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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

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March 23, 2007

The Honorable Norm Dicks  
Chairman  
Subcommittee on Interior, Environment,  
and Related Agencies  
House Committee on Appropriations  
Room B-308 Rayburn HOB  
Washington, DC 20515

The Honorable Todd Tiahrt  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
House Committee on Appropriations  
Room B-308 Rayburn HOB  
Washington, DC 20515

**Norm**  
Dear Chairman ~~Dicks~~ and Ranking Member Tiahrt:

Thank you, in advance, for your consideration of my views regarding the FY08 Interior, Environment, and Related Agencies Appropriations bill. As the Chairman of the authorizing committee with jurisdiction over many of the programs funded by that bill, I am eager to share my perspective.

Throughout my thirty years serving on the House Natural Resource Committee, I have never been more concerned about the state of funding for programs under the Subcommittee's jurisdiction. The Administration's Fiscal 2008 Budget request continues on the same downward track as past budgets. It fails to provide sufficient funding for the many functions of the Interior Department and related agencies. I appreciate the challenge confronting your Subcommittee in the face of declining budgetary resources, but I am compelled to highlight several specific areas of need that, in my opinion, are worthy of attention.

**Bureau of Indian Affairs (BIA)**

The Natural Resources Committee has committed to consider and report reauthorization of the Indian Healthcare Improvement Act as its first priority to Indian tribes. The Committee fully expects the reauthorization to be completed prior to Fiscal Year 2008 and asks that consideration be given to the required funding. To this end, **the Committee strongly supports funding at \$1,502,000,000 for Hospitals and Health Clinics, which is an additional \$8,000,000 over the President's request for funding in Fiscal Year 2008** In addition, **the Committee supports funding in the amount of \$100 million for the Indian Healthcare**

**Improvement Fund to begin to bring fairness and equity to Indian health funding.** Finally, I strongly recommend restoring funding of \$32,744,000 for urban Indian health care.

In addition to prioritizing funding for Indian health programs, I am also concerned about other programs within BIA.

- **Contract support costs funding at \$186,628,000 (an increase of \$37 million over the President's request) to support self-governance compacts with Tribes.**
- **Restoring \$34.4 million in funding for the Housing Improvement Program, which was eliminated in the President's proposed budget.**

### **Insular Affairs**

For Fiscal Year 2008, the President has proposed increasing Administration of Territories discretionary spending by \$560,000 for a total of \$79.8 million. **In general, the Committee supports this request. However, I recommend increasing the Technical Assistance account to further assist the Office of Insular Affairs (OIA) in implementing private sector economic development and promoting sound financial management practices in the insular governments.**

The 177 Healthcare Program created under the Compact of Free Association with the Republic of the Marshall Islands (P.L. 99-239), serves the communities from the four atolls of Enewetak, Utrok, Rongelap, and Bikini exposed to fallout from the U.S. thermonuclear weapons testing program in the mid 1950's. Congress has supported a temporary extension of the 177 Healthcare Program in Fiscal Years 2005-07 pending Congress's consideration and resolution of the Marshall Islands Changed Circumstances Petition. The 177 Healthcare Program should be continued through a \$2 million appropriation.

The Pacific Islands Committee (PIC) of the Judicial Council of the Ninth Circuit's assessment to continue education and training needs for judges and court personnel benefits the U.S. Territories of Guam, the CNMI, and American Samoa, as well as the freely associated State of Palau. The program strengthens all aspects of each respective judiciary by providing a more competent, stable, and fair judicial system. Congress has supported funding for this initiative in Fiscal Years 2005-07. **The Natural Resources Committee strongly agrees with the recommendations of the PIC and supports an increase of \$320,000 for this initiative.**

The Compact Amendments Act (CAA) (P.L. 108-188) provided mandatory funding for the Enewetak Food and Agriculture Program (EFAP). The Enewetak Atoll was the site for 43 nuclear tests carried out by the United States in the 1950's. Partial resettlement of the Enewetak people has occurred; however, more than half of the atoll remains contaminated by radiation. In

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Fiscal Years 2005-07 Congress added close to \$500,000 more to the mandatory funding provided for in the CAA, which has allowed the EFAP to keep up with inflation. **I respectfully request that you continue to fund this program in Fiscal Year 2008.**

### **National Parks**

For Fiscal Year 2008, the Administration has requested \$2.36 billion for the National Park Service (NPS). This represents an increase of approximately \$105.8 million compared to Fiscal Year 2006 enacted levels. Welcome increases are proposed for park operations and the US Park Police. Unfortunately, these increases are made possible, in large part, by cuts to other important NPS programs. The Administration has publicly claimed that their budget request would increase funding for National Parks by \$3 billion over 10 years in recognition of the NPS centennial in 2016. These claims are dubious.

The proposed 10-year “Centennial Initiative” is a three-part program consisting of a “Centennial Commitment” that is proposed to be federally funded at \$100 million annually, the “Centennial Challenge,” through which private philanthropy would be expected to raise another \$100 million annually, and the “Centennial Match,” a new mandatory spending program proposed to match up to \$100 million in private donations annually.

The Administration points to \$100 million of the \$250 million increase for park operations as the first installment of the “Centennial Commitment.” While any real increase to park budgets is a positive step, \$50 million of the proposed increase will be absorbed by the 2007 to 2008 increase in fixed costs, leaving a net increase of \$200 million. Another \$152 million of the proposed increase comes at the expense of cuts to other NPS program areas, leaving an overall net real increase to the NPS operations of just under \$50 million.

The “Centennial Challenge” is to be raised from private donors. However, fundraising efforts on behalf of parks have never raised anywhere near this level of funding and this increasing reliance on private funding for public parks raises serious concerns. **A legislative proposal to authorize the “Centennial Match” was only recently submitted and did not identify a specific offset for this new mandatory spending.**

Given current budget constraints and the PAYGO rules recently adopted by the House – not to mention concerns regarding creation of new mandatory spending programs – this aspect of the Centennial proposal is problematic at best. **In sum, the proposed real increase in funding for the National Parks of approximately \$50 million is welcome. The Administration’s claim that this budget request would provide a \$3 billion increase over ten years is misleading.**

### **Land and Water Conservation Fund (LWCF)**

Each year, approximately \$900 million is credited to the LWCF. The Fund is expected to end FY 2008 with a balance of more than \$16 billion. Regrettably, the Administration's budget request includes only \$57.9 million for Federal LWCF programs and again proposes no funding for the Stateside program. This is a meager 6 percent of the revenue credited to the LWCF in the last Fiscal Year and only three tenths of one percent of the Fund balance. **This request represents nothing less than the abandonment of this 42-year-old program and a full retreat from a presidential commitment to fully fund LWCF programs.**

### **Forest Service**

The President's FY 2008 budget request for the USDA Forest Service totals \$4.13 billion in discretionary appropriations, a \$251 million decrease from the FY 2006 enacted level. **This request is irresponsibly low and, if enacted, would require a fundamental reorganization of the agency and reexamination of its mission.** For example, under this request, the agency expects to cut 3,516 full-time-equivalent employees, or 11 percent of its workforce, compared to the FY 2006 level.

The request also includes a legislative proposal to sell off \$800 million in Forest Service lands to pay for reauthorization of the Secure Rural Schools program ("county payments"). The proposal would allocate \$400 million to fund county payments with the other \$400 million being set aside for land acquisition. The actual budget request for land acquisition, however, is approximately \$17 million, a figure that is \$26 million less than the FY 2006 enacted level. **A similar county payments legislative proposal was rejected by the Congress last year and should be rejected again this year.**

Furthermore, spending related to fires continues to account for an ever-larger percentage of the USDA Forest Service budget. In 1991, wildland fire management was 13 percent of the overall Forest Service budget; for FY 2008 it is expected to account for 45 percent of the Forest Service budget. **In previous years, a budgetary cap adjustment for wildfire of \$500 million allowed the federal agencies to avoid suppression funding shortfalls from the previous year.**

**On a bipartisan basis, Ranking Member Young and I asked for the same in FY 2008 in order to adequately protect our communities from wildland fire.**

Yet again, this year's USDA Forest Service budget zeros out funding for Economic Action Programs (EAP). EAP provides critical assistance to rural communities in building capacity to create jobs and realize business opportunities. **I encourage you to both restore and increase funding for this program in the FY 2008 budget in the amount of \$52.6 million, including \$40 million for the base Education Action Program and \$12.6 million for the Education Action Program under the National Fire Plan.**

I also draw your attention to the FY 2008 USDA Forest Service budget request for Forest Health Management. Funded under State and Private Forestry, Forest Health Management—Federal Lands provides funding and technical assistance to help manage and control invasive insects and disease. **An increase of funding for Forest Health Management—Federal Lands to \$58.7 million is urged.**

### **Bureau of Land Management**

For FY 2008 the Administration is requesting a total of \$1.8 billion for the BLM, an increase of roughly \$58 million over the FY 2006 enacted level. Despite this modest increase, however, many BLM accounts would receive flat or reduced funding under this budget with one, notable exception.

In FY 2006, Energy and Minerals Management was funded at roughly \$108 million. For the upcoming Fiscal Year, the Administration proposes spending more than \$141 million, a 30 percent increase. By way of comparison, the enacted level for FY 2000 for these activities was \$74 million. Investigations by the Government Accountability Office and the Interior Inspector General have documented that this reprioritization of the BLM's focus toward energy development has limited the agency's ability to perform other aspects of its core mission. **Unfortunately, this budget request makes abundantly clear that, to this Administration, management of all other resources on public lands is subservient to energy development.**

For example, funding for the National Landscape Conservation System (NLCS) would be cut by \$10 million compared to the actual level received in FY 2006. The NLCS consists of 26 million acres of BLM land, including National Monuments, Recreation Areas, Conservation Areas and trails as well as Wild and Scenic Rivers. **The conservation and preservation of these areas must continue to be a priority for the BLM. I urge you to at least maintain the FY06 funding level of \$59 for NLCS.**

### ***“Healthy Lands” Initiative***

The \$20 million Healthy Lands Initiative under both the Bureau of Land Management (BLM) and the United States Geological Survey (USGS) is purportedly a plan to address the growing conflict between oil and gas development on public lands and wildlife and habitat conservation.

However, at the same time, the Administration has proposed a substantial increase, almost 3,100 – or 35 percent – more than in 2006, in the number of Applications for Permit to Drill (APDs). This continues a policy that has existed for the last six years of record high numbers of oil and gas development leases across public land, while subverting all other uses of BLM land to drilling activities. **I object to funding programs with “healthy” labels that ring**

**hollow in practice, and recommend that these funds be shifted, instead, to better addressing the conflict between oil and gas development on public lands and all other uses. This would include: enforcing existing oil and gas lease stipulations, ensuring that proper royalty payments are made, adequately supporting important critical and strategic mineral surveys, and ensuring prompt implementation of the 2006 amendments to the Surface Mining Control and Reclamation Act.**

### **U.S. Fish and Wildlife Service**

#### ***National Wildlife Refuge System***

The President's Fiscal Year 2008 budget requests \$394.8 million for the operations and maintenance of the National Wildlife Refuge System. **This amount represents a sorely disappointing \$12.3 million increase (3 percent) over the FY 2006 appropriation.**

The Fiscal Year 2008 budget request barely addresses the annual increase of uncontrollable fixed costs. It also falls well short of the additional \$40 million in expenses for fuel, rent and utilities. As a result, this likely will mean that the Service, which has already lost approximately 600 field personnel since 2005,<sup>1</sup> will continue to lose ground and be forced to implement radical proposals to restructure field operations and close refuges. To cover these costs and provide additional funds for essential program activities, especially the completion of comprehensive conservation plans for all refuges as required under the National Wildlife Refuge Act (P.L. 105-57). **Funding at the amount of \$451 million, as requested by the Cooperative Alliance for Refuge Enhancement, is urged for the Refuge System.**

#### ***Endangered Species Program***

The President requests \$146.5 million for the Fish and Wildlife Service to implement the endangered species program in Fiscal Year 2008. This is \$1.3 million less than the level provided in Fiscal Year 2006, yet, the agency's workload and legal requirements have not decreased. The budget request proposes to eliminate funding for the private stewardship and landowner incentive programs, and redirects the monies to other programs.

The Endangered Species Act (ESA) requires the Secretary to prepare critical habitat designations and recovery plans for all listed species in the United States, but there are 828 listed species without critical habitat designations, and 235 species without recovery plans. The number of Section 7 consultations in which the agency has participated has increased from 35,186 in Fiscal Year 2006 to 36,728 in Fiscal Year 2007. Without an adequate consultation

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<sup>1</sup> House Report 109-465. Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2007. May 15, 2006.

budget, the agency is unable to give developers and others timely answers regarding the impact that proposed projects may have on listed species. In the end, projects are delayed, increasing costs to affected parties. There are 278 species eligible for listing, but the agency's workload and budget have precluded the agency from addressing the backlog. By not taking the steps to list candidate species, some species may go extinct because the agency did not commit adequate resources.

**In response to the backlog of listed species without critical habitat designations, and new listings, a total of \$25.2 million is recommended. I support providing \$63.2 million for consultation, \$12 million in funding for candidate conservation, and \$84.8 million for recovery programs. Funding for the private stewardship and landowner incentive programs should either be restored or redirected to endangered species conservation exclusively.**

### ***Coastal Barrier Resources System***

Last Congress, as part of the Coastal Barrier Resources Act's most recent reauthorization (P.L. 109-226), the Service was directed to complete the digital transformation of all CBRA maps. Considering the substantial benefits of digital maps and the relatively low cost to produce them -- the Fish and Wildlife Service estimates it will take roughly \$7 million -- the Natural Resources Committee is disappointed that the Administration has failed to request any funding to initiate this critical cartographic modernization. But for the lack of a few million dollars, it is ironic that we would forego developing the best available map information that will ultimately save U.S. taxpayers billions of dollars and provide valuable information to local governments and private property owners. **Sufficient funding to initiate this vital project is urged for Fiscal Year 2008.**

### **Minerals Management Service (MMS)**

MMS has proposed the "Adjustment Line Monitoring Initiative" as a way to address problems with its faulty compliance review process. In a December 2006 Office of the Inspector General's (OIG) report on MMS's Compliance Review Process, the OIG found that MMS's royalty collection data is often inaccurate and relies heavily on statements by oil companies, rather than their actual records.

It further found that only 9 percent of all oil and gas leases are reviewed by auditors and only 20 percent of all companies are audited. Since 2000, the number of audits has declined by 22 percent and the number of auditors has been reduced by 15 percent. The Inspector General concluded that MMS's compliance reviews should only be used in conjunction with audits, in the context of a well-designed, risk-based compliance strategy. However, MMS's FY 2008 budget proposal does not reflect the Inspector General's recommendations to use compliance reviews solely in conjunction with audits.

Instead it proposes the "Adjustment Line Monitoring Initiative," which purportedly will improve the compliance review process. However, it completely fails to address the Inspector General's recommendations to increase the number of auditors and rely more on these auditors to provide oversight of the royalty program by using the actual oil and gas company production records. Despite this recommendation, MMS has no intention of increasing auditors. Further, in recent testimony before the Natural Resources Committee, the Inspector General indicated that additional FTE would provide relief for resource constraints that currently limit the ability of his office to meet the demands for oversight. **An increase in funding to restore the FTE's lost by the audit office since 2000 is recommended. Further, an increase of \$4,500,000 to fund additional staff in the OIG to support needed staff to monitor the MMS audit office is requested. Finally, the subcommittee is urged to support the patent moratorium on hardrock mining that has been in place since 1994.**

### U.S. Geological Survey (USGS)

#### *Water Programs*

The President's budget request for the U.S. Geological Survey's Water Division for Fiscal Year 2008 is \$212,454,000, an increase of \$950,000. The Fiscal Year 2008 budget request for the USGS Water Division proposes several important changes. Of note is the lack of funding for the Water Resources Research Institute and Grants Programs. The Administration refuses to include this popular and highly effective program in its annual budget requests, knowing that Congress will restore funding. The Committee strongly supports this program, which was reauthorized in the 109<sup>th</sup> Congress, and recommends funding at least at the Fiscal Year 2006 level of \$6,404,000.

In addition, the Committee is concerned about the proposed cuts to the Cooperative Water Program. The USGS Cooperative Water Program is an ongoing partnership between the USGS and non-Federal agencies. The program has been in existence for 112 years, jointly funding water resources investigation projects in every State, Puerto Rico, and several other U.S. Trust territories. The Administration has requested \$62,381,000 for the Cooperative Water Program, a decrease of \$2.2 million. This is a highly cost-effective program, relying on more than 1,400 partners across the country for most of its financial support. The program is successful because cooperators have been forced to increase their share of project funding. The USGS share of this program is grossly underfunded, and **the Committee strongly recommends that funding be increased to at least \$65,000,000.**

Finally, at a time where climate variability is impacting the rate and timing of snowmelts across the West, it is critical to have accurate and timely information on water flows. The National Streamflow Information Program (NSIP) provides the Nation with streamflow information to help protect life and property from floods and manage our water resources and aquatic environment. A solid backbone of stream gages is also critical to our ability to predict



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the effects of climate change on water supplies. The Administration is to be commended for recommending \$18,900,000 for the program, a 30 percent increase from the Fiscal Year 2006 level. However, \$10,000,000 in additional funds to help the program recover from years of essentially flat funding is needed.

***Minerals Resources Program***

The FY 2008 USGS budget claims that it is focusing funding on the Mineral Resources program (MRP), yet this budget proposes a decrease of **\$22.8 million below FY 2006 enacted levels**. The USGS will not be able to continue to provide scientific information for objective resource assessments on mineral potential, production, consumption, and environmental effects with continued decreases in funding. The Mineral Commodity Summaries publications that are published on an annual basis are critical to furnishing estimates covering non-fuel mineral industry data and are a focal point for new and emerging science and technology in the minerals field. The Committee urges a restoration of USGS MRP funding to at least the FY 2006 level.

Thank you, again, for your interest in the views of the Natural Resources Committee on the funding levels that will enable these agencies to fulfill their Congressional mandates.

With warm regards, I am

Sincerely,



**NICK J. RAHALL, II**  
**Chairman**  
**Committee on Natural Resources**