and enforcement agency, yet two-thirds of its budget is supported by user fees of different types. BSEE's total budget is offset by revenue from rental receipts, cost recoveries, and inspection fees. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission. A long term solution(s) are needed to provide budget stability for the Bureau for FY18 and beyond.

Strategic Plan and Organizational Stability – BSEE is working to achieve organizational stability by setting out a clear strategic vision and identifying annual priorities for tactical implementation. The Bureau's strategic vision is outlined in its FY2016-2019 Strategic Plan, which provides a common foundation for decision making. BSEE operates under a National Program Manager (NPM) Model, and NPMs collaboratively develop national-level policy to provide a consistent national framework for operations. BSEE also works to achieve organizational accountability through development of a performance measurement framework, assessment of program-level and enterprise-level risks, and consistent internal reviews. As a young Bureau, maintaining organizational stability is critical to achieving mission.

Strategic investments in data system modernization and data driven risk based decision making –Information management and technology are ingrained in BSEE's mission, and the Bureau collects a significant amount of data to inform its decision making. BSEE has embarked on a multi-year strategy to enhance the collection, standardization, accuracy, and consistency of data, while providing an effective user interface with systems and data to drive decision making. These modernizations will also make reduce the burden on operators by making submission of applications for permits and other documents faster and more reliable. Also, BSEE must ensure that its data are properly protected against cyber threat. The Bureau also has established a strong data stewardship framework to better manage data and has consolidated IT delivery to better protect infrastructure and data. Sustained multi-year funding of this strategy will achieve long term benefits to both the Bureau and the regulated community.

Human Capital Challenges – To fulfill its oversight responsibilities, BSEE is dependent on a highly technical workforce. The Bureau competes with the industry it regulates for much of its workforce, and, in most cases, industry can and does pay higher salaries. BSEE is also facing potential high turnover related to retirements; 25% of the workforce is eligible for retirement over the next two years. BSEE has taken several steps to overcome these challenges, to include; permanent approval of special salary rates for critical job series, development of technical and leadership training programs for staff, leveraging workforce planning, and implementation of systems that allow BSEE to collect and analyze data to improve human capital processes. Consistent and focused attention on maintaining these human capital gains will be needed.

Implementation of recently promulgated safety enhancements for the Outer Continental Shelf (OCS) – BSEE issued three major final rulemakings in 2016 that improve OCS safety by upgrading regulatory requirements and increasing BSEE's ability to provide effective regulatory oversight. The Well Control Rule addresses recommendations arising out of Deepwater Horizon, increases reliability and performance of critical safety equipment, and assists in incident prevention through identification of leading indicators. The Production Safety Systems rule provides updated requirements for systems that protect personnel and the environment on production facilities, and the Arctic Rule addresses regulatory gaps with detailed requirements for unique issues related to Arctic exploratory drilling. Full implementation and compliance assurance programs are required to fully achieve the worker safety and environmental benefits that flow from these actions.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

FROM: Joseph G. Pizarchik, Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of Surface Mining Reclamation and Enforcement (OSMRE) is responsible for ensuring through a nationwide regulatory program, coal mining is conducted in a manner that protects society and the environment from the adverse effects of active mining, restores the land to beneficial use following mining, and mitigates the effects of past mining by aggressively pursuing reclamation of abandoned mine lands.

OSMRE is organized with headquarters in Washington, D.C., and three regional offices – Appalachian, Mid-Continent, and Western - each comprised of field and area offices. OSMRE is charged with carrying out the requirements of the Surface Mining Control and Reclamation Act (SMCRA) in cooperation with states and tribes. OSMRE oversees the states' regulatory and reclamation activities under federally-approved programs and provides the states and tribes technical assistance, technology development and training programs, and resources.

II. MANAGEMENT AND KEY PERSONNEL

PAS official:

Joseph G. Pizarchik, Director

Career SES:

Glenda H. Owens, Deputy Director

Other senior career employees:

Thomas Shope, Appalachian Regional Director

Sterling Rideout, Acting Mid-Continent Regional Director

David Berry, Western Regional Director

Sterling Rideout, Assistant Director, Program Support

Theodore Woronka, Assistant Director, Finance and Administration

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Rulemakings

A key OSMRE responsibility is the development of regulations to implement SMCRA. More than three decades have passed without the regulations being modernized to address new science, technology and knowledge. OSMRE is modernizing its regulations to address critical deficiencies, controversial issues and new technologies and scientific developments.

Stream Protection Rule: The stream protection rule is a comprehensive rule that more completely implements the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and strikes an improved balance between satisfying the Nation's need for coal as an essential energy source and protecting streams, fish, wildlife, and related environmental values from the adverse impacts of coal mining. The rule also modernizes the regulations governing the mining of coal and reclamation of mined lands to reflect advances in scientific knowledge and mining and reclamation techniques in the 30 or more years since the regulations were last updated.

Self-Bonding Rule: The goal of the rulemaking is to update our existing bonding regulations at 30 CFR Part 800 to ensure there are sufficient funds to complete all of the required reclamation in the mine reclamation plan if the regulatory authority has to perform the work in the event of forfeiture. In particular, we plan to revise our regulations to help state regulatory authorities make informed decisions about whether a self-bonding applicant is financially stable enough to qualify for a self-bond and ensure that the financial health of the self-bonded entity is monitored throughout the life of the permit.

Cost Recovery Rule: OSMRE is revising its regulations by replacing the previous permit fee requirements for permit applications for surface coal mining operations on lands for which we are the regulatory authority with a fee structure that will recover our costs for processing a broader range of permit applications and permit reviews. The final rule also requires that we assess fees for administration and enforcement of permits that we issue under the Surface Mining Control and Reclamation Act of 1977 (SMCRA), which includes routine mandatory inspections that we conduct of both permanent and initial regulatory program operations.

Coal Combustion Residues (CCR) Rule: We are proposing regulations on the permitting and performance standards for the placement of coal combustion residues (CCRs) on active mining sites and at Abandoned Mine Land (AML) projects using AML funds. Our proposed rule incorporates recommendations from a 2006 National Research Council (NRC) study of the health, safety, and environmental risks associated with the placement of CCRs in active and abandoned coal mines. The proposed rule also draws on exemplary provisions from state regulations and other requirements consistent with the legislative intent of the Surface Mining Control and Reclamation Act (SMCRA).

Program Issues

Tennessee Lands Unsuitable for Mining Petition: In October 2010, the State of Tennessee filed a Lands Unsuitable for Mining (LUM) petition with OSMRE requesting that OSMRE designate certain lands in the North Cumberland Wildlife Management Area (NCWMA) and the Emory River Tract Conservation Easement (ERTCE) as unsuitable for surface coal mining under Section 522 (a) of the Surface Mining Control and Reclamation Act (SMCRA). 30 U.S.C. §1272(a). Tennessee's unsuitability petition requested OSMRE to designate approximately 67,000 acres located on and around ridgelines of land managed for public use in the NCWMA and the ERTCE as unsuitable for surface coal mining operations as provided in SMCRA.

Abandoned Mine Land $90 Million Pilot Program: The Consolidated Appropriations Act, 2016 (Public Law 114-113) made funding available to OSMRE in the amount of $90 million for projects under an Abandoned Mine Land (AML) Pilot program. The AML Pilot program directs that grants of $30 million be provided to each of the three Appalachian States (Kentucky, Pennsylvania, and West Virginia) with the highest unfunded Priority 1 and Priority 2 AML sites. The goal of the AML Pilot is to accelerate the remediation of AML sites in conjunction with creating economic development opportunities and more jobs in communities adversely impacted by past coal mining activities.

OSMRE Policy Advisory on Self-Bonding: In August 2016, OSMRE's Director issued a Policy Advisory on Self-Bonding intended to provide guidance to state regulatory authorities on exercising their discretion on whether to allow self-bonding. The Policy Advisory was deemed necessary in light of current circumstances in the coal industry and the significant risks of allowing mine operators and permittees to self-bond. Since August 2015, several large coal mine operators have filed for Chapter 11 protection under the U.S. Bankruptcy code in the last several months. This raises questions about how companies in bankruptcy, with unsecured or non-collateralized self-bonds for reclamation, can meet their reclamation obligations.

Kentucky 733 Bonding: In May 2012, the OSMRE Director initiated a proceeding under 30 CFR Part 733 of OSMRE's Federal regulations against Kentucky regarding the State's bonding program under its coal mining regulatory program. The 733 action required the state regulatory agency to correct identified programmatic bonding deficiencies or face the possibility of OSMRE's substituting Federal regulation, in whole or in part, of the Kentucky surface mining program, including AML funding. In response, the State immediately implemented emergency regulations to raise the base bond amounts in their regulations and began development of the Kentucky Reclamation Guaranty Fund (KRGF). OSMRE continues to work with the State on remaining issues.

Failure to Initiate Mining Operations: Section 506(c) of SMCRA provides that coal mining operations that have not started within three years of permit issuance, shall terminate. 30 U.S.C. §1256(c). Two lawsuits were filed against the Department of the Interior (DOI) and OSMRE in 2013, one in Alaska and one in West Virginia, alleging OSMRE's failure to perform its non-discretionary duties under SMCRA to require automatic termination of a permit if a mining operation has not started within three years of permit issuance. The issue at the core of the two cases is whether under such circumstances the permits terminate automatically, as a matter of law, or whether regulatory action prior to termination is required.

Tribal Primacy Program: On December 20, 2006, the President signed into law the Tax Relief and Health Care Act of 2006, Public Law 109–432, which, among other things, granted Indian tribes the right to regulate surface coal mining and reclamation operations, in whole or in part, on reservation land under the jurisdiction of the Indian tribe under the Surface Mining Control and Reclamation Act. The Crow Nation (Crow) and Navajo Nation (Navajo) have notified OSMRE of their intent to seek tribal primacy to regulate surface coal mining and reclamation operations on their Indian reservations. OSMRE has cooperated with the Crow and the Navajo to assist them in preparing to seek tribal primacy, but they have not yet provided formal submittals.

Federal Mine Plan Decision Documents: OSMRE processes all requests for Federal coal mining plan decisions in the West pursuant to the Mineral Leasing Act of 1920 and SMCRA. The mining plan decision process assures that the coal supply essential to the Nation's energy requirements and to its economic and social well-being is provided, and that a balance is struck between meeting the Nation's need for coal as an essential source of energy and protecting society and the environment from the adverse effects of surface coal mining. OSMRE processed and approved four mining plan decisions in 2015; expects to complete the processing of five mining plan decisions in 2016; and five in 2017.

Revision to 1996 Biological Opinion: In 1996, the U.S. Fish and Wildlife Service (FWS) rendered a formal Section 7 Biological Opinion (BiOp) pursuant to the Endangered Species Act concluding that continuation and approval of surface coal mining and reclamation operations under State and Federal regulatory programs pursuant to SMCRA and implementing regulations is not likely to jeopardize the continued existence of any threatened, endangered, or proposed species or result in adverse modification of designated or proposed critical habitats. While the 1996 BiOp remains valid and in effect, legal challenges indicate that it will likely remain vulnerable to challenge until it is superseded by a new biological opinion or re-initiation is completed.

ASSISTANT SECRETARY – POLICY, MANAGEMENT AND BUDGET

FROM: Elizabeth Klein, Principal Deputy Assistant Secretary – Policy, Management and Budget

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of the Assistant Secretary – Policy, Management and Budget (AS-PMB) is responsible for providing overall policy direction, leadership, guidance, and assistance on a broad range of management and operational issues that directly affect the Interior Department's ability to fulfill its mission. The Assistant Secretary serves in a number of statutorily designated positions and is the agency's Chief Financial Officer, Chief Acquisition Officer, and Chief Performance Officer.

The AS-PMB plays a pivotal role in the stewardship of Interior's fiscal resources, leading budget formulation and execution as well as financial reporting and annual audit activities. The AS-PMB coordinates the development of the strategic plan and ensures Departmental compliance with legislative and regulatory requirements related to annual appropriations bills and Interior-wide functions such as performance, finance, environmental compliance, acquisition and property management, budget, general management, administration, civil rights, and equal access.

The AS-PMB advances management reforms among the bureaus and offices to ensure standardization and cohesion across the Department and maximize resource sharing. The Assistant Secretary promulgates policies, processes, and tools to operationalize priorities, leads the development of long-term strategies to optimize mission and administrative services, and empowers and supports bureau-level, regional and field-based reforms to improve service. In addition, AS-PMB is a service provider for the Interior Department for several administrative-oriented functions.

The AS-PMB plays an important role in cross cutting policy development and analysis. The Assistant Secretary guides programs requiring Departmental attention due to their international or national concern, budgetary significance, legislative requirements, precedent-setting nature, or issues crossing bureau or office lines. The Office also coordinates information, outreach, and the development of strategies to address major policy issues of importance to the Secretary, Office of Management and Budget, and Appropriations Committees.

The Department's workforce is large and geographically dispersed with over 350 different occupations due to the diversity of the Department's mission. An increasing number of Interior's employees are eligible to retire. The AS-PMB works closely with bureaus and offices on workforce planning and to develop and implement an inclusive workforce strategy that guides Department-wide efforts in creating a culture that respects employees, values quality of work life, and provides employees with the opportunity to reach their full potential.

Deputy Assistant Secretary - Budget, Finance, Performance and Acquisition (DAS-BFPA) is responsible for coordinating with the Appropriations Committees and the Office of Management and Budget, budget formulation and execution, financial management and accountability, acquisition and property management, implementation of the Financial and Business Management System, development of the strategic plan and performance management, and providing administrative support to the Director of the Office of Small and Disadvantaged Business Utilization, who reports to the Deputy Secretary.

Deputy Assistant Secretary – Technology, Information and Business Services (DAS-TIBS) oversees the Interior Business Center, a shared services provider for Interior and other Federal agencies, provides facilities and administrative support for the Main and South Interior buildings, oversees conflict management and dispute resolution services used throughout the Department, oversees the Office of Hearings and Appeals, and provides administrative support to the Chief Information Officer (CIO), who reports to the Secretary. The CIO is responsible for the Department's information management and technology, including cybersecurity.

Deputy Assistant Secretary – Human Capital and Diversity (DAS-HCD) is responsible for managing Department-wide human capital programs, ensuring employee training and development, promoting occupational health and safety, improving recruitment and retention of a diverse workforce, enriching employee wellness and engagement, and improving the Department's compliance with Equal Employment Opportunity requirements. The Deputy Assistant Secretary serves as the Chief Human Capital Officer and the Designated Agency Safety and Health Officer.

Deputy Assistant Secretary – Public Safety, Resource Protection and Emergency Services (DAS-PRE) is responsible for law enforcement, emergency management, wildland fire, aviation, and borderlands coordination, leading Departmental efforts to coordinate with the Department of Homeland Security on border activities impacting Interior equities, particularly installation of border infrastructure and law enforcement activities. The DAS-PRE leads the Department's efforts to plan for, prevent, protect against, and recover from natural disasters and human-caused incidents; and ensure employees, visitors, and residents are safe and secure.

Deputy Assistant Secretary – Policy and International Affairs (DAS-PIA) is responsible for environmental policy and compliance with major environmental laws, restoration of natural resources damaged by oil spills or hazardous substance releases, economic and environmental policy studies and analyses, improved communication and coordination for Department-wide international activities, coastal and oceans policy, Arctic issues, and climate change adaptation, and provides administrative support and guidance for activities related to Native Hawaiian relations, and invasive species management.

Deputy Assistant Secretary – Natural Resources Revenue Management (DAS-NRRM) manages the Office of Natural Resources Revenue (ONRR) and is responsible for collecting, disbursing, and verifying Federal and Indian energy and other natural resource revenues to States, Tribes, and Individual Indian Mineral Owners (IIMOs).

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:
Assistant Secretary, Vacant

Non-career SES:
Elizabeth Klein, Principal Deputy Assistant Secretary
DAS--PIA, Lori Faeth
DAS--NRRM, Paul Mussenden

Schedule C employees:
Senior Advisor, Katherine Currie
Staff Assistant, David McCoy

Career SES:
DAS--BFPA, Olivia B. Ferriter
DAS--TIBS, Elena Gonzalez
DAS--HCD, Mary Pletcher
DAS--PRE, Harry Humbert

Other senior career employees:
Chief of Staff, Amy Holley (SL)

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Budget. The AS-PMB formulates the Secretary's annual budget submission to OMB and develops Interior's portion of the President's budget. During this process, the AS-PMB recommends resource allocations to the Secretary, formulates strategies for new discretionary and mandatory proposals, promotes the President's and Secretary's priorities, and leads efforts to identify efficiencies and improved program delivery models.

Shared Services. DOI's Interior Business Center (IBC) is a federal shared service provider which performs financial, acquisition, and human capital services for DOI and for other Federal agencies on a fee for service basis. IBC's current projects include a financial systems modernization project at the Department of Homeland Security (DHS). Implementation of Oracle Federal Financials (OFF) E-Business Suite solution is underway for the customer components collectively referred to as the "Trio," which includes: the Domestic Nuclear Detection Office (DNDO), Transportation Security Administration (TSA), and U.S. Coast Guard (USCG). The Department expects the financial systems modernization effort to include additional DHS components, as well as other federal agencies, in subsequent years.

Cybersecurity. DOI's Information Technology (IT) assets are a target for entities interested in stealing, manipulating, or obstructing access to DOI's mission critical information. The Chief Information Officer is working in partnership with the Department's senior leadership and IT personnel in the bureaus and offices to improve our ability to manage the risk of cyber-attacks, while delivering the Department's mission. Threats to Federal IT systems increase in number and scope every year.

Equal Opportunity and Workplace Conduct. DOI is implementing several key initiatives to enhance our workplace culture. These initiatives include providing enterprise-wide tools and resources for employees who have experienced issues in the workplace, training for supervisors and managers on how to ensure a healthy and diverse work environment, and enhancing our processes and procedures for investigating reported incidents.

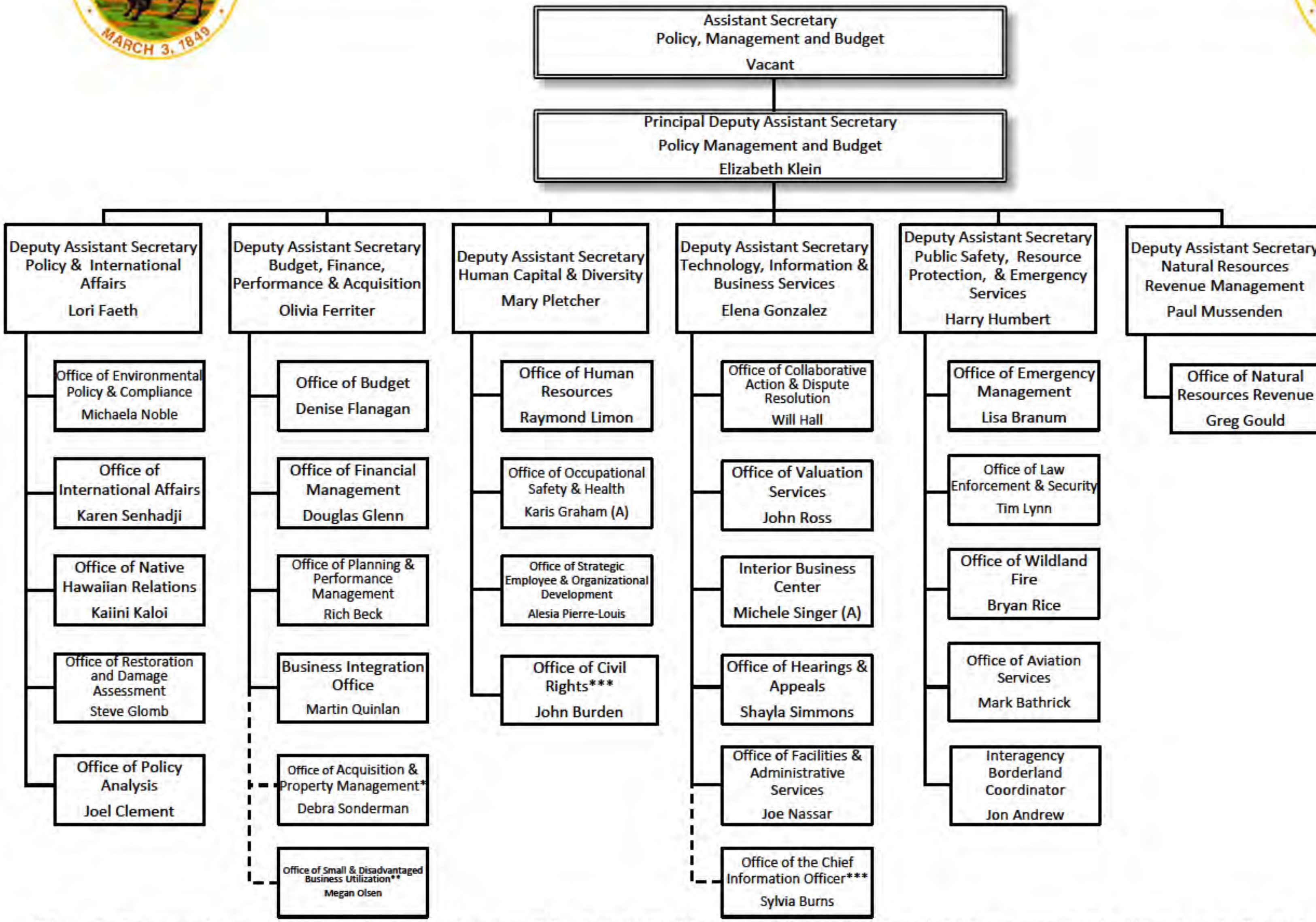
Wildland Fire. DOI and its Federal, tribal, state, and local wildland fire management partners annually respond to over 73,000 wildfires that burn more than 9 million acres across the U.S. Wildland fire poses challenges greater than one organization can solve alone. DOI has been working to align resource management objectives with the natural fire dynamics of the land in order to respond more effectively and efficiently to wildfire and help to promote fire-resilient landscapes. In its annual budget submissions, DOI has been proposing a legislative provision to establish a new framework for funding Fire Suppression Operations to provide stable funding, while minimizing the adverse impacts of fire transfers on other programs.

Facilities and Space Consolidation. DOI is working to improve its use of real property through targeted space reductions and disposal of unneeded real property, actively implementing the Office of Management and Budget's (OMB) Reduce the Footprint (RtF) directive. DOI is currently focusing on office space consolidation in three main geographic areas: the Denver Federal Center (DFC), the greater Washington, D.C., Maryland, and Virginia metropolitan area (DMV), and the National Interagency Fire Center (NIFC) in Boise, ID.

Small Business Utilization. AS-PMB provides administrative support to the Director of the Office of Small and Disadvantaged Business Utilization (OSDBU), who collaborates with leadership throughout the Department to maximize contracting opportunities for small businesses. OSDBU's mission also includes outreach to small and disadvantaged business communities, including Indian economic enterprises, businesses owned by women and veterans, and businesses located in historically underutilized business zones.

Strategic Plan and Agency Priority Goals. The Department-wide Strategic Plan must be updated within one year after the President's inauguration. The Strategic Plan reflects strategic Secretarial priorities using "Mission Areas" with corresponding goals, achieved through strategic objectives that describe how to realize those priorities, and measured using key performance indicators.

Assistant Secretary – Policy, Management and Budget



*The Senior Procurement Executive reports to the Assistant Secretary - PMB who is the Chief Acquisition Officer and receives administrative support and guidance from the Deputy Assistant Secretary - Budget, Finance, Performance and Acquisition.

**Reports to the Deputy Secretary with administrative support provided by the Deputy Assistant Secretary - Budget, Finance, Performance and Acquisition.

***Reports to the Secretary of the Interior and receives administrative support and guidance from the Assistant Secretary - PMB and Deputy Assistant Secretary -Human Capital and Diversity (Director, Office of Civil Rights); and Deputy Assistant Secretary – Technology, Information and Business Services (Chief Information Officer).

OFFICE OF THE SECRETARY / WATER AND SCIENCE

FROM: Tom Iseman
Principal Deputy Assistant Secretary – Water and Science

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of the Assistant Secretary – Water and Science (AS/WS) implements Interior policy and provides oversight for the projects and programs of the Bureau of Reclamation (Reclamation), U.S. Geological Survey (USGS), and the Central Utah Project Completion Act Office (CUPCA) for the purpose of accomplishing the agency missions and carrying out the priorities of the Secretary. Major objectives include maximizing the effectiveness of program operations of the three bureaus; coordination and leadership on water sustainability efforts; serving as Interior's focal point for national policy on water, hydropower, and science issues; leadership on water supply conflicts; assuring that program goals, which support Interior objectives, are identified and that results are measured against them; and ensuring appropriate consultation, communication, and coordination with all affected parties in program and policy development and implementation.

The AS/WS Office is staffed by the Assistant Secretary (PAS); two Deputies (political, SES); Counselor to the Assistant Secretary (political, GS-15); Chief of Staff (career, SL); and administrative support staff (career). See attached org chart. The Office also includes the CUPCA Program Director, located in Provo, UT (career, GS-15); and oversight of two Joint Tribal Liaisons (0.5 FTE each for 1 total) to the Glen Canyon Dam Adaptive Management Program, currently duty stationed in New Mexico and Arizona. Reclamation and USGS both house an advisor/special assistant in the AS/WS Office to facilitate interactions and communication between the bureaus and the AS/WS, and DOI's Urban Environmental Advisor reports to both the AS/WS and the AS/FWP.

II. MANAGEMENT AND KEY PERSONNEL

PAS Officials:
Vacant – Assistant Secretary for Water and Science

Non-career SES:
Tom Iseman, Principal Deputy Assistant Secretary
Camille Touton, Deputy Assistant Secretary
Vacant – Deputy Assistant Secretary

Schedule C employees:

Vacant – Counselor to the AS/WS

Career SES:
n/a

Other senior career employees:
Kerry Rae, Chief of Staff (SL)
Reed Murray, Program Director, Central Utah Project Completion Act Office

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE ISSUES

Colorado River
Implements the Secretary's role as Water Master for the lower Colorado River. Ensures implementation of the 1944 Colorado River Compact and associated management actions in the Colorado River basin including development of annual operating plans; development of Drought Contingency Plans; implementation of Shortage Criteria; implementation of the Glen Canyon Dam Adaptive Management Program; implementation of the joint MOU on the Salton Sea; and implementation of a Long-Term Experimental and Management Plan (LTEMP) for the operation of Glen Canyon Dam.

Glen Canyon Dam Adaptive Management Program (GCD AMP): The AS/WS is the Secretary's Designee to oversee the GCD AMP, and as such is Chair of the GCD Adaptive Management Work Group (GCD AMWG), the federal advisory committee formed to advise the Secretary on actions to improve resources below Glen Canyon Dam on the Colorado River. The AMWG consists of representatives from 23 federal agencies, states, tribes, environmental groups, recreation and power interests with very divergent views.

Central Utah Project Completion Act (CUPCA) Office
The CUPCA Office, located in Provo, UT, was established to ensure implementation of the CUPCA legislation (enacted in P.L. 102-575) and the Secretary's responsibilities, and reports to the AS/WS. The AS/WS carries out the responsibilities of the Secretary to implement CUPCA and manage the CUPCA Office. This includes preparation of budgets, management of personnel, and support for coordination with our implementation partners - the Central Utah Water Conservancy District and the Utah Reclamation Mitigation and Conservation Commission.

WaterSMART
Through the WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program, the Department provides leadership and assistance to water resource planners, states, tribes and local communities to address America's water challenges. WaterSMART focuses on assessing the use and availability of our nation's water supplies, conserving those supplies, increasing

water availability, restoring watersheds, and resolving longstanding water conflicts. The Program was established pursuant to Secretarial Order 3297, and is implemented pursuant to the WaterSMART Strategic Implementation Plan, which provides a framework for moving toward a sustainable water resources future. The AS/WS is the Program's primary policy lead, ensuring implementation through activities identified in key contributing Reclamation and USGS programs. From FY 2009 through FY 2015, Reclamation has reported in excess of 977,000 acre-feet of water savings toward DOI's Priority Goal. The first 3 Year Progress Report documenting WaterSMART accomplishments was published in 2013, and the second is expected to be published in October.

Advisory Committee on Water Information (ACWI)
The AS/WS chairs the ACWI, and actively engages the ACWI as a resource. The ACWI, through Interior, advises the Federal Government on coordination of Federal water information programs pursuant to OMB Memorandum M-92-01. The purpose of the ACWI is to represent the interests of water-information users and professionals in advising the Federal Government on activities and plans related to Federal water-information programs and the effectiveness of those programs in meeting the Nation's water-information needs. Recent examples of engagement of ACWI by AS/WS include a challenge to address water monitoring issues, review of the WaterSMART Implementation Plan, formation of a water and climate change subgroup, and development of an open water data pilot.

Renewable Energy-Hydropower
The AS/WS has been DOI's lead in implementing the March 2010 interagency MOU relating to hydropower issues with the Department of Energy and the Army Corps of Engineers and in supporting the Bureau of Reclamation's work on increasing hydropower generation at its existing facilities. A key responsibility of the AS/WS is to increase coordination within the Department and with other agencies, including FERC, regarding hydropower licensing and sustainable development opportunities; and including DOE with regard, for example, to DOI interests in their HydroVision initiative.

Landsat
The Landsat satellites serve a wide range of needs in Federal, State, and local government agencies. DOI bureaus rely on Landsat as a data source on wildfires, consumptive water use, land cover change, rangeland status, wildlife habitat, and other DOI responsibilities. Landsat 8 (the Landsat Data Continuity Mission, LDCM) launched in early 2013, and has a design life of five years. USGS and NASA are working toward a Congressionally mandated Landsat 9 launch in 2021. The AS/WS has actively championed efforts to operationalize the Landsat series of satellites, with regular, appropriately timed launches to avoid a data gap, to secure a reliable funding stream, and to evaluate new, innovative, and more cost-effective approaches to providing the types of data and imagery needed by Landsat users.

Drought

AS/WS engages Reclamation and USGS, and other DOI bureaus and offices as appropriate, in drought resiliency efforts. For example, the DAS/WS is the DOI representative to the National Drought Resilience Partnership (NDRP), which consists of seven Federal agencies coordinating to build long-term drought resilience. The Federal partnership was created to help communities better prepare for future droughts and reduce the impact of drought events on livelihoods and the economy by strengthening coordination of Federal drought policies and programs in support of state, tribal, and community efforts; by serving as a single Federal point of contact on drought resilience; and through leveraging the work of existing Federal investments.

Urban Waters Federal Partnership (UWFP)

While the Deputy Secretary is Interior's Principal, the DAS/WS has been the primary DOI representative to this multi-agency national team, and DOI's Urban Environmental Advisor reports jointly to the AS/WS and AS/FWP. The UWFP was initiated to set goals for and establish a national Urban Waters program, and meets weekly at headquarters to better coordinate with the 19 City project leads, and coordinates and leverages Federal funding and expertise to work with local communities to improve their waterways and promote their economic, environmental and social benefits. Fourteen Federal agencies currently participate in the Partnership in 19 formally designated Partnership locations across the country to revitalize urban waters and the communities that surround them.

Columbia River

AS/WS is engaged in ongoing policy and litigation issues in the Columbia River basin: 1) ongoing revision of the operating plan for the Federal Columbia River Power System (FCRPS), which was initiated in October 2016 and was driven in part by litigation; 2) Columbia River Treaty negotiations and Canadian transboundary issues; 3) litigation and Natural Resources Damage Assessment (NRDA) settlement discussions relating to Upper Columbia River/Lake Roosevelt (UCR/LR) contamination by Teck Resource, Ltd's (Teck) smelter in Trail, British Columbia.; and 4) the Yakima Integrated Plan and related efforts by stakeholders to advance the Plan.

Federal Geographic Data Committee

AS/WS is the Secretary's Designee to and co-chair of the Federal Geographic Data Committee (FGDC) with the Deputy Director for Management of OMB. The FGDC is an organized structure of Federal geospatial professionals and constituents that provide executive, managerial, and advisory direction and oversight for geospatial decisions and initiatives across the Federal government. AS/WS and OMB Deputy Director co-chair the FGDC Steering Committee, which is the policy-level interagency group that provides executive leadership for the coordination of Federal geospatial activities between, among, and within agencies. The AS/WS also actively engages with the National Geospatial Advisory Committee, the federal advisory committee that provides advice and recommendations on geospatial policy and management issues, and consists of members from all levels of government, the private sector, and academia.

Open Water Data

The Open Water Data Initiative (OWDI) is the process of taking Federal water data sets and making them publicly interoperable or machine readable, to allow for use with other data sets. AS/WS is the lead for DOI for OWDI, and is sponsored jointly by ACWI and FGDC. Deliverables have included the California Water Drought Visualization and the Colorado River Drought Visualization. Next steps include the support and development of a drought decision support system, the release of the WaterSMART web visualization, and the release of Reclamation's Reservoir data set.

Chesapeake Bay - Federal Leadership Committee

Executive Order 12508 tasked a team of Federal agencies with creating an action plan for protecting and restoring the Chesapeake Bay watershed. The team—the Federal Leadership Committee, composed of representatives from multiple Federal agencies—produces annual action plans and identifies lead agencies for each activity. The DAS/WS and DAS/FWP are the DOI co-leads.

Hypoxia

The DAS/WS is DOI's designee to the Mississippi River Gulf of Mexico Watershed Nutrient Task Force, which is made up of Federal and state agencies that are committed to the long term goals of reducing the size and impact of the Gulf of Mexico hypoxic zone ("dead zone"), and improving water quality in the Mississippi River Basin.

Infrastructure Financing

Given the significant ongoing commitments to maintenance, repair and rehabilitation of Reclamation's major water infrastructure, AS/WS has been a proponent of innovative finance strategies in the Department of the Interior. AS/WS has played a lead role in the establishment of the Department's Natural Resource Investment Center and has worked with Congress, OMB, water users and the finance and philanthropy communities to find new partnerships to invest in water resources.

BUREAU OF RECLAMATION

FROM: Estevan Lopez, Commissioner

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

Objectives. The mission of the Bureau of Reclamation (Reclamation) is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. During the past four years, Reclamation has targeted investments to efficiently manage water, create and sustain jobs, restore aquatic ecosystems; weather the impact of drought and strengthen the Nation's infrastructure. To accomplish its goals, Reclamation, directly or through assistance to others, applies management, engineering, and scientific skills to achieve comprehensive solutions to water and related resources issues and problems. This requires close cooperation with the states; local governments; other Federal agencies throughout the 17 contiguous Western States; Hawaii; the U.S. Territories of American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands; and nationwide, where authorized, by enabling legislation or delegation. Reclamation projects (which includes more than 600 dams and reservoirs, 58 powerplants and thousands of miles of-canals and pipelines) provide for some or all of the following purposes: irrigation, municipal, rural, and industrial water supplies; hydroelectric power generation; water quality protection and improvement; wetlands· management and enhancement; river and ground water basin management; fish and wildlife conservation and enhancement; outdoor recreation; flood control; navigation; river regulation and control; desalination; system optimization; conservation and related uses. Through contractual agreements with project beneficiaries, Reclamation arranges for repayment to the government, or cost share, of reimbursable costs incurred in the construction, operation and maintenance of water resource projects.

General Organization. The Bureau of Reclamation is headed by a Commissioner, who is appointed by the President and confirmed by the Senate. The Commissioner, Chief of Staff, and three Deputy Commissioners comprise the immediate office of the Commissioner. All organizations report to one of three Deputy Commissioners: the Deputy Commissioner of Operations, the Deputy Commissioner of External and Intergovernmental Affairs, or the Deputy Commissioner of Policy, Administration, and Budget. Headquarters functions are primarily carried out by offices located in Washington, DC, and Denver, CO (see attached organization chart). Activities outside Washington, DC, are generally confined to the 17 Western States. Work is also performed in other states and foreign countries on a case-by-case basis, as requested, and authorized. Reclamation currently has four political appointees, all located in the Washington, DC, office. These are the Commissioner, Deputy Commissioner for External and Intergovernmental Affairs; Chief, Office of Congressional and Legislative Affairs and the

Special Assistant, who reports to the Deputy Commissioner for External and Intergovernmental Affairs.

Field Structure. The 17 Western States that constitute the boundaries of Reclamation's jurisdiction for the water projects it manages is divided among five regions. Each is headed by a Regional Director, who reports to the Deputy Commissioner of Operations. The regions cover geographic areas defined as drainage basins and include states that border and/or lie within a geographically defined drainage basin (see attached map). Individual Reclamation Projects and specific activities are overseen by Area Managers who report to Regional Directors and provide project and water resources management services within these geographically defined areas in the Western States. Specialized offices also report to regional offices and generally perform construction and field power operations.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:
Estevan Lopez, Commissioner

Non-career SES:
Dionne Thompson, Deputy Commissioner – External and Intergovernmental Affairs

Schedule C employees:
Ann Adler, Chief – Congressional Affairs
Jessica Munoz, Special Assistant

Career SES:
David Palumbo – Deputy Commissioner of Operations
Grayford Payne – Deputy Commissioner of Policy, Administration, and Budget
Robert Wolf – Director, Program and Budget
Lorri Lee – Pacific-Northwest Regional Director
David Murillo – Mid-Pacific Regional Director
Terry Fulp – Lower Colorado Regional Director
Brent Rhees – Upper Colorado Regional Director
Mike Ryan – Great Plains Regional Director
Tom Lubke – Director, Technical Service Center
Elizabeth Harrison – Director, Management Services Office
Bruce Muller – Director, Security, Safety and Law Enforcement
Kara Smiley – Director, Information Resources
Roseann Gonzales – Director, Policy and Administration
David Raff – Science Advisor (SL)
Brian Becker – Senior Advisor DSO/DEC (SL)
Vacant – Senior Advisor, Hydropower (SL)

Other senior career employees:
James Hess, Chief of Staff
Daniel DuBray, Chief – Public Affairs
Mathew Duchene – Native American and International Affairs
Beth Hughes-Brown – Deputy Director, Program and Budget

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

California WaterFix (CWF) -- is a proposal to stabilize the CA Delta Ecosystem while protecting the reliability of the water supply to the water users who depend on it. As configured, the current proposal will construct three new intakes (3,000 cfs/each) along the Sacramento River in the north Delta and two 40-foot-wide underground pipelines to convey water to the existing State Water Project and Central Valley Project facilities. The north Delta intakes would be operated with the existing south Delta pumping facilities as a "dual conveyance system," providing operational flexibility. Planning for CWF began in 2006, with the original concept of a habitat conservation plan known as the Bay Delta Conservation Plan. In early 2015, a new preferred alternative, known as CWF, emerged, which focuses on conveyance and does not include an HCP. Endangered Species Act and NEPA compliance for CWF is underway.

Colorado River – The Secretary of the Interior serves as the Water Master for the Colorado River. Consequently, the Department, and more specifically Reclamation, plays a critical role in the management of the Colorado River. In November 2012, the U.S. and Mexico entered into a five-year agreement (referred to as "Minute 319") under the 1944 Water Treaty that provides for several water management actions through 2017. These actions include sharing in both shortages and surpluses on the river, water for the environment, and U.S. investment in binational projects that help Mexico improve their water delivery infrastructure and efficiency in exchange for a portion of the conserved water. Negotiations are ongoing for a longer-term agreement (through 2026) that, using many of the same proactive water management actions as implemented under Minute 319, would provide both nations additional security in the face of historic drought and anticipated impacts of climate change.

Since June 2013, Reclamation, along with the Lower Basin States, and key water agencies have also been engaged in multi-party discussions to identify voluntary actions to protect critical reservoir elevations in Lake Mead should drought conditions continue and worsen. The envisioned "drought contingency plan" would implement additional reductions in water deliveries (over and above the reductions under the 2007 Interim Guidelines) and result in additional water being retained in Lake Mead. The agreement is envisioned to extend through 2026, the same timeframe as the Interim Guidelines.

Texas v. New Mexico Negotiations for Rio Grande Project Operations – On August 8, 2011, the State of New Mexico filed a complaint against the Bureau of Reclamation over Rio Grande Project water allocations and accounting. New Mexico seeks to void the Rio Grande Project Operating Agreement signed by Reclamation, the Elephant Butte Irrigation District, and El Paso

County Water Improvement District #1 in 2008. On January 8, 2013, the State of Texas filed a complaint stating concern that New Mexico's ongoing litigation could impact water deliveries to Texas, as required by the 1938 Rio Grande Compact, and operation of the Project by the United States. Negotiations to reach a resolution are at a tense and critical juncture that if successful could resolve a set of complicated and legal issues before they get too far along in the Supreme Court process. To delay could result in many more years of litigation and conflict in the operations and management of this Project.

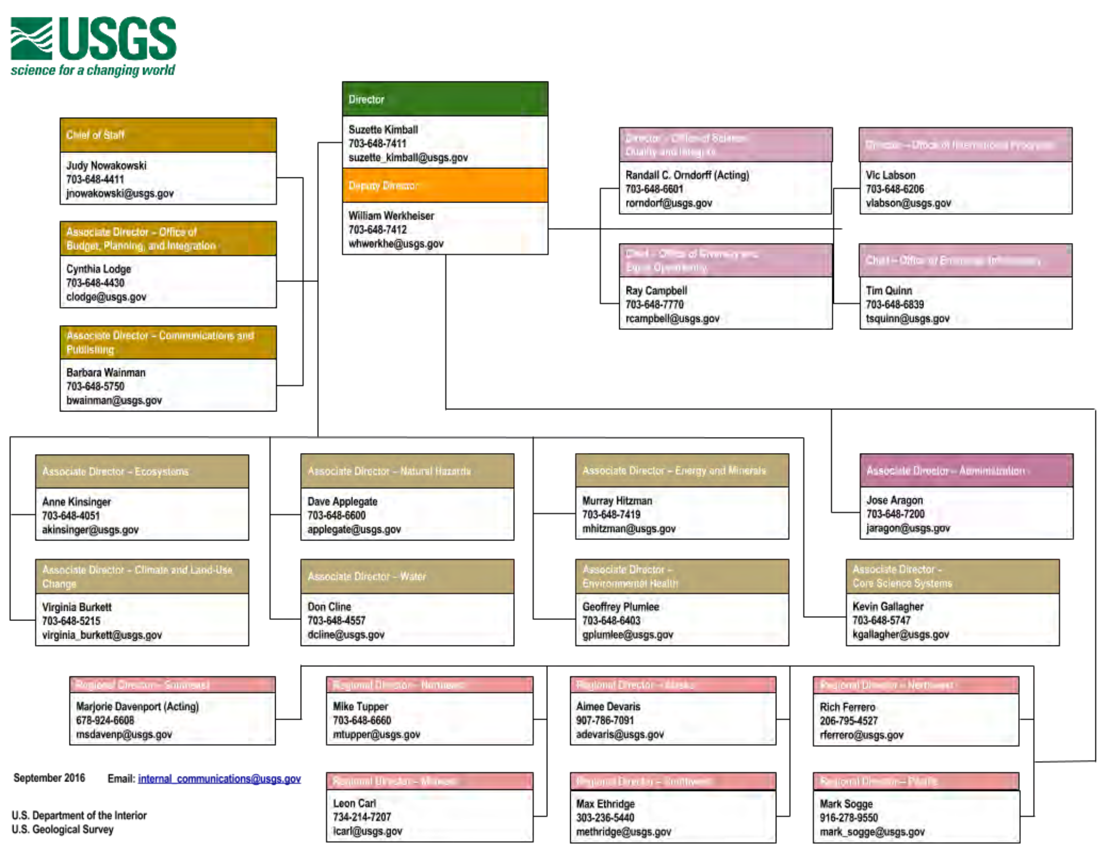
U.S. Geological Survey

FROM: **William Werkheiser, Deputy Director**
whwerkhe@usgs.gov
703-648-7412 (O) | 717-571-8970 (C)

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The USGS provides impartial scientific information on the status of natural resources such as water, energy, and minerals, on the health of the Nation's ecosystems and environment, on methods to reduce vulnerability to natural hazards, on the impacts of climate and land-use change, and on core science systems such as mapping and basic databases that provide timely, relevant, and useable information. The USGS has statutory responsibility under the Stafford Act to issue warnings for earthquakes, volcanic eruptions, landslides, and other geologic catastrophes. Established in 1879, the USGS is the Nation's largest natural science agency, employing nearly 9,000 scientists, technicians, and support staff in approximately 400 locations throughout the United States. USGS science helps resource managers, planners, and other customers address complex natural resources issues facing the Nation.



II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Dr. Suzette M. Kimball, Director

Non-career SES:

N/A

Schedule C employees:

N/A

Career SES:

William H. Werkheiser, Deputy Director
David Applegate, Associate Director for Natural Hazards
Virginia Burkett, Associate Director for Climate and Land Use
Donald Cline, Associate Director for Water
Kevin Gallagher, Associate Director for Core Science Systems
Murray Hitzman, Associate Director for Energy and Minerals
Anne Kinsinger, Associate Director for Ecosystems
Aimee Devaris, Regional Director - Alaska
Max Ethridge, Regional Director - Southwest Region
Richard Ferrero, Regional Director - Northwest Region
Leon Carl, Regional Director - Eastern Region
Mark Sogge, Regional Director - Pacific Region
Michael Tupper, Regional Director - Northeast Region
Jose Aragon, Associate Director for Administration
Barbara Wainman, Associate Director, Office of Communications and Publishing
Cynthia Lodge, Associate Director, Office of Budget
Francis Kelly, Director, EROS Center & Policy Advisor

Other senior career employees:

Judy Nowakowski, Chief of Staff
Geoffrey Plumee, Associate Director for Environmental Health
Timothy Quinn, Chief, Office of Enterprise Information (OEI)
Victor Labson Senior Science Advisor for International Programs

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

The USGS has a budget structure organized into seven science missions areas and two administrative areas. A list of key science projects to support policy and management decisions is given below.

Ecosystems:

- Deliver landscape-scale research, tools and technologies to support management and restoration of priority ecosystems: Sage-brush Biome; California Bay-Delta; Columbia River; Puget Sound; Arctic; Everglades; Chesapeake Bay.
- Research into the cause and mitigation of environmental and anthropogenic stressors that potentially impact the health and reproduction capacity of species of management concern.
- Understand, monitor and provide predictive and forecasting capabilities for the ecological effects of and recovery from extreme events such as fire, drought and storms.
- Assess impacts of wind, solar and other energy development on fish and wildlife, and develop tools and technologies to assist in the siting of projects.
- Develop early detection, rapid response, monitoring and control tools for invasive species that cause significant ecological or economic impact.
- Conduct research on the ecology of wildlife disease and development of surveillance, control, and risk assessment tools

Climate and Land Use Change:

- Assess technically recoverable hydrocarbon resources resulting from CO_2 injection and storage through CO_2-enhanced oil recovery, including an assessment of environmental risks (with the Energy and Minerals Mission Area)
- Characterize long-term patterns and impacts of drought and hydrologic variability on a national scale to improve and validate model projections
- Meet critical milestones for Landsat 9 ground segment development to keep pace with NASA's space segment development leading to the operationally-required and Congressionally-directed 2020 launch
- Operate the National Satellite Land Remote Sensing Data Archive and provide tens of millions of new products every year to over a hundred thousand users across the Nation and around the world
- Provide national security space system geospatial data to support natural hazard warning and response; leverage Civil Applications Committee to improve Federal civil agency access to commercial satellite data

Energy and Minerals:

- Conduct national and international assessments of energy sources including conventional and unconventional oil and gas, geothermal, gas hydrate, and uranium
- Conduct national and international assessments of mineral commodities
- Develop new geological models for the formation and location of different energy and mineral resources as well as characterize environmental and societal impacts of resource development
- Produce and make available information on domestic and international supply and demand for essential non-fuel mineral commodities
- Characterize mineral criticality (supply risk, production growth, and price volatility) and develop predictive tools to forecast potential mineral criticality

Environmental Health:

- Investigate natural and human sources (geologic sources, disasters, releases, spills)
- Determine natural and current baseline levels in the environment
- Measure, map, and model transport and fate in water, soil, air, and vegetation
- Assess exposures, uptake, and health effects on aquatic and terrestrial organisms
- Determine human exposures, and collaborate with health scientists to understand human uptake and health implications
- Examine linkages between infectious diseases, chemical contaminants, and health effects

Natural Hazards:

- Provide rapid alerts, warnings, and impact assessments to emergency managers and the public for improved situational awareness of earthquakes, volcanoes, landslides, and coastal storm erosion hazards. Provide assessments of debris-flow potential after major wildfires to support land and emergency managers.
- Deliver hazard assessments to enable policymakers to plan for a safer, more resilient society; prepare multi-hazard scenarios to help make risks real enough to spur community action to address them.
- Monitor national and global seismic activity for reporting on natural and human-induced earthquakes and underground nuclear explosions. Monitor volcanic activity and forecast eruption impacts, including forecasts to help pilots avoid dangerous volcanic ash clouds.
- Deliver monitoring and mapping data that enables National Oceanic and Atmospheric Administration tsunami, flood, geomagnetic storm, and severe weather warnings.
- Provide forecasts and assessments of coastal vulnerability to storms, erosion, and sea-level rise to improve community, ecosystem, and economic resilience. Provide

marine geologic research and maps for management of marine resources and assessment of hazard and resource potential.

Water Resources:

- Assess the quantity and quality of the Nation's water resources, identifies long-term trends in water quality and availability; and develops the basis for improved prediction the quality and availability of water for economic, energy production, and environmental uses.
- Assess the nation's groundwater resources for its suitability as a source of drinking water.
- Operate and maintain national water monitoring networks consisting of 8100 streamgages, 1600 water quality stations, 1,400 groundwater observation wells.
- Manage and disseminate observed hydrologic data and information in real-time and over the long-term to support water resource management and emergency management.
- Advance water science to support human well-being and aid in the resolution of National, State and regional water problems.

Core Science Systems:

- Mapping the Nation by providing the geospatial baseline data for topography, natural landscape, and built environment, including Alaska Mapping, and high-resolution elevation (3DEP) and hydrography datasets.
- Coordinate and rapidly deliver geospatial information for emergency responders and land and resource managers before, during, and after natural disasters and other emergency events.
- Conduct geological research and surveys for the Nation and prepare geologic maps that provide critical information on fault geology, sinkholes, landslide-prone areas, and mineral, water and energy resource locations.
- Provide nationwide biological analytics on species occurrence and protected areas through maps, data, high performance computing and decision support tools that enable data-driven science.
- Inventory and preserve geological and geophysical data collections to provide a framework for geoscience data and information sharing.

Other USGS Issues:

F**acilities**

USGS research activities are supported by critical facilities infrastructure that provides essential capabilities for advanced research. Approximately 60 percent of USGS owned buildings require a significant investment to modernize the infrastructure to continue to produce world-class science. The current needs total more than $350.0 million. The USGS does not have a funding source for its modernization needs and is also facing a $95.0 million backlog in deferred maintenance.

Tribal Consultation

USGS initiated two aerial surveys over tribal lands and lands where Tribes have reserved rights in the upper Midwest without prior tribal consultation. Toward remedying the error, USGS has: 1) invited the 12 Tribes involved to consult, 2) entered into consultations with two of the three Tribes that have requested it (consultation with the third Tribe is tentatively scheduled to begin in late November), 3) directed leadership to redouble efforts to ensure broad compliance with the DOI Tribal Consultation (TC) policy, and 4) initiated a joint effort with Tribes to develop a USGS/Tribal Engagement Strategy for the Upper Great Lakes area. In addition, USGS is preparing enhanced and expanded DOI TC Policy implementation guidance for USGS employees.

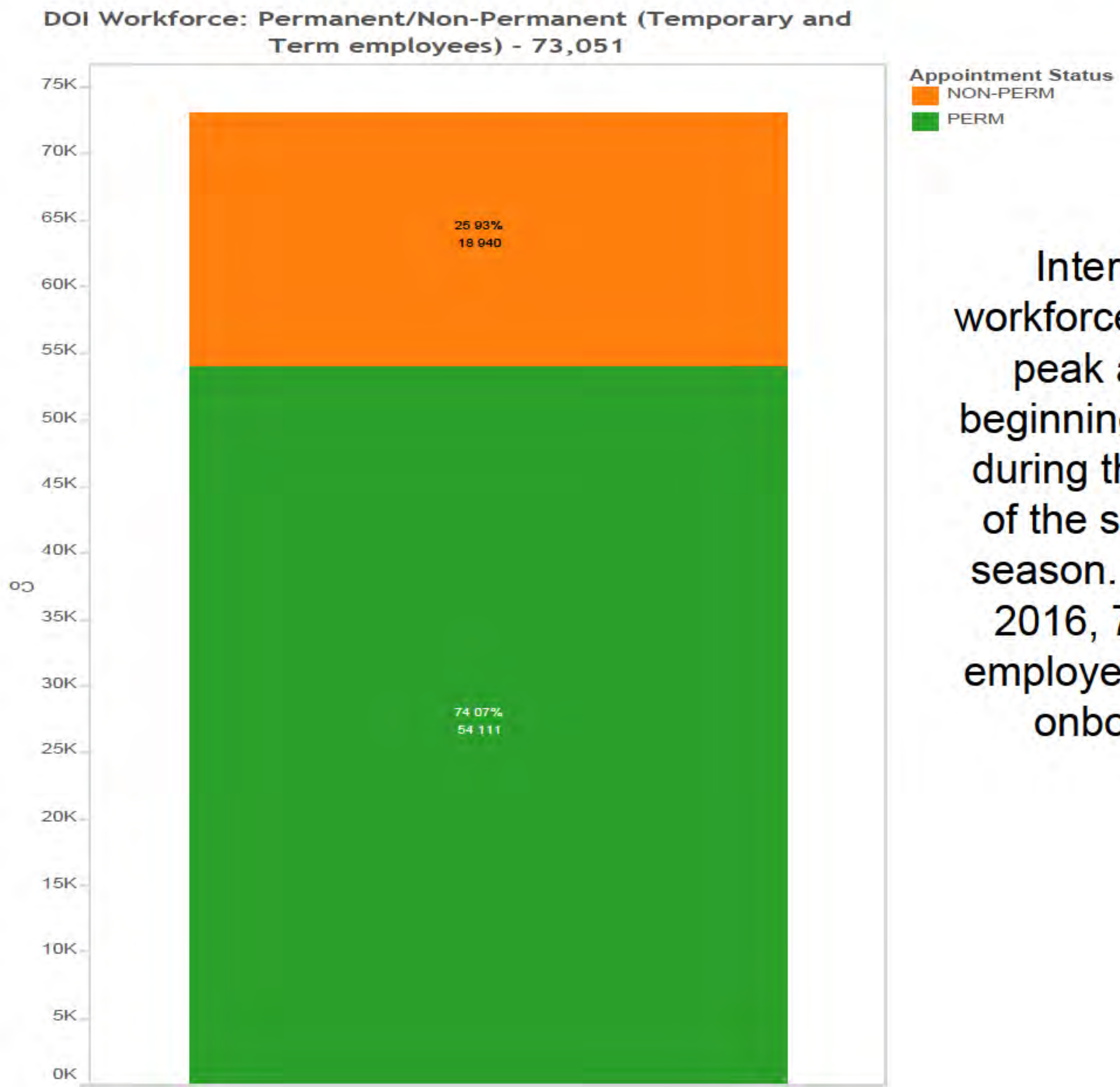
Scientific Integrity Incidents

There have been two separate, but similar, incidents of data manipulation at the Inorganic Section of the Energy Geochemistry Lab (EGL) in Denver, CO. The second incident, which USGS self-reported to the Office of the Inspector General, ultimately resulted in the closure of the Inorganic Section of the EGL (March 2016). Congressional interest in this incident has continued to increase since the release of the IG report (June 2016) and USGS is expecting a detailed document request from the House Natural Resources (HNR) Oversight Subcommittee in addition to existing media FOIA requests. The IG Report included a single recommendation, to complete notification to stakeholders of the scientific integrity issue, and that has been done.

U.S. Department of the Interior

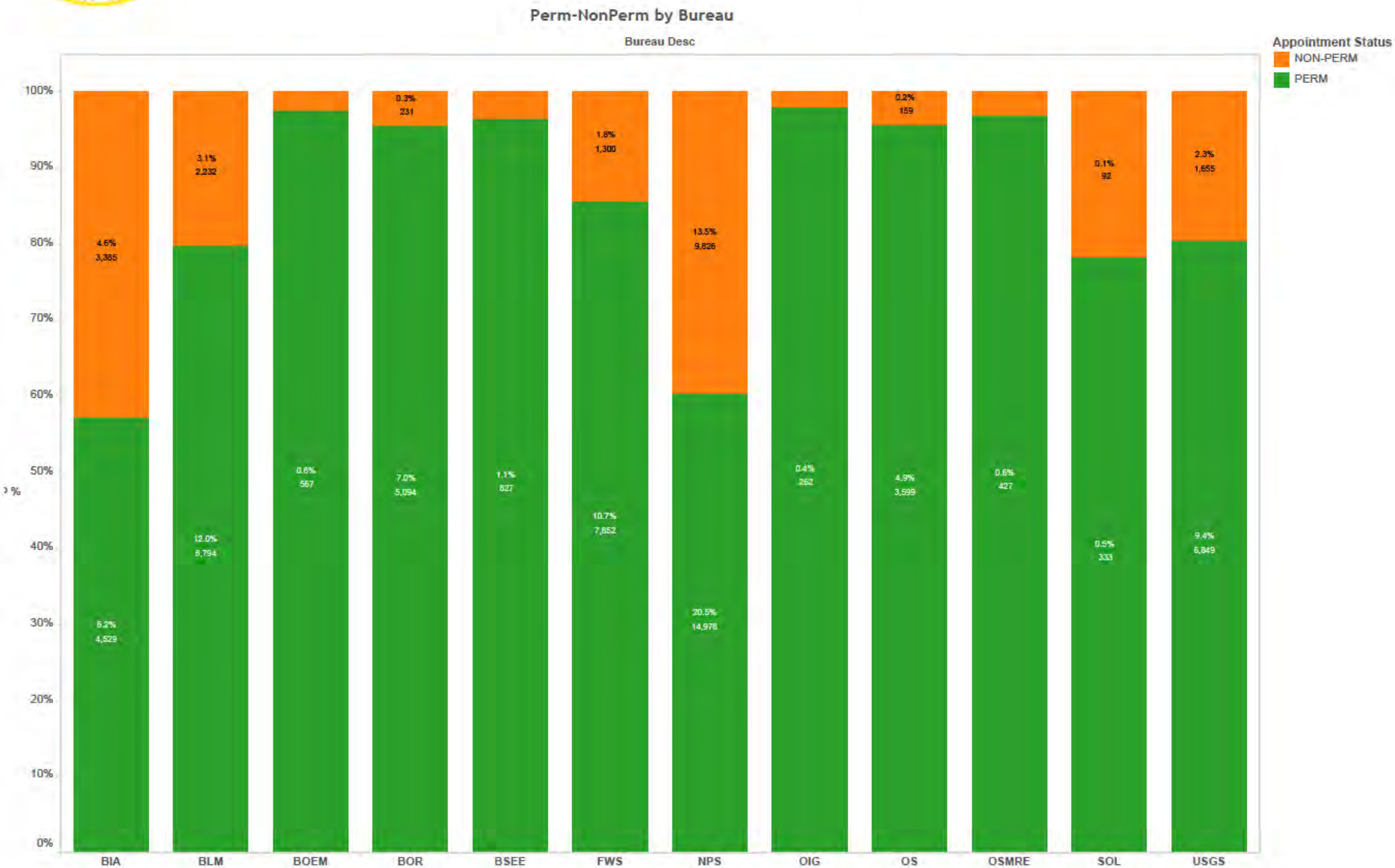
Interior's Workforce at a Glance
(as of July 2016)

U.S. Department of the Interior

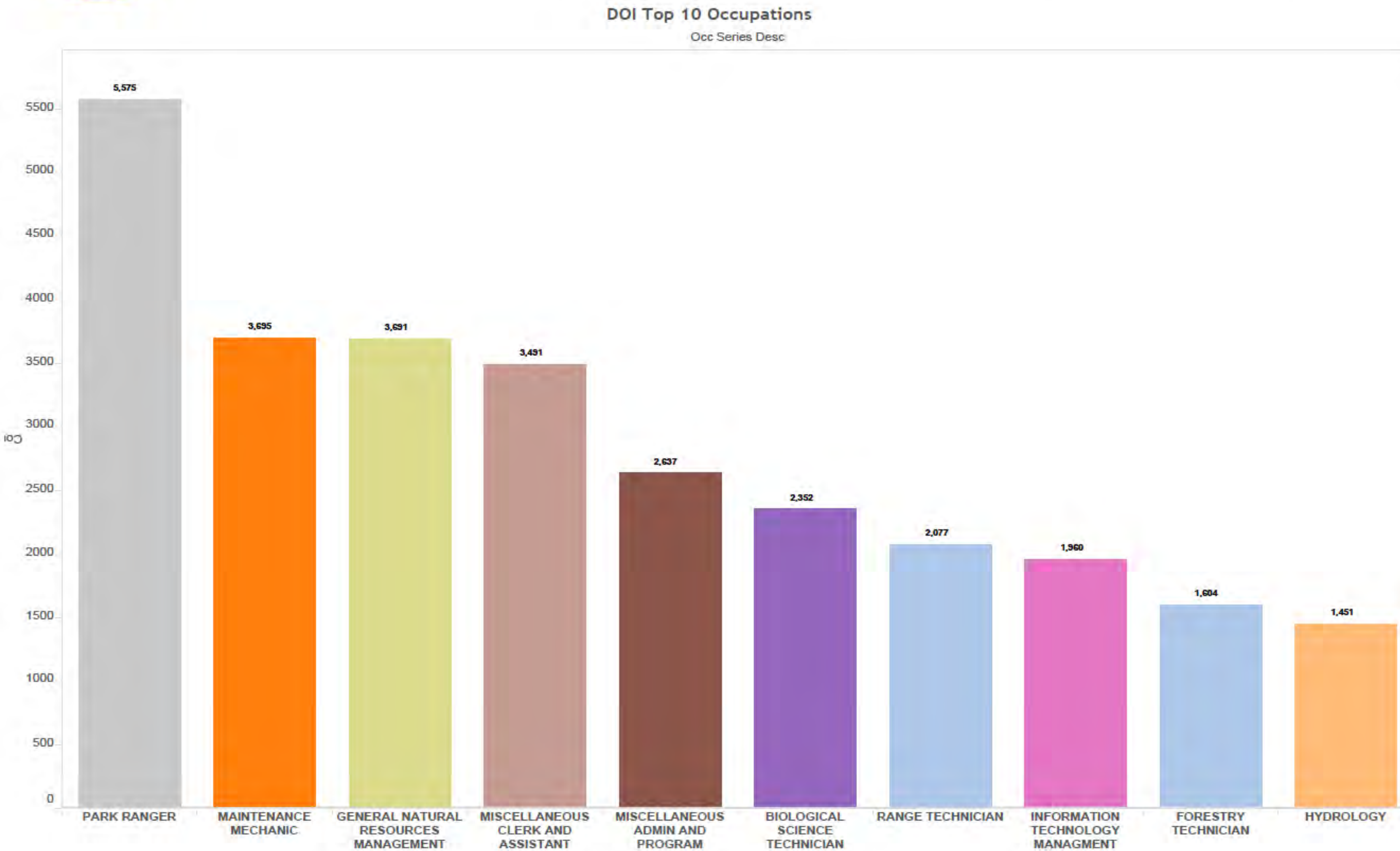


Interior's workforce is at its peak at the beginning of July during the peak of the summer season. In July 2016, 73,000 employees were onboard.

BIA, BLM, FWS, NPS and USGS have a significant non-permanent workforce.

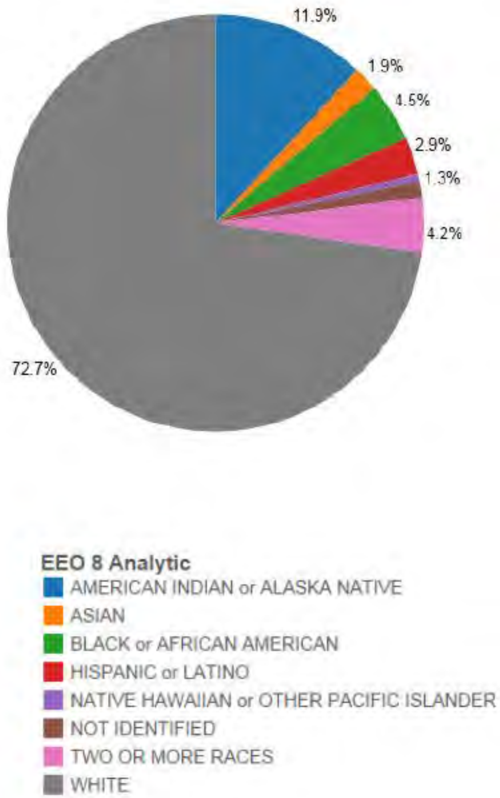


Because Interior has a diverse mission, there are over 330 occupations. The chart below shows the top 10 occupations.

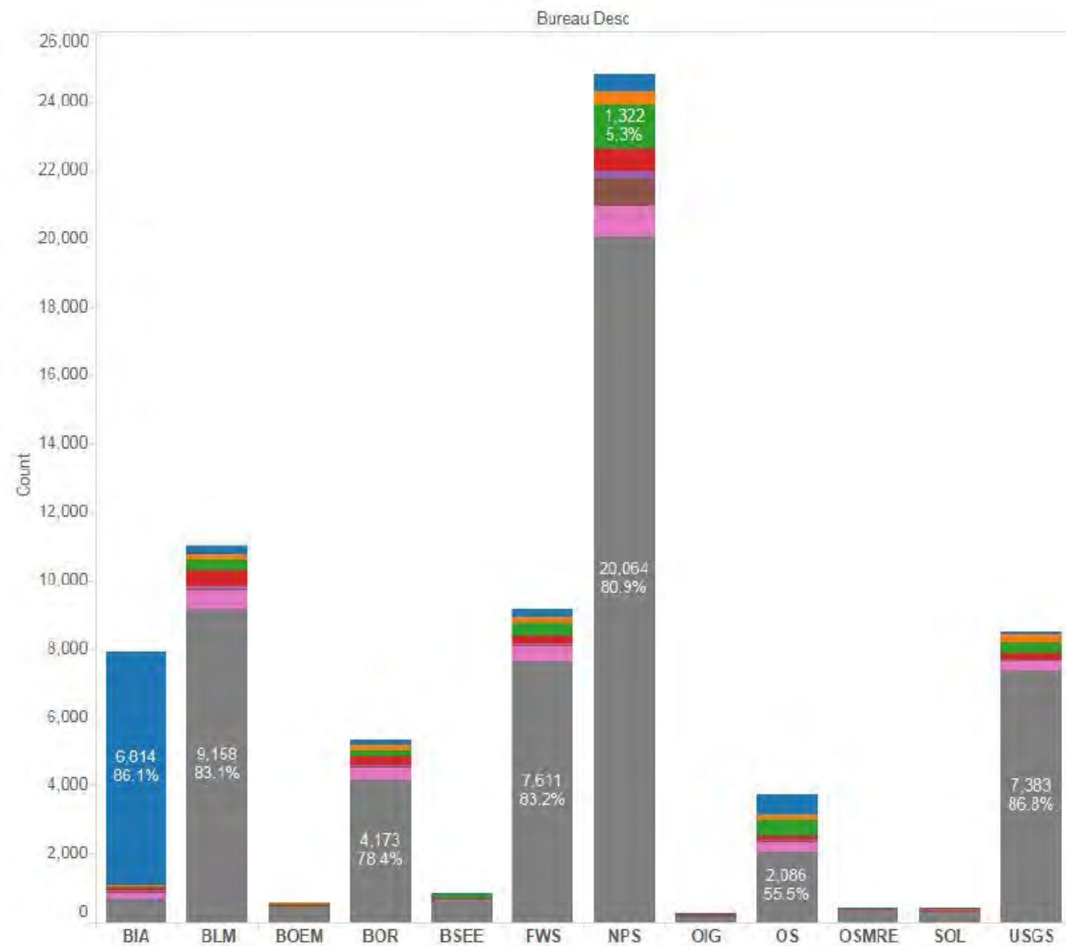


72.7% of Interior's employees identify as white. 11.9% of Interior's employees identify as American Indian or Alaska Native.

All Department of the Interior

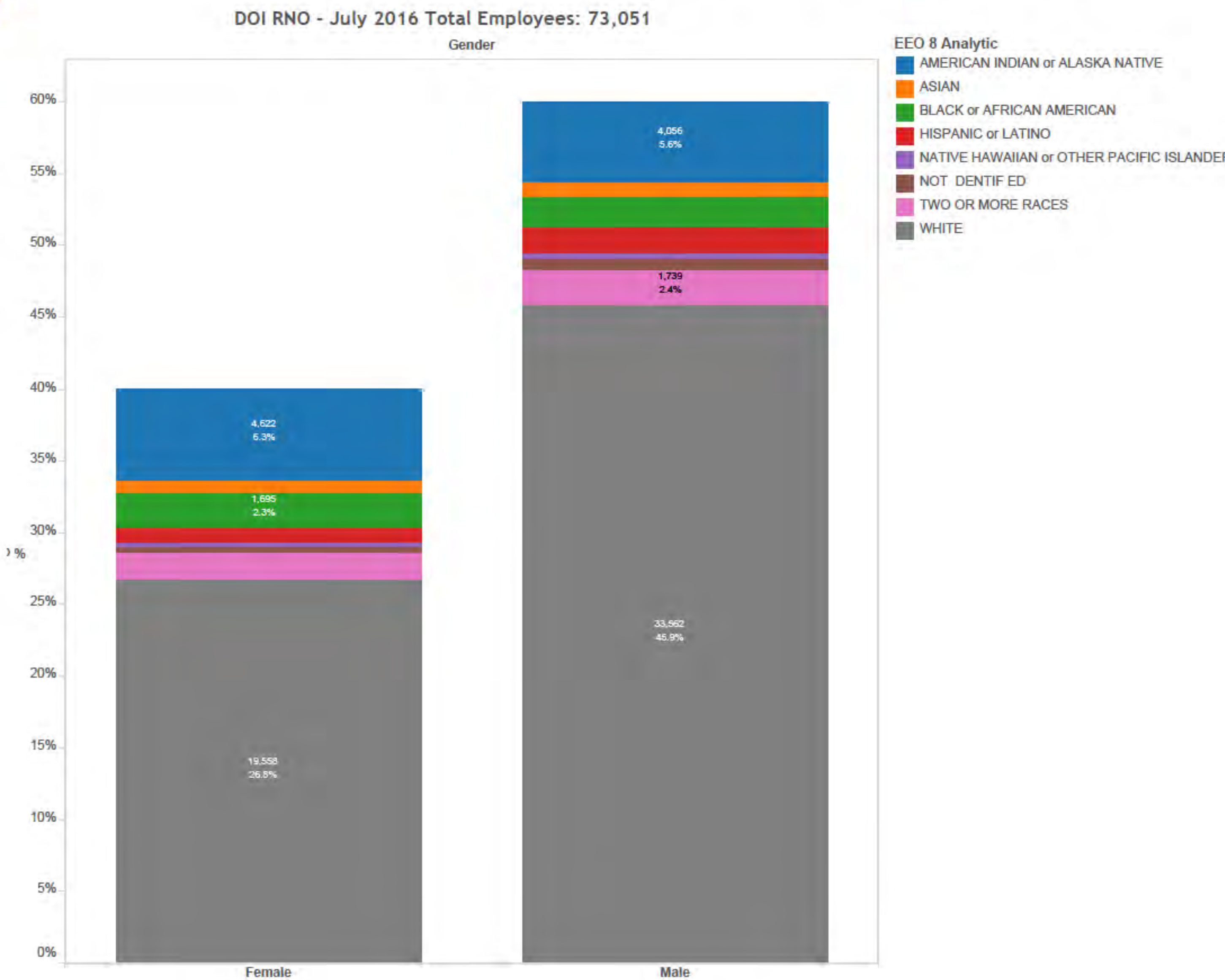


Bureaus

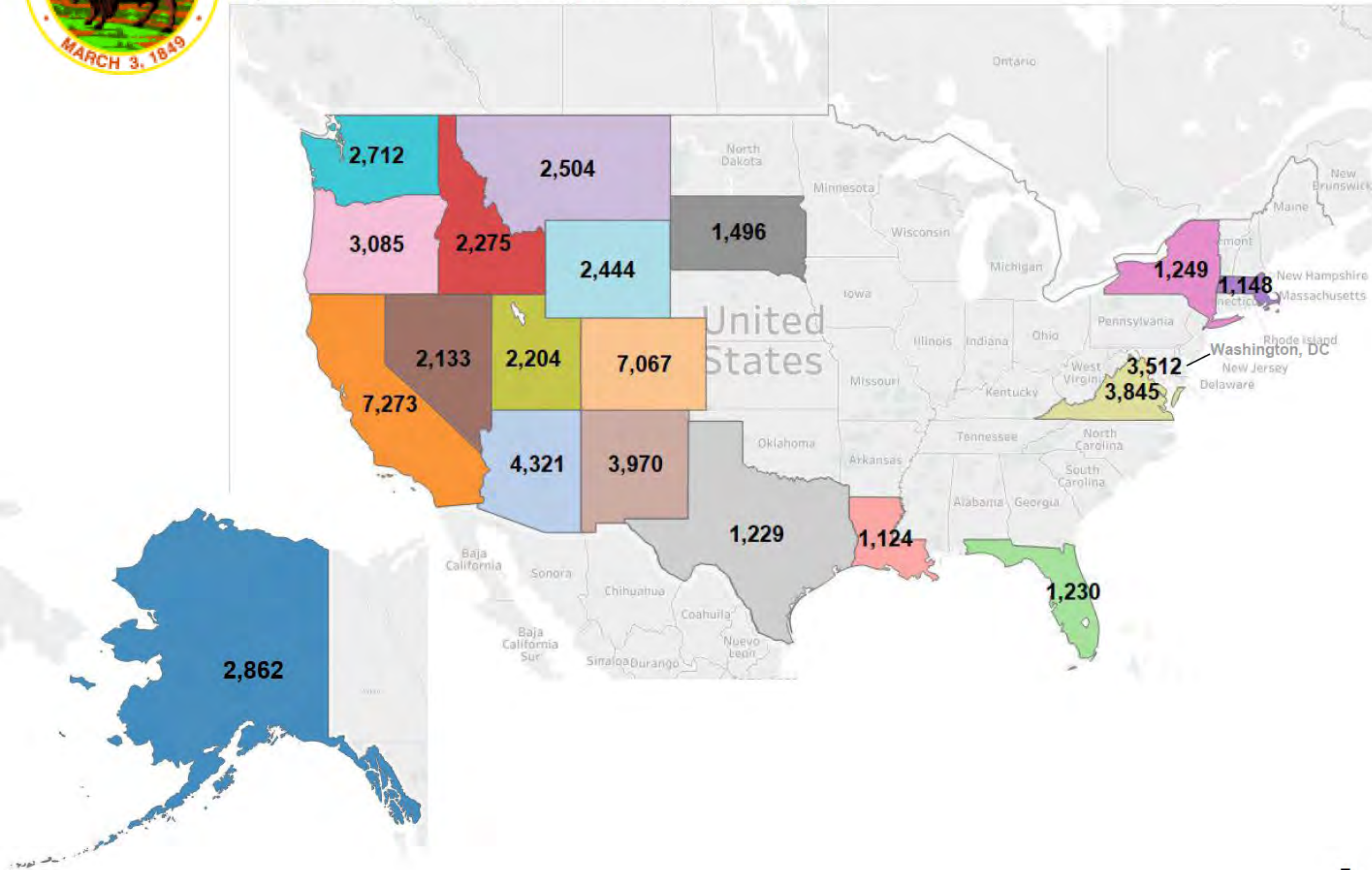


U.S. Department of the Interior

Approximately 40% of Interior's workforce is female.

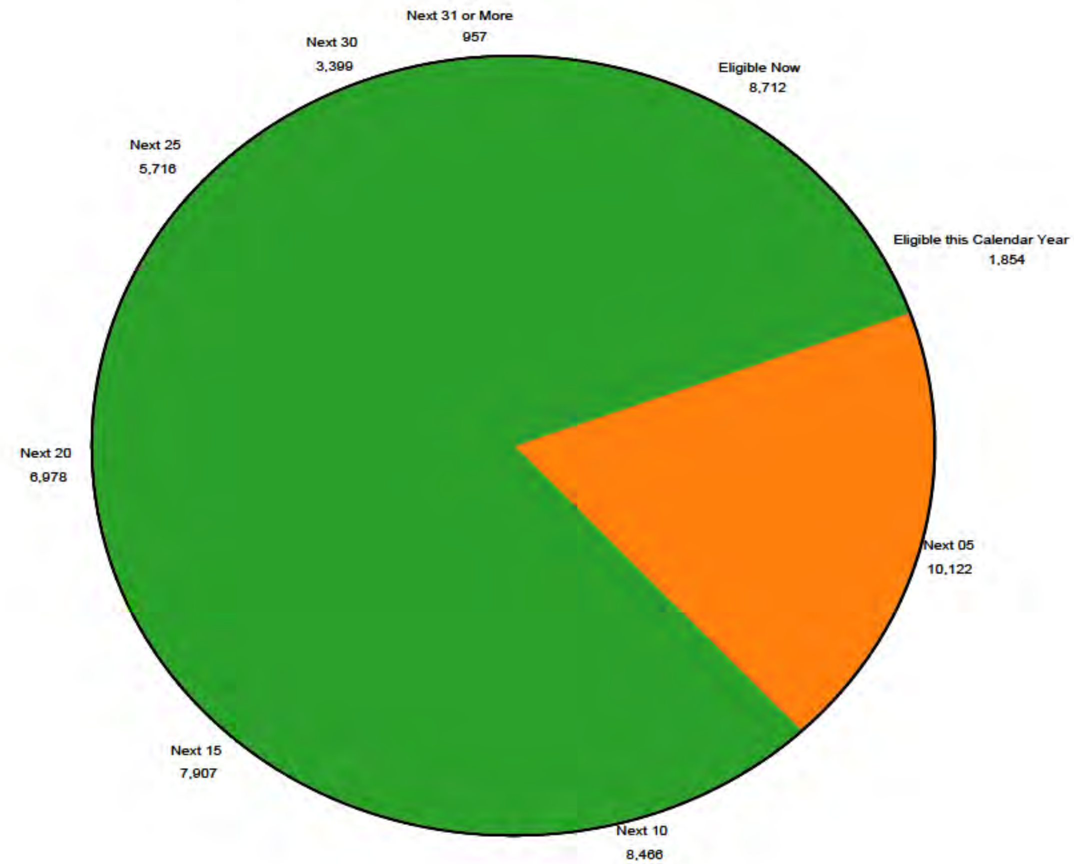


Top 20 States by Employees: July 2016 - 73,051 Employees



8,712 or 16% of the current permanent workforce is eligible to retire now. In the next 5 years, another 11,976 or 22% will be eligible to retire.

DOI Retirement Eligibility (Perm Staff)



Introduction to the Department of the Interior

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

DOI's mission includes stewardship of more than 530 million surface acres of public lands (20% of the nation), including national parks, national wildlife refuges; 700 million acres of subsurface minerals; and 1.7 billion acres of the Outer Continental Shelf. DOI delivers and manages water in the 17 Western states; supplies 17 percent of the Nation's hydropower energy; and upholds Federal trust responsibilities to 567 federally recognized Indian tribes and Alaska Native communities. The following provides a snapshot of each bureau:

Bureau of Land Management (BLM)

- Manages and conserves resources for multiple use and sustained yield on approximately 246 million onshore acres of public land, as well as 700 million acres of subsurface federal mineral estate, including the following:
- Renewable and conventional energy and mineral development;
- Forest management, timber, and biomass production;
- Wild Horse and Burro management;
- Management of diverse landscapes for the benefit of wildlife, domestic grazing, and recreational uses; and
- Resource management at sites of natural, scenic, scientific, and historical value including the National Landscape Conservation System.

Departmental Offices (DO)

- Immediate Office of the Secretary, Deputy Secretary, and Assistant Secretaries
- Office of the Solicitor
- Policy, Management and Budget provides leadership and support for the following:
    - Budget, Finance, Performance and Acquisition;
    - Public Safety, Resource Protection and Emergency Services;
    - Natural Resources Revenue Management;
    - Human Capital and Diversity;
    - Technology, Information and Business Services;
    - Policy Analysis;
    - International Affairs;
    - Natural Resource Damage Assessment;
    - Wildland Fire Management;
    - Environmental Policy and Compliance; and
    - Native Hawaiian Relations.
- Office of Inspector General
- Office of the Special Trustee for American Indians
- Assistant Secretary for Insular Affairs and the Office of Insular Affairs

Bureau of Safety and Environmental Enforcement (BSEE)

- Regulates oversight of worker safety, oil spill preparedness, environmental compliance, and conservation of offshore resources on the 1.7 billion acre US Outer Continental Shelf (OCS).
- Conducts inspections on over 2,300 offshore facilities and carries out investigations when serious incidents do occur.
- Supports research to identify, develop and advance the best available safest technologies to improve offshore safety and oil spill preparedness.

Office of Surface Mining Reclamation and Enforcement (OSMRE)

- Protects the environment during coal mining through Federal programs, grants to states and tribes, and oversight activities.
- Ensures the land is reclaimed afterwards.
- Mitigates the effects of past mining by pursuing reclamation of abandoned coal mine lands.

U.S. Geological Survey (USGS)

- Conducts reliable scientific research in ecosystems, climate and land use change, mineral assessments, environmental health, and water resources to inform effective decision making and planning.
- Produces information to increase understanding of natural hazards such as earthquakes, volcanoes, and landslides.
- Conducts research on oil, gas, and alternative energy potential, production, consumption, and environmental effects.
- Leads the effort on climate change science research for DOI.
- Provides ready access to natural science information that supports smart decisions about how to respond to natural risks and manage natural resources.

Bureau of Reclamation (BOR)

- Manages, develops, and protects water and related resources in an environmentally and economically sound manner in the interest of the American public.
- Largest wholesale supplier of water in the Nation.
- Manages 475 dams and 337 reservoirs.
- Delivers water to 1 in every 5 western farmers and more than 31 million people.
- America’s second largest producer of hydroelectric power.

U.S. Fish and Wildlife Service (FWS)

- Manages the 150 million acre National Wildlife Refuge System primarily for the benefit of fish and wildlife.
- Manages 73 fish hatcheries and other related facilities for endangered species recovery and to restore native fisheries populations.
- Protects and conserves:
- Migratory birds;
- Threatened and endangered species; and
- Certain marine mammals.
- Hosts about 47 million visitors annually at 563 refuges located in all 50 states and 38 wetland management districts.

Indian Affairs (IA)

- Fulfills Indian trust responsibilities.
- Promotes self-determination on behalf of 567 federally recognized Indian tribes.
- Funds compact and contracts to support education, law enforcement, and social service programs that are delivered by tribes.
- Operates 183 elementary and secondary schools and dormitories, providing educational services to over 40,000 students in 23 states.
- Supports 28 tribally controlled community colleges, universities, and post-secondary schools.

Note: IA includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

National Park Service (NPS)

- Maintains and manages a network of 413 natural, cultural, and recreational sites for the benefit and enjoyment of the American people.
- Manages and protects over 26,000 historic structures, over 44 million acres of designated wilderness, and a wide range of museum collections and cultural and natural landscapes.
- Visits to National Park units exceeded 307million.
- Provides technical assistance and support to state and local natural and cultural resource sites and programs, and fulfills responsibilities under the *National Historic Preservation Act of 1966*

Bureau of Ocean Energy Management (BOEM)

- Manages access to renewable and conventional energy resources of the Outer Continental Shelf (OCS).
- Administers over 5,500 active fluid mineral leases on approximately 30 million OCS acres.
- Oversees 5 percent of the natural gas and 18 percent of the oil produced domestically.
- Oversees lease and grant issuance for off shore renewable energy projects.

OFFICE OF INSPECTOR GENERAL

FROM: Mary L. Kendall, Deputy Inspector General

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of Inspector General (OIG) has a vital role in ensuring integrity in government operations. Especially after a heated election, with trust a central theme throughout the election cycle, the OIG can provide trusted, objective, independent, non-partisan information, as well as advice and lessons learned to help avoid violations in both fact and appearance.

The OIG was founded to prevent and detect waste, fraud, abuse, and mismanagement, and to promote the economy, efficiency, and effectiveness in the programs and operations of the Department of the Interior (DOI). We do this by conducting independent audits, investigations, program evaluations, and other special reviews; by providing advice to whistleblowers; by developing information on unscrupulous contractors so they can be prevented from doing business with the government; and by providing briefings to employees and others who receive government funding to help prevent wrongdoing before it occurs. The OIG must maintain its independence and objectivity, in both reality and appearance, to provide credible oversight.

The Inspector General (IG) is a presidentially appointed/senate confirmed position selected without regard to political affiliation, and has a dual reporting responsibility to both the Secretary of DOI and Congress. Unlike other political appointees, the IGs' tenure typically spans multiple administrations.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Vacant

Non-career SES:

None

Schedule C employees:

None

Career SES:

Mary Kendall, Deputy Inspector General
Stephen Hardgrove, Chief of Staff
Bruce Delaplaine, General Counsel
Matt Elliott, Assistant Inspector General for Investigations
Kimberly Elmore, Assistant Inspector General for Audits, Inspections and Evaluations
Roderick Anderson, Assistant Inspector General for Management

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Administratively, the OIG falls under the DOI Office of Secretary, but operationally it must conduct its work independently from DOI influence.

The OIG has broad statutory authority to conduct its oversight, including access to all Department records and information, subpoena authority for information from non-federal entities and individuals, and full law enforcement authority to carry firearms, make arrests without warrants, and to seek and execute warrants for arrests, searches, and seizure of evidence. The OIG refers evidence of criminal and civil violations to the Department of Justice for prosecution and/or recovery of monetary damages and penalties.

Who we are: *We are objective and independent auditors, evaluators, and investigators.*
Our audit, evaluator and investigative professionals are subject to strict professional standards that govern their audit, evaluation, and investigative activities.

What we do: *We provide accurate and actionable information that is timely and relevant.*
We do not have the authority to take corrective action. To maintain our independence, we can only provide information and make recommendations. We offer DOI management information to make real-time, well-informed decisions to correct problems and to improve programs and operations that support DOI's mission; and Congress the information necessary to conduct appropriate oversight of the Department.

How we do it: *We strive to be responsive in an open and accountable manner.*
We respond to concerns of the Department, Congress, and the public, ensuring transparency by publishing all of our reports in summary or redacted fashion on www.doioig.gov.

Other statutory obligations:

1) We must "immediately" report "particularly serious or flagrant problems, abuses, or deficiencies relating to the ... programs and operations" of the Department; 2) we must educate DOI employees about prohibitions on retaliation and their rights and remedies against retaliation; and 3) we must report to Congress semiannually listing (among other things) recommendations, cost savings, prosecutorial referrals, and disagreement with significant management decisions.

LAND BUY-BACK PROGRAM FOR TRIBAL NATIONS

FROM: John McClanahan, Program Manager

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

In 2010, Congress enacted historic legislation to ratify and confirm a settlement between Plaintiffs and the federal government in the *Cobell* litigation. The Claims Resolution Act set the framework to help reverse the fractionation of Indian lands that was set in motion under repudiated policies of allotment and assimilation.

The *Cobell* Settlement was approved with finality on November 24, 2012, following the exhaustion of appeals through the U.S. Supreme Court. Congress provided a $1.9 billion Trust Land Consolidation Fund to compensate individuals who willingly choose to transfer fractional land interests to tribal nations at fair market value. Consolidated interests would then be immediately restored to tribal trust ownership for uses benefiting the reservation community and tribal members.

Less than a month following final approval, the Department of the Interior established the Land Buy-Back Program for Tribal Nations (Buy-Back Program). The Buy-Back Program was created to work collaboratively across Indian Country, with both tribes and individuals, to realize this historic opportunity.

Since the Buy-Back Program began making purchase offers in December 2013, approximately $900 million has been paid to landowners at 30 locations, and the equivalent of nearly 1.7 million acres of land has been restored to tribal governments. Tribal ownership is now greater than 50 percent in approximately 11,000 tracts consisting of nearly 1.8 million total acres, allowing for more efficient and effective use of the land for the benefit of tribal communities.

There are about 243,000 owners of nearly three million fractional interests across Indian Country who are eligible to participate in the Program. The Buy-Back Program's public implementation schedule includes 105 locations, which reflects more than 96 percent of all landowners with fractional interests and more than 98 percent of both the purchasable fractional interests and equivalent acres in Program-eligible areas.

Interior and tribal governments work closely to guide implementation of Buy-Back Program, ensuring that landowners have the information they need to make informed decisions about their land. Thus far, the Department has entered into agreements with 37 tribal nations, which outline coordinated strategies to facilitate education about the Program to landowners, but are unique in time, scope and responsibilities based on the expressed interests of the tribe.

The Department has transferred nearly $40 million to the Cobell Education Scholarship Fund to date. This Scholarship Fund, created by the *Cobell* Settlement, provides financial assistance to American Indian and Alaska Native students. The scholarship program is overseen by the

Cobell Board of Trustees and administered by Indigenous Education, Inc., a non-profit corporation expressly created to administer the Scholarship Fund. Since its inception, graduate and undergraduate scholarships have been awarded to more than 1,000 students representing 110 federally recognized tribes. These students have attended or are attending more than 250 colleges and universities nationwide. Interior makes quarterly transfers to the Scholarship Fund as a result of Program sales, up to a total of $60 million, based on a formula set forth in the *Cobell* Settlement.

Annual Status Reports are available, which highlight steps taken to date.

II. MANAGEMENT AND KEY PERSONNEL

In recognition of the size and importance of the Settlement, the Buy-Back Program reports through the Office of the Deputy Secretary. An Oversight Board, chaired by the Deputy Secretary, ensures senior level attention, and facilitates accountability and coordination across the Department. Included among the members of the Oversight Board are the Solicitor, the Assistant Secretary-Indian Affairs, the Director of the Bureau of Indian Affairs, and the Special Trustee for American Indians.

PAS officials:

N/A

Non-career SES:

N/A

Schedule C employees:

N/A

Career SES/SL:

John McClanahan, Program Manager

Other senior career employees:

James Ferguson, Deputy Program Manager

Key Program leaders responsible for implementation by various Interior offices include:

Jodi A. Camrud, Acquisitions Director, Bureau of Indian Affairs

Iris F. Crisman, Deputy Director, Land Buy-Back Program, Valuations, Office of Appraisal Services

Catherine C. Kilgore, Acting Chief, Division of Minerals Evaluation, Office of Valuation Services

Douglas A. Lords, Acting Deputy Special Trustee – Field Operations, Office of the Special Trustee for American Indians

III. CRITICAL POLICY, LEGAL, MANAGEMENT, AND INFRASTRUCTURE

Future of Land Consolidation Efforts

Even with the Program's significant progress to date – and the results expected through its congressional funding authorization, which expires in 2022 – fractionation will continue pose challenges for Indian Country. The Consolidation Fund will not be sufficient to purchase all fractional interests across Indian Country. And, because fractionation grows each day, continued efforts and new solutions will be necessary to best preserve and strengthen trust lands. In 2016, the Department analyzed options to extend the life of the Program. Preliminary analysis and ideas are outlined in this year's annual Status Report for discussion with the Executive Branch, Congress, and Indian Country at the Program's next Listening Session to be held in spring 2017.

NATURAL RESOURCE INVESTMENT CENTER

FROM: Jeffrey D. Klein, Executive Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Department of the Interior's Natural Resource Investment Center (Center) was established in January 2016, in the Office of the Deputy Secretary, in order to increase infrastructure investment and economic growth by engaging with state and local governments and private sector investors to encourage collaboration, expand the market for Public-Private Partnerships and put Federal credit programs to greater use. The Center has the following goals:

- Increase non-Federal investment in water conservation and build up water supply resilience by facilitating water exchanges or transfers in the Western U.S.;

- Increase non-Federal investment in critical water infrastructure – both major rehabilitation and replacement of existing infrastructure and new infrastructure needs – by developing new financing approaches and helping to execute project ideas; and

- Foster private investment and support well-structured markets that advance efficient permitting and effective landscape-level conservation for species, habitat and other natural resources.

The Center has engaged in internal outreach across DOI bureaus, as well as across the Federal family (in particular, EPA and USDA via their Investment Centers). In addition, we have interacted with key market participants in the investment, foundation and NGO communities regarding our mission, and to solicit ideas and search for opportunities to collaborate on and advance such opportunities.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials: n/a

Non-career SES: n/a

Schedule C employees: n/a

Career SES: n/a

Senior career employees:
Jeffrey D. Klein, Executive Director (Schedule A)
Martin Doyle, Fellow-Water (via Interagency Personnel Agreement)

Vacant, Fellow-Conservation

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

The Center received a high level of interest and good feedback from multiple stakeholders during its startup phase. Near-term efforts for the Center have included development of a viable business model to meet the immense set of transactional and project opportunities across the many bureaus at Interior. We are exploring non-traditional and non-Federal investment opportunities for DOI resources in response to today's constrained fiscal environment. As a result of working with the DOI bureaus, their stakeholders, and the investment community, the Center is identifying potential opportunities to increase non-Federal investment in critical water infrastructure – both major rehabilitation and replacement of existing infrastructure and new infrastructure needs – by developing new financing approaches and helping to advance project ideas. In addition, the Center is working to foster private investment and support well-structured markets that advance efficient permitting and effective landscape-level conservation for species, habitat and other natural resources.

Through the Center, DOI is exploring opportunities for potential Public Private Partnerships or other transactions across its portfolio. One such opportunity is in the Yakima Basin, where the Department recently signed a Memorandum of Understanding between the Roza Irrigation District, the Kittitas Reclamation District and the Natural Resources Investment Center to find practical ways to develop and secure non-Federal public and private finances for projects related to the Yakima River Basin Integrated Water Resource Management Plan. The agreement supports the irrigation districts in exploring financial partnerships to fund implementation of Kachess Drought Relief Pumping Plant.

Other areas the Center is exploring include: refreshing and revising aspects of Reclamation's WaterSMART grants programs to encourage private capital engagement and to finance innovation related to water marketing; expanding existing partnerships between Reclamation and DOI with USDA and the Natural Resource Conservation Service in order to more fully leverage WaterSMART and EQUIP funding; and exploring constraints and barriers to Public Private Partnerships and loan and guarantee programs.

OFFICE OF CONGRESSIONAL AND LEGISLATIVE AFFAIRS

FROM: Christopher Salotti, Legislative Counsel

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of Congressional and Legislative Affairs (OCL) has responsibility for the development and implementation of strategies to advance the Secretary's legislative initiatives and other Departmental interests relating to Congress.

The primary functions of OCL include the following:

A. Serve as the Department's primary liaison with Congressional Committees and individual Members of Congress;

B. Articulate the Department's position on legislative matters in testimony, statements for the record, views letters, and questions for the record, including resolving inter- and intra-Departmental disagreements on policy and issues related to these matters;

C. Facilitate the appearance of Department witnesses at Congressional hearings;

D. Manage the development and interagency clearance of legislative proposals, statutory reports, testimony and other Congressional correspondence in coordination with the bureaus and the Office of Management and Budget (OMB);

E. Coordinate the Department's responses to Congressional committee oversight and other inquiries from Members and congressional staff; and

F. Lead the Senate confirmation process for individuals nominated by the President to positions in the Department.

II. MANAGEMENT AND KEY PERSONNEL

Non-career SES:

Sarah Neimeyer, Director

Schedule C employees:

Vacant, Deputy Director

Felipe Mendoza, Deputy Director

Jason Powell, Senior Counsel

Peter Bodner, Counsel

Chelsea Welch, Special Assistant

Career SES:

Christopher Salotti, Legislative Counsel

Other senior career employees:

Pamela Barkin, Assistant Legislative Counsel

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

A. **"Lame Duck Session" of Congress.** The 114th Congress is scheduled to return to Washington D.C. for two work periods after the November 8, 2016, elections. Both chambers are scheduled to be in session for one week beginning the week of November 14th, and are scheduled to be in session for three weeks beginning November 29th (with the House scheduled to return on November 28th). During this period, several bills with significant Department of the Interior interests will be pending, including:
   - the Department of the Interior FY17 Appropriations bill;
   - the Energy Bill (S. 2012 and H.R. 8);
   - the Water Resources Development Act (S. 2848 and H.F. 5303); and
   - the National Defense Authorization Act for FY 17 (S. 2943 and H.R. 4909).

B. **Presidentially Appointed Senate Confirmed Positions (PAS).** OCL will work with the incoming Administration to secure the confirmation of all Department of the Interior PAS nominations.

OFFICE OF INTERGOVERNMENTAL AND EXTERNAL AFFAIRS (OIEA)

FROM: John Blair, Director, Intergovernmental & External Affairs

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of Intergovernmental and External Affairs (OIEA) provides leadership for the Department in engaging with State, county and municipal governmental partners, external stakeholders and organizations, industry groups and non-governmental organizations. OIEA works to build, maintain and strengthen relationships with State and local elected officials, external stakeholders and constituency groups while advancing the Secretary's and the Administration's priorities. OIEA also fosters trust and collaboration with State and local partners, provides frequent communication, ensures understanding of their issues, seeks to find resolutions where possible, and identifies areas of agreement and opportunities to work together. Additionally, OIEA serves as the point of contact between State and local partners and external stakeholders and the Office of the Secretary.

OIEA supports Secretarial and Administration priority issues, initiatives and events. OIEA also serves as surrogates, helps plan travel and events, arranges meetings with partners and stakeholders, and carries the Department's and the Administration's message to the millions of Americans that stakeholder organizations represent.

OIEA develops and maintains powerful, proactive coalitions and continually expands public engagement to assemble a greater diversity of stakeholders and constituency groups and a highly engaged stakeholder base.

II. MANAGEMENT AND KEY PERSONNEL

Non-career SES:

John Blair, Director

Schedule C employees:

Maria Najera, Deputy Director

[OPEN], Deputy Director

Kim Jensen, Special Assistant

Roland Couture, Special Assistant

Other senior career employees:

[OPEN], Program Analyst

Valerie Smith, Program Assistant

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Over the last three years, OIEA has worked diligently to increase the diversity of the stakeholders and stakeholder organizations that the office works with regularly and that are included in Secretarial activities, announcement and events. Additionally, the office has pushed to see greater diversity in the people and organizations who are invited to participate in events with the Secretary. This approach has been very beneficial and we would encourage the next OIEA leadership team to continue this focus on diversity.

Another opportunity will be to ensure that the team is included in Interior level and bureau level policy decisions and announcements earlier so that they can meaningfully contribute to the strategic decision making process. Unlike Congressional and Legislative Affairs (OCL) and Communications (OCO), OIEA does not have identified staffers in the bureaus and offices whose work matches exclusively to the OIEA portfolio. This would be an opportunity to improve public engagement, to increase communication with the Office of the Secretary and to increase OIEA involvement in bureau activities.

OFFICE OF THE EXECUTIVE SECRETARIAT AND REGULATORY AFFAIRS

FROM: Juliette Lillie, Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of the Executive Secretariat and Regulatory Affairs (OES) is the Department of the Interior's (Interior) principal policy office in the areas of 1) executive correspondence, 2) regulatory affairs, 3) departmental directives, 4) committee management, 5) document production management, and 6) Freedom of Information Act (FOIA). The Office has varied responsibilities in each of these areas.

Correspondence

The OES Correspondence unit manages and controls all correspondence addressed to the Secretary, Deputy Secretary, Associate Deputy Secretary, and Assistant Secretary – Indian Affairs. To accomplish this oversight role, this unit:

- Reviews incoming correspondence and assigns preparation of responses to the proper departmental office, coordinates writing and review of correspondence, and determines the signature and clearance levels required for each response.
- Reviews and coordinates letters and other documents, including reports, memoranda of agreement, and internal memoranda initiated for the Secretary, Deputy Secretary, Associate Deputy Secretary, or Assistant Secretary – Indian Affairs' signature.
- Develops and enforces quality standards for all letters and documents signed by the Secretary, Deputy Secretary, Associate Deputy Secretary, or Assistant Secretary – Indian Affairs.
- Ensures that outgoing correspondence accurately reflects Interior policy and incorporates relevant bureau and office positions.
- Responds to inquiries and requests from the White House, congressional offices, other Federal agencies, state and local governments, constituent groups, and the general public on a wide variety of Interior activities.
- Provides technical assistance and training to bureaus and offices in correspondence management. Prepares a weekly report of overdue correspondence and projected due dates. Revises the Departmental Correspondence Manual.

During Fiscal Year (FY) 2016, OES managed more than 6,600 pieces of controlled correspondence, an estimated 253,000 petitions, and more than 287,000 emails.

Regulatory Affairs

The Regulatory Affairs unit develops and manages regulatory policy for Interior. This OES unit assures that all regulations comply with laws, Executive orders, and Departmental policy, and that they are promulgated in an efficient and effective manner. This unit also engages with the broader regulatory community and represents Interior's regulatory interests with the Office of Management and Budget (OMB), the Council on Environmental Quality (CEQ), the Administrative Conference of the United States (ACUS), the Small Business Administration (SBA), and other Federal agencies. This OES unit:

- Reviews all regulations and similar policy documents developed in Interior to ensure they reflect administration policy; comply with applicable laws, Executive orders, and OMB requirements; and are written in plain language.
- Serves as Interior's primary point of contact with OMB on regulatory matters and facilitates agreements and working relationships among bureaus.
- Works closely with the Federal Register to maintain a positive working relationship, facilitate timely publication of Interior documents, ensure that documents comply with Federal Register drafting standards, and resolve issues that arise from bureaus or offices.
- Manages Interior eRulemaking, which includes the Federal Docket Management System (FDMS) and regulations.gov.
- Develops the semiannual agenda of regulations, annual regulatory plan, and reports required by Congress, the President, and OMB.
- Revises the Department Manual chapters regarding the regulatory process and provides technical and policy guidance to offices publishing regulations or similar policy documents.
- Promotes Interior's plain-language effort and assists bureaus in writing regulations in plain language by holding training courses and providing personalized assistance.
- Leads Interior's retrospective regulatory review and reports on progress to OMB.
- Coordinates interagency regulatory review.
- Represents Interior on Government-wide regulatory initiatives.
- Coordinates the review of draft Executive orders and Presidential documents issued by OMB and the White House.
- Represents Interior's regulatory interests in the broader Federal community through participation in ACUS.
- Supports Interior's Regulatory Policy Officer.

During FY 2016, the OES Regulatory Affairs unit reviewed 187 regulatory documents and obtained clearance for 779 notices. The unit managed the review process on 21 draft Executive orders, 9 draft Presidential memoranda, 127 interagency regulations, and 12 Presidential proclamations.

Directives

The OES Directives unit develops policy and governs the issuance of directives that describe and document programs and policies, organizational structure, and delegations of authorities for Interior's bureaus and offices. The unit also provides policy and guidance for developing

Secretarial orders and departmental handbooks. This unit is responsible for the Electronic Library of Interior Policies (ELIPS). The ELIPS is a web-based system containing Interior policies issued in the form of Departmental Manual chapters, handbooks, bulletins, Secretarial orders, and succession memoranda.

During 2016, the Directives unit facilitated the revision, clearance, and incorporation of 4 new chapters and 23 revisions to existing chapters in the Departmental Manual, drafted and obtained clearance for 3 new Secretarial orders, amended 2 existing Secretarial orders, and 1 new handbook.

Committee Management

The OES Committee Management unit develops, oversees, and coordinates the Federal Advisory Committee Act (FACA) for Interior, including the review and finalization of all enabling committee charters and Secretarial appointments. This unit supports the White House Liaison in the clearance/vetting process of Secretarial appointments.

During FY 2016, the Committee Management unit facilitated the establishment of 3 new FACA committees, renewal of 47 FACA committees, reestablishment of 2 FACA committees, termination of 2 FACA committees, and the appointment of 495 members to these committees. The Committee Management unit facilitated 20 appointments to Interior operating commissions and an additional 47 Secretarial appointments to Interior-related boards, councils, commissions, and foundations. In addition, this unit sent 729 names to the White House Liaison for vetting.

Document Production Management

The Document Management unit (DMU) manages all high-profile requests made to Interior for production of documents, including those from the Congress or courts. The DMU directs the collection of documents and manages the production of documents under a well-refined process that ensures responsiveness to the request and establishes accountability and accuracy.

In FY 2016, the DMU processed 32,815 documents totaling 235,854 pages in the Laserfiche Document Management System. The collection of documents was Department-wide from 22 Interior bureaus and offices. Additionally, the DMU produced 31 congressional document productions totaling 37,747 pages.

Freedom of Information Act

OES administers two Freedom of Information Act (FOIA) functions—one through the Department of the Interior FOIA Policy unit and the other through the Office of the Secretary (OS) FOIA unit.

The Interior FOIA Policy unit includes the Departmental FOIA Officer, who, on behalf of the Chief FOIA Officer (the Department's Chief Information Officer fills this role), oversees Interior's FOIA program and:

- Develops procedures (for example, guidelines, standards, handbooks, brochures, training materials, written instructions, training, and guidance) that relate to implementation of the FOIA, along with policies and regulations, for Interior-wide FOIA implementation.
- Manages the electronic FOIA tracking system (EFTS) - the centralized, web-based application for Interior-wide standardized tracking, management, and reporting of FOIA requests.
- Prepares Interior's annual reports to the Department of Justice, the Office of Government Information Services, and Congress.
-

The OS FOIA unit includes the OS FOIA Officer, who oversees the OS FOIA program and:

- Handles all administrative aspects of responding to FOIA requests sent to OS;
- Conducts a reasonable search and ensures that any records found responsive to the request are reviewed consistently with FOIA and Interior's FOIA regulations.
- Coordinates Interior's response, or designates another bureau to coordinate the response, when records on the same subject are requested from multiple bureaus or when Interior receives a request that involves potentially controversial or sensitive issues that affect multiple bureaus.

During FY 2016, the OS FOIA staff processed more than 450 FOIA requests and reduced its backlog by more than 10 percent, meeting an important Department of Justice yearly metric. Overall, Interior (through its 13 bureaus and offices that respond to FOIA requests) received more than 6,300 FOIA requests in FY16 and processed more than 6,300 requests.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

None

Non-career SES:

None

Schedule C employees:

None

Career SES:

Juliette Lillie, Director

Other senior career employees:

Jamie Burley, Deputy Director, Document Management Unit

Robert Howarth, Deputy Director, Correspondence and FOIA

Mark Lawyer, Deputy Director, Policy and Regulatory Affairs

Jean Maybee, Chief of Staff

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

<u>Regulation Deadlines</u> – Interior is often subject to court-ordered and statutory deadlines for regulations. This is particularly true for regulations promulgated by the Fish and Wildlife Service under the authority of the Endangered Species Act. OES works with the bureaus, assistant secretaries, and external organizations such as OIRA and CEQ to manage these deadlines.

<u>FOIA</u> – Interior's implementation of Section 508 of the Rehabilitation Act of 1973 (dealing with legally mandated accessibility) during FOIA processing is an ongoing issue, often conflicting with timing requirements and resource needs. Additionally, the Department of Justice is considering issuing policy guidance that would require nearly every document requested and released under FOIA to be electronically posted. This goes well beyond the FOIA's statutory requirements and would monopolize a large number of resources, exacerbate existing Section 508 issues, and delay FOIA processing for minimal benefit to the public. Finally, the FOIA

Improvement Act of 2016 contains many new requirements that Interior is currently working to implement.

OFFICE OF THE SOLICITOR

FROM: Marc A. Smith, Associate Solicitor, Division of Administration

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of the Solicitor (Office, SOL) performs the legal work for the United States Department of the Interior, manages the Department's Ethics Office and resolves FOIA Appeals. With more than four hundred total employees, three hundred of which are attorneys licensed throughout the United States, SOL strives to provide sound legal services to fulfill the Department's diverse and wide-ranging mission. The Office consists of the following officials and components:

- The Immediate Office of the Solicitor, consisting of the Solicitor, who is the principal legal advisor to the Secretary and the chief legal officer of the Department; the Principal Deputy Solicitor, who manages the daily operations of the Office; six Deputy Solicitors, who are responsible for providing advice and counsel to the Solicitor on specific legal subject areas; and the Counselor to the Solicitor.
- The Departmental Ethics Office, which is responsible for providing legal interpretations of laws and regulations related to ethical conduct, review of financial disclosure reports, and counseling on other ethics matters. The Ethics Office is headed by a Director who is the Designated Agency Ethics Official (DAEO).
- The Indian Trust Litigation Office (ITLO), which is responsible for defending litigation brought by Indian tribes and individual Indians asserting violations of the Secretary's trust responsibility over tribal and individual Indian trust assets. ITLO is headed by a Director.
- The FOIA/PA Appeals Office, which manages the Department's Freedom of Information Act (FOIA) and Privacy Act (PA) program and decides FOIA and PA appeals.
- Seven legal divisions, each headed by an Associate Solicitor, with responsibility over legal work related to specific subject areas and client bureaus. The divisions include:
    - General Law (DGL), with responsibility for procurement, patents and tort claims; equal employment opportunity, labor law and other personnel matters; and other general legal issues. The division includes the Director of the Employment and Labor Law Unit (ELLU) and, beginning in FY2018, will include the Torts Management Unit. The division provides legal assistance and counsel to the Assistant Secretary – Policy, Management and Budget.
    - Indian Affairs (DIA), with responsibility for legal matters related to the programs and activities of the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), other than those delegated to ITLO. The division provides legal assistance and counsel to the Assistant Secretary – Indian Affairs and the Special Trustee for American Indians.
    - Land Resources (DLR), with responsibility for legal matters related to the programs and activities of the Bureau of Land Management (BLM), other than those related to the BLM mineral programs. The division asserts affirmative claims pursuant to CERCLA for costs incurred by department bureaus, and also

provides legal assistance and counsel to the Assistant Secretary – Land and Minerals Management.
- Mineral Resources (DMR), with responsibility for legal matters related to the programs and activities of the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSSE), the Office of Surface Mining Reclamation and Enforcement (OSMRE or OSM), and the mineral programs of BLM. The division provides legal assistance and counsel to the Assistant Secretary – Land and Minerals Management
- Parks and Wildlife (DPW), with responsibility for legal matters related to the programs and activities of the National Park Service (NPS), the U.S. Fish and Wildlife Service (FWS), and the biological functions of the U.S. Geological Survey (USGS). The division provides legal assistance and counsel to the Assistant Secretary – Fish and Wildlife and Parks and the Assistant Secretary – Water and Science.
- Water Resources (DWR), with responsibility for legal matters pertaining to water issues for the various bureaus and offices of the Department. The division provides legal assistance and counsel to the Assistant Secretary – Water and Science, the Assistant Secretary – Indian Affairs, and the Secretary's Indian Water Rights Office.

- The Division of Administration (DAD), which is headed by an Associate Solicitor, is responsible for providing and coordinating all administrative and management support services for the Office, including budget and accounting, procurement, space and property management, records management, human resources and personnel management, and information technology management and support.
- Eight regional offices, each headed by a Regional Solicitor, with responsibility for legal work related to programs and activities of the bureaus and offices within the region. The regions include:
  - Northeast (NER), based in Washington, DC, with subordinate field offices in Boston, Pittsburgh and Twin Cities, MN.
  - Southeast (SER), based in Atlanta, with a subordinate field office in Knoxville.
  - Southwest (SWR), based in Albuquerque, with a subordinate field office in Tulsa.
  - Rocky Mountain (RMR), based in Denver, with a subordinate field office located in Billings.
  - Pacific Southwest (PSW), based in Sacramento, with a subordinate field office in San Francisco.
  - Pacific Northwest (PNW), based in Portland, OR, with a subordinate field office in Boise.
  - Intermountain (IMR), based in Salt Lake City, with a subordinate field office in Phoenix.
  - Alaska, based in Anchorage.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Hilary C. Tompkins, Solicitor

Non-career SES:

Jody A. Cummings, Deputy Solicitor – Indian Affairs
Ramsey L. Kropf, Deputy Solicitor – Water Resources
Justin R. Pidot, Deputy Solicitor – Land Resources

Schedule C employees:

Robert O. Johnston, Jr., Counselor to the Solicitor

Career SES:

K. Jack Haugrud, Principal Deputy Solicitor (Acting) and Deputy Solicitor – Mineral Resources
Edward T. Keable, Deputy Solicitor – General Law

Melinda J. Lofton, Director, Ethics Office

Michael J. Berrigan, Associate Solicitor – General Law
Laura Brown, Associate Solicitor – Land Resources
Karen S. Hawbecker, Associate Solicitor – Mineral Resources
Barry N. Roth, Associate Solicitor – Parks & Wildlife
Keith E. Saxe, Associate Solicitor – Water Resources
Eric N. Shepard, Associate Solicitor – Indian Affairs
Marc A. Smith, Associate Solicitor – Administration

Horace G. Clark, Regional Solicitor – Southeast Region
Joseph D. Darnell, Regional Solicitor – Alaska Region
Clementine ("Temi") Josephson, Regional Solicitor – Pacific Southwest Region
Matthew J. McKeown, Regional Solicitor – Rocky Mountain Region
P. Lynn Peterson, Regional Solicitor – Pacific Northwest Region
Peg A. Romanik, Regional Solicitor – Northeast Region
John W. Steiger, Regional Solicitor – Intermountain Region
Lance C. Wenger, Regional Solicitor – Southwest Region

Other senior career employees:

Ann D. Navaro, Deputy Solicitor – Parks & Wildlife (Acting) (Detailee from U.S. Army Corps of Engineers)

Kenneth Dalton, Director – Indian Trust Litigation Office
Karen Richardson, Director – Employment and Labor Law Unit

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Issue one – SOL Budget Challenges:
SOL is faced with an ever-increasing legal workload required to support the Secretary and client bureaus without corresponding direct appropriation increases from Congress. FY2017 will represent the fourth consecutive year with no increase. This has required SOL to rely more heavily on client-supported reimbursable funding for attorneys and contractors. Other major budgetary challenges include increased costs for relocation of regional/field offices; building the nascent Law Practice Support unit to effectively and efficiently support attorneys and to provide office-wide knowledge management and collaboration technology; provide adequate office-wide training; and support increased GS-15 promotions to recruit and retain a high-caliber legal staff. SOL has implemented a variety of budgetary initiatives to offset its shortfall, but nonetheless will be faced with significant limitations on backfilling future attorney vacancies.

Issue two – Creation and Implementation of National Practice Units:
In 2016 the Department approved funding through the Working Capital Fund (WCF) for the creation of a Torts Management Unit beginning in FY2018, including the hiring of eight new full-time employees (FTE). Claims against DOI for personal injury or property damage must be commenced through an administrative claim process, with dissatisfied claimants then filing suit in federal court. In addition, in 2015 the Solicitor approved a plan to create a nationwide practice unit for employment and labor law (ELLU), with a newly-hired Director heading the Unit. Efforts are now underway to obtain Department funding for staff to be located in Washington, DC and Denver. We intend to seek long-term funding through the WCF beginning in FY2019. The two new Units will bring strategic and consistent management to SOL's nationwide tort and employment law practices.

Issue three – SOL-IT/OCIO Realignment:
Due to budgetary constraints, SOL's information technology (IT) unit is inadequately sized to support mission requirements, with each IT staff member having broad responsibilities across multiple technical disciplines. The unit faces significant challenges in supporting a national office, while meeting ever-increasing demands presented by cybersecurity risks, regulatory requirements, and new technologies. To address this concern, the Department's Office of Chief Information Officer (OCIO) and SOL are exploring jointly the advisability of realigning SOL's IT funding and staff within OCIO. A consultant is being retained to analyze SOL's current IT support and infrastructure environments. If adopted, we would anticipate realignment within the year, though significant logistical and transition obstacles would need to be resolved.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

FROM: Vincent G. Logan, Special Trustee for American Indians

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The *American Indian Trust Fund Management Reform Act of 1994* (Public Law 103-412) established the Office of the Special Trustee for American Indians (OST) to improve the accountability and management of Indian funds held in trust by the federal government. As trustee, the Department of the Interior (DOI) has the primary fiduciary responsibility to manage Indian owned land, tribal trust funds, and Individual Indian Money (IIM) accounts. The Indian trust consists of approximately 56 million surface acres of land, 60 million acres of subsurface mineral interests, and $4.9 billion held in trust by the Federal Government on behalf of American Indians, Alaska Natives, and federally recognized Indian tribes. Of the 56 million acres held in trust, 11 million acres are for individual Indians and 45 million acres are for Indian tribes. On these lands, the DOI manages over 109,000 leases.

Subsequent to the 1994 Act, OST was charged with key operational functions related to the Indian trust financial management and other responsibilities to fulfill the fiduciary trust responsibilities. OST's responsibility for financial trust fund management includes receipt, investment and disbursement of Indian trust funds. OST currently manages over $4.9 billion in nearly 3,300 trust accounts for more than 250 Indian Tribes and 400,000 open IIM accounts. For FY 2015, funds from leases, use permits, land sales and income from financial assets, totaled approximately $1.7 billion.

In addition, OST provides records management and maintains a central storage facility for all Indian fiduciary trust records created by Interior bureaus/offices. The American Indian Records Repository (AIRR) in Lenexa, Kansas, now contains approximately 707 million pages of records. For real estate transactions, OST administers the appraisal function providing impartial estimates for Indian trust land valuations.

The Land Buy-Back Program (LBBP) is managed out of the Office of the Secretary within the DOI. Operational aspects of the LBBP are housed within OST and the Bureau of Indian Affairs (BIA); with OST determining land values and performing account management duties and BIA performing the realty functions. OST also provides outreach support to promote understanding of the LBBP.

The mission of OST is to honor America's trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets. The OST provides fiduciary guidance, management, and leadership for Tribal Trust and IIM accounts and oversees and coordinates efforts to establish consistent policies, procedures, systems, and practices throughout the DOI for the Indian Trust Administration System.

II. MANAGEMENT AND KEY PERSONNEL

PAS officials:

Vincent G. Logan, Special Trustee for American Indians

Non-career SES:

None

Schedule C employees:

Justin Wilson, Special Trustee Advisor

Career SES:

Deb DuMontier, Deputy Special Trustee

Jim James, Deputy Special Trustee, Field Operations (Detailed to Bureau of Indian Affairs)

Douglas Lords, Acting Deputy Special Trustee, Field Operations

John White, Deputy Special Trustee, Program Management

Robert Craff, Regional Fiduciary Trust Administrator for Field Operations – Southern Plains, Eastern, and Eastern Oklahoma Regions

Margaret Williams, Regional Fiduciary Trust Administrator for Field Operations – Navajo and Southwest Regions

Melvin Burch, Regional Fiduciary Trust Administrator for Field Operations – Northwest and Western Regions

Thomas Reynolds, Regional Fiduciary Trust Administrator for Field Operations – Midwest and Pacific Regions

Timothy Lake, Regional Fiduciary Trust Administrator for Field Operations – Great Plains and Alaska Regions

Other senior career employees:

Travis Trueblood, Chief of Staff

Robert Winter, Acting Deputy Special Trustee, Trust Services

Jason Bruno, Acting Director, Office of Compliance

Eldred Lesansee, Director, Office of Appraisal Services

Caren Williams, Director, Office of Information Resources

Nancy Savage, Acting Budget Officer

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE

Serving the Trust Beneficiary: OST's Field Operations (Field Ops) is the primary point of contact for trust beneficiaries, annually responding to approximately 340,000 beneficiary contacts. Field Ops has 52 Fiduciary Trust Officers strategically located across Indian Country to assist beneficiaries on a daily basis with information and services regarding their trust assets; including collaborative efforts with our federal and tribal partners for outreach and education of trust beneficiaries for financial literacy empowerment and estate planning. Field Ops has been integral in locating "Whereabouts Unknown" (WAU) account holders. WAU's are beneficiaries that OST does not have a current address for. During FY 2015, Field Ops located 13,191 WAU accountholders with total account balances in excess of $24.8 million. WAU beneficiaries totaled 65,767 representing $109.9 million at the end of FY 2015.

Trust Beneficiary Call Center (TBCC): The TBCC is a nationwide toll free call center that enables beneficiaries to conveniently access information regarding their trust assets, check the status of a trust service, request a disbursement from, or an update to, their IIM Account, or to respond to land buy-back inquiries. Additionally, the TBCC responds to written beneficiary requests. Over a period of twelve years, the call center has received over 1.8 million calls and provided a first line resolution of caller inquiries at a rate of 94 percent, which is significantly higher than the industry average of 49 percent for government and non-profit organizations.

Self Determination: OST through the Office of External Affairs (OEA) promotes Tribal self-determination and self-governance by seeking expanded participation in tribal operations of OST's appraisal and beneficiary processing programs. During FY 2015, OEA worked with over 35 tribes that perform or sought to perform OST trust functions. OEA additionally pursues the negotiation of program standards with Tribes that contract or compact with OST programs to ensure fulfillment of the Secretary's fiduciary trust responsibilities.

Indian Country Appraisals: The Office of Appraisal Services (OAS) is responsible for the Indian lands valuation program, which was established to provide independent and impartial estimates of value for specific types of real property interests held in trust or restricted status for Indian Tribes, individual Indians, and Alaska Natives. The types of real estate transactions supported by OAS include, but are not limited to, sales, leases (agricultural, commercial and residential), rights-of-way, land exchanges, partitions, probates, grazing permits, and trespass settlements. OAS also provides technical assistance to support tribal appraisal programs operating under the Indian Self-Determination contracts and Self-Governance compacts, and at the same time, delivering quality and timely valuation services to our direct service Tribes is OAS's foremost priority. OAS staffing consists of state certified general licensed appraisers who provide valuation services in accordance with nationally recognized appraisal standards, methods, and techniques.

Litigation Resolution Support: OST has supported a key Departmental priority intended to negotiate and reach fair settlement agreements with approximately 130 Indian tribes, tribal entities, and/or groups of individual Indians who filed lawsuits or have alleged claims arising from federal management of trust assets. OST provided technical and factual support to the DOI's Office of the Solicitor and the Department of Justice that have resulted in a $2.835 billion settlement with 88 tribes in 59 accounting and management lawsuits since FY 2010. OST, through the Office of Historical Trust Accounting (OHTA), continues to support ongoing settlement negotiations and provide litigation support with expert analysis and testimony, document production, historical accounting, and tribal briefings.

Cobell Settlement Support: OST will continue to address new claims arising from the Cobell account holders, particularly those claims of individual Indians who have opted out of the Trust Asset Mismanagement Class in the Cobell litigation. Approximately $90 million in payable Cobell Settlement funds remain undistributed from Garden City Group (GCG), the settlement administrator. OHTA assists GCG in finding missing class members. Out of approximately 73,000 decedents identified in the Trust Administration Class, close to 22,000 estates remain unpaid.

Land Consolidation Support: The Office of Appraisal Services, Land Buy-Back Program Valuations Division (OAS/LBBPV) provides the fair market values specified in the Cobell Settlement as OAS was specifically designed to establish and maintain the Department's trust responsibility for the valuation of Indian trust and restricted fee lands. OAS/LBBPV determines the fair market value of trust and restricted fee tracts at each reservation, which provides the primary foundation for individual offer amounts as required by the Settlement. The Program uses several types of appraisal methodologies in providing real estate appraisals and appraisal reviews, relying most heavily on mass appraisal valuation techniques, such as automated valuation models. OAS/LBBPV will continue to support the Buy-Back Program for a ten year-period, expiring on November 24, 2022.

Special Deposit Accounts and Youpee Escheat Account Clean-up Work: OST manages the Special Deposit Accounts (SDAs) and Youpee Escheat Distribution Project by continuing to identify the proper ownership of residual balances in aged SDAs and the research and analysis necessary to distribute trust funds residing in Youpee Escheat Accounts to proper owners. To date, the SDA project has identified and allocated $50.8 million of the original $61 million in SDA principle account balances to Individual Indians, tribes, and third parties since 2002. The Youpee project has identified and distributed $4.6 million of the original $7.8 million to account holders since 2009.

Risk Management: Risk Management is responsible for monitoring OST's risk management efforts, to include coordinating and facilitating OST's compliance with the Federal Managers' Financial Integrity Act, OMB Circular A-123, including Appendices, and guidance issued by the Department. Risk Management coordinates annual self-assessment evaluation of the effectiveness of internal controls designed to mitigate risk associated with financial and non-financial program activities, conducts independent testing of the internal controls within financial business processes, conducts internal control reviews of programs and assists with risk management inquiries. These efforts help to ensure that OST can provide reasonable assurance that the financial reports are reliable, programs operate efficiently and effectively, and programs comply with applicable laws and regulations.

Indian Financial Education: OST has consolidated its financial education programs into one holistic platform to provide the tools that empowers Indian trust beneficiaries to grow and sustain personal wealth. OST has partnered with several organizations and oversight bodies involved with the Financial Literacy and Education Commission (FLEC) that support its efforts to provide financial education to Indian country. OST offers financial education workshops that involve a "lifecycle" approach. The topics are part of OST's Building Assets in Native Communities Series, and are adaptable to be age-specific. Pursuant to the Special Trustee's priorities related to financial education, OST's Field Operations Staff has assisted beneficiaries with their financial education needs through: live interactive workshops, live and recorded webinars, "train the trainer" events, and budget simulation activities.

Indian Trust Examinations (ITE), Tribal Trust Evaluations (TTE) and Trust Records Assessments: OST administers and manages the Indian trust rating system. Since October 1, 2003 through September 2016, OST has conducted 553 ITE/ TTEs to review for compliance with federal laws and the proper discharge of the Secretary's trust responsibilities; conducted 648 trust records assessments; identified 6,532 trust deficiencies; and corrected/closed 3,784 deficiencies. Final reports are issued to Interior management officials for implementation of corrective actions for deficiency findings. In the next fiscal year, OST hopes to expand the make-up of Trust Review and Audit Teams to include a collaborative inter-bureau approach including OST, BIA, and Office of Natural Resources Revenue employees to build credibility and acceptance with other programs responsible for trust functions.

Office of Trust Records (OTR): The Director of the OTR serves as the Departmental Records Officer for the OST and Indian Affairs. The OTR is responsible for the development of records management policies and provides records management training and support services to OST and Indian Affairs. Management and the operation of the American Indian Records Repository in Lenexa, Kansas, also fall within the OTR.

SECRETARY'S OFFICE OF INDIAN WATER RIGHTS

FROM: Pamela Williams, Director

SUBJECT: Transition Preparations

I. SUMMARY OF ORGANIZATION

The Office of Indian Water Rights is located within the Secretary's Office (109 Departmental Manual 1.3.E(2)). The Office is headed by a Director who is one of a number of assistants to the Secretary. The Office leads, coordinates, and manages the Department's Indian water rights settlement program in consultation with the Office of the Solicitor.

A. Indian Water Right Negotiations Generally

Throughout the United States, there are extensive unresolved Indian water right claims, many of which are the subject of protracted legal disputes over scarce water resources. In several river basins, numerous water rights have been authorized under state law for large consumptive uses such as irrigation and municipal and industrial water supplies. These water uses have left rivers fully or over-appropriated and were developed without regard for tribal water rights and needs.

The U.S. Supreme Court, however, in seminal legal decisions such as *Winters v. United States*, 207 U.S. 564 (1908), has established the Indian reserved water rights doctrine which holds that tribes have reserved water rights dating back no later than the date of the creation of their respective reservations and in some cases water rights have an aboriginal or "time immemorial" priority date. Federal courts since *Winters* have clarified that these Indian reserved rights cannot be lost due to non-use and are to be quantified to meet current and future tribal water needs. Thus, unresolved claims for Indian water rights stand as a cloud on junior state-law water rights. The United States holds Indian water rights in trust and has a fiduciary duty to protect those rights for tribes and their members.

Since the *Winters* decision, tribes, states and the federal government have been addressing outstanding tribal reserved water right claims generally through comprehensive and lengthy general stream adjudications. In the last several decades, this effort has shifted from adversarial litigation to multi-party negotiations that seek to bring the relevant governments and other stakeholders to the table. Settlements are preferable to litigation for several reasons. They resolve long-standing claims to water, provide reliability for all parties with respect to supplies which is necessary for both tribal and non-Indian economic growth, facilitate the development of much-needed infrastructure, improve environmental and health conditions on reservations, and promote collaboration between tribes, states and local communities.

For three decades, the Department has supported and actively participated in negotiation of Indian water right disputes consistent with its responsibilities as trustee to Indians, and with federal policies promoting tribal sovereignty, Indian self-determination, economic self-sufficiency and cultural preservation.

B. The Mission of the Secretary's Office of Indian Water Rights

The mission of the Office is to manage, negotiate, and oversee implementation of settlements of Indian water rights claims. The Office provides high level policy guidance to the Secretary, under the leadership of the Chair of the Working Group on Indian Water Settlements, and coordinates communication and decision-making among the various interests of the bureaus and offices of the Department on matters concerning Indian water rights settlements.

The Office manages federal negotiation and implementation teams for policy consistency and provides oversight of enacted settlements. Currently, there are 19 federal negotiation teams assigned to participate in specific Indian water negotiations throughout the West. Once a settlement is approved by Congress, a federal implementation team is established to ensure that the settlement is carried out in accordance with applicable Federal law and Department policy. At present, there are 20 implementation teams at work. In addition, two assessment teams have been appointed to assist the Department in determining whether appointment of a negotiation team is appropriate.

Traditionally, the Office reports to the Counselor to the Secretary assigned as the Department's policy lead on Indian water settlement matters. During the Obama Administration, the Office has reported to the Senior Counselor to the Deputy Secretary based on the significant Indian water rights settlement experience held by both Deputy Secretary David Hayes and Deputy Secretary Mike Connor.

The Department has an established Working Group on Indian Water Settlements. This Working Group is comprised of all of the Department's Assistant Secretaries and the Solicitor. Traditionally, the Counselor assigned as policy lead on these matters is the Chair of the Working Group. The Working Group makes recommendations to the Secretary for final Departmental positions on proposed Indian water settlements.

II. MANAGEMENT AND KEY PERSONNEL

Official:

Pamela Williams, Director

Other senior career employees:

Duane Mecham, Acting Deputy Director; Fain Gildea, Senior Policy Analyst

III. CRITICAL POLICY, LEGAL, MANAGEMENT AND INFRASTRUCTURE ISSUES

<u>Federal Funding for Indian Water Right Settlements</u>.

Funding for federal contributions to Indian water settlements is a perennial concern. Generally, settlements are funded out of discretionary appropriations available to the Bureau of Indian Affairs and the Bureau of Reclamation, but the availability of discretionary funding has been very limited and competitive. In addition, authorizations for funding for enacted settlements has significantly increased over time. In 2010, for example, approximately $1 billion was authorized for four settlements. Tribal and state leaders in the recent past have pushed Congress and the Administration to increase appropriations or use alternative sources of funding, such as the Reclamation Fund, to establish a permanent source of funding for Indian water settlements. This remains an unresolved issue.

Consultations with Tribes on the *Criteria and Procedures for the Participation of the Federal Government in Negotiations for the Settlement of Indian Water Rights Claims (55 Fed. Reg. 9,223 (March 12, 1990)) (Criteria and Procedures)* that guide Federal Government participation in Indian Water Rights Negotiations.

The *Criteria and Procedures* were promulgated in 1990 to provide guidance on how the Federal Government would participate in Indian water rights negotiations and evaluate proposed settlements. Since the promulgation of the Criteria and Procedures, 28 Indian water rights settlements have been enacted, and many have deviated from the process and ideals contained in the Criteria and Procedures. In addition, while the Criteria and Procedures have been criticized over the years by both states and tribes, they have continued to be used by every administration since 1990, albeit with differing interpretations and policy goals. In September 2016, the Department responded to requests from tribes to consult on the continued viability of the Criteria and Procedures. The Department will host tribal consultation sessions and soliciting written input through January 31, 2017.

Pending Legislation in Congress to Approve Indian Water Settlements.

In the 114th Congress, several bills to approve Indian water settlements have been introduced. S. 2848, Water Resources Development Act of 2016, which passed the Senate on September 15, 2016, included legislation to approve three settlements:

- Pechanga Band of Luiseño Mission Indians Water Rights Settlement (California) – The Pechanga settlement is a comprehensive settlement that resolves the Pechanga Band's water rights claims and secures sufficient water to meet the Band's current and future water needs while at the same time protecting local water users. Cost is $28.5 million.
- Blackfeet Water Rights Settlement (Montana) - The Blackfeet settlement resolves all claims to water on the Blackfeet Reservation and provides substantial Federal funding to the Tribe for development of the Reservation water resources among other benefits. Cost is $422 million.
- Choctaw Nation of Oklahoma and the Chickasaw Nation Water Settlement (Oklahoma) – The Choctaw- Chickasaw settlement arose out of litigation between the Tribes, the State, and Oklahoma City. The settlement provides the framework for effective management of

shared water resources. The Federal process for approval is ongoing. The settlement is a no cost settlement as determined by the Congressional Budget Office.

The Obama Administration is on record supporting the Pechanga and Blackfeet settlements and is currently working through the Federal process to develop a formal position on Choctaw -Chickasaw.

H.R. 1296, which passed the House on September 22, 2016, would approve amendments to the 1988 San Luis Rey Indian Water Rights Settlement Act to clarify the legal status of water sources provided in the 1988 Act.

Legislation has been introduced in the Senate to approve two additional settlements:

- S. 3300, the Hualapai Tribe Water Rights Settlement Act of 2016 (Arizona). In testimony to the Senate Indian Affairs Committee, the Administration stated that it does not support the Hualapai settlement as currently introduced but is continuing to work with the parties to address Federal concerns. No further action on this legislation is expected in the 114th Congress.
- S. 3013, the Salish and Kootenai Water Rights Settlement Act of 2016 (Montana). Confederated Salish and Kootenai Tribes of the Flathead Reservation. In testimony to the Senate Indian Affairs Committee, the Administration stated that it had not taken final decisions on this settlement. No further action on this legislation is expected in the 114th Congress.

Legislation has also been introduced in the Senate (S. 2959) and in the House (H.R. 5433) to amend the White Mountain Apache Tribe Water Quantification Act of 2010; these amendments would clarify the use of amounts in the White Mountain Apache Tribe's Settlement Fund. This legislation has passed the Senate.