

# CRS Report for Congress

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## **Appropriations for FY2004: Interior and Related Agencies**

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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 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.

**NOTE: A Web version of this document with active links is available to congressional staff at: [<http://www.crs.gov/products/appropriations/apppage.shtml>].**

# Appropriations for FY2004: 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 for some agencies or programs within three other departments — Agriculture, Energy, and Health and Human Services. It also funds numerous smaller related agencies.

President Bush's FY2004 budget for Interior and related agencies totals \$19.49 billion. In FY2003, Congress enacted (P.L.108-7) \$18.96 billion, plus \$825 million for wildland fire fighting efforts in FY2002, for a bill total of \$19.79 billion. For DOI agencies, the President seeks \$9.76 billion, as compared with \$9.40 billion for FY2003 or \$9.59 billion including a portion of the supplemental fire funds. For non-DOI agencies, the President recommends \$9.73 billion, whereas for FY2003 Congress enacted \$9.56 billion or \$10.20 billion including the rest of the supplemental fire monies.

On July 17, 2003, the House passed H.R. 2691 (268-152) containing a total of \$19.60 billion for Interior and related agencies for FY2004. This total is \$110.1 million more than the President's request, but \$12.6 million less than the recommendation of the Senate Committee on Appropriations and \$186.4 million less than the FY2003 enacted amount (including the supplemental fire funds). For DOI agencies, the House approved \$9.66 billion, and for non-DOI agencies the supported \$9.94 billion.

On July 10, 2003, the Senate Committee on Appropriations reported a companion bill (S. 1391, S. Rept. 108-89) containing \$19.61 billion for FY2004. The total is \$122.7 million more than requested by the President and \$12.6 million more than recommended by the House Committee on Appropriations, but \$173.8 million less than enacted in FY2003. The Committee bill contained \$9.83 billion in total for DOI agencies, more than was enacted in FY2003, requested for FY2004, and recommended by the House Committee for FY2004. For non-DOI agencies, the Senate Committee approved \$9.78 billion, less than enacted in FY2003 and approved by the House Committee for FY2004, but more than requested by the President for FY2004.

Controversial issues that have arisen in the context of consideration of the Interior bill have included: funding for land acquisition and conservation, fire management and funding for wildfires, outsourcing of government jobs, development in the Arctic National Wildlife Refuge, renewal of grazing permits and leases, Everglades restoration, conflict over water use in the Klamath River Basin, development of oil and gas leases off the California coast, and management of the Indian tribes' trust funds and assets. This report will be updated following major congressional action on Interior appropriations legislation.

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<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 FY2004: Interior and Related Agencies

## Most Recent Developments

On July 17, 2003, the House approved H.R. 2691 (268-152) containing \$19.60 billion for Interior and related agencies for FY2004. On July 10, 2003, the Senate Committee on Appropriations reported a bill (S. 1391, S.Rept. 109-89) providing \$19.61 billion for Interior and related agencies.

On July 21, 2003, the House Committee on Appropriations ordered reported a draft measure containing \$319 million in FY2003 supplemental funds for fire fighting, reflecting a \$30 million increase over the President's request (\$289 million). On July 11, 2003, the Senate passed a bill (H.R. 2657) containing \$289 million in FY2003 supplemental funds for firefighting as requested by the President, and an additional \$25 million for removing trees killed by insect infestations which could increase the threat of wildfire.

## 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.

In this report, 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 FY2003 and requested by the President or recommended by Congress for FY2004.

## **FY2004 Budget and Appropriations**

President Bush's FY2004 budget for Interior and related agencies totals \$19.49 billion. In FY2003, Congress enacted (P.L.108-7) \$18.96 billion, plus \$825 million for wildland fire fighting efforts in FY2002, for a bill total of \$19.79 billion.

For DOI agencies, the President seeks \$9.76 billion, as compared with \$9.40 billion for FY2003, or \$9.59 billion including a portion of the supplemental fire funds. The request provides increases over FY2003 for some DOI agencies, including the National Park Service (\$122.4 million), Fish and Wildlife Service (\$41.7 million), and Bureau of Indian Affairs (\$35.5 million). Other DOI agencies would see decreases, such as the U.S. Geological Survey (-\$23.8 million) and the Office of Surface Mining Reclamation and Enforcement (-\$14.0 million). For non-DOI agencies, the President recommends \$9.73 billion, whereas for FY2003 Congress enacted \$9.56 billion, or \$10.20 billion including supplemental fire monies. Agencies that would receive an increase include the Smithsonian Institution (\$21.6 million), National Endowment for the Humanities (\$27.1 million), and Indian Health Service (\$40.0 million). By contrast, funding for DOE programs are among those proposed for a decrease (-\$36.7 million).

On July 17, 2003, the House passed H.R. 2691 (268-152) containing a total of \$19.60 billion for Interior and related agencies for FY2004. This total is \$110.1 million more than the President's request, but \$12.6 million less than the recommendation of the Senate Committee on Appropriations and \$186.4 million less than the FY2003 enacted amount (including the supplemental fire funds). For DOI agencies, the House approved \$9.66 billion, and for non-DOI agencies the House supported \$9.94 billion.

On July 10, 2003, the Senate Committee on Appropriations reported a companion bill (S. 1391, S. Rept. 108-89) containing \$19.61 billion for FY2004. The total is \$122.7 million more than requested by the President and \$12.6 million more than recommended by the House Committee on Appropriations, but \$173.8 million less than enacted in FY2003. The Committee bill contained \$9.83 billion in total for DOI agencies, more than was enacted in FY2003, requested for FY2004, and recommended by the House Committee for FY2004. For non-DOI agencies, the Committee approved \$9.78 billion, less than enacted in FY2003 and approved by the House Committee for FY2004, but more than requested by the President for FY2004.

Controversial issues that have arisen during Interior bill consideration have included: funding for land acquisition and conservation, fire management and funding for wildfires, outsourcing of government jobs, development in the Arctic National Wildlife Refuge, renewal of grazing permits and leases, Everglades restoration, development of oil and gas leases off the California coast, management of the Indian tribes' trust funds and assets, and conflict over water use in the Klamath River Basin. This report will be updated following major congressional action on Interior appropriations legislation.



## FY2003 Supplemental Appropriations

On July 7, 2003, the Administration requested emergency supplemental funding that included \$289 million for FY2003 firefighting efforts. The request consisted of \$253 million for the Forest Service, and \$36 million for the BLM for fighting fires on DOI lands. The President stated that the monies are needed to ensure sufficient funding for the 2003 fire season, as large portions of the West are at risk of catastrophic fire this summer. The money is intended for fire suppression and emergency rehabilitation activities. The President stated that with the supplemental money, funding for wildland fire suppression would be at the 10-year average.

On July 11, 2003, the Senate passed a bill (H.R. 2657) containing the requested level (\$289 million) of supplemental funding for wildfires. The Senate also adopted an amendment adding another \$25 million to remove dead trees in forests devastated by insects, which could exacerbate fire threats. On July 21, 2003, the House Committee on Appropriations ordered reported a draft measure containing \$319 million in FY2003 supplemental funds for fire fighting, reflecting a \$30 million increase over the President's request.

## Status

**Table 1. Status of Department of the Interior and Related Agencies Appropriations, FY2004**

| Subcommittee Markup |        | House Report                 | House Passage        | Senate Report               | Senate Passage | Conf. Report | Conference Report Approval |        | Public Law |
|---------------------|--------|------------------------------|----------------------|-----------------------------|----------------|--------------|----------------------------|--------|------------|
| House               | Senate |                              |                      |                             |                |              | House                      | Senate |            |
| 6/18/03             | 7/9/03 | 7/10/03<br>(H.Rept. 108-195) | 7/17/03<br>(268-152) | 7/10/03<br>(S.Rept. 108-89) |                |              |                            |        |            |

## Major Funding Trends

**Table 2. Interior and Related Agencies Appropriations, FY1999 to FY2003**

(budget authority in billions of current dollars)

| FY1999 | FY2000 | FY2001 | FY2002 | FY2003 |
|--------|--------|--------|--------|--------|
| \$14.3 | \$14.9 | \$18.9 | \$19.2 | \$19.0 |

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

During the ten-year period from FY1994 to FY2003, Interior and related agencies appropriations increased by 42% in current dollars, from \$13.4 billion to \$19.0 billion (excluding \$825 million for wildland fire emergencies to repay amounts transferred from other accounts for fire fighting for FY2002). Most of the growth

occurred during the latter years. For instance, during the five-year period from FY1994 to FY1998, appropriations increased by 3% in current dollars, from \$13.4 billion to \$13.8 billion. By contrast, during the most recent five years, from FY1999 to FY2003, funding increased by 33% in current dollars, from \$14.3 billion to \$19.0 billion. 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. Much of the increase was provided to land management agencies for land conservation and wildland fire management. See **Table 18** for a comparison of FY2002-FY2004 Interior Appropriations, and **Table 20** for a budgetary history of each agency, bureau, and program from FY2000 to FY2003.

## 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 energy and minerals 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 FY2004, the House approved \$1.70 billion for the BLM, essentially the same as the Administration's request. The Senate Committee on Appropriations reported a higher funding level—\$1.72 billion. For FY2003, Congress enacted \$2.06 billion. This apparent significant decrease in funds for FY2004 is attributable to the inclusion in FY2003 of two large sums for activities not retained thus far in the FY2004 BLM budget: \$189.0 million to repay transfers from other appropriations for fire fighting in FY2002, and \$218.6 million appropriated for the Payments in Lieu of Taxes (PILT) Program, which the Administration proposes to transfer from the BLM to Departmental Management in DOI. Excluding the PILT monies would reduce the FY2003 amount to \$1.84 billion; further excluding the extra fire funds would reduce the FY2003 appropriation to \$1.65 billion. See **Table 3**.

**Management of Lands and Resources.** For Management of Lands and Resources, the House approved \$834.1 million, and the Senate Appropriations Committee reported \$847.1 million, both increases over the President's request (\$828.1 million) and over FY2003 (\$820.3 million). This line item funds an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration.

The House-passed and Senate Committee-reported bills propose different funding levels for some land and resource activities. For instance, the House would

provide \$80.9 million for realty and ownership management, a reduction of \$7.7 million from FY2003 (\$88.6 million), including decreases for land conveyances in Alaska; cadastral surveys; and management programs, through which BLM authorizes uses of public lands. By contrast, the Senate Committee would increase funds for realty and ownership management by \$13.3 million, with a significant increase for expediting the processing of native allotment applications and land selections under the Alaska Statehood Act.

Both the full House and Senate Committee seek increases over FY2003 to manage recreation on BLM lands, for a total of \$67.7 million for the House and \$63.7 million for the Senate Committee. The House targets increases for travel and transportation management and improving visitor services. In its report, the House Appropriations Committee charges the BLM to report back on efforts to develop a unified strategy for recreation management. The Committee also asserts that BLM and the Forest Service should take measures to provide adequate public access for recreation, and directs the agencies to submit a strategy for developing recreational access plans for individual forests and public land units. Further, both the full House and Senate Committee seek a decrease from FY2003 for transportation and facilities maintenance, which funds annual and deferred maintenance and infrastructure improvement.

*Energy and Minerals.* The full House and Senate Appropriations Committees recommend increases over FY2003 for the energy and minerals program, including Alaska minerals. The House increase is to address the backlog in processing permits for development of coalbed methane. In report language, the Senate Committee expresses concern with the backlog in processing oil and gas permits, and suggests that the BLM Director establish a pilot program in 5 states to eliminate the backlog and create a best practices program for permitting on federal lands.

The House-passed and Senate Committee-reported bills continue to 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. The bills also continue the moratorium on accepting and processing applications for patents for mining and mill site claims on federal lands. However, applications meeting certain requirements that were filed on or before September 30, 1994, would be allowed to proceed, and third party contractors would be authorized to process the mineral examinations on those applications.

*Disclaimers of Interest.* The House adopted floor language with regard to disclaimers of interest, whereby the United States declares that it has no property interest in a parcel of land. A floor amendment originally sought to prohibit funds in the bill from being used to implement revised DOI regulations on disclaimers, which allow states, state political subdivisions, and others to apply for disclaimers regardless of whether they are the property owners of record. The House adopted a revision limiting the application of the amendment to certain lands—national monuments, wilderness and wilderness study areas, park units, and national wildlife refuges. Opponents of the new regulation feared that it will be used to confirm “RS2477” highway rights of way, despite provisions of law barring new rules pertaining to recognition or validity of such rights of way unless authorized by

Congress. Supporters welcomed the new regulations as a way to resolve ownership of property, including private property interests, thus allowing the potential for development.

*Wild Horses and Burros and Grazing Issues.* In its report, the Senate Committee on Appropriations expressed “frustration” with the “escalating problems” in the Wild Horse and Burro Program. The Committee asked BLM to provide the results of a program audit and to prepare a cost analysis of alternatives to the adopt-a-horse program for reducing animals on the range. Also, both bills continue the automatic renewal of grazing permits and leases that expire, are transferred, or waived during FY2004 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.

**Wildland Fire Management.** For Wildland Fire Management for FY2004, the House, Senate Appropriations Committee, and Administration all support \$698.7 million. For FY2003, Congress enacted \$650.2 million, plus an additional \$189.0 million (for a total of \$839.2 million) to repay amounts transferred from other accounts for fire fighting during 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.)

The recommendation of the Senate Appropriations Committee is identical to the President’s for all three components of wildland fire management: suppression, preparedness, and other operations. The House seeks more than the Administration for preparedness—which covers equipment, training, personnel, prevention, and detection—and for other operations—which covers rehabilitation of burned lands, hazardous fuel reduction, and rural fire assistance—but less than the Administration requested for fire suppression. The Administration had sought to fund the full cost of the 10-year average cost of fire suppression, thereby minimizing the necessity of transferring funds from other accounts to fight fires, which has been the practice in the past. In its report, the House Appropriations Committee expressed concern that funding may not achieve the level of readiness needed for public safety, and directed DOI to analyze readiness levels. Both the full House and the Senate Committee support the President’s request of \$186.2 million for hazardous fuels reduction, including the wildland-urban interface. Further, the Senate Committee cites deteriorating forest health as an underlying cause of wildland fire and encourages the BLM to implement Stewardship Contracting as quickly as possible and to report on its progress.

**Payments in Lieu of Taxes Program (PILT).** The PILT program compensates local governments for federal land within their jurisdictions because federally-owned land is not taxed. In FY2004, the Administration proposes to shift the program from the BLM budget to Departmental Management in DOI because

PILT payments are made for lands of the Fish and Wildlife Service, National Park Service, and Forest Service, in addition to the BLM. Under Departmental Management, for FY2004 the House supports \$225.0 million for PILT, and the Senate Appropriations Committee recommends \$230.0 million, both increases over the President's request (\$200.0 million) and FY2003 (\$218.6 million). In proposing a reduction, the Administration asserted that PILT lands "burden" local governments and expressed an intent to examine the PILT distribution formula to determine if changes would achieve a more equitable distribution of payments to local governments. The PILT program has been controversial because in recent years appropriations have been substantially less than authorized amounts.

**Land Acquisition.** For Land Acquisition, the House approved \$14.0 million for FY2004, substantially less than the Senate Committee (\$25.6 million), the President's request (23.7 million), and FY2003 (\$33.2 million). In its report, the House Appropriations Committee expressed concern about "the unfocused direction" in the land acquisition program of the agencies, and directed the Secretaries of DOI and Agriculture to develop a plan outlining the acreage goals and conservation objectives of federal land acquisition. It sought alternatives to fee title land purchases, such as land exchanges and purchase of conservation easements, which often are less expensive approaches. The money would be appropriated from the Land and Water Conservation Fund. (For more information, see the "Land Acquisition" section below.)

**Table 3. Appropriations for BLM, FY2003-FY2004**  
(\$ in millions)

| Bureau of Land Management                               | FY2003 Approp.           | FY2004 Request | FY2004 House Passed | FY2004 Senate Comm. |
|---|--------------------------|----------------|---------------------|---------------------|
| Management of Lands and Resources                       | \$820.3                  | \$828.1        | \$834.1             | \$847.1             |
| Wildland Fire Management                                | 650.2 <sup>c</sup>       | 698.7          | 698.7               | 698.7               |
| Central Hazardous Materials Fund                        | 9.9                      | 10.0           | 10.0                | 10.0                |
| Construction  | 11.9                     | 11.0           | 11.0                | 12.5                |
| Payments in Lieu of Taxes <sup>a</sup>                  | [218.6]                  | [200.0]        | [225.0]             | [230.0]             |
| Land Acquisition  | 33.2                     | 23.7           | 14.0                | 25.6                |
| Oregon and California Grant Lands                       | 104.9                    | 106.7          | 106.7               | 106.7               |
| Range Improvements                                      | 10.0                     | 10.0           | 10.0                | 10.0                |
| Service Charges, Deposits, and Forfeitures <sup>b</sup> | 0                        | 0              | 0                   | 0                   |
| Miscellaneous Trust Funds                               | 12.4                     | 12.4           | 12.4                | 12.4                |
| <b>Total Appropriations<sup>a</sup></b>                 | <b>1,653<sup>c</sup></b> | <b>1,701</b>   | <b>1,697</b>        | <b>1,723</b>        |

<sup>a</sup> Funds for the PILT program are not reflected in column totals because of the Administration's FY2004 request to transfer the program out of BLM to DOI Departmental Management.

<sup>b</sup> The figures of "0" are a result of an appropriation matched by offsetting fees.

<sup>c</sup> Does not include \$189.0 million enacted in the FY2003 appropriations law to replace monies borrowed from other accounts in FY2002 for fire fighting.

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

CRS Report RS21402. *Federal Lands, "Disclaimers of Interest," and RS2477*, by Pamela Baldwin.

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 FY2004, the Administration requested \$1.285 billion for the Fish and Wildlife Service (FWS), a 3.4% increase over FY2003. The House approved \$1.296 billion, a 4.2% increase over FY2003. The Senate Committee on Appropriations reported \$1.338 billion, a 7.6 % increase.

By far the largest portion of the FWS annual appropriation is for the Resources Management account. The President's FY2004 request was for \$941.5 million. The FY2003 appropriation was \$911.5 million. The House approved \$959.9 million, a 5.3% increase, while the Senate Committee reported \$942.2 million (+3.4%). Included in Resources Management are the Endangered Species Program, the Refuge System, and Law Enforcement, among other things.

**Endangered Species Funding.** Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. For FY2004, the Administration proposed to reduce the program from \$131.8 million to \$128.7 million. (See **Table 4.**) The House approved \$134.5 million, and the Senate Committee reported \$135.2 million.

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 increase from \$80.5 million to \$86.6 million under the President's request, which the House approved, as did the Senate Committee. The Landowner Incentive Program would increase from a *minus* \$260,000 (due to a net decrease resulting from a \$40 million rescission of FY2002 funds in the FY2003 law) to \$40 million under the President's proposal; the full House and the Senate Committee approved the increase. Stewardship Grants would increase from a *minus* \$65,000 (due to a rescission of \$10 million in FY2002 funds in the FY2003 law) to \$10 million under the President's proposal, which was likewise approved by the House and the Senate Committee on Appropriations.<sup>1</sup>

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<sup>1</sup> The rescissions resulted from criticism of the amount of time it took to issue regulations (continued...)

Under the President's request, overall FY2004 funding for the Endangered Species program and related programs would increase from FY2003 by \$53.4 million (25.2%), largely due to increases in related programs rather than in the endangered species program itself. However, this increase primarily reflects the FY2003 rescission of prior year funding. Overall, the House approved a 27.9% increase over FY2003. The strong increase reflects in part the rescissions of the previous year. The Senate Committee increased the level by 28.3%.

**Table 4. Funding for Endangered Species Programs, FY2003-FY2004**

(\$ in thousands)

|  | <b>FY2003<br/>Approp.</b> | <b>FY2004<br/>Request</b> | <b>FY2004<br/>House<br/>Passed</b> | <b>FY2004<br/>Senate<br/>Comm.</b> |
|--|---------------------------|---------------------------|------------------------------------|------------------------------------|
| <b>Endangered Species Program</b>                |                           |                           |                                    |                                    |
| Candidate Conservation                           | \$9,867                   | \$8,670                   | \$9,920                            | \$10,130                           |
| Listing  | 9,018                     | 12,286                    | 12,286                             | 12,286                             |
| Consultation                                     | 47,459                    | 45,734                    | 47,734                             | 46,034                             |
| Recovery   | 65,412                    | 62,029                    | 64,529                             | 66,739                             |
| <i>Subtotal</i>                                  | <i>131,756</i>            | <i>128,719</i>            | <i>134,469</i>                     | <i>135,189</i>                     |
| <b>Related Programs</b>                          |                           |                           |                                    |                                    |
| Cooperative Endangered Species Conservation Fund | 80,473                    | 86,614                    | 86,614                             | 86,614                             |
| Landowner Incentive Program                      | -260                      | 40,000                    | 40,000                             | 40,000                             |
| Stewardship Grants                               | -65                       | 10,000                    | 10,000                             | 10,000                             |
| <b>Total</b>                                     | <b>211,904</b>            | <b>265,333</b>            | <b>271,083</b>                     | <b>271,803</b>                     |

**National Wildlife Refuge System and Law Enforcement.** On March 14, 2003, the nation observed the centennial of the creation by President Theodore Roosevelt of the first National Wildlife Refuge on Pelican Island in Florida. Accordingly, Congress appropriated funding in FY2003 for various renovations, improvements, and activities to celebrate the event; it included all of this funding under operations and maintenance for the National Wildlife Refuge System (NWRS). For operations and maintenance, the President proposed a decrease of 8.9% for FY2004 while the House approved an increase of 8.1%, and the Senate Committee reported a 5.3% increase. For infrastructure improvements in the System, the Administration requested \$53.4 million but neither the full House nor the Senate Committee supported funding for this program.

<sup>1</sup> (...continued)

for these two new programs. The extent to which this interval was substantially longer than that for other new programs is unclear, however. There was also a concern that the two programs may overlap existing programs.

Spending for the NWRS is under the “Refuges and Wildlife” budget activity, which includes programs which are not directly tied to the NWRS: recovery of the Salton Sea (in California), management of migratory birds throughout the country and in cooperation with other nations, and law enforcement operations around the country. These programs are not included here, but are contained in tables in Appropriations Committee reports. (See Table 5.)

**Table 5. Funding for National Wildlife Refuge System, FY2003-2004**  
(\$ in millions)

| Refuge Program                      | FY2003 Approp. | FY2004 Request | FY2004 House Passed | FY2004 Senate Comm. |
|-------------------------------------|----------------|----------------|---------------------|---------------------|
| Operations and Maintenance          | \$367.4        | \$334.7        | \$397.3             | \$387.0             |
| Cooperative Conservation Initiative | 0.0            | 11.9           | 0.0                 | 0.0                 |
| Infrastructure Improvement          | 0.0            | 53.4           | 0.0                 | 0.0                 |
| Youth Conservation Corps (YCC)      | 0.0            | 2.0            | 0.0                 | 2.0                 |
| <b>Total</b>                        | <b>367.4</b>   | <b>402.0</b>   | <b>397.3</b>        | <b>389.0</b>        |

Note: Although the House did not earmark funds for the Cooperative Conservation Initiative, Infrastructure Improvement, and YCC, the agency could possibly spend in these areas from within the funds provided under the overall Operations and Maintenance appropriation. Similarly, the Senate Committee bill could permit funding of Infrastructure Improvement and the Cooperative Conservation Initiative.

The President proposed \$52.7 million for Law Enforcement — up \$1.1 million from FY2003 (\$51.6 million). The House approved a larger increase, to \$54.4 million. The Senate Committee reported \$53.4 million.

**Land Acquisition.** For FY2004, the Administration proposed \$40.7 million, a 44.1% decrease from the FY2003 level of \$72.9 million. The House cut the appropriation still further, to \$23.0 million. The Senate Committee approved \$64.7 million. The bulk of this program has been for acquisition of federal refuge land, but a portion is used for closely related functions such as acquisition management, land exchanges, and emergency acquisitions. In FY2003, 23.8% of Land Acquisition funding was allocated to these functions; the FY2004 request would allocate 39.4% to these functions. These functions would constitute 67.5% of the appropriation if the House level is enacted, and 26.8% if the Senate level is enacted. (For more information, see LWCF funding under *Cross Cutting Issues*.)

**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 requested \$14.4 million for FY2004, up 0.7% from FY2003, and the full House and the Senate Committee both approved this level. When combined with the estimated receipts, this appropriation level would cover 49% of the authorized full payment.

**Multinational Species Conservation Fund (MSCF).** The MSCF has generated considerable 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 again proposes to move funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. For FY2004, the President proposes \$7.0 million for the MSCF (including the proposed addition of the NMBCF within this program). Congress rejected the proposed transfer in FY2002 and FY2003. The House again rejected it, and proposed increases over FY2003 both in MSCF and NMBCF. The Senate Committee approved flat funding for NMBCF and increases for MSCF. (See **Table 6.**)

**Table 6. Funding for Multinational Species Conservation Fund and Migratory Bird Fund, FY2003-2004**  
(\$ in thousands)

| Multinational Species Conservation Fund  | FY2003 Approp. | FY2004 Request | FY2004 House Passed | FY2004 Senate Comm. |
|--|----------------|----------------|---------------------|---------------------|
| African elephant                         | \$1,192        | \$1,000        | \$1,200             | \$1,500             |
| Tiger and Rhinos                         | 1,192          | 1,000          | 1,400               | 1,500               |
| Asian elephant                           | 1,192          | 1,000          | 1,200               | 1,500               |
| Great Apes                               | 1,192          | 1,000          | 1,200               | 1,500               |
| Neotropical Migratory Birds <sup>a</sup> | [2,981]        | [3,000]        | [5000]              | [3000]              |
| <b>Total</b>                             | <b>4,768</b>   | <b>4,000</b>   | <b>5,000</b>        | <b>6,000</b>        |

<sup>a</sup> This program was first authorized in FY2002, and is not part of the MSCF, although the transfer was proposed in the President's budgets for FY2002, FY2003, and FY2004. Because Congress has rejected the transfer twice, the program is not included in the column totals.

**State and Tribal Wildlife Grants.** The State and Tribal Wildlife Grants program helps fund efforts to conserve species (including non-game species) of concern to states and tribes. The program was created in the FY2001 Interior appropriations law (P.L. 106-291) and further detailed in subsequent Interior appropriations bills. It lacks any other authorizing statute. Funds may be used to develop conservation plans as well as support specific practical conservation projects. As of FY2002, a portion of the funding is set aside for competitive grants to tribal governments or tribal wildlife agencies. The remaining state portion is for matching grants to states. A state's allocation is determined on a formula basis. The President proposed a 7.1% decrease, while the House approved a 16.1% increase. The Senate Committee reported the same total, but unlike the house, it set aside no specific amount for administration. (See **Table 7.**)

**Table 7. Appropriations for State and Tribal Wildlife Grants, FY2003-FY2004**  
(\$ in millions)

| State and Tribal Wildlife Grants | FY2003 Approp. | FY2004 Request | FY2004 House Passed | FY2004 Senate Comm. |
|----------------------------------|----------------|----------------|---------------------|---------------------|
| Tribal Grants                    | \$5.0          | \$5.0          | \$6.0               | \$5.0               |
| State Grants                     | 57.8           | 53.2           | 66.7                | 70.0                |
| Administration                   | 1.8            | 1.8            | 2.3                 | NA                  |
| Rescission                       | 0.0            | 0.0            | 0.0                 | 0.0                 |
| <b>Total</b>                     | <b>64.6</b>    | <b>60.0</b>    | <b>75.0</b>         | <b>75.0</b>         |

Note: The House proposed that FWS be limited to 3% of the total appropriation for use in administrative expenses. That figure is indicated here.

NA: There was no specific amount allocated to Administration of this program in the Senate bill. It is unclear whether some portion of the administrative costs is to be deducted from one or both of the state or tribal allocations.

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

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

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn and Pervaze A. Sheikh.

**National Park Service.** The National Park Service (NPS) has stewardship responsibilities for a park system currently comprising 388 separate and diverse units covering more than 84 million acres. In addition to the national park designation, the park system has 20 other types of designations used to classify park sites. Park visits total close to 280 million annually. 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 23 national heritage areas outside of the park system. Pending legislation would nearly double the number of heritage areas.

For FY2004, the House-passed appropriations bill provides \$2.24 billion in total for the NPS. This is \$0.9 million above the FY2003 enacted level (\$2.24 billion), but \$121.5 million below the President's request (\$2.36 billion). The Senate Committee on Appropriations recommended \$2.32 billion, \$41.0 million less than the request, but \$81.4 million more than the FY2003 enacted level and \$80.5 million above the House-passed bill. See **Table 8**.

Several House floor amendments affecting the NPS, not directly tied to specific funding accounts, were considered. The House narrowly defeated (on a tie vote) an

amendment that sought generally to prohibit use of funding to manage recreational snowmobile use in Yellowstone and Grand Teton National Parks, and the John D. Rockefeller, Jr., Memorial Parkway which links them. The amendment would have resulted in the phase-out of snowmobile use in these park units, as provided in a controversial Clinton Administration rule that the Bush Administration is seeking to overturn. (See CRS Issue Brief IB10093, *National Park Management and Recreation*.)

An amendment to ban the use of funds to kill bison straying from Yellowstone National Park was also defeated. Similarly, an amendment seeking to limit an extension of the recreational fee demonstration program to national park units was rejected. Lastly, the House approved an amendment that limits the Administration's competitive sourcing initiative by preventing NPS archaeological jobs at both the Midwest and Southeast Archaeological Centers from being contracted out. The reports of both the House and Senate Appropriations Committees are critical of NPS handling of the competitive sourcing initiative.

***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. For FY2004, the House-passed bill provides \$1.63 billion for NPS operations. This is \$1.0 million below the Administration's request, and \$66.6 million more than the FY2003 level (\$1.56 billion). The Senate Appropriations Committee recommends \$1.64 billion for park operations. The report of the House Committee on Appropriations contained strong language regarding the "erosion" of NPS operating funds by the absorption of unbudgeted costs associated with management initiatives, including competitive sourcing, financial management reform, and other activities. The Committee urged the Administration to submit more realistic FY2005 budget justifications that factor in the true costs of fixed cost increases and management initiatives.

Park advocacy groups contend that, while Congress has regularly increased funding, the budget of the NPS has failed to keep pace with needs, compromising the ability of park staff to protect resources and serve visitors. These groups estimate that the national parks operate, on average, with two-thirds of needed funding. An environmental coalition of park support and advocacy groups — Americans for National Parks — is seeking a \$178 million increase in the NPS operating budget to fund science, resource protection, and education programs, in addition to repair and enhancement of park infrastructure, an Administration priority.

As in FY2003, the President's FY2004 request includes funding (\$22.0 million) for a proposed Cooperative Conservation Initiative (CCI) which would provide matching funds for park projects, and some other DOI agency projects, undertaken by nonprofit and private entities. The House-passed bill provides \$3.0 million for the CCI. The Senate Committee recommends \$2.0 million.

**Table 8. Appropriations for NPS, FY2003-FY2004**  
(\$ in millions)

| <b>National Park Service</b>                  | <b>FY2003<br/>Approp.</b> | <b>FY2004<br/>Request</b> | <b>FY2004<br/>House<br/>Passed</b> | <b>FY2004<br/>Senate<br/>Comm.</b> |
|---|---------------------------|---------------------------|------------------------------------|------------------------------------|
| Operation of the National Park System         | \$1,564.3                 | \$1,631.9                 | \$1,630.9                          | \$1,636.3                          |
| U.S. Park Police                              | 77.9                      | 78.9                      | 78.9                               | 78.3                               |
| National Recreation and Preservation          | 61.3                      | 47.9                      | 54.9                               | 60.2                               |
| Urban Park and Recreation Fund                | 0.3                       | 0.3                       | 0.3                                | 0.3                                |
| Historic Preservation Fund                    | 68.6                      | 67.0                      | 71.0                               | 75.8                               |
| Construction                                  | 325.7                     | 327.3                     | 303.2                              | 341.5                              |
| Land and Water Conservation Fund <sup>a</sup> | -30.0                     | -30.0                     | -30.0                              | -30.0                              |
| <i>Land Acquisition and State Assistance</i>  |                           |                           |                                    |                                    |
| Assistance to States                          | 97.4                      | 160.0                     | 97.5                               | 104.0                              |
| NPS Acquisition                               | 74.0                      | 78.6                      | 33.7                               | 54.5                               |
| <i>Total</i>                                  | 171.3                     | 238.6                     | 131.2                              | 158.5                              |
| <b>Total Appropriations</b>                   | <b>2,239.4</b>            | <b>2,361.9</b>            | <b>2,240.3</b>                     | <b>2,320.9</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. These funds have historically tended to be substantially increased during the appropriations process. The House-passed bill provides \$303.2 million for FY2004 NPS construction, \$24.1 million less than the Administration's request (\$327.3 million), and \$22.5 million less than the FY2003 appropriations (\$325.7 million). The Senate Appropriations Committee recommends \$341.5 million for NPS construction, \$38.3 more than the House-approved amount. For FY2004, the House approved \$569.2 million for facility operation and maintenance (an activity funded within the Operation of the National Park System line item), \$0.5 million less than the Administration requested (\$567.7 million), and \$49.2 million more the FY2003 appropriation (\$520.0 million). The Senate Appropriations Committee recommends \$567.3 million, \$1.9 million less than the House-approved amount.

Combined, the Administration requested \$897.0 million for construction and facility operation and maintenance, an increase of \$51.3 million from FY2003 (\$845.7 million). Of this total, the Administration states that \$705.8 million is applicable to construction and annual and deferred maintenance projects in FY2004, implying that \$191.2 million is for facility operations. The House approved a similarly combined total of \$872.4 million, \$22.6 million below the requested total. The Senate Committee's combined recommendation is \$908.8 million, or \$36.4 million above the House-approved total and \$11.8 million above the request.<sup>2</sup>

<sup>2</sup> None of the sources separate facility operation from facility maintenance.

The estimate of deferred maintenance for the NPS is \$5.4 billion, according to DOI. In his FY2002 budget, President Bush proposed to fulfill his campaign promise to eliminate NPS deferred maintenance within five years through a combination of new appropriations, transportation fund money, and revenues from recreation fees. Park support groups have been critical of the relative lack of new money committed to eliminating the backlog. Current Administration budget documents refer to “managing” rather than eliminating the maintenance backlog.

***United States Park Police (USPP).*** This line item supports the programs of the U.S. Park Police who operate primarily in urban park areas. The USPP also provides investigative, forensic, and other services to support law-enforcement-trained rangers working in park units system-wide. The FY2003 appropriations law provided \$77.9 million. The Administration’s FY2003 budget had emphasized anti-terrorism protection at national icon sites in Washington, DC, Philadelphia, New York, and other locations. The House-passed bill matches the Administration’s FY2004 request of \$78.9 million, nearly \$1 million more than the FY2003 enacted level. The Senate Committee recommends \$78.3 million, \$0.5 million less than the House-passed bill. Administration priorities for this year focus on border park security problems.

***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 FY2004 request of \$47.9 million is \$13.3 million less than FY2003 funding (\$61.3 million). The primary decreases are a \$6.5 million reduction for the heritage partnerships program and a \$7.8 million reduction to the statutory and contractual aid program. Similar cuts were requested in FY2003, but Congress restored most of the funding for these two programs. The House-passed bill provides \$54.9 million, \$6.4 million less than the FY2003 enacted level, but \$7.0 million above the Administration’s request. The bill includes \$13.9 million for heritage partnerships, \$6.2 million more than requested, and \$6.5 million for statutory and contractual aid, \$2.4 million more than requested. The Senate Committee recommends \$60.2 million, with \$13.6 million for heritage partnerships and \$9.9 million for statutory and contractual aid.

***Urban Park and Recreation Recovery (UPARR).*** This matching grant program, long popular with Congress, was designed to help low-income inner city neighborhoods rehabilitate existing recreational facilities. Funding for new program grants was problematic until the Conservation Spending Category (CSC) was created in the FY2001 Interior Appropriations Act, with \$30.0 million for UPARR. The President did not request funds for UPARR in FY2002, but Congress funded the program at \$30.0 million. No funding was again requested for FY2003. Although the House approved \$30.0 million and the Senate supported \$10.0 million, the conferees ultimately provided only \$298,000 for program administrative costs. For FY2004, the Administration’s request, the House-passed bill, and the Senate Committee bill all agree on \$305,000 to administer previously awarded grants, but do not provide money for new grants. During the floor debate, the House refused, on procedural grounds, to consider an amendment that would have significantly increased CSC-type funding, including \$30.0 million for UPARR.

**Land Acquisition and State Assistance.** The House-passed bill provides a total of \$131.2 million, with \$33.7 million for federal land acquisition and \$97.5 million for state assistance. The total is \$107.5 million less than the Administration requested (\$238.6 million) and \$40.2 million less than the FY2003 enacted level (\$171.3 million). The federal program provides funds to acquire lands, or interests in lands, for inclusion within the National Park System, while the state assistance program is for park land acquisition and recreation planning and development by the states. State-side appropriated funds are allocated to states through a formula, with the states determining their internal spending priorities. The House bill includes significant reductions in land acquisition for all four major federal land management agencies. House-passed NPS land acquisition is \$40.3 million (55%) below FY2003 funding and \$45.0 million (57%) below the Administration's request. The House-passed provision for state assistance is essentially level with the FY2003 enacted level, but is \$62.5 million (39%) below the Administration's request. The Senate Committee on Appropriations recommends a land acquisition total of \$158.5 million, with \$54.5 million for NPS land acquisition (\$20.8 million above the House) and \$104.0 million for state assistance (\$6.5 million above the House).

**Recreational Fee Demonstration Program (Fee Demo).** Under this program, the four major federal land management agencies are authorized to retain and spend receipts from entrance and user fees. The receipts are available without further appropriation for projects at the collecting sites that reduce the backlog of deferred maintenance and enhance visitor experience. A portion of fee receipts is distributed to other non-fee-collecting agency sites. The NPS estimates Fee Demo receipts of \$141.9 million for FY2004. Fee Demo was begun in FY1996 and extended in appropriations laws, most recently through FY2004. The House-passed bill would extend Fee Demo for two more years, through September 2006 for fee collection and September 2009 for fee expenditures, but would not otherwise alter the program. An extension would give the authorizing committees more time to consider the controversial issue of a permanent program. An amendment on the House floor to limit the extension of the fee demo program to national park units was defeated. The Senate Appropriations Committee did not include a fee demo program extension provision in its version of the FY2004 Interior funding bill.

The Administration's FY2004 request states an intent to work with Congress to make the program permanent and remove it from the appropriations process. The participating agencies have collaborated on developing a permanent program. Several 107<sup>th</sup> Congress bills proposed differing forms of fee program permanence but none were enacted. Pending legislation would make Fee Demo permanent only for the NPS. (See CRS Issue Brief IB10093.) 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.

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, coordinator.

**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. In addition, the Historic Preservation Fund provides funding for cultural heritage projects for Indian tribes, Alaska Natives, and Native Hawaiians. Programs of the Historic Preservation Fund are authorized through FY2005 by P.L. 106-208.

The FY2004 Bush Administration's budget recommended \$67.0 million for the Historic Preservation Fund<sup>3</sup>. The House-passed bill provides \$71.0 million for the HPF for FY2004, comprised of \$34.0 million for grants-in-aid to states and territories, \$3.0 million for Indian tribes, \$30.0 million for "Save America's Treasures," former President Clinton's Millennium initiative, and \$4.0 million for the restoration of buildings on campuses of Historically Black Colleges and Universities (HBCUs). The House-passed bill provides \$2.4 million above the FY2003 appropriation (\$68.5 million) and \$4.0 million above the FY2004 requested level. The recommendation of the Senate Committee on Appropriations is \$75.7 million, an increase of \$8.7 million above the budget request, and \$7.2 million above the FY2003 appropriation. See **Table 9**.

A major issue is whether historic preservation programs should be funded by private money rather than the federal government. Congress eliminated permanent and annual federal funding for the National Trust for Historic Preservation, but has added a number of specific appropriations for Millennium projects under "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. Grants have been used, for example, for restoration of the Star Spangled Banner, the Declaration of Independence and the U.S. Constitution, and for restoration of properties throughout the U.S., including the Rosa Parks Museum in Alabama. Although the Millennium program was funded in FY2001 (\$34.9 million) and FY2002 (\$30.0 million), it was criticized for not reflecting geographic diversity. As a result, appropriations law now requires 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. The House-passed bill concurs with the FY2004 Bush Administration request of \$30.0 million for Save America's Treasures. The Senate Appropriations Committee recommends \$32.0 million for Save America's Treasures.

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<sup>3</sup> All funding for HPF for FY2004 is listed for accounting purposes in the conservation spending category. For more information, see the "Conservation Spending Category" discussion.

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 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 or FY2003. Both the House-passed bill and the Senate Appropriations Committee would restore funding (\$4.0 million in the House, \$3.0 million in the Senate Committee) for the HBCU program in FY2004, with competitive grants administered by the National Park Service.

There is no longer permanent 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 technically is a private non-profit corporation, but it received federal funding on a regular basis until FY1998. Since that time, the National Trust generally has not received any direct federal funding, in keeping with Congress' plan to replace federal funds with private funding and to make the Trust self-supporting. However, appropriations in FY2002 and in FY2003 were provided to the National Trust's Fund, to be matched with non-federal funds, for the care and maintenance of the most endangered historic places. In FY2003, \$2.0 million was provided. The FY2004 budget recommends, and the House-passed bill concurs in, eliminating federal funding for the National Trust Fund/Endowment. However, the Senate Appropriations Committee restores \$500,000 for the Trust, stating that the amount provided would conclude the federal commitment to the Trust's endowment program.

**Table 9. Appropriations for the Historic Preservation Fund,  
FY2003-FY2004**  
(\$ in thousands)

| <b>Historic Preservation</b>  | <b>FY2003<br/>Approp.</b> | <b>FY2004<br/>Request<sup>b</sup></b> | <b>FY2004<br/>House<br/>passed</b> | <b>FY2004<br/>Senate<br/>Comm.</b> |
|---|---------------------------|---------------------------------------|------------------------------------|------------------------------------|
| Grants in aid to State<br>Historic Preservation<br>Offices <sup>a</sup> | \$33,779                  | \$34,000                              | \$34,000                           | \$37,000                           |
| Tribal grants   | 2,981                     | 3,000                                 | 3,000                              | 3,250                              |
| Save America's Treasures  | 29,805                    | 30,000                                | 30,000                             | 32,000                             |
| HBCU's  | —                         | -                                     | 4,000                              | 3,000                              |
| National Historic Trust<br>Endowment grant/Historic<br>Sites Fund       | 1,987                     | -                                     | —                                  | 500                                |
| Massillon Heritage<br>Foundation  | —                         | -                                     | -                                  | —                                  |
| <b>HPF (total)</b>  | <b>68,552</b>             | <b>67,000<sup>b</sup></b>             | <b>71,000</b>                      | <b>75,750</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> Funding for the Historic Preservation Fund in the 2004 budget has its major components listed under the “conservation spending category.”

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. In the DOI, the USGS focuses its efforts in three areas where science is considered an important cornerstone: resource protection, resource use, and serving communities.

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: The National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; Science Support; and Facilities. The House-passed Interior Appropriations bill provides \$935.7 million for the USGS, which is \$40.2 million above the Administration’s request of \$895.5 million and \$16.4 million above the FY2003 appropriation of \$919.3 million. The Senate Committee on Appropriations has recommended \$928.9 million for the USGS, which is \$33.4 million above the Administration’s request and \$9.6 million above the FY2003 enacted level. See **Table 10**.

The House-passed bill has increases in funding over the Administration’s request for five of the six activities conducted by the Survey. They are: the National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; and Facilities. The House-passed funding for Science Support is equal to the Administration’s request (\$91.5 million). Compared to the Administration’s request, the Senate Committee recommends funding increases for the National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; and Biological Research; and decreases for Science Support and Facilities.

The House Committee report recommended restoring several cooperative programs that are expected to be outsourced to the private sector. The House Committee indicates that these programs should be rewarded and not penalized. The Senate Committee states that evaluations of outsourcing experiences within mapping activities of the USGS should be undertaken before new initiatives are launched.

**National Mapping Program.** The National Mapping Program aims to provide access to high quality geospatial data and information to the public. The

House-passed bill would provide \$130.2 million for this program in FY2004, an increase of \$9.7 million over the Administration's request of \$120.5 million and a decrease of \$3.0 million from the FY2003 enacted level of \$133.2 million. The Senate Committee on Appropriations has recommended \$128.9 million for the National Mapping Program, a decrease of \$4.3 million from the FY2003 enacted level and an increase of \$8.4 million over the Administration's request.

The House report has stated increases over the budget request for restoring data collection activities through collaboration with the private sector, cooperative topographic mapping, and research activities under geographic analysis and monitoring. In addition, the House-passed bill and the House Committee report support the USGS for implementing the National Map and improving digital infrastructure as well as for utilizing cooperative partnerships with state and local governments, and academic entities. The House Committee further states its support for converting archived remote sensing data from outdated storage media to disk-based storage, and for utilizing remote mirroring technology to backup data storage.<sup>4</sup> The Senate Committee restored decreases of \$4.4 million for data collection and \$2.8 million for geographic analysis that were included in the Administration's request. The Senate Committee has restored all but \$1.5 million for technology reductions for the mapping program proposed by the Administration.

***Geologic Hazards, Resources, and Processes.*** This heading covers programs in three budget sub-activities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments. For Geologic Hazards, Resources, and Processes activities, the House-passed bill would provide \$231.4 million for FY2004 — an increase of \$9.9 million above the Administration's request of \$221.6 million and \$1.7 million below the FY2003 enacted level of \$233.2 million. The Senate Committee on Appropriations recommended \$236.9 million, which is an increase of \$3.7 million over the FY2003 enacted level and \$15.3 million over the Administration's request.

Both the House-passed bill and the Senate Committee on Appropriations would provide increases above the Administration's budget for \$1.9 million for the advanced national seismic system, and \$2.0 million for coastal studies in Louisiana and Georgia coastal studies. The Senate Committee further recommends increases over FY2003 for several projects and studies related to earthquakes and volcanos. Recommended decreases from the FY2003 enacted level were for the Tampa Bay pilot project and a global dust program. The House report states decreases from the Administration's request for \$4.0 million for Everglades research and \$2.7 million as a science support adjustment.

The Administration requested a decrease of \$13.4 million for aggregate and industrial mineral studies, minerals research and assessment activities, and the Alaska Minerals-At-Risk program. Both the House-passed bill and the Senate Committee would provide support for the USGS mineral resources program and have noted the

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<sup>4</sup> Remote mirroring technology utilizes mirror sites, which are exact copies of an existing site that are made to reduce the load on the source site, and speed up access for users in locations geographically far away from the server.

relevance of mineral resource and assessment research for national security and infrastructure development as well as for assisting the U.S. mineral industry. The Senate Committee restored \$11.2 million to mineral programs and the House bill restored \$9.1 million.

**Water Resources Investigations.** For the Water Resources Investigations heading, the House-passed bill would provide \$215.2 million for FY2004, which is a \$15.1 million above the budget request of \$200.1 million and \$8.0 million above the FY2003 enacted level of \$207.2 million. The Senate Appropriations Committee recommends \$209.5 million, which is \$2.4 million above the FY2003 enacted level and \$9.4 million above the Administration's request.

The House-passed bill would provide \$6.5 million for the Water Resources Research Institutes for FY2004; the Senate Committee recommends \$6.0 million for these institutes. As was the case with the Bush Administration's FY2002 and FY2003 budget requests, the FY2004 request sought to discontinue USGS support for Water Resources Research Institutes based on the finding that most institutes have been successful in leveraging sufficient funding for program activities from non-USGS sources. Congress restored funding for the Institutes in FY2003.

The Senate Committee recommends increases above FY2003, including \$2.2 million for mandatory pay and benefits and \$2.0 million for collaborative studies with the University of Oklahoma. The House report has increases above the Administration's request, including \$2.4 million for the Toxic Substance Hydrology Program, \$600,000 for Lake Ponchartrain, \$900,000 for the Long Term Estuary Group (LEAG) in Louisiana, and \$3.7 million for science support adjustment.

The LEAG is a collaborative effort that aims to understand a variety of scientific issues within the Mississippi River, Louisiana coastal estuary, and Gulf of Mexico. The House report requests that a portion of the funding for LEAG go to collaborating partners (\$600,000) and the rest to the USGS (\$300,000). Further, the report requests that the USGS provide a report by January 31, 2004, detailing a 5-year plan for USGS involvement (*e.g.*, proposed work and resources required for implementation) in the LEAG.

**Biological Research.** For FY2004, the House-passed bill would provide \$173.3 million for FY2004, \$4.5 million above the Administration's request of \$168.9 million and \$3.5 million above the FY2003 enacted level of \$169.8 million. Senate Committee on Appropriations recommends \$169.6 million for Biological Research activities in the USGS. This figure is \$236,000 below the FY2003 enacted level and \$705,000 above the Administration's request.

The House Committee report states an increase of \$2.8 million above the Administration's request for the interagency cooperative fire science program and \$1.0 million for chronic wasting disease. Chronic wasting disease is a progressively degenerative and ultimately fatal disease in deer and elk. Proposed funding will be used to conduct studies to determine the transmission of the disease among deer and elk populations. The Senate Committee recommends an increase of \$2.0 million above FY2003 enacted levels for invasive species work. Of the amount recommended, \$1.0 million is for the GeoResources Institute at Mississippi State

University for collaborative work with the USGS. The Senate Committee also recommends a decrease of \$2.0 million for fire science research. While the Committee is supportive of USGS efforts in fire science, it believes that funds should come from the larger program within the DOI. The Senate Committee is also reviewing proposals calling for the establishment of additional nodes (certain centers) and expansion of existing ones under the National Biological Information Infrastructure (NBII). The Senate Committee urges the USGS to submit a report regarding the current and future goals of the NBII.

**Science Support and Facilities.** The USGS retains two additional funding categories in the FY2004 budget request: Science Support and Facilities. Science Support focuses on those costs associated with modernizing the infrastructure for management and dissemination of scientific information. For FY2004, The House-passed bill would provide \$91.5 million, equivalent to the Administration's request for \$91.5 million, and \$6.4 million over the FY2003 enacted level of \$85.2 million. The Senate Committee on Appropriations recommends \$91.4 million, which is \$6.2 million above the FY2003 enacted level and \$107,000 less than the Administration's request. Facilities focuses on the costs for maintenance and repair of facilities. For FY2004, the House-passed bill would provide \$93.9 million, \$1.0 million above the Administration's request of \$92.9 million and \$3.2 million over the FY2003 enacted level of \$90.8 million. The Senate Committee recommends \$92.6 million, which is \$1.8 million above the FY2003 enacted level and \$394,000 below the Administration's request.

**Table 10. Appropriations for the U.S. Geological Survey,  
FY2003-FY2004**  
(\$ in millions)

| U.S. Geological Survey                     | FY2003<br>Approp. | FY2004<br>Request | FY2004<br>House<br>Passed | FY2004<br>Senate<br>Comm. |
|--|-------------------|-------------------|---------------------------|---------------------------|
| National Mapping Program                   | \$133.2           | \$120.5           | \$130.2                   | \$128.9                   |
| Geologic Hazards, Resources, and Processes | 233.2             | 221.6             | 231.4                     | 236.9                     |
| Water Resources Investigations             | 207.2             | 200.1             | 215.2                     | 209.5                     |
| Biological Research                        | 169.8             | 168.9             | 173.3                     | 169.6                     |
| Science Support                            | 85.2              | 91.5              | 91.5                      | 91.4                      |
| Facilities                                 | 90.8              | 92.9              | 93.9                      | 92.6                      |
| <b>Total Appropriations</b>                | <b>919.3</b>      | <b>895.5</b>      | <b>935.7<sup>a</sup></b>  | <b>928.9</b>              |

<sup>a</sup> This column does not add due to rounding.

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 \$5.8 billion in revenues in FY2004 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 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 FY2004 is \$271.5 million. This proposal includes \$7.1 million for oil spill research, and \$264.5 million for Royalty and Offshore Minerals Management (including \$139.2 million for OMM activities, \$80.4 million for MRM programs, and \$44.8 million for administrative activities). Of the total budget, \$171.3 million would derive from appropriations, and \$100.2 million from offsetting collections that MMS has been retaining from OCS receipts since 1994. The House supports MMS programs at amounts identical to the Administration's request. Total MMS funding would be at \$271.5 million — \$171.3 million in appropriations and \$100.2 million in offsetting collections.

The Senate Committee on Appropriations, however, recommended \$273.3 million for MMS, comprised of \$7.1 million in oil spill research and \$266.2 million for Royalty and Offshore Minerals Management. Of the total budget, \$173.1 million would derive from appropriations and \$100.2 million would come from offsetting collections. The increase in funding over the House-passed bill is targeted for the Center for Marine Resources and Environmental Technology and the Marine Mineral Technology Center in Alaska.

The MMS mineral leasing revenue estimates are higher for FY2004 than in FY2003. Current revenue estimates for these years are \$5.8 billion and \$5.1 billion respectively. Price fluctuation is the most significant factor in the revenue swings. Over the past decade, royalties from natural gas production have accounted for 40%-45% of annual MMS receipts, while oil royalties accounted for not more than 25%. Below is a discussion of related issues of interest to Congress that have been considered 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 current 5-year leasing program (2002-2007) went into effect July 1, 2002. MMS will conduct 20 oil and natural gas lease sales during the 5-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 environment and local economies are too great.

The FY2003 appropriations law continued the moratorium in the Eastern Gulf of Mexico except for Lease Sale 181 off the Florida coast. For FY2004, the House-passed and Senate Committee-reported bills continue this provision.

Controversy over MMS oil and gas leases in offshore California has drawn congressional interest. Under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451), as amended in 1990, development of federal offshore leases must be consistent with state coastal zone management plans. In 1999, MMS extended 36 out of the 40 leases at issue in offshore California by granting lease suspensions, but the State of California contended that it should have first reviewed the suspensions for consistency with the state's coastal zone management plan. In June 2001 the U.S. Court for the Northern District of California agreed with the State of California and struck down the MMS suspensions.

The Bush Administration appealed this decision January 9, 2002, to the U.S. Ninth Circuit Court of Appeals, after the state rejected a more limited lease development plan that involved 20 leases using existing drilling platforms. However, on December 2, 2002, a three-judge panel of the Ninth Circuit upheld the District Court decision. The Department of the Interior did not appeal this decision and is currently working with lessees to resolve the issue. A breach-of-contract lawsuit has been filed against MMS by nine oil companies seeking \$1.2 billion in compensation for their undeveloped leases. The FY2003 appropriations law included a non-binding Sense of the Congress provision barring Interior bill funding for any exploration and development of the 36 leases that had been extended by the MMS.

In May 2002, the Administration announced 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.

In a related effort, several Senators are attempting to remove language in the energy bill pending in the Senate (S. 14) that calls for a "comprehensive inventory of OCS oil and natural gas resources." They argue that this provision could lead to the removal of the leasing moratoria currently in place for much of the U.S. coastline. Supporters contend that this provision is important for enhancing domestic oil and gas supply and reducing foreign imports. Meanwhile, a House GOP Natural Gas Task Force is reviewing options that would increase domestic natural gas supplies, one of which would be to lift the existing OCS leasing moratorium.

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.

Congress provided OSM \$295.2 million in the FY2003 appropriations law. The Administration's request for FY2004 was \$281.2 million. The House Appropriations Committee added \$20.0 million during markup, all of it for the AML fund, which is one of the two primary components of OSM. For the AML Fund, the Administration requested \$174.5 million for FY2004, marginally higher than the Administration requested for FY2003, but a reduction of \$16.0 million from the \$190.5 million approved for FY2003 by Congress. The full House accepted the Appropriations Committee's recommendation of \$194.5 million for the AML Fund, \$20.0 million above the Administration request, and \$4.0 million more than the level enacted by Congress for FY2003. In approving this level, the Appropriations Committee noted "the great amount of reclamation work that remains to be done...."

The Senate Committee on Appropriations also has recommended a boost from the Administration request for the AML fund, increasing it by more than \$16.4 million to \$190.9 million.

The other component of the OSM budget is for Regulation and Technology programs. For Regulation and Technology, the Administration requested \$106.7 million. Included in the FY2004 request is \$10 million in funding for the Appalachian Clean Streams Initiative (ACSI), the same level as in FY2002-2003, and \$10 million for the Small Operators Assistance Program (SOAP). The full House and the Senate Appropriations Committee have agreed to the spending levels requested by the Administration.

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. The FY2003 appropriations provided \$1.5 million to minimum program states and the Administration proposed no change for FY2004. The House agreed, and the Senate Committee on Appropriations also agreed to leave the appropriation to minimum program states at \$1.5 million.

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 approach \$1.75 billion by the end of FY2004.

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 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 FY2003 direct appropriations were \$2.26 billion. For FY2004, the House approved \$2.3 billion, an increase of \$52.1 million over FY2003 and \$16.6 million over the Administration's request. The Senate Appropriations Committee recommends \$2.32 billion, which is \$63.2 million over FY2003 and \$27.7 million more than the request. **Table 11** below presents figures, for FY2003 (enacted) and for FY2004 to date, for the BIA and its major budget components; selected BIA programs are shown in italics. Key issues for the BIA, discussed below, include the reorganization of the Bureau, especially its trust asset management functions, and problems in the BIA school system.

***BIA Reorganization.*** The current BIA reorganization arises from issues and events related to trust funds and assets management. 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); trust asset management includes real estate services, processing of transactions (e.g., sales and leases), surveys, appraisals, probate functions, land title records activities, and other functions. The BIA had, however, historically mismanaged Indian trust funds and trust assets, especially in the areas of accounting and retention of records. This led to a legislative reform act in 1994 and an extensive court case in 1996. The 1994 act created the Office of Special Trustee for American Indians (OST) (see below), assigning it responsibility for oversight of trust management reform. Trust fund management was transferred to the OST in 1996, but the BIA still manages trust assets, which include about 45 million acres of tribal trust land and 10 million acres of individual Indian trust land.



**Table 11. Appropriations for the Bureau of Indian Affairs, FY2003-FY2004**  
(\$ in thousands)

|  | FY2003<br>Approp. | FY2004<br>Request | FY2004<br>House<br>Passed | FY2004<br>Senate<br>Committee | FY2004 House Passed:<br>Percent Change<br>Compared With: |                   | FY2004 Senate Comm.:<br>Percent Change<br>Compared With: |                   |
|--|-------------------|-------------------|---------------------------|-------------------------------|--|-------------------|--|-------------------|
|  |                   |                   |                           |                               | FY2003<br>Approp.  | FY2004<br>Request | FY2003<br>Approp.  | FY2004<br>Request |
| <b>Operation of Indian Programs</b>                        | \$1,845,246       | \$1,889,735       | \$1,902,106               | \$1,912,178                   | 3%   | 1%                | 4%   | 1%                |
| Tribal Priority Allocations                                | 772,481           | 777,689           | 778,809                   | 780,689                       | 1%   | <1%               | 1%   | <1%               |
| <i>Contract Support Costs</i>                              | 132,343           | 135,315           | 135,315                   | 135,315                       | 2%   | 0%                | 2%   | 0%                |
| Other Recurring Programs                                   | 597,724           | 602,063           | 609,293                   | 616,789                       | 2%   | 1%                | 3%   | 2%                |
| <i>School Operations</i>                                   | 512,562           | 528,515           | 528,515                   | 528,515                       | 3%   | 0%                | 3%   | 0%                |
| <i>Tribally-controlled colleges</i>                        | 42,838            | 39,206            | 39,206                    | 45,206                        | (8%)   | 0%                | 6%   | 15%               |
| Non-Recurring Programs                                     | 72,485            | 73,543            | 73,843                    | 76,685                        | 2%   | <1%               | 6%   | 4%                |
| Central Office Operations                                  | 69,579            | 99,361            | 94,861                    | 89,361                        | 36%  | (5%)              | 28%  | (10%)             |
| <i>Branch of Acknowledgment and Research</i>               | 1,600             | 1,100             | 1,600                     | 1,100                         | 0%   | 45%               | (31%)  | 0%                |
| <i>Information Resources Technology</i>                    | 16,436            | 48,710            | 43,710                    | 38,710                        | 166%   | (10%)             | 136%   | (21%)             |
| Regional Office Operations                                 | 63,805            | 64,481            | 64,481                    | 64,481                        | 1%   | 0%                | 1%   | 0%                |
| Special Programs and Pooled Overhead                       | 269,172           | 272,598           | 280,819                   | 284,173                       | 4%   | 3%                | 6%   | 4%                |
| <i>Public Safety and Justice</i>                           | 162,306           | 171,147           | 174,647                   | 174,647                       | 8%   | 2%                | 8%   | 2%                |
| <b>Construction</b>  | 345,988           | 345,154           | 345,154                   | 351,154                       | <(1%)  | 0%                | 1%   | 2%                |
| <i>Education construction</i>                              | 293,795           | 292,634           | 292,634                   | 298,634                       | <(1%)  | 0%                | 2%   | 2%                |
| <b>Land and Water Claim Settlements and Misc. Payments</b> | 60,552            | 51,375            | 55,583                    | 50,583                        | (8%)   | 8%                | (16%)  | (2%)              |

|                                       | FY2003<br>Approp. | FY2004<br>Request | FY2004<br>House<br>Passed | FY2004<br>Senate<br>Committee | FY2004 House Passed:<br>Percent Change<br>Compared With: |                   | FY2004 Senate Comm.:<br>Percent Change<br>Compared With: |                   |
|---------------------------------------|-------------------|-------------------|---------------------------|-------------------------------|--|-------------------|--|-------------------|
|                                       |                   |                   |                           |                               | FY2003<br>Approp.  | FY2004<br>Request | FY2003<br>Approp.  | FY2004<br>Request |
| <b>Indian Guaranteed Loan Program</b> | 5,457             | 6,497             | 6,497                     | 6,497                         | 19%  | 0%                | 19%  | 0%                |
| <b><i>Total BIA</i></b>               | <b>2,257,243</b>  | <b>2,292,761</b>  | <b>2,309,340</b>          | <b>2,320,412</b>              | <b>2%</b>  | <b>1%</b>         | <b>3%</b>  | <b>1%</b>         |

BIA and OST, together with several offices created by the Secretary of the Interior Norton (Office of Historical Trust Accounting and Office of Indian Trust Transition), are implementing the Secretary's current trust management improvement project. The project includes improvements in trust asset systems, policies, and procedures, historical accounting for trust accounts, reduction of backlogs, and maintenance of the improved system. The current project replaces an earlier High Level Implementation Plan (HLIP) created under the Clinton Administration. While a computerized trust fund accounting system, operated by OST, had been installed successfully under the HLIP in 2000, a new computerized trust asset management system drew much tribal, congressional, and court criticism. That criticism led the current Secretary to have a consultant, Electronic Data Systems, Inc. (EDS), review the trust asset system and the entire trust reform effort.

EDS's 2001 reports included a recommendation for a single executive controlling trust reform. In late 2001, citing this recommendation, the Secretary proposed to split off BIA's trust asset management responsibilities into a new Bureau of Indian Trust Asset Management (BITAM), and requested approval from both Appropriations Committees for a reprogramming of FY2002 funds to carry out the BITAM reorganization. The Committees did not approve the reprogramming request, instead directing the Secretary to consult with Indian tribes. The consultation process took place during much of 2002 through a joint tribal-DOI Trust Reform Task Force. The great majority of commenting tribes opposed the BITAM proposal and many tribes and tribal organizations offered alternative plans. The BIA's proposed FY2003 budget did not include the BITAM reorganization proposal (or a reprogramming request). The Senate Appropriations Committee's June 2002 report (S.Rept. 107-201) forbade 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.

In the fall of 2002, the tribal members of the Trust Reform Task Force decided that they could not agree with the Department on trust standards and oversight. In December 2002 the head of the BIA announced a new proposed reorganization of BIA and OST trust management structures. Under the plan, the BIA's trust operations at regional and agency levels are being split off from other BIA services, and the OST will have trust officers at BIA regional and agency offices overseeing trust management and providing information to the Indian trust beneficiaries. Both Appropriations Committees approved the plan and the BIA and OST began implementing the plan in April 2003. Tribes and tribal organizations have been critical of the new reorganization. The House Appropriations Committee's report for FY2004 urged the Interior Department to implement the BIA and OST reorganization as quickly as possible. The Senate Appropriations Committee has added a provision to the FY2004 Interior appropriations bill that excludes from the effects of reorganization certain tribes that have been operating trust management reform pilot projects with their regional BIA offices.

***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 120 of these institutions; the BIA operates the

remainder. BIA-funded schools' key problems are low student achievement and, especially, a high level of inadequate school facilities.

Some observers feel tribal operation of schools will improve student achievement. The Bush Administration suggested language in the FY2003 Interior appropriations bill encouraging privatization, but the Appropriations Committees disagreed and urged additional funding and consultation with tribes. For the FY2004 bill, the House approved a provision creating a \$3-million fund to pay tribal school boards' start-up administrative costs to encourage the boards to take over operation of current BIA-operated schools. The Senate Appropriations Committee also recommends this provision.

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 estimates the backlog in education facility repairs at \$942 million. **Table 11** shows FY2003 education construction appropriations and FY2004 amounts proposed by the Administration, approved by the House, and recommended by the Senate Appropriations Committee. Congress in the FY2001-2003 Interior appropriations acts authorized a demonstration program that allows tribes to help fund construction of tribally-controlled schools. For FY2004, the House approved provisions changing school eligibility criteria, assigning first priority to replacement schools for BIA-funded schools, and limiting grantees' subsequent eligibility for BIA funding for school operations to those schools already BIA-funded. The Senate Committee-reported bill does not contain a similar provision.

For further information on education programs of the *Bureau of Indian Affairs*, see its World Wide Web sites at [<http://www.oiep.bia.edu>]. The main BIA World Wide Web site at [<http://www.doi.gov/bureau-indian-affairs.html>] is offline because of a court order in the Cobell litigation (see below under OST).

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

## **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 (e.g., casinos and racing). The NIGC may receive federal appropriations but its budget authority consisted chiefly of annual fees assessed on tribes' Class II operations. As Indian gaming expanded rapidly in the 1990s, Congress decided the NIGC needed a larger budget. The FY1998 Interior Appropriations Act, amending the Indian Gaming Regulatory Act (IGRA), increased the ceiling for total NIGC fees to \$8 million, made Class III as well as Class II operations subject to fees, and increased NIGC's appropriations authorization from \$1 million to \$2 million. However, the NIGC states that in recent years it has experienced a new increase in demand for its oversight resources, especially audits and field investigations. Congress, in the FY2003 appropriations

act, increased the NIGC's fee ceiling to \$12 million, but only for FY2004. In the FY2004 budget, the Administration proposed language amending IGRA to create an adjustable, formula-based ceiling on fees instead of the current fixed ceiling. The House-approved bill does not include this language, nor did the Senate Appropriations Committee recommend it. The Senate Committee, however, recommends a provision that extends the temporary \$12-million fee ceiling through FY2005. The National Indian Gaming Association, the major national Indian gaming group, does not support an amendment of IGRA's fee ceiling and instead requests consultation on the issue and a more detailed NIGC budget.

During FY1999-FY2003, all NIGC activities were funded from fees, with no direct appropriations. For FY2004, the Administration, the House, and the Senate Appropriations Committee propose no direct appropriations for the NIGC.

**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. (See "Bureau of Indian Affairs," above.)

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 \$2.8 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in about 230,000 accounts with a total asset value of about \$400 million. (Figures are from the OST FY2004 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.

FY2003 funding for the Office of Special Trustee was \$148.3 million, which included \$140.4 million for federal trust programs — trust systems improvements, settlement and litigation support, historical trust accounting, and trust funds management — and \$7.9 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. (For FY2004, the Administration proposed transferring the land consolidation project from OST to BIA, but neither the House bill nor the Senate Appropriations Committee recommendation include this transfer.)

The House approved a FY2004 funding level of \$240.6 million for the OST, an increase of \$92.3 million (62%) over FY2003 but \$55 million (-19%) less than the Administration proposal. Included in the House FY2004 bill are \$219.6 million for

federal trust programs (up \$79.3 million, or 56%, over FY2003 but \$55 million [20%] less than the Administration proposal) and \$21 million for the Indian land consolidation pilot project (up \$13 million, or 163%, over FY2003 and the same as the Administration's proposal). The Senate Appropriations Committee recommends \$242.6 million for OST. Its recommended amount for federal trust programs is identical to that approved by the House, but it recommends \$2 million more for the land consolidation project than the House amount, and urges the DOI to direct the funds to reservations that already try to reduce land fractionation.

Key issues for OST are its current reorganization, an historical accounting for tribal and IIM accounts, and litigation involving tribal and IIM accounts.

*Reorganization.* Both OST and BIA have recently begun a reorganization (see above under BIA), one aspect of which is the creation of OST field operations. OST will have fiduciary trust officers and administrators at the level of BIA agency and regional offices. Many Indian tribes disagree with parts of the reorganization and have asked Congress to put it on hold so that OST and BIA can conduct further consultation with the tribes. About \$15.1 million of the proposed FY2004 increase is to fund the new field operations. The House approved the proposed amounts, and the House Committee encouraged the Interior Department to implement the reorganization. The Senate Appropriations Committee did not explicitly endorse or oppose the OST/BIA reorganization.

*Historical Accounting.* The historical accounting seeks to assign correct balances to all tribal and IIM accounts, especially because of litigation. Because of the long historical period to be covered (some accounts may date from the 19<sup>th</sup> century), the large number of IIM accounts, and the large number of missing account documents, an historical accounting based on actual account transactions is expected to require large and time-consuming projects. The Interior Department has proposed an extensive, five-year, \$335-million project to reconcile IIM accounts. Most of the appropriations increase proposed for the OST for FY2004 is for historical accounting, which would go from \$17.5 million in FY2003 to \$130 million in FY2004. Of this \$112.5-million increase for historical accounting, \$82.5 million would be for IIM accounts and \$30 million for tribal accounts. The House reduced total historical accounting funds to \$75 million, or \$55 million less than the Administration proposal. The Senate Appropriations Committee recommendation agrees with the House amount.

*Litigation.* Following the lead of the IIM account holders, 21 tribes in the last few years have filed claims in federal court related to their trust accounts. OST proposes conducting tribe-specific historical accountings, and also other litigation-support activities, including settlement negotiations.

The IIM trust funds class-action lawsuit (*Cobell v. Norton*) was filed in 1996, in the federal district court for the District of Columbia, against the federal government by IIM account holders. In 1999, in the first stage of the case, the court found that the Interior and Treasury Departments had breached trust duties regarding the document retention and data gathering necessary for an accounting, and regarding the business systems and staffing to fix trust management. The final stage of the IIM lawsuit will determine the amount of money owed to the plaintiffs. The stage of the

case currently being tried relates to the historical accounting method that should be used to determine the amount owed the plaintiffs.

In FY2001 and FY2002, Appropriations and conference committee reports directed DOI to develop a sampling methodology for IIM accounting, but required submission of the plan, with a cost-benefit analysis, to Congress prior to implementation and prohibited allocation of funds for an historical accounting before submission of the plan and report. The requested report was transmitted to the Appropriations Committees in July 2002 by the DOI's Office of Historical Trust Accounting. The plaintiffs in the lawsuit object to an historical accounting methodology based on statistical sampling and, using a different methodology based on comparisons with federal and state leasing returns, have estimated that they are owed about \$137 billion. The Senate Committee, in reducing the amount proposed for OST historical accounting, noted that the funding should be adequate for a statistical sampling model and that the reduction was not an endorsement of the plaintiffs' accounting model.

In September 2002, the district court held the Secretary of the Interior and the Assistant Secretary — Indian Affairs in contempt for continuing problems in trust management reform (following a trial on the contempt issues). On July 18, 2003, the appeals court reversed the contempt holdings. While the district court had not granted the plaintiffs' request that it appoint a receiver to take over reform of IIM accounts management, it had directed both defendants and plaintiffs to submit plans for future trust management and historical accounting, which both parties submitted on January 6, 2003. Currently the judge is conducting a trial to decide what historical accounting plan to use in estimating the IIM accounts' proper balances.<sup>5</sup>

The House Appropriations Committee has expressed concern that the IIM lawsuit was jeopardizing DOI trust reform implementation. Congress, in the FY2003 appropriations act, required a summary for Congress of a full historical accounting performed for 5 of the plaintiffs, capped the compensation of two court-appointed officials monitoring trust reform, directed that a new OST advisory board be appointed in accordance with the 1994 act, and authorized the Interior Secretary to help employees pay for legal costs related to the IIM suit. The summary of the historical accounting for the 5 named plaintiffs was transmitted to Congress earlier this year and, according to the House Committee, indicated a very low error rate in the accounts' transactions. The OST initiated selection of a new advisory board in April 2003.

For FY2004, the House retained provisions capping the court officials' compensation and assisting federal employees in paying legal bills related to the IIM litigation. The Senate Appropriations Committee recommends only the second of these provisions. The House, under a point of order, dropped a provision recommended by the House Appropriations Committee that aimed at a conclusive resolution of IIM historical-accounting claims. The provision would have directed the Interior Secretary to resolve all IIM accounting claims through statistical

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<sup>5</sup> *Cobell v. Norton* (Civil No. 96-1285) (D.D.C.). Updated information is available on the plaintiffs' website: [<http://www.indiantrust.com>].

sampling that would result in accurate estimates of error rates for various categories of IIM accounts; these error rates would then have been applied to all the IIM accounts in each category to arrive at a final adjusted figure, or historical accounting, for each account. The Committee's provision would also have authorized the Secretary to resolve individual accountholder's IIM claims separately through voluntary settlements. As noted above, the judge in the IIM case is currently trying the question of the methodology to apply for an historical accounting. The Senate Appropriations Committee recommends no similar provision.

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 U.S. territories (Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands) as well as three former insular areas (Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), and Palau), manages relations between these jurisdictions and the federal government, and attempts to build the fiscal and government 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 108<sup>th</sup> Congress or the Administration, and (2) discretionary and current mandatory funding subject to the appropriations process. Congress and President Bush approved almost \$350 million in both permanent and discretionary funding for FY2003. The President requested \$387 million for FY2004, an increase of almost 11% due to anticipated increases in permanent appropriations for the coming fiscal year.

Permanent and indefinite appropriations historically constitute roughly 70% to 80% of the OIA budget and consist of two parts. For FY2003 they total \$252.4 million, as follows:

- \$146.4 million total to three freely associated states (RMI, FSM, and Palau) formerly included in the Trust Territory of the Pacific Islands under conditions set forth in the respective Compacts of Free Association; and,
- \$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.

The budget justification that accompanied the President's FY2004 request projects an increase in the financial assistance to be provided under prospective amendments to the Compacts of Free Association for the next twenty years.<sup>6</sup> Under these

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<sup>6</sup> Portions of the Compact of Free Association with the FSM and the RMI expired in the fall of 2001 and are being renegotiated. Legislation amending the Compact has yet to be submitted by the Administration to Congress. For background, see CRS Report RL31737, *The Marshall Islands and Micronesia: Amendments to the Compact of Free Association with the United States*, by Thomas Lum. The Compact with the Republic of Palau began in FY1994 and will terminate in FY2009. The Senate Appropriations Committee reported

(continued...)



legislative provisions, funding for FY2004 would increase to approximately \$300 million as follows: \$165.4 million to RMI and FSM, \$12.1 million to Palau, and \$122 million to the U.S. Virgin Islands and Guam.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining balance (roughly 20% to 30%) of the OIA budget. FY2003 discretionary appropriations of \$96.8 million were enacted. Discretionary funding comprises two accounts. Funding for the Assistance to Territories account has been set at \$75.9 million; for the Compact of Free Association (CFA) assistance account, \$20.9 million has been appropriated in FY2003.

The FY2004 request would reduce Assistance to Territories funding to \$71.3 million and CFA assistance to \$16.1 million, for an FY2004 request of approximately \$87.5 million. Total discretionary funding in FY2004 would decrease, according to the request, by an estimated 10%, from \$96.8 million in FY2003 to \$87.5 million. As approved by the House, discretionary funding would be reduced to \$90.7 million, a 6.3% decrease from the amount appropriated for FY2003. The Senate Appropriations Committee would appropriate \$87.7 million, including the same amount as requested for Assistance to Territories and \$16.4 million for CFA assistance.

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 example, the House included \$1 million for technical assistance on development and fiscal management issues in the four territories. Debate might occur on the aid provided to jurisdictions coping with population shifts associated with the CFA. The House Appropriations Committee's report for FY2004 indicates that the compact negotiations include payments of \$15 million to be divided among Guam, Hawaii, and CNMI for compact impact costs.

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**

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

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

**U.S. Forest Service.** The House passed a Forest Service (FS) budget for FY2004 of \$4.18 billion in discretionary funds, \$119.1 million (3%) more than the Administration requested for FY2004 (\$4.06 billion) and \$226.3 million more than

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<sup>6</sup> (...continued)

language that assumes acceptance of the Compact amendments.

was appropriated for FY2003 (\$3.95 billion) — excluding the \$636 million of supplemental funds for FY2002 firefighting enacted in the FY2003 Consolidated Appropriations Resolution. The Senate Appropriations Committee recommended an FY2004 FS budget of \$4.09 billion, \$82.4 million (2%) less than the House passed and \$36.7 million (1%) more than the Administration requested.

Two significant amendments to FS management were debated on the House floor. The Udall (of New Mexico) amendment would have prohibited funding to finalize or implement the National Forest System planning regulations proposed on December 6, 2002, by the Bush Administration; the amendment was defeated, 198-222. An Inslee amendment would have prohibited funding to propose, finalize, or implement changes to the Protection of Roadless Areas rule finalized on January 12, 2001, by the Clinton Administration; the amendment was defeated, 185-234.

*Forest Fires and Forest Health.* Fire funding and fire protection programs were among the most controversial issues confronted during consideration of the FY2003 Interior appropriations bill. In fact, during the 107<sup>th</sup> Congress, the Senate did not pass an Interior appropriations bill largely due to disputes about fire funding and a new program for wildfire protection. The ongoing discussion includes 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. Another focus is whether, and to what extent, environmental analysis, public involvement, and challenges to decisions hinder fuel reduction activities.

**National Fire Plan.** The FY2004 funding debate continues the increased attention in recent years to wildfires and the damage they cause. The severe fire seasons in the summers of 2000 and 2002 prompted substantial debates and proposals related to fire control and fire protection. The 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. The National Fire Plan comprises the Forest Service wildland fire program and fire fighting on DOI lands; the DOI wildland fire monies are appropriated to the BLM. Congress largely enacted the proposal for FY2001, adding money to the FY2001 request for wildfire operations, fuel reduction, 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 \$2.86 billion. The higher wildfire funding has generally been continued. (See CRS Report RS21544, *Wildfire Protection Funding*, for historical background and descriptions of funded activities.)

**FY2004 Appropriations.** For FY2004, the House passed National Fire Plan funding (for the FS and BLM) of \$2.32 billion, \$82.9 million (4%) more than the Bush Administration requested (\$2.24 billion), and \$302.2 million (15%) more than the FY2003 level (\$2.02 billion), excluding \$825 million of FY2002 firefighting funding enacted in Division N of the Consolidated Appropriations Resolution for FY2003, and excluding appropriations for fire assistance included under FS State and Private Forestry. (See **Table 12.**) The Senate Appropriations Committee recommended National Fire Plan funding of \$2.24 billion, \$1.3 million more than the Administration requested, and \$81.6 million less than the House-passed bill.

**Table 12. Federal Wildland Fire Management Appropriations,  
FY2000-FY2004**  
(\$ in millions)

|                                       | FY2000         | FY2001           | FY2002           | FY2003           | FY2004<br>Request | FY2004<br>House  | FY2004<br>Senate<br>Comm. |
|---------------------------------------|----------------|------------------|------------------|------------------|-------------------|------------------|---------------------------|
| Forest Service                        | <b>\$618.0</b> | <b>\$1,457.7</b> | <b>\$1,294.3</b> | <b>\$1,371.0</b> | <b>\$1,541.8</b>  | <b>\$1,624.6</b> | <b>\$1,543.1</b>          |
| <i>Wildfire Suppression</i>           | 139.2          | 319.3            | 255.3            | 352.0            | 604.6             | 520.0            | 514.3                     |
| <i>Emergency Funding</i> <sup>≠</sup> | [390.0]        | [425.1]          | [266.0]          | [636.0]          | [0.0]             | [0.0]            | [0.0]                     |
| <i>Preparedness</i>                   | 408.8          | 611.1            | 622.6            | 678.0            | 609.7             | 698.0            | 700.0                     |
| <i>Other Operations</i>               | 70.0           | 527.2            | 416.4            | 341.0            | 327.4             | 406.6            | 328.7                     |
| <b>BLM</b>                            | <b>391.0</b>   | <b>777.5</b>     | <b>624.4</b>     | <b>650.2</b>     | <b>698.7</b>      | <b>698.7</b>     | <b>698.7</b>              |
| <i>Wildfire Suppression</i>           | 158.1          | 153.1            | 127.4            | 159.3            | 195.3             | 170.3            | 195.3                     |
| <i>Emergency Funding</i> <sup>≠</sup> | [200.0]        | [199.6]          | [54.0]           | [189.0]          | [0.0]             | [0.0]            | [0.0]                     |
| <i>Preparedness</i>                   | 165.8          | 314.7            | 280.8            | 275.4            | 282.7             | 302.7            | 282.7                     |
| <i>Other Operations</i>               | 67.0           | 309.7            | 216.2            | 215.4            | 220.7             | 225.7            | 220.7                     |
| <b>Total</b>                          | <b>1,008.9</b> | <b>2,235.2</b>   | <b>1,918.8</b>   | <b>2,021.1</b>   | <b>2,240.5</b>    | <b>2,323.4</b>   | <b>2,241.8</b>            |
| <i>Wildfire Suppression</i>           | 297.3          | 472.4            | 382.7            | 511.3            | 799.9             | 690.3            | 709.6                     |
| <i>Emergency Funding</i> <sup>≠</sup> | [590.0]        | [624.6]          | [320.0]          | [825.0]          | [0.0]             | [0.0]            | [0.0]                     |
| <i>Preparedness</i>                   | 574.6          | 925.9            | 903.4            | 953.4            | 892.5             | 1,000.7          | 982.7                     |
| <i>Other Operations</i>               | 137.0          | 836.9            | 632.6            | 556.4            | 548.1             | 632.3            | 549.4                     |

<sup>≠</sup> Emergency supplemental and contingent appropriations not included in agency totals.

The FS and BLM wildland fire line items include funds for fire suppression (fighting fires), preparedness (equipment, training, baseline personnel, prevention, and detection), and other operations (rehabilitation, fuel treatment, research, and state and private assistance). The FY2004 House level, Senate Committee recommendation, and budget request for suppression are significantly higher than the enacted FY2003 appropriations, but include no separate contingent or emergency firefighting funds. (See Table 12.) Specifically, the House enacted \$170.3 million for the BLM for fire suppression, 7% above FY2003, and \$520.0 million for FS fire suppression, 48% above FY2003 (after reprogramming \$66 million from suppression operations to preparedness). These House-passed levels are lower than the Administration's request of \$195.3 million for BLM fire suppression (-13%) and \$604.6 million for FS fire suppression (-14%). The Senate Committee matched the Administration's request for BLM fire suppression, but reduced FS fire suppression to \$514.3 million, \$90.3 million (15%) less than the request and \$5.7 million (1%) less than the House passed.

For BLM fire preparedness in FY2004, the House passed \$302.7 million, \$20.0 million (7%) more than was requested and \$27.3 million (10%) more than the FY2003 level. For FS fire preparedness, the House passed \$698.0 million, \$88.3 million (14%) more than was requested \$609.7 million, and \$20.0 million (3%) more than the FY2003 level (after reprogramming). The Senate Committee matched the

request for BLM fire preparedness, and recommended FS fire preparedness at \$700.0 million, \$90.3 million (15%) more than was requested and \$2.0 million more than the House enacted.

For other BLM fire operations, the House passed \$225.7 million, \$5.0 million (2%) more than the request, and \$10.3 million (5%) more than FY2003. For other FS fire operations, the House passed \$406.6 million, \$79.2 million (24%) more than was requested, and \$65.6 million (19%) more than the FY2003 appropriation. House floor amendments to increase FS hazardous fuel reduction funding, at the expense of the National Endowment for the Arts and FS land acquisition, were defeated. The Senate Appropriations Committee recommendation matched the Administration's request for other BLM fire operations and increased the request by \$1.3 million for other FS fire operations.

In the House Appropriations Committee, Representative Dicks offered an amendment to add \$550 million for FY2003 fire suppression, as the fire season is again expected to be severe, and not all FY2002 borrowed funds have been repaid; he withdrew the amendment on promises that the funding shortfall would be made up later. On July 7, 2003, the Administration requested emergency supplemental funding of \$289 million for FY2003 firefighting efforts. On July 11, the Senate passed a bill (H.R. 2657) containing the supplemental funding, with an amendment adding another \$25 million to remove dead trees in forests devastated by insects that could exacerbate wildfire threats. On July 21, the House Committee on Appropriations ordered reported a draft measure containing \$319 million for fire fighting, reflecting a \$30 million increase over the President's request.

*State and Private Forestry.* While funding for wildfires has been the center of debate, many changes have been proposed in State and Private Forestry (S&PF) — programs that provide financial and technical assistance to states and to private forest owners. The House passed total S&PF funding of \$290.8 million, \$25.1 million (8%) less than the Administration asked, and \$6.0 million (2%) more than enacted for FY2003. The Senate Committee recommended total S&PF funding of \$295.3 million, \$20.5 million (6%) less than requested and \$4.6 million (2%) more than the House passed. Of the total, the Senate recommended that \$84.7 million come from the Land and Water Conservation Fund.

Levels differ significantly within S&PF funding. The House passed \$103.0 million for forest health management (insect and disease control on federal and cooperative (nonfederal) lands), \$21.0 million (26%) more than requested and \$22.1 million (27%) more than enacted for FY2003; the House again rejected the Administration's request for an Emerging Pest and Pathogens Fund to rapidly address invasive species problems, but allowed \$2 million to be used for emerging problems. The Senate Committee recommended \$82.1 million, slightly more than requested, including \$2.0 million for the requested Emerging Pest and Pathogens Fund.

The House also passed \$41.1 million for S&PF cooperative fire assistance to states and volunteer fire departments. This is \$10.7 million (35%) more than the Administration requested and \$10.6 million (35%) more than enacted for FY2003. This is in addition to the \$4.5 million increase (to \$59.2 million) in cooperative fire assistance in other wildfire operations appropriations (see above). In the Senate, the

Appropriations Committee recommended \$30.5 million for S&PF cooperative fire assistance, \$0.1 million above the request; this is in addition to the \$1.3 million increase in cooperative fire assistance in other wildfire operations appropriations (see above).

The House passed \$140.7 million for cooperative forestry programs for FY2004, \$57.7 million (29%) less than requested, and \$27.0 million (16%) less than enacted for FY2003. Major differences are proposed for the forest stewardship, forest legacy, and economic action programs. Forest stewardship (technical assistance for managing private forests) is at \$32.7 million, slightly higher than the FY2003 appropriation, but half the requested level of \$65.6 million. The forest legacy program (for purchasing title or easements for lands threatened with conversion to nonforest uses, such as for residences) is recommended at \$45.6 million, down a third from FY2003 (\$68.4 million) and a half from the request (\$90.8 million). The House also retained the S&PF Economic Action Program (EAP, including rural community assistance and wood recycling, and the Pacific Northwest economic assistance) at \$17.4 million, down a third from FY2003 (\$26.3 million); the Administration had proposed terminating the EAP. The House also passed \$6.0 million for EAP in other wildfire operations appropriations (see above). The House also included \$9.0 million for forest resource information and analysis (an FS Research program) in the S&PF account, \$5.0 million (125%) above the Administration's request.

The Senate Committee recommended \$176.7 million for cooperative forestry programs, \$21.6 million (11%) less than the request and \$36.1 million (26%) more than the House. The recommendation for forest stewardship, \$32.0 million, matches the FY2003 level and is slightly lower than the House level. For forest legacy, the Committee recommended \$84.7 million, \$6.1 million (7%) less than requested and \$39.1 million (86%) more than the House level. The Committee recommended \$24.0 million for EAP, \$6.6 million (38%) more than the House, but included no EAP funds in other wildfire operations appropriations. The Committee also proposed eliminating S&PF funding for forest resource information and analysis.

*Infrastructure.* The House retained, and the Senate Committee recommended retaining, separate funding for Infrastructure Improvement (to reduce the agency's backlog of deferred maintenance, estimated at \$6.5 billion as of October 2002). The House passed \$47.0 million, \$1.4 million (3%) more than enacted for FY2003, while the Senate Committee recommended \$25.0 million, \$20.6 million (45%) less than enacted for FY2003. The Administration had proposed terminating this funding and replacing it with increased capital improvement and maintenance funds for roads and trails of \$23.1 million (8%) from FY2003. The House passed \$312.9 million for these activities, \$10.8 million (3%) less than requested and \$12.3 million (4%) more than enacted for FY2003, in addition to retaining funds for infrastructure improvement. The Senate Appropriations Committee recommended \$298.0 million for these activities, \$25.7 million (8%) less than requested and \$14.9 million (5%) less than the House-passed level.

*Land Acquisition.* The House passed \$29.3 million for Land Acquisition — \$14.9 million for acquisition management and \$14.4 million for land purchases. This is \$14.8 million (34%) below the request, with most of the reduction in land purchases. (The \$1.5 million decline recommended for acquisition management is

largely offset by \$1.4 million recommended for cash equalization payments to complete land exchanges.) The House level is \$103.7 million (78%) below the FY2003 appropriation of \$132.9 million. Nearly all the decrease — \$102.6 million — is in the 90% decline for land purchases. The Senate Appropriations Committee recommended \$77.0 million for Land Acquisition, \$32.9 million (75%) more than requested and \$47.8 million (163%) more than the House level.

*Other Accounts.* The House passed \$267.2 million for FS Research, up \$15.1 million (6%) from the request and \$17.2 million (7%) from the FY2003 level. The increase is primarily for forest inventory and analysis (FIA). The House also enacted \$1.39 billion for the National Forest System (NFS), \$25.2 million (2%) more than requested and \$41.3 million (3%) more than enacted for FY2003. Nearly every activity within NFS appears to be increased, with a decline—in inventory and monitoring—being offset by the increase in FS Research. The Senate Appropriations Committee recommended \$266.2 million for FS Research, \$14.0 million (6%) more than the request and \$1.0 million less than the House level. The Committee also recommended \$1.37 billion for NFS, \$1.1 million (less than 1%) above the request and \$24.1 million (2%) less than the House level. Also, the House passed, and the Senate Committee recommended, an FS administrative provision allowing the agency to transfer up to \$15 million to Interior (for the FWS) or Commerce (for NOAA Fisheries) to expedite consultations under the Endangered Species Act.

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.

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CRS Report RS20985. *Stewardship Contracting for the National Forests*, by Ross W. Gorte.

CRS Report RL31679. *Wildfire Protection: Legislation in the 107<sup>th</sup> Congress and Issues in the 108<sup>th</sup> Congress*, by Ross W. Gorte.

CRS Report RS21544. *Wildfire Protection Funding*, by Ross W. Gorte.

**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 FY2004 budget request of \$514.3 million for fossil energy research and development is 17% less than the appropriated amount for FY2003 (\$620.8 million) and 5% higher than the FY2003 request (\$489.3 million). The House approved fossil fuel programs at \$609.3 million. Significant differences between the House and the Administration include funding for transportation fuels, natural gas, petroleum technologies, and greenhouse gas control, the use of prior year balances, and the administration of the clean coal program. The bill reported by the Senate Committee on Appropriations contains a total of \$593.5 million for fossil energy. A key difference between the House and Senate Committee versions is that the House-passed bill provides funds for the administration of the clean coal program.

The Administration requested \$130.0 million for the Clean Coal Power Initiative (CCPI) for FY2004 as part of a \$2 billion, 10-year commitment. The program is designed 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," according to DOE. 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. The CCTP eventually will be phased out.

The House-passed bill and the Senate Committee support the President's request of \$130.0 million for its CCPI. However, the House supports a deferral of \$86.0 million and the Senate committee recommends deferring \$97.0 million from previously appropriated Clean Coal Technology Program funds.

Under the Administration's request, research and development (R&D) on natural gas would be cut by 44% to \$26.5 million, and R&D on petroleum would be cut by two-thirds to \$15.0 million. The House however, would support these programs at \$36.5 million for natural gas, a reduction of \$10.5 million from FY2003, and \$32.2 million for petroleum and oil technology programs, a decrease of \$9.8 million from FY2003. The Senate committee recommends \$41.9 million for natural gas and \$34.5 million for petroleum and oil technology programs.

In a statement in the House Committee's report, the Committee disagrees with the Administration's approach to fossil energy R&D for FY2004. The Committee considers the Administrations approach unbalanced, with too heavy a focus on a few major initiatives and not enough emphasis on long-term R&D on traditional sources of energy, particularly oil and natural gas technologies.

The Administration's request would phase out funding for the fuels program, including R&D on ultra-clean fuels technology, reducing the funding to \$5.0 million for FY2004 from \$31.2 million in FY2003. However, the House supports \$30.5 million for the Fuels Program in FY2004 while the Senate Committee recommends \$24.9 million.

Funding levels for Sequestration R&D, which would test new and advanced methods for greenhouse gas capture, separation, and reuse, would increase under the FY2004 Administration's request by \$22 million to \$62.0 million. However, the House approved essentially flat funding for FY2004—\$40.8 million as compared with \$39.9 million for FY2003—as did the Senate Committee—\$39.8 million.

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

**Strategic Petroleum Reserve.** The Strategic Petroleum Reserve (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 600 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. Volatility in oil prices since the spring of 1999 prompted calls from time-to-time for drawdown of the Reserve, but both the Clinton and Bush Administrations did not think circumstances warranted it.

In mid-November 2001, President Bush ordered that the SPR be filled to capacity (700 million barrels) using royalty-in-kind (RIK) oil. This is oil turned over to the federal government as payment 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. Deliveries of RIK oil began in the spring of 2002. The fill rate has varied depending upon geopolitical and market conditions. Deliveries scheduled for late 2002 and the first months of 2003 were delayed due to tightness in world oil markets. With the end of the military phase of the war with Iraq, deliveries of RIK oil to the SPR ramped up during the spring and will likely exceed 200,000 barrels per day during much of the summer.

The FY2004 budget request for the SPR, \$180.1 million, was approved by the House on July 17, 2003. The SPR budget includes \$159.0 million for storage facilities development and operations, \$16.1 million for management of the SPR sites, and \$5.0 million for the Northeast Home Heating Oil Reserve (NHOR). NHOR, established by the Clinton Administration, houses 2 million barrels of home heating oil in above-ground facilities in Connecticut, New Jersey, and Rhode Island. Savings in the cost of leasing these facilities has reduced the cost of maintaining the NHOR. In agreeing to \$5.0 million, the House Appropriations Committee asked that DOE advise both the House and Senate Appropriations Committees, by December 1, 2003, as to the "circumstances" under which the NHOR might be used. The Committee's request may imply that some in Congress are not satisfied with the formula currently in place that permits drawdown of the NHOR. The costs of transporting RIK oil to SPR sites are now borne by the contractors, so no new money is recommended for the SPR Petroleum Account for FY2004.

The Senate Appropriations Committee recommended \$178.1 million, a decrease of \$2.0 million from the request, with storage facilities development and operation bearing the entire reduction. Specifically, the Committee included \$157.0 million for



storage facilities development and operations. It also included \$16.1 million for management of the SPR sites, and \$5.0 million for the NHOR, as requested.

The FY2003 appropriation provided a total of \$179.6 million for the SPR. This consisted of \$157.8 million for storage facilities development and operations; \$13.9 million for management; \$1.9 million in new money for the SPR Petroleum Account, reflecting a level of \$7.0 million for transportation of RIK oil, less a \$5.0 million rescission of unobligated prior-year funds; and \$6.0 million for the Northeast Home Heating Oil Reserve. The FY2003 law also reauthorized the SPR through FY2008.

On April 11, 2003, the House passed comprehensive energy legislation (H.R. 6) which would require that the SPR be filled to its current capacity of roughly 700 million barrels as soon as practicable, and would also authorize \$1.5 billion for expansion of the SPR to 1 billion barrels. H.R. 6 would also permanently authorize the Reserve. S. 14, still under debate in the Senate, would also permanently authorize the SPR, but does not seek to expand it.

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 DOI; the balance of the second was transferred to DOI in the spring of 1999. On January 14, 2000, the Department of Energy (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, with any proceeds to be applied to the costs of remediating 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 \$6.9 million during FY2003. The request to maintain the Naval Petroleum Reserves (NPR) for FY2004 was \$16.5 million, of which \$5.6 million was for environmental remediation at NOSR-3, transferred to the Department of the Interior in 1999. Under terms of the transfer, DOE remained responsible for remediation. The FY2004 request was a decrease of \$1.2 million from the FY2003 appropriation (\$17.7 million). The House approved the Appropriations Committee's boost to the NPR budget to \$20.5 million, adding \$4.0 million to restore funding for the Rocky Mountain Oilfield Testing Center (RMOTC).

The Senate Appropriations Committee has recommended funding at \$17.9 million. The Committee agreed with the House that funding should be maintained for the RMOTC, adding \$3.0 million for operation of the Center, and \$728,000 for program direction. However, the Committee approved only \$500,000 for restoration activities, a reduction of \$2.3 million from the level requested by the Administration.

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 Elk Hills 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 included an advance appropriation of \$36.0 million for the Elk Hills School Lands Fund, to be paid at the start of FY2004. This was enacted in the FY2003 appropriations law.

The FY2004 budget request sought an appropriation of \$36.0 million, pending the completion of divestment activities and calculation of the remaining balance owed to the California Teachers' Retirement Fund. The House agreed to the Appropriations Committee's recommendation to make the \$36.0 million request an advance appropriation that will be payable on October 1, 2004 instead of October 1, 2003. The Senate Committee on Appropriations has made the same recommendation.

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 FY2004 budget request stresses that the Administration's energy efficiency programs can improve economic growth, energy security, and the environment. The request presents (and **Table 13** shows) a new budget structure that reflects the recent reorganization of DOE's Office of Energy Efficiency and Renewable Energy (EERE). The Administration proposes to decrease conservation funding under EERE from \$891.8 million in FY2003 to \$875.8 million in FY2004. The main Administration initiatives are: (1) FreedomCAR and Hydrogen Fuels, reflected in a \$22.4 million, or 41%, increase for Fuel Cell Technologies to help reduce foreign oil dependence, improve electric power infrastructure security and reliability, and curb greenhouse gas emissions; (2) the National Climate Change Technology Initiative (NCCTI), which would receive \$9.5 million to promote competitive project solicitations to reduce greenhouse gas emissions; and (3) the Weatherization grants program, which would increase by \$64.7 million, or 29%, to reduce energy bills and improve energy affordability for low-income families.

**Table 13. Appropriations for DOE Energy Conservation,  
FY2003-FY2004**  
(\$ in millions)

| DOE Energy Conservation      | FY2003 Approp. | FY2004 Request | FY2004 House Passed | FY2004 Senate Comm. | S. Comm vs. House |
|------------------------------|----------------|----------------|---------------------|---------------------|-------------------|
| Vehicle Technologies         | \$177.3        | \$157.6        | \$184.4             | \$174.2             | -\$10.2           |
| Fuel Cell Technologies       | 55.1           | 77.5           | 56.5                | 68.5                | 12.0              |
| Intergovernmental            | 314.4          | 357.0          | 322.5               | 311.5               | -11.0             |
| <i>Weatherization Grants</i> | <i>223.5</i>   | <i>288.2</i>   | <i>240.0</i>        | <i>230.0</i>        | <i>-10.0</i>      |
| Distrib. Energy Resources    | 61.1           | 51.8           | 64.3                | 57.5                | -6.7              |
| Building Technologies        | 59.4           | 52.6           | 59.0                | 62.1                | 3.1               |

|  |                |                |                |                |              |
|--|----------------|----------------|----------------|----------------|--------------|
| Industrial Technologies                  | 98.6           | 64.4           | 97.7           | 76.4           | -21.3        |
| Biomass/Biorefinery                      | 24.6           | 8.8            | 0.0            | 10.8           | 10.8         |
| Federal Energy Mgmt.                     | 19.3           | 20.0           | 20.0           | 20.0           | 0.0          |
| Program Management <sup>a</sup>          | 77.0           | 76.7           | 90.2           | 80.7           | -9.5         |
| Energy Eff. Sci. Initiative <sup>a</sup> | 5.0            | 0.0            | [5.0]          | 0.0            | 0.0          |
| Climate Tech. Initiative                 | 0.0            | 9.5            | 0.0            | 0.0            | 0.0          |
| Rescissions & Transfers                  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0          |
| R&D Subtotal                             | 623.5          | 548.8          | 594.5          | 587.6          | —            |
| Grants Subtotal                          | 268.2          | 327.0          | 285.0          | 274.0          | —            |
| General Reduction                        | —              | —              | -15.0          | —              | 15.0         |
| <b>Total Appropriations</b>              | <b>\$891.8</b> | <b>\$875.8</b> | <b>\$879.5</b> | <b>\$861.6</b> | <b>-17.8</b> |

<sup>a</sup> Using EERE's new account structure for FY2004, the House Appropriations Committee's report's narrative and budget table includes \$5.0 million for the Energy Efficiency Science Initiative as part of the FY2004 total for Program Management. In contrast, using EERE's old account structure for FY2003, the report's budget table shows FY2003 funding for the Energy Efficiency Science Initiative in its own account line, separate from the Program Management account line.

To offset these increases, the FY2004 request also proposes several decreases. Compared to the FY2003 appropriation, the FY2004 request would cut overall funding by \$16.0 million, or 2%, not accounting for inflation. R&D funding would decline from \$623.5 million to \$548.8 million, a drop of \$74.7 million, or 12%.

The House approved \$879.5 million for DOE energy conservation funding in FY2004. Compared to the Administration's Request, this is an increase of \$3.7 million, or 0.4%. However, compared to the FY2003 appropriation, this is a decrease of \$12.3 million, or 1%, excluding inflation. In House floor action, an amendment added \$15.0 million for Weatherization grants with an unspecified \$15.0 million offsetting cut in energy conservation.

The House Appropriations Committee report (p. 12-13) says that DOE "needs to do a better job measuring potential program success and discontinuing programs that do not yield expected results." Further, it states that incremental technology improvements are key to short-term and mid-term energy efficiency improvements and related emission reductions. In particular, the Committee says it restored many DOE-proposed energy conservation reductions because "it would be fiscally irresponsible to discontinue research in which we have made major investments without bringing that research to a logical conclusion." Several more Committee agreements (p. 122-123) include that: (1) several positions will be eliminated, based on the EERE reorganization, (2) the National Academy of Public Administration's recommendations as to its review of the reorganization should be implemented as soon as possible after delivery, (3) the FY2005 budget justification document should include a program specific table with greater detail about sub-activities, (4) the State Technologies Advancement Collaborative should be continued and supplemented with other program funds, (5) EERE cooperative programs should be closely coordinated with certain fossil energy programs, (6) the National Climate Change Technology Initiative should be more clearly defined, and (7) the National Academy of Sciences program review should become a continuing annual review.

The Senate Appropriations Committee recommends \$861.6 million for energy conservation, which is \$17.8 million, or 2%, less than the House approved and \$14.1 million less than the request. Compared to FY2003, the Committee recommendation would cut overall funding by \$30.1 million, or 3%, not accounting for inflation. Grants would increase by \$5.8 million, but R&D would decline from \$623.5 million to \$587.6 million, a drop of \$35.9 million, or 6%. The decline for R&D includes cuts of \$28.4 million, or 47%, for Industries of the Future - Specific; \$13.8 million for Biomass/Biorefinery R&D; \$10.3 million for Fuels Technology (in the Vehicles Program); \$2.7 million to terminate the National Industrial Competitiveness through Energy, Environment, and Economics (NICE<sup>3</sup>) program (Industrial Technologies); and \$2.4 million for Rebuild America (Building Technologies). Partially offsetting this, Fuel Cell Technologies would increase by \$13.4 million.

For further information on the *Energy Conservation Budget*, see the Web site at [<http://www.cfo.doe.gov/budget/04budget/>]. 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 RS21442. *Hydrogen and Fuel Cell Vehicle R&D: FreedomCAR and the President's Hydrogen Fuel Initiative*, 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.ihs.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 located in 35 states. Health care is provided through a system of federal, tribal, and urban Indian operated programs and facilities that serve as the major source of health care for these AI/AN. IHS provides direct health care services through 36 hospitals, 63 health centers, 4 school health centers, 44 health stations, and 5 residential treatment centers. Tribes and tribal groups, under IHS contracts, operate another 13 hospitals, 158 health centers, 3 school health centers, 249 health stations, including 170 Alaska Native village clinics, and 28 residential treatment centers. IHS, tribes, and tribal groups also operate 11 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 House-passed bill recommends total IHS appropriations of \$2.95 billion for FY2004, which is \$99.0 million or 3.5% over the FY2003 appropriation of \$2.85 billion. The Senate Committee on Appropriations recommends slightly less—\$2.94 billion—an \$88.1 million or 3% increase over the FY2003 appropriation and 0.4% less than the House-passed amount. Of the total IHS appropriations recommended by both the House and the Senate Committee, 87% would be used for health services, and 13% for the health facilities program. IHS services are funded not only through congressional appropriations, but also from money reimbursed from

private health insurance and federal programs such as Medicare, Medicaid, and the State Children's Health Insurance Program. Both the House-passed bill and the Senate Committee estimate that IHS will collect \$567.6 million in reimbursements in FY2004, a \$117.6 million or 26% increase over the estimated amount of \$450.0 million for FY2003.

The IHS health services budget has several subcategories: clinical services, preventive health services, and other services. Clinical services include basic primary care for inpatient and outpatient services at IHS hospitals and clinics. For clinical services in FY2004, the House-passed bill recommends \$2.044 billion, \$70.5 million or 3.6% over the FY2003 level of \$1.97 billion while the Senate Committee recommends \$2.037 billion or \$6.9 million less than the House. Within the House's clinical services recommendation, \$1.27 billion or 62% would go to support programs for hospitals and clinics while the Senate Committee recommended \$1.25 billion or 1.3% less than the House. Dental health would receive \$105.8 million from the House and \$105.1 million from the Senate Committee; for mental health, the House passed \$54.0 million and the Senate Committee approved \$53.6 million; and for substance abuse treatment, the House bill has \$140.0 million while the Senate Committee recommends \$139.1 million. For contract health services, the House recommends \$478.0 million while the Senate Committee increased this category to \$490.0 million or 3.1% over FY2003. Contract health services are services purchased from local and community health care providers when IHS cannot provide medical care and specific services through its own system.

For preventive health services, the House-passed bill recommends \$108.3 million and the Senate Committee recommends \$107.6 million, both increases over the FY2003 appropriation of \$102.6 million. These totals include funding for public health nursing (House, \$43.1 million; Senate Committee, \$42.9 million), health education in schools and communities (House, \$11.94 million; Senate Committee, \$11.87 million), immunizations (House, \$1.58 million; Senate Committee, \$1.57 million), and the community health representatives (CHR) program (House, \$51.6 million; Senate Committee, \$51.3 million). The CHR program, which is tribally administered, supports tribal community members who work to prevent illness and disease in their communities.

For other health-related activities, the House has a total of \$403.5 million and the Senate Committee approved a total of \$401.5 million to support health-related activities in off-reservation urban health projects (House, \$32.0 million; Senate Committee, \$31.8 million), scholarships to health care professionals (House and Senate, \$31.2 million), funding for costs associated with providing tribal management grants to tribes (House, \$2.41 million; Senate Committee \$2.39 million), IHS administration and management costs for programs it operates directly (House and Senate Committee, \$61.5 million), self-governance (House and Senate Committee, \$5.7 million), and contract support costs (House \$270.7 million; Senate Committee, \$269.0 million). The House and Senate Committee did not support requested increases for the scholarships or self-governance categories, but at the request of tribes they did increase funding for the administration and management of IHS-operated programs by 8.6% over the President's requested amount. Contract support costs are awarded to tribes for administering programs under contracts or compacts authorized under the Indian Self-Determination Act (P.L. 93-638, as

amended). They include costs for expenses tribes incur for financial management, accounting, training, and program start-up. The budget request reflects the fact that most tribes and tribal organizations are participating in new and expanded self-determination contracts and self-governing compacts.

The IHS's facilities category includes money for the construction, maintenance, and improvement of both health and sanitation facilities. The House recommends \$392.6 million for FY2004, while the Senate Committee recommends \$391.2 million, both increases over the FY2003 appropriation of \$373.7 million.

**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 already have relocated under the Act, but the House Appropriations Committee estimates that 190 Navajo families have yet to complete relocation, including about 16 families still on Hopi partitioned land (some of whom refuse to relocate). The remaining Navajo 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 FY2003, ONHIR received appropriations of \$14.4 million. For FY2004, the Administration, the House-passed bill, and the Senate Appropriations Committee all recommend \$13.5 million, a decrease of \$865,000, or 6%.

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. As for FY1997-FY2002, the FY2003 appropriations law 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 started.

**Smithsonian Institution, National Endowment for the Arts, and National Endowment for the Humanities.** One of the perennial issues addressed by Congress concerning the cultural programs and agencies delineated below is whether federal government support for the arts, humanities, 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 Institution.* 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. The SI is responsible for over 400 buildings with approximately 8 million square feet of space.

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

*Appropriations.* The House-passed bill would provide \$583.7 million for the Smithsonian Institution for FY2004, and the Senate Appropriations Committee would provide \$578.0 million, both increases over the FY2004 Administration budget (\$566.5 million) and the FY2003 appropriation (\$544.9 million.) For the Smithsonian Institution’s Salaries and Expenses, the House-passed bill would provide \$489.7 million, and the Senate Committee would provide \$488.0 million, also increases over the FY2004 budget (\$476.5 million) and the FY2003 appropriation (\$446.1 million.) See **Table 14**.

*Facilities Capital.* For FY2004, the House-passed bill and the Administration are using a new account title, “Facilities Capital,” now comprised of revitalization, construction, and facilities planning and design. The House-passed bill would provide \$94.0 million for “Facilities Capital” while the Senate Appropriations Committee and the Administration recommended \$90.0 million. For “revitalization” the House-passed bill would provide \$75.7 million, an increase of \$4.0 million above the Senate Committee’s and Administration’s recommendation (\$71.7 million.) The

revitalization program is to address the cases of “advanced deterioration” in SI buildings, to help meet the needs of routine maintenance and repair in all Smithsonian Institution facilities, and to make critical repairs.

A study by the National Academy of Public Administration (NAPA), *A Study of the Smithsonian Institution’s Repair, Restoration and Alteration of Facilities Program (2001)*, 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 recommends that the Smithsonian Institution spend \$1.5 billion over the next decade to fully repair, renovate, and modernize its facilities.

*National Museum of the American Indian (NMAI)*. The House-passed bill, Senate Appropriations Committee’s bill, and FY2004 Administration budget would provide no new federal funds for completion of the Mall museum’s construction, as compared to an FY2003 appropriation of \$15.9 million. However, both bills and the Administration would provide approximately \$38 million for operations of the NMAI to help support the Museum’s opening. The NMAI was at first controversial. Opponents of constructing a new museum argued that the current Smithsonian Institution museums needed renovation, repair, and maintenance 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. Based on a new estimate of \$219.3 million for construction of the Indian museum, the Smithsonian Institution indicated that trust funds would be used to cover opening costs. The groundbreaking ceremony for the NMAI took place September 28, 1999 and the projected opening is September of 2004.

*Smithsonian Institution Center for Materials Research and Education (SCMRE)*. The direction of SI’s research priorities is of concern to Congress. A recent controversy involved the proposed closing of the Smithsonian Institution Center for Materials Research and Education (SCMRE), which the Smithsonian Institution decided to retain. The FY2002 Interior Appropriations law had provided that an independent “blue ribbon” Science Commission would be established and meet before any final decision about closing the SCMRE. The Commission’s report of January, 2003 noted that science programs of the Smithsonian Institution have eroded over time due to a “long-term trend in declining support for mandatory annual salary increases.” The House-passed bill, the Senate Appropriations Committee, and the FY2004 Administration budget would provide essentially level funding for the SCMRE (\$3.5 million).

*Trust Funds*. In addition to federal appropriations, the Smithsonian Institution 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 “business ventures” including the Smithsonian magazine, retail shops, restaurants, concessions, catalogs, and entertainment initiatives. There are also trust funds that are private donor designated funds, which include gifts, grants, and contributions from individuals, foundations, and corporations that specify and direct the purpose of funds. In FY2003, such contributions for designated projects were estimated at \$63.0 million. Finally, government grants and contracts (separate from the regular



appropriation) are provided by various government agencies and departments for projects specific to the Smithsonian Institution because of its expertise in certain fields including science, history, art, and education. For FY2003, government grants and contracts were projected to be \$87.0 million. Most of this funding (\$72.0 million) is available to the Smithsonian Institution's Astrophysical Observatory for research and development.

Tracking of the Smithsonian Institution's Trust fund expenditures has been of concern to the Congress. In FY2003, the Senate Committee on Appropriations recommended instituting a plan, that the Smithsonian Institution has now developed, to track trust fund budget proposals and expenditures. According to the Inspector General of the Smithsonian Institution, there was a discrepancy between what the Board of Regents approved and actual expenditures. This matter has been resolved.

**Table 14. Smithsonian Institution Appropriations, FY2003-2004**  
(\$ in thousands)

| Smithsonian Institution (SI)                      | FY2003 Approp. | FY2004 Request | FY2004 House passed | FY2004 Senate Comm. |
|---|----------------|----------------|---------------------|---------------------|
| Salaries and Expenses                             | \$446,096      | \$476,553      | \$489,748           | \$487,989           |
| Repair, Restoration, and Alteration of Facilities | 82,883         | —              | —                   | —                   |
| Facilities Capital                                | —              | 89,970         | 93,970              | 89,970              |
| Construction                                      | 15,896         | —              | —                   | —                   |
| <b>SI total</b>                                   | <b>544,875</b> | <b>566,523</b> | <b>583,718</b>      | <b>577,959</b>      |

For further information on the *Smithsonian Institution*, 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).

For FY2004, the House-passed bill would provide \$127.5 million for NEA (including \$27.0 million for the Challenge America Arts fund), \$10.0 million above the Senate Committee's and the FY2004 Administration's recommendation (\$117.5 million.) During consideration of H.R. 2691, the House agreed to an amendment that

increased funding for NEA by \$10 million and for NEH by \$5 million, while offsetting these amounts through decreases in the National Park Service, Departmental Management, and Forest Service. This represents an increase of \$11.8 million over the FY2003 appropriation for NEA (\$115.7 million, which included \$16.9 million for the Challenge America Arts Fund). See **Table 15**. 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 NEA now administers the Challenge America Arts Fund, a program of matching grants for arts education, outreach and community arts activities for rural and under-served 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.

For FY2004, the House-passed bill would provide \$142.0 million for NEH, the same as the Senate Appropriations Committee recommendation, an increase of \$17.1 million above the FY2003 appropriation (\$124.9 million) but \$10.0 million below the Administration budget (\$152.0 million). The House-passed figure includes the \$5.0 million added on the floor. The House, Senate Committee, and Administration would add funds (\$10.0 million, \$15.0 million, and \$25.0 million respectively) for a new program entitled "We the People Initiative grants." These grants will include model curriculum projects for schools to improve course offerings in the humanities—American history, culture, and civics. The NEH generally supports grants for humanities education, research, preservation and public humanities programs; the creation of regional humanities centers; and development of 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 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 was 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 would be simpler. The FY2003 appropriation provided \$243.9 million for both libraries and museums. The House Appropriations Committee recommends \$238.1 million for IMLS for FY2004 and the Senate Appropriations Committee would provide \$243.9 million. The FY2004 Administration request for IMLS is \$242.0 million, including \$30.3 million for OMS. The Office of Museum Services provides grants in aid to museums in the form of leadership grants, museum conservation, conservation project support, museum assessment, and General Operating Support (GOS) to help over 400 museums annually to improve the quality of their services to the public. (See the report on Labor-Health and Human Services and Education Appropriations for further information.)

Among the questions Congress continually considers is whether funding for the arts and humanities is an appropriate federal role and responsibility. Some opponents of federal arts funding 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 national touring theater and dance companies, radio and television shows, and traveling museum exhibitions.)

*Previous NEA Controversies.* Although there appears to be an increase in congressional support for the NEA, debate often recurs on previous questionable NEA grants when appropriations are considered, despite 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 with some exceptions. 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 reforms in past appropriations laws. The FY2003 law retained language in previous laws related to funding priorities and restrictions on grants, including that no grant may be used generally for seasonal support to a group; and no grants may be for individuals except for literature fellowships, National Heritage fellowships, or American Jazz Master fellowships.

**Table 15. Arts and Humanities Funding, FY2003-FY2004**  
(\$ in thousands)

| Arts/<br>Humanities Funding <sup>a</sup> | FY2003<br>Approp.      | FY2004<br>Request | FY2004<br>House<br>Passed | FY2004<br>Senate<br>Comm. |
|--|------------------------|-------------------|---------------------------|---------------------------|
| NEA                                      | \$115,732 <sup>b</sup> | \$100,480         | \$127,480                 | \$117,480                 |
| Challenge America Arts Fund              | {16,889} <sup>b</sup>  | 17,000            | {27,000} <sup>b</sup>     | {17,000} <sup>b</sup>     |
| <b>Subtotal NEA</b>                      | <b>115,732</b>         | <b>117,480</b>    | <b>127,480</b>            | <b>117,480</b>            |
| NEH grants and administration            | 108,919                | 135,878           | 125,878                   | 125,878                   |
| NEH matching grants                      | 16,017                 | 16,122            | 16,122                    | 16,122                    |
| <b>Subtotal NEH</b>                      | <b>124,936</b>         | <b>152,000</b>    | <b>142,000</b>            | <b>142,000</b>            |

<sup>a</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-Ed and Related Agencies.

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

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 principal land management agencies—Bureau of Land Management, Fish and Wildlife Service, National Park Service (NPS), and Forest Service—draw primarily on the LWCF to acquire lands. The presentations about each of those agencies earlier in this report identify 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 NPS. In recent years, Congress also has appropriated money from the LWCF to fund some related activities that do not involve land acquisition. Appropriations for federal acquisitions generally are earmarked to specific management units, such as a National Wildlife Refuge, while the state grant program rarely is earmarked. Funds may not be spent without an appropriation. The LWCF is authorized at \$900 million annually through FY2015.

Through FY2003, the total amount that could have been appropriated from the LWCF since its inception was \$26.3 billion. Actual appropriations have been \$13.1 billion. In recent years, until FY2003, appropriators had provided generally increasing amounts from the Fund for federal land acquisition and the state grant program. The total had more than quadrupled, rising from a low of \$138 million in FY1996 to \$573 million in FY2002. However, the FY2003 appropriation was \$410 million, a decrease of \$163 million. FY2004 funding is likely to be less, as the request totaled \$348 million while the House bill would provide \$198 million and the Senate bill would provide \$317 million. **Table 16** shows the components of LWCF appropriations for FY2001 through FY2003, the Bush Administration requests for FY2003 and FY2004, and the House-passed and Senate Committee amounts for FY2004.

**Table 16. LWCF Funding for Federal Land Acquisition and State Grants, FY2001-FY2004**  
(\$ in millions)

| Agency                              | FY2001<br>Approp. | FY2002<br>Approp. | FY2003<br>Request      | FY2003<br>Approp. | FY2004<br>Request | FY2004<br>House<br>Passed | FY2004<br>Senate<br>Comm. |
|-------------------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|---------------------------|---------------------------|
| BLM                                 | \$56              | \$50              | \$45                   | \$33              | \$24              | \$14                      | \$26                      |
| FWS                                 | 121               | 99                | 70                     | 73                | 41                | 23                        | 65                        |
| NPS Federal<br>Acquisitions         | 125               | 130               | 86                     | 74                | 79                | 34                        | 55                        |
| NPS<br>Administered<br>State Grants | 90                | 144               | 200 <sup>a</sup>       | 97                | 160               | 98                        | 104                       |
| FS                                  | 156               | 150               | 131                    | 133               | 44                | 29                        | 77                        |
| <b>Total</b>                        | <b>548</b>        | <b>573</b>        | <b>532<sup>b</sup></b> | <b>410</b>        | <b>348</b>        | <b>198</b>                | <b>327</b>                |

**Source:** Data for FY2001 compiled by the Department of the Interior Budget Office; data for FY2002 from Interior Appropriations Conference Report (H.Rept. 107-234); data for FY2003 and FY2004 from Appropriations Committees' documents.

**Note:** In some recent years, Congress has appropriated LWCF Funds to federal agencies for purposes other than land acquisition and stateside grants. These funds for other purposes are not included in this table. This process started when Congress provided \$72 million for other purposes in the FY1998 Interior appropriations law. In FY1999, no funding was appropriated for other purposes. Since then, funding for other purposes has included \$15 million in FY2000, \$456 million in FY2001, \$135 million in FY2002, and \$197 million in FY2003. The FY2004 budget request includes \$554 million for other conservation programs, and both the House-passed and Senate Committee bills for FY2004 fund some of these programs using LWCF funds.

<sup>a</sup>This figure includes \$50 million for a new Cooperative Conservation Initiative, which was not funded by the House or Senate, but was appropriated at \$14.9 million by the conference committee in the FY2003 appropriations law.

<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.

Reductions of the magnitude that can be anticipated in FY2004 were last seen in the early and mid 1990s as part of efforts to address the federal budget deficit. This time, the federal budget deficit is becoming important, and other priorities have become more pressing in the wake of the many components of the war on terrorism. The lower FY2003 and FY2004 appropriation requests of \$532 million and \$348 million, respectively, for land acquisition contrasted with the Bush administration request for full funding for FY2002. In the FY2003 legislative process, the decline continued chronologically with each step; the House approved less funding (\$528 million) than the Administration requested, then the Senate approved less funding (\$464 million) than the House, and the conference committee agreed to a total of \$410 million, which was \$118 million less than the House-passed total and \$54 million less than the Senate-passed total. Not only was the total lower than in FY2002, but each of the five component accounts also were reduced. For FY2004, under both bills each federal agency account (but not the state grants) would be reduced from FY2003.

In FY2004, the Administration requested the largest amount in the program's history—\$554 million—for purposes other than land acquisition and stateside grants. The programs and amounts are listed in appendix E of the *FY2004 Interior*

*Budget in Brief.* In recent years, Congress has appropriated the fund for other programs, as identified in the note following table 16. For FY2004, specific programs that would be funded using the LWCF include: Forest Service's Forest Stewardship Program (\$65.6 million), Forest Legacy Program (\$90.8 million), and Urban and Community Forestry Program (\$37.9 million); the Department of the Interior's interagency Cooperative Conservation Initiative (\$113.2 million); and Fish and Wildlife Service's State and Tribal Wildlife Grants (\$60.0 million), Landowner Incentive Grants (\$40.0 million), Stewardship Grants (\$10.0 million), Cooperative Endangered Species Grants (\$86.6 million), and North American Wetlands Conservation Fund Grants (\$49.6 million).

Both the full House and Senate Committee on Appropriations agreed with this approach for FY2004, but have provided less total funding and funding for fewer programs from the LWCF. The House provides a total of \$260 million, while the Senate provides \$175 million. More specifically, both chambers provide \$40 million for Landowner Incentive Grants, \$10 million for Stewardship Grants, \$50 million for Cooperative Endangered Species Grants, and \$75 million for State and Tribal Wildlife Grants. In addition, the House bill provides \$85 million for State and Private Forestry Programs.

The Administration again sought funding for the Cooperative Conservation Initiative to promote conservation through partnerships that match BLM, NPS, and FWS funds with local contributions. In FY2003, the Bush Administration had first proposed this Initiative, and sought \$100 million. Half this total was to come from the state grant program portion of the LWCF, and the remainder would have come from the operating accounts of the three DOI land management agencies. Congress appropriated \$14.9 million to this Initiative. In contrast to the FY2003 request, the entire FY2004 request of \$113.2 million was to come from the LWCF. Neither the House-passed nor Senate Committee bill for FY2004 bill would fund this Initiative.

The report of the Senate Committee on Appropriations instructs each of the four federal agencies receiving LWCF monies to identify (to the Appropriations Committee by May 1 each year) any unobligated balances that had been provided more than 3 years earlier. Each agency would have to document why any of these identified funds should not be reprogrammed, transferred, or rescinded. The Committee ties a need for this review to the current demand for funds to pay for emergency fire suppression. However, it does not restrict spending identified funds on fire suppression.

**Conservation Spending Category.** Congress created the Conservation Spending Category (CSC), as an amendment to the Balanced Budget and Emergency Deficit Control Act of 1985, in the FY2001 Interior appropriations law. The CSC combines funding for more than 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 both the Clinton Administration request for substantial funding increases in these programs under its Lands Legacy Initiative, and congressional interest in increasing conservation funding through legislation known as the Conservation and Reinvestment Act (CARA), which passed the House in the 106<sup>th</sup> Congress. The CSC law authorized

that total spending under the category would grow each year by \$160 million, from \$1.6 billion in FY2001 (of which \$1.2 billion would be through Interior Appropriations laws) to \$2.4 billion in FY2006. All funding each year is subject to the appropriations process. (Also, scoring matters — the Administration and the Appropriations Committee staffs disagree on whether all or portions of funding for some programs, such as the Cooperative Conservation Initiative, should be credited to the CSC.) The appropriations history up to FY2004 is as follows.

- The FY2001 laws exceeded the target of \$1.6 billion by appropriating a total of \$1.68 billion; \$1.20 billion for Interior appropriations programs and \$0.48 billion for Commerce appropriations programs. (Totals for Interior and Commerce funding were both increases from the preceding year of \$566 and \$160 million, respectively.)
- The FY2002 request totaled \$1.54 billion for this group of programs, and Congress appropriated \$1.75 billion, thus almost reaching the target of \$1.76 billion. The appropriation for the Interior portion was \$1.32 billion, reaching the authorized target amount.
- The FY2003 request totaled \$1.67 billion for this group of programs, a decrease from FY2002 funding, and below the target of \$1.92 billion. Congress appropriated a total of \$1.51 billion. For the Interior portion, Congress provided \$1.03 billion, less than the authorized target of \$1.44 billion.

The Administration's FY2004 request totaled \$1.33 billion, according to estimates compiled by Interior and Commerce Appropriations subcommittee staffs. This amount is below the target of \$2.08 billion. For the Interior portion, the request is \$1.00 billion, and the target is \$1.56 billion. (The Administration has an alternative estimate that increases the total FY2004 request to \$1.22 billion for Interior programs, but it is based on some different assumptions about which programs to include.) Neither the House-passed nor Senate Committee-reported bills for FY2004, or their accompanying committee reports, identify the funding levels for the CSC, with one exception. The House Appropriations Committee report includes "additional views" by Representatives Obey and Dicks in which they insert a table to document, by program, the difference between the \$1.56 billion target and their estimate of the total funding for CSC programs of \$991 million. During floor consideration, Representative Obey offered an amendment to fund this difference by rescinding 3.21% of the tax cut for taxpayers with adjusted gross incomes in excess of \$1 million. The amendment was rejected on a point of order raised by both Resource Committee Chair Pombo and Interior Appropriations subcommittee Chair Taylor against including authorizing legislation in an appropriations bill.

For further information on CSC, see **Table 19** at the end of this report. **Table 19** will be updated after the appropriations committee staff prepare tables estimating FY2004 funding.

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 RS21503. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

**Everglades Restoration.** Restoration activities in the South Florida ecosystem, which includes the Everglades, are conducted under several laws. However, the Water Resources Development Act of 2000 (WRDA 2000; P.L. 106-541), which authorized the Comprehensive Everglades Restoration Plan (CERP, in Title VI) is considered the seminal law for 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 — CERP, completed in 1999 — provides for federal involvement in the restoration of the ecosystem. Congress authorized the Corps to implement CERP in WRDA 2000. 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>7</sup>

From FY1993 to FY2003, federal appropriations for projects and services related to the restoration of the South Florida ecosystem have exceeded \$1.9 billion dollars, and state funding has topped \$3.6 billion.<sup>8</sup> The average annual federal cost for restoration activities in Southern Florida in the next 10 years is expected to be

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<sup>7</sup> CERP is the first stage in a three stage process to restore the Everglades. The estimated total cost of the entire restoration effort in the Everglades (i.e., all three stages) is estimated at \$14.8 billion.

<sup>8</sup> These figures represent an estimated cost of all CERP and non-CERP related costs for restoration in the South Florida ecosystem.



approximately \$286 million/year.<sup>9</sup> For FY2004, the Administration is requesting \$311.0 million for restoration efforts in the Everglades, \$46.9 million above the FY2003 enacted level of \$264.1 million.<sup>10</sup> Of this total, \$48.0 million is requested for the implementation of CERP. Complete information is not available in the House-passed bill and the Senate Committee-reported bill on funding for activities and projects related to restoring the Everglades. Funding for many of the restoration activities is generally not calculated or listed within the House and Senate Committee reports and is determined later by federal agencies when funds are appropriated. Programmatic changes and some funding totals are given in bills and reports. These changes and totals are discussed below.

Appropriations for restoration projects in the South Florida ecosystem have been included in several annual appropriations laws. The Department of the Interior 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, Fish and Wildlife Service, U.S. Geological Survey, and Bureau of Indian Affairs.

For FY2004, the Administration requests a total of \$112.3 million for the DOI for CERP and non-CERP activities related to restoration in the South Florida ecosystem. Of this total, the NPS requests \$86.4 million for land acquisition, construction, and research activities; the FWS requests \$12.9 million for land acquisition, refuges, ecological services, and other activities; the USGS requests \$12.6 million for research, planning, and the Critical Ecosystem Studies Initiative; and the BIA requests \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. For conducting activities authorized by CERP, the DOI has requested \$8.9 million. See **Table 17**.

**Table 17. Appropriations for Everglades Restoration in the DOI Budget, FY2003-FY2004**

(\$ in thousands; N/A is not available)

| Agencies requesting funding for Everglades Restoration                                  | FY2003 Approp. | FY2004 Request | FY2004 House Passed   | FY2004 Senate Comm. |
|---|----------------|----------------|-----------------------|---------------------|
| <b>National Park Service</b>  |                |                |                       |                     |
| Interagency coordination and planning activities. <sup>a</sup>                          | N/A            | N/A            | \$10,887              | \$10,887            |
| CERP  | \$5,513        | \$5,555        | N/A                   | N/A                 |
| Park Operations <sup>b</sup>  | 23,874         | 24,194         | N/A                   | N/A                 |
| Land Acquisition  | 14,924         | 40,000         | N/A                   | N/A                 |
| Water quality improvements, eradicating exotic species, and endangered species recovery | 0              | 0              | [32,000] <sup>c</sup> | N/A                 |
| Modified Water Delivery   | 9,935          | 12,990         | 0                     | 12,990              |

<sup>9</sup> This figure is based on CERP and non-CERP related restoration activities in South Florida.

<sup>10</sup> This figure is based on the contributions of all federal agencies.

| Agencies requesting funding for Everglades Restoration    | FY2003 Approp. | FY2004 Request | FY2004 House Passed             | FY2004 Senate Comm. |
|---|----------------|----------------|---------------------------------|---------------------|
| Critical Ecosystem Studies Initiative                     | 3,974          | 0              | N/A                             | N/A                 |
| South Florida Ecosystem Task Force                        | 1,320          | 1,332          | N/A                             | N/A                 |
| Everglades Acquisitions Management                        | 2,782          | 2,300          | N/A                             | N/A                 |
| <b>NPS Total</b>  | <b>62,322</b>  | <b>86,371</b>  | <b>N/A</b>                      | <b>N/A</b>          |
| <b>Fish and Wildlife Service</b>                          |                |                |                                 |                     |
| CERP  | 3,329          | 3,351          | N/A                             | N/A                 |
| Land Acquisition  | 2,484          | 1,964          | N/A                             | N/A                 |
| Ecological Services                                       | 2,537          | 2,554          | N/A                             | N/A                 |
| Refuges and Wildlife                                      | 3,682          | 4,306          | N/A                             | N/A                 |
| Law Enforcement   | 632            | 636            | N/A                             | N/A                 |
| Fisheries   | 99             | 100            | N/A                             | N/A                 |
| Water quality monitoring and eradicating invasive species | 0              | 0              | 5,000<br>(Transferred from NPS) | N/A                 |
| <b>FWS Total</b>  | <b>12,763</b>  | <b>12,911</b>  | <b>N/A</b>                      | <b>N/A</b>          |
| <b>U.S. Geological Survey</b>                             |                |                |                                 |                     |
| Research, Planning and Coordination                       | 8,580          | 8,636          | N/A                             | N/A                 |
| Critical Ecosystem Studies Initiative                     | 0              | 4,000          | 0                               | N/A                 |
| <b>USGS Total</b>   | <b>8,580</b>   | <b>12,636</b>  | <b>N/A</b>                      | <b>N/A</b>          |
| <b>Bureau of Indian Affairs</b>                           |                |                |                                 |                     |
| Stormwater treatment on Seminole Tribal lands             | 393            | 396            | N/A                             | N/A                 |
| <b>DOI TOTALS</b>   | <b>84,058</b>  | <b>112,314</b> | <b>N/A</b>                      | <b>N/A</b>          |

<sup>a</sup> This funding was not defined and could include funding for CERP, the South Florida Ecosystem Task Force, or other restoration activities done by the NPS.

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

<sup>c</sup> These funds are recommended by the House Appropriations Committee to be transferred from unobligated balances from last year (FY2003).

**Source:** South Florida Ecosystem Task Force, FY2004 Cross-Cut Budget at: [<http://www.sfrestore.org/documents/cc2004/index%2004.htm>], accessed July 2, 2003.

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 Related Agencies Appropriations), U.S. Environmental Protection Agency (EPA) (VA, HUD, and Related Agencies Appropriations), and U.S. Department of Agriculture (U.S. Department of Agriculture and Related Agencies Appropriations). (For other Everglades funding, see CRS Report RL31807 *Appropriations for FY2004: Energy and Water Development*).

The total funding for restoration activities in the Everglades is unclear from the House-passed Interior appropriations bill and the Senate Appropriations Committee reported bill. The Administration's request for funding DOI restoration activities in the Everglades in FY2004 is \$28.2 million more than the FY2003 enacted level of \$84.1 million. The primary increase in funding is for the acquisition of mineral rights underlying Big Cypress National Preserve (*e.g.*, from \$14.9 million to \$40.0 million under the land acquisition heading of the NPS). The Collier Resources Company has mineral rights and has reached an agreement in principle to sell them to the DOI.<sup>11</sup> Forty million dollars would cover a portion of the cost of the mineral rights, estimated at \$120 million.

The House-passed bill would provide \$68.1 million for the NPS to conduct Everglades restoration, a reduction of \$18.3 million from the Administration's request of \$86.4 million and an increase of \$5.8 million from the FY2003 enacted level of \$62.3 million. The Senate Appropriations Committee recommendation is not given. The House-passed version of the bill did not recommend funding for the Modified Water Deliveries Project for FY2004 unless certain reporting requirements are met (outlined below). The Senate Appropriations Committee, however, recommended \$13.0 million for the Modified Water Deliveries Project.

**Concerns Over Phosphorus Mitigation in the Everglades.** Several concerns regarding restoration efforts in the Everglades are presented in the House Committee report on Interior appropriations. One concern is over a Florida State Law (Chapter 2003-12) that was enacted on May 20, 2003. This law amends the Everglades Forever Act of 1994 (Florida Statutes §373.4592) by authorizing a new plan to mitigate phosphorus pollution in the Everglades. Phosphorus is one of the primary water pollutants in the Everglades. Excess levels of phosphorus result in less habitat for wading birds and other wildlife as well as fewer stands of native plant species. Some critics argue that this new law extends previously established phosphorus mitigation deadlines for the Everglades, and may compromise efforts to restore the Everglades, as well as jeopardize federal appropriations for CERP. Proponents of the law argue that the new plan represents a realistic strategy for curbing phosphorus. On April 29, 2003, six Members of the U.S. House of Representatives, issued a joint statement that encouraged the Governor of Florida to veto the bill.<sup>12</sup> A subsequent law of the Florida State Legislature (May 27, 2003, S 00054-A) attempted to address some of these concerns.

The House Committee report states that these laws could delay the restoration and protection of the Arthur R. Marshall Loxahatchee National Wildlife Refuge (LNWR) and ENP, and hinder the implementation of CERP. The House Committee also believes that federal money for restoring the Everglades should be tied to progress in improving water quality. The Senate Appropriations Committee has not

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<sup>11</sup> The Collier family is the primary holder of mineral rights under the Big Cypress Preserve, and their mineral rights were established before the creation of the preserve. It is estimated that there are 40 million barrels of recoverable oil under the Big Cypress Preserve.

<sup>12</sup> The letter is available at: [[http://www.house.gov/appropriations/news/108\\_1/04everglades.htm](http://www.house.gov/appropriations/news/108_1/04everglades.htm)], accessed May 21, 2003.

indicated a position on this issue and has not referred to it in either the Senate Committee bill or report.

The House passed Interior appropriations bill and the House Committee report provide several directives related to phosphorus mitigation and restoration in the Everglades:

- The House bill directs that funds for completing the Modified Water Deliveries Project be available unless: 1) a report filed by the heads of specified agencies concludes that the state of Florida is *not* meeting state water quality standards and its obligations to improve water quality (*i.e.*, phosphorus mitigation) in the ARM Loxahatchee National Wildlife Refuge (LNWR) and ENP, and 2) the House and Senate Appropriations Committees disapprove in writing of the further expenditure of funds.
- The House Committee report directs EPA to report to the House and Senate Committees on Appropriations as to whether the amendments to Florida's 1994 Everglades Forever Act are consistent with state water quality standards under the Clean Water Act.
- The House Committee report states that the state of Florida may not view the acquisition of land for the implementation of CERP as its highest priority and directs that \$32 million of prior year unobligated appropriations meant to assist Florida in acquiring lands be used instead to fund other high priority restoration projects.
- The House-passed bill directs the Secretary of the Interior to redirect \$5.0 million under the NPS to the FWS for implementing additional water quality monitoring and eradication of invasive exotics at the LNWR. The bill and report authorize the Secretary of the Interior to transfer funds to the U.S. Army Corps of Engineers to implement additional water quality improvement technologies for portions of the Everglades ecosystem that affect the LNWR. This assistance is expected to help the state of Florida meet its water quality standards.

***Everglades Research.*** The House Committee report cites studies from the General Accounting Office and National Research Council that suggest that efforts to coordinate scientific information for Everglades research need to be improved.<sup>13</sup> To accomplish this improvement, the Committee directs the Scientific Coordination Team, that was created by the South Florida Ecosystem Restoration Task Force, to develop a science plan that identifies and addresses the scientific gaps in the restoration effort in the Everglades.

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<sup>13</sup> The reports referred to are *Science and the Greater Everglades Ecosystem Restoration*, National Research Council (Washington, DC: 2003), 154 p. and *South Florida Ecosystem Restoration: Task Force Needs to Improve Science Coordination to Increase the Likelihood of Success*, General Accounting Office (Washington, DC: March 2003), 58p.

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 RL31621. *Florida Everglades Restoration: Background on Implementation and Early Lessons*, by Pervaze A. Sheikh.

CRS Report RS21331. *Everglades Restoration: Modified Water Deliveries Project*, by Pervaze A. Sheikh.

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

### **Other Issues.**

***Outsourcing of Government Jobs.*** The Bush Administration is considering privatizing numerous and diverse government jobs, under its “competitive sourcing” initiative outlined in 2001. The goal is to save money through competition between government and private businesses, in areas where private businesses might provide better commercial services, e.g., law enforcement and maintenance. Under the “outsourcing” plan, as it is commonly known, agencies are to submit at least 15% of their jobs to competition with the private sector. The plan has become increasingly controversial, with concerns as to whether it would save the government money and whether the private sector could provide the same quality of service in certain areas.

For agencies funded by the Interior appropriations bill, concern has focused on the National Park Service and the Forest Service. According to one Park Service source, more than 11,000 of the Park Service’s 19,000 jobs were judged to be not “inherently governmental” and are therefore being considered under the initiative, with 1,708 possibly outsourced. The Forest Service was reported to be considering a plan that would allow the private sector to compete for more than a quarter of its approximately 40,000 jobs.

The Interior appropriations bills, as approved by the House and reported by the Senate Appropriations Committee, seek to limit the outsourcing initiative. The bill approved by the House would bar agencies from using funds in the bill to begin new outsourcing studies. An amendment to strike this section was offered then withdrawn on the House floor. In its report, the House Committee on Appropriations expresses concern about the “massive scale, seemingly arbitrary targets, and considerable costs associated with this initiative.” The Committee’s report requires each agency to submit a report, by March 1, 2004, on the results of completed studies and the schedules, plans, and cost estimates for future outsourcing competitions.

The language in the Senate Committee bill is limited to the Forest Service, and would bar the agency from initiating or continuing competitive sourcing studies until the Appropriations Committees have received and approved a competitive sourcing proposal. Both Committees expressed concern that the agencies are spending

significant sums on outsourcing, although the Administration did not request or receive funds for this purpose. In particular, there was concern that the Forest Services was reprogramming money without approval, and some Members discussed penalizing the agency; the agency expects to spend \$10 million on outsourcing in FY2003. The Senate Committee also expresses concern that the experiences of agencies with competitive sourcing is apparently not being considered as part of the current initiative. The competitive sourcing initiative is also being examined by the authorizing committees.

***Klamath River Basin.*** A provision (§138, general provisions) prohibiting Interior Department funding of the Klamath Fishery Management Council was included in the FY2004 Interior appropriations bill (H.R. 2691) reported from the House Appropriations Committee and passed by the House on July 17, 2003 (no similar provision is included in the Senate-reported S. 1391). In addition, a House floor amendment to prohibit farmers from planting certain crops on new leases in two Klamath Basin national wildlife refuges was defeated. The House provisions have sparked considerable controversy among interested parties. These provisions relate to an on-going conflict in the Klamath River Basin over water allocations for farmers in the Klamath River Project area in the Upper Basin and water needed to avoid harm to three federally listed fish species. The Bureau of Reclamation (Department of the Interior) is currently operating the Klamath Project under a one-year operations plan announced in April 2003 while it continues to work on completing a 10-year operations plan. The FWS and National Oceanic and Atmospheric Administration (NOAA) Fisheries completed consultation on a 2002 10-year plan on May 31, 2002; however, the Bureau rejected the FWS and National Marine Fisheries Service (NMFS)/NOAA Fisheries biological opinions on its 10-year operating plan and stated that it would comply for the immediate future but also requested new consultation. Controversies continue over science and data used to support the agencies decisions, and recent court decisions have sought to address concerns. For more information on the Klamath controversy, see: CRS Issue Brief *Endangered Species: Difficult Choices*, and CRS Report RL31098, *Klamath River Basin Issues: An Overview of Water Use Conflicts*.

## For Additional Reading

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

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 RS21331. *Everglades Restoration: Modified Water Deliveries Project*, by Pervaze A. Sheikh.

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

CRS Report RS21402. *Federal Lands, "Disclaimers of Interest," and RS2477*, by Pamela Baldwin.

CRS Report RL31621. *Florida Everglades Restoration: Background on Implementation and Early Lessons*, by Pervaze A. Sheikh.

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

CRS Report RS21503. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

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

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn and Pervaze A. Sheikh.

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

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

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

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

### **Land Management Agencies Generally**

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

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 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 RS21442. *Hydrogen and Fuel Cell Vehicle R&D: FreedomCAR and the President's Hydrogen Fuel Initiative*, by Brent D. Yacobucci.

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 Report RS20985. *Stewardship Contracting for the National Forests*, by Ross W. Gorte.

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

CRS Report RL31679. *Wildfire Protection: Legislation in the 107<sup>th</sup> Congress and Issues in the 108<sup>th</sup> Congress*, by Ross W. Gorte.



## 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 Institution.*  
[<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 18. Department of the Interior and Related Agencies Appropriations, FY2003-FY2004**  
(\$ in thousands)

| Bureau or Agency  | FY2003 Approp.   | FY2004 Request   | FY2004 House Passed | FY2004 Senate Comm. |
|---|------------------|------------------|---------------------|---------------------|
| <b>Title I: Department of the Interior</b>                                  |                  |                  |                     |                     |
| Bureau of Land Management   | \$1,841,893      | \$1,700,521      | \$1,696,844         | \$1,722,947         |
| U.S. Fish and Wildlife Service  | 1,243,533        | 1,285,227        | 1,296,265           | 1,338,228           |
| National Park Service   | 2,239,430        | 2,361,873        | 2,240,323           | 2,320,861           |
| U.S. Geological Survey  | 919,272          | 895,505          | 935,660             | 928,864             |
| Minerals Management Service   | 170,312          | 171,321          | 171,321             | 173,121             |
| Office of Surface Mining Reclamation and Enforcement                        | 295,179          | 281,168          | 301,168             | 297,592             |
| Bureau of Indian Affairs  | 2,257,243        | 2,292,761        | 2,309,340           | 2,320,412           |
| Departmental Offices <sup>a</sup>   | 624,609          | 775,285          | 707,401             | 732,117             |
| <b>Total, Title I</b>   | <b>9,591,471</b> | <b>9,763,661</b> | <b>9,658,322</b>    | <b>9,834,142</b>    |
| <b>Title II: Related Agencies</b>   |                  |                  |                     |                     |
| U.S. Forest Service   | 4,586,839        | 4,057,972        | 4,177,103           | 4,094,708           |
| Department of Energy  | 1,740,532        | 1,703,837        | 1,722,516           | 1,671,345           |
| Clean Coal Technology   | -87,000          | —                | -86,000             | -97,000             |
| Fossil Energy R & D   | 620,837          | 514,305          | 609,290             | 593,514             |
| Naval Petroleum and Oil Shale Reserves                                      | 17,715           | 16,500           | 20,500              | 17,947              |
| Elk Hills School Lands Fund   | 36,000           | 36,000           | 36,000              | 36,000              |
| Energy Conservation   | 891,769          | 875,793          | 879,487             | 861,645             |
| Economic Regulation   | 1,477            | 1,047            | 1,047               | 1,047               |
| Strategic Petroleum Reserve (SPR)   | 171,732          | 175,081          | 175,081             | 173,081             |
| SPR Petroleum Account   | 1,954            | —                | —                   | —                   |
| Northeast Home Heating Oil Reserve  | 5,961            | 5,000            | 5,000               | 5,000               |
| Energy Information Administration   | 80,087           | 80,111           | 82,111              | 80,111              |
| Indian Health Service   | 2,849,661        | 2,889,662        | 2,948,642           | 2,937,712           |
| Office of Navajo and Hopi Indian Relocation                                 | 14,397           | 13,532           | 13,532              | 13,532              |
| Institute of American Indian and Alaska Native Culture and Arts Development | 5,454            | 5,250            | 5,250               | 6,250               |
| Smithsonian Institution   | 544,875          | 566,523          | 583,718             | 577,959             |
| National Gallery of Art   | 92,842           | 100,449          | 100,449             | 97,250              |
| John F. Kennedy Center for the Performing Arts                              | 33,690           | 32,560           | 32,560              | 32,560              |
| Woodrow Wilson International Center for Scholars                            | 8,433            | 8,604            | 8,604               | 8,604               |

| <b>Bureau or Agency</b>                    | <b>FY2003<br/>Approp.</b>      | <b>FY2004<br/>Request</b> | <b>FY2004<br/>House<br/>Passed</b> | <b>FY2004<br/>Senate<br/>Comm.</b> |
|--|--------------------------------|---------------------------|------------------------------------|------------------------------------|
| National Endowment for the Arts            | 115,732                        | 117,480                   | 127,480                            | 117,480                            |
| National Endowment for the Humanities      | 124,936                        | 152,000                   | 142,000                            | 142,000                            |
| Commission of Fine Arts                    | 1,216                          | 1,422                     | 1,422                              | 1,422                              |
| National Capital Arts and Cultural Affairs | 6,954                          | 5,000                     | 7,000                              | 6,000                              |
| Advisory Council on Historic Preservation  | 3,643                          | 4,100                     | 4,100                              | 4,000                              |
| Natl. Capital Planning Comm.               | 7,206                          | 8,230                     | 7,730                              | 8,030                              |
| U.S. Holocaust Memorial Museum             | 38,412                         | 39,997                    | 39,997                             | 39,997                             |
| Presidio Trust                             | 21,188                         | 20,700                    | 20,700                             | 20,700                             |
| <b>Total, Title II: Related Agencies</b>   | <b>10,196,010</b>              | <b>9,727,318</b>          | <b>9,942,803</b>                   | <b>9,779,549</b>                   |
| <b>Grand Total (in Bill) <sup>b</sup></b>  | <b>19,787,481 <sup>c</sup></b> | <b>19,490,979</b>         | <b>19,601,125</b>                  | <b>19,613,691</b>                  |

Source: House Appropriations Committee and *Congressional Record*.

<sup>a</sup> Departmental Offices includes Insular Affairs, the Office of the Special Trustee for American Indians, and the Payments in Lieu of Taxes Program (PILT).

<sup>b</sup> Figures do not reflect scorekeeping adjustments.

<sup>c</sup> FY2003 enacted figures include an across-the-board cut of 0.65% in the FY2003 consolidated appropriations law (P.L. 108-7). The total includes \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.

**Table 19. Conservation Spending Category: Interior Appropriations**  
(\$ in millions)<sup>a b</sup>

| Subcategory/Approps. Account   | FY2001<br>Approp. | FY2002<br>Approp. | FY2003<br>Request        | FY2003<br>Approp. | FY2004<br>Request |
|--|-------------------|-------------------|--------------------------|-------------------|-------------------|
| <b>LWCF, Federal and State</b>   |                   |                   |                          |                   |                   |
| BLM Federal Land Acquisition   | \$47.3            | \$49.9            | \$44.7                   | \$33.2            | \$23.7            |
| FWS Federal Land Acquisition   | 121.2             | 99.1              | 70.4                     | 72.9              | 40.7              |
| NPS Federal Land Acquisition   | 124.8             | 130.1             | 86.1                     | 74.0              | 78.6              |
| FS Federal Land Acquisition  | 150.9             | 149.7             | 130.5                    | 132.9             | 44.1              |
| NPS Stateside Grants and Administration                                | 90.3              | 144.0             | 200.0 <sup>c</sup>       | 97.4              | 160.0             |
| <i>Subtotal, Federal and State</i>                                     | <i>534.5</i>      | <i>572.9</i>      | <i>531.7<sup>d</sup></i> | <i>410.4</i>      | <i>347.2</i>      |
| <b>LWCF, Other</b>   |                   |                   |                          |                   |                   |
| FWS State Wildlife Grants <sup>e</sup>                                 | 49.9              | 85.0 <sup>e</sup> | 60.0                     | 64.6              | 60.0              |
| FWS Incentive Grant Programs   | —                 | 40.0 <sup>f</sup> | 50.0                     | (0.3)             | 40.0              |
| FWS Stewardship Grants Program   | —                 | 10.0 <sup>f</sup> | 10.0                     | 9.9               | 10.0              |
| FWS Cooperative Endangered Species Conservation Fund                   | 104.7             | 96.2              | 91.0                     | 80.5              | 86.6              |
| FWS North American Wetlands Conservation Fund                          | 39.9              | 43.5              | 43.6                     | 30.3              | 49.6              |
| FS, Forest Legacy  | 59.9              | 65.0              | 69.8                     | 68.4              | 90.8              |
| FS, NFS Inventory and Monitoring                                       | 20.0              | —                 | -                        | —                 | —                 |
| <i>Subtotal, Other LWCF funded Conservation Programs<sup>g h</sup></i> | <i>274.4</i>      | <i>339.7</i>      | <i>324.4</i>             | <i>253.4</i>      | <i>337.0</i>      |
| <b>Total LWCF</b>  | <b>808.9</b>      | <b>912.6</b>      | <b>856.1</b>             | <b>663.8</b>      | <b>684.2</b>      |
| <b>Conservation Programs</b>   |                   |                   |                          |                   |                   |
| BLM MLR Cooperative Conservation Initiative                            | —                 | —                 | 10.0                     | 14.9 <sup>i</sup> | 36.1 <sup>i</sup> |
| FWS RM Cooperative Conservation Initiative                             | —                 | —                 | 18.0                     | —                 | —                 |
| NPS ONPS Cooperative Conservation Initiative                           | —                 | —                 | 22.0                     | —                 | —                 |
| USGS State Planning Partnerships                                       | 24.9              | 25.0              | 13.6                     | 20.0              | 20.0              |
| <i>Subtotal Conservation Programs</i>                                  | <i>24.9</i>       | <i>25.0</i>       | <i>63.6</i>              | <i>34.9</i>       | <i>56.1</i>       |

| Subcategory/Approps. Account                                | FY2001<br>Approp. | FY2002<br>Approp. | FY2003<br>Request | FY2003<br>Approp.          | FY2004<br>Request          |
|---|-------------------|-------------------|-------------------|----------------------------|----------------------------|
| <b>Urban and Historic Preservation Programs</b>             |                   |                   |                   |                            |                            |
| NPS Historic Preservation Fund                              | 94.1              | 74.5              | 67.0              | 68.6                       | 67.0                       |
| NPS Urban Parks and Recreation Recovery Grants              | 29.9              | 30.0              | 0.3               | 0.3                        | 0.3                        |
| FS Urban and Community Forestry                             | 35.6              | 36.0              | 36.2              | 36.0                       | 37.9                       |
| BLM Youth Conservation Corps                                | 1.0               | 1.0               | 1.0               | 1.0                        | 1.0                        |
| FWS Youth Conservation Corps                                | 1.0               | 2.0               | 2.0               | 2.0                        | 2.0                        |
| NPS Youth Conservation Corps                                | 2.0               | 2.0               | 2.0               | 2.0                        | 2.0                        |
| FS Youth Conservation Corps                                 | 2.0               | 2.0               | 2.0               | 2.0                        | 2.0                        |
| <i>Subtotal Urban and Historic Preservation Programs</i>    | <i>165.7</i>      | <i>147.5</i>      | <i>110.5</i>      | <i>111.8</i>               | <i>112.2</i>               |
| Payments in Lieu of Taxes, BLM                              | 49.9              | 50.0              | 15.0              | 59.6                       | 50.0                       |
| <i>Subtotal PILT</i>  | <i>49.9</i>       | <i>50.0</i>       | <i>15.0</i>       | <i>59.6</i>                | <i>50.0</i>                |
| <b>Federal Infrastructure Improvement Programs</b>          |                   |                   |                   |                            |                            |
| BLM - Management of Lands & Resources                       | 24.9              | 28.0              | 29.0              | 30.8                       | 29.4                       |
| FWS - Resource Management                                   | 24.9              | 29.0              | 58.0              | 49.4                       | 62.4                       |
| NPS - Construction  | 49.9              | 66.9              | 82.2              | 28.5                       | 0.0                        |
| FS - Capital Improvement and Maintenance                    | 49.9              | 61.0              | 50.9              | 45.6                       | 0.0                        |
| <i>Subtotal Federal Infrastructure Improvement Programs</i> | <i>149.6</i>      | <i>184.9</i>      | <i>220.1</i>      | <i>153.7</i>               | <i>91.8</i>                |
| <b>Total</b>  | <b>1,199.0</b>    | <b>1,320.0</b>    | <b>1,265.3</b>    | <b>1,032.2<sup>j</sup></b> | <b>1,001.3<sup>k</sup></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. Title VIII of P.L. 106-291 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, either because nothing was provided or sought, or because the account did not exist. Further, several programs in this category have not received separate funding under conservation spending for FY2001-FY2003 or as proposed in the FY2004 budget will not receive separate funding. They include Competitive Grants for Indian Tribes, FWS Neotropical Migratory Birds, FS Stewardship Incentive and FS Stewardship, Departmental Management (BIA Water Settlement), and National Wildlife Refuge fund, FWS.

In FY2003, the House, Senate, and appropriations law (P.L. 108-7) did not contain calculations of funding for the CSC. The joint explanatory statement of the conference report on the enacted measure stated that no funds in the law are derived from the CSC, but that most of the programs previously funded under that category are continued in FY2003.

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

<sup>c</sup> \$50.0 million of this total is part of a new Cooperative Conservation Initiative, and the remaining \$150.0 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>d</sup> Departmental Management /BIA Water Settlement is not listed because it was a one-time request in FY2003 for \$3.0 million. The FY2003 request for \$3.0 million is not included in the total.

<sup>e</sup> For FY2001, an additional \$50.0 million was appropriated for formula grants which were authorized in Title IX of the FY2001 Commerce appropriations law. Further, the FY2002 enacted amount does not reflect a proposed rescission of \$25.0 million.

<sup>f</sup> The FY04 appropriations history indicates that the rescission in FY2002 was not adopted, i.e. that the Incentive Grant programs and Stewardship grants programs were sustained in FY2002.

<sup>g</sup> The State and other conservation programs subgroup also includes the FWS Migratory Bird Fund and the FWS Multinational Species fund. The FY2003 funding for these was \$3.0 million for migratory birds and \$4.8 million for multinational species, and the FY04 request was \$0 and \$7.0 million respectively.

<sup>h</sup> Funds for FS, Forest Stewardship were not considered part of the CSC in FY2001 and FY2002 so the table does not reflect funds for this program. It was proposed to be funded in the FY2003 request at \$49.5 million, but did not receive funding.

<sup>i</sup> The FY03 appropriations and FY04 request is a total for BLM, FWS, and NPS.

<sup>j</sup> The final total includes \$7.8 million derived from the FWS Migratory Bird Fund (\$3.0 million ) and FWS Multinational species fund(\$4.8 million)

<sup>k</sup> The FY04 request of \$7 million for the FWS Multinational Species Fund is reflected in the FY04 request final total for the CSC.



**Table 20. Historical Appropriations Data, from FY2000 to FY2003**  
(\$ in thousands)

| Agency or Bureau                                     | FY2000            | FY2001            | FY2002            | FY2003                        |
|--|-------------------|-------------------|-------------------|-------------------------------|
| <b>Department of the Interior</b>                    |                   |                   |                   |                               |
| Bureau of Land Management                            | \$1,231,402       | \$2,147,182       | \$1,872,597       | \$1,841,893                   |
| U.S. Fish and Wildlife Service                       | 875,093           | 1,227,010         | 1,276,424         | 1,243,533                     |
| National Park Service                                | 1,803,847         | 2,135,219         | 2,380,074         | 2,239,430                     |
| U.S. Geological Survey                               | 813,376           | 882,800           | 914,002           | 919,272                       |
| Minerals Management Service                          | 116,318           | 139,221           | 156,772           | 170,312                       |
| Office of Surface Mining Recl. and Enforce.          | 291,733           | 302,846           | 306,530           | 295,179                       |
| Bureau of Indian Affairs                             | 1,869,052         | 2,187,613         | 2,212,876         | 2,257,243                     |
| Departmental Offices <sup>a</sup>                    | 319,869           | 352,519           | 367,144           | 624,609                       |
| General Provisions                                   | —                 | 12,572            | —                 | —                             |
| <b>Total for Department</b>                          | <b>7,320,690</b>  | <b>9,386,982</b>  | <b>9,486,419</b>  | <b>9,591,471</b>              |
| <b>Related Agencies</b>                              |                   |                   |                   |                               |
| U.S. Forest Service                                  | 2,819,933         | 4,435,391         | 4,130,416         | 4,586,839                     |
| Department of Energy                                 | 1,226,393         | 1,453,644         | 1,766,470         | 1,740,532                     |
| Indian Health Service                                | 2,390,728         | 2,628,766         | 2,759,101         | 2,849,661                     |
| Office of Navajo and Hopi Indian Relocation          | 8,000             | 14,967            | 15,148            | 14,397                        |
| Inst. of Amer. Indian and Alaska Culture & Arts Dev. | 2,125             | 4,116             | 4,490             | 5,454                         |
| Smithsonian Institution                              | 438,130           | 453,854           | 518,860           | 544,875                       |
| National Gallery of Art                              | 67,590            | 75,485            | 85,335            | 92,842                        |
| JFK Center for the Performing Arts                   | 33,871            | 33,925            | 38,310            | 33,690                        |
| Woodrow Wilson International Center for Scholars     | 6,763             | 12,283            | 7,796             | 8,433                         |
| National Endowment for the Arts                      | 97,628            | 97,785            | 98,234            | 115,732                       |
| National Endowment for the Humanities                | 115,260           | 119,994           | 124,504           | 124,936                       |
| Institute of Museum and Library Services             | 24,307            | 24,852            | 26,899            | <sup>b</sup>                  |
| Challenge America Arts Fund                          | —                 | 6,985             | 17,000            | <sup>c</sup>                  |
| Commission of Fine Arts                              | 1,021             | 1,076             | 1,224             | 1,216                         |
| National Capital Arts and Cultural Affairs           | 6,973             | 6,985             | 7,000             | 6,954                         |
| Advisory Council on Historic Preservation            | 2,989             | 3,182             | 3,400             | 3,643                         |
| National Capitol Planning Commission                 | 6,288             | 6,486             | 8,011             | 7,206                         |
| Holocaust Memorial Museum                            | 33,161            | 34,363            | 36,028            | 38,412                        |
| Presidio Trust                                       | 44,300            | 33,327            | 23,125            | 21,188                        |
| <b>Total for Related Agencies</b>                    | <b>7,325,460</b>  | <b>9,447,466</b>  | <b>9,671,351</b>  | <b>10,196,010</b>             |
| <b>Grand Total for All Agencies</b>                  | <b>14,911,650</b> | <b>18,892,320</b> | <b>19,157,770</b> | <b>19,787,481<sup>d</sup></b> |

<sup>a</sup> Departmental Offices includes Insular Affairs and Office of the Special Trustee for American Indians for all years, and the Payments in Lieu of Taxes Program (PILT) for FY2003. For FY2000-FY2002, PILT monies are contained in the BLM appropriation.

<sup>b</sup> Beginning in 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> Funding (\$17.0 million) for Challenge America Arts Fund is included in the total figure for the National Endowment for the Arts.

<sup>d</sup> Figures in this column reflect an across-the-board cut of 0.65% in the FY2003 consolidated appropriations law (P.L. 108-7). The total also includes \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.