

# Report for Congress

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## **Appropriations for FY2003: Interior and Related Agencies**

**Updated September 3, 2002**

Carol Hardy Vincent, Co-coordinator  
Specialist in Natural Resources  
Resources, Science, and Industry Division

Susan Boren, Co-coordinator  
Specialist in Social Legislation  
Domestic Social Policy Division

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, consolidated, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Interior Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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# Appropriations for FY2003: Interior and Related Agencies

## Summary

The Interior and Related Agencies Appropriations bill includes funds for the Department of the Interior (DOI), except for the Bureau of Reclamation, and funds for some agencies or programs within three other departments—Agriculture, Energy, and Health and Human Services. It also funds numerous smaller agencies.

On February 4, 2002, President Bush submitted his FY2003 budget for Interior and related agencies, totaling \$18.94 billion compared to \$19.17 billion enacted for FY2002 (P.L.107-63). On June 28, 2002, the Senate Committee on Appropriations reported its FY2003 funding recommendations (S. 2708, S. Rept. 107-201), and on July 17, 2002, the House passed H.R. 5093, the FY2003 Department of the Interior and Related Agencies appropriations bill. Both the Senate Appropriations Committee and the House support more money for DOI and Related Agencies than the Administration. The Senate Committee bill contains \$19.35 billion. The House-passed bill totals \$19.71 billion for FY2003, plus a \$700 million fire supplemental for FY2002, for a bill total of \$20.41 billion.

For the Conservation Spending Category, the Senate Committee and the House recommend \$1.44 billion for FY2003, higher than the President's request (\$1.32 billion). The House recommends higher levels of funds for wildland fire fighting than both the Senate Committee and the Administration. Both the Senate Committee and the House propose increases over FY2002 for the U.S. Geological Survey, while the Administration proposed a sizeable decrease for that agency. The House-passed bill also contains increases over the Administration's and Senate Committee's levels for the Bureau of Land Management, Fish and Wildlife Service, Forest Service, Energy Department programs, and Indian Health Service.

The FY2003 Interior appropriations bills are relatively non-controversial. However, some contentious issues include: the Interior Department's role in Everglades restoration and implementation of a flood protection plan for the "8.5 Square Mile Area" as part of the restoration (see NPS and cross-cutting issues sections); adequacy of funds for, and proper management of, wildland fire fighting (see Forest Service section); development of oil and gas leases off the California coast (see MMS); the automatic renewal of expiring grazing permits and leases related to BLM and the Forest Service (see BLM); funding for land acquisition and conservation (see cross-cutting issues section); and appropriate management of the Indian tribes' trust funds and trust assets (see BIA section and OST). Several issues that have been the focus of attention in previous years, including funding for the National Endowment for the Arts and energy conservation and weatherization programs, appear to have generated less controversy in this appropriation cycle.

## Key Policy Staff

Area of Expertise	Name	CRS Division <sup>a</sup>	Telephone	E-mail
Interior Budget Data/Coordinators	Carol Hardy Vincent and Susan Boren	RSI DSP	7-8651 7-6899	chvincent@crs.loc.gov sboren@crsloc.gov
Art, Humanities, Cultural Affairs and Historic Preservation	Susan Boren	DSP	7-6899	sboren@crsloc.gov
Bureau of Land Management	Carol Hardy Vincent	RSI	7-8651	chvincent@crs.loc.gov
Energy Conservation	Fred Sissine	RSI	7-7039	fsissine@crs.loc.gov
Everglades Restoration	Pervaze Sheikh	RSI	7-6070	psheikh@crs.loc.gov
Fish and Wildlife Service	M. Lynne Corn	RSI	7-7267	lcorn@crs.loc.gov
Forest Service	Ross W. Gorte	RSI	7-7266	rgorte@crs.loc.gov
Fossil Energy	Marc Humphries	RSI	7-7264	mhumphries@crs.loc.gov
Indian Affairs	Roger Walke	DSP	7-8641	rwalke@crs.loc.gov
Indian Health Service	Donna Vogt	DSP	7-7285	dvogt@crs.loc.gov
Insular Affairs	Keith Bea	G&F	7-8672	kbea@crs.loc.gov
Land Acquisition	Jeffrey Zinn	RSI	7-7257	jzinn@crs.loc.gov
Minerals Management Service	Marc Humphries	RSI	7-7264	mhumphries@crs.loc.gov
National Park Service	David Whiteman	RSI	7-7786	dwhiteman@crs.loc.gov
Naval/Strategic Petroleum Reserve	Robert Bamberger	RSI	7-7240	rbamberger@crs.loc.gov
Surface Mining and Reclamation	Robert Bamberger	RSI	7-7240	rbamberger@crs.loc.gov
U.S. Geological Survey	John Justus	RSI	7-7078	jjustus@crs.loc.gov
Report Preparation and Support	Sandra Burr	RSI	7-7005	sburr@crs.loc.gov

<sup>a</sup> Division abbreviations: DSP = Domestic Social Policy; G&F = Government and Finance; RSI = Resources, Science, and Industry.

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# Appropriations for FY2003: Interior and Related Agencies

## **Most Recent Developments**

On August 1, 2002, the Senate agreed to a unanimous consent request to begin consideration of H.R. 5093, the FY2003 appropriations bill for Interior and Related Agencies, on September 4, 2002. The Senate also agreed that its version of the bill, S. 2708, will be considered as a substitute amendment. The Senate bill, as reported by the Senate Committee on Appropriations on June 28, 2002, contains a total of \$19.35 billion.

On July 17, 2002, the House passed H.R. 5093 (377-46), providing FY2003 appropriations of \$19.71 billion for Interior and Related Agencies. The measure was sent to the Senate and placed on the Senate calendar on July 18, 2002.

## **Introduction**

The annual Interior and related agencies appropriations bill includes funding for agencies and programs in four separate federal departments, as well as numerous smaller agencies and bureaus. The bill includes funding for the Interior Department, except for the Bureau of Reclamation (funded by Energy and Water Development Appropriations laws), and funds for some agencies or programs in three other departments—Agriculture, Energy, and Health and Human Services. Title I of the bill includes agencies within the Department of the Interior which manage land and other natural resource or regulatory programs, the Bureau of Indian Affairs, and insular areas. Title II of the bill includes the Forest Service of the Department of Agriculture; several activities within the Department of Energy, including research and development programs, the Naval Petroleum and Oil Shale Reserves, and the Strategic Petroleum Reserve; and the Indian Health Service in the Department of Health and Human Services. In addition, Title II includes a variety of related agencies, such as the Smithsonian Institution, National Gallery of Art, John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, the National Endowment for the Humanities, and the Holocaust Memorial Council.

## Status

**Table 1. Status of Department of the Interior and Related Agencies Appropriations, FY2003**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6-25-02	—	7-11-02 (H.Rept. 107-564)	7-17-02 (377-46)	6-28-02 S.Rept. 107-201	—	—	—	—	—

On February 4th, 2002, President Bush submitted his FY2003 budget to Congress. The FY2003 request for Interior and Related Agencies totals \$18.94 billion compared to the \$19.17 billion enacted for FY2002 (P.L. 107-63), a decrease of \$221.0 million. For agencies within DOI, it requests a total of \$9.45 billion, including \$2.36 billion for the National Park Service; \$2.25 billion for the Bureau of Indian Affairs; \$1.83 billion for the Bureau of Land Management; \$1.28 billion for the U.S. Fish and Wildlife Service; \$867.3 million for the U.S. Geological Survey; \$423.5 million for Departmental Offices (including \$159.0 million for the Special Trustee for American Indians); \$279.4 million for the Office of Surface Mining Reclamation and Enforcement; and \$170.3 million for the Minerals Management Service. For related agencies, the FY2003 budget would provide \$3.95 billion for the Forest Service; \$2.82 billion for the Indian Health Service; and \$1.72 billion for Energy programs. For other related agencies, the Smithsonian Institution would receive \$528.0 million; the National Endowment for the Humanities \$125.8 million; and the National Endowment for the Arts, \$99.5 million.

In this report, the FY2003 budget totals do *not* include amounts for President Bush's proposal to shift to agencies the full cost of federal employee pensions and health benefits.<sup>1</sup> The term "appropriations" generally represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals. Increases and decreases generally are calculated on comparisons between the funding levels appropriated for FY2002 and requested by the President or recommended by Congress for FY2003. The FY2003 requests contained some substantial changes in agencies' budgets from the FY2002 levels. *Increases* were proposed for some agencies, including the Indian Health Service (\$+57.3 million), Bureau of Indian Affairs (\$+22.9 million), Minerals Management Service (\$+13.6 million), Smithsonian Institution (\$+ 9.1 million), and the U.S. Fish and Wildlife Service (\$+6.9 million). *Decreases* were proposed for other agencies, such as Forest Service (\$-181.7 million), Department of Energy (\$-49.2 million), U.S. Geological Survey (\$-46.7 million), Bureau of Land Management (\$-47.2 million), Office of Surface Mining Reclamation and Enforcement (\$-27.1 million), and National Park Service (\$-24.5 million).

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<sup>1</sup> The FY2003 Administration proposal to shift the full cost of the Civil Service Retirement System and the Federal Employees Health Benefits program to salaries and expenses accounts of agencies would likely add \$246 million to DOI's budget request for FY2003 (excluding the Bureau of Reclamation). For an explanation of this proposal, see CRS Report RL30023, *Federal Employee Retirement Programs: Budget and Trust Fund Issues*.



On February 27<sup>th</sup>, 2002 the House Appropriations Interior Subcommittee began hearings on the FY2003 budget for Interior and related agencies. Interior Secretary Norton testified on topics including the Cooperative Conservation Initiative, landowner partnerships and other conservation tools, Indian trust funds, Indian education, the maintenance backlog of the National Park Service, Everglades restoration, funds for the National Wildlife Refuge System, the Cooperative Endangered Species Conservation Fund, energy programs and activities, land use planning, wildland fire management, homeland security, and assistance to territories and freely associated states. Members also questioned the Secretary regarding proposed cuts to the U.S. Geological Survey and the proposed transfer of its toxic substances program to the National Science Foundation, and the Administration's examination of workforce restructuring and privatizing jobs. Also addressed during questioning were the strategic petroleum reserve; oil and gas exploration, including the Arctic National Wildlife Refuge; the Klamath Basin; and the proposed elimination of the Urban Park and Recreation Recovery program. Hearings of the House Appropriations Interior Subcommittee continued from February through April, 2002.

On June 25, 2002, the House Appropriations Interior Subcommittee marked up and ordered reported to the full Committee on Appropriations its FY2003 funding recommendations. On July 9, 2002, the Committee marked up these recommendations, and on July 11, 2002, H.R. 5093 was reported (H.Rept. 107-564). The measure was debated in the House on July 16 and 17, and passed, amended, on July 17, 2002 (377-46). A number of the amendments considered by the House are discussed in the pertinent sections of this report. The House bill was sent to the Senate and placed on the Senate calendar on July 18, 2002.

On August 1, 2002, the Senate agreed to a unanimous consent request to begin consideration of H.R. 5093 on September 4, 2002. The Senate also agreed that the Senate's version of the bill, S. 2708, will be considered as a substitute amendment.

The Senate development of its Interior appropriations bill began when the Senate Appropriations Interior Subcommittee held a hearing on June 13, 2002. Interior Secretary Norton testified, voicing similar concerns as in her House testimony. The Secretary also emphasized that the Administration requested funds for enhanced security measures, including \$23.7 million for the National Park Service to begin construction of enhanced security systems at the Washington Monument and the Lincoln and Jefferson Memorials.

Bypassing subcommittee markup, on June 27, 2002, the Senate Committee on Appropriations marked up and ordered reported its FY2003 funding recommendations. On June 28, 2002, the bill was reported (S. 2708, S. Rept. 107-201) and placed on the Senate calendar.

Both the Senate Appropriations Committee and the House support more money for DOI and Related Agencies than the Administration. The Senate Committee bill contains \$19.35 billion. The House-passed bill totals \$19.71 billion for FY2003, plus a \$700 million fire supplemental for FY2002, for a bill total of \$20.41 billion. Funding for conservation and firefighting were among the focuses. For the Conservation Spending Category, the Senate Committee and the House recommend

\$1.44 billion, higher than the President's request (\$1.32 billion). The House recommends higher levels of funds for wildland fire fighting than both the Senate Committee and the Administration. Both the Senate Committee and the House propose increases over FY2002 for the U.S. Geological Survey, while the Administration proposed a sizeable decrease for that agency. The House-passed bill also contains increases over the Administration's and Senate Committee's levels for the Bureau of Land Management, Fish and Wildlife Service, Forest Service, Energy Department programs, and Indian Health Service.

The FY2003 Interior appropriations bills are relatively non-controversial. However, some contentious issues include: the Interior Department's role in Everglades restoration and implementation of a flood protection plan for the "8.5 Square Mile Area" as part of the restoration (see NPS and cross-cutting issues sections); adequacy of funds for, and proper management of, wildland fire fighting (see Forest Service section); development of oil and gas leases off the California coast (see MMS); the automatic renewal of expiring grazing permits and leases related to BLM and the Forest Service (see BLM); funding for land acquisition and conservation (see cross-cutting issues section); and appropriate management of the Indian tribes' trust funds and trust assets (see BIA section and OST). Several issues that have been the focus of attention in previous years, including funding for the National Endowment for the Arts and energy conservation and weatherization programs, appear to have generated less controversy in this appropriation cycle.

## **FY2002 and FY2001 Action**

Debate on the FY2002 Interior and related agencies appropriations (P.L. 107-63) addressed a number of controversial issues. Many of them were energy related. P.L. 107-63 included provisions to bar the use of funds for offshore preleasing, leasing, and related activities in several areas, and for such energy activities within presidentially-proclaimed national monuments as they were on January 20, 2001 (with exceptions). The law also extended the Recreational Fee Demonstration Program for two years, and retained the Senate's provision to extend and modify the Emergency Steel Loan Guarantee Program. Ultimately dropped from the bill before enactment were provisions that barred funds from being used to: suspend or revise existing hardrock mining regulations, implement the Kyoto Protocol, or execute a final lease agreement for oil and gas drilling in the "Lease Sale 181" area of the Gulf of Mexico. Other controversial issues during the FY2002 funding cycle included oil and gas exploration and development in the Arctic National Wildlife Refuge; the value of oil received as royalty-in-kind; and levels of funding for the arts, energy conservation, fossil energy research, weatherization assistance programs, and the Payments in Lieu of Taxes Program.

Title VIII of the FY2001 Interior Appropriations law (P.L.106-291) created an additional category of discretionary spending for "conservation" and identified the specific activities that would be included within this "conservation spending category" in each of the next 5 years. This spending is subject to annual appropriations each year. This category essentially includes those conservation activities identified by Congress in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other

natural resources; to provide recreational opportunities; and for other purposes. **Table 15** shows a distribution of these conservation funds for FY2001-FY2003.

## Major Funding Trends

**Table 2. Interior and Related Agencies Appropriations, FY1998 to FY2002**

(budget authority in billions of current dollars)

FY1998	FY1999	FY2000	FY2001	FY2002
\$13.8	\$14.3	\$14.9	\$18.9	\$19.2

**Note:** These figures exclude permanent budget authorities, and generally do not reflect scorekeeping adjustments. However, they reflect rescissions.

During the ten year period from FY1993 to FY2002, Interior and related agencies appropriations increased by 57% in current dollars, from \$12.2 billion to \$19.2 billion. In constant dollars, which adjusts for inflation, the appropriation increased 26%. Most of the growth occurred during the latter years. For instance, during the five year period from FY1993 to FY1997, appropriations increased by 8% in current dollars, from \$12.2 billion to \$13.1 billion, but decreased by 3% in constant dollars. By contrast, during the most recent five years, from FY1998 to FY2002, funding increased by 39% in current dollars, from \$13.8 billion to \$19.2 billion, or 27% in constant dollars. The single biggest increase during the decade occurred from FY2000 to FY2001, when the total appropriation rose 27% in current dollars, from \$14.9 billion to \$18.9 billion, or slightly less—22%—in constant dollars. Much of the increase was provided to land management agencies for land conservation and wildland fire management. See **Table 14** for a comparison of FY2001-FY2003 Interior Appropriations, and **Table 16** for a budgetary history of each agency, bureau, and program from FY1997 to FY2002.

## Funding to Combat Terrorism

### **FY2001 and FY2002 Regular Appropriations to Combat Terrorism.**

It is not clear what level of funding for anti-terrorism came from the regular FY2001 and FY2002 Interior appropriations laws. The annual appropriations laws, as well as agency budgets, typically include money for combating terrorism as part of larger line items or program requests. One example is the \$3.0 million provided to the Bureau of Land Management in FY2002 to identify and evaluate oil and gas resources and reserves on public lands in light of terrorist attacks on the United States. The Administration asserts that such attacks have potential for disruptions to America's energy supply.

**FY2001 and FY2002 Supplemental Appropriations.** On September 18, 2001, Congress enacted a \$40 billion Emergency Supplemental Appropriation for FY2001, P.L.107-38,<sup>2</sup> in response to the terrorist attacks on the United States on September 11<sup>th</sup>, 2001. The \$40 billion package was distributed in three phases. First,

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<sup>2</sup> Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

\$10 billion was to be immediately available and dispersed by the President in consultation with the House and Senate Appropriations Committee leaders. Second, an additional \$10 billion was available to be obligated following a 15-day notification to the Congress. Third, a final \$20 billion could be obligated only after money was allocated in another emergency appropriations act (P.L. 107-117). For more information on the FY2001 supplemental, see CRS Report RL31173, *Terrorism Funding: Emergency Supplemental Appropriations-Distribution of Funds to Departments and Agencies.*]

Of the \$20 billion provided by P.L. 107-38 that did not need additional legislation, programs under the jurisdiction of the Department of Interior and Related agencies appropriations received \$3.1 million. Specifically, there was \$1.7 million for the National Park Service, Operations of the National Park System, and \$1.4 million for the U.S. Park Police (National Park Service) for emergency response costs in New York City and Washington, D.C.<sup>3</sup>

P.L. 107-38 also required OMB to submit to the Congress a proposal for the allocation of the \$20 billion that needed to be specified in another appropriations act. The OMB submitted its \$20 billion proposal on October 17, 2001. On January 10, 2002, Congress enacted P.L. 107-117, providing emergency supplemental funds for FY2002.<sup>4</sup> The law contained \$88.1 million in total appropriations for anti-terrorism activities for the programs in the Department of the Interior<sup>5</sup> and related agencies appropriations bills.

#### **Further FY2002 Emergency Supplemental Funding (P.L.107-206).**

On March 20, 2002, President Bush proposed an FY2002 supplemental appropriation of \$27.1 billion for anti-terrorism, defense, homeland security and economic revitalization. On May 24, 2002, the House passed H.R. 4775, the FY2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States, with a \$28.8 billion total. On June 7, 2002, the Senate amended and passed its version of H.R. 4775. The Senate inserted the text of S. 2551 to be used as original text for purposes of floor consideration. The Senate agreed to a total of \$32.6 billion. Both the House and Senate passed bills included “contingent emergency appropriations” for some agencies funded by Department of the Interior appropriations laws.

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<sup>3</sup> The U.S. Park Police are authorized to prevent acts of terrorism at monuments and buildings owned and managed by the NPS, including monuments, memorials, and associated facilities in Washington D.C., New York City, and San Francisco. Among the protected entities are the White House, Lincoln Memorial, Jefferson Memorial, Washington Monument, Statue of Liberty, Presidio, and areas around the U.S. Capitol.

<sup>4</sup> Department of Defense (Division A) and Emergency Supplemental Appropriations (Division B) for Recovery from and Response to Terrorist Attacks on the U.S. Act.

<sup>5</sup> The Bureau of Reclamation (receiving \$30.2 million in the FY2002 supplemental) is not discussed in this report because although it is part of the Department of the Interior, it is not funded by Interior and related agencies appropriations bills. For a discussion of funding for the Bureau of Reclamation, see CRS Report RL31307, *Appropriations for FY2003: Energy and Water Development.*

On June 12<sup>th</sup>, 2002 conferees were appointed, and the conference report for H.R.4775 (H.Rept. 107-593) was filed on July 19, 2002. The House passed the conference version of the FY2002 supplemental on July 23<sup>rd</sup>, 2002, and the Senate passed it July 24<sup>th</sup>, 2002. House and Senate negotiators agreed to a total of \$30.0 billion in supplemental appropriations. On August 2, 2002, President Bush signed into law (P.L. 107-206) the FY2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States.

The supplemental law included \$5.1 billion of contingent emergency spending. For agencies funded by the Department of the Interior appropriations laws, the supplemental law includes contingent emergency appropriations as follows:

- ! Bureau of Land Management, \$658,000 to pay emergency security expenses;
- ! Fish and Wildlife Service, \$1.0 million for emergency security expenses and \$3.1 million for construction for safety improvements related to homeland security;
- ! National Park Service, \$17.7 million for construction for security screening facilities and \$1.2 million for operation of the Park system for emergency security expenses;
- ! U.S. Geological Survey, \$26.0 million, comprised of \$20.0 million for infrastructure mapping of 120 urban areas with the most potential for terrorist attacks, and \$6.0 million for upgrades and improvements at the Earth Resources Observation Systems Data Center to determine an emergency power supply;
- ! Bureau of Indian Affairs, \$134,000 for emergency security operations for Indian programs;<sup>6</sup>
- ! DOI, departmental management salaries and expenses, \$905,000 for emergency security expenses;
- ! Forest Service, \$3.5 million for capital improvement and maintenance for facility enhancements to protect property from terrorism, vandalism, and theft, and, while not anti-terrorism related, \$50.0 million for wildland fire management to repay advances from other accounts for wildfire suppression; and
- ! Smithsonian, \$10.0 million for emergency security expenses and \$2.0 million under construction for security of collections.

Under §1404 of P.L. 107-206, the President has 30 days within enactment to decide whether to designate all or none of the \$5.1 billion as emergency spending in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985.

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<sup>6</sup> For BIA, the supplemental law also includes a rescission of \$10.0 million from the San Carlos electric power operations for the irrigation project.

The money will not be obligated unless the President designates it as emergency funding. On August 13<sup>th</sup>, 2002, President Bush announced his rejection of the \$5.1 billion in contingent emergency spending, remarking that some of the money has “nothing to do with a national emergency.” The funds affected by his decision include all of the above-mentioned line items for the Department of the Interior and related agencies. President Bush indicated he would seek, in a separate supplemental request, \$1 billion of the \$5.1 billion for selected programs. It is not clear for which, if any, agencies funded by Interior appropriations laws the President would seek supplemental funds for. (For more information on supplemental funding, see CRS Report RL31406, *Supplemental Appropriations for FY2002: Combating Terrorism and Other Issues*. For general information on terrorism issues, see the CRS Electronic Briefing Book on Terrorism at [<http://www.congress.gov/brbk/html/ebter1.shtml>].)

**The FY2003 Budget to Combat Terrorism.** For FY2003, the Administration seeks \$37.7 billion for homeland security of which \$25.2 billion is discretionary budget authority for non-Department of Defense operations.<sup>7</sup> Among the categories for homeland security funding are: supporting first responders, defending against bio-terrorism, securing our borders, sharing information and using technology, aviation security and “other homeland security.” However, the FY2003 budget did not initially specify the responsibilities of homeland security that would be carried out by agencies funded in the Interior and related agencies bill. The FY2003 Interior budget does mention in general terms that there will be continued concern for heightened security and terrorist prevention in the operation of parks, to protect “the symbols and icons of American Freedom that are contained in the National Park System.” It would provide \$12.6 million to the U.S. Park Police for counter-terrorism activities and to augment security in urban areas.

**Proposed Department of Homeland Security.** On June 6, 2002, President Bush called for the creation of the Department of Homeland Security (DHS) to coordinate federal activities related to combating terrorism. The new DHS would combine over 20 activities currently conducted in various departments and agencies. On June 18, 2002, the President transmitted the proposed legislation, and it was subsequently introduced as H.R. 5005 on June 24<sup>th</sup>, 2002, by request. On July 26<sup>th</sup>, 2002, the House passed (295-132) H.R. 5005. The Senate version, S.2452, was reported by the Senate Governmental Affairs Committee on June 24, 2002 (S. Rept. 107-175). These two bills have emerged as the major legislative proposals to reorganize the federal government in response to terrorism. There is no specific mention in either of these bills of the transfer to the new department of any programs funded in the Interior or related agencies bill. Although DOE is mentioned, there is no reference to any DOE programs contained in the Interior bill. There is one reference in the House report language accompanying H.R. 5005 to the Secretary of the Interior’s identification of Indian tribes that perform law enforcement functions. See CRS Reports, *Homeland Security: Department Organization and Management*, RL31493, and *Homeland Security: Side by Side Comparison of H.R.5005 and S.2452, 107<sup>th</sup> Congress*, RL31513.

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<sup>7</sup> See *The Budget of the U.S. Government, FY2003*, table S-5, p. 399.

## Transfer Authority

The current House-passed Interior and Related Agencies appropriations bill (H.R. 5093) contains language to prevent certain transfers of funds that has not typically been included in Interior appropriations laws. While the impact of the current provision is not entirely clear, it appears to have been included due to concerns about potential broad transfers of funds among departments. Similar language is included in FY2003 House appropriations bills for other departments and agencies.

A transfer—a shifting of funds between appropriations—is not allowed without statutory authority (31 U.S.C. §1532). Sec. 327 of H.R. 5093, the FY2003 Interior and Related Agencies appropriations bill, as passed by the House, would prohibit the transfer of funds in the bill to any department, agency, or instrumentality of the federal government unless a transfer is specifically provided for in the bill or transfer authority is included in the bill or other appropriations acts. The Senate version of the bill, S. 2708 as reported by the Senate Committee on Appropriations, does not contain a similar provision barring transfers of funds to other government entities.

Historically, many agencies funded by the Interior appropriations bill have used transfer authority specifically granted by Congress. Congress has granted transfer authority to agencies and departments in the bill in two different ways—and in appropriations laws, within the purview of the House and Senate Appropriations Committees, and in authorizing laws, under the jurisdiction of House and Senate legislative committees. Recent bills and laws appropriating funds for Interior and Related Agencies have contained diverse provisions related to the transfer of funds, but these provisions would not be affected because §327 applies only to transfer authority in authorizing laws. The impact of §327 is not clear because the number and range of transfer authorities in authorizing laws, and the agencies and programs affected, are unknown. Also, in some cases the authorities in authorizing statutes are restated, restricted, or otherwise modified in annual Interior and Related Agencies appropriations laws, so the authorities in legislative and appropriations laws would need to be assessed together to determine the full impact of §327.

A number of authorizing laws contain authority to transfer funds between agencies and departments where those authorities do not appear to be restated in the current appropriations bills or recent Interior appropriations laws. Some laws affect agencies of government generally, such as 31 U.S.C. §§1535-1536, which allows an agency to transfer funds to another agency to acquire goods or services under certain circumstances. Other laws affect the Department of the Interior generally, or particular agencies. For instance, the Secretary of the Interior may transfer funds between DOI agencies to carry out provisions of Reorganization Plan No. 3 of 1950 (5 U.S.C. 901 *et seq.* and 64 Stat. 1262). Under 16 U.S.C. §410r-8(k)(1), the Secretary of the Interior has transferred funds to the Army Corps of Engineers (Department of Defense) for activities related to the restoration of the Everglades. Still other examples affect Indians. For instance, 25 U.S.C. §3412 authorizes interagency transfers among the Departments of Interior, Labor, Health and Human Services, and Education to allow tribal coordination of federal Indian employment, training, and related programs.

Other provisions of authorizing laws that provide transfer authority have tended to be addressed also in recent Interior and Related Agencies appropriations bills and/or laws. For instance, 7 U.S.C. §148f, provides for the transfer of funds from the Secretary of the Interior to the Secretary of Agriculture for Mormon cricket and grasshopper control. In this case, the current House and Senate Interior appropriations bills, and recent Interior appropriations laws, restate this authority by cross reference. A similar transfer authority regarding cricket and grasshopper control is contained in 7 U.S.C. §7717. Also, 7 U.S.C. §147b authorizes the Secretary of Agriculture to transfer funds among agencies of the Department of Agriculture, where the Forest Service is located, in connection with emergencies that threaten the U.S. agricultural production industry. In this case, the current House and Senate Interior appropriations bills, and recent Interior appropriations laws, have restricted this authority by prohibiting Forest Service funds from being transferred under this section unless the proposed transfer is approved in advance by the House and Senate Appropriations Committees.

A number of authorizing statutes provide for the transfer of funds from other departments and agencies to those funded in Interior and Related Agencies appropriations laws. These statutes could be affected by provisions of other appropriations bills that prohibit transfers of funds unless provided in appropriations laws

The Administration's proposal to create a Department of Homeland Security, and legislation on this subject, contain several different types of transfer authority for that Department. For information on transfer authority as related to the proposed Department, see CRS Report RL31514, *Department of Homeland Security: Appropriations Transfer Authority*.

## Key Policy Issues

### Title I: Department of the Interior

For further information on the *Department of the Interior*, see its World Wide Web site at [<http://www.doi.gov>].

**Bureau of Land Management.** The Bureau of Land Management (BLM) manages approximately 264 million acres of public land for diverse, and at times conflicting uses, such as minerals development, energy development, livestock grazing, recreation, and preservation. The agency also is responsible for about 700 million acres of federal subsurface mineral resources throughout the nation, and supervises the mineral operations on an estimated 56 million acres of Indian Trust lands. Another key BLM function is wildland fire management on about 370 million acres of DOI, other federal, and certain non-federal land.

For FY2003, the Senate Committee on Appropriations reports \$1.88 billion for the BLM, and the House passed \$1.91 billion, both increases over the Administration's request of \$1.83 billion and over the FY2002 level (\$1.87 billion). See **Table 3**.



**Management of Lands and Resources.** The Senate Committee on Appropriations reports \$816.1 million for Management of Land and Resources, while the House passed \$826.9 million. Both levels would provide a slight increase over the Administration's request of \$813.0 million and a more sizeable increase over FY2002 (\$775.6 million). The House rejected two floor amendments to cut this line item by \$162.2 million and \$51.3 million respectively. This line item funds an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration.

**Energy and Minerals.** For the energy and minerals program, including Alaska minerals, the Senate Committee on Appropriations recommends \$110.3 million, the House passed \$109.1 million, and the Administration seeks \$107.1 million. These amounts would provide an increase over FY2002 (\$99.6 million). The Administration seeks the additional funds over FY2002 to increase the availability of oil and gas on federal lands—a goal of the President's National Energy Plan—including Alaska North Slope oil and gas development. In particular, the Administration requests additional monies to expedite the permitting and rights of way processes, increase oil and gas lease sales, evaluate and eliminate barriers to energy production, and increase environmental inspections. The Senate Committee on Appropriations would provide funds over the President's request for permitting of geothermal energy applications, processing of wind-energy rights of way, and the minerals at risk program (Alaska). The House Committee on Appropriations agreed to report language stating that no funds are included in the bill "for activity related to potential energy development within the Arctic National Wildlife Refuge."

The Senate Committee bill (§322) and the House-passed bill (§320) would bar funds in the bill from being used for energy leasing activities within the boundaries of national monuments, as they were on January 20, 2001, except where allowed by the presidential proclamations that created the monuments. Supporters fear that the Administration could adjust the boundaries of national monuments in order to allow energy leasing, while opponents assert that the language would preclude development of needed energy resources. An identical provision was enacted in FY2002.

**Grazing.** The Senate Committee bill (§326) and the House-passed bill (§324) provides for the automatic renewal of grazing permits and leases that expire, are transferred, or waived during FY2003 and that were issued by the Secretary of the Interior or the Secretary of Agriculture. The automatic renewal continues until the permit renewal process is completed under applicable laws and regulations, including any necessary environmental analyses. The terms and conditions in expiring permits or leases would continue under the new permit or lease until the renewal process is completed (except for certain Agriculture permits under the Senate Committee bill). A provision in previous appropriations laws contained similar language for the Secretary of the Interior but not for the Secretary of Agriculture. In the past, this controversial provision was advocated as necessary to address heavy agency workloads in processing the grazing permits and leases that were up for renewal. Opponents feared that permits with possibly detrimental terms or conditions could continue. The House agreed to a floor amendment to add \$5 million to the Forest Service's grazing management account to address the backlog in processing expiring grazing permits, particularly conducting environmental analyses.

**Land Use Planning.** The Senate Committee on Appropriations, the House, and the Administration seek increased funds over FY2002 for BLM land use planning. All BLM lands (except some in Alaska) are covered by a land use plan, and plans are to be amended or revised as new issues arise and conditions change. The Senate Committee recommends \$48.1 million, the House approved \$47.6 million, and the Administration seeks \$47.3 million, compared with \$33.0 million enacted for FY2002. The additional funds are to be used to initiate new land use plans and to accelerate the development or amendment of land use plans that are underway to reflect current conditions, requirements, and issues. The Administration's priority is to address issues including increased energy development, enhanced protection from wildfire, and resolution of resource conflicts. The additional funds are being sought as part of a multi-year effort to update land use plans, about half of which are out of date, according to the BLM.

**Wildland Fire Management.** For wildland fire management, the Senate Committee on Appropriations reports \$654.3 million, the House passed \$655.3 million, and the Administration requests \$653.8 million, all reductions from the FY2002 level (\$678.4 million). The House rejected a floor amendment that sought to increase funds for wildland fire management by \$23.1 million while reducing funds for land acquisition by \$36.0 million. The House passed bill also includes a \$200 million fire supplemental for FY2002. The wildland fire funds appropriated to BLM are used for fire fighting on all Interior Department lands. Interior appropriations laws also provide funds for wildland fire management to the Forest Service (Department of Agriculture) for fire programs primarily on its lands. A focus of both departments is the National Fire Plan, developed after the 2000 fire season, which emphasizes reducing hazardous fuels, among other provisions. (For more information, see "U.S. Forest Service" below.)

**Payments in Lieu of Taxes Program (PILT).** For PILT, the Administration seeks \$165.0 million, a decline of \$45.0 million (21%) from FY2002 (\$210.0 million). By contrast, the Senate Committee on Appropriations proposes an increase to \$220.0 million, and the House approved an increase to \$230.0 million for FY2003. The PILT program compensates local governments for federal land within their jurisdictions, and has been controversial because in recent years appropriations have been substantially less than authorized amounts.

**Land Acquisition.** For Land Acquisition, the Administration recommends \$44.7 million divided among 22 projects in 11 states. The Senate Committee on Appropriations recommends \$38.7 million for 16 projects in 9 states, and the House approved \$47.5 million for 27 projects in 11 states. These FY2003 levels are a reduction from FY2002 (\$49.9 million). The money would be appropriated from the Land and Water Conservation Fund. The BLM seeks to emphasize alternatives to fee title land purchases, such as land exchanges and purchase of conservation easements and development rights, which it asserts are less expensive approaches. (For more information, see the "Land Acquisition" section below.)

**Table 3. Appropriations for BLM, FY2001-FY2003**  
(\$ in millions)

<b>Bureau of Land Management</b>	<b>FY2001 Approp.</b>	<b>FY2002 Approp.</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Comm.</b>	<b>FY2003 House Passed</b>
Management of Lands and Resources	\$753.3	\$775.6	\$813.0	\$816.1	\$826.9
Wildland Fire Management	977.1	678.4	653.8	654.3	655.3 <sup>b</sup>
Central Hazardous Materials Fund	10.0	10.0	10.0	10.0	10.0
Construction	16.8	13.1	11.0	13.0	11.0
Payments in Lieu of Taxes	199.6	210.0	165.0	220.0	230.0
Land Acquisition	56.5	49.9	44.7	38.7	47.5
Oregon and California Grant Lands	104.0	105.2	105.6	105.6	105.6
Range Improvements	10.0	10.0	10.0	10.0	10.0
Service Charges, Deposits, and Forfeitures <sup>c</sup>	7.5	8.0	0	0	0
Miscellaneous Trust Funds	12.4	12.4	12.4	12.4	12.4
<b>Total Appropriations</b>	<b>2,147<sup>a</sup></b>	<b>1,873<sup>a</sup></b>	<b>\$1,825</b>	<b>1,880</b>	<b>1,909<sup>b</sup></b>

<sup>a</sup> Includes contingent emergency appropriations.

<sup>b</sup> Does not include a \$200 million FY2002 supplemental for wildland fire management.

<sup>c</sup> The FY2003 figures of "0" reflect a recommended appropriation of \$7.9 million and \$7.9 million in offsetting fees.

For further information on the *Bureau of Land Management*, see its World Wide Web site at [<http://www.blm.gov/nhp/index.htm>].

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries.

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

CRS Report RL31392. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

**Fish and Wildlife Service.** For FY2003, the Administration requested \$1.28 billion for the Fish and Wildlife Service (FWS), a slight increase (0.5%) over

FY2002.<sup>8</sup> With the addition of some large accounts that are permanently appropriated (and therefore do not require action in an annual appropriation bill), the Administration's proposed total FWS spending would remain flat, at \$1.94 billion. The Senate Committee on Appropriations recommended \$1.28 billion for FWS for FY2003 in annual appropriations. The House-passed version was \$1.40 billion.

By far the largest portion of the FWS annual appropriation is for the Resources Management account. The Senate Committee recommended \$924.6 million for FY2003, up \$21.0 million from the Administration's FY2003 budget request and \$74.0 million from FY2002.<sup>9</sup> The House approved \$918.4 million. Below are some of the programs whose funding may spark special interest in the current appropriations cycle.

***Endangered Species Funding.*** Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. For FY2003, the Administration proposed that the program remain at the FY2002 level of \$125.7 million, although its subprograms would show significant changes from previous years. The Senate Committee rejected the proposed amount, and raised the program by \$6.6 million over FY2002 (\$132.4 million). The House approved \$130.2 million. (See **Table 4.**)

A number of related programs also benefit conservation of species that are listed or proposed for listing under the Endangered Species Act. The Cooperative Endangered Species Conservation Fund (for grants to states and territories) would decrease from \$96.2 million to \$91.0 million under the President's request. The Senate Committee recommended \$99.4 million while the House increased the program to \$121.4 million. The Landowner Incentive Program would increase by \$10 million to \$50 million under the President's proposal; it would be cut by \$39.4 million by the Senate Committee though the House approved flat funding. The Senate Committee report is critical of this program, and provides only sufficient funds for its evaluation and the distribution of previously appropriated funds. Stewardship Grants would remain at \$10 million under the President's proposal, but would be cut by \$9.8 million by the Senate Committee; the House supported flat funding. The Senate Committee report is critical of this program as well, and likewise provides only sufficient funds for its evaluation and the distribution of previously appropriated funds.<sup>10</sup> Overall, funding for the Endangered Species program and related programs within the FWS budget would increase by 1.7%, from

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<sup>8</sup> These figures do not include the President's proposal to shift to the FWS (and other agencies) the full cost of the Civil Service Retirement System and the Federal Employees Health Benefits program. Including these costs, the request is \$1.316 billion for FY2003, up from \$1.308 billion enacted for FY2002.

<sup>9</sup> If the employee benefits proposal is included, these figures are, respectively, \$934.7 million and \$880.8 million.

<sup>10</sup> The primary criticism of this and the Landowner Incentive Program was the amount of time it took to issue regulations for these new programs. The extent to which this interval is substantially longer than that for other new programs is unclear, however. There was also a concern that the two programs may overlap existing programs.

\$272.0 million to \$276.7 million under the President's request but would decrease by 14.5% in the Senate Committee bill, and increase by 10.9% in the House bill.

**Table 4. Funding for Endangered Species Programs, FY2001-FY2003**

(\$ in thousands)

	<b>FY2001 Approp.</b>	<b>FY2002 Approp.</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Comm.</b>	<b>FY2003 House Passed</b>
<b>Endangered Species Program</b>					
Candidate Conservation	\$7,052	\$7,620	\$8,682	\$9,982	\$8,682
Listing	6,341	9,000	9,077	10,000	9,077
Consultation	42,750	45,501	47,770	47,970	47,770
Recovery	59,835	63,617	60,215	64,427	64,715
<i>Subtotal</i>	<i>115,978</i>	<i>125,738</i>	<i>125,744</i>	<i>132,379</i>	<i>130,244</i>
<b>Related Programs</b>					
Cooperative Endangered Species Conservation Fund	104,694	96,235	91,000	99,400	121,400
Landowner Incentive Program	4,969 <sup>a</sup>	40,000	50,000	600	40,000
Stewardship Grants	0	10,000	10,000	200	10,000
<b>Total</b>	<b>225,641</b>	<b>271,973</b>	<b>276,744</b>	<b>232,579</b>	<b>301,644</b>

<sup>a</sup> In FY2001, this program was funded through the Endangered Species Program itself. In the following year, while the purpose was the same, it became a grant program to states.

**National Wildlife Refuge System.** On March 14, 2003, the nation will observe the centennial of the creation by President Theodore Roosevelt of the first National Wildlife Refuge on Pelican Island in Florida. Accordingly, various renovations and improvements are planned and the President proposes to increase funding for operations and maintenance of the National Wildlife Refuge System (NWRS) from \$294.0 million to \$316.5 million (+7.6%). The FWS Budget Justification notes a number of activities or projects which are planned partly in light of celebrating this event. The Senate Committee approved a decrease to \$267.1 million (-16.8%), while the House passed the Administration's proposed figure. For NWRS infrastructure improvements, the Administration recommended \$52.0 million, an increase of \$29.0 million over FY2002, a proposal supported by the House. The Senate Committee proposed a still larger increase, to \$106.7 million. The House and the Senate Committee also continued an existing prohibition on expenditures to establish a new unit of the NWRS unless the purchase is approved in advance by the House and Senate Appropriations Committees. (This prohibition

would not apply to creation of new refuges approved by the Migratory Bird Conservation Commission, since its acquisition funds are permanently appropriated.)

While interest in energy development in the Arctic National Wildlife Refuge (ANWR) in Alaska is intense, no money is earmarked in the FWS budget to support studies or preparation for such legislation. Further, the House Committee on Appropriations sought to assure that no funds were spent on ANWR development, by any agency funded by the bill, by including report language stating that the bill did not contain funds for “activity related to potential energy development within [ANWR].” However, it is proposed that the allocation for management of ANWR increase from \$2.19 million to \$2.38 million. (As is usually the case, no specific earmark is provided for ANWR management, nor for any other specific refuge, in the Senate Committee report.)

The FY2003 Budget Justification also addresses the impact on FWS law enforcement of recent terrorist attacks in the United States. It states:

The September 11, 2001 terrorist attacks continue to have rippling effects on law enforcement programs throughout the country, including the [NWRS], which has increased security at refuge facilities. The refuge system has responsibilities to provide protection for the resources, visitors, and facilities along coastal areas, the Mexico and Canada borders, and urban areas. In addition, many refuge officers are being sent on temporary assignments throughout the U.S. to support the Department of the Interior’s national security efforts to protect employees and visitors, and other facilities. [p. 119.]

There are a large number of Refuges along the U.S. coasts. One Refuge—Cabeza Prieta—is bounded by the Mexican border, and several are near the Canadian border. It is not clear what portion of the NWRS request is to be spent on increased security in these border areas or in general. The President proposed \$49.9 million for Law Enforcement (up \$1.5 million over FY2002), which the Senate Committee and the House approved.

**Wildlife Refuge Fund.** The National Wildlife Refuge Fund (also called the Refuge Revenue Sharing Fund) compensates counties for the presence of the non-taxable federal lands of the NWRS. A portion of the Fund is supported by the permanent appropriation of receipts from various activities carried out on the NWRS. However, these receipts are not sufficient for full funding of authorized amounts. Congress generally makes up some of the difference in annual appropriations. The Administration requests \$14.4 million for FY2003, identical to the FY2002 enacted level; this amount also was approved by the Senate Committee. When combined with the receipts, the appropriation would cover 55% of the authorized full payment. The House approved \$19.4 million for the fund (about 77.1% of full payment)..

**Land Acquisition.** For FY2003, the Administration proposes \$70.4 million, a 29.0% decrease from the FY2002 level of \$99.1 million, while the Senate Committee approved \$89.0 million, and the House passed \$82.2 million. For FY2003, the Senate Committee recommends allocating 79.8% of the total to specified refuges, while the House allocates 78.7%. (The remainder is for acquisition management, land exchanges, emergency acquisitions, etc.). For more information, see the “Land Acquisition” section below.

**Multinational Species Conservation Fund (MSCF).** The MSCF has generated constituent interest despite the small size of the program. It benefits Asian and African elephants, tigers, the six species of rhinoceroses, and great apes. The President's budget proposed to move the funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. For FY2003, the President proposes \$5.0 million for the MSCF. Older portions of the MSCF would receive level funding while the NMBCF portion would be reduced 67%—from \$3.0 million in FY2002 to \$1.0 million in FY2003. See **Table 5**. The Senate Committee and the House rejected the proposed transfer for FY2003. The Senate recommended the FY2002 level for the Migratory Bird program, while increasing the allocation to the conservation of tigers and rhinoceroses. The House would increase funding for all four subprograms as well as for the Neotropical Migratory Bird program.

**Table 5. Funding for Multinational Species Conservation Fund and Migratory Bird Fund, FY2001-2003**  
(\$ in thousands)

Multinational Species Conservation Fund	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 Senate Comm.	FY2003 House Passed
African elephant	\$999	\$1,000	\$1,000	\$1,000	\$1,200
Tiger and Rhinos	748	1,000	1,000	1,500	1,200
Asian elephant	748	1,000	1,000	1,000	1,200
Great Apes	748	1,000	1,000	1,000	1,200
Neotropical Migratory Birds <sup>a</sup>	NA	[3,000]	1,000	[3,000]	[5,000]
<b>Total</b>	<b>3,243</b>	<b>4,000</b>	<b>5,000</b>	<b>4,500</b>	<b>4,800</b>

<sup>a</sup> This program was first authorized in FY2002, and at that time was not part of the MSCF. For this reason, the FY2002 appropriation of \$3 million is not included in the FY2002 column total.

For further information on the *Fish and Wildlife Service*, see its World Wide Web site at [<http://www.fws.gov/>].

CRS Report RL31278. *Arctic National Wildlife Refuge: Background and Issues*. M. Lynne Corn, coordinator.

CRS Issue Brief IB10094. *Arctic National Wildlife Refuge: Legislative Issues*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn.

**National Park Service.** The National Park Service (NPS) has stewardship responsibilities for a park system currently comprising 385 separate and diverse units covering 84 million acres. In addition to the national park designation, the park system has more than 20 other types of designations used to classify park sites. The NPS protects, interprets, and administers the park system's diversity of natural and historic areas representing the cultural identity of the American people. The NPS also provides limited, temporary funding support and technical assistance to 22 national heritage areas outside of the park system. Park System recreation visitors annually total more than 285 million.

The Administration requests a total of \$2.36 billion for the NPS for FY2003, a \$24.5 million decrease from the FY2002 level (\$2.38 billion). See **Table 6**. The President has pledged to eliminate the NPS multi-billion dollar maintenance backlog over the next few years, improve security at NPS sites in response to terrorist attacks on the United States, and get more non-government groups involved in park support. An environmental coalition comprised of some Members of Congress and park support and environmental groups—Americans for National Parks—seeks a \$280 million increase in the NPS operating budget to fund science, resource protection, and education, in addition to repair and enhancement of park infrastructure, an Administration priority.<sup>11</sup>

The Senate Appropriations Committee recommends \$2.37 billion for the National Park Service, while the House approved \$2.40 billion, both above the Administration's request.

**Operation of the National Park System.** The park operations line item accounts for roughly two-thirds of the total NPS budget. It covers resource protection, visitors' services, facility operations, facility maintenance, and park support programs. The Administration's FY2003 request for operations—\$1.58 billion—is \$97.5 million above the amount provided in FY2002 (\$1.49 billion). The Senate Committee on Appropriations recommends \$1.59 billion for park operations, while the House approved \$1.61 billion.

The President included funds for a proposed Cooperative Conservation Initiative (CCI) which would provide matching funds for park projects undertaken by nonprofit and private entities. The Senate Committee on Appropriations rejected the idea of the proposed CCI asserting that the establishment of another grant program could not be justified when many existing needs are not being met. The House did not specify funding for the CCI as proposed, but supported the concept of conservation partnerships.

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<sup>11</sup> Ron Tipton, *Interior's Parks Budget Inches Forward, Falls Short of Need*, National Parks Conservation Association, Press Release, Feb. 4, 2002, [[http://www.eparks.org/media\\_center/PressReleaseDetail.asp?id=83](http://www.eparks.org/media_center/PressReleaseDetail.asp?id=83)].



**Table 6. Appropriations for NPS, FY2001-FY2003**  
(\$ in millions)

<b>National Park Service</b>	<b>FY2001 Approp.</b>	<b>FY2002 Approp.</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Comm.</b>	<b>FY2003 House Passed</b>
Operation of the National Park System	\$1,386.2	\$1,487.1	\$1,584.6	\$1,585.1	\$1,605.6
U.S. Park Police	79.6	90.6	78.4	78.4	78.4
National Recreation and Preservation	59.8	66.2	46.8	62.8	56.3
Urban Park and Recreation Fund	29.9	30.0	0.3	10.0	30.0
Historic Preservation Fund	94.2	74.5	67.0	67.0	76.5
Construction	300.3	387.7	322.4	361.9	325.2
Land and Water Conservation Fund <sup>a</sup>	-30.0	-30.0	-30.0	-30.0	-30.0
<i>Land Acquisition and State Assistance</i>					
Assistance to States	90.3	144.0	200.0	144.0	154.0
NPS Acquisition	124.8	130.1	86.1	94.2	99.1
<i>Total</i>	215.1	274.1	286.1	238.2	253.1
<b>Total Appropriations</b>	<b>2,135</b>	<b>2,380</b>	<b>2,356</b>	<b>2,373</b>	<b>2,395</b>

<sup>a</sup> Figures reflect a rescission of contract authority.

**Construction and Maintenance.** The construction line item funds the construction, rehabilitation, and replacement of park facilities. For this line item, for FY2003 the Administration requests \$322.4 million, a decrease of \$65.3 million from the FY2002 level (\$387.7 million). Funds for the construction line item have tended to be substantially increased during the appropriations process. The Senate Committee on Appropriations recommends \$361.9 million for NPS construction, while the House approved \$325.2 million. The Administration requests an additional \$529.4 million for facility operation and maintenance, an activity funded within the Operation of the National Park System Line Item. The Senate Committee recommends \$533.8 million, and the House approved \$537.7 million. Combined, the Administration is requesting \$851.8 million for construction and facility operation and maintenance, a decrease of \$15.1 million from FY2002 (\$866.9). Excluding the request for facility operation, the Administration is seeking some \$663 million for FY2003 for construction and facility maintenance, including annual and deferred

maintenance.<sup>12</sup> Combined, the Senate Committee recommends \$895.7 million, \$28.9 million above FY2002 appropriations. The House approved total is \$862.8 million.

The estimated range of deferred maintenance for the NPS is \$4.1 billion to \$6.8 billion according to the DOI Budget Office. In his FY2002 budget, President Bush proposed to eliminate NPS deferred maintenance within five years through a combination of new appropriations, transportation fund money, and revenues from recreation fees. The FY2003 budget renewed this commitment. Park and environmental groups have criticized as low the amount of new money committed to eliminating the backlog.

***United States Park Police (USPP).*** This line item supports some law enforcement activities of rangers with law enforcement training active throughout the park system and the programs of the highly trained U.S. Park Police who operate in urban park areas. The FY2003 request is \$78.4 million, an increase of \$13.1 million over the initial FY2002 appropriation (\$65.3 million) but a decrease of \$12.1 million from the total FY2002 appropriation (\$90.6 million). After the regular FY2002 appropriation, the NPS received \$25.3 million in emergency appropriations for increased security following the September 11, 2001, terrorist attacks. The Administration's FY2003 budget emphasizes anti-terrorism protection at national icon sites in Washington, D.C., New York, Philadelphia, and other locations. The Senate Committee on Appropriations and the House both approved \$78.4 million, the full amount of the Administration's request.

***National Recreation and Preservation.*** This line item funds park recreation and resource protection programs, as well as programs connected with local community efforts to preserve natural and cultural resources. The FY2003 request of \$46.8 million is \$19.3 million less than FY2002 funding (\$66.2 million). The primary decreases are a \$5.5 million reduction for the heritage partnerships program and a \$12.9 reduction to the statutory and contractual aid program. The Senate Committee on Appropriations recommends \$62.8 million, \$3.3 million less than FY2002, but an increase of \$16.0 million above the budget request that would mostly restore funding for the heritage partnership program and statutory and contractual aid. The House approved \$56.3 million, with a significant increase over the request for heritage partnership programs but a sizeable decrease from the FY2002 enacted level for statutory and contractual aid.

***Urban Park and Recreation Recovery (UPARR).*** Citing the need to support "higher priorities," in FY2003 the Administration did not request funds for the UPARR program except for \$300,000 for the administration of previously awarded grants. This locally popular matching grant program was designed to help low income inner city neighborhoods rehabilitate recreational facilities. Although the President did not request funds for UPARR in FY2002, last year Congress restored funding at \$30.0 million, the same funding as provided in FY2001. The

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<sup>12</sup> This figure is derived by summing the entire FY2003 construction request (\$322.4 million), and the facility maintenance portion only of the facility operation and maintenance activity (\$340.7 million). The Senate committee reported, and House passed, bills did not breakout facility operation and maintenance separately.

Senate committee recommends \$10.0 million for FY2003, \$20.0 million less than FY2002 Appropriations. The House approved \$30.0 million.

**Land Acquisition and State Assistance.** The FY2003 budget proposes funding NPS Land Acquisition and State Assistance at \$286.1 million, an increase of \$11.9 million over the FY2002 appropriation (\$274.1 million). This amount includes \$86.1 million for the NPS federal land acquisition program, a decrease of \$44.1 million from the FY2002 appropriation (\$130.1 million). This program provides funds to acquire lands, or interests in lands, for inclusion within the National Park System. The Administration's request for Land and Water Conservation Fund (LWCF) state assistance, a park land acquisition program for States, is \$200 million, including \$50 million for grants under its proposed Cooperative Conservation Initiative and \$150 million for the traditional LWCF state grants program (compared with \$144 million for FY2002). State-side funds would continue to be awarded through a formula allocation. The Senate Committee on Appropriations recommends \$238.2 million for NPS land acquisition and state assistance, consisting of \$94.2 million for NPS federal land acquisition and \$144.0 million for state land acquisition assistance. The House approved \$253.1 million for NPS land acquisition and state assistance, including \$99.1 million for federal land acquisition and \$154.0 million for the state-side program.

**Recreational Fee Demonstration Program (Fee Demo).** Under this program, the four major federal land management agencies retain and spend receipts from entrance and user fees. The receipts are available without further appropriation for projects at the collecting sites, with a portion of the receipts distributed to other agency sites. The NPS estimates Fee Demo receipts of \$149.0 million for FY2003, and the FY2003 budget states that at least half of the receipts will be used for deferred maintenance. Fee Demo was begun in FY1996 and extended in appropriations laws, most recently through FY2004. The Administration's FY2003 budget stated an intent to propose legislation to make the program permanent and remove it from the appropriations process. An interagency task group has been working to develop the Administration's legislative initiative. Several pending bills currently propose differing forms of fee program permanence. While there have been few objections to new and higher fees for the National Park System, many citizens have objected to paying fees for previously free or low cost recreation in national forests.

**Everglades Restoration.** On the House floor, two provisions of the bill (H.R. 5093) pertaining to restoration in the Everglades and the South Florida ecosystem were stricken when points of order were raised against them. One provision had sought to make the DOI an equal partner on the Restoration Coordination and Verification Team (RECOVER). RECOVER is responsible for evaluating and assessing the performance of restoration activities implemented by the Comprehensive Everglades Restoration Plan (CERP), and recommending improvements to this plan. According to the House Appropriations Committee (H.Rept.107-564), the language specifies that DOI would be a full partner with the U.S. Army Corps of Engineers (Corps) on RECOVER to ensure that the DOI's technical experience with restoration is incorporated into the functioning of RECOVER, and that the federal government's primary interest in restoration is achieved. The second provision had sought to allow the Corps to implement a flood

protection plan for the “8.5 Square Mile Area” as part of the Modified Waters Deliveries Project (authorized in P.L. 101-229). The Modified Water Deliveries Project seeks to improve water deliveries to Everglades National Park (ENP) and, to the extent possible, restore the natural hydrological conditions within ENP. To complete this project under the current plan, land within the “8.5 Square Mile Area” would have to be acquired to be used for flood protection for the entire community. Some of the owners are unwilling to sell their land and have pursued legal action to prevent the acquisition of their land. If this land is not acquired by the Corps, the Modified Water Deliveries Project as well as portions of CERP could not be implemented under the Corps’ current plan. Legislation authorizing CERP provides that the Modified Water Deliveries Project must be completed before several CERP projects involving water flows on the east side of ENP can receive appropriations (§601(b)(2)(D)(iv) of Title IV, P.L. 106-541). Lastly, a point of order was sustained against a House floor amendment that sought to restore the language providing for the Corps flood protection plan in the “8.5 Square Mile Area”, which included the acquisition of lands or interests in lands. All the points of order related to legislating on an appropriations bill. (For information on funding for Everglades restoration, see “Everglades Restoration” under cross-cutting issues.)

For further information on the *National Park Service*, see its World Wide Web site at [<http://www.nps.gov/>].

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent and David Whiteman, coordinators.

**Historic Preservation .** The Historic Preservation fund (HPF), administered by the NPS, provides grants-in-aid to states (primarily through State Historic Preservation Offices (SHPOs), certified local governments, and territories and the Federated States of Micronesia for activities specified in the National Historic Preservation Act. These activities include protection of cultural resources and restoration of historic districts, sites, buildings, and objects significant in American history and culture. Preservation grants are normally funded on a 60% federal- 40% state matching share basis. The National Historic Preservation Act (NHPA) Amendments of 2000, P.L. 106-208, reauthorized the Historic Preservation Fund through FY2005.

The FY2003 Bush Administration’s budget would provide \$67.0 million in funding for the Historic Preservation Fund, the same as the Senate Committee’s recommendation. First, it would fund the grants-in-aid to states and territories (\$34.0 million). Second, it would fund cultural heritage projects for Indian tribes, Alaska Natives and Native Hawaiians (\$3.0 million). Third, it would fund Save America’s Treasures at \$30.0 million. The budget estimate for FY2003 is a decrease of \$27.2 million from the FY2001 level (\$94.2 million). It is a decrease of \$7.5 million from the FY2002 appropriation (\$74.5 million), including a decrease of nearly \$5 million in the grants-in-aid program to states and territories, and a decrease of \$2.5 million to eliminate the one-time funding for the National Trust for Historic Preservation’s aid to its endowment for endangered historic properties. See **Table 7**.

Now funded in tandem with the Historic Preservation Fund is former President Clinton’s Millennium initiative, Save America’s Treasures. Save America’s

Treasures grants are given to preserve “nationally significant intellectual and cultural artifacts and historic structures” including monuments, historic sites, artifacts, collections, artwork, documents, manuscripts, photographs, maps, journals, film and sound recordings. The appropriation for Save America’s Treasures has been used, for example, for restoration of the Star Spangled Banner; properties throughout the U.S., including the Rosa Parks Museum in Alabama and the Mark Twain House in Connecticut; repair and restoration of the Sewall-Belmont House; the National Women’s Party headquarters; and the Declaration of Independence and the U.S. Constitution located in the National Archives. Although the program was funded in FY2001 (\$34.9 million) and FY2002 (\$30.0 million), it was criticized for not reflecting geographic diversity. As a result, the FY2001 Interior appropriations law (P.L. 106-291) required that any project recommendations would be subject to formal approval by the House and Senate Committees on Appropriations prior to distribution of funds. Projects require a 50% cost share, and no single project can receive more than one grant from this program.

In the past, the HPF account has included the preservation and restoration of historic buildings and structures on Historically Black Colleges and Universities (HBCU) campuses. Funds in Section 507 of P.L. 104-333 (the Omnibus Parks and Public Lands Management Act of 1996) were earmarked for preservation projects for specific colleges and universities. Grants were awarded to complete repairs on HBCU buildings, particularly those listed in the National Register of Historic Places that required immediate repairs. An appropriation in FY2001 of \$7.2 million represented the unused authorization remaining from P.L. 104-333. There was no funding for HBCU’s under HPF for FY2002, and it was eliminated from the FY2003 Bush Administration budget because technically the authorization has been expended.

There is no longer direct federal funding for the National Trust for Historic Preservation, previously funded as part of the Historic Preservation Fund Account. The National Trust was chartered by Congress in 1949 to “protect and preserve” historic American sites significant to our cultural heritage. It is a private non-profit corporation. With the exception of a one-time appropriation in FY2002, the National Trust has generally not received federal funding since FY1998, in keeping with Congress’ plan to replace federal funds with private funding and to make the Trust self-supporting. The National Trust still maintains several financial assistance programs including the Preservation Services Fund, a program of matching grants to initiate preservation projects, and the National Preservation Loan Fund, providing below-market-rate loans to nonprofit organizations and public agencies to preserve properties listed in the National Register of Historic places, particularly those on the “Most Endangered Historic Places” list. In FY2002, \$2.5 million was appropriated to the endowment for the National Trust Historic Sites Fund, to be matched dollar for dollar with non-federal funds, for the care and maintenance of the most endangered historic places. The FY2003 budget would eliminate that one-time grant for the National Trust. The House-passed appropriation for FY2003 has added \$2.5 million for the Historic Sites Fund endowment.

The recommendations of the Senate Committee on Appropriations for the Historic Preservation Fund are identical to the FY2003 budget, providing \$67.0 million in total appropriations for the Historic Preservation Fund. The House-passed

bill (H.R. 5093) would provide \$76.5 million for the Historic Preservation Fund total, \$9.5 million above the budget request and \$2 million above the FY2002 enacted level. See **Table 7** below.

**Table 7. Appropriations for the Historic Preservation Fund  
(FY2001-FY2003)**  
(\$ in thousands)

<b>Historic Preservation</b>	<b>FY2001 Approp.</b>	<b>FY2002 Approp.</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Comm.</b>	<b>FY2003 House Passed</b>
Grants in aid to State Historic Preservation Offices <sup>a</sup>	\$46,495	\$39,000	\$34,000	\$34,000	\$40,000
Tribal grants	5,560	3,000	3,000	3,000	4,000
Save America's Treasures	34,923	30,000	30,000	30,000	30,000
HBCU's	7,161	—	—	—	—
National Historic Trust Endowment grant/Historic Sites Fund	—	2,500	—	—	2,500
Massillon Heritage Foundation	100	—	—	—	—
<b>HPF (total)</b>	<b>94,239<sup>b</sup></b>	<b>74,500</b>	<b>67,000</b>	<b>67,000</b>	<b>76,500</b>

<sup>a</sup> The term "grants in aid to States and Territories" is used in conjunction with the budget and refers to the same program as Grants in aid to State Historic Preservation Offices.

<sup>b</sup> The FY2001 Interior appropriations law provided \$14.97 million from a new Title VIII in the law, referred to as the "Conservation Spending Category." Funding for all programs in this category are shown in **Table 15** in this report.

For further information on *Historic Preservation*, see its World Wide Web site at [<http://www2.cr.nps.gov/>].

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

**U.S. Geological Survey.** The U.S. Geological Survey (USGS) is the nation's primary science agency in providing earth and biological science information related to natural hazards; certain aspects of the environment; and energy, mineral, water, and biological sciences. In addition it is the federal government's principal civilian mapping agency and a primary source of data on the quality of the nation's water resources.

The traditional presentation of the budget for the USGS is in the line item *Surveys, Investigations, and Research*, with six activities falling under that heading:

National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources and Investigations; Biological Research; Science Support; and Facilities. The Administration proposed a FY2003 budget of \$867.3 million, a net decrease of \$46.7 million below the FY2002 enacted level of \$914.0 million, with each of the Survey's six activities showing a net decrease in the request. In H.R. 5093, the House approved \$928.4 million for *Surveys, Investigations, and Research*—an increase of \$61.1 million above the budget request and \$14.4 million over the FY2002 enacted level. That House-approved amount included \$25.0 million in the conservation spending category for the USGS to use for State Planning Partnerships, an amount \$11.4 million more than the budget request, but equal to the FY2002 enacted level. In reporting its bill, the Senate Committee on Appropriations recommended \$926.7 million for *Surveys, Investigations, and Research*—an increase of \$59.4 million above the budget request and \$12.7 million above the FY2002 enacted level of \$914.0 million. See **Table 8**.

***National Mapping Program.*** For the National Mapping Program activity, the Administration requested \$129.3 million for FY2003—\$4.0 million below the FY2002 enacted level of \$133.3 million. Under this activity, decreases amounting to \$4.8 million were proposed to eliminate funding for national mapping improved internet access, to discontinue funding for high performance computing and high speed communication, and to eliminate funding for urban dynamics studies. The request included a proposed increase of \$1.0 million to produce digital map data, map products, and base maps of Alaska, focusing first on areas of potential energy development within the National Petroleum Reserve in Alaska. The House approved \$135.1 million for the National Mapping Program—\$5.8 million more than the request and \$1.8 million above FY2002. In bill report language, the House Appropriations Committee strongly encouraged the USGS to make a high priority the completion and maintenance of the digital database known as The National Map. The Senate Committee on Appropriations recommended \$131.1 million for this program, an amount \$1.8 million above the budget request but \$2.2 million below the FY2002 enacted level. The Senate Committee also recommended restoring funding for urban dynamics studies and concurred with the \$1.0 million increase for digital map products of Alaska.

***Geologic Hazards, Resources, and Processes.*** For the Geologic Hazards, Resources, and Processes activity, the Administration requested \$224.6 million—a reduction of \$8.2 million below the FY2002 enacted level of \$232.8 million. Proposed decreases in this budget activity totaled \$13.7 million and covered no fewer than twelve line item programs across the three budget subactivities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments. The largest reductions were seen in the National Cooperative Geologic Mapping program, the Alaska minerals information project, three projects on aggregate minerals, and the Volcano Hazards program. The FY2003 budget proposed an increase of \$4.0 million to the Earth Surface Dynamics program that would have funded interdisciplinary science to meet the priority research needs of the Critical Ecosystem Studies Initiative (CESI) dealing with the Everglades National Park. Those needs focused on three components: adaptive assessment, baseline ecosystem research, and simulation models/decision support tools. Another proposed increase of \$1.7 million to the Energy Resources program would have enabled the USGS to expand its estimation of volumes of undiscovered oil and gas resources on

federal lands and to produce an updated national assessment of available geothermal resources in the United States.

The House approved \$234.7 million—\$10.1 million over the request and \$1.9 million more than FY2002. Increases above the FY2002 spending level were logged for the National Coastal Program, a scientific study into the impact of global dust events impacting the continental United States, oil and gas resource assessments, and geothermal resource assessments. Decreases targeted the Lake Mojave Study, the North Carolina Coastal Erosion Study, the Alaska Minerals Project, the Yukon Flats Study, and monitoring equipment at Shemya, Alaska. The Senate Committee on Appropriations recommended \$238.6 million for this program, an amount \$14.0 million above the budget request and \$5.8 million over the FY2002 enacted level of \$232.8 million. The Committee did not agree with many of the program reductions assumed in the budget request and restored a number of them (For details, see S. Rept. 107-201, pp. 31-32). The Senate Committee also concurred with the increases for the CESI dealing with Everglades National Park and for an updated geothermal energy resources assessment, but did not concur with the requested increase for expanded activities in oil and gas assessments.

***Water Resources and Investigations.*** For the Water Resources and Investigations activity, the Administration requested \$177.8 million—a decrease of \$28.0 million from the FY2002 level of \$205.8 million. Decreases were sought to discontinue USGS financial support for the Toxic Substances Hydrology Program and to reduce funding for the National Water Quality Assessment Program. For the former, the USGS would have transferred \$10.0 million to the National Science Foundation (NSF) and worked with the NSF and with stakeholders to plan a three-year transition period for the phase-out of USGS long-term research, focused field investigations and field laboratories, and watershed-scale investigations. For the latter, the USGS would have pursued cost-sharing from the program's stakeholders to maintain its current scope and schedule of data collection and interpretation activities. The budget proposed a decrease of \$2.1 million to the National Streamflow Information program from the funds provided under the Conservation Spending Category. As was the case with the Bush Administration's FY2002 budget request, the FY2003 request again sought to discontinue USGS support for Water Resources Research Institutes based on the finding that most institutes have been very successful in leveraging funding for program activities from non-USGS sources. There are at present 54 Water Resources Research Institutes: one in each state, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

The balance of the proposed decreases in the President's FY2003 budget either discontinued funding for congressional add-ons or eliminated funding for completed studies and projects. A proposed increase of \$1.0 million was sought for interdisciplinary core science related to a study of environmental health issues in the U.S.-Mexico border region. Conducted with the National Institute of Environmental Health Sciences, this study was to have focused on understanding disease-causing agents in the environment and their specific exposure pathways in water, air, and soil.

The House approved \$209.7 million—an increase of \$31.8 million over the request and \$3.8 million more than FY2002. Increases over the FY2002 enacted level were realized for the U.S./Mexican Border Initiative, the Lake Pontchartrain



Study, a Potomac River Basin Ground Water Study, and the Long-Term Estuary Assessment. Water Resources Research Institutes spending was restored with a small increase of +\$0.4 million to \$6.4 million, and the National Streamflow Information Program funding was brought back up +\$2.1 million to match its FY2002 enacted level of \$14.3 million. Decreases targeted the Berkeley Pit, the Lake Champlain Study, Hawaii Ground Water and the Noyes Slough. The Senate Committee on Appropriations recommended \$209.6 million for water resources investigations—\$31.8 million over the budget request and \$3.8 million above the FY2002 enacted level of \$205.8 million. The Committee did not concur with the proposed reductions and restored funding for the National Water Quality Assessment Program, for the Toxic Substances Hydrology Program, for the National Streamflow Information Program, and for the Water Resources Research Institutes. In agreement with the budget request, the Senate Committee included \$1.0 million to initiate a United States-Mexico border health initiative.

**Biological Research.** For the Biological Research activity, the Administration requested \$160.5 million for FY2003—a decrease of \$5.9 million below the FY2002 enacted level of \$166.4 million. The FY2003 budget request funded USGS fire ecology research through the Interior Department's Wildland Fire Management Account; therefore, that funding realignment shows up as a \$2.8 million reduction in funding for the Biological Research and Monitoring subaccount. The balance of the funding decreases sought were for unrequested FY2002 funding increases and congressional add-ons. The House approved \$170.4 million for Biological Research—an increase of \$9.9 million more than the budget request and \$4.0 million over the FY2002 enacted level. The Senate Committee on Appropriations recommended \$172.2 million, an amount \$11.7 million above the budget request and \$5.8 million over the FY2002 enacted level of \$166.4 million. The Committee did not agree with many of the proposed reductions, restoring, for example, the \$2.8 million for fire science research along with funding for several other activities. The Senate Committee also increased funding by some \$3.0 million above the budget request for the National Biological Information Infrastructure Program.

**Science Support and Facilities.** The USGS budget presentation retains two additional activity categories in the FY2003 request: Science Support, at \$86.1 million, and Facilities, at \$89.0 million. Science Support focuses on those costs associated with modernizing the infrastructure for management and dissemination of scientific information, and Facilities focuses on the costs for maintenance and repair of facilities. Science Support showed a decrease in the FY2003 request amounting to \$0.2 million below the FY2002 enacted level of \$86.3 million. There was a proposed increase of \$1.0 million to develop enterprise GIS tools, bringing together geospatially referenced hydrologic, biologic, geologic, and topographic data into a common decision support system. That increase was tempered, however, with a reduction of \$1.6 million from the funds provided under the Conservation Spending Category for accessible data transfer to expand the capacity of USGS network efforts to deliver scientific information over the internet.

The House approved \$87.4 million for Science Support—\$1.3 million above the budget request and \$1.1 million more than FY2002. The Senate Committee on Appropriations recommended \$85.7 million, \$0.4 million below the request and \$0.5

million less than FY2002. The Senate Committee concurred with a decrease of \$1.6 million for accessible data transfer work but did not go along with the requested \$1.0 million increase for the Enterprise GIS proposal.

**Facilities Funding.** The President's FY2003 budget for Facilities funding (\$89.0 million) also was below the FY2002 enacted level of \$89.4 million. The proposal would have eliminated phase one funding for the Leetown research center expansion and funding for the Center for Coastal Geology in St. Petersburg, Florida and deferred maintenance at the Wellsboro biological field station. The House approved \$91.2 million—some \$2.2 million over the request and \$1.7 million above FY2002. Increases were logged for the Center for Coastal and Regional Studies in Florida and for the Tunison Laboratory. Decreases targeted the Leetown expansion, the Wellsboro Laboratory, and one-time construction funds for the Coastal Center in Florida. The Senate Committee on Appropriations recommended \$89.4 million for Facilities, \$0.4 million above the request but slightly below the FY2002 level. The Committee increase provides the Leetown Science Center with funds to plan and design needed additional space at that facility.

**Table 8. Appropriations for the U.S. Geological Survey, FY2001-FY2003**  
(\$ in millions)

U.S. Geological Survey	FY2001 Enacted	FY2002 Enacted	FY2003 Request	FY2003 Senate Comm.	FY2003 House Passed
National Mapping Program	\$130.4	\$133.3	\$129.3	\$131.1	\$135.1
Geologic Hazards, Resources, and Processes	225.3	232.8	224.7	238.6	234.7
Water Resources Investigations	203.5	205.8	177.8	209.6	209.7
Biological Research	160.6	166.4	160.5	172.2	170.4
Science Support	73.7	86.3	86.1	85.7	87.4
Facilities	89.2	89.4	88.9	89.4	91.2
<b>Total Appropriations</b>	<b>882.8</b>	<b>914.0</b>	<b>867.3</b>	<b>926.7</b>	<b>928.4</b>

For further information on the *U.S. Geological Survey*, see its World Wide Web site at [<http://www.usgs.gov/>].

**Minerals Management Service.** The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (OMM) Program and the Minerals Revenue Management (MRM) Program, formerly known

as the Royalty Management Program. OMM administers competitive leasing on outer continental shelf lands and oversees production of offshore oil, gas and other minerals. MRM collects and disburses bonuses, rents, and royalties paid on federal onshore and Outer Continental Shelf (OCS) leases and Indian mineral leases. MMS anticipates collecting about \$4.2 billion in revenues in FY2003 from offshore and onshore federal leases. Revenues from onshore leases are distributed to states in which they were collected, the General Fund of the U.S. Treasury, and various designated programs. Revenues from the offshore leases are allocated among the coastal states, Land and Water Conservation Fund, the Historic Preservation Fund, and the U.S. Treasury.

The Administration's proposed budget for MMS for FY2003 is \$270.3 million. This budget includes \$6.1 million for oil spill research, and \$264.2 million for Royalty and Offshore Minerals Management (including \$137.5 million for OMM activities and \$83.3 million for MRM programs). Of the total budget, \$170.3 million would derive from appropriations, and \$100.2 million from offsetting collections which MMS has been retaining from OCS receipts since 1994. The FY2003 total is about 4% higher than the \$259.5 million total budget for FY2002. Offsetting collections would decline by \$2.5 million from FY2002 to FY2003. The figures in the FY2003 request do not include the \$10.4 million costs of the President's proposal to shift the full cost of the Civil Service Retirement System and Federal Employee Health Benefits program to the MMS and other agencies. The Senate Committee on Appropriations supports a total of \$272.7 million for MMS, including \$139.6 million for OMM and \$83.3 million for MRM programs (with \$100.2 million from offsetting collections). The House approved \$271.1 million for MMS, including \$138 million for OMM and \$83.3 million for MRM, and would spend \$100.2 million from offsetting collections.

The MMS revised its mineral leasing revenue estimates downward by 40% in FY2003 from the FY2002 estimates. For instance, in the FY2002 budget request, mineral leasing revenues were estimated to be \$7.9 billion in FY2002 and \$7.3 billion in FY2003. Current revenue estimates for these years are \$5.1 billion and \$4.2 billion respectively. Price fluctuation is the most significant factor in the revenue swings. Oil prices that were in the \$26-\$30 per barrel range came down dramatically to the \$20-\$22 per barrel range in 2001. Also, natural gas prices fell significantly during the past year in part because of the relatively mild winter. Over the past decade, royalties from natural gas production have accounted for between 40%-45% of MMS receipts, while oil accounts for not more than 25%. Below is a discussion of related issues of interest to Congress that may arise within the context of the appropriations process.

The Outer Continental Shelf Lands Act of 1953 (OCSLA, 43 U.S.C. 1331) requires the Secretary of the Interior to submit a 5-year leasing program that specifies the time, location and size of lease sales to be held during that period. The new 5-year leasing program (2002 -2007) went into effect July 1, 2002. MMS will conduct 20 oil and natural gas lease sales during the five year period. Half of those sales will be in the Western or Central Gulf of Mexico (GOM), two in the Eastern GOM and the remainder around Alaska. Sales in the Eastern GOM are especially controversial. Industry groups contend that the sales are too limited given what they say is an

enormous resource potential while environmental groups and some state officials argue that the risks to the ecology and the economy are too great.

A controversial oil and gas development issue in offshore California involving MMS has drawn congressional interest. A breach-of-contract lawsuit has been filed by nine oil companies seeking \$1.2 billion in compensation for their undeveloped leases. The companies claim that MMS failed to conduct consistency determinations required by the court. A federal statute, the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) was amended in 1990 to allow for consistency determinations. Using this Act, the state of California could determine whether development of oil and gas leases are consistent with the state's coastal zone management plan. In 1999, the MMS extended 36 out of the 40 leases at issue by granting lease suspensions. However, in June 2001 the Ninth Circuit Court struck down the MMS suspensions arguing that MMS failed to show consistency with the state's coastal zone management plan. The Bush Administration appealed this decision January 11, 2002, in the Ninth Circuit and proposed a more limited lease development plan that involves 20 leases using existing platforms. The Court however upheld its decision favoring California. The Administration has now appealed the decision to the U.S. Court of Appeals in San Francisco. The leases are in effect, pending the appeal.

On July 17, 2002, the House approved an amendment to the Interior appropriations bill to prohibit federal spending to develop the 36 leases that were extended by the MMS. The amendment seeks a permanent prohibition on new drilling in the contested area. There is no similar prohibition in the Senate version of the Interior bill as reported.

Also, legislation (S. 1952) by Senators Boxer (D-CA) and Landrieu (D-LA) would compensate the companies for surrendering all undeveloped leases off California's coast with financial credits to acquire oil and gas leases in the Gulf of Mexico. The credits could be as much as \$3 billion.

In May 2002, the Administration announced its plans to buy back oil and gas leases from Chevron, Conoco and Murphy oil companies off Pensacola, Florida for \$115 million in an area known as Destin Dome. Included in the announcement were oil and gas lease buybacks in the Everglades National Park, Big Cypress National Preserve and the Ten Thousand Islands National Wildlife Refuge that would require approval by Congress.

For further information on the *Minerals Management Service*, see its World Wide Web site at [<http://www.mms.gov/>].

**Office of Surface Mining Reclamation and Enforcement.** The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87) established the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that land mined for coal would be returned to a condition capable of supporting its pre-mining land use. SMCRA also established an Abandoned Mine Lands (AML) fund, with fees levied on coal production, to reclaim abandoned sites that pose serious health or safety hazards. Congress's intention was that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. OSM is required to maintain oversight of state

regulatory programs. In some instances states have no approved program, and in these instances OSM directs reclamation in the state.

The Administration, the Senate Committee on Appropriations, and the full House all recommend a decrease in funds for OSM over the FY2002 level. The Administration's request for the Office of Surface Mining for FY2003—at \$279.4 million—reflects a drop of \$27.1 million from the FY2002 level of \$306.5 million. The Senate Committee recommends \$297.1 million, and the House approved \$290.1 million.

The OSM budget has two components: Regulation and Technology programs and Abandoned Mine Lands (AML, or Abandoned Mine Reclamation Fund). For Regulation and Technology, the Administration seeks \$105.4 million, an increase of roughly \$2.3 million from the FY2002 level (\$103.1 million). Included in the FY2003 request is \$10 million in funding for the Appalachian Clean Streams Initiative (ACSI), the same level as in FY2002, and \$1.5 million for the Small Operators Assistance Program (SOAP). For the AML Fund, the Administration seeks \$174.0 million for FY2003, a reduction of \$29.4 million from the \$203.4 enacted for FY2002. Major components of this reduction include a decrease of \$17 million for State and Tribal conventional AML grants, and a reduction of nearly \$11 million described as a “one time reduction to Federal emergency projects.”

Both the Senate Committee on Appropriations and the full House concurred with the Administration request of \$105.4 million for Regulation and Technology. However, the Senate Committee recommended \$191.7 million for AML, more than restoring the \$17 million cut by the Administration for State and Tribal conventional AML grants. Specifically, the Senate Committee included \$17.5 million for these grants and \$210,000 for federal high priority reclamation projects. The Committee also agreed to the request of \$10 million for ACSI and \$1.5 million for SOAP. The House approved \$184.7 million for AML, \$10.7 million more than the Administration request, but a reduction still of \$18.7 million from the FY2002 enacted level for AML. The House Committee on Appropriations specifically rejected the Administration's proposal to make any cuts in spending for Federal high priority projects.

Grants to the states from annual AML appropriations are based on states' current and historic coal production. “Minimum program states” are states with significant AML problems, but with insufficient levels of current coal production to generate significant fees to the AML fund. The minimum funding level for each of these states was increased to \$2 million in 1992. However, over the objection of these states, Congress has appropriated \$1.5 million to minimum program states since FY1996, and the FY2003 request proposes no change. The Senate Committee on Appropriations and the House concurred.

In general, several states have been pressing in recent years for increases in the AML appropriations. The unappropriated balance of AML collections in the fund is expected to be roughly \$1.65 billion by the end of FY2003.

For further information on the *Office of Surface Mining Reclamation and Enforcement*, see its World Wide Web site at [<http://www.osmre.gov/osm.htm>].

**Bureau of Indian Affairs.** The Bureau of Indian Affairs (BIA) provides a wide variety of services to federally recognized American Indian and Alaska Native tribes and their members, and historically has been the lead agency in federal dealings with tribes. Programs provided or funded through the BIA include government operations, courts, law enforcement, fire protection, social programs, education, roads, economic development, employment assistance, housing repair, dams, Indian rights protection, implementation of land and water settlements, management of trust assets (real estate and natural resources), and partial gaming oversight.

BIA's FY2002 direct appropriations are \$2.22 billion (including supplemental appropriations). For FY2003, the Administration proposed \$2.25 billion, an increase of 1% over FY2002. The Senate Appropriations Committee recommended \$2.27 billion, an increase of 2% over FY2002 and 1% over the Administration's proposal. The House approved almost the same amount. **Table 9** below presents FY2002 and FY2003 Administration, Senate Committee, and House figures for the BIA and its major budget components; selected BIA programs are shown in italics. For trust management improvement, the Administration requested a total BIA-wide increase of \$34.8 million, spread across such programs as tribal courts, probate, real estate services and appraisals, social services, security, forestry, and executive oversight. The Senate Committee recommended funding the full requested amount. For the BIA office handling petitions for federal recognition of tribes (the Branch of Acknowledgment and Research), an activity criticized for lack of resources, the Administration proposed the same amount as FY2002, while the House approved an additional \$0.5 million, nearly a 50% increase. Related to tribal recognition (and gaming) was a House Committee provision for a study commission on Native American policy, which was dropped by the full House.

**Table 9. Appropriations for the Bureau of Indian Affairs, FY2002-FY2003**

(\$ in thousands)

	FY2002 Approp.	FY2003 Request	FY2003 Senate Comm.	Senate Committee compared with:		FY2003 House Passed	House compared with:	
				FY2002 Approp.	FY2003 Request		FY2002 Approp.	FY2003 Request
<b>Operation of Indian Programs</b>	\$1,799,809	\$1,837,110	\$1,859,135	3%	1%	\$1,859,064	3%	1%
Tribal Priority Allocations	752,156	775,534	775,534	3%	–	780,654	4%	1%
<i>Contract Support Costs</i>	<i>130,209</i>	<i>133,209</i>	<i>133,209</i>	<i>2%</i>	<i>–</i>	<i>133,209</i>	<i>2%</i>	<i>–</i>
Other Recurring Programs	586,968	596,192	595,642	1%	–	607,196	3%	2%
<i>School Operations</i>	<i>504,015</i>	<i>522,816</i>	<i>510,916</i>	<i>1%</i>	<i>(2%)</i>	<i>524,817</i>	<i>4%</i>	<i>–</i>
<i>Tribally-controlled colleges</i>	<i>41,118</i>	<i>39,118</i>	<i>43,118</i>	<i>5%</i>	<i>10%</i>	<i>41,118</i>	<i>–</i>	<i>5%</i>
Non-Recurring Programs	72,798	67,510	72,360	(1%)	7%	70,824	(3%)	5%
Central and Regional Office Operations	120,785	136,713	136,713	13%	–	134,258	11%	(2%)
<i>Branch of Acknowledgment and Research</i>	<i>1,050</i>	<i>1,050</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>1,550</i>	<i>48%</i>	<i>48%</i>

	FY2002 Approp.	FY2003 Request	FY2003 Senate Comm.	Senate Committee compared with:		FY2003 House Passed	House compared with:	
				FY2002 Approp.	FY2003 Request		FY2002 Approp.	FY2003 Request
Special Programs and Pooled Overhead	267,102	261,161	278,886	4%	7%	266,132	–	2%
<i>Public Safety and Justice</i>	<i>160,652</i>	<i>161,368</i>	<i>170,043</i>	<i>6%</i>	<i>5%</i>	<i>161,368</i>	–	–
<b>Construction</b>	357,132	345,252	348,252	2%	1%	345,252	(3%)	–
<i>Education construction</i>	<i>292,503</i>	<i>292,717</i>	<i>295,717</i>	<i>1%</i>	<i>1%</i>	<i>292,717</i>	–	–
<b>Land and Water Claim Settlements and Misc. Payments</b>	60,949	57,949	57,949	(5%)	–	60,949	–	5%
<b>Guaranteed Loan Program</b>	4,986	5,493	5,493	10%	–	5,493	10%	–
<b>Total BIA</b>	<b>2,222,876</b>	<b>2,245,804</b>	<b>2,270,829</b>	<b>2%</b>	<b>1%</b>	<b>2,270,758</b>	<b>2%</b>	<b>1%</b>



Key issues for the BIA include the proposed reorganization of the Bureau's trust asset management functions, the movement toward greater tribal influence on BIA programs and expenditures (especially the role of contract support costs), and problems in the BIA school system.

***BIA Reorganization.*** Historically, the BIA has been responsible for managing Indian tribes' and individuals' trust funds and trust assets. Trust assets include trust lands and the lands' surface and subsurface economic resources (e.g., timber, grazing lands, or minerals). Management of trust funds was transferred to the Office of Special Trustee for American Indians in 1966 (see below). In late November 2001, the Secretary of the Interior proposed to split off BIA's trust asset management responsibilities into a new Bureau of Indian Trust Asset Management (BITAM). In early December 2001, the Secretary requested approval from both Appropriations Committees for a reprogramming of funds to carry out this reorganization. The Committees did not approve the reprogramming request, instead directing the Secretary to consult with Indian tribes. The consultation process is continuing. The great majority of commenting tribes have opposed the BITAM proposal and many tribes or tribal organizations have offered alternative plans. While the BIA's proposed FY2003 budget does not include the BITAM reorganization proposal (or a reprogramming request), many tribes are concerned that the Secretary may again submit a reprogramming request to Congress. The Senate Appropriations Committee's report forbids the Secretary to implement the BITAM proposal or to use FY2003 funds for any action that would alter the BIA's tribal or individual trust authority.

The current BIA reorganization proposal arose from issues and events related to trust funds and assets management. The BIA had, historically, mismanaged Indian trust funds and non-monetary trust assets (land, minerals, etc.), leading to a legislative reform act in 1994 and an extensive court case in 1996. (See below under "Office of Special Trustee for American Indians" for more discussion.) Oversight of trust management reform is the responsibility of the Office of the Special Trustee for American Indians (OST), as is day-to-day management of trust funds, but the BIA still manages trust assets. Trust asset management includes real estate services, processing of transactions (sales, leases, etc.), surveys, appraisals, probate functions, land title records activities, and other functions. BIA and OST together are implementing the Secretary of the Interior's current Trust Management Improvement Project. The project includes improvements in trust asset systems, policies, and procedures, reduction of backlogs, and maintenance of the improved system. In 1998, the BIA contracted with a private developer for a new computerized trust asset and accounting management system (TAAMS). Much of TAAMS has not worked correctly, leading to further controversy and a review of the trust reform effort by a consultant, Electronic Data Systems, Inc. (EDS). EDS's 2001 reports included a recommendation for a single executive controlling trust reform. The Secretary cited this recommendation as a justification for the BITAM proposal.

***Tribal Control.*** Greater tribal control over federal Indian programs has been the goal of Indian policy since the 1970s. In the BIA this policy has taken three forms: tribal contracting to run individual BIA programs under Title I of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended); tribal compacting with the BIA to manage all or most of a tribe's BIA programs, under the

Self-Governance program (Title IV of P.L. 93-638, as added by P.L. 103-413); and shifting programs into a portion of the BIA budget called TPA, in which tribes have more influence in BIA budget planning and within which each tribe has authority to reprogram all its TPA funds. In FY2002, TPA accounts for 42% of the BIA's operation of Indian programs (including most of the BIA funding for tribal governments' operations, human services, courts, natural resources, and community development) and for 34% of total BIA direct appropriations. **Table 9** shows the Administration, Senate Committee, and House TPA figures for FY2003

Contract support costs, authorized under the Indian Self-determination Act, fund the non-operational and overhead costs incurred by tribes in administering programs under self-determination contracts and self-governance compacts, and are calculated using a negotiated tribal cost rate (a percentage of the funding base covered by a tribe's contracts or compact). Issues raised by contract support costs include the consistent shortfall in contract support cost appropriations, tribes' claim of entitlement to full support cost funding, identity of programs included in tribes' funding base, and rate-setting methods. The BIA estimates that appropriations for contract support costs met 88% of reported tribal need in FY2001 and 91% in FY2002 and will meet 92% of the need in FY2003. **Table 9** shows the Administration, Senate committee, and House figures for FY2003 contract support costs.

**BIA School System.** The BIA funds 185 elementary and secondary schools and peripheral dormitories, with over 2,000 structures, educating about 48,000 students in 23 states. Tribes and tribal organizations, under self-determination contracts and other grants, operate 121 of these institutions; the BIA operates the remainder. BIA schools' key problems are low student achievement and a high level of inadequate school facilities.

BIA students' academic achievement, as measured by standardized tests, is on average far below that of public school students. To improve BIA schools' academic performance, the Administration proposes a "School Privatization Initiative" under which BIA-operated schools will all either become tribally operated or be privatized by the end of FY2007. Some Indian tribes and organizations have expressed doubt over this proposal, arguing that funding for tribally-operated schools is presently below need and that under the initiative tribes would be forced to choose between operating schools with inadequate resources or allowing them to be privatized. The Senate and House Committees both opposed the proposed privatization initiative and removed its funding.

Many BIA school facilities are old and dilapidated, with health and safety deficiencies. BIA education construction covers both construction of new school facilities to replace facilities that cannot be repaired, and improvement and repair of existing facilities. Schools are replaced or repaired according to priority lists. The BIA in 2001 estimated the backlog in education facility repairs at \$942 million. **Table 9** shows FY2002 education construction appropriations, as well as the FY2003 proposed amount, the Senate Committee recommendation, and the House-approved amount.

For further information on the *Bureau of Indian Affairs*, see its World Wide Web site at [<http://www.doi.gov/bureau-indian-affairs.html>].

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

### **Departmental Offices.**

***National Indian Gaming Commission.*** The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act of 1988 (P.L. 100-497) to oversee Indian tribal regulation of tribal bingo and other “Class II” operations, as well as aspects of “Class III” gaming (casinos, racing, etc.). The NIGC could receive federal appropriations but its budget authority consisted chiefly of annual fees assessed on tribes’ Class II operations. The FY1998 Interior Appropriations Act amended the Indian Gaming Regulatory Act to increase the ceiling for total fees the NIGC may collect to \$8 million, to make Class III as well as Class II operations subject to fees, and to increase NIGC’s authorization from \$1 million to \$2 million.

During FY1999-FY2002, all NIGC activities were funded from fees, with no direct appropriations. For FY2003, however, the Administration proposed appropriations of \$2.0 million for the NIGC, in addition to the Commission’s fee receipts of \$8 million. The House agreed to the proposed amount. The Senate Appropriations Committee recommended no FY2003 appropriations for the NIGC. The NIGC says it is experiencing a spike in demand for its oversight resources, especially audits and field investigations, primarily because of the rapid expansion of California Indian gaming (following passage in March 2000 of a state referendum authorizing California to negotiate more liberal Class III gaming compacts with tribes). The NIGC will also seek legislation to increase the current ceiling on total fee assessments.

***Office of Special Trustee for American Indians.*** The Office of Special Trustee for American Indians, in the Secretary of the Interior’s office, was authorized by Title III of the American Indian Trust Fund Management Reform Act of 1994 (P.L. 103-412). The Office of Special Trustee (OST) generally oversees the reform of Interior Department management of Indian trust assets, the direct management of Indian trust funds, establishment of an adequate trust fund management system, and support of department claims settlement activities related to the trust funds. Indian trust funds formerly were managed by the BIA, but numerous federal, tribal, and congressional reports had shown severely inadequate management, with probable losses to Indian tribal and individual beneficiaries. In 1996, at Congress’ direction and as authorized by P.L. 103-412, the Secretary of the Interior transferred trust fund management from the BIA to the OST.

FY2002 funding for the Office of Special Trustee was \$110.2 million, which included \$99.2 million for federal trust programs—trust systems improvements, settlement and litigation support, and trust funds management—and \$11.0 million for the Indian land consolidation pilot project. The purpose of the land consolidation project is to purchase and consolidate fractionated ownerships of allotted Indian trust lands, thereby reducing the costs of managing millions of acres broken up into tiny fractional interests. The Administration proposed a FY2003 budget of \$159.0 million for the OST, an increase of 44% over FY2002. Included in the FY2003 request were \$151.0 million for federal trust programs (up \$51.8 million, or 52%) and \$8.0 million for the Indian land consolidation pilot project (down \$3 million, or 27%). The Senate Appropriations Committee recommended an increase in funding for the OST to \$162.0 million, an increase of 47% over FY2002. The Committee's recommendation included the same amount as the Administration for federal trust programs and an additional \$3 million for the Indian land consolidation project. The House approved \$149.3 million, an increase of 35% over FY2002 and a decrease of 6% from the Administration request. The House approved the requested amount for land consolidation (\$8.0 million) but cut the requested amount for trust programs by \$9.8 million, to \$141.3 million.

Indian trust funds comprise two sets of funds: (1) tribal funds owned by about 290 tribes in approximately 1,400 accounts, with a total asset value of about \$3.1 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in over 252,000 accounts with a total asset value of about \$400 million. (Figures are from the OST FY2003 budget justifications.) The funds include monies received both from claims awards, land or water rights settlements, and other one-time payments, and from income from non-monetary trust assets (e.g., land, timber, minerals), as well as investment income.

The trust funds controversy also involves a class action lawsuit filed in 1996, in the federal district court for the District of Columbia, against the federal government by IIM account holders. The latest stage of the IIM lawsuit relates to an historical accounting for IIM funds, to determine the amount of money owed to the plaintiffs. The FY2001 Interior appropriations conference report, and the FY2002 House and conference reports, had directed DOI to develop a sampling methodology for IIM accounting, as DOI had intended to do, but required submission of the plan, with a cost-benefit analysis, to Congress prior to implementation. Both repeated the prohibition on allocating funds for an historical accounting before submission of the plan and report. The requested report was transmitted to the Committees in early July 2002 by the DOI's Office of Historical Trust Accounting. The plaintiffs in the lawsuit object to an historical accounting methodology and, using a different methodology based on federal and state leasing returns, have estimated that they are owed at least \$10 billion. Currently the district court is considering holding the Secretary of the Interior in contempt for continuing problems in trust management reform (following a trial on the contempt issues) and is also considering the plaintiffs' request that the court appoint a receiver to take over reform of IIM accounts management.

The House Appropriations Committee expressed its concern that the IIM lawsuit was jeopardizing DOI trust reform implementation, and added a number of provisions to the FY2003 Interior appropriations act. The provisions would limit the

time period to be covered by the historical accounting, require a summary of a full historical accounting of 5 of the plaintiffs, cap the compensation of two court-appointed officials monitoring trust reform, direct that a new OST advisory board be appointed in accordance with the 1994 act, and authorize the Interior Secretary to help employees pay for legal costs related to the IIM suit. The House agreed to all these provisions except the limit on the time period for historical accounting.

For further information on the *Office of Special Trustee for American Indians*, see its World Wide Web site at [<http://www.ost.doi.gov/>].

**Insular Affairs.** The Office of Insular Affairs (OIA) provides financial assistance to the territories and three former insular areas, manages relations between these jurisdictions and the federal government, and attempts to build the capacity of units of local government. Funding for the OIA consists of two parts: (1) permanent and indefinite appropriations that do not require action by the 107<sup>th</sup> Congress or the Administration, and (2) discretionary and current mandatory funding subject to the appropriations process. The combined funding of both parts for FY2002 is \$353.0 million; proposed funding in the President's FY2003 budget is \$343.5 million, a reduction of \$9.5 million, or 2.7%.

Permanent and indefinite appropriations historically constitute roughly 70% to 80% of the OIA budget and comprise two elements. For FY2002 these appropriations total \$250.6 million; for FY2003 they are proposed to be \$252.4 million, as follows:

- ! \$146.4 million total to three freely associated states formerly included in the Trust Territory of the Pacific Islands. This payment is set forth in the Compacts of Free Association negotiated with representatives of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.<sup>13</sup>
- ! \$106.0 million in fiscal assistance to the U.S. Virgin Islands for estimated rum excise and income tax collections, and to Guam for income tax collections.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining balance (roughly 20% to 30%) of the OIA budget. The FY2002 appropriation of \$102.2 million, which exceeded not only the amount requested but also the levels recommended by both the House and the Senate for a range of purposes, included the following:

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<sup>13</sup> Portions of the Compact of Free Association with the FSM and the RMI expired in the fall of 2001 and are being renegotiated. For background, see CRS Report RL30749, *The Marshall Islands and Micronesia: Negotiations with the United States for Renewing Provisions of the Compact of Free Association*. The Compact with the Republic of Palau began in FY1994 and will terminate in FY2009.

- ! An increase in compact impact funding of \$4,000,000 for Hawaii and \$1,000,000 each for Guam and the Commonwealth of the Northern Mariana Islands.
- ! \$200,000 for a utility privatization study in the U.S. Virgin Islands and full funding for payment of the amount owed by the Islands to the Federal Emergency Management Agency (FEMA).
- ! Slight increases that total approximately \$2 million to restore funding to pre-rescission levels for the OIA, operation costs for the High Court of American Samoa, the eradication of the brown tree snake, a coral reef protection initiative, and insular management controls.

The FY2003 request of the Bush Administration sought to reduce the discretionary portion of the OIA budget to \$91.0 million, a reduction of \$11.2 million (11%) from FY2002. The Senate Committee on Appropriations recommends \$96.1 million, a \$6.1 million decrease from FY2002; the full House, \$94.3 million, a decrease of 7.8% from FY2002. Discretionary funding is comprised of two parts. Funding for the Assistance to Territories account has been requested to be funded at \$70.2 million. The Senate Committee recommends an increase of \$5 million (\$75.2 million) over the request for impact aid to Hawaii; the House approved \$3 million more over the request for specified projects or needs. Funding for the Compact of Free Association (CFA) assistance account has been requested to be \$20.8 million. The Senate Committee recommendation for CFA funding is \$180,000 over the request in order to repair the ship that provides food to the people of Enewetak; the House approved an amount \$300,000 over the request for purposes not specified.

Little debate has occurred in recent years on funding for the territories and the OIA. In general, Congress continues to monitor economic development and fiscal management by government officials in the insular areas.

For further information on *Insular Affairs*, see its World Wide Web site at [<http://www.doi.gov/oia/index.html>].

## **Title II: Related Agencies and Programs**

**Department of Agriculture: Forest Service.** For information on the *Department of Agriculture*, see its World Wide Web site at [<http://www.usda.gov/>].

**U.S. Forest Service.** The Forest Service (FS) budget request for FY2003 proposes \$3.95 billion of discretionary appropriations, \$181.7 million (4%) less than appropriated for FY2002 and \$486.7 million (11%) below the FY2001 appropriation. The House passed a budget of \$4.15 billion, \$14.8 million (0.4%) more than FY2002 and \$196.5 million (5%) more than requested. The House bill also includes a \$500 million fire supplemental for FY2002, for a FS bill total of \$4.65 billion. The Senate Committee recommended \$4.03 billion, \$79.2 million (2%) above the Administration's request, but \$102.5 million (2.5%) below FY2002 appropriations and \$617.4 million (13%) below the House-passed level.

The Bush Administration proposed a total of \$1.37 billion for wildland fire management, \$191.2 million (12%) less than the FY2002 appropriation (\$1.56 billion). This included ending contingent emergency appropriations for fire suppression operations (\$266.0 million in FY2002) and other fire operations (\$80.0 million in FY2002), while increasing regular appropriations by \$165.4 million for fire suppression operations and by \$11.3 million for other fire operations. The House passed \$1.51 billion in wildland fire management for FY2003, plus \$500 million to supplement fire suppression in FY2002. The House agreed to end the contingent emergency suppression funding and increase fire suppression operations, as proposed while further increasing funding for other fire operations by \$116.3 million (35%) over FY2002 and by \$105.0 million (30%) over the request. The Senate Committee recommended \$1.37 billion, as requested, but shifted \$290 million from fire suppression operations to contingent emergency operations.

The Administration also proposed terminating the Economic Action Program (EAP), which includes rural community assistance and wood recycling, and the Pacific Northwest economic assistance program. The House passed \$19.9 million for the EAP, including an allocation for the Pacific Northwest, plus \$12.5 million for EAP in the Wildfire Management account — a total of \$32.4 million. This is \$25.2 million below the FY2002 appropriations of \$57.6 million for these two accounts. The Senate Committee recommends \$29.7 million for the EAP (with funds for the Pacific Northwest), plus \$7.5 million for EAP in Wildfire Management — a total of \$37.2 million. This is \$20.4 million below FY2002 appropriations, but \$4.8 million more than the House enacted.

The Administration proposed a \$19.2 million (13%) cut in land acquisition, for a total of \$130.5 million. The House cut land acquisition by \$3.4 million (2%) from the FY2002 level, for a total of \$146.3 million, while the Senate Committee recommended increasing the FY2002 land acquisition budget by \$7.9 million (5%), for a total of \$157.7 million. The request also proposed reducing Infrastructure Improvement (which is used to address the nearly \$7 billion deferred maintenance backlog) by \$10.1 million (17%), to \$50.9 million. The House increased this account by \$3.9 million (6%) from FY2002, to \$64.9 million, while the Senate Committee recommended \$84.9 million, an increase of \$23.9 million (39%) from FY2002 levels. Some of the Senate's increase is offset by recommended declines in Facilities, of \$9.8 million (5%) from FY2002 and of \$24.8 million (12%) from the request.

The FY2003 budget request includes a new Emerging Pest and Pathogens Fund, to rapidly control invasive species problems since early aggressive efforts can reduce or eliminate a problem while it is still small; the request is for \$12.0 million, and the Senate Committee recommended \$15.0 million, but the House included no funding for this Fund. The other new proposed program is \$15.0 million for Expedited Consultations, where the FS can pay another federal agency to consult on projects that might jeopardize an endangered or threatened species; this would assure that the other agencies' budgets do not limit the FS's ability to proceed on its projects. Neither the House nor the Senate Committee included funding for Expedited Consultations. The Administration proposed \$49.5 million, a \$16.4 million (49%) increase in the Forest Stewardship Program over FY2002 (to provide technical assistance for managing private forests); the House passed \$36.9 million, a \$3.7 million (11%) increase, and the Senate Committee recommended \$34.2 million, a

\$1.1 million (3%) increase. In contrast, the Administration proposed \$69.8 million, a \$4.8 million (7%) increase in the Forest Legacy Program (to purchase title or easements for lands threatened with conversion to nonforest uses, *e.g.*, residences). The House reduced this to \$60.0 million, \$5.0 million (8%) less than FY2002, but the Senate Committee recommended increasing it to \$85.0 million, a \$20.0 million (31%) increase above the FY2002 appropriations.

*Forest Fires and Forest Health.* Wildfires and efforts to halt the damage they cause have garnered increased attention. The severe fire season in the summer of 2000 has led to substantial debates over fire control and fire protection efforts. The discussions include questions about funding levels and locations for various fire protection treatments, such as thinning and prescribed burning to reduce fuel loads and clearing around structures to protect them during fires, and about whether logging and access roads help in fire control or exacerbate conflagrations.

The severe 2000 fire season led the Clinton Administration to propose a new program, called the National Fire Plan, which applied to BLM lands as well as to Forest Service lands, with \$1.8 billion to supplement the \$1.1 billion requested before the fire season began. Congress largely enacted the proposal for FY2001, adding money to the FY2001 request for wildfire operations, fuels treatment and burned area restoration, fire preparedness, and programs to assist local communities. Total appropriations for the FY2001 National Fire Plan, covering BLM and FS fire funds, were \$2.89 billion. Some of the increases were continued in FY2002, although decreases in fire suppression operations, restoration and rehabilitation, emergency contingency funds, and private land fire assistance (because of the less severe 2001 fire season) reduced the FY2002 National Fire Plan to \$2.27 billion.

For FY2003, the Bush Administration proposed to fund the National Fire Plan at \$2.11 billion, \$159 million (7%) less than the FY2002 level. For both agencies, fire suppression operations would be significantly increased (about \$188 million for FS and \$33 million for BLM), while the emergency contingency funds would be eliminated. The House eliminated the emergency contingency funding for FY2003, while increasing fire suppression operations as requested. However, the House increased FS fire preparedness to \$640.0 million, up \$17.4 million (3%) from FY2002 and \$39.3 million (6%) from the request; it also increased FS other fire operations to \$452.8 million, up \$36.3 million (9%) from FY2002 (including the \$80 million in contingency emergency funds) and \$105.0 million (30%) from the request. This increase includes funding for rehabilitation and restoration, fire facilities, state fire assistance, forest health (federal and cooperative lands), and economic action programs (discussed briefly above). The Senate Committee on Appropriations recommended retaining emergency contingency funding at \$290 million for the FS and \$110 million for the BLM, with only modest changes in other programs.

The 2002 fire season has begun in earnest, with conflagrations threatening towns in Colorado, Arizona, and elsewhere. As of July 23, wildfires had burned 3,710,809 acres, 29% more than by that date in 2000, which was the most severe fire



season since 1960.<sup>14</sup> The FS and BLM already have used their FY2002 suppression funding, and expect to expend the remaining emergency contingency funds soon. The House added \$700 million in FY2002 funds to FY2003 Interior Appropriations for fire suppression (\$500 million for FS and \$200 million for BLM). However, fire suppression efforts will continue even if all appropriated funds are spent, because the agencies are authorized, under provisions in the annual appropriations acts, to transfer any appropriations or funds for emergency firefighting and emergency rehabilitation of burned sites.

The Bush Administration also has announced that it will propose legislation to pilot test “fireplain easements.” The concept is to acquire, from willing sellers, “permanent easements to permit the implementation of fire suppression strategies, including the option of allowing fires to burn without suppression activities.” The Administration asserts that this would allow the federal government to pursue fire control to save lives and protect resources while “avoiding extraordinary protection of outlying structures.” This is to avoid situations where firefighting resources are diverted from the general goal of fire control to protect private structures, especially where the cost of protection is greater than the cost of replacing the structure. The Administration has included nearly \$20 million in the FS FY2003 budget request for fireplain easements. The House Committee explicitly rejected this proposal in its report on the bill; the Senate Committee report was silent on the issue, but the Committee recommendation did not include funding for the program.

For further information on the *U.S. Forest Service*, see its World Wide Web site at [<http://www.fs.fed.us/>].

For information on the Government Performance and Results Act for the U.S. Forest Service, see the *USDA Strategic Plan* World Wide Web site at [<http://www.usda.gov/ocfo/strat/index.htm>].

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Performance Measures*, by Ross W. Gorte (available from author).

CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

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<sup>14</sup> Data from [<http://www.nifc.gov/fireinfo/nfn.html>] on July 23, 2002. Note that acres burned is widely used as an indicator of fire severity, and that more acres burned in 2000 than in any year since 1960, but that acres burned at best roughly approximates damages. No measures exist to determine whether damages caused by the fires in 2000 were worse than damages caused by fires in any other year since 1960 (or before).

**Department of Energy.** For further information on the *Department of Energy (DOE)*, see its World Wide Web site at [<http://www.energy.gov/>].

For information on the Government Performance and Results Act for the DOE or any of its bureaus, see *DOE's Strategic Plan* World Wide Web site at [<http://www.cfo.doe.gov/stratmgmt/plan/doesplan.htm>].

**Fossil Energy Research, Development, and Demonstration.** The Bush Administration's FY2003 budget request of \$489.3 million for FY2003 for fossil fuel research and development (R&D) is 16% less than the amount appropriated for FY2002 (\$582.8 million).<sup>15</sup> The Senate Appropriations Committee recommends funding fossil energy programs at \$641.0 million, nearly 35% higher than the Administration. The FY2003 House approved funding level for fossil energy R&D is even higher at \$664 million. Much of the difference in funding between Congress and the Administration is in transportation fuels, natural gas and petroleum production technologies.

The Administration's request for the Clean Coal Power Initiative (CCPI) of \$150.0 million for FY2003 is part of a \$2 billion ten-year commitment. The program is a cooperative cost-shared industry/government program for "funding advanced research and development and a limited number of joint government-industry-funded demonstrations of new technologies that can enhance the reliability and environmental performance of coal-fired power generators." The CCPI is along the lines of the Clean Coal Technology Program (CCTP), which has completed most of its projects and has been subject to rescissions and deferrals since the mid-1990s. In FY2003, the Administration seeks to consolidate all of its coal R&D programs under Fossil Energy Research and Development. The CCTP, which is funded separately from the other fossil R&D programs, would receive no additional appropriations, and would receive \$40.0 million in FY2003 from previously deferred budget authority to continue with several projects that are still active. The CCTP eventually will be phased out. The Senate Committee on Appropriations supports the President's request of \$150 million for its CCPI but recommends a deferral of \$60 million from previously appropriated Clean Coal Technology Program funds. The House also agreed to \$150.0 million for CCPI, while deferring \$50 million in CCTP funding until FY2004 and using \$14 million in unobligated funding for FY2002.

Under the Administration's request, research and development (R&D) on natural gas would be cut by nearly half, to \$22.6 million, and R&D on petroleum by about a third, to \$35.4 million. The Senate Committee on Appropriations, however, would support these programs at about \$48 million each. The House approved \$48.2 million for natural gas and \$54.9 million for petroleum technology programs. The Administration's request would phase out funding for the Fuels program, including R&D on ultra-clean fuels technology, reducing the request to \$5.0 million for FY2003 from \$32.2 million in FY2002. The Senate Committee recommends \$27.3

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<sup>15</sup> The FY2003 request and appropriated amount for FY2002 do not include previously appropriated amounts for the Clean Coal Technology program (\$40 million for FY2003 and \$33.7 million for FY2002) and prior year balances (\$14.0 million for FY2003 and \$6.0 million for FY2002).

million for the Fuels program, while the House supports spending \$31.6 million. Another significant difference with the Administration is the Committee's support for the Energy Technology Center (ETC) programs at \$74.7 million versus \$54.9 million for the Administration. The House approved \$67.9 million for ETC programs. Funding levels for Sequestration R&D, which would test new and advanced methods for greenhouse gas capture, separation, and reuse, would increase under the Administration's FY2003 request by \$21.8 million to \$54.0 million. The Senate Committee recommends \$44.0 million. The House approved \$42.0 million. The Administration also proposes to transfer the Fossil Energy (FE) Infrastructure program that funds natural gas research activities (\$10.0 million in FY2002) to the Department of Transportation's Office of Pipeline Safety, in order to reduce any duplication of effort.

For further information on *Fossil Energy*, see its World Wide Web site at [<http://www.fe.doe.gov/>].

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

**Strategic Petroleum Reserve.** The SPR, authorized by the Energy Policy and Conservation Act (P.L. 94-163) in late 1975, consists of caverns formed out of naturally-occurring salt domes in Louisiana and Texas in which more than 570 million barrels of crude oil are stored. The purpose of the SPR is to provide an emergency source of crude oil which may be tapped in the event of a presidential finding that an interruption in oil supply, or an interruption threatening adverse economic effects, warrants a drawdown from the Reserve. Sharp increases in the price of oil beginning in the spring of 1999 spurred calls for drawdowns from the Reserve. The Clinton Administration authorized some exchanges and swaps of oil from the SPR, and also instituted a program to accept roughly 28 million barrels as royalty-in-kind (RIK) payments for production from federal leases. Acquiring oil for the SPR by RIK avoids the necessity for Congress to make outlays to finance direct purchase of oil; however, it also means a loss of revenues to the Treasury in so far as the royalties are paid in wet barrels rather than in cash. In mid-November 2001, President Bush ordered that the SPR be filled to capacity (700 million barrels) using RIK oil. The fill rate was expected to begin in April 2002 at the rate of 60,000 barrels a day (b/d), increasing to 130,000 b/d by October of that year.

The FY2003 budget request for the SPR is for \$187.7 million. This represents an increase of \$8.7 million from the appropriation for FY2002 (\$179.0 million). The request has three components. First, it includes \$154.9 million for storage facilities development and operations management, and \$14.0 million for management of the SPR sites. Second, \$11.0 million is included in the SPR Petroleum Account to support the costs of transporting RIK oil to SPR sites. Third, the request includes \$8.0 million for the Northeast Heating Oil Reserve (NHOR), established by the Clinton Administration, which houses 2 million barrels of home heating oil in above-ground facilities in Connecticut and New Jersey.

In the Senate, the Committee on Appropriations recommended a total of \$189.9 million, including \$158.9 for facilities development and operations, \$16.0 million for management, \$7.0 million for transporting RIK oil to the SPR, and \$8 million for the

Northeast Home Heating Oil Reserve. The Committee reduced the SPR Petroleum Account by \$4.0 million, transferring that money to development and operations for the express purpose of helping to pay for injection of oil into the Reserve. The House approved \$190.9 million, essentially following the Senate model with an additional \$1 million for management.

For further information on the *Strategic Petroleum Reserve*, see its World Wide Web site at [<http://fossil.energy.gov/nposr/index.shtml>]. CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

**Naval Petroleum Reserves.** The National Defense Authorization Act for FY1996 (P.L. 104-106) authorized sale of the federal interest in the oil field at Elk Hills, CA (NPR-1). On February 5, 1998, Occidental Petroleum Corporation took title to the site and wired \$3.65 billion to the U.S. Treasury. P.L. 104-106 also transferred most of two Naval Oil Shale Reserves (NOSR) to the Department of the Interior (DOI); the balance of the second was transferred to DOI in the spring of 1999. On January 14, 2000, DOE returned the undeveloped NOSR-2 to the Ute Indian Tribe; the FY2001 National Defense Authorization (P.L. 106-398) provided for the transfer. The U.S. retains a 9% royalty interest in NOSR-2, those proceeds to be applied to the costs of remediation for a uranium mill tailings site near Moab, Utah. This leaves in the Naval Petroleum Reserves program two small oil fields in California and Wyoming, which will generate estimated revenue to the government of roughly \$7.2 million during FY2003. The request to maintain the Naval Petroleum Reserves (NPR) for FY2003 is \$20.8 million, a decrease of \$1.5 million from FY2002 (\$22.4 million, including \$17.4 million in new appropriations and \$5.0 million in prior year funds). Both the House and Senate Committees on Appropriations supported the Administration request.

In settlement of a long-standing dispute between California and the federal government over the state's claim to Elk Hills as "school lands," the California Teachers' Retirement Fund is to receive 9% of the sale proceeds after the costs of sale have been deducted. The agreement between DOE and California provided for five annual payments of \$36.0 million beginning in FY1999, with the balance due to be paid in equal installments in FY2004 and FY2005. The FY2003 budget request includes another \$36.0 million for the Elk Hills School Lands Fund, and is not likely to provoke any controversy. The Senate Committee on Appropriations and the full House concurred. However, in the Senate Committee and House-passed bills, the payment will be postponed until the first day of FY2004.

For further information on *Naval Petroleum and Oil Shale Reserves*, see its World Wide Web site at [<http://fossil.energy.gov/nposr/index.shtml>].

**Energy Conservation.** The FY2003 request for DOE's Energy Efficiency Program notes that "energy efficiency programs produce substantial benefits for the Nation," according to the Budget Appendix to the U.S. Government's FY2003 Budget (Budget Appendix, p. 403). However, the Administration also stresses that the FY2003 budget proposes changes that reflect findings of the *National Energy Policy Report* and the *President's Management Agenda*. Specifically, the request states that the "Energy Efficiency [Office] will terminate projects that provide insufficient public benefit, redirect activities to better provide public benefits, place

certain activities on a watch list to ensure they advance effectively, and expand several programs that could achieve significantly increased benefits with additional funding.” (DOE Budget Highlights, p. 103).

Thus, DOE proposes to decrease conservation funding under DOE’s Office of Energy Efficiency and Renewable Energy (EERE) from \$912.8 million in FY2002 to \$901.6 million in FY2003, a reduction of \$11.2 million, or 1%, below the FY2002 level, in current dollar terms. This nearly flat total budget request includes some significant program funding changes. While grants would increase by \$40.9 million, R&D would fall by \$52.1 million.

The largest proposed increases include \$47.1 million for Weatherization grants, \$8.1 million for Fuel Cell vehicles, \$4.6 million for the Federal Energy Management Program (FEMP), and \$3.2 million for Energy Star.

However, Transportation R&D would be cut by \$30.1 million, including decreases of \$10.5 million for Materials, \$8.4 million for Combustion Engines, \$7.4 million for Fuels Utilization, \$4.0 million for Hybrid Vehicles, and \$3.5 million for Electric Vehicles. Industry R&D funding would fall \$10.6 million, including cuts of \$2.8 million for Petroleum Industry Vision Program, \$2.8 million for Combustion Technology, and \$2.0 million for Inventions. Under Buildings, cuts include \$9.8 million for Research and Standards and \$6.2 million for State Energy Grants.

The Senate Appropriations Committee recommends \$921.7 million for DOE energy conservation funding in FY2003. Compared to the FY2002 appropriation, this would be an increase of \$8.9 million, or 1%, not accounting for inflation. Compared to the Administration’s request, the Senate Appropriations Committee seeks an increase of \$20.1 million, or 2%. This is comprised of \$50.2 million more for R&D and \$30.1 million less for grants.

The House approved \$984.7 million for DOE energy conservation funding in FY2003. Compared to the FY2002 appropriation, this would be an increase of \$71.9 million, or 8%, not accounting for inflation. Compared to the Administration’s request, the House seeks an increase of \$83.0 million, or 9%.

Compared to the Administration’s request, for grants the Senate Committee seeks a cut of \$37.1 million for weatherization grants and an increase of \$7 million for state grants. Transportation R&D would increase by \$26.7 million, with increases of \$10 million for Combustion Engines, \$9 million for Materials Technologies, and \$6.7 million for Fuels Utilization. Meanwhile, Fuel Cell funding would drop by \$3 million. Industry R&D would increase by \$4.5 million, including \$2 million more for Inventions, \$1.5 million more for Technical Assistance, and \$1 million more for Materials. Power Technologies would increase by \$3 million. Buildings Research and Standards would grow by \$16 million, including \$10 million more for Equipment and \$6 million more for Technology Road Maps.

The report of the Senate Committee on Appropriations approves the EERE reorganization undertaken this year, but requests that certain questions be addressed, particularly about the creation of a board of directors. Further, as part of a broader DOE critique, the report directs EERE to “revise and restructure” the budget request

documents for FY2004, noting that they often lack a complete explanation of recommended funding changes. The report calls for DOE to issue a plan within 90 days of the Interior Appropriations bill's enactment that addresses the problem and it directs that future budget documents explain every change of \$50,000 or more.

For weatherization grants, the House seeks \$250.0 million, a cut of \$27.1 million from the FY2003 request but an increase of \$20.0 million over FY2002. The House approved \$50.0 million for state energy grants, an increase of \$11.2 million over the request and \$5.0 million over FY2002. Transportation R&D would increase by \$51.2 million over the request and \$21.1 million over FY2002, for a total of \$273.9 million in the House passed bill. The biggest increase in this category is for Vehicle Technology R&D, which would increase by \$30.5 million over the request and \$24.7 million over FY2002. The House-passed bill also includes \$159.9 million for the Industry Sector, an increase of \$21.5 million over the request and \$10.9 million over FY2002. Power Technologies would increase \$15.9 million over the President's request and the FY2002 level, for a House total of \$79.7 million. Building Technology Assistance, approved by the House at \$325.2 million, would decrease \$16.9 million from the request but increase \$28.4 million over FY2002.

The report of the House Committee on Appropriations stresses that DOE needs to "do a better job of measuring potential program success." In support of this directive, it proposes \$1 million for a program review by the National Academy of Sciences that it asserts should become an annual review process that helps inform decisions about what programs to continue, expand, scale-back, or eliminate. Also, the Committee's report directs that EERE modify its current procurement practice to "allow full and open competition to occur, when appropriate." The Committee expects this change will improve technical integrity and funding efficiency while supporting goals to create opportunities for small and minority businesses.

On February 28, 2002, the House Appropriations Interior Subcommittee held a hearing on the FY2003 request for the DOE Energy Efficiency Program. In response to testimony by Assistant Secretary David Garman, most questions focused on funding for transportation programs and the need to reduce national oil dependence.

For further information on the *Energy Conservation Budget*, see the Web site at [<http://www.mbe.doe.gov/budget/03budget/>]. For further information on *Energy Conservation Programs*, see the Web site at [<http://www.eren.doe.gov/>].

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

**Department of Health and Human Services: Indian Health Service.**

For further information on the Indian Health Service see the agency's Internet site at [<http://www.dhhs.gov/>].

**Indian Health Service.** The Indian Health Service (IHS) carries out the federal responsibility of assuring comprehensive medical and environmental health services for approximately 1.5 million to 1.7 million American Indians and Alaska Natives (AI/AN) who belong to over 560 federally recognized tribes in 34 states. Care is provided through a system of federal, tribal, and urban Indian operated programs and facilities that serves as the major source of health care for AI/AN. IHS provides direct health care services in 36 hospitals, 58 health centers, 4 school health centers, and 44 health stations. Tribes and tribal groups, through contracts with IHS, operate another 13 hospitals, 161 health centers, 3 school health centers, and 249 health stations, including 170 Alaska village clinics. IHS, tribes, and tribal groups also operate 7 regional youth substance abuse treatment centers and more than 2,200 units of staff quarters.

IHS funding is separated into two Indian health budget categories: Services and Facilities. The Senate Committee on Appropriations recommended a total of \$2.84 billion in appropriations for FY2003, up \$25 million or 1% from the President's request of \$2.82 billion and \$82 million or 3% over the FY2002 appropriation of \$2.76 billion. The House passed bill contains a total of \$2.90 billion for FY2003, up \$84 million or 3% from the President's request and \$141 million or 5% over the FY2002 appropriation. Of the Senate Committee's total appropriation recommendation, 87% would be used for health services, and 13% for the health facilities program. The House's percentage split is 86% to be used for health services, and 14% for the health facilities program. IHS services are funded not only through congressional appropriations but also from collections of reimbursements from private insurance and from federal programs such as Medicare, Medicaid, and the State Children's Health Insurance Program. For FY2003, IHS estimates that it will collect \$450 million in reimbursements, about \$50 million less than was estimated for FY2002.

The Indian Health Services budget category has several subsections: clinical services, preventive health services, and other services. Clinical services include basic primary care inpatient and outpatient services at IHS hospitals and clinics. The House passed a total of \$2.0 billion for FY2003, up 3% or \$51.2 million from the Administration request of \$1.95 billion, and \$104.4 million or 6% over the FY2002 level of \$1.89 billion. The Senate Committee recommends \$1.96 billion for FY2003, \$36.6 million less than the House, up 1% from the request, and 4% over the FY2002 appropriations level. Within this clinical services category, funding would go to support programs for hospitals and clinics (Senate Committee, \$1.20 billion; House, \$1.22 billion), dental health (Senate Committee, \$100.1 million; House \$100.3 million), mental health (both Senate Committee and House, \$50.6 million), and substance abuse treatment (both Senate Committee and House, \$137.7 million). Within the Services budget category, the House approved \$483 million for contract care, 5% over FY2002 and \$15 million more than the Senate Committee recommendation of \$468 million. Contract health services are purchased services from local and community health care providers when IHS cannot provide medical care and specific services within its system.

Both the Senate Committee and the House recommended \$103.3 million for preventive health services, the same amount as the President's request and 4% over the FY2002 appropriation of \$99.7 million. Both the Senate Committee and the

House accepted the President's requested amount to include funding for public health nursing (\$39.9 million), health education in schools and communities (\$11.1 million), and immunizations (\$1.6 million). The total also includes the community health representatives program (\$50.8 million), a tribally administered program that supports community members who work to prevent illness and disease within their communities.

The Senate Committee recommends \$403.3 million and the House, \$409.2 million in funding other health related activities. Both the Committee and the House passed bill allocated \$31.5 million for off-reservation urban health projects, and \$2.4 million for costs associated with providing tribal management grants to tribes. They differed in amounts for scholarships to health care professionals; the Senate Committee recommended \$31.3 million while the House appropriated a total of \$35.4 million and asked that IHS pursue a wide range of recruitment for health professionals among the general population, not just veterans. The House also expects IHS to implement a program to offer bonus payments to health professionals. This approach was successful in a demonstration program in South Dakota when a tribe was able to hire full time personnel at less cost than the cost of paying part time contract health services.

For IHS direct operations, the technical management and tribal consultation support, the Senate Committee recommended \$57.3 million, and the House slightly less, \$56.1 million. There is a large difference in funding self-governance, however, with the Senate Committee recommending \$10.1 million, and the House appropriating only \$1.1 million. The House report indicates that this amount would cover the 8 positions in the self governance office because there have been no new recent self-governance compacts and believes that funds should be transferred to other underfunded programs.

Contract support costs are the costs awarded to a tribe for the administration of a program under a contract or compact authorized by the Indian Self-Determination Act (P.L. 93-638, as amended). These costs are the expenses tribes incur for financial management, accounting, training, and program start-up costs. Both the Senate Committee and the House proposed that \$270.7 million be used for contract support costs.

The Senate Committee did not agree with the President's proposed reductions or transfers within the Indian Health Services account, particularly objecting to reductions in staffing levels and travel, training, and copying costs. On another matter, the Committee expressed concern about the Administration's recent proposal to transfer and consolidate IHS's Office of Legislative Affairs to DHHS. This office handles a variety of Native American and Alaskan Indian health service issues which are complex, require a lot of expertise, and need greater attention than would be gained by a consolidation. The Senate Committee does not agree to the consolidation, while the House is silent on this issue.

The House concurred with the President's request and approved \$11.9 million in retirement annuity payments for Commissioned Corps Officers while the Senate Committee was unwilling to have the IHS budget absorb this amount. The Committee claimed that this amount had been covered by the Department of Defense



(DOD) but last year's defense reauthorization statute transferred the annuity payment responsibility to the DHHS. However, no funds were transferred to IHS this year to cover these costs. The Committee, then, mandated DOD to cover these costs, but the Committee wants funding allocated to pay for these costs in future proposals by DHHS.

The Indian Health Facilities category includes funds for construction, maintenance, and improvement of health and sanitation facilities. The Senate Committee recommended \$374.8 million for FY 2003, a 1% increase over last year's appropriation of \$369.5 million, and a 3% increase over the President's FY2003 request of \$362.6 million for IHS health care facilities. The House approved a total of \$391.9 million for FY2003, a 6% increase over last year's appropriation and an 8% increase over the President's FY2003 request.

Neither the House passed bill nor the Senate Committee agreed with several changes put forward in the President's budget. For example, both prohibit IHS appropriated funds from being used in construction of sanitation facilities in new homes funded under the Department of Housing and Urban Development. The House suggests that IHS use up to \$5 million in sanitation funding to clean up dumps on Indian lands.

For further information on the Indian Health Service, see the agency's Internet site at [<http://www.ihs.gov/>].

**Office of Navajo and Hopi Indian Relocation.** The Office of Navajo and Hopi Indian Relocation (ONHIR) was reauthorized for FY1995-2000 by P.L. 104-301. The 1974 relocation legislation (P.L. 93-531, as amended) was the end result of a dispute between the Hopi and Navajo tribes involving land originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, lands were partitioned between the two tribes. Members of one tribe who ended up on the other tribe's land were to be relocated. ONHIR classifies families as relocated when they occupy their replacement home. Most relocatees are Navajo. A large majority of the estimated 3,477 Navajo families formerly on the land partitioned to the Hopi have already relocated under the Act, but the House Appropriations Committee estimates that about 233 families (almost all Navajo) have yet to complete relocation, including about 24 Navajo families still on Hopi partitioned land (some of whom refuse to relocate). The remaining families are not on Hopi partitioned land but are in various stages of acquiring replacement housing. ONHIR's chief activities consist of housing acquisition and construction, land acquisition, and certification of families' eligibility for relocation benefits.

For FY2002, ONHIR received appropriations of \$15.1 million. For FY2003, the Administration proposed \$14.5 million, a decrease of \$657,000, or 4%. The Senate Appropriations Committee recommended, and the House approved, the same amount.

For much of the relocation period, negotiations and litigation have proceeded among the Navajo Nation, the Hopi Tribe, the Navajo families on Hopi partitioned land, and the federal government on a number of issues, especially regarding Hopi Tribe claims against the United States. In 1995, the United States and the Hopi Tribe

reached a proposed settlement agreement on Hopi claims. Attached to the settlement agreement was a separate accommodation agreement between the Hopi Tribe and the Navajo families, which provided for 75-year leases for Navajo families on Hopi partitioned land. The Navajo-Hopi Land Dispute Settlement Act of 1996 (P.L. 104-301) approved the settlement agreement between the United States and the Hopi Tribe. Not all issues have been resolved by these agreements, however, and opposition to the agreements and the leases is strong among some of the Navajo families. Navajo families with homesites on Hopi partitioned land faced a March 31, 1997, deadline for signing the leases (accommodation agreements). According to ONHIR, 70 of the 73 Navajo families then on Hopi-partitioned land had signed accommodation agreements by the end of September 1999.

The Hopi Tribe has called for enforcement of relocation against Navajo families without leases. Like the FY1997-FY2002 Interior appropriations acts, the FY2003 proposal would forbid ONHIR from evicting any Navajo family from Hopi partitioned lands unless a replacement home were provided. This language appears to prevent ONHIR from forcibly relocating Navajo families during FY2003 since the ONHIR has a large backlog of relocatees who are approved for replacement homes but have not yet received them. These relocatees would have priority in receiving replacement homes. The settlement agreement approved by P.L. 104-301, however, allows the Hopi Tribe under certain circumstances to begin actions against the United States after February 1, 2000, for failure to give the Hopi “quiet possession” of all Hopi-partitioned lands if Navajo families on these lands have not either relocated or entered into accommodation agreements with the Hopi Tribe. The Hopi Tribe has not yet filed such a quiet possession claim against the United States. The Tribe has agreed to wait while the U.S. pursues legal actions against Navajo who have neither signed agreements nor relocated, but has asserted that evictions should have already started.

**Smithsonian, National Endowment for the Arts, and National Endowment for the Humanities.** One of the perennial issues addressed by Congress concerning the programs and agencies delineated below is whether federal government support for the arts and culture is an appropriate federal role, and if it is, what should be the shape of that support. If the continued federal role is not appropriate, might the federal commitment be scaled back such that greater private support or state support would be encouraged? Each program has its own unique relationship to this overarching issue.

**Smithsonian.** The Smithsonian Institution (SI) is a museum, education and research complex of 16 museums and galleries, the National Zoo, and research facilities throughout the United States and around the world. Nine of its museums and galleries are located on the Mall between the U.S. Capitol and the Washington Monument, and SI counted 42 million visits in 2001. The National Zoo had 2.8 million visits, the Museum of Natural History had 9.1 million visits, and the National Air and Space Museum (NASM) had 9.8 million visits.

The Smithsonian is estimated to be 70% federally funded. A federal commitment to fund the Institution was established by legislation in 1846. Today, the Smithsonian receives both federal appropriations and various types of trust funds.

***SI Budget and Appropriations.*** The Senate Committee on Appropriations reports \$538.0 million for the Smithsonian for FY2003, \$10 million above the FY2003 Bush Administration request of \$528.0 million and \$19.1 million above the FY2002 level of \$518.9 million (including a supplemental of \$21.7 million for anti-terrorism.) The House-passed bill includes \$528.0 million for the Smithsonian, the same as the FY2003 request and \$9.1 million above the FY2002 level. For Smithsonian's Salaries and Expenses, the Senate Committee and the House recommend \$436.7 million, \$2.0 million above the budget request for FY2003, and \$15.7 million above the FY2002 appropriation. See **Table 10**.

For the National Museum of the American Indian (NMAI), the Senate Committee would provide \$20 million for construction (to help fulfill contractual obligations), exceeding the FY2003 budget estimate by \$10 million for completion of construction of the Mall museum. The House-passed bill includes \$10 million for the NMAI. Initially, the NMAI was controversial. Opponents of constructing a new museum argued that the current Smithsonian museums needed renovation, repair, and maintenance of the collection with an estimated 142 million items, more than the public needed another museum on the Mall. Proponents argued that there had been too long a delay in providing a museum in Washington to house the Indian collection. Private donations to the Smithsonian for the NMAI and a fund-raising campaign focusing on individuals, foundations, and corporations totaled \$36.7 million, representing one-third of the original estimated cost (\$110 million) and the amount required to meet the non-appropriated portion of project funding. Of this amount, an estimated \$15 million came from the Indian community directly. Based on a new estimate of \$219.3 million for the Indian museum, the Smithsonian indicated that \$20 million in trust funds would cover opening costs and that additional fund raising would be required. The groundbreaking ceremony for the NMAI took place September 28, 1999. The projected opening of the Museum is the summer of 2004.

The Senate Committee on Appropriations and the House-passed bill concurred with the FY2003 budget request for "repair, restoration, and alteration of facilities" (\$81.3 million), which includes renovation for the Patent Office Building, the National Zoo, the National Museum of Natural History, and routine repair in all Smithsonian facilities. Work was begun last year on the National Museum of Natural History and the Patent Office Building (the home of two Smithsonian Museums—the National Portrait Gallery and the Smithsonian Museum of American Art—with a projected total cost estimate of \$151 million.) The SI is responsible for over 400 buildings with approximately 8 million square feet of space. Four of the Smithsonian's buildings plus the National Zoo constitute approximately one-third of the SI's public space: the National Museum of Natural History (1910), the American Art and Portrait Gallery (1836-1860), the Castle building (1846), and the Arts and Industries building (1849). A study by the National Academy of Public Administration (NAPA), *A Study of the Smithsonian Institution's Repair, Restoration and Alteration of Facilities Program* confirms what the Institution had already concluded: that funding for repair and renewal of SI's facilities has not kept pace with need, resulting in increased deterioration of the physical plant. The NAPA report contends that the Smithsonian needs to spend more than \$1.5 billion over the next decade to fully repair, renovate, and improve its facilities.

**SI Trust Funds.** In addition to federal appropriations, the Smithsonian receives trust funds to expand its programs. The SI trust fund includes contributions from private sources, and government grants and contracts from other agencies. General trust funds include investment income and business revenues from what the Smithsonian identifies as “business ventures” (including the Smithsonian magazine, retail shops, restaurants, concessions, catalogs, and entertainment initiatives, i.e. Resident Associates and other entertainment programs.) There are also trust funds that are private donor designated funds. Designated trust funds are those that include gifts, grants, and contributions from individuals, foundations, and corporations that specify and direct the purpose of funds. In FY2001, contributions from private individuals, foundations, and corporate sources for designated projects totaled \$178.8 million, and for FY2002, they were projected to total \$80 million. One large single contribution to the Smithsonian from a private donor (Steven F. Udvar-Hazy)—\$60 million—was pledged for the National Air and Space Museum’s Dulles Center (FY1999). The Dulles extension is scheduled to open in 2003. Finally, government grants and contracts (separate from the regular appropriation) are provided by various government agencies and departments for projects specific to the Smithsonian because of their expertise in certain fields including science, history, art, and education. For FY2002, in addition to the regular appropriation, government grants and contracts were projected to be \$70 million. Part of this funding is available to the Smithsonian’s Astrophysical Observatory.

Tracking of the Smithsonian’s Trust fund expenditures is of major concern to the Congress. The Senate Committee on Appropriations recommends instituting a plan that the Smithsonian has developed to track trust fund budget proposals and expenditures. According to the Inspector General of the Smithsonian, there was a discrepancy between what the Board of Regents approved for 1998 through 2000 (\$699 million) compared to actual expenditures of \$1.07 billion.

The House Committee on Appropriations (in report language) expressed concern about the controversies between the Smithsonian and benefactors’ control over SI properties and exhibits. One particular issue is the renaming of the Air and Space Theater, replacing the name of Langley with a corporate sponsor name. The Committee recommends reopening negotiations, and requests a review of all benefactor agreements within the last two years. In addition, the Committee would like further review of the practices for compensation of Smithsonian leadership.

Two of the controversies concerning the Smithsonian last year were resolved. They involved the proposed closing of the Smithsonian Center for Materials Research and Education (SCMRE) and the Conservation and Research Center (CRC) in Front Royal, Virginia. On May 6, 2001, in response to objections by scientists and others, the Smithsonian reversed its policy with regard to the CRC and SCMRE and continued to maintain both centers. The FY2002 Interior Appropriations law provided that an independent “blue ribbon” Science Commission would be established and meet before any final decision about closing either the CRC or the SCMRE. The direction of SI’s research priorities is still of concern to Congress.

**Table 10. Smithsonian Institution Appropriations FY2001-2003**  
(\$ in thousands)

Smithsonian Institution (SI)	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 House Passed	FY2003 Senate Comm.
Salaries and Expenses	\$386,902	\$420,960 <sup>a</sup>	\$434,660 <sup>b</sup>	\$436,660	\$436,660
Repair, Restoration, and Alteration of Facilities	57,473	67,900	81,300	81,300	81,300
Construction	9,479	30,000	12,000	10,000	20,000
<b>SI total</b>	<b>453,854</b>	<b>518,860<sup>a</sup></b>	<b>527,960</b>	<b>527,960</b>	<b>537,960</b>

<sup>a</sup> This total includes \$21,707,000 contained in the FY2002 Emergency Supplemental Appropriation, P.L. 107-117, for SI's Anti-Terrorism funding.

<sup>b</sup> This total excludes \$19.7 million for the Bush Administration's FY2003 proposal regarding employee pensions and health benefits.

For further information on the *Smithsonian*, see its World Wide Web site at [<http://www.si.edu/>].

***National Endowment for the Arts and National Endowment for the Humanities.*** One of the primary vehicles for federal support for the arts and the humanities is the National Foundation on the Arts and the Humanities, composed of the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum Services (IMS), now constituted as the Institute of Museum and Library Services (IMLS) with an Office of Museum Services (OMS). The authorizing act, the National Foundation on the Arts and the Humanities Act, was last reauthorized in 1990 and expired at the end of FY1993, but NEA and NEH have since been operating on temporary authority through appropriations law. The 104<sup>th</sup> Congress established the Institute of Museum and Library Services and created the Office of Museum Services (P.L. 104-208).

The Senate Committee on Appropriations recommends \$118.5 million for the NEA for FY2003, which includes \$19.0 million for the Challenge America Arts Fund that NEA administers. The Senate Committee level is \$2.0 million above the FY2003 Administration request (\$116.5 million), and \$3.3 million above the FY2002 appropriation. The House-passed bill would provide \$126.5 million for NEA (\$99.5 million plus \$27.0 million for the Challenge America Arts Fund). The House agreed to a floor amendment (234-192) to increase NEA by \$10 million and NEH by \$5 million by reducing Interior departmental management salaries and expenses. See **Table 11.** NEA's direct grant program currently supports approximately 1,600 grants. State arts agencies are now receiving over 40% of grant funds, with 1,000 communities participating nationwide, particularly from under-represented areas. The Challenge America Arts Fund is a program of matching grants for arts education, outreach and community arts activities for rural and underserved areas. The NEA is

required to submit a detailed report to the House and Senate Appropriations Committees describing the use of funds for the Challenge America program.

The Senate Committee recommends \$127.8 million for NEH, (\$111.6 million for NEH grants and administration + \$16.1 million for matching grants) representing an increase of \$2.0 million over the FY2003 budget (\$125.8 million) and \$3.3 million above the FY2002 appropriation (\$124.5 million). The House-passed bill would provide \$131.1 million for NEH, \$6.6 million above FY2002 and \$5.3 million above the FY2003 request. The NEH supports extensive grants for humanities education, research, preservation and public humanities programs; grants for the creation of regional humanities centers; and grants to help develop humanities programs under the jurisdiction of the 56 state humanities councils. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions.

Effective with FY2003, the appropriation for the Office of Museum Services will be moved from the Interior and related agencies appropriations bill to the appropriations bill for the Departments of Labor, Health and Human Services (HHS), and Education (ED) and related agencies. The rationale for this transfer is that the Office of Library Services, the larger of the two components of IMLS, is already under Labor-HHS-Ed appropriations, and having one single funding stream under one appropriation will make bookkeeping simpler and reduce time-consuming and duplicative review for the Interior Subcommittees. The FY2003 budget estimate for OMS is \$29.0 million, compared to 26.9 million for FY2002. The Office of Museum services provides grants in aid to museums in the form of leadership grants, museum conservation, museum assessment, and General Operating Support (GOS) to help over 400 museums annually to improve the quality of their services to the public.

Among the questions Congress continues to consider is whether funding for the arts and humanities is an appropriate federal role and responsibility. Some opponents of arts support argue that NEA and NEH should be abolished altogether, contending that the federal government should not be in the business of supporting arts and humanities. Other opponents argue that culture can and does flourish on its own through private support. Proponents of federal support for arts and humanities contend that the federal government has a long tradition of support for culture, beginning as early as 1817 with congressional appropriations for works of art to adorn the U.S. Capitol. Some representatives of the private sector say that they are unable to make up the gap that would be left by the loss of federal funds for the arts. Others argue that abolishing NEA and NEH would curtail or eliminate the programs that have national significance and purpose (such as touring theater and dance companies, radio and television shows, traveling museum exhibitions, etc.) Former President Clinton's Committee on the Arts, in *Creative America* (1997), recommended federal funding for NEA and NEH at \$2.00 per person by the year 2000. In contrast, funding for NEA and NEH now represents approximately 84 cents per person.

*Previous NEA Controversies.* Although there appears to be an increase in congressional support for the NEA, the debate often recurs on previous questionable NEA grants when appropriations are considered, in spite of attempts to resolve these problems through previous statutory provisions. The debate involved whether or not

some of the grants given were for artwork that might be deemed obscene. To date, no NEA projects have been judged obscene by the courts. On November 5, 1996, a federal appeals court upheld an earlier decision, *NEA v. Finley*, ruling that applying the “general standards of decency” clause to NEA grants was “unconstitutional.” However, in anticipation of congressional reaction to NEA’s individual grants, NEA eliminated grants to individuals by arts discipline, except to maintain Literature Fellowships, Jazz Masters and National Heritage Fellowships in the Folk and Traditional Arts. On June 25, 1998, the Supreme Court reversed the federal appeals court decision for *NEA v. Finley (CA9, 100F.3d 671)* by a vote of 8 to 1, stating that the NEA “can consider general standards of decency” when judging grants for artistic merit, and that the decency provision does not “inherently interfere with First amendment rights nor violate constitutional vagueness principles.”

Congress enacted NEA reform measures in past appropriations laws. Among them were increases in funding allocations from 35% to 40% to states for basic state arts grants and for grants to under served populations. In addition, language emphasizing arts education was included. A 15% cap was placed on NEA funds allocated to each state, exempting only those grants with a national impact. Members of the House and Senate were added to the National Council on the Arts. Both NEA and NEH were given specific authority to solicit funding and to invest those funds. In both the House-passed bill and the Senate Committee report for FY2003, the language is retained that has been in previous appropriations related to funding priorities and restrictions on grants.

**Table 11. Arts and Humanities Funding FY2001-FY2003**  
(\$ in thousands)

Arts/ Humanities Funding	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 House Passed	FY2003 Senate Comm.
NEA	\$97,785	\$98,234	\$99,489	\$99,489	\$118,489 <sup>a</sup>
Challenge America Arts Fund	6,985	17,000	17,000	27,000	{19,000} <sup>a</sup>
<b>Subtotal NEA</b>	<b>104,770</b>	<b>115,234</b>	<b>116,489<sup>b</sup></b>	<b>126,489</b>	<b>118,489</b>
NEH grants and administration	104,373	108,382	109,632	114,932	111,632
NEH matching grants	15,621	16,122	16,122	16,122	16,122
<b>Subtotal NEH</b>	<b>119,994</b>	<b>124,504</b>	<b>125,754<sup>c</sup></b>	<b>131,054</b>	<b>127,754</b>
OMS/IMLS	24,852	26,899	29,022 <sup>d</sup>	<sup>d</sup>	<sup>d</sup> _

<sup>a</sup> The total for NEA grants and administration includes the Challenge America program.

<sup>b</sup> The NEA total does not include \$893,000 for employee pension and health benefits under the Bush Administration’s proposal. If included, the NEA total would be \$117.382 million.

<sup>c</sup> The NEH total does not include \$1.139 million for accrual of employee pension and health benefits. If included, the NEH total would be \$126.893 million.

<sup>d</sup> Beginning with FY2003, the Office of Museum Services as part of IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.

For further information on the *National Endowment for the Arts*, see its web site at [<http://arts.endow.gov/>].

For further information on the *National Endowment for the Humanities*, see its web site at [<http://www.neh.gov/>].

For further information on the *Institute of Museum Services*, see its web site at [<http://www.imls.gov/>].

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

## Cross-Cutting Topics

**The Land and Water Conservation Fund (LWCF).** The four principle land management agencies—Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service—draw primarily on the LWCF to acquire lands. The presentations about each of those agencies earlier in this report identifies funding levels for their land acquisition activities. The LWCF also funds acquisition and recreational development by state and local governments through a state grant program administered by the National Park Service. The LWCF is authorized at \$900 million annually through FY2015. However, each agency's acquisitions, as well as the state grant program, are funded through annual appropriations. Appropriations for federal acquisitions are largely earmarked to specific management units, while the state grant program rarely is earmarked.

Through FY2002, the total amount that could have been appropriated from the LWCF since its inception was \$25.4 billion. Actual appropriations have been \$12.5 billion. In recent years, appropriators have provided generally increasing amounts from the Fund for land acquisition. The total has more than quadrupled, rising from a low of \$138 million in FY1996 to \$573 million in FY2002. **Table 12** shows LWCF appropriations for the past three years (FY2000-FY2002), the Bush Administration requests for FY2002 and FY2003, and congressional action for FY2003.



**Table 12. LWCF Funding (Federal Land Acquisition): FY2000 through FY2003**  
(\$ in millions)

Agency	FY2000 Approp.	FY2001 Approp.	FY2002 Request	FY2002 Approp.	FY2003 Request	FY2003 Senate Comm.	FY2003 House Passed
BLM	\$48	\$56	\$48	\$50	\$45	\$39	\$47
FWS	62	121	104	99	70	89	82
NPS Federal Acquisitions <sup>a</sup>	141	125	107	130	86	94	99
NPS Administered State Grants	41	90	450	144	200 <sup>a</sup>	144	154
FS	160	151	131	150	131	158	146
<b>Total</b>	<b>452</b>	<b>543</b>	<b>840</b>	<b>573</b>	<b>532<sup>b</sup></b>	<b>524</b>	<b>528</b>

**Source:** Data for FY2000 and FY2001 compiled by the Department of the Interior Budget Office; data for FY2002 from Interior Appropriations Conference Report (H.Rept. 107-234); and data for FY2003 from budget proposals and appropriations committees documents.

**Note:** In some recent years, Congress has appropriated LWCF Funds to federal agencies for purposes other than land acquisition. This started when Congress provided \$72 million for other purposes in the FY1998 Interior appropriations law. Funding in FY1999 was entirely for land acquisition. Since then, funding for other purposes has included \$15 million in FY2000, \$456 million in FY2001, and \$135 million in FY2002.

<sup>a</sup>This figure includes \$50 million for a new Cooperative Conservation Initiative. Neither the FY2003 House nor Senate Committee bill would fund the proposed initiative.

<sup>b</sup>This total does not include \$3.0 million sought by DOI for the Shivaist Indian Water Settlement Act of 1999, which authorizes LWCF funds for the Paiute Tribe in Utah.

Congress may lower LWCF appropriations, as it did in the early and mid 1990s, as a part of efforts to address the federal budget deficit. As this constraint disappeared, Congress responded positively to numerous interests seeking more funds from the LWCF. Now this constraint is forecast to return. After several years of higher funding and the Bush Administration's request for full funding for FY2002, the Administration is calling for lower land acquisition funding levels for each of the four agencies (and the state grant program) in FY2003. The Senate Committee and House passed bills provide more funding than the Administration requested, but less than was provided in FY2002.

For FY2003, the Bush Administration requests funding for federal land acquisitions at \$332 million, a decrease of \$97 million from FY2002. In addition, the Administration is requesting \$20 million for the National Park Service that can be provided as grants to Florida for land acquisition critical to the South Florida (Everglades) Restoration Program. The Administration also requested \$200 million

for the state grant program, of which \$50 million would fund a proposed Cooperative Conservation Initiative. This Initiative seeks to promote conservation through partnerships that match BLM, NPS, and FWS funds with local contributions. In addition to the \$50 million that would be provided from LWCF, the Administration is seeking another \$50 million for the Initiative from the operating accounts of the three DOI land management agencies, for a total of \$100 million.

The Senate Committee bill provides \$380 million for federal land acquisition, but does not fund the Cooperative Conservation initiative proposal. Within the NPS's federal land acquisitions, \$19.5 million is earmarked as a grant to the State of Florida for land acquisition. For the state conservation grant program, the Senate Committee bill recommends \$144 million, the same as the FY2002 enacted level. The report accompanying the bill recommends greater coordination between the FWS's State Wildlife Grant Program and the LWCF Stateside Grant Program to improve coordination and cooperation.

The House bill provides \$374 million for federal land acquisition, but does not fund the Cooperative Conservation initiative proposal. For the state conservation grant program, the House bill would provide \$154 million. The report of the House Appropriations Committee expresses strong support for the concept behind the initiative, of using programs that can leverage federal funds, and identifies numerous opportunities. It requests that the Administration's FY2004 budget submission include a crosscut table of partnership programs for each land management agency. Within the NPS's federal land acquisition, it specifies using matching grants for the Santa Monica Mountains, and expediting acquisition in the Everglades. The House-passed bill dedicates \$20.0 million of the funds provided to the NPS for land acquisition and state assistance to the State of Florida for Everglades acquisition.

**Conservation Spending Category.** The House and Senate Appropriations Committees created the Conservation Spending Category (CSC) in the FY2001 Interior appropriations law. The CSC combines funding for about 2 dozen resource protection programs including the LWCF (it also includes some coastal and marine programs funded through Commerce appropriations). This action was in response to the Clinton Administration request for substantial funding increases in these programs under his Lands Legacy Initiative and widespread congressional interest in increasing conservation funding. The FY2001 law appropriated \$1.21 billion for FY2001 (and \$470 million through the Commerce appropriations law). The amount appropriated in FY2001 through Interior appropriations was a substantial increase from a total of \$557 million for these programs the preceding year. The FY2001 law also authorized that total spending under the category would grow each year, from \$1.6 billion in FY2001 (of which \$1.2 billion would be in Interior Appropriations programs) to \$2.4 billion in FY2006. All funding each year is subject to the appropriations process.

For FY2002, the Bush Administration did not organize his conservation program using the framework of the CSC, but requested a total of \$1.26 billion for this group of programs. Congress used the category and appropriated \$1.30 billion. In its FY2003 budget request, again the Administration did not use the CSC category. However, the House Appropriations Subcommittee on Interior and Related Agencies estimates that the FY2003 request totals \$1.32 billion for programs in this category,

a slight increase from FY2002 funding. The Senate Committee and House-passed bills provide \$1.44 billion.

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106<sup>th</sup> Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Report RS20471. *The Conservation Spending Category: Funding for Natural Resource Protection*, by Jeffrey Zinn.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107<sup>th</sup> Congress*, by Jeffrey Zinn.

**Everglades Restoration.** The alterations of the natural flow of water by a series of canals, levees, and pumping stations, combined with agricultural and urban development, are thought to be the leading causes of environmental deterioration in the South Florida ecosystem. In 1996, Congress authorized the U.S. Army Corps of Engineers (Corps) to create a comprehensive plan to restore, protect, and preserve the entire South Florida ecosystem, which includes the Everglades (P.L. 104-303). A portion of this plan—The Comprehensive Everglades Restoration Plan (CERP), completed in 1999—provides for federal involvement in the restoration of the ecosystem. Congress authorized the Corps to implement CERP in the Water Resources Development Act of 2000 (WRDA 2000; Title VI of P.L. 106-541). Based on CERP and other previously authorized restoration projects, the federal government, along with state, local, and tribal entities, is currently engaged in a collaborative effort to restore the South Florida ecosystem.

The principal objective of CERP is to redirect and store “excess” freshwater currently being discharged to the ocean via canals, and use it to restore the natural hydrological functions of the South Florida ecosystem. CERP seeks to deliver sufficient water to the natural system without impinging on the water needs of agricultural and urban areas. The federal government is responsible for half the cost of implementing CERP, and the other half is borne by the State of Florida, and to a lesser extent, local tribes and other stakeholders. CERP consists of 68 projects that are expected to be implemented over approximately 36 years, with an estimated total cost of \$7.8 billion; the total federal share is estimated at \$3.9 billion.<sup>16</sup>

Restoration activities are conducted by federal agencies in the South Florida ecosystem under CERP and other laws. For example, for FY2002, Congress appropriated \$92.8 million to the Corps for restoration work in Central and Southern Florida, yet only \$30.3 million of this total was appropriated for projects authorized by CERP. The remaining \$62.5 million was for projects authorized by other laws, namely the Everglades National Park and Protection Act of 1989 (P.L. 101-229) and

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<sup>16</sup> CERP is the first stage in a four stage process to restore the Everglades. The estimated total cost of the entire restoration effort in the Everglades (i.e., all four stages) is estimated at \$14.8 billion.

the Water Resources Development Act of 1996 (P.L. 104-303). From FY1993 to FY2002, federal appropriations for projects and services related to the restoration of the South Florida ecosystem have exceeded \$1.7 billion dollars, and state funding has topped \$3.6 billion.<sup>17</sup> The average annual federal cost for restoration activities in Southern Florida in the next 10 years is expected to be approximately \$286 million/year.<sup>18</sup> For FY2003, the administration has requested approximately \$260 million for restoration activities in the South Florida ecosystem, of which approximately \$46 million is for the implementation of CERP.

Appropriations for restoration projects in the South Florida ecosystem have been included in several annual appropriations laws. The Department of the Interior (DOI) and Related Agencies Appropriations laws have provided funds to several DOI agencies for restoration projects. Specifically, DOI conducts CERP and non-CERP activities in Southern Florida through the National Park Service (NPS), Fish and Wildlife Service (FWS), U.S. Geological Survey (USGS), and Bureau of Indian Affairs (BIA). For FY2003, the DOI requested approximately \$96 million for CERP and non-CERP activities related to restoration in the South Florida ecosystem. Of this total, the NPS requested \$71.6 million for land acquisition, construction, and research activities; the FWS requested \$3.4 million for activities authorized under CERP and \$8.8 million for land acquisition and ecological services; the USGS requested \$12.2 million for research, planning, and the Critical Ecosystem Studies Initiative; and the BIA requested \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. See **Table 13**. Appropriations for other restoration projects in the South Florida ecosystem have been provided to the Corps (Energy and Water Development Appropriations), National Oceanic and Atmospheric Administration (NOAA) (Departments of Commerce, Justice, and State, the Judiciary, and other Related Agencies Appropriations), U.S. Environmental Protection Agency (EPA) (VA, HUD, and Related Agencies Appropriations), and U.S. Department of Agriculture (USDA) (U.S. Department of Agriculture and Related Agencies Appropriations).

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<sup>17</sup> These figures represent an estimated cost of all CERP and non-CERP related costs for restoration in the South Florida ecosystem. They were taken from a Cross-Cut Budget published by the South Florida Ecosystem Restoration Program in 1999, 2000, 2001 and 2002. Before 1993, appropriations for restoration projects in South Florida were not organized in one source. Rather, appropriations were authorized for specific projects throughout South Florida.

<sup>18</sup> This figure is based on CERP and non-CERP related restoration activities in South Florida.

**Table 13. Appropriations for Everglades Restoration in the DOI Budget (FY2002-FY2003)**  
(\$ in thousands)

Agency with Everglades Restoration Funds	FY2002 Approp.	FY2003 Request	FY2003 House Passed	FY2003 Senate Comm.
<b>National Park Service</b>				
Park Operations <sup>a</sup>	\$24,000	\$24,001	\$24,001	\$24,001
Land Acquisition	15,000	20,000	20,000	19,500
Land Acquisition Management	N/A	2,800	2,800	2,800
Modified Water Deliveries	35,199	13,295	13,295	13,295
Critical Ecosystem Studies Initiative <sup>b</sup>	4,000	0	4,000	0
CERP	5,544	5,549	5,549	5,549
South Florida Ecosystem Restoration Task Force	1,325	1,329	1,329	1,329
Wastewater treatment for Everglades National Park	4,192	4,594	4,594	4,594
<b>NPS Total</b>	<b>89,260</b>	<b>71,567</b>	<b>75,567</b>	<b>71,067</b>
<b>Fish and Wildlife Service</b>				
Land Acquisition	8,500	6,250	5,750	2,500
CERP	3,351	3,351	3,351	3,351
Ecological Services	2,554	2,554	2,554	2,554
<b>FWS Total</b>	<b>14,405</b>	<b>12,155</b>	<b>11,655</b>	<b>8,405</b>
<b>U.S. Geological Survey</b>				
Research, Planning and Coordination	8,690	8,129	8,129	8,129
Critical Ecosystem Studies Initiative <sup>b</sup>	0	4,000	0	4,000
<b>USGS Total</b>	<b>8,690</b>	<b>12,129</b>	<b>8,129</b>	<b>12,129</b>
<b>Bureau of Indian Affairs</b>				
Stormwater treatment on Seminole and Miccosukee Tribal lands	396	396	696	396

Agency with Everglades Restoration Funds	FY2002 Approp.	FY2003 Request	FY2003 House Passed	FY2003 Senate Comm.
<b>DOI TOTALS</b>	<b>112,751</b>	<b>96,247</b>	<b>96,047</b>	<b>91,997</b>

<sup>a</sup>This includes funding for park operations in Everglades National Park, Dry Tortugas National Park, Biscayne National Park, and Big Cypress National Preserve.

<sup>b</sup>For FY2003, the Administration requested \$4 million for ecosystem studies for the USGS; \$4 million was recommended by the House for the NPS and by the Senate Committee for the USGS.

The FY2003 request for DOI to conduct restoration activities in the South Florida ecosystem (\$96.2 million) reflects a decrease of \$16.5 million from the FY2002 level (\$112.8 million). The primary reduction in funding is for the Modified Water Deliveries Project operated by the NPS, because this project was largely completed in prior fiscal years. The total in the House passed bill is similar to the President's request. The total recommended by the Senate Appropriations Committee (\$92.0 million) is somewhat lower than the President's request primarily because the Committee proposes less funding for FWS land acquisitions.

The Interior appropriations bills passed by the House and reported by the Senate Committee on Appropriations provide similar levels of funding for the NPS to conduct restoration activities in Southern Florida, with few exceptions. The \$4.0 million for the Critical Ecosystem Studies Initiative recommended for the NPS in the House bill is recommended for the USGS in the Senate Committee bill, and the Senate Committee bill provides \$0.5 million less for NPS land acquisitions than the House bill. For the FWS, the Senate Committee bill contains \$3.3 million less for FWS land acquisition compared to the House. Specifically, the Senate recommended \$1 million for the acquisition of lands at the J.N. Ding Darling National Wildlife Reserve and \$1.5 million for the National Key Deer Refuge; the House recommended \$3 million and \$1.5 million respectively for the same lands, as well as \$1.25 million for lands near the Pelican Bay National Wildlife Reserve. The FWS seeks to acquire these lands on the grounds that doing so would benefit restoration activities in CERP. For BIA, the House bill provides \$0.3 million for water quality studies on the Seminole Indian Reservation; these funds are not included in the Senate Committee bill.

There is little detailed information in either bill or report language about appropriations recommended for the FWS, USGS, and BIA for restoration activities in the South Florida ecosystem. Some of these restoration activities are part of larger programs that are funded in appropriations bills. For example, the USGS proposes to collect data, construct models, and conduct studies in South Florida that are expected to benefit restoration activities. Some of these restoration activities fall under the categories of water resources investigations and biological research, which are broad activities funded by the USGS. Detailed information about these activities can be found in agency budget justifications and in a cross-cut budget prepared by the South Florida Ecosystem Restoration Program [<http://www.sfrestore.org>].

For further information on *Everglades Restoration*, see the web site of the South Florida Ecosystem Restoration Program at [<http://www.sfrestore.org>] and the web site of the Corps of Engineers at [<http://www.evergladesplan.org/>].

CRS Report RS20702. *South Florida Ecosystem Restoration and the Comprehensive Everglades Restoration Plan*, by Nicole T. Carter.

## For Additional Reading

### Title I: Department of the Interior

CRS Report RL31278. *Arctic National Wildlife Refuge: Background and Issues*. M. Lynne Corn, coordinator.

CRS Issue Brief IB10094. *Arctic National Wildlife Refuge: Legislative Issues*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106<sup>th</sup> Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Report RL31115. *Legal Issues Related to Proposed Drilling for Oil and Gas in the Arctic National Wildlife Refuge*, by Pamela Baldwin.

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries.

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn.

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent and David Whiteman, coordinators.

CRS Report RL31392. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107<sup>th</sup> Congress*, by Jeffrey Zinn.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

## **Land Management Agencies Generally**

CRS Report RS20002. *Federal Land and Resource Management: A Primer*, by Ross W. Gorte.

CRS Report RL30867. *Federal Land Management Agencies: Background on Land and Resource Management*, by Carol Hardy Vincent, Betsy A. Cody, M. Lynne Corn, Ross W. Gorte, Sandra L. Johnson, David Whiteman, and Pamela Baldwin.

CRS Report RL30335. *Federal Land Management Agencies' Permanently Appropriated Accounts*, by Ross W. Gorte, M. Lynne Corn, and Carol Hardy Vincent.

CRS Report RL30126. *Federal Land Ownership: Constitutional Authority; the History of Acquisition, Disposal, and Retention; and Current Acquisition and Disposal Authorities*, by Ross W. Gorte and Pamela Baldwin.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

## **Title II: Related Agencies**

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Performance Measures*, by Ross W. Gorte (available from author).



CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

## **Selected World Wide Web Sites**

Information regarding the budget, supporting documents, and related departments, agencies and programs is available at the following web or gopher sites.

*House Committee on Appropriations.*  
[<http://www.house.gov/appropriations>]

*Senate Committee on Appropriations.*  
[<http://www.senate.gov/~appropriations/>]

*CRS Appropriations Products Guide.*  
[<http://www.crs.gov/products/appropriations/apppage.shtml>]

*Congressional Budget Office.*  
[<http://www.cbo.gov/>]

*General Accounting Office.*  
[<http://www.gao.gov>]

*House Republican Conference.*  
[<http://www.gop.gov/committeecentral/docs/pubs/appropriationsroundup/>]

*Office of Management and Budget.*  
[<http://www.whitehouse.gov/OMB/>]

### **Title I: Department of the Interior**

*Department of the Interior (DOI).*  
[<http://www.doi.gov/>]

*Bureau of Indian Affairs (BIA).*  
[<http://www.doi.gov/bureau-indian-affairs.html>]

*Bureau of Land Management (BLM).*  
[<http://www.blm.gov/nhp/index.htm>]

*Fish and Wildlife Service (FWS).*  
[<http://www.fws.gov/>]

*Historic Preservation.*  
[<http://www2.cr.nps.gov/>]

*Insular Affairs.*  
[<http://www.doi.gov/oia/index.html>]

*Minerals Management Service (MMS).*  
[<http://www.mms.gov/>]

*National Park Service (NPS).*  
[<http://www.nps.gov/>]

*Office of Surface Mining Reclamation and Enforcement (OSM).*  
[<http://www.osmre.gov/osm.htm>]

*Office of Special Trustee for American Indians.*  
[<http://www.ost.doi.gov/>]

*U.S. Geological Survey (USGS).*  
[<http://www.usgs.gov/>]

## **Title II: Related Agencies**

### **Departments.**

*Agriculture, Department of (USDA).*  
[<http://www.usda.gov/>]

*Department of Agriculture: U.S. Forest Service.*  
[<http://www.fs.fed.us/>]

*USDA Strategic Plan.*  
[<http://www.usda.gov/ocfo/strat/index.htm>]

*Energy, Department of (DOE).*  
[<http://www.energy.gov/>]

*DOE Strategic Plan.*  
[<http://www.cfo.doe.gov/stratmgt/plan/doesplan.htm>]

*Energy Conservation Budget*  
<http://www.mbe.doe.gov/budget/03budget/>

*Energy Conservation Programs*  
[<http://www.eren.doe.gov/>]

*Fossil Energy.*  
[<http://www.fe.doe.gov/>]

*Naval Petroleum Reserves.*

[<http://fossil.energy.gov/nposr/index.shtml>]

*Strategic Petroleum Reserve.*

[<http://fossil.energy.gov/nposr/index.shtml>]

*Health and Human Services, Department of (HHS).*

[<http://www.dhhs.gov/>]

*Indian Health Service (IHS).*

[<http://www.ihs.gov/>]

### **Agencies.**

*Advisory Council on Historic Preservation.*

[<http://www.achp.gov>]

*Institute of American Indian and Alaska Native Culture and Arts Development.*

[<http://www.iaiancad.org/>]

*Institute of Museum Services.*

[<http://www.imls.gov/>]

*John F. Kennedy Center for the Performing Arts.*

[<http://Kennedy-Center.org/>]

*National Capital Planning Commission.*

[<http://www.ncpc.gov>]

*National Endowment for the Arts.*

[<http://arts.endow.gov/>]

*National Endowment for the Humanities.*

[<http://www.neh.gov/>]

*National Gallery of Art.*

[<http://www.nga.gov/>]

*Smithsonian.*

[<http://www.si.edu/>]

*U.S. Holocaust Memorial Council and U.S. Holocaust Memorial Museum.*

[<http://www.ushmm.org/>]

*Woodrow Wilson International Center for Scholars.*

[<http://wwics.si.edu/>]

**Table 14. Department of the Interior and Related Agencies Appropriations**  
(in thousands)

Bureau or Agency	FY2001 Enacted	FY2002 Enacted	FY2003 Request	FY2003 Senate Committee	FY2003 House Passed
<b>Title I: Department of the Interior</b>					
Bureau of Land Management	2,147,182	1,872,597	1,825,422	1,880,042	2,108,742 <sup>d</sup>
U.S. Fish and Wildlife Service	1,227,010	1,276,424	1,283,364	1,282,531	1,397,891
National Park Service	2,135,219	2,380,074	2,355,561	2,373,444	2,395,139
U.S. Geological Survey	882,800	914,002	867,338	926,667	928,405
Minerals Management Service	139,221	156,772	170,327	172,427	170,826
Office of Surface Mining Reclamation and Enforcement	302,846	306,530	279,402	297,112	290,112
Bureau of Indian Affairs	2,187,613	2,222,876	2,245,804	2,270,829	2,270,758
Departmental Offices	352,519	367,144	423,535	423,814	392,302
General Provisions	12,572	—	—	—	—
<b>Total, Title I</b>	<b>9,386,982</b>	<b>9,496,419</b>	<b>9,450,753</b>	<b>9,626,866</b>	<b>9,954,175</b>
<b>Title II: Related Agencies</b>					
U.S. Forest Service	4,435,391	4,130,416	3,948,711	4,027,880	4,645,250 <sup>d</sup>
Department of Energy	1,453,644	1,766,470	1,717,241	1,830,991	1,892,643
Clean Coal Technology	-67,000	-40,000	—	-60,000	-50,000
Fossil Energy R & D	432,464	582,790	489,305	640,965	664,205
Alternative Fuels Production (rescission)	-1,000	-2,000	—	—	—
Naval Petroleum and Oil Shale Reserves	1,596	17,371	20,831	20,831	20,831

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<b>Bureau or Agency</b>	<b>FY2001 Enacted</b>	<b>FY2002 Enacted</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Committee</b>	<b>FY2003 House Passed</b>
Elk Hills School Lands Fund	36,000	36,000	36,000	36,000	36,000
Energy Conservation	813,442	912,805	901,651	921,741	984,653
Economic Regulation	1,996	1,996	1,487	1,487	1,487
Strategic Petroleum Reserve (SPR)	160,637	179,009	168,856	174,856	175,856
SPR Petroleum Account	—	—	11,000	7,000	7,000
Northeast Home Heating Oil Reserve	—	—	8,000	8,000	8,000
Energy Information Administration	75,509	78,499	80,111	80,111	80,611
Indian Health Service	2,628,766	2,759,101	2,816,406	2,841,045	2,900,621
Office of Navajo and Hopi Indian Relocation	14,967	15,148	14,491	14,491	14,491
Institute of American Indian and Alaska Native Culture and Arts Development	4,116	4,490	5,130	5,130	5,130
Smithsonian Institution	453,854	518,860	527,960	537,960	527,960
National Gallery of Art	75,485	85,335	94,449	94,449	94,449
John F. Kennedy Center for the Performing Arts	33,925	38,310	33,910	33,910	33,910
Woodrow Wilson International Center for Scholars	12,283	7,796	8,488	8,488	8,488
National Endowment for the Arts	97,785	98,234	99,489	118,489	99,489
National Endowment for the Humanities	119,994	124,504	125,754	127,754	131,054
Institute of Museum and Library Services	24,852	26,899	°	°	°
Challenge America Arts Fund	6,985	17,000	17,000	—	27,000
Commission of Fine Arts	1,076	1,224	1,224	1,224	1,255
National Capital Arts and Cultural Affairs	6,985	7,000	7,000	7,000	7,000

<b>Bureau or Agency</b>	<b>FY2001 Enacted</b>	<b>FY2002 Enacted</b>	<b>FY2003 Request</b>	<b>FY2003 Senate Committee</b>	<b>FY2003 House Passed</b>
Advisory Council on Historic Preservation	3,182	3,400	3,667	4,000	3,667
Natl Capital Planning Comm.	6,486	8,011	7,253	7,253	7,553
Holocaust Memorial Museum	34,363	36,028	38,663	38,663	38,663
Presidio Trust	33,327	23,125	21,327	21,327	21,327
<b>Total, Title II: Related Agencies</b>	<b>9,447,466</b>	<b>9,671,351</b>	<b>9,488,163</b>	<b>9,720,054</b>	<b>10,459,950</b>
<b>Title VII: United Mine Workers of America Combined Benefit Fund</b>					
United Mine Workers of America Combined Benefits Fund	57,872	—	—	—	—
<b>Grand Total (in Bill) <sup>b</sup></b>	<b>18,892,320</b>	<b>19,167,770</b>	<b>18,938,916</b>	<b>19,346,920</b>	<b>20,414,125 <sup>d</sup></b>

**Source:** House Appropriations Committee.

**Notes:** Figures in data column one reflect FY2001 appropriations. They include appropriations in various titles of P.L. 106-291. Figures in data column two reflect the budget requests by the Bush Administration for FY2002. Figures in data column three reflect FY2002 appropriations to date. Figures in data column four reflect the budget requests by the Administration for FY2003.

<sup>a</sup> Figures do not reflect scorekeeping adjustments. With scorekeeping adjustments, the figures are: \$19,067,972 for FY2001 enacted; \$18,190,635 for FY2002 requested; \$19,272,770 for FY2002 enacted; and for FY2003, \$19,522,916 for requested and \$19,792,125 for House passed. The figure for Senate Committee reported is not readily available. The FY2003 request includes an adjustment of \$506.0 million for retirement accruals.

<sup>b</sup> Beginning with FY2003, the Office of Museum Services as part of the IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.

<sup>c</sup> Figures reflect FY2002 supplemental funding of \$200 million for the BLM, \$500 million for the FS, and \$700 million in the grand total.

<sup>d</sup> Under the Senate Committee and House passed bills, the payment will be postponed until the first day of FY2004.

**Table 15. Conservation Spending Category: Interior Appropriations**  
(\$ in millions)<sup>a</sup>

<b>Subcategory/Appropriations Account</b>	<b>FY2001 Enacted</b>	<b>FY2002 Request</b>	<b>FY2002 Enacted</b>	<b>FY2003 Request<sup>f</sup></b>
<b>LWCF, Federal and State</b>				
BLM Federal Land Acquisition	56.5	47.7	49.9	44.7
FWS Federal Land Acquisition	121.2	104.4	99.1	70.4
NPS Federal Land Acquisition	124.8	107.0	130.1	86.1
Departmental Management, BIA Water Settlement	–	–	–	3.0 <sup>b</sup>
FS Federal Land Acquisition	150.9	130.9	149.7	130.5
NPS Stateside Grants and Administration	90.3	450.0	144.0	200.0 <sup>d</sup>
<i>Subtotal, Federal and State<sup>c</sup></i>	<i>543.7</i>	<i>840.0</i>	<i>572.9</i>	<i>534.6</i>
<b>LWCF, Other</b>				
FWS State Wildlife Grants <sup>e</sup>	49.9	–	60.0	60.0
FWS Incentive Grant Programs	–	60.0	40.0	50.0
FWS Stewardship Grants Program	–	–	10.0	10.0
FWS Cooperative Endangered Species Conservation Fund	104.7	54.7	96.2	91.0
FWS North American Wetlands Conservation Fund	39.9	14.9	43.5	43.6
FS, Forest Legacy	59.9	30.1	65.0	69.8
FS, Forest Stewardship <sup>g</sup>	(32.8)	(32.9)	(33.2)	49.5
FS, NFS Inventory and Monitoring	20.0	–	–	–
<i>Subtotal, State and Other Conservation Programs<sup>c</sup></i>	<i>274.4</i>	<i>159.7</i>	<i>314.7</i>	<i>373.9</i>
<b>Total LWCF<sup>c</sup></b>	<b>818.1</b>	<b>999.7</b>	<b>887.6</b>	<b>908.5</b>
<b>Conservation Programs</b>				
BLM MLR Cooperative Conservation Initiative	–	–	–	10.0
FWS RM Cooperative Conservation Initiative	–	–	–	18.0

<b>Subcategory/Appropriations Account</b>	<b>FY2001 Enacted</b>	<b>FY2002 Request</b>	<b>FY2002 Enacted</b>	<b>FY2003 Request<sup>f</sup></b>
NPS ONPS Cooperative Conservation Initiative	–	–	–	22.0
USGS State Planning Partnerships	24.9	–	25.0	13.6
<i>Subtotal Conservation Programs<sup>c</sup></i>	<i>24.9</i>	<i>–</i>	<i>25.0</i>	<i>63.6</i>
<b>Urban and Historic Preservation Programs</b>				
NPS Historic Preservation Fund	94.1	67.1	74.5	67.0
NPS Urban Parks and Recreation Recovery Grants	29.9	–	30.0	0.3
FS Urban and Community Forestry	35.6	31.8	36.0	36.2
BLM Youth Conservation Corps	1.0	1.0	1.0	1.0
FWS Youth Conservation Corps	1.0	2.0	2.0	2.0
NPS Youth Conservation Corps	2.0	2.0	2.0	2.0
FS Youth Conservation Corps	2.0	2.0	2.0	2.0
<i>Subtotal Urban and Historic Preservation Programs<sup>c</sup></i>	<i>165.7</i>	<i>105.9</i>	<i>147.5</i>	<i>110.5</i>
Payments in Lieu of Taxes, BLM	49.9	–	50.0	15.0
<i>Subtotal PILT</i>	<i>49.9</i>	<i>–</i>	<i>50.0</i>	<i>15.0</i>
<b>Federal Infrastructure Improvement Programs</b>				
BLM - Management of Lands & Resources	24.9	25.0	28.0	29.0
FWS - Resource Management	24.9	25.0	29.0	58.0
NPS - Construction	49.9	50.0	66.9	82.2
FS - Capital Improvement and Maintenance	49.9	50.5	61.0	50.9
<i>Subtotal Federal Infrastructure Improvement Programs<sup>c</sup></i>	<i>149.7</i>	<i>150.5</i>	<i>184.9</i>	<i>220.1</i>
<b>Total<sup>c</sup></b>	<b>1,208.3</b>	<b>1,255.7</b>	<b>1,295.0</b>	<b>1,317.7</b>

**Source:** House Appropriations Committee.

<sup>a</sup> The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) as amended established 3 discretionary spending categories: General Purpose, Highway, and Mass Transit. Title VIII of P.L. 106-291, the Department of the Interior and Related Agencies Appropriations Act for FY2001, established a fourth category of discretionary spending – for “conservation.” That law also identified the specific activities that would be included within the “conservation spending category.”



The category essentially includes those activities, identified by Congress, in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other natural resources; to provide recreational opportunities; and for other purposes. This table presents the current and proposed distribution of these conservation funds. Dashes indicate that the funding is understood to be zero. Further, several programs in this category have not received separate funding under conservation spending for FY2001-FY2003. They include Competitive Grants for Indian Tribes, FWS Neotropical Migratory Birds, FS Stewardship Incentives Program, and National Wildlife Refuge fund, FWS.

<sup>b</sup>The Administration is seeking \$3.0 million under the DOI Departmental Management (DM) line item for the Shivaist Indian water settlement Act of 1999, which authorizes LWCF funds for the Paiute Tribe in Utah.

<sup>c</sup> Subtotals and totals may not add due to rounding.

<sup>d</sup> \$50 million of this total is part of a new Cooperative Conservation Initiative, and the remaining \$150 million would be distributed to states using an allocation formula developed by the administration for the traditional land acquisition and site development activities of states.

<sup>e</sup> For FY2001, an additional \$50 million was appropriated for formula grants which were authorized in Title IX of the FY2001 Commerce appropriations law. Further, the FY2002 enacted amount reflects a rescission of \$25.0 million.

<sup>f</sup> In FY2003, four additional programs are proposed to be funded from LWCF: FWS Cooperative Endangered Species Conservation Fund; FWS North American Wetlands Conservation Fund; FS Forest Legacy; and FS Forest Stewardship.

<sup>g</sup> Funds for FS, Forest Stewardship were not considered part of the CSC in FY2001 and FY2002 so funds in those years are not counted in the column totals. Because the program is proposed to be included in the CSC in FY2003, the requested level is included in the column total. This could tend to exaggerate the difference between levels of CSC funding in FY2003 and earlier years.

**Table 16. Historical Appropriations Data from FY1997 to FY2002**

(\$ in thousands)

<b>Agency or Bureau</b>	<b>FY1997</b>	<b>FY1998</b>	<b>FY1999</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>
<b>Department of the Interior</b>						
Bureau of Land Management	1,195,648	1,137,852	1,183,895	1,231,402	2,147,182	1,872,597
U.S. Fish and Wildlife Service	670,596	745,387	839,804	875,093	1,227,010	1,276,424
National Park Service	1,435,858	1,646,926	1,764,224	1,803,847	2,135,219	2,380,074
U.S. Geological Survey	740,051	759,160	798,896	813,376	882,800	914,002
Minerals Management Service	163,395	143,639	124,020	116,318	139,221	156,772
Office of Surface Mining Recl. and Enforce.	271,757	273,061	278,769	291,733	302,846	306,530
Bureau of Indian Affairs	1,618,274	1,701,991	1,746,428	1,869,052	2,187,613	2,222,876
Departmental Offices <sup>a</sup>	240,020	241,195	394,199	319,869	352,519	367,144
General Provisions	—	—	—	—	12,572	—
<b>Total for Department</b>	<b>6,335,599</b>	<b>6,649,211</b>	<b>7,130,235</b>	<b>7,320,690</b>	<b>9,386,982</b>	<b>9,496,419</b>
<b>Related Agencies</b>						
U.S. Forest Service	2,919,564	2,506,568	2,757,464	2,819,933	4,435,391	4,130,416
Department of Energy	992,097	1,048,151	1,316,878	1,226,393	1,453,644	1,766,470
Indian Health Service	2,054,000	2,098,612	2,242,287	2,390,728	2,628,766	2,759,101
Indian Education <sup>b</sup>	61,000	—	—	—	—	—
Office of Navajo and Hopi Indian Relocation	19,345	15,000	13,000	8,000	14,967	15,148
Inst. of Amer. Indian and Alaska Culture & Arts Dev.	5,500	4,250	4,250	2,125	4,116	4,490
Smithsonian Institution	371,342	402,258	412,254	438,130	453,854	518,860
National Gallery of Art	60,223	62,029	64,350	67,590	75,485	85,335
JFK Center for the Performing Arts	24,875	20,375	32,187	33,871	33,925	38,310

<b>Agency or Bureau</b>	<b>FY1997</b>	<b>FY1998</b>	<b>FY1999</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>
Woodrow Wilson International Center for Scholars	5,840	5,840	5,840	6,763	12,283	7,796
National Endowment for the Arts	99,494	98,000	98,000	97,628	97,785	98,234
National Endowment for the Humanities	110,000	110,700	110,700	115,260	119,994	124,504
Institute of Museum and Library Services	22,000	23,280	23,405	24,307	24,852	26,899
Challenge America Arts Fund	—	—	—	—	6,985	17,000
Commission of Fine Arts	867	907	898	1,021	1,076	1,224
National Capital Arts and Cultural Affairs	6,000	7,000	7,000	6,973	6,985	7,000
Advisory Council on Historic Preservation	2,500	2,745	2,800	2,989	3,182	3,400
National Capitol Planning Commission	5,390	5,740	6,335	6,288	6,486	8,011
FDR Memorial Commission	500	—	—	—	—	—
Holocaust Memorial Museum	31,707	31,707	35,007	33,161	34,363	36,028
Presidio Trust	—	—	34,913	44,300	33,327	23,125
<b>Total for Related Agencies</b>	<b>6,792,244</b>	<b>6,443,162</b>	<b>7,167,568</b>	<b>7,325,460</b>	<b>9,447,466</b>	<b>9,671,351</b>
<b>Grand Total for All Agencies<sup>c</sup></b>	<b>13,127,843</b>	<b>13,791,373</b>	<b>14,297,803</b>	<b>14,911,650</b>	<b>18,892,320</b>	<b>19,167,770</b>

<sup>a</sup> Beginning in FY1996, appropriations for the territories and other insular areas were consolidated within the Departmental Offices account. Departmental Offices also includes Insular Affairs and Office of the Special Trustee for American Indians.

<sup>b</sup> Beginning in FY1998, Indian Education is funded in Labor, Health and Human Services, Education and related agencies appropriations laws.

<sup>c</sup> FY1997 totals \$13.51 billion with funding of \$386.6 million included in the Emergency Supplemental Appropriations bill (P.L. 105-18). FY2000 includes \$68.0 million for the United Mine Workers and \$197.5 million for priority land acquisitions and exchanges. FY2001 includes \$57.9 million for the United Mine Workers.