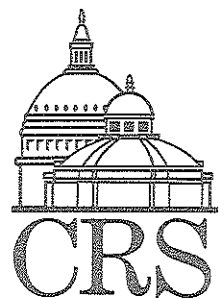


CRS Report for Congress

Selected Interior and Related Agencies Budget Requests for FY 1995

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SELECTED INTERIOR AND RELATED AGENCIES BUDGET REQUESTS FOR FY 1995

SUMMARY

This report reviews the FY 1995 budget request of the Department of the Interior with brief analyses of the budget requests of selected agencies within the department that principally are involved in natural resources programs or activities.

This report also provides an overview of the mission of the Department of the Interior, its organization, and its major budget initiatives for FY 1995. While not a part of the Department of the Interior, the U.S. Forest Service of the Department of Agriculture is also reviewed because of its natural resource management responsibilities.

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SELECTED INTERIOR AND RELATED AGENCIES BUDGET REQUESTS FOR FY 1995

INTRODUCTION ¹

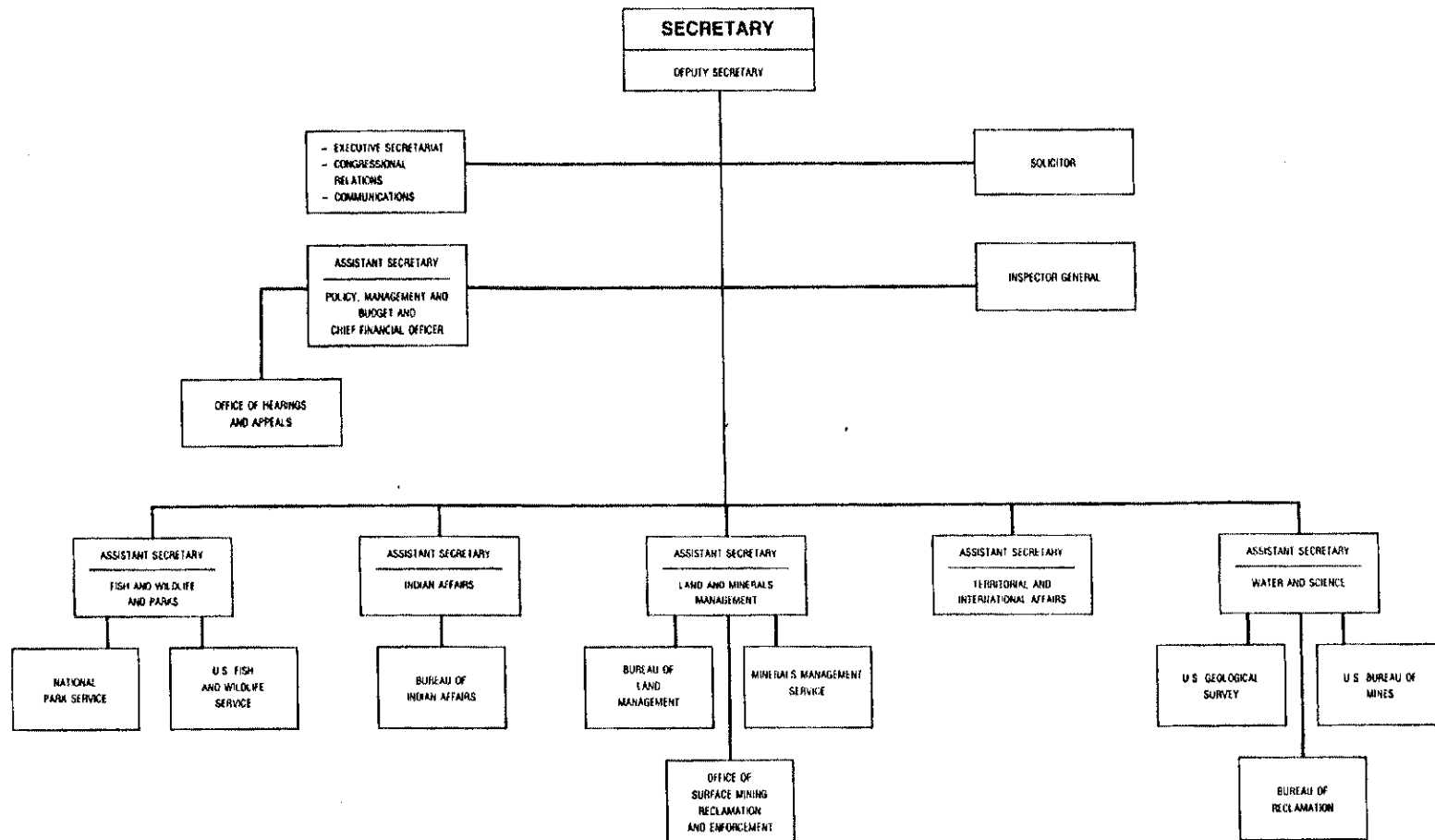
The Department of the Interior was created by Congress on March 3, 1849 (43 U.S.C. 1451). The department's current jurisdiction includes the administration of over 500 million acres of Federal land and trust responsibilities for 50 million acres of Native American lands. The department is responsible for the conservation and development of mineral, water, fish, and wildlife resources as well as the preservation and administration of many of the Nation's wild, scenic, and historic areas. Other responsibilities include the management of hydroelectric power projects and the reclamation of western lands through irrigation. The United States Government Manual for 1993/94 describes the mission and purpose of the Department of the Interior as follows:

As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under United States administration.

Five Assistant Secretary's direct the department's 9 major bureaus, as shown in the departmental organizational chart on the following page.

¹ Prepared by Alfred R. Greenwood, Senior Analyst in Natural Resources Policy, Environment and Natural Resources Policy Division.

DEPARTMENT OF THE INTERIOR



OVERVIEW

The Department of the Interior's budget request for FY 1995 is \$9.415 billion, \$264 million less than the FY 1994 estimate of \$9.679 billion. However, budget outlays for FY 1995 increase by \$34 million to \$9.473 billion over the FY 1994 outlay estimate of \$9.439 billion, and \$538 million more than the FY 1993 actual outlays of \$8.935 billion.

The following table provides information on the budget authority, outlays and receipts for the department for FY 1993, 1994, and 1995.

**Table 1. Budget Authority, Outlays, and Receipts
for Fiscal Years 1993, 1994, and 1995
(in millions of dollars)**

	FY 1993 Actual	FY 1994 Estimate	FY 1995 Request	Change
Budget Authority				
Funds subject to annual appropriation	7,026	7,547	7,466	-81
Permanents, trusts, and others	1,982	2,132	1,949	-183
Total	9,008	9,679	9,415	-264
Budget Outlays				
Funds subject to annual appropriations	7,086	7,371	7,604	+233
Permanents, trust, and others	1,849	2,068	1,869	-199
Total	8,935	9,439	9,473	+34
Receipts				
Outer Continental Shelf (OCS)	2,785	2,708	2,603	-105
OCS Escrow Payout	0	0	1,300	+1,300
Onshore Mineral Leasing	1,137	1,250	1,218	-32
Other Receipts	1,503	1,444	1,588	+144
Total	5,425	5,402	6,709	+1,307
(Offsetting Receipts)	2,147	2,194	2,296	+102

Source: The Interior Budget in Brief, Fiscal Year 1995, p. 6.

A further breakdown of budget authority and outlays by bureau is shown in Table 2 on the following page.

**Table 2. Total Budget Authority and Outlays by Bureau
(in millions of dollars)**

Budget Authority Change	FY 1993 (actual)	FY 1994 (estimate)	FY 1995 (request)	
Bureau of Land Management	1,108	1,165	1,209	+43
Minerals Management Service	667	734	721	-13
Office of Surface Mining Reclamation and Enforcement	300	302	278	-23
Bureau of Reclamation	911	944	837	-107
Central Utah Project	0	36	52	+16
U.S. Geological Survey	583	585	584	-1
Bureau of Mines	176	170	151	-20
Fish and Wildlife Service	1,307	1,160	1,210	+51
National Biological Survey		167	177	+10
National Park Service	1,414	1,508	1,489	-19
Bureau of Indian Affairs	2,047	2,269	2,244	-24
Office of Territorial and International Affairs	371	513	338	-175
Office of the Secretary	65	67	65	-2
Office of the Solicitor	31	33	35	+2
Office of the Inspector General	24	24	24	0
National Indian Gaming Commission	2	1	2	+1
Total	9,007	9,679	9,415	-263

Budget Outlays Change	FY 1993 (actual)	FY 1994 (estimate)	FY 1995 (request)	
Bureau of Land Management	1,063	1,155	1,212	+57
Minerals Management Service	676	734	715	-20
Office of Surface Mining Reclamation and Enforcement	304	262	309	+47
Bureau of Reclamation	913	1,039	845	-194
Central Utah Project	0	34	52	+18
U.S. Geological Survey	620	559	585	+26
Bureau of Mines	173	158	151	-7
Fish and Wildlife Service	1,239	1,198	1,219	+21
National Biological Survey		65	152	+87
National Park Service	1,510	1,549	1,605	+56
Bureau of Indian Affairs	2,001	2,076	2,166	+90
Office of Territorial and International Affairs	317	492	334	-158
Office of the Secretary	60	59	65	+6
Office of the Solicitor	32	32	35	+3
Office of the Inspector General	25	24	24	+1
National Indian Gaming Commission	0	2	3	+1
Total	8,931	9,438	9,473	+35

Source: The Interior Budget in Brief, Fiscal Year 1995, p. 28.

INITIATIVES

Investments

The Department of the Interior's FY 1995 budget emphasizes two major initiatives: investment initiatives and Vice President Gore's National Performance Review Initiatives for the Department of the Interior. The Department of the Interior's FY 1995 budget includes \$2.22 billion for natural resources investments with emphasis on interagency ecosystem management in South Florida ecosystem restorations, the Pacific Northwest Forest Plan, and the restoration of Prince William Sound.

Table 3.

Natural Resources Investments	FY 1995	Change from FY 1994
South Florida Ecosystem Restoration	\$57.3 million	+ \$28.9 million
Pacific Northwest Forest Plan	\$71.4 million	+ \$44.9 million
North American Free Trade Agreement (NAFTA)	\$11.3 million	+ \$10.9 million
Los Angeles Area Water Reclamation/Reuse Pilot Program	\$10.2 million	same as FY 1994
National Spatial Data Infrastructure	\$7.2 million	+ \$6.0 million
National Biological Survey	\$169.7 million	+ \$5.3 million
National Park Service Operations	\$1,108.4 million	+ \$61.3 million
Fish and Wildlife Service Operations	\$500.3 million	+ \$24.2 million
Bureau of Land Management Operations	\$263.3 million	+ \$17.0 million
U.S. Geological Survey (selected programs)	\$7.8 million	+ \$2.8 million
Bureau of Indian Affairs/Safer Dams on Reservations	\$18.0 million	same as FY 1994

National Performance Review

The Department of the Interior's FY 1995 budget incorporates recommendations and actions included in the September 1993 *Department of the Interior Accompanying Report to the National Performance Review* (NPR). The following initiatives are some of the NPR management reforms highlighted in the budget.

Restructuring the Bureau of Reclamation

This initiative includes a \$107 million reduction from \$944 million in FY 1994 to \$837 million in FY 1995 to reflect a reduction in both construction projects and the size of the Bureau of Reclamation staff in Denver to permit expanded efforts in water conservation, environmental protection, and restoration of recreational facilities.

Streamlining the Bureau of Mines and the Minerals Management Service

The FY 1995 budget request reduces the previous budgets of both bureaus. The Bureau of Mines' budget is reduced by \$19 million from \$170 million to

\$151 million and includes consolidating 12 field offices into five centers. The Minerals Management Service's budget is reduced by \$13 million from \$734 million to \$721 million and includes a proposal to consolidate functions at five locations as part of an effort relating to the changing nature of its offshore program.

Generating Equitable Returns for Public Resources

The FY 1995 Budget introduces a number of revenue proposals designed to ensure a fair return for the use of public resources.

Hardrock Mining and Reclamation

This initiative relies on comprehensive reform of the 1872 Mining Law by the Congress and reflects the Administration's proposal to impose an 8 percent royalty on such minerals as gold, silver, copper, zinc, or other hardrock minerals removed from Federal lands. The Federal government does not currently charge a royalty on these minerals. The department estimates that the 8 percent royalty would yield approximately \$133 million per fiscal year.

Rangeland Reforms

The department proposes to increase grazing fees charged to ranchers over a three-year period from the current \$1.96 per animal unit month (AUM) to \$4.28. However, on March 17, 1994, the Department of the Interior announced a scaled-back grazing plan which would increase grazing fees to \$2.75 during the first year, \$3.50 during the second year, and \$3.96 during the third year.

Increased Park Fees

The department also proposes to collect an additional \$32 million from entrance fees and the establishment of a new National Park Renewal Fund. Legislation will be requested by the department to provide the National Park Service with broad authority to set entrance fees.

NATIONAL PARK SERVICE ²

Mission

The basic mission of the National Park Service is to preserve, protect, and interpret the natural, cultural, and historic resources of the Nation for the public. To a considerable extent, the agency also contributes to meeting the public demand for certain types of recreational opportunities. Scientific research is another frequent activity in units of the National Park System. These missions are typically spelled out in the authorizing legislation for the individual units

² Prepared by Ross W. Gorte, Specialist in Natural Resources Policy, Environment and Natural Resources Policy Division.

of the system when they are established, as well as in general park management statutes, such as the 1916 Act establishing the National Park Service.

The dual, and sometimes contradictory, components of the National Park Service mission date to the 1872 law establishing Yellowstone as the world's first National Park. That law required that the area should be "dedicated and set apart as a public park and pleasuring-ground for the benefit and enjoyment of the people," thus setting out the public use and recreation mission. The law also required regulations to "provide for the preservation, from injury or spoliation, of all timber, mineral deposits, natural curiosities, or wonders within said park, and their retention in their natural condition," thus setting a clear requirement for a preservation mission, as well.

The National Park System has grown substantially since Yellowstone National Park was authorized in 1872. As of 1991, the system contained 357 units totalling more than 80 million acres; two-thirds of the lands in the National Park System (55 million acres) are in Alaska. The 50 National Parks are the largest and best known units, but the National Park System has 19 other types of units, including National Monuments, National Recreation Areas, National Historic Sites, National Battlefields, National Seashores, and other designations.

Table 4. National Park Service Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$1,488.55	\$1,503.3	\$1,436.1

Analysis

The President has requested nearly \$1.5 billion for the National Park Service for FY 1995, a net decrease of \$14.7 million (1.0 percent) from FY 1994 appropriations. This request would support 18,882 FTEs, down 404 FTEs (2.1 percent) from FY 1994. The apparent decline in the Park Service budget is largely due to a proposed legislative transfer of the John F. Kennedy Center for the Performing Arts to the Smithsonian Institution, resulting in a reduction of \$20.6 million in the Park Service budget. The budget request thus proposes an increase of \$5.9 million (0.4 percent), net of the proposed transfer. The FY 1995 budget request proposes numerous shifts among budget line items, including funding for three initiatives.

Park Operations

The FY 1995 Park Service budget request includes an initiative on park operations, with \$32.0 million to be spread across-the-board for park management. This 2 percent increase is to cover the cost of inflation and the most

urgent shortfalls in about 60 park units, although the proposed increase is less than the rate of inflation. This initiative is also less than the \$65.6 million increase specified in the park operations line item; it is unclear why these data differ.

Careers Initiative

In FY 1995, the Park Service plans to commit \$30.4 million "to support an investment in our personnel." This includes \$18 million for recruitment, pay, training, and other equity issues, and another \$6 million to correct past inequities. More than \$2 million will be used to further enhance concessions management and \$4 million to professionalize the resources stewardship program.

South Florida Ecosystem Management

In recognition of the importance, and deterioration, of the ecosystem of South Florida, a South Florida Ecosystem Task Force was established in 1993. The task force includes numerous Interior Department agencies as well as other Federal agencies. The Park Service, with responsibility for Everglades National Park, Biscayne Bay National Park, and Big Cypress National Preserve, has an important role in the task force and in restoring and managing the ecosystem. The FY 1995 budget request includes \$3.7 million as the Park Service contribution to this effort.

Major Proposed Changes in the Budget

The Park Service budget request includes numerous changes that seem unrelated to the initiatives described above. In addition, it contains two proposals that will require legislative authorization. One, described above, is to transfer the Kennedy Center for the Performing Arts to the Smithsonian Institution, resulting in a Park Service budget savings of \$20.6 million.

The second legislative proposal is to expand the fee collections at park units, raising collections from an estimated \$94 million to \$140 million. Since the Omnibus Budget Reconciliation Act of 1993 amended the Land and Water Conservation Act to permit the Park Service to retain 15 percent of recreation fees, the legislative proposal that would increase fee collections would also raise the funding support to collect the fees. The total increase in fee collection support for FY 1995 is estimated to be \$6.9 million, 49 percent above the FY 1994 level.

Only two Park Service budget line items are proposed for a significant rise. FY 1995 park operations are proposed to increase by \$65.6 million, 6 percent above FY 1994 levels. This is nearly double the \$32 million specified for the park operations initiative, discussed above; the reason for this difference is unclear. The other increase is \$2.0 million (5 percent) for historic preservation.

Several budget line items are proposed for significant declines:

- Kennedy Center for Performing Arts: \$20.6 million (100 percent);
- Construction: \$52.6 million (26 percent);
- Land acquisition and State grants: \$12.6 million (13 percent);
- Miscellaneous trusts (*i.e.*, donations): \$1.3 million (12 percent); and
- National recreation and preservation: \$2.1 million (5 percent).

BUREAU OF LAND MANAGEMENT ³

Mission

The Bureau of Land Management (BLM) oversees nearly 270 million acres of Federal land and an additional 300 million acre mineral estate underlying land in mixed ownership. BLM lands generally are managed for "multiple uses" under the Federal Land Policy and Management Act of 1976; however, other laws also guide the management of specific lands and resources. These laws include, but are not limited to: the Taylor Grazing Act of 1934, the Wilderness Act, the General Mining Law of 1872, and the Minerals Leasing Act of 1920.

The BLM was created in 1946 -- the result of a merger of the General Land Office and the U.S. Grazing Service, both in the Department of the Interior. In 1800, Congress established the first land offices in Ohio, and the General Land Office in 1812, to convey lands to the pioneers who first began to settle the western lands. The U.S. Grazing Service was formed in 1934 under the Taylor Grazing Act to manage the public lands best suited for livestock grazing. This Act had been passed to remedy the deteriorating condition of public rangelands due to overuse, fragmentation from homesteading, and the drought and depression of the 1920s and 1930s.

A total of 1.1 billion acres of public land have been transferred to citizens, States, and businesses under various Federal land laws. The last large transfer of land administered by BLM occurred in 1980 with the passage of the Alaska National Interest Lands Conservation Act, which transferred large amounts of land from BLM to other Federal land management agencies. BLM manages land retained in Federal ownership for a variety of purposes and uses, not all of which are entirely compatible. Increased population and demand for recreational access as well as other amenities, and the historical practices of grazing, mining, and timber harvesting on BLM and other Federal lands have resulted in escalating pressures on Federal land managers and Congress to address competing uses.

³ Prepared by Betsy A. Cody, Analyst in Natural Resources Policy, Environment and Natural Resources Policy Division.

Table 5. Bureau of Land Management Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Enacted)	FY 1993 (Actual)
\$1,208.5	\$1,165.3	\$1,108.8

Analysis

The FY 1995 budget request includes \$1.21 billion in total budget authority for the BLM, an increase of approximately 4 percent from FY 1994. Two major initiatives receiving increased funding in the FY 1995 budget request include \$18.7 million for the Pacific Northwest Forest Plan and \$14.5 million for rangeland management reform initiatives.

The FY 1995 Clinton Administration budget request in part reflects a change to support broad resource management goals, instead of the historical program-by-program approach to BLM management and budgeting. This change is further illustrated by the Administration's proposed new budget structure, which shifts several BLM program subactivities (i.e., rangeland or wildlife management) into broader management categories such as "sustaining resource values," and "physical uses," with subactivities including "upland resources," and "realty and ownership."

In keeping with its broad management goals, the Administration has also declared that it is pursuing "ecosystem management" as a way to address concerns in the management of Pacific Northwest forests and other areas. Additionally, the Administration is pursuing major changes in rangeland management policy, and increases in grazing fees and initiation of fees for mining of hardrock minerals covered under the 1872 Mining Law.

The FY 1995 BLM budget is expected to support 11,796 full-time equivalent employees (FTEs) -- 167 less than the FY 1994 budget level. Approximately 1,000 of FTE are allocated to BLM accounts that support other bureaus or agencies. Some programs receiving less money in the FY 1995 request than what was enacted in FY 1994 include:

- energy and minerals management programs (the Oil and Gas, Coal Management, and Other Mineral Resources Management programs);
- forest management outside Western Oregon;
- information and resource data management;
- hazardous materials management (offset by establishment of a new central hazardous materials management account);
- wildland fire management; and
- construction and access.

Programs with higher request levels than the previous year include:

- mining law administration (to be covered by annual maintenance fees);
- lands and realty management;
- other land and resource management programs (wild horse and burros, rangeland management, soil and water management, wildlife habitat and fisheries management, cultural resources management, and wilderness management);
- automated land and minerals records system;
- resource protection and law enforcement;

- DOI wildland fire operations;
- Oregon and California grant lands, and other forest resources management (Pacific Northwest Forest Plan, riparian enhancement, Western Oregon facilities maintenance);
- resource management planning (new); and
- land acquisition.

Perennial issues affecting the BLM include what price should be charged to use BLM grazing lands and to develop minerals, what lands should be preserved as wilderness or otherwise preserved in their more natural state, how forests should be managed, and what changes should be made in general management policies. The President's budget request and revenue projections assume increases in both the grazing fee and minerals fees.

U.S. FOREST SERVICE ⁴

Mission

The Forest Service was established in the Department of Agriculture in 1905 by a merger of the Forestry Division of the General Land Office, which managed forest lands reserved beginning in 1891, with the USDA Bureau of Forestry, which assisted Federal, State, and private forest owners and conducted forestry research. The Forest Service has three principal missions following from the missions of its predecessors: managing the National Forest System, assisting States and private forestland owners, and conducting forestry research. The Forest Service also has a long tradition of international forestry cooperation and research, but this mission was not officially recognized as a branch of the Forest Service until 1992. The National Forest System, with 191 million acres, dominates the agency's culture and budget, accounting for nearly 90 percent of annual expenditures.

Many laws provide guidance for Forest Service activities. The Multiple-Use Sustained-Yield Act of 1960 further articulated goals for managing the National Forest System that had been established in 1897. The Forest and Rangeland

⁴ Prepared by Ross W. Gorte, Specialist in Natural Resources Policy, Environment and Natural Resources Policy Division.

Renewable Resources Planning Act of 1974 (RPA) established a strategic planning process for assessing resource supplies and demands, developing a program to guide Forest Service actions (accompanied by a Presidential statement of policy), and reporting on performance in achieving the program's goals. RPA, as amended by the National Forest Management Act of 1976 (NFMA), also requires integrated land and resource management plans for the units of the National Forest System, prepared by an interdisciplinary team, with public participation, and revised when conditions have significantly changed (but at least every 15 years).

Table 6. U.S. Forest Service Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$3,244.9	\$3,251.8	\$3,362.8

Analysis

The President has requested \$3.2 billion for the Forest Service in FY 1995, a net decrease of \$6.9 million (0.2 percent) from FY 1994 appropriations. This request would support 39,564 FTEs, a decline of 606 FTEs (1.5 percent) from FY 1994. The request includes numerous shifts among budget line items, mostly related to two relevant Presidential plans and two agency initiatives. In addition, the Forest Service has proposed reforming its budget structure.

Forest Plan for the Pacific Northwest

In July 1993, President Clinton proposed a draft forest plan for the Pacific Northwest. The budget request includes \$97.0 million, up \$1.2 million from FY 1994, in watershed protection, timber sales, adaptive management, implementation, rural assistance, and ecosystem restoration. However, this funding is not distinguished in the line items, and thus cannot readily be tracked through the appropriations process.

Climate Change Action Plan

Following the Earth Summit held in Rio de Janeiro in June 1992, the Clinton Administration pledged \$1.9 billion of new and redirected funding to support the Convention on Climate Change. The Forest Service budget request includes \$5.4 million for recycling research and increasing forest cover on nonindustrial private forestlands. As with the forest plan for the Pacific Northwest, this funding is not identified in separate line items, and thus cannot readily be tracked through the appropriations process.

Initiatives

The Forest Service is requesting \$10.0 million to continue ecosystem research begun in FY 1994, and supplemented by \$2.5 million for research to support implementation of the forest plan for the Pacific Northwest. However, this \$12.5 million is less than the \$13.6 million requested in the budget line item for ecosystem research (continuing the budget line item begun in FY 1994).

The Forest Service is requesting \$79.0 million in three categories for natural resource protection and environmental infrastructure. Ecosystem restoration -- through the budget line items for soil, water, and air management; wildlife and fish habitat; and range improvements -- would be funded at \$43.0 million. The budgets for these three line items are proposed to increase, but by only \$35.9 million over FY 1994.

Recreation, trail, and road maintenance -- to address the backlog of deferred maintenance and restoration -- would be funded at \$27.0 million. However, the initiative proposes \$17.0 million for recreation use, but the budget line item is proposed to increase by only \$7.3 million. Similarly, the initiative proposes a \$4.0 million increase in trail maintenance, but the budget line item is proposed to increase by only \$2.3 million. In contrast, the initiative proposes a \$6.0 million increase in road maintenance, while the budget line item is proposed to increase by \$7.2 million.

Infrastructure restoration and rehabilitation to rebuild and/or replace deteriorated facilities, roads, and trails would be funded at \$9.0 million. Of this, \$4.0 million would be for recreation, fire, administrative, and other facilities, to address the \$1,128 million backlog of deferred maintenance and repair needs; however, a \$34.6 million decline is proposed in the facilities construction budget line item. The initiative proposes \$2.0 million for trail construction, but the budget line item for trail construction in FY 1995 is unchanged from FY 1994. Finally, the initiative proposes \$3.0 million for recreation support roads (for access to recreation areas), while the road construction budget line item is proposed to increase by \$24.0 million in FY 1995.

Budget Reform

The Forest Service is proposing budget reform as its initial step in "reinventing the Forest Service," a response to Vice President Gore's National Performance Review. The goal of budget reform is "to facilitate implementation of ecosystem management, reduce the complexity and improve the efficiency of the current system." Fire, pest, and law enforcement activities would be consolidated under one heading, and land acquisition under another. Construction would be eliminated by distributing the construction budget to capital investments for the relevant resource or activity. Separate research budget line items would be eliminated, while the 16 line items for the National Forest System (excluding construction) would be reorganized into 3 categories: ecosystem planning, inventory, and monitoring; operations and maintenance; and capital investments. Details would be available by resource, but funding by

resource would be terminated. Expanded reprogramming authority and accountability through greater reporting are also proposed.

Major Proposed Changes in the Budget

The Forest Service budget request includes numerous changes that seem unrelated to the plans and initiatives described above. Major increases from FY 1994 appropriations include:

- ecosystems research: \$6.1 million (81 percent);
- international forestry: \$3.0 million (43 percent);
- road construction: \$24.0 million (25 percent);
- law enforcement: \$8.8 million (16 percent), after increasing \$39.7 million (256 percent) in FY 1994;
- Knutson-Vandenberg (K-V) Fund: \$40.4 million (18 percent), including an increase of \$26.3 million (40 percent) for nontimber activities and of \$14.1 million (9 percent) for timber activities to offset a reduction of \$5.2 million (8 percent) in appropriations for reforestation and stand improvement;
- soil, water, and air management: \$16.5 million (21 percent);
- wildlife and fish habitat: \$14.1 million (12 percent); and
- range management: \$5.2 million (12 percent).

The major decreases proposed include:

- watershed restoration: \$20.0 million (100 percent);
- cooperative fire protection: \$13.4 million (78 percent);
- salvage sale fund expenditures: \$82 million (39 percent);
- facility construction: \$34.6 million (35 percent);
- Forest Service-built purchaser roads: \$2.5 million (30 percent);
- special cooperative projects: \$3.5 million (18 percent); and
- timber sales: \$10.9 million (6 percent), despite \$11.9 million more for timber sales in the Pacific Northwest Forest Plan.

These changes generally suggest a shift away from timber sales, facilities (except roads), and some cooperative programs, and toward resource protection and nontimber resource management.

U.S. FISH AND WILDLIFE SERVICE ⁵

Mission

The Fish and Wildlife Service is responsible for the protection and conservation of migrating birds, endangered species, certain marine mammals, specific fishery and wildlife research, and lands in the National Wildlife Refuge

⁵ Prepared by Alfred R. Greenwood, Senior Analyst in Natural Resources Policy, Environment and Natural Resources Policy Division.

System. The Service employs approximately 7,200 personnel who manage 92 million acres which include 510 wildlife refuges, 32 waterfowl production areas, 51 coordination areas, 77 fish hatcheries, 13 major research and development centers, 89 research field stations, and 43 cooperative research units at various universities.

The Service's predecessor agency, the Bureau of Fisheries, was established as an independent agency in 1871 and later transferred to the Department of Commerce. The Bureau of Biological Survey was established in 1885 in the Department of Agriculture. These two bureaus were transferred to the Department of the Interior in 1939 and were included in the Fish and Wildlife Service in 1940 by Reorganization Plan III. In 1956, the Fish and Wildlife Act reorganized the agency and established the Bureau of Commercial Fisheries and the Bureau of Sport Fisheries and Wildlife. However, the Bureau of Commercial Fisheries was transferred to the Department of Commerce in 1970. The Service was renamed the United States Fish and Wildlife Service in 1974.

Table 7. U.S. Fish and Wildlife Service Budgets, FY 1993-1995
(in millions of dollars)

(Appropriations)	FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
Current	\$710.6	\$680.7	\$750.0
Permanent	\$524.8	\$504.1	\$557.1
Total	\$1,235.4	\$1,184.8	\$1,307.1

Analysis

The Service has requested \$1.24 billion (including \$710.6 million of current appropriations) for FY 1995, an increase of \$51 million, four percent over FY 1994. However, a total of \$73.3 million of current appropriations increases are requested which are offset by program decreases including a \$36.1 million decrease in construction (\$20.4 million for wildlife refuges, \$11.9 million for dam safety, and \$2.6 million for bridge safety). Almost \$42 million of the proposed increase involves three of the Department of the Interior's priority investment initiatives.

Forest Plan for the Pacific Northwest

The Service is requesting \$20.3 million to undertake changes in the designation of critical habitat for the northern spotted owl and to provide funds to California, Oregon, and Washington to monitor owl populations, for watershed planning, promotion of ecosystem conservation, and continued funding of the "Jobs in the Woods" ecosystem restoration projects for unemployed timber workers.

North American Free Trade Agreement Conservation Activities

The Service's request includes a total of \$10.9 million to develop conservation and protection measures for fish and wildlife resources and their habitat along the U.S. and Mexico border. Of this amount, \$4.1 million will be used for ecological services to permit the Service to work with Mexican agencies to prevent and mitigate potential impacts to endangered, threatened and candidate species. The U.S. and Mexico share a number of threatened and endangered species including sea turtles, falcons, spotted owl, desert tortoise, wolf, and ocelot. Another \$5.4 million is requested for funding increases for refuges, law enforcement and migratory bird management programs, and \$1.4 million is being sought for the management of border fishery and aquatic resources. Within these Service requests, a total of \$2.3 million will be used for Fish and Wildlife Service Cooperative programs with Mexico related to NAFTA, including training and protected areas management.

South Florida Ecosystem Restoration

The Service is requesting nearly \$8 million, a \$2.9 million increase over FY 1994, for its participation in the South Florida Ecosystem Restoration Task Force established in 1993. Nearly \$2 million of the increase is requested to include status surveys and recovery activities related to the Florida panther, cape sable sparrow, Lower Keys marsh rabbit, silver rice rat, and other species. The Service also will seek to establish a Florida and Everglades Bay/Estuary program. The balance of the increase will be used for projects to restore wetlands on refuge lands to protect native plants benefitting the many species that inhabit the Everglades and for the Service's work involving the Gulf Sturgeon recovery plan.

Resource Management Focus

Of the \$710 million requested for FY 1995, \$540 million is for Resource Management activities which have increased substantially in the last two years, since research and development (which totalled \$86.5 million in FY 1993) was transferred to the National Biological Survey in FY 1994. The FY 1995 Resource Management budget is \$16 million less than FY 1993 but is an increase of \$58.1 million over FY 1994. One major decrease is proposed for FY 1995: a decline of \$38.1 million (52 percent) for construction. Other principal changes in the Resource Management budget for FY 1995 include the following increases:

- ecological services: \$38.9 million
(endangered species: \$22.7 million)
(habitat conservation: \$14.9 million)
- refuges and wildlife: \$5.7 million
- fisheries: \$.6 million
- general administration: \$12.8 million
- Natural Resource Damage Assessment and Restoration Fund: \$1.0 million

- acquisition of land: \$3.5 million
- National Wildlife Refuge Fund: \$1.7 million
- African Elephant Conservation Fund: \$1.9 million
- Cooperative Endangered Species Fund: \$1.6 million

NATIONAL BIOLOGICAL SURVEY⁶

Mission

The National Biological Survey (NBS) is a new agency, created under the executive authority of the Interior Secretary. It lacks any new authorizing legislation, although it assumes many existing responsibilities previously handled by other agencies. The agency is, in many ways, still defining itself. Interior Secretary Bruce Babbitt stated in the FY 1995 budget request for the National Biological Survey:

The National Biological Survey will produce the map we need to avoid the economic and environmental "train wrecks" we see scattered across the country. NBS will provide the scientific knowledge America needs to balance the compatible goals of ecosystem protection and economic progress. Just as the U.S. Geological Survey gave us an understanding of America's geography in 1879, the National Biological Survey will unlock information about how we protect ecosystems and plan for the future.

Many, perhaps most, of the biological research and data management activities within the Department of the Interior have been gathered into NBS. The great bulk of the employees making up the agency have been transferred from other agencies, chiefly the Fish and Wildlife Service.

The agency plans to focus first on information sharing and research collaboration with State and local governments, other Federal agencies, universities and museums, and private organizations. The mammoth task of field collections to survey the millions of species that are likely to be present in the United States is not likely to be the first order of business. Particular groups of species (e.g., migratory birds, or freshwater mollusks) and particular ecosystems (e.g., south Florida, or Pacific Northwest forests) will instead be the focus of effort, as will the data needs of other agencies within the Department of the Interior.

The agency began on November 11, 1994. The Clinton Administration did not seek congressional authorization, but authorization bills were introduced in both the House and Senate. H.R. 1845 was amended and passed by the House Committees on Merchant Marine and Fisheries and on Natural Resources. It was considered by the full House on October 6, 1993 and passed on October 26.

⁶ Prepared by M. Lynne Corn, Specialist in Natural Resources Policy, Environment and Natural Resources Policy Division.

Several amendments were offered and some were accepted. No action has been taken by the Senate on S. 1110 or H.R. 1845. Primary issues in the debate were the concern that the NBS might have management authority that would interfere with rights of property owners, or that the information collected by NBS would lead to restrictions on property owners via regulations administered by other agencies. There were also concerns that the agency's use of volunteers could lead to over-zealousness and harm private property interests. Advocates of NBS argued that the agency would merely collect data and had no regulatory authority. (See also request overview and issues, below.)

Appropriations for NBS were included in the Interior Appropriations Act (P.L. 103-138). The Act provided that "none of the funds ... [for NBS] shall be used to conduct new surveys on private property unless specifically authorized in writing by the property owner." The Senate version of the bill included language that prohibited the use of volunteers in the data-gathering of NBS, but this language was deleted in conference (H.Rpt. 103-299).

Table 8. National Biological Survey Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$176.8	\$167.2	N/A*

* The agency was not established prior to FY 1994.

Analysis

In an agency whose entire existence is measured in months, changes are difficult to measure. The FY 1995 request represents the first budget for the first full year of the agency's existence. Of the \$9.6 million increase requested for FY 1995, \$5.0 million is in Ecosystems Research, and \$3.9 million is in Information Transfer. Ecosystems research will emphasize the South Florida area and Pacific Northwest forest ecosystem. There will also be an initiative on non-native species, such as the zebra mussels of the Great Lakes, and various introduced pest plants, such as spotted knapweed. Information transfer will emphasize development and coordination of existing biological data bases. Management of spatial data will also be a priority.

Issues in the debate over NBS funding seem likely to follow the pattern of FY 1994. There is likely to be relatively little emphasis on the types and forms of the research conducted by this agency, and more on the implications of its existence and of its efforts for other issues. If the Senate chooses to move an authorizing bill before the appropriations process proceeds very far, the authorization is likely to become the focus of debate. Most observers feel such action is unlikely.

If the debate focuses on the appropriations process, the issues below are likely to arise. Many focus on private property rights.

- Restricting the use of volunteers by NBS. Such a restriction, designed to address the concerns of some landowners, would eliminate some of the programs which have been transferred to NBS and currently rely on volunteers. The national Breeding Bird Survey, formerly managed by the Fish and Wildlife Service, is the most commonly cited example. If such language were added, the Breeding Bird Survey would probably be transferred back to FWS so that the data could continue to be collected.
- Use of volunteers by cooperating institutions. If the use of volunteers becomes a focus, the debate may extend to cooperating institutions. Examples of institutions which might cooperate with NBS and use volunteers extensively include research museums, universities, State parks, the Heritage Program of the Nature Conservancy, and the National Audubon Society. These organizations often use volunteers, including unpaid students, to gather data on many types of information. A strict prohibition on volunteers could lead to a lack of NBS access to the data these organizations collect.
- Access to private property. One issue is the current restriction in the FY 1994 appropriation that requires the permission of landowners for access. Many legal experts would like to add language to address the interests of leaseholders and tenants as well. A second, and more controversial, issue is the more general access to private lands. Specific concerns involve aerial surveys and other forms of access that do not involve physical presence on the property.
- The NBS appropriation could be a center of controversy for those wishing to amend the Endangered Species Act, which is not expected to receive floor consideration this year. It is difficult to speculate on the form such a debate might take.
- There may be controversy over efficient merger of NBS efforts with research now occurring in other institutions. Considerable biological survey data are now stored in museums and on computers. Examples range from specimens collected by the Lewis and Clark Expedition to Landsat telemetry data. The scientific community is united in wanting to build on, rather than re-create, the existing data. The integration of resources and data is a mammoth task, and no clear strategy has been agreed on to achieve it.

BUREAU OF RECLAMATION ⁷**Mission**

The Bureau of Reclamation (Bureau) supplies water to approximately 28 million people each year through hundreds of Federal facilities in the 17 Western States from the Great Plains to the Pacific Ocean. The Reclamation Act of 1902 authorized the Secretary of the Interior to initiate a reclamation program to develop water supplies for irrigable lands in the arid West; however, individual projects and studies are authorized under numerous separate acts. Major laws amending the 1902 Act include the Reclamation Project Act of 1939, and the Reclamation Reform Act of 1982, as amended. Additionally, the Reclamation Projects Authorization and Adjustment Act of 1992 authorizes numerous management and operational changes affecting specific reclamation projects.

The Bureau of Reclamation was preceded by the Reclamation Service in the U.S. Geological Survey. The Reclamation Service was later established as a separate Interior agency (1907) and in 1923 was renamed the Bureau of Reclamation. Although initially conceived as a way to provide irrigation water, Bureau projects currently serve many purposes including flood control, municipal and industrial water supply, recreation, and fish and wildlife enhancement. Approximately 85 percent of the 30 million acre-feet of water delivered annually through Bureau facilities is used for irrigation.

Bureau project construction expanded during the 1930s and 1940s, and continued rapidly until the late 1960s and early 1970s. Growing concerns over the environmental impacts of large projects, changing local needs, increasing construction costs, and prior development of prime locations for water works, all contributed to a decline in new construction of major water projects in the late 1970s and early 1980s. Over the past decade the Bureau has struggled with its transition from an engineering and construction oriented agency to one with a focus on the operation and management of existing facilities and mitigation of environmental degradation.

Table 9. Bureau of Reclamation Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$797.2	\$912.9	\$911.3

⁷ Prepared by Betsy A. Cody, Analyst in Natural Resources Policy, Environment and Natural Resources Policy Division.

Analysis

The FY 1995 budget request includes \$797 million for the Bureau of Reclamation, a decrease of nearly 13 percent from FY 1994 (enacted). The total budget request for FY 1995 is \$836.5 million, 11.4 percent less than in FY 1994, including expenditures on and an anticipated offset of \$39.4 million in receipts from the Central Valley Project (CVP), which will go toward the CVP Restoration Fund. The Bureau's construction program is down \$83.5 million (18 percent) from FY 1994. This account alone makes up nearly three-quarters of the overall decrease from FY 1995 to FY 1994. The Bureau's general investigations program, which includes funding for studies and preparation for new projects, would decrease nearly 10 percent, and due to the completion of a major project, the loan program would decrease 73 percent (\$13.5 million to \$3.6 million). The agency's operations and maintenance (O&M) program would increase slightly (less than one percent) to \$284.2 million.

The FY 1995 request reflects a trend from water resources development toward water management, with a focus on water conservation and attention to environmental, natural resources, and recreational needs. For example, of the 17 construction program items summarized in the President's budget request, only five received an increase from FY 1994, three of which involve work for threatened and endangered species and another for recreation. Throughout the President's budget request summary and the Bureau's budget explanatory notes, the Administration emphasizes a "shift in emphasis from water project construction to water resource management." In line with this shift, the agency notes it will reduce its Denver office staff size and other administrative costs.

Issues affecting the Bureau include the implementation of the Central Valley Project Improvement Act (Title 34, P.L. 102-575), the financial status of the Central Arizona Project, the scope of an environmental impact statement on establishing rules to implement the 1982 reforms, and activities to meet requirements of the Endangered Species Act and Clean Water Act at several Bureau facilities. Historical project beneficiaries are wary of being asked to undertake conservation efforts, pay more for project water, or give up traditional water supplies, to meet new demands on the Bureau water supply.

U.S. GEOLOGICAL SURVEY ⁸

Mission

The U.S. Geological Survey (USGS) was established as a bureau within the Department of the Interior by an Act of Congress on March 3, 1879, to provide a permanent Federal agency to conduct the systematic and scientific "classification of the public lands and examination of the geologic structure, mineral resources, and products of the national domain."

⁸ Prepared by James E. Mielke, Specialist in Marine and Earth Sciences, Science Policy and Research Division.

As the Nation's largest earth science research and information agency, the USGS addresses such questions as: How can we ensure an adequate supply of critical water, energy, and minerals in the future? In what ways are we irreversibly altering our natural environment when we use these resources? How has the global environment changed over geologic time, and what can the past tell us about the future? How can we predict, prevent, or mitigate the effects of natural hazards? The primary mission of the USGS is to collect, analyze, and disseminate the scientific information needed to answer these questions. This information is provided to the public in many forms including maps, reports, and data bases that provide descriptions and analyses of the water, energy, and mineral resources, the land surface, the underlying geologic structure, and the dynamic processes of the Earth.

Table 10. U.S. Geological Survey Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$583.7	\$584.7	\$581.1

Analysis

The President has requested \$583.7 million for the U.S. Geological Survey in FY 1995, a net decrease of \$1.0 million from FY 1994. The FY 1995 budget includes a \$30.8 million increase for several high-priority environmental protection programs balanced by a \$31.8 million reduction in administrative and salary costs, as well as reductions or redirections in several other programs. The programs proposed for increased funding include the following.

Water Quality

The 1995 request includes \$58.2 million for the National Water Quality Assessment Program, a \$6 million increase. The program is monitoring water quality in parts of 45 States. The increase will continue assessment activities in the first 20 study units begun in 1991; analysis and interpretation of available water quality information in 15 of the 20 study units started in 1994; and continuation of national data synthesis activities for pesticides, nutrients, and volatile organic compounds to assist Federal agencies in strengthening the Clean Water Act.

Critical Ecosystems Research and Assessment

A new initiative in the USGS budget represents an increase of \$3.8 million to provide data, research, and analysis for improving the understanding and management of critical ecosystems.

South Florida

An \$8 million increase will enable the USGS to play an important role in a departmental initiative to provide a comprehensive, long-term proposal for ecosystem restoration in South Florida, with particular focus on the Everglades. With the increase, the USGS will collaborate with several other agencies to provide a geographic information system that will be used to define how the hydrogeologic system operates and how it responds to alternative water management strategies.

Cartographic Data Production

A \$6 million increase is requested for high priority digital cartographic data needed in the near-term by the Department and other Federal and State agencies to support resource management decisions.

National Spatial Data Infrastructure

Another \$6 million is requested for a National Performance Review initiative to establish the National Spatial Data Infrastructure. The increase supports establishing a national geospatial data clearinghouse and related activities. Apparently, this is considered an important step in meeting the recommendations of Vice President Gore's National Performance Review Initiatives for the Department of the Interior.

Watershed Modeling

An increase of \$1 million is requested for a new program to develop, test, and implement computer programs in hydrologic modeling to help water managers improve water use. A pilot study will address major issues such as flow regulation as it relates to endangered fish, competition for water, and Indian water rights.

The Earthquake Hazards Reduction program will be level funded at \$49.2 million.

Administrative streamlining and cost reductions will be achieved by tightening controls on travel, printing and reproduction costs, and supplies and materials. Teleconferencing will be used to reduce travel between headquarters and field offices.

MINERALS MANAGEMENT SERVICE ⁹**Mission**

The Minerals Management Service (MMS) was established in 1982 by Executive Order (No. 3071) as a part of the Department of the Interior (DOI). It administers the offshore minerals program and the Royalty Management Program (RMP). Collection and distribution of mineral revenues are carried out by the RMP. The MMS also enforces compliance regulations and verifies production through an audit system. The MMS collects about \$4.7 billion in revenues annually, although this amount fluctuates with the value of production. During the early 1980s, total revenues averaged about \$10 billion annually. The revenues collected from Federal leases are bonus bids, rentals, and royalties. Offshore oil and gas revenues are typically 75 percent or more of these revenues.

The revenues from onshore leases are distributed to States in which they were collected, the General Fund of the U.S. Treasury, and other designated programs. All States except Alaska receive 50 percent of the revenue collected from public land oil and gas leases. Revenues from the offshore leases are allocated in varying amounts among the coastal States, the Land and Water Conservation Fund, the Historic Preservation Fund, and the General Treasury. Royalties on competitive and noncompetitive leases are not less than 12.5 percent in amount or value of the production removed or sold from the lease. Competitive and noncompetitive leases extend up to a 10-year term and as long thereafter as the mineral is commercially produced.

Table 11. Minerals Management Service Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$201.2	\$198.5	\$195.3

Analysis

The FY 1995 MMS budget request is \$201.2 million, \$2.7 million more than FY 1994 appropriations and about \$800,000 less than the FY 1994 request. The MMS is under increased pressure to improve its audit procedures and the collection of royalties and to ensure "optimum value" returns to the Federal Treasury. The MMS is requesting \$4 million more for its Royalty Management

⁹ Prepared by Marc Humphries, Analyst in Energy Policy, Environment and Natural Resources Policy Division.

Program, while the FY 1995 Outer Continental Shelf (OCS) request is \$2 million less than the FY 1994 appropriations.

The Administration is continuing year-by-year OCS leasing moratoria along many of the coastal states. In other OCS related activity, the Senate Energy Committee approved a bill (S. 318) to provide royalty relief to offshore oil producers who produce in depths of 200 meters or more. A similar bill (H.R. 1282) was introduced in the House during the 1st session of the 103rd Congress, but hearings have not yet been held.

The National Performance Review task force report recommends that MMS improve its efficiency and auditing practice of the RMP so that it can begin to collect royalty payments that may have previously gone uncollected. This improved system should collect an additional \$28 million over a 5-year period (\$5.6 million annually). The legislative vehicle to address these royalty collection problems is H.R. 3400 passed by the House. The Senate Committee on Governmental Affairs held hearings on H.R. 3400 in February 1994.

U.S. BUREAU OF MINES ¹⁰

Mission

Historically, the mission of the Bureau of Mines, created in 1910, has been twofold. First, the Bureau has provided research to promote greater health and safety for the coal and hardrock mining labor force. Second, the Bureau has functioned as the statistician for the Nation's mineral producing and consuming industries by collecting and disseminating data on mineral resources and reserves, production, employment, and other industry activity.

Over the past twenty years, however, the market served by the Bureau has eroded, as the United States has shifted from basic industries to a service and advanced-technology economy with a greater awareness of environmental quality and impacts. Recognizing that these developments may call for some reorientation, the Bureau has prepared a program review titled "Reinventing the USBM." According to the Bureau, its mission is now "...to help ensure that the Nation has an adequate and dependable supply of minerals to meet its defense and economic needs at acceptable environmental, energy, and economic costs."

¹⁰ Prepared by Duane A. Thompson, Analyst in Energy and Minerals Policy, Environment and Natural Resources Policy Division.

Table 12. U.S. Bureau of Mines Budgets, FY 1993-1995
(in millions of dollars)

FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
\$150.7	\$170.5	\$175.8

Analysis

The President is proposing a budget of approximately \$150.7 million for the Bureau of Mines, a 12 percent decrease from the FY 1994 budget of \$170.5 million. The prospect of less funding, and other developments, has spurred a self-examination by the Bureau to adjust its mission and structure to deal more effectively with high priority issue areas.

Changes proposed in the Bureau's internal review are reflected in the 1995 budget request. First, data collection will be reduced to \$30.2 million, a decrease of 26.8 percent from the \$40.7 million of FY 1994. Data collection and analysis, both domestic and foreign, will be limited to only the significant minerals on public lands (at home), and to only major minerals exporters abroad.

The Bureau has determined that it must concentrate more of its energies on environmental research, particularly for reclamation of mined public lands. To offset the cost of cleanup research, the Bureau is hoping to tap into anticipated revenues from annual fee assessments for holding mining claims--contained in mining law reform legislation (H.R. 322) now in conference. With the exception of a minor increase in finance and management, Environmental Technology is the only Bureau subactivity for which an increase is being sought: from \$20.8 million in FY 1994 to \$24.6 million in FY 1995 (18 percent). The Bureau intends to add to the value of these efforts by sharing its expertise with the Environmental Protection Agency, the Office of Surface Mining, and other agencies responsible for environmental regulation.

Finally, the Bureau intends to concentrate its energies on research that the private sector would be willing to cost-share. In the past, the Bureau has borne the cost of developing technologies that, in many cases, it successfully has transferred to the private sector. In a reversal, the Bureau now says that industry should share the cost and that "...specific research that is not cost-shared should be phased out". This policy modification is reflected in the budget decreases in such politically sensitive areas as mine health and safety. For FY 1995, the Bureau has requested a total of \$45.7 million in health, safety, and mining technology, a decrease of 11.7 percent from the \$51.7 million enacted in FY 1994. For other minerals and materials science research, the Bureau is asking for \$19.6 million, down 20.3 percent from the \$24.6 million enacted in FY 1994.

THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT ¹¹

Mission

The mission of the Office of Surface Mining (OSM) is generally twofold. First, the agency is responsible for ensuring that coal surface mining will be conducted in an environmentally sound manner followed by reclamation to restore land to a condition fully capable of supporting its pre-mining land uses. The day-to-day responsibility of the Office is largely oversight, since the primary regulatory function has been transferred to State regulatory agencies.

Second, using the proceeds of a coal production fee, OSM facilitates reclamation of minesites abandoned before enactment of the Surface Mining Control and Reclamation Act (SMCRA) with its Abandoned Mine Land (AML) program. This generally is achieved in two ways. First, the agency distributes a portion (typically half) of fee collections as grants back to the States that have been awarded regulatory primacy. These grants are used to accomplish reclamation of AML sites identified as high priority public health and/or safety hazards. Second, OSM uses the remainder of fee collections for other federally administered programs, most of which provide additional mechanisms for abandoned land reclamation. The one exception provides assistance to mine operators through the Small Operator's Assistance Program (SOAP).

Table 13. Office of Surface Mining Budgets, FY 1993-1995
(in millions of dollars)

(Program)	FY 1995 (Request)	FY 1994 (Estimate)	FY 1993 (Actual)
Regulatory/Technical	\$111.4	\$111.7	\$112.9
Abandoned Mine Land Activities	\$167.0	\$190.1	\$191.8

Analysis

In its FY 1995 budget request, the Office of Surface Mining is seeking to transfer more regulatory and reclamation responsibility to the States. The Agency emphasizes that the various coal-mining States have gained the expertise to better allocate reclamation dollars and that cutting or eliminating Federal counterpart programs would avoid unnecessary duplication of administrative costs. However, this has been criticized as a reversion to the

¹¹ Prepared by Duane A. Thompson, Analyst in Energy and Minerals Policy, Environment and Natural Resources Policy Division.

decentralized regulatory framework that preceded SMCRA and led to the establishment of OSM.

The potential savings from transferring the regulatory and technology functions of the OSM back to the States might not be realized immediately. A significant portion of savings resulting from the transfer may be lost to the cost of moving the administrative function. For example, the proposed savings from FY 1994 to FY 1995 only amount to slightly more than \$300,000, with a decrease of 28 FTEs, 4 percent from the 703 FTEs in FY 1994. However, as the transition to State authority and administration is completed, greater savings in subsequent fiscal years should be possible.

OSM's abandoned lands program is earmarked for greater reductions in funding. According to the budget request, OSM is requesting approximately \$167 million in total reclamation funding for FY 1995, down \$23 million (13.8 percent) from FY 1994. Of this, \$10 million is being cut from State reclamation program grants. The reason for the proposed reduction is that the reclamation pipeline is backed up, with the States having reached their limits in absorbing Federal reclamation dollars, and that \$60 million from prior years funds will be carried over into FY 1995.

The largest cut, however, is being proposed for the controversial Rural Abandoned Mine Program (RAMP). RAMP is a program to reclaim, in partnership with landowners, agricultural land despoiled by surface coal mining that preceded the enactment of SMCRA, and originally was administered by the Appalachian Regional Commission. The program was limited to the 100-plus counties included in the Region, but through SMCRA, the program became national. Although the funding for RAMP is collected by the Interior Department as a portion of the coal fee assessments, the program is actually administered by the Soil Conservation Service within USDA. Funding cuts for the RAMP total \$13.2 million and 85 FTEs.

The Clinton Administration, as have the preceding Republican Administrations, is proposing to completely eliminate RAMP. The argument for dropping the program, according to the Administration, is that it would eliminate "... a duplicative delivery system for AML funding. States will be able to perform RAMP-type projects as part of their AML programs". In prior years, Congress chose to reinstate funding proposed for elimination by the Reagan and Bush Administrations.

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