



BUDGET The United States
Department of the Interior

JUSTIFICATIONS

and Performance Information
Fiscal Year 2008

Office of the Secretary

NOTICE: These budget justifications are prepared for the Interior, Environment, and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.

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OFFICE OF THE SECRETARY
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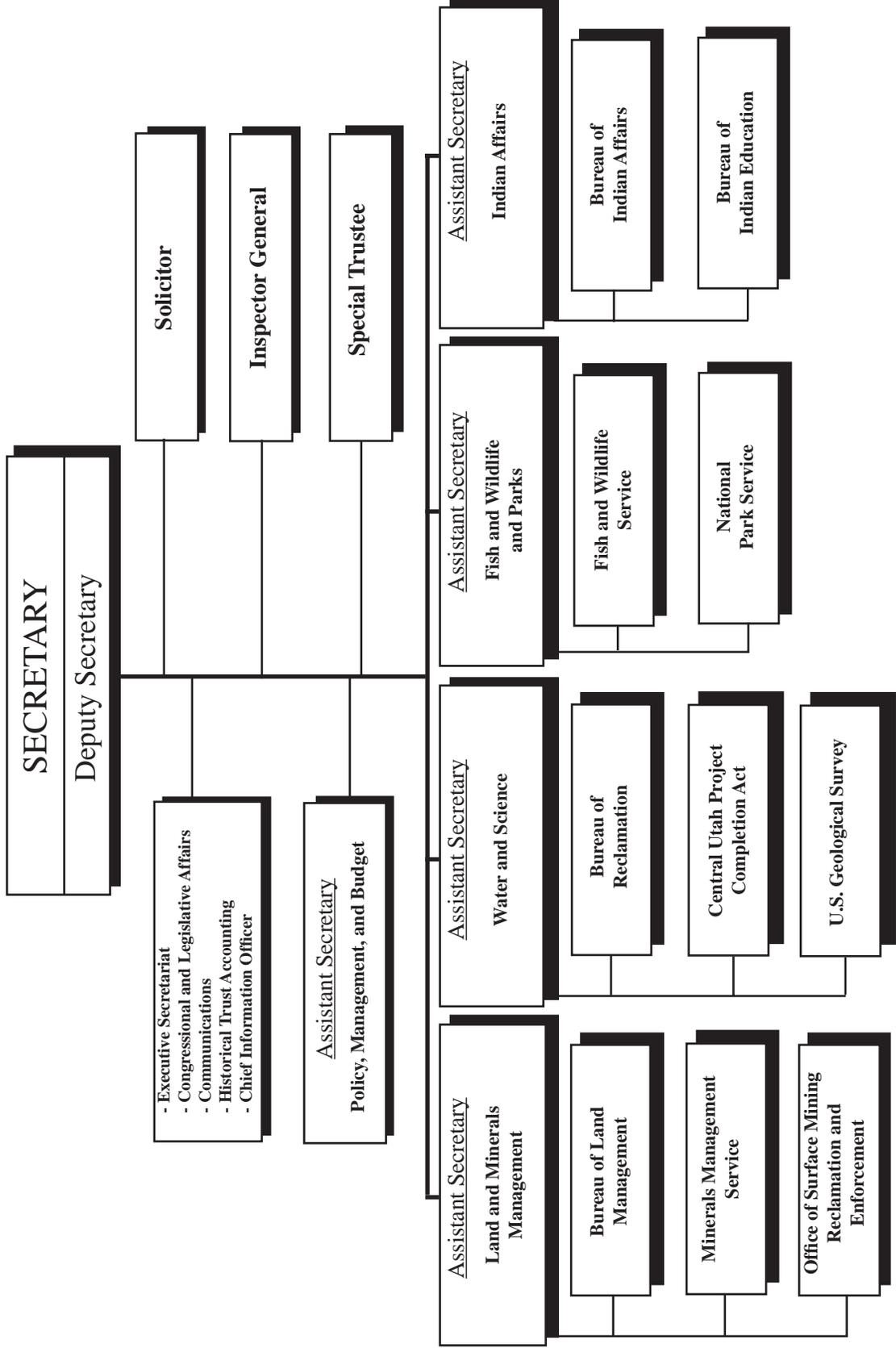
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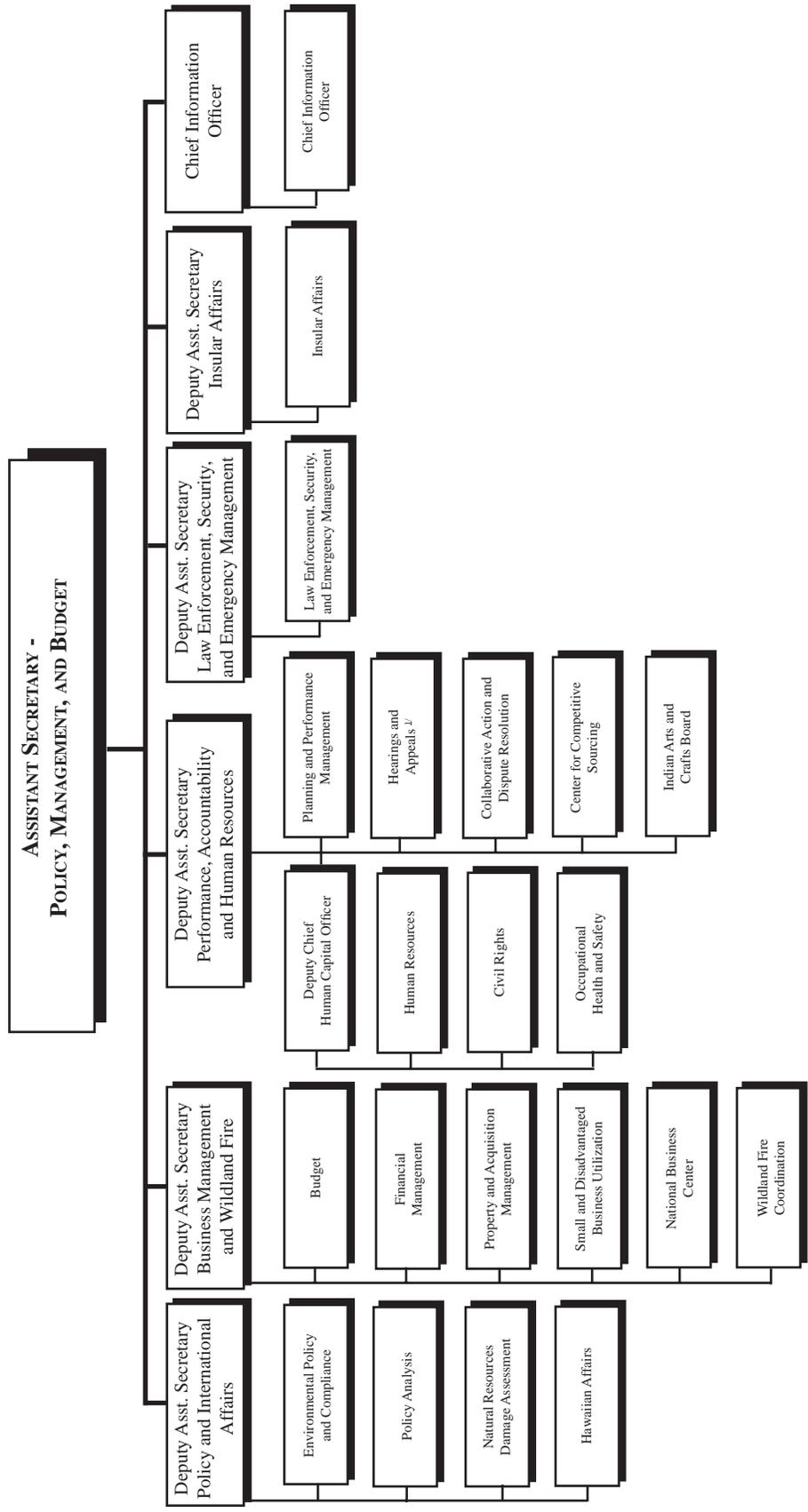
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General Organization — Department of the Interior



Assistant Secretary — Policy, Management, and Budget



1/ This office reports to the Deputy Assistant Secretary for administrative purposes.

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES**

General Statement

With its multi-faceted mission, the Department of the Interior touches the lives of all Americans. Interior manages one of every five acres of land in the United States, providing opportunities for recreation, wildlife conservation, and resource use.

Nearly every American lives within a one-hour drive of lands or waters managed by the Interior Department. These lands boast some of the Nation's most unique natural, cultural, and historic resources. With 390 national park units and 547 wildlife refuges, Interior is America's leading conservation agency.

Interior also helps to power the Nation's economy and assure that Americans have water, energy, and other resources. Some 31 million people in the West rely on drinking water provided through water systems managed by the Department. Interior irrigation systems deliver water to farmers that generate over half of the Nation's produce. Energy generated from Interior-managed lands and waters comprise almost one-third of the Nation's domestic production.

The Department fulfills special responsibilities to Native Americans as manager of the largest land trust in the world—over ten million acres owned by individual Indians and 46 million acres held in trust for Indian Tribes.

Interior's accomplishments are significant. Since 2001, the Department has:

- Increased access to meet the Nation's energy needs and enhanced energy security by nearly tripling the approval of applications for permits to drill; provided greater opportunities for development of alternative energy, including wind energy; advanced oil shale and methane hydrates for future domestic use; and significantly expanded environmental protections with inspection and monitoring programs.
- Collected \$56.4 billion in revenues from offshore and onshore mineral leases that provided income for Indian communities, funded State infrastructure, and helped to finance Federal programs.
- Expanded relationships with partners to restore, improve, and protect three million acres of wetlands habitat for migratory birds, anadromous fish, and threatened and endangered species.
- Reduced risks to communities from the threat of fire, conducting over 6.7 million acres of fuels treatments on Interior lands through the President's Healthy Forests Initiative.
- Improved park facilities for visitors by undertaking 6,600 projects at national parks and earned a 95 percent satisfaction rating from park visitors.
- Improved the educational environment for Indian children by funding 32 new Bureau of Indian Education replacement schools and 39 major school repair projects.

Looking to the future, the Department has set a bold agenda for 2008. Interior will:

- Prepare the national park system for another century of conservation, preservation, and enjoyment through the President's National Park Centennial Initiative.
- Encourage increased donations for signature projects and programs in our national parks with up to \$100 million in matching funds through the National Parks Centennial Challenge.
- Increase energy security for the Nation through a new Outer Continental Shelf Five-Year Plan 2007-2012.
- Launch a Healthy Lands Initiative to help meet the Nation's energy needs while protecting wildlife and habitat in the West.
- Restore 800,000 acres and 734 stream/shoreline miles, leveraging Federal funds through partnerships and cooperative conservation. These efforts will support the President's government-wide goal of increasing the Nation's wetlands three million acres by 2009.
- Improve educational programs and meet the requirements of the No Child Left Behind Act by completing educational reforms in the Bureau of Indian Education.
- Help Indian Country reduce methamphetamine crime and the afflictions it has brought to many Tribes through a new Safe Indian Communities Initiative.
- Establish a network of parks, sanctuaries, reserves, and refuges to protect ocean and coastal resources as envisioned in the President's Ocean Action Plan.
- Implement the master agreement for the Arizona Settlements Act, paving the way for reallocating water from the Central Arizona Project to address the water needs of Indian and other communities.

The President's 2008 budget aligns resources to achieve these and other high-priority goals. Recently revised for 2007–2012, the plan links the Department's diverse activities into four common mission areas: resource protection, resource use, recreation, and serving communities. A fifth area, management excellence, provides the framework for improved business practices, processes, and tools and a highly skilled and trained workforce.

The strategic plan is the Department's blueprint, guiding efforts to improve performance and accountability throughout all programs. The Department's 2008 budget seeks to maintain performance across strategic goals and improve performance for the highest priorities while maintaining the President's commitment to reduce the deficit and balance the budget by 2012, as follows:

Resource Use — The 2008 budget requests \$3.2 billion to continue to improve energy access; help provide energy security for the Nation through renewable and nonrenewable programs; meet demands for water; and support the goals of the Healthy Forests Initiative.

Resource Protection — The 2008 budget requests \$1.6 billion for programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources.

Recreation — The 2008 budget requests \$1.7 billion to support recreation goals, including improved access to recreational opportunities.

Serving Communities — The 2008 budget requests \$4.0 billion to serve communities by increasing efforts to fulfill responsibilities for trust management; supporting services to Tribes and individual Indians; and improving Indian education. The budget for serving communities also supports the wildland fire program, law enforcement, and the generation of relevant scientific information.

Management Excellence — The 2008 budget includes \$200.0 million to manage the Department to be highly skilled, accountable, modern, functionally integrated, citizen-centered, and results oriented. The work of the programs and activities that are funded in Salaries and Expenses are primarily within the management excellence goal. It is through the Department's management strategies that Interior can attain performance in high priority areas, while still meeting the President's plan to reduce the deficit. Performance measures and targets for the Office of the Secretary—Salaries and Expenses are included under a tab that follows this General Statement.

**TAKE PRIDE IN AMERICA
PROGRAM ACCOMPLISHMENTS**

- Introduced in 2005, a public service announcement, the Take Pride broadcast PSA, featuring Clint Eastwood, to 25.5 million viewers in 120 markets, including the top 20 media markets in the country.
- Placed 16.2 million public service announcements in mainstream and trade publications, including articles in TIME Magazine and Harper's Bazaar.
- Signed up 60 cities as Take Pride cities since 2004.
- Worked with over 30 principals to establish Take Pride schools since 2005.
- Conducted 1,500 Take Pride events since 2004, from litter cleanups and park beautification projects to trail maintenance and re-vegetation projects.
- Held 900 National Public Lands Day events involving more than 100,000 volunteers.

OVERVIEW OF SALARIES AND EXPENSES

The Office of the Secretary, funded by the Salaries and Expenses appropriation, provides executive direction for the Interior Department. The Secretary of the Interior is the Administration's leading policy maker and spokesperson for the conservation and management of land, water, and other natural resources; the provision of scientific and other information about resources; and honoring special responsibilities and commitments to American Indians, Alaska natives, and affiliated Island communities.

The Secretary's immediate office consists of the Secretary, Deputy Secretary, and a staff of experienced senior officials who provide overall policy direction and coordination for the Department's major initiatives. This staff is responsible for coordination of multi-bureau and multi-agency legislative requirements and program implementation involving land and water settlements, energy programs, trust reform, water management and coordination, healthy forests, cooperative conservation, Everglades restoration, and many other issues. Senior staff also oversee offices created to give special attention and focus to Presidential and Secretarial initiatives and to high profile issues, including Take Pride in America, the Indian Arts and Crafts Board, and invasive species.

The Office of the Secretary provides leadership on cooperative conservation and partnership management. Working with the bureaus, the Office guides the development of adaptive management, facilitates work with other conservation agencies across the Federal government sharing best practices for conservation, and promotes the use of alternative dispute resolution to reduce legal and administrative barriers to partnering, and focuses on solutions such as Service First, that enable Interior programs to work effectively and efficiently. The Office guides interagency cooperative conservation efforts, particularly to build the capacity for collaborating and partnering within the Federal conservation workforce, manages an interagency web site, cooperative-conservation.gov, and serves as a clearinghouse for cooperative conservation information.

The Interior Department manages one in five acres of land in the United States, with the majority of these land holdings in the West. Senior staff in the Secretary's Office are responsible for communications with Congress, governors, county commissioners, elected officials, and associations to find ways to resolve issues through cooperation and partnerships. In addition, the Office is responsible for maintaining working relationships with external constituent groups nationwide and providing timely and effective communications to congressional members, staff, and committees.

The Office of the Secretary also houses the four programmatic Assistant Secretaries: the Assistant Secretary – Fish and Wildlife and Parks; the Assistant Secretary – Land and Minerals Management; the Assistant Secretary – Water and Science; and the Assistant Secretary – Indian Affairs. These officials and their offices provide guidance, oversight, and ensure consistency in the application of policies, regulations, procedures, and processes in the bureaus and programs that they oversee.

The Assistant Secretary – Policy, Management and Budget oversees all of the administrative and business-related activities such as finance, information resources, procurement and property management, human resources, and budget. These activities include promoting and overseeing Interior's continued efforts in management excellence incorporating the Department-wide implementation of the President's management agenda, the Program Assessment Rating Tool, and the Department's Government Performance and Result Act strategic plan.

The AS-PMB also manages an extensive number of staff offices that provide support in areas including environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, appraisal services, and aircraft services.

The National Business Center is also managed by the Office of the Secretary. Funded through direct appropriations, the Working Capital Fund, and the Franchise Fund, the National Business Center provides major business and administrative services to Interior bureaus and offices and other Federal agencies. The major business lines that NBC manages include financial management, payroll and personnel, aircraft services, procurement and electronic commerce, career development and on-line training, information technology, property management, and appraisal services. The NBC operates activities in locations across the country with the largest concentration of NBC employees in Denver and Washington, D.C.

Management Excellence

Interior's unified strategic plan is built on a foundation of management excellence. In pursuit of management excellence, the Department seeks to improve results with the following strategies:

- The right people with the right skills.
- Strategic management: integrating budget and performance.
- Structuring services for better performance.
- Managing information.
- Tracking finances.

Through these management strategies, the Department optimizes performance levels. During 2006, Interior maintained its status for four President's management agenda areas, and advanced to yellow in status on the real property and e-government scorecards. By the end of 2008, Interior expects to achieve or maintain green status in all PMA areas.

Human Capital — Interior's green status reflects a results-oriented focus in human capital planning and execution. Hiring timeframes have been reduced to less than 45 work days for the general workforce and less than 90 work days for SES positions. A performance beta site has been implemented to help improve performance standards, including effectively linking performance plans to Interior's strategic plan. The Department, which maintains a robust candidate pool for leadership positions, graduated and certified 29 new SES candidates in 2006. Interior has implemented strategies to address under-representation in the workforce, including mandatory supervisory training, automated complaints tracking, and workforce trend analysis.

By 2008, a competency assessment module will be implemented within the Learning Management System, allowing managers and employees to assess and receive assistance in strengthening competencies. The Department also expects to implement its approved accountability plan, with accountability reviews underway in bureaus. Interior will increase the use of alternative dispute resolution and strengthen minority-serving institutional partnerships to promote a diverse workforce.

Competitive Sourcing — Competitive sourcing has been a valuable tool for Interior managers to improve effectiveness and efficiency. The Department's estimated annual savings to date from competitive sourcing studies is \$12.0 million. During 2007, Interior plans to complete 14 competitions on approximately 700 FTE.

Financial Performance — The Department has made dramatic progress in improving financial management, most significantly in the timely preparation of financial statements and mitigating material weaknesses. Last year, Interior completed its audit within 45 days of year-end for the third time. The Department received its tenth unqualified opinion and eliminated all but one of its material weaknesses. This weakness pertains to controls over Indian trust funds.

Interior expects to progress to green status in 2008 by eliminating material weaknesses and expanding the use of financial information in decisionmaking. In November 2006, the Office of Surface Mining and Minerals Management Service implemented the core financial module of the Financial and Business Management System. In 2007, parts of NBC will deploy the core financial module, and OSM, MMS, and parts of NBC will deploy the acquisition module. The 2008 request supports implementation of new modules, property and initial budget formulation, for OSM, MMS, and parts of NBC; and supports the implementation of all modules for the Bureau of Land Management: core financials, acquisition, property, and initial budget formulation.

E-Government — In 2007, the Department progressed to yellow in status on the e-government scorecard, through its diligent efforts to implement earned value management and its progress in e-government implementation. The Department serves as managing partner for the Excellence.gov award winning Geospatial One-Stop initiative, as well as Recreation One-Stop and the Geospatial Line of Business. Through NBC, the Department is as a shared-service provider for the Human Resources and Financial Management Lines of Business. By implementing the on-line booking portion of the e-travel initiative, Interior has saved nearly \$2.0 million in transaction fees. Capital asset justifications for the bureau's major IT investments can be viewed at <http://www.doi.gov/ocio/cp/index.html>.

Budget and Performance Integration — In December 2007, the Department completed revision of its Strategic Plan for 2007 – 2012. The plan provides Interior's goals through 2012 and corresponding performance measures that will be used to track annual progress against these goals. The measures in the plan are linked to employee performance plans. The Department has institutionalized the use of activity-based cost management, to ensure managers have accurate and timely information on the costs of outputs by coding employee time and purchases to activities that describe the work. Several of the Department's bureaus have enhanced the use of activity-based cost management by linking work activities to strategic plan measures, allowing an improved understanding of the costs of achieving strategic goals.

Over the past five years, all but one of Interior's programs have been assessed through the Administration's program assessment rating tool. These evaluations have led to program improvements, through implementation of recommended actions, and development of program-specific efficiency measures to foster continued program improvement. The Department has made steady progress in improving PART ratings of its programs, increasing the percentage of programs rated adequate or better from 50 percent in 2002 to 70 percent in 2006.

Real Property — In 2006, Interior reached yellow in status on the real property scorecard by developing an accurate and current inventory of real property and establishing real property perfor-

mance measures. The Department also completed a rolling three-year timeline for implementing the objectives and goals in the asset management plan. Interior expects to reach green in status during 2008, through implementation of its asset management plan and use of real property inventory data and performance information in daily management and decisionmaking.

SUMMARY OF THE 2008 BUDGET REQUEST

The Salaries and Expenses budget requests \$101.4 million for Salaries and Expenses, including \$93.7 million for the Office of the Secretary and \$7.8 million for consolidated appraisal services in NBC. This is \$6.9 million above the 2007 continuing resolution and \$17.4 million below the 2007 President's budget. In addition to the program changes described below, there is a \$24.3 million increase related to the impact of the 2007 continuing resolution.

This funding level provides essentially level funding for leadership and coordination of Departmental activities. The 2008 budget for the Office of the Secretary is approximately nine-tenths of one percent of Interior's total budget. Since 2001 and including anticipated costs in 2007, a total of \$16.1 million will have been absorbed for pay and benefits and other fixed costs in the offices funded in this appropriation. This is compounded by across-the-board reductions of \$15.9 million. The Office of the Secretary is very salary intensive with nearly 70 percent of the funding committed to retention of staff.

Full funding of these fixed costs is especially essential in the face of the dramatic growth in program responsibilities in the Office of the Secretary. In recent years the Office has experienced significant growth in the breadth and scope of programs under its purview, including:

- Consolidation of real estate appraisers in 2005 from throughout the Department's land management bureaus.
- Expanded responsibilities for information technology security, records management, Privacy Act, and FOIA requirements.
- Development of enterprise solutions such as the Enterprise Network for network support and the Financial and Business Management System.
- Centralization of administrative and business services from three separate administrative service centers.
- Creation of the Office of Historical Trust Accounting and the Office of Collaborative Action and Dispute Resolution.
- Reassignment of the Indian Arts and Crafts Board from the Bureau of Indian Affairs.
- Reassignment of the indirect cost function and single audit function from the Office of Inspector General.
- Creation of a Deputy Assistant Secretary level law enforcement coordinating function.
- Reassignment of Department-wide programs, including Payments in Lieu of Taxes and the Central Hazardous Materials Fund from BLM.
- Reassignment of the Natural Resources Damage Assessment and Restoration program from the Fish and Wildlife Service.

**Office of the Secretary
Overview of the 2008 Request**

	<u>2007 CR</u>	<u>Fixed Costs & Related Changes</u>	<u>Program Changes</u>	<u>2008 Request</u>	<u>Inc/Dec from 2007</u>
Appropriations Requested					
Office of the Secretary, Salaries and Expenses					
\$000.....	94,503	+5,051	+1,892	101,445	+6,942
SIO and staff offices...	[64,847]	[+4,675]	[-210]	[69,312]	[+4,464]
Appraisal Services.....	[7,416]	[+376]	[0]	[7,792]	[+376]
FBMS to WCF.....	[22,240]	[0]	[-22,240]	[0]	[-22,240]
Impact of 2007 CR.....	[0]	[0]	[+24,342]	[24,342]	[+24,342]
FTE.....	366	0	+6	372	+6
Working Capital Fund					
\$000.....	0	0	+22,240	22,240	+22,240
FTE.....	0	0	+15	15	+15
Payments in Lieu of Taxes					
\$000.....	232,528	0	-42,528	190,000	-42,528
FTE.....	1	0	0	1	0
Central Hazardous Materials Fund					
\$000.....	7,287	+31	+2,636	9,954	+2,667
FTE.....	2	0	0	2	0
Subtotal					
\$000.....	334,318	+5,082	-15,760	323,639	-10,679
FTE.....	369	0	+21	390	+21
Other Accounts					
Working Capital Fund					
\$000.....	0	0	0	0	0
FTE.....	1,249	0	0	1,249	0
Interior Franchise Fund					
\$000.....	0	0	0	0	0
FTE.....	113	0	0	113	0
Other reimbursements					
\$000.....	0	0	0	0	0
FTE.....	244	0	0	244	0
Allocations					
\$000.....	0	0	0	0	0
FTE.....	110	0	0	110	0
Subtotal					
\$000.....	0	0	0	0	0
FTE.....	1,716	0	0	1,716	0
Total					
\$000.....	334,318	+5,082	-15,760	323,639	-10,679
FTE.....	2,085	0	+21	2,106	+21

The budget provides full funding for fixed costs of \$5.1 million, including the anticipated January 2008 pay raise of 3.0 percent and the balance of the 2007 pay raise of 2.2 percent, along with two additional paid days, increases in workers and unemployment compensation costs, increased health benefit costs, rent, and adjustments to the Working Capital Fund bill for central services.

Program changes in this budget include three items. The first change reflects a shift of \$22.4 million from the Salaries and Expenses appropriation to the Working Capital Fund for the Financial and Business Management System. The FBMS is an enterprise-level integrated administrative management system that will replace Interior's existing administrative systems. As this system is designed to support and benefit bureaus and offices Department-wide, the 2008 budget proposes to fund FBMS in the Working Capital Fund, consistent with the Department's approach to funding other enterprise investments.

Other program changes include an increase of \$219,000 in Working Capital Fund charges to the Office of the Secretary to fund FBMS, representing the Office of the Secretary's share of costs for FBMS deployment.

The budget includes a reduction of \$573,000 and three FTE due to the transfer of the Contract Board of Appeals function to the General Services Administration. This action is required by the 2006 Department of Defense Authorization Act which directed the consolidation of all government contract appeals boards into one government-wide entity.

The 2008 request includes the transfer of \$144,000 and one FTE from FWS to the Office of Financial Management. The FWS submission includes an offsetting decrease in funding and FTE reflecting this transfer.

The 2008 budget also includes an increase of \$24.3 million related to the impact of the continuing resolution. At the time of the release of this budget document, the Department is operating under the authority of the third fiscal year 2007 continuing resolution, P.L. 109-383. The continuing resolution provides for annual rates of operation at the lower of the House-passed or current funding level. For the Office of the Secretary this provides for funding at the House-passed level of \$94.5 million. This funding level is \$24.3 million below the level requested in the 2007 President's budget, \$118.8 million. Restoration of this funding is critical to fund ongoing operations including salaries and benefits for the 370 FTE funded by this appropriation. At the level funded in the continuing resolution, furloughs and terminations of ongoing programs would be necessary.

DEPARTMENT OF THE INTERIOR DEPARTMENT-WIDE PROGRAMS

Department-wide programs support bureaus and offices through the execution of activities that are broad in scope and impact. These programs complement the many diverse activities of the Department and help to achieve key strategic goals.

The Payments in Lieu of Taxes program supports the activities and functions of the Department's land management bureaus by funding payments to local governments in jurisdictions where Federal lands are located. The PILT payments assist these local jurisdictions to offset costs that they incur in association with maintaining infrastructure that supports Federal lands within their boundaries. Through the Central Hazardous Materials Fund, the Department remediates hazardous substances on Interior lands, working collaboratively with bureaus and offices to approach these activities in a consistent and coordinated fashion. The Natural Resource Damage Assessment and Restoration program coordinates the Department's restoration efforts for resources that are injured as a result of oil spills or hazardous substance releases where endangered species or migratory birds are impacted. A separate budget justification is submitted for the Restoration program.

The Department's Working Capital Fund is a revolving fund that finances centralized administrative and business services in lieu of operating duplicative systems and processes in each bureau and office. The Working Capital Fund also provides the mechanism for services that are provided to other Federal agencies in business areas such as payroll. The Department's Franchise Fund finances acquisition services that are provided to Interior customers and other Federal agencies.

PAYMENTS IN LIEU OF TAXES

The PILT payments are made to local governments in counties, townships, and other jurisdictions where certain Federal lands are located within their boundaries. The program is based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands within their boundaries but are unable to collect taxes on these lands. These payments are made for lands administered by Interior agencies including BLM, FWS, and the National Park Service, as well as for land administered by other agencies such as the U.S. Forest Service and the U.S. Army Corps of Engineers. Unlike other Federal payments that require local governments to use the funds for only specified activities, PILT payments may be used for any governmental purpose. Since the inception of the PILT program in 1976, over \$3.8 billion in payments have been made. Local governments receive other benefits from Federal lands within their borders, including direct payments from economic uses of the public lands. In 2006, counties reported a total of \$275.4 million in revenue payments. The computation of PILT payments adjusts for prior year revenue payments.

The 2008 budget proposes \$190.0 million for PILT, which is \$42.5 million below the 2007 continuing resolution and \$8.0 million below the 2007 President's budget. The request includes a \$34.5 million decrease related to the impact of the 2007 continuing resolution. The 2008 budget request includes \$189.6 million for payments and \$400,000 for program administration. There are no fixed costs requested for the PILT program.

CENTRAL HAZARDOUS MATERIALS FUND

Department-wide cleanup activities are conducted under the auspices of the Central Hazardous Materials Fund. The Fund provides a coordinated, consistent approach to remediate sites impact-

ed by hazardous substances. The 2008 budget proposes \$10.0 million for the Central Hazardous Materials Fund, which is \$2.7 million above the 2007 continuing resolution and \$31,000 above the President's budget. The request includes a \$2.6 million increase related to the impact of the 2007 continuing resolution. Fixed costs for this program total \$31,000, all of which are funded.

The budget funds the continued development of the Department's environmental management information system, which will facilitate the tracking and monitoring of hazardous materials sites and compliance with cleanup requirements. This system is an important component of the Interior Department's cleanup program and the annual financial audit process based on its capability to improve the Department's ability to maintain an inventory of sites, which are owned and operated by multiple bureaus throughout Interior.

WORKING CAPITAL FUND

The Department's Working Capital Fund provides centralized services and systems to Interior bureaus and offices and to other customers. The WCF funds centralized administrative and business services that support Interior and bureau operations. In lieu of maintaining duplicative systems and staffs in each bureau and office, the Department uses the WCF, a revolving fund, to finance centralized functions that provide payroll, finance and accounting, information technology, and other support services. The WCF bills bureaus and offices for the costs of these services based on an annual budget that is formulated with the input of the Working Capital Fund Consortium, an oversight entity that is comprised of representatives of each Interior bureau and office.

Funds are collected from bureaus and offices via the centralized and direct billing. Centralized billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed each year using a pre-established basis that is adjusted annually to reflect cost changes. Direct billing is used whenever the product or service provided is severable and is sold through either a time and materials or fixed price reimbursable support agreement or similar contractual arrangement.

The 2008 budget proposes \$202.9 million for the centralized billing component of the Department's Working Capital Fund, which is \$28.6 million above the 2007 level and \$42.7 million above the 2006 level. The budget proposes \$397.1 million for the direct billing component. This is \$10.9 million below the 2007 level and \$49.2 million below the 2006 level.

Beginning in 2008, the Financial and Business Management System will be budgeted in the Working Capital Fund consistent with other enterprise investments. Through 2007, funding for deployment of the system was requested in the Office of the Secretary—Salary and Expenses Account. The 2008 budget request for FBMS is \$40.4 million, including \$22.2 million requested in the WCF and an additional \$18.2 million that will be billed and collected through this revolving fund from bureaus and offices throughout Interior. This reflects an increase of \$16.0 million and redirection of \$2.2 million from completed enterprise investments funded through the WCF. There are no fixed costs requested for the Working Capital Fund.

PROGRAM PERFORMANCE SUMMARY

The 2008 Office of the Secretary budget proposes to enhance performance in meeting the goals of the Department's unified strategic plan and associated performance goals to ensure compliance with the Government Performance and Results Act, OMB's PART requirements, and the President's management agenda goals. This presentation reflects the changes implemented in the new 2007–2012 Interior Strategic Plan.

The Office of the Secretary budget continues to improve performance through:

- Common goals, strategies, performance measures, and financial systems to make it easier for bureaus and offices to work together to achieve shared missions.
- Performing workforce planning to determine which types of jobs and skills are most essential now and in the coming years, so that recruitment and contracting efforts may be targeted to meet these needs.
- Linking goals to budget and financial management, allowing data to be entered in to a single system, thus improving efficiency and providing more comprehensive data to support decisionmaking and organizational effectiveness.
- Developing and maintaining a complete, Department-wide inventory of Interior facilities and their condition to assure that funds are provided to the most essential maintenance and rehabilitation needs.
- Achieving economies in information technology purchases through adopting Department-wide modern systems, focusing resulting savings towards on-the-ground mission delivery.
- Improving the security of our IT systems to assure that Interior's mission and service to the public is not impacted by security breaches.
- Continually seeking methods to achieve economies through process improvement, competitive sourcing, and better use of partners' capabilities.

In 2008, continued FBMS development and deployment are essential to accomplishment of mission goals. The FBMS system involves deployment of specific functional components that are essential to delivering both financial and business information in a more cost-effective manner, and improve the Interior's ability to interface FBMS with key e-government initiatives, such as grants.gov and the integrated acquisition environment.

Since the publication of the first Department-wide plan in 2003, Interior has gained substantial experience in applying its performance measures. Despite the significant effort involved in crafting these measures, several years of data have underscored the need to refine measures to better gauge overall performance. Budgetary realities have also required Interior to direct greater attention to what it views as its core operations and issues. Consequently, this revised plan is more highly focused on these areas.

Office of Policy, Management, and Budget Management Excellence									
Goals Related to 2007-2012 Strategic Plan									
End Outcome Goal: Advance Modernization/Integration									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Collaboration Capacity: Cooperative Conservation Internal Capacity									
Percent of organizations that have trained and developed employees in collaboration and partnering competencies.						Establish Baseline	Set target based in accordance with baseline data	---	Long Term target has not yet been determined.
Collaboration Capacity: Cooperative Conservation External Capacity									
Percent of conservation projects that actively involve the use of knowledge and skills of people in the area, and local resources in priority setting, planning, and implementation processes.						Establish Baseline	Set target based in accordance with baseline data	---	Long Term target has not yet been determined.

Note: Shaded areas represent years in which performance targets did not apply.

Volunteer Program									
Management Excellence									
End Outcome Goal: Workforce has job related knowledge and skills necessary to accomplish organizational goals.									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long -term Target 2012
Volunteers: Number of volunteer hours per year supporting DOI mission activities.	9,130,000	9,467,427	9,648,226	8,231,390 (E)	10,469,000	10,469,000	Not yet determined	---	Long -term target still in development

Comment: No target set for volunteer hours as yet.

Office of Environmental Compliance Resource Use										
End Outcome Goal: Enhance Responsible Use Management Practices.										
Improve preparedness and response to hazardous substance emergencies through coordinated planning efforts.										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012	
Preparedness/Response for Oil & Hazardous Substance Emergencies: percentage of coordinated DOI input provided on national, international, regional and sub regional guidance/policies and contingency plans to ensure protection of DOI resources.	70%	71%	70%	70%	70%	70%	70%	---	See Comments	
Comments:	Improvements to measure are being considered to expand its scope to include plans and subplans of Interior's Environmental Safeguards Initiative and the National Response Plan.									
Address environmental and resource stewardship concerns through coordinated environmental management systems, audits and reviews.										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012	
Percentage of appropriate organizations (bureaus) with approved EMS policies.	50%	63%	100%	90%	100%	100%		---	See Comments	
Comments:	BIA's policy is awaiting final signature.									
Environmental Management Systems: Interior bureaus' appropriate facilities have EMS plans in place.		50%	70% (revised Plan)	See revised measure.					Measure revised in 2006	
Percentage of bureau-identified appropriate organizations (facilities or other units) that have conducted at least one EMS management review per year.					50%	50%	90%	+40%	See Comments	
Comments:	Of the 850 bureau identified appropriate facilities in 2006, 132 EMS's that have undergone management review.									
Percentage of all DOI facilities that have conducted environmental audits.	83.2%	95%	86%	86%	90%	90%	93%	+3%	97%	

Note: Shaded areas represent years in which performance targets did not apply.

Planning and Performance Management									
Management Excellence									
End Outcome Goal: Advance Modernization/Integration									
Performance-Budget Integration									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long-Term Target 2012
Percent of programs that can estimate marginal cost of changing of performance.						Establish Baseline	Set target based on baseline data		Not yet Established

Budget									
Management Excellence									
End Outcome Goal: Advance Modernization/Integration									
Performance-Budget Integration									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long-Term Target 2012
Percent of programs with demonstrated use of performance measures in budget justifications and decisions.						Establish Baseline	Set target based on baseline data		Not yet Established

Note: Shaded areas represent years in which performance targets did not apply.

Financial Management Management Excellence										
End Outcome Goal: Increase Accountability										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012	
Obtain unqualified audit for the Department's consolidated financial statement.	Yes	Yes	Yes	Yes	Yes			---	Measure revised in 2007-2012 Strategic Plan	
Obtain unqualified audit for Interior's eight bureaus and the Departmental offices.	100%	100%	100%	100%	100%			---	Measure revised in 2007-2012 Strategic Plan	
Revised measure: Percent of reporting entities with unqualified audits.						100%	100%	---	100%	
Percent of bureaus and offices that establish and maintain an effective, risk-based internal control environment as defined by the Federal Managers' Financial Integrity Act (FMFIA) and revised OMB Circular A 123.			Establish baseline	Baseline established	Set target based in accordance with baseline data	100%	100%	---	100%	
Improve Financial Management										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012	
Corrective actions: Percent of material weaknesses and material non-compliances that are corrected on schedule.	88%	100%	100%	100%	100%	100%	100%	---	Maintain 100%	
Corrective Actions: Percent of established targets in Financial Performance Metrics met as defined in FAM NO. 2006-004.			100%	100%	100%	100%	100%	---	Maintain 100%	

Note: Shaded areas represent years in which performance targets did not apply.

Acquisition and Property Management Management Excellence									
End Outcome Goal: Advance Modernization/Integration									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Final Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Percent of business lines with shared processes, including systems, to eliminate redundancy and/or inefficiency. New Financial and Business Management System will affect eight business lines.	Established baseline.	+4% over baseline Goal met.	+1% over 2005 level	Goal not met. Reprourement for System Integrator support delayed deployment of additional FBMS lines during the reporting period.	+27% 7 additional business lines will be implemented at two DOI bureaus for a cumulative total of 27%				
Comments:	The FY 2006 reprourement for System Integrator support delayed deployment of additional FBMS lines during the reporting period. (The DOI Investment Review Board approved the FBMS re-baseline in April 2006.) FBMS Deployment 2 to provide core financial functionality, financial assistance integration, portal access, and navigation, and Enterprise Management Information System capabilities at two DOI bureau (i.e., Office of Surface Mining and Minerals Management Service) will be launched during the first quarter of FY 2007. Deployment of additional business lines with shared processes will resume during the First Quarter of FY 2007.								
Organizational Reviews and Acquisitions									
Percent savings compared to relevant GSA Federal Supply Schedule prices for contracts awarded through Strategic Sourcing.						2%	2%	---	2%
Increase competition: Percent of eligible service contract actions over \$25,000 awarded as performance-based acquisitions.						45%	50%	+5%	70%

Note: Shaded areas represent years in which performance targets did not apply.

Acquisition and Property Management									
Management Excellence									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Final Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Collaboration Capacity									
Facilities Management: Collocation: Number of facilities with multi-agency use/occupancy that coordinate services.						Establish Baseline	Set target based on baseline data		Not yet established
Facilities Improvement									
Facilities Management: Percent of facilities that have a calculated Facilities Condition Index.	64%	75%	100%	100%				Goal retired	Goal retired
Overall condition of buildings and of structures (as measured by the FCI) that are mission critical and mission dependent (as measured by the API), with the emphasis on improving the condition of assets with critical health and safety needs.		0.119*		Baseline established (0.097)	---	0.092	0.088	-0.004	Not yet established
Percent change in the Operating Costs (oper. & maint. costs) per square foot of buildings that are "Not Mission Dependent" as reported in the Federal Real Property Profile (FRPP) in the current fiscal year compared to the previous fiscal year.		\$3.37 per square foot*		Baseline established (\$4.63 per square foot)	---	-2%	-3%	-1%	Not yet established

Note: Shaded areas represent years in which performance targets did not apply.

* First year of reporting data. Refinement in 2006 make 2006 data more suitable for establishing a baseline.

Acquisition and Property Management									
Management Excellence									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Final Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Facilities Improvement									
Percent change in the total number of buildings (office, warehouse, laboratory, and housing) reported as "Under Utilized" or "Not Utilized" in the Federal Real Property Profile (FRPP) in the current fiscal year compared to the previous fiscal year.		1,022*	---	Baseline established (1,648)	---	-5%	-5%	---	Not yet established
Percentage of assets targeted for disposal that were disposed during the fiscal year.				Baseline established (1,181)**	---	50%	50%	---	Not yet established

Other Measures Related to Facilities Improvement in the Federal Real Property Profile

Overall condition (Condition Index) of buildings and of structures (as measured by the FCI).		0.118*	---	Baseline established (0.098)	---	0.095	0.092	-0.003	Not yet established
Percentage reduction in the total number of assets reported as "Not Mission Dependent."		9,927*	---	Baseline established (6,084)	---	-10%	-10%	---	Not yet established
Percent change in the Operating Costs (operations and maintenance costs per square foot of all buildings.		\$3.70 per square foot*	---	Baseline established (\$3.98 per square foot)	---	-2%	-3%	-1%	Not yet established

Notes: Shaded areas represent years in which performance targets did not apply.

* First year of reporting data. Refinement in 2006 make 2006 data more suitable for establishing a baseline.

** Preliminary list of total assets targeted for disposal.

Center for Competitive Sourcing Excellence									
Management Excellence									
End Outcome Goal: Advance Modernization/Integration									
Organizational Reviews									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long-Term Target 2012
Number of full time equivalent employees in competitive sourcing studies completed during the fiscal year.	402	198	457	645	400	450	400	-50	350

Comment: Each year's target stands on its own and is based on what bureaus decide to compete and the number of FTE associated with those functions.

Human Resources Policy									
Management Excellence									
End Outcome Goal: Workforce has job-related knowledge and skills necessary to accomplish organizational goals.									
End Outcome Measure/Intermediate or PART Outcome Measure	2004 Actual	2005 Actual	2006 Estimate	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Percent of skill gaps identified and eliminated through succession and knowledge management plans.	New Measure in 2005	Baseline Established	3%	3% (P)	3%			---	Measure revised in 2007-2012 Strategic Plan
Intermediate Outcome Goal: Improve Human Capital Management.									
End Outcome Measure/Intermediate or PART Outcome Measure	2004 Actual	2005 Actual	2006 Estimate	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Performance-Based Management - Percent of SES executives and direct reports with prgm management or admin. responsibilities that have performance agreements containing GPRA, President's Management Agenda and Citizen-Centered Governance performance-based elements.	88%	90% (E)	100%	100%	Maintain 100%			---	Measure revised in 2007-2012 Strategic Plan

Note: Shaded areas represent years in which performance targets did not apply.

Human Resources Policy									
Management Excellence									
End Outcome Goal: Advance Modernization/Integration.									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Estimate	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Worker Competency									
Percent of employees who have resolved competency gaps for specified occupational groups representing Department-wide skill needs.						Establish baseline	Set target based on baseline data	---	3%
Safe Workplace									
Percent reduction in lost production days.						Establish baseline	Set target based on baseline data	---	1%
Percent reduction in the number of employees on workers compensation rolls.						Establish baseline	Set target based on baseline data	---	3%

Note: Shaded areas represent years in which performance targets did not apply.

Office of Civil Rights Management Excellence									
End Outcome Goal: Advance Modernization/Integration									
Human Capital Management: Diversity									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Percent of diversity increased in the applicant pool of people applying for employment across the Department.	New Measure in 2005	Baseline Not Established	No Target	No Report	In development			---	Measure revised in 2007-2012 Strategic Plan
Increase in the percentage of qualified, highly skilled, diverse candidates hired as a result of implementing specified requirements of the DOI Strategic Plan for Achieving and Maintaining a Highly Skilled and Diverse Workforce, FY 2005-2009.						+1% over immediate prior year	+1% over immediate prior year	Approx. +1% each year	5%

Note: Shaded areas represent years in which performance targets did not apply.

Office of Law Enforcement, Security, and Emergency Management									
Serving Communities									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
End Outcome Goal: Protect Lives Resources and Property									
Outcome Goal: Provide oversight for Interior law enforcement programs.									
Complete update of DM 446 which provides policy and oversight for Departmental law enforcement programs.	0	23	10	0	10			---	Measure revised in new Strategic Plan
Outcome Goal: Streamline Bureau basic training programs.									
Reduce the number of basic training programs.	---	---	2	2				---	Completed in 2006
Outcome Goal: Report internal affairs complaints to OIG.									
Track all internal affairs complaints and provide monthly status reports accounting for all investigations.	12	12	12	12	12			---	Measure revised in new Strategic Plan
Outcome Goal: Review bureau law enforcement programs.									
Conduct a policy compliance review of 3 of the seven Departmental law enforcement programs annually.	New measure in 2005	5	3	4	3			---	Measure revised in new Strategic Plan
Outcome Goal: Review the security of all key resources/critical infrastructures and/or other designated locations.									
Review the security of at least 4 key resources/critical infrastructures and/or other designated locations.	4	4	4	8	4			---	Measure revised in new Strategic Plan

Note: Shaded areas represent years in which performance targets did not apply.

Office of Law Enforcement, Security, and Emergency Management Serving Communities									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Outcome Goal: Develop Interior standardized physical security guidelines.									
Complete update of all chapters in section 444 of the Interior Security Manual by FY 2008	New 2005 Measure	.05 Chapter II	Chapter III	Chapter III	Chapter I			---	Measure revised in new Strategic Plan
Outcome Goal: Assist all bureaus in creating, updating and implementing physical security plans. (annual)									
Meet with Security Coordinators from each bureau regarding physical security plans at least four times per year.	4	4	4	6	4			---	Measure revised in new Strategic Plan
Outcome Goal: Maintain partnership with the Department of Homeland Security in the implementation and oversight of Homeland Security Presidential Directives (HSPD-7 and HSPD-12) (annual)									
Attend/participate in 4 Homeland Security Advisory System meetings per year.	16	2	4	14	4			---	Measure revised in new Strategic Plan
Outcome Goal: Review/participate in at least 4 major Interior special security events per year.									
Assist in the physical security planning of major Interior special events.	6	4	4	4	4			---	Measure revised in new Strategic Plan
Outcome Goal: Respond to all physical security inquiries.									
Investigate and respond to internal and external physical security inquiries.	20	4	4	8	4			---	Measure revised in new Strategic Plan
Outcome Goal: Facilitate Interior actions and redeem responsibilities along international borders.									
Improve and maintain cooperative relations with external agencies; develop consistent policies and procedures across Interior bureaus; and develop a Department-wide border strategy by meeting with cognizant bureaus and agencies at least 4 times a year.	2	2	4	4	4			---	Measure revised in new Strategic Plan

Note: Shaded areas represent years in which performance targets did not apply.

Office of Law Enforcement, Security, and Emergency Management Serving Communities Goals Related to 2007-2012 Strategic Plan									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Public Safety and Security									
Percent of facilities meeting the minimum departmental security guidelines.						Establish Baseline	Set target based on baseline data	---	100%
Emergency Management: Level of emergency preparedness as measured by the Interior Readiness (I-READ) Index.						Establish Baseline	Set target based on baseline data	---	Long Term Target in development.
Law Enforcement: Percent reduction in Part I offenses that occur on DOI lands or under DOI jurisdiction.						Establish Baseline	Set target based on baseline data	---	10%
Law Enforcement: Percent reduction in Part II offenses (excluding natural, cultural and heritage resource crimes) that occur on DOI lands or under DOI jurisdiction.						Establish Baseline	Set target based on baseline data	---	10%
Law Enforcement: Percent reduction of natural, cultural and heritage resource crimes that occur on DOI lands or under DOI jurisdiction.						Establish Baseline	Set target based on baseline data	---	10%
Comments:	Above three performance measures relating to Law Enforcement refer to goals of BIA, BOR, BLM, FWS and NPS with reporting coordinated by the Office of Law Enforcement and Security.								
Improve Public Safety and Security and Protect Public Resources from Damage									
Security: Percent reduction in physical security vulnerabilities identified at DOI facilities.						Establish Baseline	Set target based on baseline data	---	Long-Term Target in development

Note: Shaded areas represent years in which performance targets did not apply.

Information Management Management Excellence									
End Outcome Goal: Advance Modernization/Integration.									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Improve IT management process: Reach Level 2 along GAO's ITM framework by FY 2005.	25%	95%	100%	100%	Complete				
Reach Level 3 along GAO's ITM framework by FY 2008.	25%	28%	35%	58%	40%				Target revised in 2007-2012 Strategic Plan
Percent of systems that will be certified and accredited by FY 2005, and will maintain accreditation on a 3-year recurring cycle.	97.6%	98%	90%	98%	90%			---	Target revised in 2007-2012 Strategic Plan
Percent of time that networks are operational for all users.	99.8% (E)	99.5% (E)	99.5%	99.9%	99.5%	99.5%	99.5%	---	Maintain 99.5%
Percent of completed IT projects for which customers report objectives were met.						86%	88%	---	96%
Percent of systems and lines of business/functional areas associated with an approved blueprint that are managed consistent with that blueprint.						75%	80%	---	95%
Percent of IT systems that have Certification and Accreditation (C&A) and are maintaining C&A status.						100%	100%	---	100%

Note: Shaded areas represent years in which performance targets did not apply.

Information Management Management Excellence										
Efficient IT Management										
Intermediate Outcome Measures	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012	
All enterprise architecture models are developed in concert with the Federal Enterprise Architecture by 2006 and maintained current through FY 2008.	90%	100%	100%	100%	100%			---	Target revised in 2007-2012 Strategic Plan	
Percent of IT investment expenditures for which actual costs are within 90% of cost estimates established in the project or program baseline.	93.7%	87%	90%	93%				---	Target revised in 2007-2012 Strategic Plan	
Percent of IT investment expenditures reviewed/approved through the Capital Planning and Investment Control process.	100%	100%	100%	100%	100%			---	Target revised in 2007-2012 Strategic Plan	
Develop consistent records management policy in all bureaus and offices by 2005.	30%	30%	100%	100%	100%			---	Target revised in 2007-2012 Strategic Plan	
Score achieved on the OMB Enterprise Architecture Framework.						3.3	4.0	+0.7	4.5	
Stage achieved on the GAO IT Investment Management Framework.						100% Stage 2 70% Stage 3	100% of Stage 3	+30% of Stage 3	100% of Stage 3	
Score achieved on the NIST Federal IT Security Assessment Framework.						3.5	4.5	+1.0	4.5	

Note: Shaded areas represent years in which performance targets did not apply.

Information Management Management Excellence									
Implement Records Management Strategy - CIO's Office									
Intermediate Outcome Measures	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Establish and implement a records disposition schedule for the Office of the Secretary by FY 2006.	20%	30%	75%	5% (P)	100%			---	Target revisec in 2007-2012 Strategic Plan
Implement electronic records system by FY 2008.	0%	5%	10%	0%	15%			---	Target revisec in 2007-2012 Strategic Plan
Percent of all bureaus and offices developing consistent records management policy						100%	100%	---	100%

Implement Records Management Strategy - Executive Secretariat Office									
Intermediate Outcome Measures	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Percent of electronic records managed through an approved electronic records management system.						Establish baseline.	Set target based in accordance with baseline data	---	Not yet established

Note: Shaded areas represent years in which performance targets did not apply.

Office of Hearings and Appeals Serving Communities									
Mission Goal: Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve. Protect lives, resources and property.									
End Outcome Goal: Improve Protection of Lives, Resources and Property.									
Promote Respect for Private Property									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2006 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long-Term Target 2012
Average number of months that active non-probate cases are before the Office of Hearings and Appeals (OHA).	14.3 months	12.7 months	12.2 months	10.8 months				--	See new measure
Average number of months that active non-probate cases in the oldest quartile are pending before OHA.	32.1 months	27.2 months	23.3 months	23.6 months				--	See new measure
Provide Prompt Response to Requests for Administrative Action									
Number of non-probate cases concluded.						930	930	--	New measure in 2007
End Outcome Goal: Fulfill Indian Fiduciary Trust Responsibilities.									
Improve Indian Trust Ownership and Other Information									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Plan	2006 President's Budget	2007 Plan	2007 Plan	Change from 2007 to 2008	Long Term Target (2008 Revised)
Average number of months that active probate cases are before OHA.	6.4 months	5.8 months	6.0 months	5.7 months				--	

Note: Shaded areas represent years in which performance targets did not apply.

Indian Arts and Crafts Board Serving Communities										
Develop relationships with Tribal and States' investigative agencies.										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long-Term Target 2012	
Number of Memoranda of Agreement signed with Tribes and/or States for enforcement.	New measure in 2005	Process Initiated.	1	0	1	1	1	--	1	
Number of instances where cooperation led to Tribal, State, and/or Federal enforcement activity.	New measure in 2005	1	1	1	2	2	2	--	3	
Develop relationships with Federal investigative agencies.										
Percent of Interior law enforcement officers in priority areas that are aware of civil and criminal elements of statute.	New measure in 2005	Established Outcome Goal	100%	100%	Provide Act updates as appropriate	Provide Act updates as appropriate	Target to be established in 2007.	--	Provide Act updates as appropriate	
Ensure retailers and wholesalers in distribution chain are aware of their legal requirements/obligations under the Act.										
Number of retailers/wholesalers contacted.	New measure in 2005	Established Outcome Goal	630	725	750	750	750	--	800	
Develop alliances with groups to disseminate information to consumers.										
Number of alliances developed.	New measure in 2005	Process Initiated	2	2	2	2	6	+4	8	
Number of tourists indirectly reached.	New measure in 2005	Process Initiated	21,000	22,000	30,000	30,000	30,000	--	35,000	
Develop efficient complaint processing system.										
Average time to process complaint.	New measure in 2005	45	45	45	45	45	45	--	45	

Note: Shaded areas represent years in which performance targets did not apply.

Office of Wildland Fire Coordination Serving Communities Goals Related to 2007-2012 Strategic Plan									
End Outcome Goal: Improve Protection of Lives, Resources, and Property.									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Improve Protection of Lives, Resources, and Property: Wildland Fire									
Percent change from the 10-year average in the number of acres burned by unplanned and unwanted wildland fires on DOI lands.						-2%	-3%	-1%	-5%
Improve Fire Management: Improve Fire Prevention and Suppression									
Percent of unplanned and unwanted wildland fires on DOI land controlled during initial attack.					95%	95%	95%	---	95%
Improve Fire Management: Reduce Hazardous Fuels									
Percent of acres treated which achieve fire management objectives as identified in applicable management plans.						90%	92%	+2%	95%
Number and percent of treated Wildland-Urban Interface (WUI) acres that are identified in Community Wildfire Protection Plans or other applicable collaboratively developed plans.						315,250 65%	335,240 68%	+3%	420,000; 80%
Number of acres in WUI treated per million dollars gross investment.					3,496	3,760	3,765	---	3,500

Note: Shaded areas represent years in which performance targets did not apply.

Office of Wildland Fire Coordination									
Resource Protection									
Goals Related to 2007-2012 Strategic Plan									
Improve Fire Management									
End Outcome Goal: Improve Health of Watersheds, Landscapes and Marine Resources that are DOI Managed or Influenced Consistent with Obligations and State Law regarding the Allocation and Use of Water.									
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	2004 Actual	2005 Actual	2006 Plan	2006 Actual	2007 President's Budget	2007 Plan	2008 Plan	Change from 2007 to 2008	Long Term Target 2012
Wildland Fire Affected Lands									
Number of treated burned acres that achieve the desired condition.						126,000	126,000	---	126,000
Percent of treated burned acres that have achieved the desired condition.						70%	73%	+3%	80%
Restore Watersheds and Landscapes - Restore Fire-Adapted Ecosystems									
Percent of natural ignitions, occurring in areas designated for wildland fire use or consistent with wildland fire use strategies, that are managed for resource protection benefits (i.e. allowed to burn ¹⁾).						1%	2%	+1%	5%
Percent of acres treated which are moved toward desired condition.						67%	69%	+2%	72%
Percent of acres treated which are maintained in desired condition.						15%	16%	+1%	18%

Note: Shaded areas represent years in which performance targets did not apply.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Appropriation Language Sheet

Office of the Secretary, Salaries and Expenses

For necessary expenses for management of the Department of the Interior, \$101,445,000¹; of which \$8,305,000 for appraisal services and Take Pride in America activities is derived from the Land and Water Conservation Fund and shall remain available until expended; of which not to exceed \$8,500 may be for official reception and representation expenses; and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines: Provided, That none of the funds in this Act or previous appropriations Acts may be used to establish reserves in the Working Capital Fund account other than for accrued annual leave and depreciation of equipment without prior notification of the House and Senate Committees on Appropriations.

¹Note: The above appropriations language corrects the funding amount provided in the 2008 President's Budget Appendix.

OFFICE OF THE SECRETARY
Appropriation Language Citations

Appropriation: Office of the Secretary, Salaries and Expenses

Appropriation language and citations:

1. *For necessary expenses for management of the Department of the Interior;*

43 U.S.C. 1451, 1457

Reorganization Plan No. 3 of 1950; 64 Stat. 1262, as amended, 66 Stat. 121.

43 U.S.C. 1451 provides that: “There shall be at the seat of government an executive Department to be known as the Department of the Interior, and a Secretary of the Interior, who shall be the head thereof.”

43 U.S.C. 1457 Duties of the Secretary – The Secretary of the Interior is charged with the supervision of public business concerning:

1. Alaska Railroad.
2. Alaska Road Commission.
3. Bounty Lands.
4. Bureau of Land Management.
5. Bureau of Reclamation.
6. Division of Territories and Island Possessions.
7. Fish and Wildlife Service.
8. Geological Survey.
9. Indians.
10. National Park Service.
11. Petroleum Conservation.
12. Public Lands, including mines.

Reorganization Plan No. 3 states that: (a) “Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of the Interior all functions of all agencies and employees of such Department...” (b) “This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) [now covered by sections 551 et seq. and 701 et seq. of Title 5, Government Organization and Employees] in hearing examiners employed by the Department of the Interior, nor to the functions of the Virgin Islands Corporation or of its Board of Directors or officers.”

All functions of all other officers of the Department of the Interior and all functions of all agencies and employees of such Department were, with the two exceptions, transferred to the Secretary of the Interior, with power vested in the Secretary to authorize their performance or the performance of any of the Secretary's functions by any of such offices, agencies and employees.

Under authority of Reorganization Plan No. 3 of 1950, the Secretary is empowered to effect transfers of functions and responsibilities, with certain exceptions, and delegate authorities within the Department or its agencies to address changing requirements in the overall organization of the Department.

2. of which \$8,305,000 for appraisal services and Take Pride in America activities is to be derived from the Land and Water Conservation Fund and shall remain available until expended;

The Department proposes \$7,792,000 of this language to support the consolidated appraisal services program. The Appraisal Services Directorate in the NBC is able to provide services in support of land acquisition and other programs for the National Park Service, Fish and Wildlife Service, Bureau of Reclamation, and Bureau of Land Management.

The Department proposes \$513,000 of this language to support the Take Pride in America program, a multi-agency partnership that empowers volunteers to participate in enhancing refuges, parks, recreation areas, and cultural and historic sites. The Take Pride in America program supports the Secretary's conservation partnership approach and the intent of the Land and Water Conservation Fund Act.

3. of which not to exceed \$8,500 may be for official reception and representation expenses;

Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.

The Secretary, as a member of the President's Cabinet, is called upon from time to time to hold official receptions for foreign dignitaries and other high ranking officials. The above language both authorizes and limits the amount of funds used for this purpose.

4. and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines:

Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.

The Department proposes to continue funding workers' and unemployment compensation benefit payments associated with former employees of the Bureau of Mines.

5. Provided, That none of the funds in this Act or previous appropriations Acts may be used to establish reserves in the Working Capital Fund account other than for accrued annual leave and depreciation of equipment without prior notification of the House and Senate Committees on Appropriations.

Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.

The Department proposes to change this language to notify the Committees of any planned changes in reserve policies or practices. The Department would consult with the Committees before establishing any new reserves.

Department of the Interior
Summary of Requirements
(in thousands of dollars)

Appropriation: Salaries and Expenses

Summary of Changes:

	FTE	Amount	FTE	Amount
2007 CR Level.....			366.0	94,502.5
Fixed cost and related changes:				
Additional cost in 2008 of the January 2007 pay raise.....	0.0	+296.4		
Additional cost in 2008 of the January 2008 pay raise.....	0.0	+1,352.0		
Rental payments.....	0.0	+1,714.0		
Two Additional Pay Days.....	0.0	+463.3		
Health Plan costs.....	0.0	+143.2		
Departmental Working Capital Fund.....	0.0	+969.0		
Worker's Compensation.....	0.0	+86.0		
Unemployment Compensation.....	0.0	+27.0		
Total, fixed cost and related changes.....			0.0	+5,050.9
Program changes:				
Hearings and Appeals.....	-3.0	-573.0		
Financial Management.....	+1.0	+144.0		
Working Capital Fund Centralized Bill for FBMS.....	0.0	+219.0		
Financial/Business Management System - FBMS move to WCF.....	-12.0	-22,240.4		
Impact of the Continuing Resolution.....	+20.0	+24,342.0		
Total, program changes.....			+6.0	+1,891.6
Total requirements.....			372.0	101,445.0

Comparison by activity/program element

	2006 Actual		2007 CR		Fixed cost / related changes		Program changes		2008 Budget Request		Inc/Dec from 2007	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Executive Direction												
Secretary's Immediate Office.....	27.7	3,822.1	28.0	3,882.4	0.0	+138.5	0.0	0.0	28.0	4,020.9	0.0	+138.5
Take Pride in America.....	4.0	492.7	4.0	499.4	0.0	+13.6	0.0	0.0	4.0	513.0	0.0	+13.6
Executive Secretariat.....	14.0	1,336.5	14.0	1,363.1	0.0	+51.8	0.0	0.0	14.0	1,414.9	0.0	+51.8
Congressional and Legislative Affairs.....	18.1	1,935.7	18.0	1,971.2	0.0	+73.0	0.0	0.0	18.0	2,044.2	0.0	+73.0
Communications.....	10.6	1,195.4	10.6	1,218.9	0.0	+44.0	0.0	0.0	10.6	1,262.9	0.0	+44.0
A/S - Land and Minerals.....	5.1	746.5	5.4	757.6	0.0	+27.3	0.0	0.0	5.4	784.9	0.0	+27.3
A/S - Water and Science.....	5.8	909.5	6.0	921.1	0.0	+33.5	0.0	0.0	6.0	954.6	0.0	+33.5
A/S - Fish, Wildlife, and Parks.....	5.6	919.5	6.0	932.8	0.0	+34.5	0.0	0.0	6.0	967.3	0.0	+34.5
A/S - Indian Affairs.....	2.8	905.0	3.0	918.5	0.0	+31.8	0.0	0.0	3.0	950.3	0.0	+31.8
A/S - Policy, Management, and Budget.....	10.8	1,620.8	11.0	1,644.6	0.0	+59.7	0.0	0.0	11.0	1,704.4	0.0	+59.7
Subtotal, Executive Direction.....	104.4	13,883.7	106.0	14,109.6	0.0	+507.8	0.0	0.0	106.0	14,617.4	0.0	+507.8
Impact of the CR (non-add).....				[2,890.0]								
Policy, Management and Budget												
Environmental Policy and Compliance.....	26.7	3,103.8	27.0	3,292.3	0.0	+113.0	0.0	0.0	27.0	3,405.3	0.0	+113.0
Policy Analysis.....	19.1	2,340.9	19.0	2,389.8	0.0	+85.5	0.0	0.0	19.0	2,475.3	0.0	+85.5
Budget.....	30.1	3,498.4	30.0	3,569.6	0.0	+130.2	0.0	0.0	30.0	3,699.8	0.0	+130.2
Financial Management.....	24.6	3,708.5	24.0	3,777.3	0.0	+134.3	+1.0	+144.0	25.0	4,055.6	+1.0	+278.3
Acquisition and Property Management.....	20.3	2,822.0	20.0	2,878.0	0.0	+107.3	0.0	0.0	20.0	2,985.3	0.0	+107.3
Small and Disadvantage Business Utilization.....	5.2	475.1	5.0	674.4	0.0	+22.7	0.0	0.0	5.0	697.1	0.0	+22.7
Planning and Performance Management.....	4.3	577.4	4.0	587.7	0.0	+19.7	0.0	0.0	4.0	607.4	0.0	+19.7
Collaborative Action and Dispute Resolution.....	2.9	609.5	3.0	617.7	0.0	+16.3	0.0	0.0	3.0	634.0	0.0	+16.3
Human Resources.....	15.5	1,653.2	15.0	1,802.1	0.0	+67.5	0.0	0.0	15.0	1,869.6	0.0	+67.5
Civil Rights.....	18.2	1,883.2	18.0	2,104.9	0.0	+78.9	0.0	0.0	18.0	2,183.8	0.0	+78.9
Law Enforcement and Security.....	8.5	1,790.3	10.0	1,828.1	0.0	+87.6	0.0	0.0	10.0	1,915.7	0.0	+87.6
Chief Information Officer.....	22.1	4,272.3	22.0	4,543.1	0.0	+112.2	0.0	0.0	22.0	4,655.3	0.0	+112.2
Indirect Cost Negotiations.....	5.8	867.6	7.0	899.0	0.0	+25.9	0.0	0.0	7.0	924.9	0.0	+25.9
Aviation Management.....	5.0	941.8	5.0	959.9	0.0	+32.1	0.0	0.0	5.0	992.0	0.0	+32.1
OS Management Intern Program.....	6.7	372.4	5.0	378.2	0.0	+12.7	0.0	0.0	5.0	390.9	0.0	+12.7
Subtotal, Policy, Management, and Budget.....	215.0	28,916.3	214.0	30,302.2	0.0	+1,046.0	+1.0	+144.0	215.0	31,492.2	+1.0	+1,190.0
Impact of the CR (non-add).....				[6,206.0]								
Hearings and Appeals.....	52.3	7,949.5	52.0	7,895.0	0.0	+290.2	-3.0	-573.0	49.0	7,612.2	-3.0	-282.8
Impact of the CR (non-add).....				[1,617.0]								
Appraisal Services.....	0.0	7,331.8	0.0	7,415.9	0.0	+376.0	0.0	0.0	0.0	7,791.9	0.0	+376.0
Impact of the CR (non-add).....				[1,519.0]								
Indian Arts and Crafts Board.....	12.1	1,144.4	12.0	1,160.0	0.0	+29.7	0.0	0.0	12.0	1,189.7	0.0	+29.7
Impact of the CR (non-add).....				[238]								
Central Administrative Services.....	2.6	33,367.3	2.0	35,094.5	0.0	+2,781.2	0.0	+219.0	2.0	38,094.7	0.0	+3,000.2
Impact of the CR (non-add).....				[7,189.0]								
USBM Workers Compensation.....	0.0	643.0	0.0	626.9	0.0	+20.0	0.0	0.0	0.0	646.9	0.0	+20.0
Impact of the CR (non-add).....				[128.0]								
Financial and Business Management System.....	11.7	22,223.5	12.0	22,240.4	0.0	0.0	-12.0	-22,240.4	0.0	0.0	-12.0	-22,240.4
Impact of the CR (non-add).....				[4,555.0]								
Grant for Kendall County.....	0.0	4,926.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Martin Luther King Memorial.....	0.0	9,852.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Appropriation (without CR).....	398.0	130,238.4	398.0	118,844.5	0.0	5,050.9	-14.0	-22,450.4	384.0	101,445.0	-14.0	-17,399.5
Impact of the Continuing Resolution.....	0.0	0.0	-32.0	-24,342.0	0.0	0.0	+20.0	+24,342.0	-12.0	0.0	+20.0	+24,342.0
Total Appropriation (with CR).....	398.0	130,238.4	366.0	94,502.5	0.0	+5,050.9	+6.0	+1,891.6	372.0	101,445.0	+6.0	+6,942.5

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
Salaries and Expenses
Fixed Cost and Related Cost Changes
(thousands of dollars)**

Additional Operational Cost from 2007 and 2008 January Pay Raises

	<u>2007 Budget</u>	<u>2007 Revised</u>	<u>2008 Change</u>
2007 Pay Raise, Three Quarters in 2007 Budget	+\$624.0	+\$624.0	NA
2007 Pay Raise, One Quarter Budgeted			+\$296.0
			<u>2008 Change</u>
2008 Pay Raise Budgeted			+\$1,352.0

These adjustments are for the additional amount needed in 2007 to fund the remaining three-month portion of the estimated cost of the, on average, 2.2 percent pay increase effective in January 2007 and the additional costs of funding an estimated 3.0 percent January 2008 pay increase for GS-series employees and associated pay rate changes made in other pay series.

Other Fixed Cost Changes

	<u>2007 Budget</u>	<u>2007 Revised</u>	<u>2008 Change</u>
OS Workers Compensation Payments	\$262.0	\$262.0	+\$86.0

The adjustment is for actual charges through June 2006 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2008 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.

	<u>2007 Budget</u>	<u>2007 Revised</u>	<u>2008 Change</u>
OS Unemployment Compensation Payments	\$80.8	\$80.8	+\$27.0

The adjustment is for estimated changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
Salaries and Expenses
Fixed Cost and Related Cost Changes (continued)
(thousands of dollars)

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Revised</u>	<u>2008</u> <u>Change</u>
Rental Payments to GSA and others	\$13,788.0	\$13,788.0	+\$1,714.0

The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the other rental costs of other currently occupied space. These costs including building security; in the case of GSA space, these are paid to Department of Homeland Security. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Revised</u>	<u>2008</u> <u>Change</u>
Departmental Working Capital Fund Changes	\$15,258.3	\$15,437.1	+\$969.0
Amount of Changes Absorbed	[\$0.0]	[\$178.8]	

The change reflects expected changes in the charges for Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Departmental Management. In addition to the fix cost change, an additional +\$219.0 is requested as a program change.

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Revised</u>	<u>2008</u> <u>Change</u>
Employer Share of Federal Health Benefit Plans ...	\$2,155.8	\$2,155.8	+\$143.0

The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. The increase is estimated at 6 percent, the average increase for the past few years.

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Revised</u>	<u>2008</u> <u>Change</u>
Two Additional Pay Days	\$0.0	\$0.0	+\$463.0

This adjustment reflects the increased costs resulting from the fact that there are two more pay days in 2008 than in 2007.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **Secretary's Immediate Office**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	3,822.1	3,882.4	+138.5	0.0	4,020.9	+138.5
FTE	27.7	28.0	0.0	0.0	28.0	0.0

Program Overview

The Secretary of the Interior is the Administration's leading policy maker and spokesperson for the conservation and management of land, water, other natural resources, and cultural resources; the provision of scientific and other information about resources; and honoring special responsibilities and commitments to American Indians, Alaska natives, and affiliated Island communities. The Secretary is an advocate for a cooperative, partnership approach toward the preservation of the Nation's natural resources and cultural heritage.

The Secretary's Immediate Office consists of the Secretary, Deputy Secretary, and a small staff of experienced senior officials who provide overall policy direction and coordination for the Department's major initiatives. This staff is responsible for coordination of major multi-bureau as well as multi-agency program issues such as Endangered Species Act, trust reform, Indian education, Indian community safety, water management and coordination, Healthy Forests, cooperative conservation, Everglades restoration, the National Parks Centennial Initiative, the Energy Policy Act of 2005, and the President's Ocean Action Plan. Senior staff also provide oversight for or oversee offices created to give special attention and focus to Presidential and Secretarial initiatives and to high profile issues, including Indian land and water rights settlements, historical Indian trust accounting and records management, meeting the mandates of the Energy Policy Act, invasive species, Northwestern Hawaiian Islands Marine National Monument, Water 2025, and Take Pride in America.

The Interior Department manages one in five acres in the United States, with the majority of these land holdings in the West. Senior staff in the Office of the Secretary are responsible for communications with Congress, governors, county commissioners, and local elected officials, especially those in the West. They work closely with the Western Governors' Association, National Governors' Association natural resource committee, National Association of Counties' western board, and other associations to find ways to resolve issues through cooperation and partnerships. In addition, the office is responsible for maintaining working relationships with external constituent groups nationwide.

Working closely with his management team, Assistant Secretary guides implementation of management improvements enumerated in the President's management agenda and the Secretary's Plan for Citizen-Centered Governance. Through the Accent on Results efforts to improve management effectiveness and efficiency, the Secretary is providing leadership in management initiatives that are resulting in improved management of space and vehicles and is providing leadership in focusing increased attention on asset management.

The Office of the Secretary also manages three Department-wide programs, the Payments in Lieu of Taxes program, which provides payments to local governments in jurisdictions where Federal lands are located; the Central Hazardous Materials Fund, which provides a coordinated, consistent approach to remediate Interior Department sites impacted by hazardous substances; and the Natural Resource Damage Assessment and Restoration program, which coordinates all of the Department's restoration efforts for affected resources injured as a result of oil spills or hazardous substance releases into the environment on Interior or other lands where endangered species or migratory birds are impacted.

The Office of the Secretary is also responsible for major administrative functions that are Department-wide, and in many cases, government-wide in nature. Under the Secretary's purview, the National Business Center provides administrative and business services for Interior's eight bureaus and multiple offices. In addition, the NBC has been designated by the Office of Management and Budget as one of a select number of Federal agencies approved to provide human resources, payroll, and financial management systems and services to other Federal agencies as part of the OMB lines of business initiative.

The Interior Department is developing the Financial and Business Management System, which is an integrated suite of software applications that will enable the Department to manage a variety of business functions, including budget formulation and execution, core financials, property, acquisitions, travel, financial assistance, and enterprise management information. The FBMS will replace more than 100 legacy accounting, acquisition, property, grants, and budget systems and subsystems.

The Department has recently finished phase one of the implementation of the Enterprise Services Network, an integrated network which provides access to the Internet, a Department-wide intranet, and a fully operational technical support center. In addition to better service, ESN provides a uniformly secure environment, standardized and efficient 24x7 operations, and improved technical support. The ESN also facilitates the consolidation of directory services, web hosting, messaging, data warehousing, and other applications and systems.

Program Performance Estimates

The Department's cooperative conservation programs build upon existing partnerships and provides expanded opportunities to encourage conservation solutions. Through a broad array of programs and initiatives, Interior leverages Federal dollars by funding demonstration projects and cost share programs, supporting volunteer efforts, and partnering with other Federal, State,

and tribal programs for maximum impact. The Secretary led a delegation of top departmental officials at a series of listening sessions around the Nation to advance the program by identifying ideas for future conservation and environmental policies and initiatives. The Department of the Interior announced more than \$18 million in cost-share grants to help fund on-the-ground conservation projects undertaken by States, Tribes, and private landowners in 49 states, the Virgin Islands, and Puerto Rico. Hundreds of beneficial projects will be funded in 2007, achieving conservation improvements that would not occur otherwise.

The Secretary's Office will lead Interior's bureaus and work with other agencies to implement portions of the President's National Energy Plan. Interior bureaus manage lands and water that supply one-third of the Nation's energy production. The Secretary's senior staff will continue to oversee the final development of the 2007-2012 Outer Continental Shelf lease plan and the implementation of the OCS Five Year Plan. Senior officials will also continue to guide the implementation of the expanded permitting, inspection, and monitoring activities in pilot offices within the Bureau of Land Management to develop the most effective and efficient oil and gas permitting process. Interior will work to increase access for production of traditional and renewable sources of energy in an environmentally responsible way, taking particular note of the wildlife-energy interface. The senior staff will continue to lead the Interior Energy Coordination Council.

The Secretary and senior staff continues to make progress on the cleanup of abandoned mine lands. In 2006, Interior reduced the exposure to potential safety risks from abandoned mine lands for over 390,000 people. Along with ensuring public safety, the Department reclaimed 6,984 acres from the effects of degradation from past mining, reclaimed 69 stream-miles which had been degraded from past surface mining, and improved 32 surface acres of water which had been degraded from nearby coal mining. In 2006, the Congress extended the mine reclamation fee collection authority through 2021 and reauthorized the Abandoned Mine Reclamation Fund program in the Surface Mining Control and Reclamation Act Amendments of 2006. This Office will work closely with the Office of Surface Mining to implement the changes to the program.

Reform of the management of Indian trust assets and programs continues to be one of the Secretary's highest priorities. Several key officials in the Immediate Office of the Secretary continue to spend the majority of their time on Indian trust issues. In the fiduciary trust area, they play an active role in managing the indexing and preservation of historical trust records, implementing the Fiduciary Trust Model, and managing the Office of Historic Trust Accounting, which is expected to make additional progress in account ownership and reconciliation of various types of individual Indian and tribal accounts and transactions. In addition, senior staff is very involved in new programs to promote Indian community safety, especially as pertains to the effects of drugs and drug use, and the reform of Indian education.

The Secretary and senior staff will lead the bureaus and work with other agencies to implement the President's U.S. Ocean Action Plan. The Interior Department has a key role to play at the intersection between land and water. Senior official will continue to foster partnerships to achieve the common goals in ocean and coastal resource management and will work with

States, tribal, and local governments, and private citizens to achieve our goals. They will provide leadership and oversight for the implementation of the President's Proclamation establishing the largest marine conservation area in the world, the Northwestern Hawaiian Islands Marine National Monument, and lead efforts on the 56.4 Coral Reef Task Force to preserve and protect coral reef ecosystems.

The Secretary's office will continue to provide executive leadership in the intergovernmental effort to restore Florida's Everglades. Senior staff continues to implement the largest watershed restoration project in the world with State, Federal, tribal and local government partners, and the public. With its partners, the Department is improving water quality and restoring more natural flows of water to the Everglades, restoring habitat, and recovering endangered species.

The Secretary's forward-looking water initiative, Water 2025, will help to stimulate resolution of the water crises in the West. It continues to address chronic water shortages in the fast-growing western States by promoting partnerships among stakeholders and coordination among Federal agencies. Interior is working with other Federal agencies to make drought relief and other water supply programs more accessible to those who need it. The Department's Water 2025 Challenge Grant program awards grants, through a competitive process, that provide incentives for States and local entities to create water markets and make more efficient use of existing water supplies. Since 2004, Water 2025 Challenge Grants supported 78 projects representing \$64 million in water system and management improvements across the West. For every dollar the Federal government has invested, approximately \$3 of non-Federal investment has occurred. In 2007, the President requested \$14.5 million for Water 2025 to continue the Challenge Grant program and initiate System Optimization Reviews, a new component of Water 2025. Through System Optimization Reviews, Reclamation will work with willing States, irrigation and water districts, and other local entities to assess the potential for water management improvements to optimize efficiency. With the \$11 million being requested for Water 2025 in 2008, Reclamation will continue to leverage Federal and non-Federal funding through Challenge Grants and System Optimization Reviews.

The Secretary and senior staff will work to implement the Administration's goals under the Healthy Forests Restoration Act of 2003. As manager of one-fifth of the Nation's land, the Department has a vital role in hazardous fuels reduction and protection of communities from the dangers of catastrophic wildfires. In 2006, over 1.10 million acres of Federal land had been treated for hazardous fuels reduction, exceeding the Department's goal of 1.08 million acres. In 2007, Interior will complete hazardous fuels reduction on an additional 1.1 million acres.

The Secretary and senior staff will build upon the President's five-year investments to improve facilities in the national parks. As in 2006, by the end of 2007, Interior will have completed nearly 6,600 maintenance projects, with many more underway. The Secretary and senior staff will provide leadership for the National Invasive Species Council and the American Heritage and Preservation Partnership including Preserve America.

The Secretary, who functions as the Chief Executive Officer, while the Deputy Secretary functions as the Chief Operating Officer, will continue to actively use the President's management agenda to guide activities that will assist Interior to achieve management excellence.

Finally, since local participation and communication are an essential element of the Secretary's vision, the external outreach from the office continues to be extremely active.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Immediate Office of the Secretary participates actively in guiding the development of Interior's unified Strategic Plan and associated annual performance reports to ensure compliance with the Government Performance and Results Act, the Office of Management and Budget's Program Assessment Rating Tool requirements, and achievement of the President's Management Agenda goals for budget and performance integration.

Program Element: Other Secretarial Activities

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Working Capital Fund (<i>Alaska Field Office, Alaska Resources Library, Invasive Species Program, and Indian Water Rights</i>)						
(\$000)	3,845.7	3,937.8	+165.5	0.0	4,103.3	+165.5
FTE	16.1	16.1	0.0	0.0	16.1	0.0
Allocations (<i>Office of Historical Trust Accounting</i>)						
(\$000)	56,353.0	56,353.0	0.0	+3,647.0	60,000.0	+3,647.0
FTE	35.8	36.8	0.0	0.0	36.8	0.08
Total						
(\$000)	60,198.7	60,290.8	+165.5	+3,647.0	64,103.3	+3,812.5
FTE	51.9	52.9	0.0	0.0	52.9	0.08

Program Overview

The Secretary of the Interior oversees activities funded in the Working Capital Fund including the Alaska Field Office, Alaska Resources Library, and Invasive Species program as well as Secretarial liaisons for Indian Water Rights activities. For more information on these WCF programs see the Working Capital Fund tab in this volume.

In addition, the Office of Special Trustee for American Indians appropriation is authorized to transfer funds to the Immediate Office of the Secretary to fund the Office of Historical Trust Accounting. Within the OST request is \$60.0 million for the Office of Historical Trust Accounting. This amount will provide approximately \$40 million for individual Indian monies accounting, and \$20 million for tribal accounting. This amount may be revised depending on the outcome of any further court rulings in *Cobell v. Kempthorne* or congressional action. More information on this program is contained in the Office of the Special Trustee's 2008 Budget Justification.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **Take Pride in America**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	492.7	499.4	+13.6	0.0	513.0	+13.6
FTE	4.0	4.0	0.0	0.0	4.0	0.0
Working Capital Fund (<i>volunteer.gov</i>)						
(\$000)	65.3	65.3	0.0	0.0	65.3	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	468.0	564.7	+13.6	0.0	578.3	+13.6
FTE	4.0	4.0	0.0	0.0	4.0	0.0

Program Overview

Take Pride in America®, the public lands component of the President’s USA Freedom Corps, is a national, multi-agency partnership that empowers volunteers to participate in caring for the public lands we share, including parks, refuges, recreation areas, and cultural and historic sites. The initiative calls Americans to action and encourages them to join in voluntary stewardship efforts on our public lands. This initiative has successfully garnered support by leveraging private funding and thousands of volunteer hours to further stewardship and other efforts on Interior Department lands. The program is included in the Department’s cooperative conservation program and, as such, is proposed for funding from the Land and Water Conservation Fund.

The mission of the Take Pride in America program is three tiered: create awareness by increasing appreciation for our public lands and waters and the sense of responsibility we all share to care for them; inspire action by inviting all citizens to become engaged in helping to maintain our shared spaces; and recognize, through awards, individuals and groups of volunteers for outstanding work on public lands.

The Take Pride partners help accomplish this mission and include major corporations, conservation groups, service and trade organizations, government agencies, elected officials and schools. These partners sponsor events, donate materials, spread the message of Take Pride and contribute other resources to the program. Together with these partners, Take Pride strives to protect and enhance the special legacy all Americans share – our public lands.

Additionally, Take Pride has oversight of the volunteer.gov/gov web portal. The mission of this site is to connect people with public sector volunteer opportunities to help build America’s

Communities of Service. It provides a single, easy-to-use database for those interested in volunteering to search for opportunities by keyword, state, activity, partner, or date.

Program Performance Estimates

As Take Pride continues to host events, give awards, and develop partnerships, interest in Take Pride will continue to grow. Funding requested will allow Take Pride to continue to provide volunteer event organizers, volunteers, and the general public with materials needed to host a Take Pride event. Take Pride staff will continue to make available resources and printed materials to engage more volunteers and recognize outstanding stewards of our public lands.

In an effort to streamline the program, Take Pride will focus on awards, events, and partnerships. Specifically, Take Pride will focus on (1) substantively recognizing volunteers for their efforts on public lands; (2) planning volunteer events side-by-side with partners which include involvement of Interior Department leadership; and (3) developing partnerships which recruit individuals, organizations, and entities that will actively fulfill the shared goals of the partner and Take Pride.

Honoring individuals and groups of volunteers for outstanding work on public lands continues to be a priority for Take Pride. In 2006, in total, 101 Secretarial Volunteer Service Awards were given to individuals donating more than 3,000 volunteer hours of service to public lands, and 84 Presidential Awards were given to individuals donating more than 4,000 hours of service. At the national awards ceremony in September, 29 groups and individuals were recognized with the Take Pride National Award for their outstanding projects and programs that help to maintain and enhance America's public lands and waters. Additionally, 20 special awards were given including Governor's and Congressional Awards, and Take Pride Appreciation Certificates.

Throughout 2006, Take Pride in America Partners registered 250 volunteer events including national events such as National Trails Day, Earth Day, Great Backyard Bird Count, and the Great American Campout. More than 60 Interior Department employees participated in the local Capitol River Relief. For the third year, Take Pride partnered with National Public Lands Day and again increased the number of participating local, state, and national lands to 1,000 sites across the country.

This year, Toyota Motor Sales U.S.A. and Travelocity joined the Take Pride in America program in corporate partnership. Other partners, such as the Good Sam Club and National Wildlife Federation, continued their active promotion of Take Pride through ongoing nationwide events. Three cities and 29 schools designated themselves as Take Pride partners in 2006. Take Pride's continued partnership with the Ford Motor Company and BLM maintains the Save the Mustangs Fund, which has disbursed over \$19,000 to the long term care and placement of wild horses and burros.

The public service announcement campaign featuring Take Pride spokesman Clint Eastwood launched in September 2005. Since then, more than 30.5 million viewers in 120 television

markets have seen the broadcast PSA, including all of the top 20 media markets in the country. Additionally, more than 20 consumer and trade magazines published the PSA in 2006, reaching over 16.2 million readers.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **Executive Secretariat and Regulatory Affairs**

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	1,336.5	1,363.1	+51.8	0.0	1,414.9	+51.8
FTE	14.0	14.0	0.0	0.0	14.0	0.0
Working Capital Fund (<i>Document Management Office, Electronic Records Management</i>)						
(\$000)	763.9	813.3	+35.4	+1,010.0	1,858.6	+1,045.4
FTE	6.5	6.5	0.0	0.0	6.5	0.0
Total						
(\$000)	2,100.4	2,176.4	+87.2	+1,010.0	3,273.5	+01,097.2
FTE	20.5	20.5	0.0	0.0	20.5	0.0

Program Overview

The Office of Executive Secretariat and Regulatory Affairs is the Department's principal policy office in the areas of executive correspondence, regulatory management, and document production management. The Office has varied responsibilities in each of these three areas.

This Office manages and controls all correspondence addressed to the Secretary, Deputy Secretary, Associate Deputy Secretary, and the Office of Congressional and Legislative Affairs. To ensure that this correspondence is managed effectively, OES:

- Assigns preparation of responses to the proper Departmental office, coordinates writing and review of correspondence, and determines the signature and clearance levels required.
- Reviews and coordinates letters and other documents, including reports, memoranda of agreement, and internal memoranda initiated within the Department for Secretary, Deputy Secretary, or Associate Deputy Secretary signature.
- Develops and enforces quality standards for all letters and documents signed by the Secretary, Deputy Secretary, or Associate Deputy Secretary.
- Ensures that outgoing correspondence accurately reflects Interior policy and incorporates relevant bureau and office positions.
- Provides information as requested to all levels within the Department, as well as the White House, Congress, other Federal agencies, State and local governments, the private sector, and the public.

The Office develops and manages regulatory policy for the Department. To meet its objective that all regulations are promulgated in an efficient and effective manner, OES:

- Reviews all regulations and similar policy documents developed in the Department to ensure they reflect administration policy, comply with applicable laws, Executive Orders, and OMB requirements, and are written in plain language.
- Serves as Interior's primary point of contact with OMB on regulatory matters and facilitates agreements and working relationships among bureaus.
- Develops the Department's semiannual agenda of regulations and other reports required by Congress, the President, and OMB.

The Office provides a wide range of other services for the Department. Specifically, this office:

- Prepares and processes acknowledgment letters for Congressional correspondence addressed to the Secretary and Deputy Secretary, prepares a weekly report of overdue correspondence and projected due dates, provides technical assistance and training to bureaus and offices in correspondence management, and revises the Departmental correspondence manual.
- Revises as necessary the Department Manual chapters regarding the regulatory process, provides technical and policy guidance to offices publishing regulations or similar policy documents, and assists bureaus in writing regulations in plain English by holding training courses and providing personalized assistance
- Compiles the Departmental weekly highlights and responds to inquiries and requests from Congressional offices, constituent groups, and the general public on a wide variety of Interior activities.

The Document Management Unit manages all high profile requests made to the Office of the Secretary for production of documents, i.e., from the Courts or Congress. Collection and production is managed under a process which has been perfected over an eight year period that ensures compliance to the request and establishes accountability and accuracy. The DMU system currently stores over five million pages of documents in a safe, secure environment. In 2006 DMU processed nine administrative records, three general litigation projects, 14 tribal trust projects, three special collections, and seven Congressional requests for a total of 1,004,386 pages. The Solicitor's Office has indicated that 60 new tribal trust cases have been filed to date in 2007, bringing the total to 105 cases for which the DMU will process documents for legal review. A sharp increase in requests is anticipated from the 110th Congress. Thus far in 2007, 279,727 pages have been processed.

In 2008, the Working Capital Fund includes a new initiative for OES, Electronic Records Management, which will begin to develop policies, procedures, and requirements for the development of an Electronic Records Management System for the Interior Department.

Program Performance Estimates

In 2006, OES reviewed 194 proposed and final regulations, obtaining OMB approval when required, and obtained clearance for 783 notices. Through the first quarter of 2007, OES has reviewed 35 proposed and final regulations and has obtained clearance for 178 notices.

As the Department's primary point of contact for regulatory matters, OES works regularly with OMB. The Office is also continuing work on developing an improved regulatory tracking system that will feed into the Department's existing automated system for tracking accomplishments.

The Office continues a multi-year project to facilitate development of the Indian Trust Management Reform regulations. This includes assistance with negotiated rulemaking initiatives as well as technical drafting assistance and reviews.

In the area of electronic rulemaking, OES is in the midst of a multi-year effort to expand and enhance the capability of Interior's on-line rulemaking activities to meet the requirements of the E-Government Act. This involves extensive coordination and planning with the interagency electronic rulemaking working group and with the various Interior bureaus and offices.

As the Department transitions to a new mail system based on Microsoft Outlook, OES will continue to work with the existing correspondence control system and to successfully adapt the Fish and Wildlife Service's Data Tracking System for correspondence tracking in the new Outlook environment.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **Congressional and Legislative Affairs**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	1,935.7	1,971.2	+73.0	0.0	2,044.2	+73.0
FTE	18.1	18.0	0.0	0.0	18.0	0.0

Program Overview

The Office of Congressional and Legislative Affairs discharges the duties of the Secretary of the Interior with the authority and direct responsibility for the congressional and legislative policies, programs, and activities of the Department. The Office serves as the Department of the Interior's primary liaison with Congressional Committees and individual Members of Congress and as the Department's Congressional and Legislative Affairs liaison with the White House, communicating the views of the Department and the Secretary on congressional and legislative matters and providing for an effective interchange of information. The Office coordinates meetings with and briefings for Members of Congress and congressional staff and works with other relevant offices to provide responses to congressional inquiries and requests for information.

The Office is responsible for the legal legislative examination, review, and analysis of all legislative matters affecting Interior including the development of the Department's views on proposed legislation, testimony, legislative reports; correspondence on legislation, proposed amendments to legislation; responses to post-hearing questions, and any other written statement expressing views on a legislative matter. The Office coordinates the development of Interior Department views with the bureaus, other Departmental offices, other Federal agencies, and OMB.

The Office selects and prepares witnesses for appearances before Congress at legislative and oversight hearings. It provides guidance and support to individuals nominated by the President to Interior Department positions and facilitates the Senate confirmation process by assuring nominees are properly briefed and vetted for and that proper documentation is received by the Senate. It coordinates Congressional meetings for the Secretary, Departmental officials, and nominees.

The Office works with the Document Management Unit of the Office of Executive Secretariat, the Freedom of Information Act offices, the Office of the Solicitor, and other agency personnel to coordinate and respond to document requests from Congressional Committees and Members, for major Departmental litigation, and for FOIA requests; and oversees the collection of responsive

records of the Secretary, Deputy Secretary, Executive Secretariat, Office of Communications, Office of Intergovernmental Affairs, Scheduling, and Congressional and Legislative Affairs.

Program Performance Estimates

The Office expects an active year of oversight hearings and hearings on bills of interest to a new Congress. The Department is planning to testify at oversight hearings on Royalty Operations and Management and wildfire cost containment. The Office anticipates additional hearings on the Energy Policy Act of 2005 and other related energy issues, Wildland Fire Management, administration and reform of the Endangered Species Act, Indian trust issues, issues related to Tribal acknowledgement, taking land into trust, and Indian water rights settlements, management of the Recreation Fee program, the Title XVI Water Recycling Program, Global Climate Change issues, and the role of science in the Department's decisionmaking. Other issues likely to attract Congressional interest include the National Park Centennial Initiative, mining law reform, Healthy Forests Restoration Act, San Joaquin River Settlement Agreement, Abandoned Mine Land issues, and Katrina and hurricane readiness.

In addition to holding oversight and legislative hearings, Congress will seek information on matters related to oversight efforts, including such issues as energy development and related price structures and leasing, Katrina and hurricane readiness, and endangered species recovery.

Currently, the Department is preparing for scheduled hearings before authorizing committees on all aspects of Interior's proposed 2008 budget. The Office is working with the Office of Budget to facilitate the Department's preparation for these hearings.

The Office will play an important role in the development of testimony and the coordination of appropriate responses to Congress on these matters.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office will work closely with the Congress and stakeholders on agency legislation and issues to communicate an overarching vision of agency, Departmental, and Administration goals, to facilitate partnerships, and to provide for collaborative efforts to accomplish them. It will oversee the preparation and coordination of the Department's views on all legislative matters including Departmental testimony, Administration legislative proposals, statutory reports, and correspondence to further or represent the Department's goals and mission.

The Office of Congressional and Legislative Affairs will coordinate confirmations of key Departmental leaders to support GPRA and the President's management efficiency goals. It will accompany nominees to meetings with Senators and oversee the production of briefing materials, mock hearings, the development of testimony, and the immediate finalization of answers to post hearing questions for the candidates.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **Communications**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	1,195.4	1,218.9	+44.0	0.0	1,262.9	+44.0
FTE	11.0	11.0	0.0	0.0	11.0	0.0
Working Capital Fund						
(\$000)	819.3	825.3	+3.5	-86.7	742.1	-83.1
FTE	4.0	4.0	0.0	0.0	4.0	0.0
Total						
(\$000)	2,014.7	2,080.3	+47.5	-86.7	2,005.0	-39.1
FTE	15.0	15.0	0.0	0.0	15.0	0.0

Program Overview

The Office of Communications serves as the Department of the Interior's information liaison with the general public and the news media. It provides accurate and timely information about Interior's programs and activities and exercises management oversight for publications and audiovisual materials produced by the bureaus for the public.

Office activities include strategic development, planning, coordination, production, and evaluation for all major news and policy initiative announcements of the Interior Department. It provides a wide range of specific information activities such as the preparation and distribution of speeches, media alerts, news releases, news conferences, media briefings, radio programming, Hispanic Outreach, and publication of the employee and constituent publication *People, Land, and Water*. The Office handles thousands of questions submitted by telephone, mail, e-mail, and in person; and monitors the news media daily for reports bearing on the Department in an effort to keep the Secretary and other policy-level officials informed on how various activities are being perceived by the media and the general public.

The Office also ensures that the Secretary, Deputy Secretary, and Interior's five Assistant Secretaries are well prepared for meetings, interviews, and official trips.

Program Performance Estimates

Workload figures for 2006, and estimates for 2007 and 2008 are as follows:

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Hispanic news releases, advisories, speeches, articles, editorials.....	76	75	75
News releases, advisories	225	250	250
Media interviews	163	190	190
Speeches, talking points.....	190	200	200
Radio sound bites.....	193	200	200

In 2006 a pilot web based electronic version of *People, Land & Water* was developed to replace the print publication. The pilot was implemented in 2007 and new articles are posted on a rolling basis.

Cooperative conservation programs were publicized in 2006 through news releases, *People, Land & Water*, Interior's website as well as scheduled events for the Assistant Secretaries and Deputy Secretary to help develop partnerships.

In conjunction with the President's National Energy Policy, interviews and news releases were used to educate and inform the American public on the development and use of renewable energy and traditional energy resources developed on public land.

In 2006, a pandemic and avian flu communications plan was developed and implemented. A Department-wide communications team was formed, information programs were conducted on the wild bird testing, and an information web site was established for employees and the public. These activities will continue throughout 2007 and 2008.

A major communications plan will be developed and implemented in 2007 and 2008 in support of, and essential to, the success of the President's National Parks Centennial Initiative for the upcoming centennial of the National Park Service.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office of Communications establishes Interior's public information policies and exercises technical and general supervision over all information and public affairs activities and public affairs personnel of the Department. It is responsible to the Secretary for developing good working relations with the news media for the purpose of facilitating the flow of information from the Interior Department to the general public, and for advising the Secretariat on matters affecting such areas.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **A/S - Land and Minerals Management**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	746.5	757.6	+27.3	0.0	784.9	+27.3
FTE	5.1	5.4	0.0	0.0	5.4	0.0

Program Overview

The Office of the Assistant Secretary – Land and Minerals Management establishes Interior policies and provides oversight to the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining Reclamation and Enforcement. Major objectives of the Assistant Secretary include maximizing the effectiveness of program operations of the land and minerals management bureaus; serving as the primary Interior Department focal point for policy development and coordination for national land and minerals management activities, royalty management, and regulation of coal mining and restoration of mined areas; ensuring that appropriate program goals are established for assigned functions and that results are achieved; and ensuring that appropriate consultation and coordination is conducted with all affected parties on assigned programs.

The Office provides policy guidance and direction for the design and operation of its bureaus' program activities; ensures the implementation of Interior priorities by monitoring the activities of its bureaus and providing guidance and assistance as appropriate; and coordinates and consults with other entities to promote the implementation of Interior priorities. Activities under the Office's jurisdiction include managing the surface and mineral resources for 261 million acres of public land; administering mineral leases and supervising mining on public and Indian lands and public mineral estates underlying other Federal, State, or private surface lands throughout the United States; leasing and managing the mineral resources of the Outer Continental Shelf; collecting, disbursing, and ensuring the accuracy of royalties and mineral revenues derived from Federal, Indian, and OCS leases; controlling the adverse effects of coal mining operations; and restoring un-reclaimed lands that were mined for coal prior to 1977. The activities are conducted pursuant to the Federal Land Policy and Management Act, OCS Lands Act, Federal Oil and Gas Royalty Management Act, Mineral Leasing Act, and the Surface Mining Control and Reclamation Act, among others.

Program Performance Estimates

The Office will continue to provide policy guidance, oversight, and support to assist BLM in meeting its various land management objectives, including implementation of a new Healthy Lands Initiative, which is slated to take place in six specific geographic areas. This initiative will focus on enhancing habitat to ensure important future uses of the land, including access for energy development. In particular, the goals of the Healthy Lands Initiative include stabilizing energy production and enhancing energy security; managing landscapes to prevent the listing of wide-ranging species, such as the sage grouse; sustaining public lands and wildlife habitats in order to maintain opportunities for hunting and fishing; working in concert with communities and partners; and leveraging available resources and assets in support of these objectives. The Office also will provide continued support to BLM in its ongoing efforts to help meet the Nation's energy needs by providing reliable access to energy resources and ensuring that those resources are developed in an environmentally responsible manner, and will provide guidance and policy assistance in the implementation of the President's National Energy Policy and the Energy Policy Act of 2005.

The Office will provide policy guidance, oversight, and support to MMS in its role in managing access to offshore energy resources and managing the revenues generated by Federal and Indian mineral leases. Specifically, the Office will work closely with MMS to finalize the Proposed 5-Year OCS Oil and Gas Leasing Program for 2007-2012. The economic analysis indicates that implementing the new program will result in a mean estimate of approximately 10 billion barrels of oil, 45 trillion cubic feet of gas, and \$170.0 billion in net benefits for the Nation over a 40-year time span. Another key component of the forthcoming leasing program will be the increased royalty rate for new, deep water leases. The Office will work with MMS to implement the Administration's directive to increase the royalty rate from 12.5 percent to 16.7 percent for any new deep water leases offered in the Gulf of Mexico. Additionally, two important topics will continue to be the primary goals for the Office, the deep water leases issued without price thresholds for royalty relief in 1998 and 1999 and the management of royalty revenues. The Office will continue to seek agreements with oil and gas companies that entered into leases issued in 1998 and 1999 that did not contain price thresholds and will continue to work with MMS to review and improve its royalty management programs. The Office will also continue to provide guidance and policy assistance in the implementation of the President's National Energy Policy and the Energy Policy Act of 2005.

The Assistant Secretary will provide policy guidance, oversight, and support to OSM in helping the Bureau to meet its primary objectives of protecting citizens and the environment during mining; restoring land and water resources to beneficial use following mining; and correcting the most serious health and safety problems at abandoned coal mines. The OSM carries out these mandates through grants to primacy States and Tribes — those that have assumed jurisdiction over mining and reclamation within their borders. Recognizing that, generally, States and Tribes carry out regulatory and reclamation activities far more efficiently than the Federal government can alone, the Assistant Secretary places considerable emphasis on supporting the funding, technical assistance and training necessary for Interior-approved State and Tribal

programs to continue to meet their responsibilities in 2008. A primary focus of the Assistant Secretary's support for OSM and its State and Tribal partners will be to implement the many changes required by the December 2006 amendments to the Surface Mining Control and Reclamation Act. Chief among these changes are a 15-year reauthorization of OSM's collection of Abandoned Mine Land fees, an overhaul of the formula for allocating fee collections to States and Tribes, and major changes in the way grants will be funded.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office will continue to provide support to the Secretary of the Interior in achieving the Department's mission and goals articulated in the Strategic Plan, and in implementing the objectives of the President's Management Agenda, by providing oversight, support, and policy guidance to BLM, MMS, and OSM.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **A/S - Water and Science**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	909.5	921.1	+33.5	0.0	954.6	+33.5
FTE	5.8	6.0	0.0	0.0	6.0	0.0

Program Overview

The Office of the Assistant Secretary – Water and Science implements Interior policy for and provides oversight to the projects and programs of the Bureau of Reclamation, U.S. Geological Survey, and Central Utah Project Completion Act Office for the purposes of accomplishing the agency missions and carrying out the priorities of the Secretary. Major objectives include maximizing the effectiveness of program operations of the water and science bureaus; serving as Interior’s focal point in program areas for national water, geography, biology, geology, and other natural resources and earth science policy development and coordination efforts; assuring that program goals, which support Interior objectives, are identified and that results are measured against them; and ensuring appropriate consultation, communication, and coordination with all affected parties in program and policy development and implementation.

The Office directs management improvement, organizational efficiency, strategic planning, financial responsibility and accountability, the implementation of the President’s management initiatives, the Government Performance and Review Act implementation, and active human resources management programs in Reclamation, USGS, and CUPCA.

Program Performance Estimates

In 2007 and 2008, the Office will:

- Implement the Reclamation Managing for Excellence plan responding to recommendations of the National Academy of Science Report, Managing Construction and Infrastructure in the 21st Century Bureau of Reclamation.
- Alleviate and prevent water crises and conflict in the West by continuing development of Reclamation’s Water 2025 initiatives.
- Enhance Reclamation’s ability to rehabilitate and maintain its aging water delivery infrastructure, including through development of a loan guarantee program.
- Ensure continued progress in developing water shortage criteria and drought water management protocols for the Colorado River and in coordinating and communicating with the Colorado River Basin States.

-
- Enhance the mission of USGS in delivering scientific data and research on hazards such as earthquakes, volcanoes, hurricanes, flooding, landslides, and tsunamis in order to save lives and protect property.
 - Support and enhance the leadership role of the Geological Survey in Federal geospatial activities and information technology.
 - Improve the ability of USGS to conduct earth observation and monitoring activities, including its real time streamgauge network, satellite data systems, and biological research and monitoring protocols.
 - Lead efforts to complete the Animas-LaPlata project and the Central Utah Project in a timely and cost-efficient manner.
 - Support the Secretary's goal of using adaptive management more broadly within the Department to inform natural resource and land management decisions.
 - Develop Cooperative Conservation programs with stakeholders and customers in furtherance of agency missions.
 - Continue to lead the Department's Research and Development Council, including enhancing coordination among federal agencies on desalination research.
 - Support the Secretary's efforts to ensure compliance with ethics requirements.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

Support the Secretary of the Interior in achieving the Department's mission and goals articulated in the Strategic Plan, and in implementing the objectives of the President's Management Agenda, through oversight of the Bureau of Reclamation, U.S. Geological Survey, and Central Utah Project Completion Act Office.

Justification of Program and Performance

Activity: Executive Direction

Program Element: A/S - Fish, Wildlife, and Parks

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	919.5	932.8	+34.5	0.0	967.3	+34.5
FTE	5.6	6.0	0.0	0.0	6.0	0.0

Program Overview

The Office of the Assistant Secretary – Fish and Wildlife and Parks provides overall policy direction to the National Park Service and Fish and Wildlife Service, providing policy direction on the application of conservation measures in a complex, ever-changing political, economic, and social environment. The objective is to ensure the conservation of significant natural, cultural, and biological resources.

This Office has the lead responsibility within the Federal government for ensuring the protection and stewardship of the national park and wildlife refuge systems; preservation of cultural resources; and conservation of Federal trust species of fish, wildlife, and plants and their habitats, including those listed as endangered or threatened under the Endangered Species Act. This responsibility entails a careful balancing of differing needs and viewpoints. Professional judgments vary and may be inconclusive in resolving these differences. When such conflicts arise the Assistant Secretary in support of the Secretary attempts to resolve differences and develop a policy or course of action to bridge bureau, Department, and other agency concerns, reflective of the Administration’s goals. The Assistant Secretary’s decisions are guided by the Administration’s policy, as well as Congressional legislation, such as the National Park Service Organic Act, Endangered Species Act, and Refuge Administration Act. This Office must weigh competing demands, consider the recommendations of qualified resource professionals, and reach decisions that best reflect the public interest.

The Office is responsible for developing and implementing policies to ensure protection and use of these natural, cultural, and biological resources and allow public access and use of national parks and refuge lands while preventing such use from impairing these resources. It will continue to work toward enhanced cooperation and coordination among government agencies, State and local governments, Tribes, and the private sector in order to avoid negative impacts on park or refuge resources from external activities.

To accomplish these objectives, the Assistant Secretary directs a number of initiatives, including: sustaining fish and wildlife populations, with an emphasis on endangered and threatened species; enhancing conservation of fish and wildlife habitats in national parks, hatcheries, and

refuges, as well as working cooperatively with other organizations and individuals to promote and manage healthy ecosystems on non-Federal lands. The Office plays a vital role in effectively protecting, restoring, and maintaining natural and cultural park resources; enhancing the visitor experience at parks and refuges, providing quality facilities, and expanding compatible recreational opportunities. The Office encourages private and public sector partnerships; cooperative conservation efforts with State, local, tribal governments and private landowners; and encourage volunteerism to more efficiently and effectively protect, use, and enjoy our natural and cultural resources. It also promotes reforming the implementation of the Endangered Species Act to provide additional incentives for private landowners to conserve endangered species and enhance the effectiveness of the Act.

Program Performance Estimates

In 2007 and 2008, the Office will:

- Coordinate implementation of the National Fish Habitat Initiative.
- Lead the Interior response to interagency efforts to address contaminants on national wildlife refuges in the insular areas.
- Coordinate implementation of the National Parks Centennial Initiative.
- Work with all interested parties for improvement of the Endangered Species Act.
- Coordinate Interior efforts to assist the Federal Great Lakes Interagency Task Force to ensure a healthy Great Lakes ecosystem.
- Coordinate implementation of new criteria and designation of U.S. candidate sites for World Heritage Area nominations.
- Coordinate implementation of measures adopted at conference of CITES parties to regulate international trade in threatened species of wildlife and plants.
- Lead the U.S. delegation to the biennial conference of the CITES Treaty to promote U.S. positions on protection and recovery of endangered species worldwide.
- Complete efforts to successfully remove the bald eagle from the list of endangered and threatened species.
- Complete efforts to remove the gray wolf from the list of endangered and threatened species in the Northern Rockies and the Great Lakes.
- Coordinate efforts to remove the Greater Yellowstone population of grizzly bears from the list of endangered and threatened species.
- Coordinate efforts to evaluate status of polar bears throughout its global range.
- Coordinate implementation of the National Fish Habitat Initiative.
- Coordinated efforts towards the “substantial restoration of natural quiet” at Grand Canyon National Park.
- Successfully implemented the new national recreation reservation system and the new recreation fee system in response to the recently enacted Federal Land and Recreation Enhancement Act.
- Coordinated efforts to improve the management policies for the national wildlife refuge system.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The National Park Service and the U.S. Fish and Wildlife Service have significant responsibilities in the four mission areas identified in the Department's strategic plan in protecting the Nation's natural and cultural resources, in providing for enhanced public use of those resources, in providing quality recreational experiences and in serving communities through cooperative conservation. The Assistant Secretary - Fish and Wildlife and Parks and the staff actively participate in reviewing and guiding both bureaus' active participation in and responses to the President's Management Agenda.

Justification of Program and Performance

Activity: **Executive Direction**

Program Element: **A/S - Indian Affairs**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	905.0	918.5	+31.8	0.0	950.3	+31.8
FTE	2.8	3.0	0.0	0.0	3.0	0.0
Reimbursable Program (Agreement with the Bureau of Indian Affairs)						
(\$000)	25,519	27,322.0	+1,191	+3,316.0	31,829.0	+4,507.0
FTE	199.0	201.0	0.0	+33.0	234.0	+33.0
Total						
(\$000)	26,424.0	28,240.5	+1,222.8	+3,316.0	32,779.3	+4,538.8
FTE	201.8	204.0	0.0	+33.0	237.0	+33.0

Program Overview

The Office of the Assistant Secretary – Indian Affairs promotes the policy of tribal self-determination, maintains the Federal trust obligation to Indians, and ensures that the Bureau of Indian Affairs and the Bureau of Indian Education programs are effective and accountable for results. Within the parameters established by the Congress and Executive Branch, the primary responsibilities of the Assistant Secretary are to advise the Secretary on Indian Affairs policy issues, communicate policy, oversee the programs of BIA and BIE, provide leadership in consultations with Tribes, and serve as the Departmental official for intra- and inter-departmental coordination and liaison within the Executive branch on Indian matters. The Assistant Secretary is supported by the Principal Deputy Assistant Secretary in charge of operations.

The Office of the Assistant Secretary includes the Deputy Assistant Secretary for Management who directs centralized administration, information resources, and other organizational support services. The office has operational responsibility for financial management, acquisition, budget and planning, information management and technology, and other administrative operations. The centralized services provided to BIA and BIE allow managers responsible for managing Indian trust assets, providing tribal services, and educating Indian children to focus on program and service delivery to tribal communities. The office also includes the Deputy Assistant Secretary for Policy and Economic Development who oversees the Office of Self-Governance and Self-Determination, Office of Economic Development and Minerals, and Office of Indian Gaming Management. The Office of Federal Acknowledgement and the Office of External Affairs report directly to the Assistant Secretary.

Program Performance Estimates

Funding priorities emphasize the execution of trust responsibilities to individual Indians and Tribes. The Assistant Secretary will work collaboratively with the Deputy Associate Secretary and Special Trustee for American Indians to guide ongoing efforts to reform current trust systems, policies, and procedures to provide efficient, consistent, integrated, and fiscally responsible service to individual and tribal trust beneficiaries. The Assistant Secretary will work with the Special Trustee and BIA Director to meet the requirements outlined in the Fiduciary Trust Model and continue the effort to improve trust management, including the Federal government's performance of its trustee duties and protection of trust natural resources.

This Office's activities will also focus on quality education for Indian students that promotes achievement and provides safe and secure school facilities that foster learning. The Assistant Secretary will provide leadership and work closely with the BIE Director to implement the Improving Indian Education Initiative to promote student achievement in BIE funded schools. The initiative proposes an investment of an additional \$15.0 million to provide education program enhancements and educational specialists for lower performing schools to improve student achievement in math, reading, and language arts. The Assistant Secretary will continue to confer with BIE in the realignment of education offices begun in 2006 which establishes new leadership positions and realigns BIA education offices in the field and in headquarters to more centrally coordinate the organization. The Assistant Secretary will continue to work with the Deputy Associate Secretary and the BIE Director on the Program Improvement and Accountability Plan, implemented in 2006, which was developed in consultation with the Tribes to improve the effectiveness of existing education services provided by schools in the BIE system.

The Assistant Secretary will continue to place emphasis on improving public safety and justice programs in Indian Country. The Assistant Secretary will provide leadership and work closely with the BIA Director to implement the Secretary's Safe Indian Communities Initiative to address the rise of violent crime in Indian Country especially that related to the spread of methamphetamine trafficking and abuse. Methamphetamine is the single most critical issue facing Indian communities as organized crime has identified reservations as a haven for drug transportation and distribution. The initiative proposes an additional \$16.0 million to make investments in drug enforcement agents, equipment and training, and detention center staffing to address the safety and health of Indian communities throughout Indian Country. In addition, the Assistant Secretary will continue to work in partnership with tribal leaders and tribal law enforcement programs as well as Federal agencies to address Indian related criminal pursuits, monitor border crossings, and improve overall homeland security.

The Assistant Secretary will continue consulting with Tribes to develop solutions to persistent economic and social problems in Indian communities and on reservations. The BIA plays a critical role in removing obstacles to building strong tribal communities that support long-term, sustainable development. The Assistant Secretary will pursue programs and policies conducive to enhancing Indian self-determination and strengthening tribal governments, while ensuring tribal accountability for the use of Federal funds.

The Assistant Secretary will guide the use of competitive sourcing to further economic development goals in Indian Country, by looking to Native American businesses to perform government functions that are commercial in nature, such as janitorial and food services functions at Indian schools.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office of the Assistant Secretary - Indian Affairs' mission of fulfilling trust responsibilities and promoting self-determination on behalf of Tribal governments, American Indians, and Alaska Natives is directly related to the Department's strategic goal of Serving Communities. In particular, the 2008 budget focuses on the end outcome goal of advancing quality communities by funding special initiatives in both Education and Public Safety.

Justification of Program and Performance

Activity: Executive Direction

Program Element: A/S - Policy, Management and Budget

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	1,620.8	1,644.6	+59.7	0.0	1,704.4	+59.7
FTE	10.8	11.0	0.0	0.0	11.0	0.0
Working Capital Fund (<i>Office of Southern Nevada Water Coordinator and Office of Conservation Partnerships and Management Policy</i>)						
(\$000)	307.5	317.4	-21.0	0.0	296.4	-21.0
FTE	1.0	2.0	0.0	0.0	2.0	0.0
Allocation (<i>Office of Wildland Firefighting Coordination</i>)						
(\$000)	2,020.0	1,080.0	0.0	-120.0	960.0	-120.0
FTE	10.0	10.0	0.0	-1.0	9.0	-1.0
Total						
(\$000)	3,948.3	3,042.0	+38.7	-120.0	2,960.8	-81.3

Program Overview

The Office of the Assistant Secretary – Policy, Management and Budget provides overall policy direction, leadership, guidance, and assistance on a broad range of management and operational issues that directly affect the Interior Department’s ability to fulfill its mission. These include environmental compliance, health and safety, strategic planning, budgeting, financial management, information resources, acquisition and procurement, law enforcement, security and emergency management, and human resources. Responsibilities include the development and implementation of administrative and operational policies, standards, objectives, and procedures for use throughout Interior, and the coordination of relatively autonomous bureau operational units.

This Office guides programs requiring Departmental attention due to their international or national concern, budgetary significance, legislative requirements, precedent-setting nature, or issues crossing bureau or office lines. The Assistant Secretary recommends to the Secretary policy choices and resource allocations within the Department’s budget development process. The Assistant Secretary also assures Departmental compliance with legislative requirements related to budget, management, and administration including, but not limited to: the National Environmental Policy Act; Comprehensive Environmental Response, Compensation, and Liability Act; Chief Financial Officer’s Act; Government Performance and Results Act; and Government Management Reform Act.

The Assistant Secretary provides leadership in the enhancement of cooperative conservation as mandated by the President's Executive Order 13352, Facilitation of Cooperative Conservation. The Department hosted numerous "listening sessions" throughout the country in September and October 2006 along with the Council on Environmental Quality, the Departments of Agriculture, Commerce, and Defense, and the Environmental Protection Agency. Interior is working closely with these agencies to coordinate conservation programs, including adaptive management programs, conducted in partnership with States, Tribes, and citizens.

The Assistant Secretary oversees the Department's wildland fire program, which is conducted by three land management agencies and the Bureau of Indian Affairs and coordinated by the Office of Wildland Fire. Working collaboratively with the U.S. Forest Service and in cooperation with the Wildland Fire Leadership Council, the Assistant Secretary provides a national focus for strengthened capability in preparedness, hazardous fuels management, and suppression cost containment.

The terrorist attacks of September 11, 2001, and the subsequent national focus on the need for strengthened law enforcement, security, and emergency management increased the need for national coordination of Interior's law enforcement, security, and emergency management programs. Operating under the leadership of the Deputy Assistant Secretary for Law Enforcement and Security, the Office of Law Enforcement is responsible for leadership and coordination.

The Assistant Secretary is responsible for the management of programs that support, on a department-wide basis, the clean-up, damage assessment, and restoration of lands and resources damaged by hazardous materials and oil spills through the Natural Resource Damage Assessment and Restoration program and the Central Hazardous Materials program. The Assistant Secretary also manages the Payments In Lieu of Taxes program, which provides payments to counties for lands administered by Interior and other Federal agencies including the U.S. Forest Service. The Assistant Secretary oversees operational programs, including the real estate appraisal function, aviation services, hearings and appeals functions, and the Indian Arts and Crafts Board.

The Assistant Secretary discharges the duties of the Secretary for all phases of policy, management, budget, and administration, and serves as the Chief Financial Officer for the Department. The Assistant Secretary is also responsible for deployment of the Financial and Business Management System. The Assistant Secretary serves as the Chief Human Capital Officer, providing guidance and direction in areas including personnel, training, civil rights, diversity, and workforce planning. The Assistant Secretary also serves as the designated agency official responsible for small and disadvantaged business utilization and occupational safety and health. The Office is the official point of contact for international issues and provides policy guidance and oversight to Departmental international activities. The Assistant Secretary provides enhanced policy and program implementation and improved communication and coordination for issues affecting Hawaii through the Office of Hawaiian Relations.

In addition, the Assistant Secretary is responsible for providing administrative and business services for Interior's eight bureaus and multiple offices that are delivered by the National Busi-

ness Center. The Assistant Secretary is responsible for management of the Department's Working Capital Fund and the Interior Franchise Fund, which provide services to Interior bureaus and offices as well as other Federal agencies.

The Assistant Secretary directs management of the Department's information technology programs through the Department's Chief Information Officer. Leading the development of more effective and efficient technology solutions, the CIO is deploying enterprise systems; working to bring consistency to records management, web hosting, and hardware and software acquisitions; improving Interior's security position with a Department-wide certification and accreditation programs; and advancing the maturity of the Department's portfolio management.

Working closely with the Deputy Secretary, the Assistant Secretary guides implementation of management improvements enumerated in the President's management agenda and the Secretary's Plan for Citizen-Centered Governance. The Assistant Secretary leads the Department in implementation of the President's management agenda. Through the Accent on Results efforts to improve management effectiveness and efficiency, the Assistant Secretary is providing leadership in management initiatives that are resulting in improved management of space and vehicles and is providing leadership in focusing increased attention on asset management.

The Assistant Secretary's work is staffed by offices under the leadership of Deputy Assistant Secretaries for Policy and International Affairs; Business Management and Wildland Fire; Performance, Accountability and Human Resources; Law Enforcement and Security; and Insular Affairs; and the Chief Information Officer.

Program Performance Estimates

Under the direction of PMB, offices:

- Implemented Phase II of Enterprise Services Network managed services transition, the development of an enterprise root Active Directory, and migration of 80 percent of bureaus to root services. The program will complete analysis and engineering design for conversion to Phase 3 optimized ESN for sequencing and transition to the Network contract. The program will further increase scope of AD services to cover two AD environments – one for Indian trust and one for non-trust, and to facilitate their merger into one AD forest.
- Met the required time frames for the annual financial audit and obtained a clean audit opinion on departmental financial statements for the ninth year in a row. Exceeded the annual performance goal of 85 percent for timely implementation of OIG and GAO audit recommendations. Conducted 232 internal control assessments.
- Supported e-government projects, including the new Budget Formulation and Execution line of business, and provide government-wide leadership on three e-government projects to enhance service delivery to citizens and non-Federal governments, including Recreation One Stop, Geospatial One Stop, and Volunteer.gov/gov.
- Developed and executed senior level exercises to test Department-wide emergency preparedness.

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- Led an inter-departmental effort with the Department of Homeland Security and the Department of Agriculture to sign a ground-breaking MOU that provides consistent goals, principles, and guidance related to border safety issues.
 - Maintain a robust capital asset investment and control process to manage the \$963.5 million information technology portfolio.
 - Support bureau efforts to evaluate base programs and improve management decision making including the NPS Core Operations Analysis.
 - Provide guidance and direction in the implementation of restructuring efforts and the utilization of buyouts and early outs authority, such as are underway at USGS.
 - Continue using the capital planning and investment review processes to manage IT and capital investments for 2007 and 2008, to prioritize 2009 budget formulation, and to monitor current IT systems.
 - Expanded the use of ABC/M and performance data in budget formulation and program management and linked the strategic plan with bureau operational plans and ABC/M work activities.
 - Developed Interior's first Enterprise Security Architecture standards, and completed an independent and comprehensive quality review of all of Interior's C&A packages.
 - Conducted a radio sharing and interoperability study at four high-priority locations, exploring opportunities for sharing infrastructure and dispatch centers at all levels and agencies of government to improve interoperability and efficiency, and to assist Interior in meeting narrowband requirements.
 - Met or exceeded 68 percent of 209 performance measures.
 - In 2006, 12 Interior programs were assessed or reassessed using the PART process.
 - Implemented core financials and e-Grants modules in the first bureaus in 2006 with the acquisition module scheduled for deployment in 2007 for the Financial and Business Management System.
 - Will complete the IT Security Policy Handbook and develop the C&A standard templates to improve the overall quality and consistency of Interior's C&A packages. Will also complete implementation of OMB's requirements for the protection of sensitive agency information by deploying appropriate encryption solutions and technology to remote laptops and workstations.
 - Certified and accredited 98 percent of Interior's IT systems
 - Achieved yellow in the Department's status for the Real Property Initiative and received approval from OMB on the asset management plan.
 - Undertook major effort to improve the accuracy and consistency of the FAIR Act Inventory across all bureaus and offices. The new process greatly reduces preparation time and accurately defines Interior's missions.
 - Deployed, for the first time in a natural disaster, the newly-created Interior Headquarters "Incident Support Team", augmenting the Interior Watch Office and Emergency Management Division in coordination of Hurricane Katrina activities.
 - Developed and coordinated a guidance document for employees involved in avian influenza surveillance activities in wild bird populations.

Justification of Program and Performance

Activity: **Policy, Management and Budget**

Program Element: **Environmental Policy and Compliance**

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	3,103.8	3,292.3	+113.0	0.0	3,405.3	+113.0
FTE	26.7	27.0	0.0	0.0	27.0	0.0
Allocations (<i>Environmental Protection Agency, Natural Resources Damage and Assessment Fund</i>)						
(\$000)	1,219.0	1,115.0	0.0	0.0	1,115.0	0.0
FTE	12.9	11.9	0.0	0.0	11.9	0.0
Total						
(\$000)	4,322.8	4,407.3	+113.0	0.0	4520.3	+113.0
FTE	39.6	38.9	0.0	0.0	38.9	0.0

Program Overview

The Office of Environmental Policy and Compliance provides national and regional leadership and direction in the coordination and development of environmental policy and program evaluation for a wide variety of Executive Orders, regulations, and environmental statutes, including the National Environmental Policy Act. The Office works to achieve a coordinated and unified Departmental approach and response to environmental issues and requirements that affect multiple bureaus to ensure that the Interior Department speaks as one entity. Through its headquarters and field offices, the Office provides guidance and technical assistance to bureaus in complying with these authorities and provides independent environmental and technical information and advice to senior departmental officials. The Office also plays two unique roles – first, integrating policy and management of solid and hazardous waste and substances that affect Interior lands and resources; and second, providing the Federal government leadership for the protection of natural and cultural resources and historic properties in major disasters and emergencies, including incidents of national significance. These activities are spread across the continuum of prevention, preparedness, response, cleanup, and restoration/recovery. The Office also takes the lead to minimize waste by promoting “greening” approaches such as re-use, recycling, and use of environmentally-friendly products and other alternatives. Together, these efforts seek to protect Interior resources and lands and improve the environmental performance of Departmental facilities and programs and integrate environmental aspects into operational decisionmaking.

The headquarters office is composed of the Director’s staff and four teams: Environmental Management Integration; Natural Resources Management; Environmental Cleanup and Liability Management; and Natural Resources Trust and Response. In addition, field offices are located in Boston, Philadelphia, Atlanta, Albuquerque, Denver, Oakland, Portland, OR, and Anchorage.

The Office's primary functions include: waste prevention, minimization and cleanup for Interior lands and facilities; departmental and inter-bureau coordination; and emergency preparedness, response, and natural resource trust issues. The Office's work on the Central Hazardous Materials Fund program is conducted by the Environmental Cleanup and Liability Management Team, and is detailed in the Department-wide Programs section of this justification.

Program Performance Estimates

Waste Prevention, Minimization and Cleanup for Interior Lands and Facilities — The Office plays a lead role in Interior's efforts to improve the environmental performance of its facilities and programs through activities such as "greening" and sustainable practices. The Office leads development of Interior's pollution prevention and resource conservation policies and assists related bureau and office activities for departmental facilities and operations. Selective efforts include the following:

- Providing leadership for the Department's implementation of the Environmental Management Systems initiative to integrate environmental performance into the business decisions concerning Interior's facilities and programs. The Office chairs the Department's EMS Council.
- Ensuring that bureaus have approved EMS implementation plans and assisting with EMS implementation. Over 50 percent of the Department's 850 appropriate facilities are making progress on the Federal-wide EMS metrics. In 2007, the Office is developing a comprehensive plan to accelerate implementation at appropriate organizational levels by 2009.
- Fulfilling the recommendations of the President's Management Council Compliance initiative through implementation of EMS.
- Implementing a consolidated, integrated environmental management reporting plan to document Interior-wide environmental performance.
- In 2008, organizing and coordinating an EMS implementation status review and lessons learned workshop for Interior bureaus in Alaska.
- Providing technical assistance to Interior bureaus and offices on environmental liabilities, real property acquisitions, and facility closures. The Office chairs the Interior Base Realignment and Closure Workgroup and represents the Department at the inter-agency President's Economic Adjustment Committee for BRAC installations.
- Promoting environmental compliance of all Interior facilities by overseeing the Department-wide environmental audit program to improve environmental performance. In 2006, initial environmental audits had been conducted for at least 86 percent of all Interior facilities. The 2007 target is 90 percent, and the 2008 goal is 93 percent.
- Providing guidance and direction to the Department on "getting to green," on the OMB Environmental Stewardship Scorecard.
- Working within the Department on commitments outlined in the OMB Environmental Stewardship Scorecard to include finalizing the drafts of: Green Purchasing Plan, Sustainable Buildings Implementation Plan, and Electronics Stewardship Program and Implementation Plan.
- Benchmarking environmental performance of bureaus and their facilities through col-

lection and presentation of key indicator data on waste prevention, recycling, green product use, and sustainable practices.

- Co-leading the Electronics Stewardship Task Force with the Office of Acquisition Management and Office of the Chief Information Officer to design and implement the Interior Electronics Stewardship Program by creating policies and sharing best practices that address electronic product lifecycle phases (acquisition, maintenance, and disposal), and encouraging bureaus and facilities to join the Federal Electronics Challenge and incorporate FEC goals into their facilities' environmental management systems.
- Support the National Business Center in development of a model exterior site management plan as part of the effort to gain certification for sustainability in existing buildings.
- In 2007-2008, the Office will continue to coordinate Interior bureaus' input to, and represent Interior's interests on, the multi-agency Alaska Statement of Cooperation.

Departmental and Inter-Bureau Coordination — The Office formulates policy and management guidance for the Interior's NEPA compliance programs and reviews and clears departmental environmental impact statements and other issues. These issues meet certain criteria and often involve controversial subjects or those having specific Secretarial interest. The Office assures the Department's interests are addressed in a coordinated manner through management of headquarters and field-level environmental reviews of environmental impact statements, project proposals, reports, and regulations. Specifically, the Office develops and communicates unified departmental positions and provides technical assistance to non-Interior entities for proposals with multi-bureau involvement. Some selective efforts include the following:

- Coordinated the review of over 1,200 environmental documents and proposals received from other Federal agencies and provided response, when appropriate, under the provisions of NEPA and other environmental laws and regulations.
- Development of the Department's proposed NEPA regulations, and guidance on coastal zone management, and on integrated pest management.
- Preparation of Interior's guidance consistent with the Council on Environmental Quality's NEPA reforms and regulations, development of new NEPA training modules, and improvement of access to NEPA information for external customers.
- Advised the Office of Surface Mining in preparation of the EIS on permitting of the Black Mesa/Kayenta Mines (AZ); to the Bureau of Indian Affairs in the preparation of the EISs for the Desert Rock Energy Project (NM); and the Cordova Oil Spill Response facility, Cordova (AK).
- Represented Interior in the Corps of Engineers' Storm Damage Reduction Reformulation Plan from Fire Island to Montauk Point, NY.
- Represents Interior on the interagency Federal Leadership Forum promoting interagency coordination and management of oil and gas issues in the Rocky Mountain region.
- Coordinates Interior's bureaus involvement with the State Department on various transboundary issues with Canada.
- Continued coordination with BIA, FWS, NPS, and the Roosevelt Campobello International Park Commission for the multiple Liquefied Natural Gas projects proposed near the U.S. and Canadian border.

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- Represents Interior on the Great Lakes Working Group on regional collaboration to protect and restore the Great Lakes.
 - Provides Departmental guidelines to bureaus consistent with the finalized Federal Energy Regulatory Commission's integrated hydropower licensing procedures.
 - Conducts regional workshops on FERC's Integrated Licensing Process and Interior's regulations implementing the Energy Policy Act.
 - Worked with Interior bureaus and offices to develop activity based cost codes to more accurately track Departmental activities and expenditures that support the FERC hydropower licensing process.
 - In 2008, will continue to implement the Federal Highway Administration guidance with regard to Section 4(f) on each of the provisions of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act.
 - In 2008, continue to coordinate Departmental involvement in planning and implementation of the annual Alaska Forum on the Environment.

Emergency Preparedness, Response and Natural Resource Trust Issues — The Office plays a lead Departmental role for the management, coordination, and protection of natural and cultural resources and historic properties during emergency and remedial response activities. Some of the following activities are funded in part by an annual Superfund allocation transfer authorized by Congressional appropriations through an interagency agreement with EPA:

- Will continue to provide leadership and consistency in Interior's headquarters and field-level oil/hazardous substance activities pursuant to the National Oil and Hazardous Substances Pollution Contingency Plan Emergency Support Function 10, of the National Response Plan; representing the Department on the National Response Team, the thirteen Regional Response Teams, and the US/Mexico and U.S./Canada Joint Response Teams.
- Will continue to provide Federal government leadership in implementation of the NRP ESF 11 for the protection of natural and cultural resources and historic properties.
- Continues to coordinate the recovery of costs expended by OEPC and participating bureaus in support of ESF 10 and 11.
- Participating in workgroups to develop national guidelines on places of refuge for vessels in need of assistance.
- Coordinating Interior participation in the spill of national significance exercise which will focus on issues pertaining to oil and hazardous substances releases triggered by a major earthquake on the New Madrid fault, as well as concurrent releases in the Great Lakes region caused by a tornado.
- The Office is coordinating Interior's involvement in the revision of the Gulf of Mexico Annex to the U.S./Mexico Joint Contingency Plan of Oil Spills into the Marine Environment.
- Chairs the Joint U.S./Canada workgroup for the Atlantic maritime area tasked with developing joint response protocol for wildlife impacted by releases of oil or hazardous substances in the border region.

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- Develops procedures for implementing Environmental Safeguards for All Hazards including the development of all hazards notification and contact list.
 - Participates and serves as the chair of the Interior Regional Emergency Coordinating Councils to coordinate the Department's activities and share resources during emergency activations of the NRP.
 - Provides the lead role for Alaska-based departmental preparedness and response activities for major natural and human-caused disasters, and serve as the Federal Liaison Officer in support of FEMA's Region 10 office and the State of Alaska's Division of Homeland Security and Emergency Management.
 - Continues to lead an increasing agency disaster preparedness pilot project focused on the municipality of Anchorage where over 1,400 Interior employees are based.
 - Works with EPA and Interior Regional Directors to coordinate and facilitate activities for the Upper Columbia River/Lake Roosevelt site affected by transboundary contamination from Canada.
 - Assures full consideration of Interior's bureaus' interests by coordinating field level selection and designation of lead bureau officials to conduct natural resource damage assessment and restoration actions, and continues to provide regional and national coordination and policy support to Interior's NRDAR program, funded partially by an annual allocation from the NRDAR Fund.
 - Continues to lead the Department's participation in the Brownfields Federal Partnership by chairing the Interior Brownfields Redevelopment Working Group to address policy issues and to advance the cleanup and redevelopment of brownfields.
 - Worked with the interagency Federal Environmental Executive Policy Committee to finalize and implement both an interagency statement of principles for Federal agency cooperation for the cleanup and reuse of formerly used Defense sites on Federal lands and an interagency statement of principles for Federal agency cooperation for the cleanup and reuse of mixed ownership sites.
 - As part of the Department's cooperative conservation initiative the Office will continue to coordinate annual or semi-annual regional meetings between Interior bureaus and EPA to review National Priority List project listings, discuss issues, and identify potential problems.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office plays a lead role in the Department's efforts to advance "greening" by improving the environmental performance of Interior's facilities and programs. These efforts support the Department's Resource Protection, Resource Use, and Serving Communities goals. For example, the Office leads implementation of Interior's EMS initiative highlighted in the Strategic Plan which states, "...we will... implement mission-focused environmental management systems at appropriate Interior organizational levels by FY 2009 and use these tools to support attaining our strategic goals by FY 2012..."

The Office supports the President’s management agenda by modernizing and reforming NEPA, converting existing guidance into a new Departmental regulation regarding NEPA compliance and administration. The proposed regulations will codify a number of key elements, including consensus-based management, adaptive management, public participation and training, consultation and collaboration, and promoting greater stakeholder input in NEPA decisions. This effort will increase government accountability, consistent with the PMA. The Office coordinates and affects many natural resource management policies and decisions through the NEPA compliance process and its environmental reviews of other projects or regulations, thus directly affecting goals of Resource Protection, Resource Use, and Serving Communities across many of the Interior missions.

The Office’s long-standing lead role for the Department’s emergency preparedness, response and recovery from oil discharges and hazardous substance releases directly serves the goals of Resource Protection, Resource Use, and Serving Communities. The Office also enhances protection of Interior interests, lands, resources, and facilities by working closely with other agencies (e.g., EPA) that respond to, remediate, and reuse contaminated sites not located on Interior-managed lands.

The Department’s Strategic Plan requires integration as a key means to achieve the PMA. The Office is the embodiment of the integration and cooperative conservation concepts, operating programs, and policy functions by fusing four main complementary funding sources (appropriations, IAG funding from EPA for ongoing CERCLA activities, CHF and database management, and an annual allocation from the NRDAR Fund) to co-fund many of the Office’s positions.

Workload Indicators

	2006 <u>Actual</u>	2007 <u>Estimate</u>	2008 <u>Estimate</u>
Workload Measures			
Interior draft EIS	68	65	65
Interior final EIS.....	48	50	50
Non-Interior projects.....	983	1,000	1,000
Non-Interior regulations.....	92	50	50
Emergency response incidents	425	400	375
Settlement agreements	130	125	120
CERCLA/SARA Technical assistance actions.....	240	240	240
Damage assessment outreach meetings	5	5	5
Oil and Hazardous Materials Contingency plans developed/reviewed	48	50	55
Emergency Preparedness/ Response Policies and Guidance	32	35	40

Justification of Program and Performance

Activity: **Policy, Management and Budget**

Program Element: **Policy Analysis**

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	2,340.9	2,389.8	+85.5	0.0	2,475.3	+85.5
FTE	18.0	18.0	0.0	0.0	18.0	0.0
Allocations (<i>Natural Resources Damage Assessment and Restoration Fund</i>)						
(\$000)	120.0	120.0	0.0	0.0	120.0	0.0
FTE	1.0	1.0	0.0	0.0	1.0	0.0
Total						
(\$000)	2,460.9	2,509.8	+85.0	0.0	2,595.3	+85.0
FTE	19.0	19.0	0.0	0.0	19.0	0.0

Program Overview

The Office of Policy Analysis is responsible for economic and policy analysis and, on request, provides program coordination within the Department of the Interior on specific issues related to any aspect of Interior’s responsibilities. The Office performs analyses of environmental, natural resource, and economic issues such as those involving public lands management, Indian programs, mineral leasing, water resources policy, and international issues pertinent to Interior’s responsibilities. The Office also reviews program plans, regulations, and policy development within and, where necessary, outside the Department.

A substantial part of the work of the Policy Office addresses the economic effects of natural resource policies and regulations, and the relationship between the economy, environment, natural resource use, regulations, and management – especially on issues that cross bureau lines of responsibility and have interagency or intergovernmental implications.

The Policy Office provides clearance, guidance, and coordination regarding the information collection approval requirements of the Paperwork Reduction Act. The Office also provides staff assistance on the economics of endangered species recovery plans and assists the Secretary as chairman of the Endangered Species Committee when considering applications for exemption to Section 7 of the Endangered Species Act.

The Office provides assistance to task forces and work groups of Cabinet and sub-Cabinet councils and committees dealing with domestic and international natural resource, environmental, and Native American and Alaska Native issues. It provides support to the Assistant Secretary – Policy, Management and Budget and the Deputy Assistant Secretary – Policy and

International Affairs in representing the Department in interagency trade policy deliberations, including the Trade Policy Review Group. The Office also reviews and coordinates Interior-related agreements with foreign countries; serves as a point of contact for other Federal agencies; and coordinates review of foreign travel to economize on participation of Interior employees in international programs.

Program Performance Estimates

The Policy Office's activities and projects are continually evolving. The following is a brief summation of the Office's planned and recent activities.

Hydropower and Water Policy

- Provide lead staff support for implementation of the joint interagency rule making on non-Federal hydropower licenses, and associated conditions, prescriptions, and alternatives. It is expected that the Office will assist with up to five hydropower relicensing trial-type hearings, and review an additional four hydro cases with proposed alternative conditions. This includes ongoing support for FWS's Augusta Canal FERC hydro relicensing effort.
- Continue to develop economic and hydrologic models and procedures to assess environmental damage and economic impacts that might be associated with relicensings (e.g. the Klamath basin).
- Continue to develop and distribute guidance and training modules for hydropower relicensing, including economic models, procedures, and training materials to assess environmental damage and economic impacts that might be associated with hydropower relicensing proceedings.
- Continue to provide advice and assistance on Klamath Basin issues including FERC relicensing process and stakeholder-driven discussions to ensure Basin-wide restoration and address issues such as water supply certainty, fishery restoration, and sustainable agriculture.

Renewable Resources

- Assist in the development of new renewable energy programs on the OCS, such as wind and wave energy.

Recreation Fees

- Continue to assist in coordinating the Department's implementation of the Federal Lands Recreation Enhancement Act.
- Coordinate the data collection and initial preparation of the second triennial Congressionally-required report on implementation of the REA.
- Continue to assist in developing materials to be used at Congressional hearings and briefings held on REA implementation.

Conservation Grant Coordination

- Lead Department-wide working group in development of a report with recommendations for improving coordination of conservation grants.

Black Mesa Project EIS

- Provide staffing for the Departmental lead for the project, including briefings for policy officials and serving as liaison for communication between bureau staff in the field and headquarters.

Land Transactions Policy

- Continue to monitor implementation of the Secretarial Order on land transactions policy, which addresses appraisal issues and concerns related to land exchanges, and was developed with assistance from the office.
- Assist the Office of Budget in evaluating land acquisition priority ranking systems.

Land and Water Settlements

- The Department of the Interior is engaged in a number of comprehensive land, water, and natural resource issues, cutting across agency jurisdictions and often involving multiple Executive Branch departments and non-Federal parties. The 2008 Working Capital Fund budget establishes funding for a new position to provide coordination and leadership within Interior for the negotiation, settlement and implementation of such multi-faceted, multi-jurisdictional negotiations as have been encountered in Tar Creek, Lower Colorado, and Klamath Basin and as are anticipated in Salton Sea. The position would have a unique role in identifying, arbitrating, and resolving complex resource, programmatic, and legal conflicts. This position would be funded through the Working Capital Fund as it requires the interpretation, application, and development of policy-based solutions at the Departmental level.

Endangered Species Act

- Work on policy issues associated with the Act and its implementation, including analyses of specific program components such as candidate species, as assigned. On request, assisted in the preparation of an overview paper on various types of conservation banks and work on Cooperative Sagebrush Initiative.

Natural Resource Damage Assessment and Restoration Program

- Continue working on up to 20 damage assessment cases annually, which historically includes up to six new cases and one major bankruptcy. Ongoing cases that are expected to continue include Hudson River (NY); Tri-State (OK, MO, KS), Anniston (AL), Braum's Discharge (OK), Cyprus-Tohono (AZ), Phelps Dodge (AZ), Roanoke (NC), Tennessee groundwater (TN), Tristan (OR), Woodstock (OK), Selendang (AK), Tittabawasee (MI).
- Continue to provide policy and economic support to NRDAR, e.g., economic policy for habitat evaluation; development of the database; FACA; and economic review of ongoing NRDAR cases for the budget allocation.

Adaptive Management

- Continue to provide staffing for the Adaptive Management Working Group, which is chaired by the AS–PMB, in implementing adaptive management approaches on a Department-wide basis, as appropriate. Implementation is based upon guidance provided in the AMWG’s recently completed publication, *Adaptive Management: The U.S. Department of the Interior Technical Guide*. Other implementation guidance materials include training programs and an adaptive management web site, which are both being developed.
- Continue to lead interagency working group as it completes developing Council on Environmental Quality guidance for Federal agencies on the use of adaptive management; this guidance is projected to be issued in 2007.
- Continue to co-lead interagency working group to develop CEQ guidance for integrating EMS and NEPA. This guidance should be completed in 2007.

Regulations

- Continue to review and provide economic analysis of rules that address significant policy concerns.
- Continue to provide technical assistance to bureaus on the economic analyses required under E.O. 12866, Unfunded Mandates Reform Act, and Small Business Regulatory Enforcement Fairness Act. These include providing assistance for NPS filming regulations, BLM rights-of-way regulations, Indian Trust Management regulations, Office of Environmental Policy and Compliance NEPA regulations, and MMS regulations pursuant to the 2005 Energy Policy Act.

Climate Change and Air Quality

- Continue to analyze policy responses to climate change, and the interrelationships between mitigation, adaptation to climate change, reduction in vulnerabilities to climate sensitive threats, and sustainable development in order to identify more optimal approaches to address climate change. The office has developed several papers addressing these issues.
- Continue to represent Interior on interagency groups on issues related to climate change, including matters pertaining to the Intergovernmental Panel on Climate Change and the United Nations Framework Convention on Climate Change.
- Continue to provide review and analysis for Interior’s input into air quality issues, ranging from matters related to the national ambient air quality standards to air quality effects on Federal lands.
- Continue to review various scientific and policy documents related to the impacts of climate change, vulnerability and adaptation to those impacts, and mitigation. As part of this exercise, the office has undertaken reviews of the impacts and mitigation portions of the forthcoming report of Intergovernmental Panel on Climate Change due to be released in 2007.

Information Collection

- Prepare Interior's annual OMB submission for information collection budget.
- Annually review and approve approximately 100 bureau information collection requests prior to transmitting them to OMB.
- Continue to provide training and other support to bureaus, as needed, to ensure timely submission to OMB.

International Trade

- Continue to advise and represent the both the Assistant Secretary and the Deputy Assistant Secretary concerning interagency decisions on trade policy issues.
- Continue to assist the U.S. Trade Representative and the State Department, and represent Departmental goals and expertise, in the negotiation of various trade agreements and associated frameworks for environmental cooperation, as well as in negotiations in the World Trade Organization. Agreements include those with Malaysia, Indonesia, and South Korea which, will be reached in 2007; and Peru and Colombia which, were reached in 2006.
- Continue to coordinate and prepare Interior's input for Congressionally-required reviews of the environmental effects of proposed trade agreements with which it is or has been involved.
- Continue to assist the Department of State in developing frameworks for environmental cooperation with U.S. trading partners and in addressing issues related to sustainable biofuel development.

International Affairs

- Lead the Department's efforts related to the annual cabinet-level U.S./Mexico Bi-National Committee meeting.
- Continue to provide policy analysis and coordination for significant environmental issues affecting resources on or near the U.S./Mexico border and the U.S./Canada border, including the lining of the All American Canal.
- Continue to represent the Interior Department and coordinate bureau input for State Department initiatives and interagency working groups related to environment, science, and technology cooperation, including representing the Department on a U.S. delegation to Morocco.
- Continue to coordinate with the State Department, foreign ministries, and embassies and, where appropriate, host official meetings and visits between Interior Department officials and foreign dignitaries, including, for instance, Mexico, Egypt, and Guatemala in 2006; China in 2006 and 2007; and Afghanistan in 2007.
- Continue to review and monitor new Departmental agreements with foreign countries.
- Coordinate the use of foreign fire-fighters from Australia, New Zealand, and Mexico, to assist with wildland fires and sending assistance to Australia.
- Prepare annual reports to OMB and State Department on Interior overseas staffing and rightsizing.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office assists in the accomplishment of the Department's strategic goals and the President's management agenda by providing a unique, cross-cutting viewpoint independent of individual bureaus and other offices that is increasingly relevant given that many significant issues that the Department addresses have broad multi-bureau, interagency, or intergovernmental implications. It also provides technical assistance to bureaus conducting economic and policy analysis in pursuit of their strategic plans and provides statistical expertise.

The Office supports the goal of Management Excellence by developing, analyzing, and evaluating options that make use of economic and other incentives to improve the efficiency and effectiveness of Interior policies, regulations, and programs.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Budget

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	3,498.4	3,569.6	+130.2	0.0	3,699.8	+130.2
FTE	30.1	30.0	0.0	0.0	30.0	0.0
Working Capital Fund						
(\$000)	223.6	341.6	+30.9	0.0	372.5	+30.9
FTE	2.2	2.2	0.0	0.0	2.2	0.0
Total						
(\$000)	3,722.0	3,911.2	+161.1	0.0	4,072.3	+161.1
FTE	32.3	32.2	0.0	0.0	32.2	0.0

Program Overview

The Office of Budget manages the Interior Department’s budgetary resources. The Office directs and manages the formulation, presentation, justification, and execution of the budget. The Office ensures the development and implementation of effective programs, from a budgetary perspective, and ensures Interior’s budget is consistent with the laws governing Interior’s programs and the Federal budget and with Administration policies. The Office serves as the Department’s liaison to the Appropriations Committees and OMB.

The Office of Budget performs the following functions:

Budget Formulation — In formulating the annual Interior budget, the Office directs and manages a process for the assessment of resource needs for the budget year in consideration of program performance goals and accomplishments, Administration and Secretarial priorities, policy guidance, legislative direction and requirements, and overall spending targets and limitations for mandatory and discretionary portions of the Federal budget. The Office supports decisionmaking by the Secretary and senior agency officials with analyses and presentation of budget options and ensures continuous coordination and communication throughout Interior.

Budget Presentation — The Office presents the Secretary’s annual budget request to OMB and guides the completion of bureau submissions; defends the budget request by responding to OMB requests for additional information and conducting extensive briefings; and coordinates the Secretary’s response to OMB decisions provided in passback through the appeals process and during negotiations of final budget decisions. The Office provides support, coordination, and oversight to bureaus and offices for the OMB MAX Budget Information System. The MAX database collects, validates, analyzes, and publishes budget information for the Executive Branch.

Budget Justification — The Office justifies Interior’s portion of the President’s annual budget request to the Appropriations Subcommittees and other Congressional offices and external groups. The Office publishes a budget highlights book, *The Interior Budget in Brief*, to assist the Appropriations Committees and the public in understanding the details of the President’s budget request for the Department’s programs. The Office directs the Secretary’s press conference on the budget release and guides the bureaus in preparation of their budget submissions to the Congress. The Office supports the examination of the President’s request by the appropriators and provides them the results of analyses including capability statements, effect statements, materials for the Congressional hearing records, supplemental data, etc.

Budget Execution — In overseeing the execution of the Department’s appropriations and other funding sources, the Office directs the apportionment and allocation of funding provided to bureaus and activities. The Office monitors the execution of the budget by the bureaus in accordance with Congressional direction and legal mandates, OMB guidance, and Secretarial policies. The Office provides expert guidance to the Secretary, the Assistant Secretary – Policy, Management, and Budget, senior officials and bureaus in development of supplemental budget requests, reprogramming actions and reorganizations, deferrals, rescissions, and in the review of major programmatic and policy documents originating within and external to Interior.

Departmental Management — The Office formulates, presents, and executes budgets for the Office of the Secretary and reviews budgetary needs and allocates funds to offices and activities reporting to the Chief of Staff and the Assistant Secretary – Policy, Management and Budget. The Office manages the Departmental Working Capital Fund, a revolving business fund, which finances, among other things, the operation of Interior’s National Business Center.

Programmatic and Policy Proposal Development and Review — The Office is responsible for developing legislative and policy level proposals relating to budgets and advising the Secretary and other senior officials during the development of legislative, policy, and programmatic proposals relative to budgetary impacts.

Governmental Performance and Results Act — The Office advises the Secretary, other senior officials, and bureaus relative to the budgetary aspects of GPRA implementation and promotes the integration of performance and budget.

Program Performance Estimates

The Office’s major accomplishments and planned actions include:

- In 2006, the Office led a working group comprised of budget analysts from a number of bureaus and offices to review internal budget guidance processes and materials, which led to recommendations resulting in streamlined processes, less redundant work, and clearer guidance for Justification and Request material. It will continue the working group and continue to refine this effort in 2007 and 2008.
- Completing the Department’s 2008 Budget-in-Brief; the 2008 Press Conference presentation; extensive briefing materials and support to the Secretary of the Interior

for congressional hearings; approximately 2,100 capability and effect statements for appropriations subcommittees; the 2009 Request summary to OMB; and extensive analysis and briefing materials in support of budget formulation, presentation, and justification.

- Providing expert guidance, support and analysis in the formulation and justification of the 2007 and 2008 budgets and in negotiations with OMB and the Appropriations subcommittee.
- Overseeing the execution of the 2007 appropriations, present and defend the 2008 budget to OMB and the Congress, and present the 2009 budget to OMB.
- Preparing extensive briefing material for a new Secretary, new members of Congress, and new Congressional staffers.
- Developing extensive budget material and justifying the Secretary's highest priorities: National Parks Centennial Initiative, Healthy Lands, Safe Indian Communities, and Improving Indian Education.
- Continuing to play a major role in the Department's management reform initiatives to integrate budget, performance, and finance, including implementation of activity-based cost management Department-wide.
- Making significant progress in cleaning up accounting records in order to be ready for the transfer to the Financial and Business Management System, and to improve its financial records in general.
- Refining the format for the 2008 budget submission to improve the linking of budget to performance and the Department's new strategic plan.
- Expanding on prior year efforts in providing major support in the development and improvement of the CPIC process designed to better manage IT and capital investments for 2007 and 2008, to prioritize 2009 budget formulation, and to monitor current IT systems.
- Providing support and helping to coordinate PART reviews including documentation of programmatic planning, performance, and management.
- Coordinating budgetary aspects of many Department-wide and multi-bureau initiatives including the Wildland Fire Management program, Cooperative Conservation Initiative, California Bay Delta, Columbia River Salmon, and Everglades restoration.
- Providing oversight, monitoring, reporting, and budget development for the WCF. The Office made significant progress in reducing delays for signing Reimbursable Support Agreements, established one-on-one meetings with bureaus and offices to review expected central and direct bills, and made improvements with the Working Capital Fund Consortium, improving overall communication, efficiency, and effectiveness. The Office will expand on these achievements in 2007 and 2008, and is working to have RSAs signed more timely, and collections completed with greater regularity.
- Providing oversight, reporting, and proposal preparation for the charge card rebate program.
- Continuing to support the Department's effort to incorporate budget formulation requirements into the functionality of the Financial and Business Management System.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Financial Management

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Departmental Management, Salaries and Expenses						
(\$000)	3,708.5	3,777.3	+134.3	+144.0	4,055.6	+278.3
FTE	24.6	24.0	0.0	+1.0	25.0	+1.0
Working Capital Fund (<i>Financial Management Training, Travel Management, PFM OS Finance Branch</i>)						
(\$000)	385.5	1,068.5	+9.6	-273.8*	804.4	-264.2
FTE	2.5	7.5	0.0	-2.0*	5.5	-2.0
Total						
(\$000)	4,094.0	4,190.9	+143.9	-129.8	4,860.0	+14.1
FTE	27.1	31.5	0.0	-1.0	30.5	-1.0

* Program reduction in WCF reflects the transfer of Financial Management Training to the National Business Center

Summary of 2008 Program Change

Request Component	(\$000)	FTE
Transfer of GS-14 employee from FWS to OS	+144.0	+1.0

Justification of 2008 Program Change

The Fish and Wildlife Service has agreed to transfer one GS-14 FTE and associated funding to the Office of Financial Management to assist in the accomplishment of the President’s management agenda and other increased workload requirements in this Office. This is a permanent transfer beginning in FY 2008.

Program Overview

The Office of Financial Management serves as a focal point for Department-wide financial matters, and provides leadership for implementing the President’s financial management agenda initiative to improve Federal financial management. The Office provides direction, planning, and coordination for financial policy and procedures, financial reporting, the internal control program, accounting policy and systems, and audit follow up.

The Department recognizes that there are capital and human resource challenges for the timely achievement of the financial management improvement goals. The Office will provide the necessary leadership to continue to improve the effective and efficient use of its resources, provide necessary leadership to continue to improve the effective and efficient use of its resources, provide timely and accurate financial information for stakeholders and program managers, and

become more responsive to citizens' needs. The Office of Financial Management will facilitate goal achievement by:

- Providing leadership to promote the efficient management of the Interior Department's resources and assets.
- Providing high-quality financial advice and services to customers.
- Providing high-quality financial information on Interior operations to fully support financial and performance reporting.
- Enhancing the framework that provides sound financial policies and services and facilitates effective communication.
- Maintaining a management accountability and control environment to ensure the integrity of operations.
- Expanding use of modern technology and business practices.

Moreover, the Office provides leadership in formulating the financial management improvement agenda through the preparation of the Departmental accountability report. The Office provides policy direction in carrying out the Chief Financial Officers Act, Government Management Reform Act, Federal Managers' Financial Integrity Act, Federal Financial Management Improvement Act, Debt Collection Improvement Act, Improper Payments Information Act, and provisions related to financial operations of the Government Performance and Results Act.

The Office of Financial Management is organized into two interdisciplinary directorates to address critical financial management issues that confront the Interior Department. These include:

Financial Statements and Systems — This directorate focuses on enhancing financial management and reporting by preparing the Departmental accountability report that incorporates the Interior's audited financial statements, GPRA performance data, the status of compliance with laws and regulations, and other relevant information into a single report; preparing monthly and quarterly financial statements for the Department; participating in Department- and government-wide task forces related to financial reporting to ensure that Interior's interests are considered; and providing guidance, direction, and feedback to bureaus to facilitate interpretation of accounting standards and the preparation of clear, timely, and meaningful financial reports.

This directorate also focuses on continuing to improve financial transaction processing and enhancing financial management systems support through an effective partnership of program, information system, and financial managers. This includes replacing and integrating Interior's financial management systems and improving financial business processes to improve support to financial and program managers; increasing the use of electronic commerce and other electronic data interchange applications to streamline operations; and improving the Indian trust funds systems to better support Indian trust fund operations.

In addition, a financial data stewardship function coordinates, on a Department-wide basis, critical definitions for financial data necessary for reporting to OMB, the Department of the Treasury, as well as for Interior-wide decisionmaking and management; maintaining a mas-

ter set of definitions of data and related codes for use throughout the Department; assisting in the development of procedures to include data integrity as part of management control review teams' normal reviews; and establishing feedback procedures on data definition and usage to identify and resolve data definition issues relating to bureau, Interior, or Federal government user requirements. Moreover, the data stewardship function ensures that intra-Department and intra-agency activity is reconciled.

Finance Policy and Operations — This directorate focuses on improving management accountability and control to comply with the FMFIA and OMB Circulars A-123, A-127 and A-50. It provides oversight of bureau compliance with program guidance, and ensures timely compliance with the FMFIA. This directorate ensures compliance with legal and regulatory financial requirements for inclusion in the Departmental accountability report and monitors the effectiveness of management controls over the SmartPay Charge Card program. It administers Interior's audit follow up program for audits conducted by the Office of Inspector General and the Government Accountability Office, as well as audits performed pursuant to the Single Audit Act including oversight of bureau actions to implement program and financial statement audit recommendations and collection of disallowed costs, resolving disputed audit findings and recommendations, coordinating all GAO audit activities and responses to audit reports, and monitoring Single Audit Act audit findings and recommendations regarding grantees.

This directorate also supports improving Departmental management of receivables, collections, payments, and costs by analyzing and overseeing performance of these critical functions making appropriate recommendations to management. This includes efforts to: streamline travel related processes; maximize the use of electronic media for communicating policies, processing receipts, making disbursements, and collecting financial performance data; establish cost accounting structures to implement SFFAS No. 4 Managerial Cost Accounting and evaluate program performance; and improve financial performance, e.g., in the areas of prompt payment performance, debt referral, electronic funds transfer, and user charges/fees.

The Office of Financial Management maintains a web site that provides more information on Interior's financial management program at <http://www.doi.gov/pfm>. This web site demonstrates Interior's commitment to use Internet-based tools to streamline the dissemination of information.

Program Performance Estimates

- Improve financial management information with the continued implementation of the Financial and Business Management System.
- Ensure management accountability and control with the preparation and issuance of the financial statements and the Performance and Accountability Report on or before due dates.
- Continue integration of performance and financial data as part of the activity based cost management effort in support of the President's management agenda.
- Strengthen managerial accountability by continuing the risk-based three-year assessment cycle.

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- Conduct internal control reviews of programs and operations and publish the assurance statement in the PAR.
 - Continue to render assurance statements on internal controls over financial reporting to comply with OMB Circular A-123, Appendix A.
 - Improve access to financial management information for decisionmaking.
 - Manage accounts receivable, costs, and collections effectively.
 - Modernize/streamline financial management processes and business methods.
 - Coordinate and submit financial data to the Department of the Treasury via GFRS.
 - Assure data accuracy with the implementation of a reconciliation process between the Statement of Net Cost and ABC/M data.
 - Implement the Federal government's common, unified process initiative by fully deploying E-Government Travel.

Accomplishments in the area of Financial and Managerial Accountability include:

- Prepared 2006 Performance and Accountability Report and completed the PAR by November 15, 2006.
- Reported the cost of the Department's Strategic Plan mission areas in the PAR.
- Worked with a contractor to identify a bureau best practice to reconcile the Statement of Net Cost to ABC/M data.

Accomplishments in the area of Internal Controls and Audit Follow-up include:

- Exceeded the annual performance goal of 85 percent for timely implementation of OIG and GAO audit recommendations. A total of 480 of 511 or 94 percent of the recommendations referred for tracking were implemented within the planned one-year target.
- Five Department-level FMFIA material weaknesses were corrected or downgraded, resulting in no Department-level material weaknesses being carried forward into 2007.
- Reduced Departmental financial statement weaknesses by 50 percent.
- Collected or offset \$4.8 million in disallowed costs, which resulted in a 17 percent recovery rate.
- Conducted 232 Internal control assessments in 2006.

Accomplishments in the area of Financial Management Human Resources include:

- Continued leadership of the Financial Management Career Intern Program for succession planning: graduated the 2004 FCMIP class with eight members; continued the second year of development for the 2005 class of four interns; and hired six new interns for the 2006 class.

Accomplishments in the area of Receivables, Costs, and Collections include:

- Partnered with Treasury to implement Administrative Wage Garnishment that allows Treasury to perform collection activities on delinquent receivables referred to them by Interior.

Accomplishments in the area of Payments and Business Methods include:

- Recovery audit contractor completed payment audits during 2006 of \$5.73 billion. Actual monies identified and recovered were \$520,000 through September 30, 2006.
- Prepayment audits of Government Bills of Lading identified \$101,583 in savings in the 4,324 Government Bills of Lading reviewed.
- Continually monitored credit card statistics, analyzed underlying causes and developed potential solutions to reduce delinquency rates.

Accomplishments in the area of Financial Data Stewardship include:

- Developed guidance and policies to ensure compliance with implementation of new FASAB principle concerning Heritage Assets and Stewardship Land and the newly published Departmental Asset Management Plan.
- Worked with OMB, FASAB, and the OIG to address concerns related to the publication of a new standard relating to Accounting for Fiduciary Activities.
- Continued to improve the reconciliation of intra-Department and intra-government activity to ensure accurate Interior and government-wide reporting.
- Coordinated the Department-wide response and recommendations related to an active FASAB project to define the accounting and presentation requirements related to Oil and Gas Natural Resources.

Accomplishments in the area of Financial Management Systems include:

- Supported preparation activities associated with the November 2006 implementation of the Financial and Business Management System's core financials module in the Minerals Management Service and the Office of Surface Mining.
- Participated in the activities of the Financial Management Line of Business whose vision is to improve the cost, quality, and performance of financial management systems by leveraging shared service solutions and implementing other government-wide reforms that foster efficiencies in Federal financial operations.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda:

Interior's GPRA Strategic Plan contains four performance measures related to improved financial management which fall within the mission of the Office of Financial Management. Interior continues to achieve significant goals in financial management.

One Strategic Plan measure relates to the percent of reporting entities with unqualified audits. In 2006, the Department completed its audit within 45 days of the fiscal year end for the third time, received an unqualified "clean" audit opinion on the consolidated departmental financial statements for the tenth straight year, and eliminated all of its financial statement material weaknesses. Moreover, in 2006, Interior received an unqualified audit opinion on the financial statements for its eight bureaus and the Departmental offices for the third straight year.

Other Strategic Plan measures include:

- Percent of bureaus and offices that establish and maintain an effective, risk-based internal control environment as defined by the Federal Managers' Financial Integrity Act and revised OMB Circular A-123. The baseline established in 2006, as well as planned performance for 2007 and 2008 is 100 percent
- Percent of material weaknesses and material non-compliances that are corrected on schedule. Actual performance for 2005 and 2006 was 100 percent. Planned performance for 2007 and 2008 is also 100 percent.
- Percent of established targets in financial performance metrics met. The targets established in 2006 with 100 percent 2006 actual performance. Planned performance for 2007 and 2008 is 100 percent.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Small and Disadvantaged Business Utilization

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	475.1	674.4	+22.7	0.0	697.1	+22.7
FTE	5.2	5.0	0.0	0.0	5.0	0.0

Program Overview

The Office of Small and Disadvantaged Business Utilization oversees and implements all policies, regulations, guidelines, and procedures affecting the Department’s small and disadvantaged business programs. These business programs include small and disadvantaged businesses, women-owned business, as well as historically under-utilized business zones, and service disable veteran-owned business programs. This work is governed by the Small Business Investment Act, as amended in 1978. Specific economic development efforts, mandated by Congress and supported by the President, form the basis of the Office’s activities, such as providing marketing assistance, guidance, and direction to these businesses. These activities better equip small businesses to secure contracts with the Department that are beneficial to both parties. Major functional areas include:

Goal Formation and Accountability — The Office works with the bureaus and offices in establishing reasonable and achievable goals consistent with a number of mandated programs. Goals are developed for each major program based on a share of approximately \$2.5 billion in annual procurement. Goals for these procurements are negotiated through the Small Business Administration and annual reports are furnished detailing accomplishments and highlighting areas requiring improvement.

Counseling — Daily counseling sessions take place with small and minority business marketing representatives to focus on special areas of interest and demonstrated capabilities. To the extent feasible, the firms are then referred to the particular bureaus and offices requiring the goods and services offered by these firms. Guidance may occur via telephone, mail, e-mail, and personal contact in the office or local, regional, and national procurement events. Information is also easily obtainable through both the Office’s website and bureau websites, allowing Interior to reach and provide information to large numbers of businesses.

Policy Development and Implementation — The Office initiates, develops and prescribes small business policies and procedure as mandated by law, Executive Orders, and Federal procurement policies. The policy-setting process requires revision and update of pertinent sections

of the Departmental Manual, Interior Acquisition Regulations, and other Interior policy documents, as appropriate. Policy involving women-owned businesses, service-disabled veterans, historically under utilized business zones, and contract bundling are key areas of development.

Training — Comprehensive training and workshop sessions are developed and presented to bureau business utilization specialists and contracting personnel to communicate changes in policy and advance new policy initiatives.

Data Collection and Analysis — The Office collects and analyzes quarterly data and reviews and assists with implementation of new electronic commerce protocols. Bureaus and offices encountering difficulties meeting development goals are contacted and offered guidance and assistance at mid-year and year-end. Status reports provide information to upper level managers on current trends and the outlook for the future. The internet is a key communications vehicle for sharing nationwide data and analysis to create “communities of practice” enhancing the quality and variety of information available to both Interior representatives and to potential small and disadvantaged contractors.

Minority Serving Institutions — The Office provides outreach and assistance for procurement and contracting opportunities to small, small and disadvantaged, minority-owned, women-owned, veteran-owned and service-disabled businesses and businesses located in historically under-utilized business zones.

The Office provides leadership and guidance in developing strategies to assist minority serving institutions such as Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities, in becoming more competitive for opportunities with contracting, grants, and cooperative agreements from the Federal government. This goal is consistent with Interior’s Strategic Plan and with the White House Initiative on minority-serving institutions where agencies are encouraged to enter into appropriate grants, contracting/or cooperative agreements as stipulated under prescribed Executive Orders: wing Executive Orders:

- Historically Black Colleges and Universities — Executive Order 13256.
- Hispanic Serving Institutions — Executive Order 13230.
- Tribal Colleges and Universities — Executive Order 13270.

Program Performance Estimates

The Office will continue to provide nationwide leadership within the Department for small business programs to ensure that set goals are achieved. It will advance its goals through marketing, participating in conferences, hosting outreach seminars, and providing support to regional programs. The Office will conduct analyses of procurement, business, and economic matters that deal with socio-economic development programs. It will also develop, review, and disseminate policy, legislative comments, guidance, and training issuances to in-house program managers and businesses as required and advance the Office’s involvement with minority serving institutions.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The work of the office is to support the strategic goal of Management Excellence. In so doing, the Office focuses on exceptional results on behalf of the Federal government small business program. It supports the end outcome goals via the requirement of customer first in the implementation process of its mission.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Acquisition and Property Management

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	2,822.0	2,878.0	+107.3	0.0	2,985.3	+107.3
FTE	20.3	20.0	0.0	0.0	20.0	0.0
Working Capital Fund (Quarters, Space Management, Energy, Interior Museum Collections)						
(\$000)	396.5	1,162.4	+30.4	+72.8	1,265.6	+103.2
FTE	3.0	3.0	0.0	0.0	3.0	0.0
Total						
(\$000)	3,218.5	4,040.4	+137.7	+72.8	4,250.9	+210.5
FTE	23.3	23.0	0.0	0.0	23.0	0.0

Program Overview

The Office of Acquisition and Property Management coordinates Department-wide implementation of Federal procurement policy and regulations; and provides leadership on the areas of Federal assistance, including grants and cooperative agreements. It also directs implementation of policy and regulations on asset management and accountability for real, museum, and personal property. The Office directs activities in other essential areas including space management, energy efficiency, water conservation, renewable energy programs, and capital planning for real and personal property assets. The Office also directs motor vehicle fleet management, including promoting the use of alternatively fueled vehicles. Other activities include promoting the use of electronic commerce and related automated systems. The Office is also responsible for the deployment of the Financial and Business Management System.

The Office develops policy, evaluates programs and provides guidance and support to the bureaus in all of its functional areas. Major ongoing activities include:

Acquisition and Assistance — Developing policies and regulations affecting all Interior bureaus and offices, collectively responsible in 2006 for a volume of over 86,000 procurement transactions totaling an estimated \$4.6 billion, excluding purchase card activity. In 2006, the Department processed over 18,000 financial assistance actions within 126 different programs totaling about \$3 billion. During 2006, over 1.3 million purchase card and 845,000 fleet transactions were conducted Department-wide, totaling \$496.8 million. A comparable level of activity is expected to continue in 2007 and 2008. The combined procurement and assistance transactions total almost half of the Interior budget.

The Office's major responsibilities in the areas of acquisition and assistance include:

- Managing Department-wide reporting systems.
- Establishing and implementing performance measures and internal controls.
- Developing the Department's financial assistance program and career management policies on grants and cooperative agreements, consistent with Public Law 106-107.
- Overseeing the Department's acquisition program and related career development policies and implementing government-wide acquisition workforce initiatives.
- Participating in inter-agency forums to assure that Interior issues are considered when policy changes or new programs are being implemented.
- Coordinating Interior's implementation of government-wide initiatives in acquisition and financial assistance, including Grants.gov, the Integrated Acquisition Environment, and the Grant Management Line of Business initiative, to maximize the benefits of new electronic programs.

Property Management — The Office develops and implements Interior policies to assure accountability for government-owned real, museum, and personal property; and establishes and implements performance measures and internal controls related to:

- Over \$1.8 billion worth of government-owned personal property, consisting of over one million items.
- Approximately 46,000 buildings utilized as office space, schools, and warehouses; over 100,000 structures such as bridges, tunnels, highways, roads, and dams; and nearly 450 million acres of rural and urban land.
- More than 151 million museum objects including artwork, artifacts, documents, and scientific specimens.
- Over 21,000 government-furnished quarters, with approximately 10,600 that are Interior-owned and operated.
- About 36,800 government-owned and leased motor vehicles.
- Efficient use of space and energy.

Automated Systems — The Office plans, develops, implements, and operates Interior's automated systems related to procurement, financial assistance, energy, and property management. These systems are designed to:

- Improve responsiveness, effectiveness, and efficiency of operations.
- Provide accurate, complete, and timely information for policy and decision-making.
- Promote effective interfaces between Departmental and Government-wide systems to enhance efficiency of operations and reduce data errors.

Through the Working Capital Fund, the Office coordinates Interior's quarters management program to promote equitable and consistent employee housing in field areas. The Interior Quarters program is managed through consultation and coordination with the National Quarters Council, an interagency group representing all Interior bureaus with government-furnished

housing, along with representatives from other government agencies interested in establishing standardized policies across agency lines. This group meets annually to discuss a wide range of quarters management issues, including approval of the proposed budget and the costing methodology used to provide funding through the working capital fund.

Program Performance Estimates

In 2006, through the work of the Office of Acquisition and Property Management and the coordinated efforts of the bureaus, Interior was rated green for progress in 1st, 2nd, and 3rd quarter 2006 President's management agenda real property scorecards for: OMB approval of Interior's Asset Management Plan; development of a three-year asset management rolling time line; and leadership to bureaus and offices in preparing agency-wide inventories in the Federal Real Property Profile.

The Office also ensured that comprehensive condition assessments were conducted and completed for Interior's constructed assets over \$50,000 and met the 2006 goal of 100 percent. It provided guidance in developing and implementing site specific asset business plans, and revised Interior's disposal policy focusing on reduction of the Department's inventory of low priority assets.

The Office also revised existing agency financial assistance policies and practices to include Grants.gov and P.L. 106-107 initiatives and mandates. Additionally, within the Financial and Business Management System, the Office implemented a standard Federal financial assistance system at three Interior bureaus: the Fish and Wildlife Service, Minerals Management Service and Office of Surface Mining and Reclamation. The Office also continues to provide project management and leadership in implementation of FMBS.

The Office supported e-government initiatives through project meetings, work groups, and other forums including the business partners: Network/Central Contractor Registration User Group; Federal Procurement Data System–Next Generation Change Control Board; Grants Policy Committee; Grants Executive Board; and Grants.gov User Group. It exceeded annual grants.gov goals for posting financial assistance funding opportunities and receipt of grant applications.

During 2006, an additional 7.2 million museum objects were catalogued for a cumulative total of 68.8 million. This figure represents approximately 45 percent of the total of approximately 151 million museum objects. The Office also improved accountability within the Interior-wide Integrated Charge Card Program through implementation of OMB Circular A-123 (Revised). Statistics for 2006 achieved 98.3 percent rate of on-time payments, exceeding the Departmental goal of 97 percent.

The Office also led the Department's efforts in moving to a portfolio-centered approach for the planning, acquisition, and management of motor vehicles to improve efficiency in this area. The Office also assisted the bureaus in acquiring alternative fuel vehicles and alternative fuels.

Nearly 700 of these vehicles were acquired during 2006, bringing the Department's total alternative fuel vehicles in the fleet to over 2,600.

During 2007, the Office of Acquisition and Property Management is focusing on implementing Departmental policy on asset management to improve the condition of the asset portfolio and properly sustain it over the asset life cycle. This work involves a multi-year space planning process to guide future space utilization planning and analysis of performance gaps in comparison to best practices to improve asset management.

The Office continues to provide leadership in government- and Department-wide streamlining and standardization initiatives in financial assistance processes and systems, Interior museum collections management systems, and standardization of asset management systems across Interior. It also develops policy and provides leadership and oversight in Interior's implementation of corrective action plans and new OMB Circular A-123 requirements for the Department's integrated charge card program; financial assistance; acquisition; property management; Interior's franchise funds; and concessions management.

The Office provides support to government-wide initiatives affecting acquisition and financial assistance; interagency contracting; implementation of the Energy Policy Act; e-government programs such as grants.gov, the integrated acquisition environment, sale of Federal assets, the grants management line of business, and strategic sourcing (acquisition).

The Office is also working with the Office of Inspector General to enter into a cross-servicing agreement with the Environmental Protection Agency for the execution of procurement and non-procurement debarments and suspensions.

Future plans for 2007, and extending into 2008, include electronically linking the Financial and Business Management System and the Facilities Maintenance Management Systems. The Office will also lead Interior's efforts in implementing Executive Order 13327 directing executive branch departments and agencies to recognize the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate action. Activities supporting this work include:

- Reporting Department-wide inventory information into the Federal Real Property Profile.
- Developing Departmental policy on improving the condition of the asset portfolio and sustaining it over the asset life cycle.
- Formulating a Department-wide multi-year space planning process to guide future space utilization planning.
- Directing the continued refinement of Interior's Asset Management Plan.
- Applying, monitoring, and refining Interior-wide metrics to determine the condition of the Department's real property assets.

The Office continues to lead the Department-wide initiative to maximize the efficiency and effectiveness of the motor vehicle fleet. It also leads and coordinates inter-bureau team efforts through several interagency partnerships such as: the Acquisition Managers' Partnership; Asset Management Partnership; Property Management Partnership; as well as the Interior Financial Assistance Communications Liaison Group. The Office directs National Business Center and contractor support efforts, working on standardized approaches for automated procurement systems; assistance reporting processes; and enhancements to the system that manages the Department's integrated charge card program. The Office continues to participate and encourage bureau participation in interagency committees focused on the development of changes and reforms.

Other continuing efforts include: providing guidance on implementing changes required by legislation, regulations, and standards relating to specific areas of responsibility. The Office also leads Department-wide initiatives to achieve economies of scale by establishing agency-wide purchasing vehicles for common supplies and services; and stimulating increased use of performance-based acquisition methods in order to assure better results from contractual expenditures.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

A growing number of the Department's Strategic Plan and President's management agenda goals relate to functions managed by the Office of Acquisition and Property Management, e.g. asset management, transportation, energy, and OMB's strategic sourcing initiative. The Office contributes to the development and management of standards, performance metrics, policies, processes, and systems that implement Strategic Plan and President's management agenda objectives and requirements. The work includes coordination with and support to OMB, E-Gov managing partners, and a variety of inter- and intra-agency forums to ensure standardization and compliance with government-wide initiatives. In addition, the Office provides active support to other Departmental Offices in the implementation of Strategic Plan and President's management agenda targets assigned to them.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Planning and Performance Management

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	577.4	587.7	+19.7	0.0	607.4	+19.7
FTE	4.3	4.0	0.0	0.0	4.0	0.0
Working Capital Fund (GPRA Compliance, Recreation One-Stop)						
(\$000)	1,517.5	1,569.9	+101.8	0.0	1,671.7	+101.8
FTE	8.0	8.0	0.0	0.0	7.0	0.0
Total						
(\$000)	2,094.0	2,157.6	+121.5	0.0	2,279.1	+121.5
FTE	12.8	12.8	0.0	0.0	12.8	0.0

Program Overview

The Office of Planning and Performance Management coordinates development of Interior’s unified strategic plan and associated annual performance reports to ensure compliance with the Government Performance and Results Act. The Office leads the Department in process reengineering organizational streamlining, benchmarking studies, and management improvements to increase organizational effectiveness throughout Interior. The Office manages Interior’s directives programs, the Electronic Library of Interior Policies, and provides guidance to bureaus and offices on the development and issuance of Interior policies in the Departmental Manual and in Secretarial Orders.

Program Performance Estimates

The Office will: ensure timely, consistent, and accurate processing of changes to policies in the Departmental Manual; enhance the Electronic Library of Interior Policies to facilitate improved user access; expand and refine the online capability to develop, retrieve, update and archive successor designations for key Departmental officials; continue to develop system enhancements for department-wide access to the online real-time tracking system for Departmental Directives during the review and surnaming process, and expand and integrate on-line bulletins and handbooks with linkages to corresponding Departmental Manual Chapters.

The Office completed the successor designations module and began entering designations; increased the updates and conversion of 95 percent of the remaining polices that are currently in paper into the Electronic Library of Interior Policies.

Productivity Enhancements and Cost Efficiency Measures — The Electronic Library of Interior Policies is needed for tracking Directives and automating Departmental Handbooks. The tracking system will: permit faster and more efficient monitoring of the process for reviewing, surnaming, and approving Departmental directives; and permit access to real time data, require less time for data entry, and provide several types of management reports. Automating and integrating the handbooks with the manual chapters will provide a single electronic source for related Departmental polices. Automating the handbooks will reduce staff time needed to retrieve and make copies of polices and as well as the costs associated with copying and faxing.

The Office completed the successor designations module and began entering designations; increased the updates and conversion of 95 percent of the remaining polices that are currently in paper into the Electronic Library of Interior Policies.

Relationship of Mission and Funding to the Department’s Strategic Plan or President’s Management Agenda

The Office of Planning and Performance Management coordinates development of Interior’s unified strategic plan and associated annual performance reports to ensure compliance with the Government Performance and Results Act, and works in collaboration with the Office of Budget on OMB PART reviews and integrating the performance process with the budget process toward achievement of the President’s management agenda goals for budget and performance integration. The Office coordinates development of an integrated system for tracking progress in achieving results.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Collaborative Action and Dispute Resolution

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	609.5	617.7	+16.3	0.0	634.0	+16.3
FTE	3.0	3.0	0.0	0.0	3.0	0.0

Program Overview

The Office of Collaborative Action and Dispute Resolution oversees and coordinates implementation of the Department's alternative dispute resolution policy. Consistent with the Administrative Dispute Resolution Act of 1996, the Negotiated Rulemaking Act of 1990, the Contracts Dispute Act of 1978, the Executive Order on Facilitating Cooperative Conservation, the Memorandum on Environmental Conflict Resolution issued by the Office of Management and Budget and the Council on Environmental Quality, and EEOC regulations, the Department's ADR policy encourages effective conflict management, collaborative problem-solving, and dispute resolution to improve the efficiency and effectiveness of program operations; and reduce the delays, cost, and contentiousness associated with litigation. Effective conflict management saves time and money and improves productivity in workplace disputes and improves decisions and narrows or avoids litigation in natural resource policy disputes.

The Office works closely with the Office of the Solicitor and the Interior Dispute Resolution Council, comprised of representatives designated by bureau and office leadership, to promote full implementation of the Department's policy. The goal of the CADR office is to establish effective conflict management practices and appropriate use of collaborative and ADR processes as standard business practice in all areas of the Department's work, to prevent, manage, and resolve internal and external conflicts and disputes. The CADR office provides Department-wide leadership and coordination to achieve four primary objectives: build capacity; develop clear and consistent policies and guidance; develop and implement monitoring and evaluation mechanisms; and provide subject matter expertise.

The results of evaluation conducted by the CADR office reflect a continuing high level of overall satisfaction with CADR assistance and CADR staff performance.

Program Performance Estimates

- Implemented Interior's shared leadership model for CADR and Solicitor's office and conduct program evaluation to gather feedback for strategic planning.

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- Completed initial rollout of the Department's CORE PLUS conflict management system for resolving conflict in the workplace in all bureaus and offices.
 - Developed tools for conducting systematic evaluations of ECR processes and workplace ADR programs and reported on data collected.
 - Maintained and evaluated operation of the electronic Department of the Interior roster of internal facilitators and mediators.
 - Developed and managed contracts and interagency agreements ensuring timely access to qualified facilitators, mediators, and other technical experts to support expanded CADR activity throughout the Department.
 - Initiated a coordinated review of all existing regulations and administrative directives to identify opportunities to include or update CADR provisions.
 - Provided conflict management skills training and education for all SES, managers, and supervisors.
 - Maintained interactive CADR website and coordinated virtual network of CADR community throughout Interior.
 - Represented the Department on interagency leadership teams and ensured participation on interagency initiatives.
 - Designed and delivered ADR training for Solicitor's office attorneys, to develop expertise on legal issues such as confidentiality.
 - Developed strategy for implementation of Memorandum on Environmental Conflict Resolution issued in December 2005 and reported on progress annually.
 - Provided technical assistance for negotiated rulemaking efforts, completed case studies on the Department's negotiated rulemaking efforts, and developed Reg-Neg guidance.
 - Implemented first phase of Department-wide use of tracking and evaluation systems for workplace ADR and reported on data collected.
 - Reviewed and reported results of ECR evaluation studies initiated during 2005.
 - Evaluated OHA Interior Board of Land Appeals' ADR pilot program and recommended improvements.
 - Continued development of Native ADR program to reduce tribal political conflicts and impact on the Department's operations.
 - Established and managed new mechanisms to ensure timely access to dispute resolution practitioners and resources necessary to further the work of the CADR office and facilitate ADR activity in the field.
 - Co-chaired the interagency NEPA collaboration work group and participate on the FACA review team for the Council on Environmental Quality.
 - Sponsored the 4th and 5th series of The Department of the Interior Dialogues on Collaborative Conservation and Cooperative Resolution, and ADR brown bags.
 - Participated on the Department's Four Cs team and the Interagency Cooperative Conservation team.
 - Continue to provide conflict management, environmental conflict resolution and collaborative resource management training for all Interior managers, supervisors, and employees to build capacity to use tools effectively.
 - Led coordinated effort to gather information on best practices for government-to-government consultation with Tribes and further the use of best practices to improve

communication and cooperation in the goal of serving communities.

- Continue to build leadership support and identify and lead change in addressing the challenges and barriers to integrating the use of CADR tools into all areas of the Department's work.
- Continue to coordinate and maintain vehicles for accessing qualified neutral third party services including facilitation, mediation, coaching, and system and process design assistance.
- Continue to identify and facilitate coordination of cross-cutting initiatives and demonstration projects to illustrate the effectiveness of collaborative resource management.
- Create an electronic Department CADR Handbook for use by all bureaus and offices, including all relevant guidance and resources.
- Continue to oversee operation, collect data and evaluate effectiveness of CORE PLUS system for managing conflict in the workplace and recommend and coordinate implementation of changes to ensure continuous improvement of the system based on feedback.
- Continue to serve as information clearinghouse and subject matter experts for the Department and represent Interior's CADR efforts on interagency teams and to the public and partners.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The work of the CADR office in promoting increased and improved public engagement, collaborative problem-solving, and informal conflict resolution, supports the Department's goals of serving communities and management excellence. The function of the CADR office advances the Department's cooperative conservation efforts and provides employees' the tools for ensuring productive partnerships, effective public engagement and constructive conflict management. The CADR office promotes improved internal communication, conflict competency, and better coordination in dealing with conflicts and competing demands. The CADR office seeks to improve the quality of agency decisionmaking, reduce administrative redundancy, and the cost of delays due to unresolved conflicts or adverse decisions in litigation, streamline process coordination, and reduce miscommunication and mixed messages to the public and our partners.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Human Resources

	2006 Actual	2007*	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	1,596.9	1,802.1	+67.5	0.0	1,869.6	+67.5
FTE	14.5	15.0	0.0	0.0	15.0	0.0
Working Capital Fund (<i>Firefighter and Law Enforcement Retirement Team, Employee Assistance Program, Employee Counseling, Workers Compensation Coordinator, OPM Federal Employment Services, Corporate Leadership Council, and HSPD12 Compliance</i>)						
(\$000)	2,560.1	2,976.2	+38.0	0.0	3,014.2	+38.0
FTE	11.0	12.0	0.0	0.0	12.0	0.0
Total						
(\$000)	4,157.0	4,778.3	+105.5	0.0	4,883.8	+105.5
FTE	25.5	27.0	0.0	0.0	27.0	0.0
<i>*Includes the realignment of 1.0 FTE and \$57.5 from the Office of Occupational Health and Safety to better reflect the duties of the position.</i>						

Program Overview

The Office of Human Resources has primary staff responsibility for planning, developing, and implementing policies, programs, standards, and systems for effective acquisition, utilization, development, and management of human resources to accomplish the overall mission of the Department; for evaluating the effectiveness of Interior’s personnel management program; and for the analysis of position structures. The Office has Department-wide responsibility for implementation of directives from OMB, the Office of Personnel Management, Merit Systems Protection Board, and the Federal Labor Relations Authority. The Office is also the liaison with these organizations and other agencies concerning human resources management. The Office interprets laws, executive orders, rules and regulations, and provides technical and professional assistance, advice and guidance to the Secretariat and the bureaus.

The Human Resources Office leads the Department in providing the policies, practices, and vision to attract and retain the workforce needed to accomplish its mission. This workforce will achieve success by working ever more closely and collaboratively across Interior, with other agencies, other levels of government, communities, and interested organizations. This Office leads the Department-wide effort to link personal performance, recognition, and rewards to group and agency accomplishments. Most policies and programs fall under Title 5 of the United States Code. Through initiatives undertaken by Interior’s Human Capital Team, the Office is standardizing, streamlining, and improving business processes through the use of technology.

In collaboration with the Office of Civil Rights, the Office ensures that hiring practices are fair and free from unlawful discrimination and attract highly skilled and diverse applicants. Together, these Offices provide managers with the tools for creating inclusive workplaces that are best places to work for all employees.

The Office also has oversight responsibility for the technical aspects of the Firefighter and Law Enforcement Retirement Team funded through the Working Capital Fund, providing service to all Interior bureaus and offices that have employees in firefighter and law enforcement occupations who qualify for enhanced retirement provisions. The WCF also includes the employee assistance program which provides short-term counseling and referral services for employees experiencing personal problems which may affect their work.

The Office is increasing efforts aimed at reducing and containing costs associated with the Workers Compensation Program. This will include Interior leadership, coordination, consolidation, and strategic management of OWCP initiatives.

Program Performance Estimates

The Office of Human Resources has made significant progress in a number of key areas, with achievable milestones planned for 2008. In support of workforce planning efforts in 2006 and 2007, Interior developed guidance for bureaus and offices to update their workforce plans. In 2008, Interior plans to analyze job requirements and develop recruitment strategies to align with those requirements, utilizing OPM's HCAAF standards, 5 CFR 250 proposed requirements, and Career Pattern tools where appropriate. The Department is in the process of implementing the qualifications standard for the Interagency Fire Program Management. This is the final definition of positive education requirements and training needed to fully qualify for IFPM in October 2009. In 2008, Interior will complete a Department-wide report on workforce planning which incorporates the updated plans for each bureau or office.

In the area of leadership and knowledge management in 2006, Interior received provisional certification from OPM and OMB for Interior's SES performance management. As Interior completes and submits the package for full certification from OPM for Interior's SES performance management system, the Office will meet the requirements of the SES certification program and can fully implement pay-for-performance decisions, rewarding the highest-performing Senior Executive and Senior Professional employees. In 2007, Interior will launch Class #15 of the SES Candidate Development Program, ensuring effective succession planning. In 2006, almost 40 percent of Class #14, graduating in May of 2006, had been placed in SES positions. In September 2006, Interior presented the first Interior Human Capital Symposium that trained and educated Equal Employment Opportunity and Human Resource specialists on new technical requirements. The results of the 2006 Federal Human Capital Survey are currently being used to identify areas for improvement in the workplace and to assist the Department in developing additional employee surveys.

Interior is committed to creating a results-oriented performance culture and has used the 2006 Performance Appraisal Assessment Tool to assist us. The Office conducted the PAAT on a Beta Site within the Department in 2006 and expanded that Beta Site in 2007, developing a plan to implement needed improvements to the five-level performance appraisal system on the basis of those results at the Expanded Beta Site. The Office has committed to develop in 2008 an action plan for implementing improvements Department-wide to the general workforce performance system based on PAAT results and issue guidance to rating officials on required content of employees' performance plans.

In 2007, Interior developed Departmental policy and guidance on competency management, identifying the mission critical occupations for Department-wide application. The Office completed the competency assessment of human resources specialists and developed an action plan to improve competency level in workforce planning. The Office also completed the leadership competency assessment of career senior executives, identifying conflict management as an area for improvement and completed training in conflict management for senior leaders. Plans for 2008 include developing policy and guidance for use of the enterprise competency management system and continuing the initiative to improve competency levels of the workforce in mission critical occupations.

In 2006, the Office established a Departmental level Accountability Management Team to monitor the execution of the program across all of the bureaus and equivalent offices. Efforts are ongoing to continue and expand program evaluations in all of the bureaus, and assess the effectiveness of the program across the Department. In 2008, the Office plans to partner with the Office of Civil Rights to complete on-site assessments and accountability reviews Department-wide of bureaus and equivalent offices.

The Department continues to improve the Workman's Compensation Program, developing a Department-wide reporting system for workers compensation claims, developing training on the system, and drafting a Workers' Compensation Departmental Manual for use by all bureaus and offices. A team was established to work on OWCP long-term case rolls and implement an effective return-to-work program. In 2008, the Office has plans to expand the scope of OWCP long-term case rolls review to all bureaus and offices and finalize the Departmental Manual on Workers' Compensation.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Department's Strategic Plan names Management Excellence as a primary strategic goal, to manage the Department to be highly skilled, accountable, modern, functionally integrated, citizen-centered, and result oriented. That strategic goal is supported by a human capital management strategy which outlines a series of initiatives and programs to move the Department toward meeting performance goals.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Civil Rights

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	1,883.2	2,104.9	+78.9	0.0	2,183.8	+78.9
FTE	18.2	18.0	0.0	0.0	18.0	0.0
Working Capital Fund (<i>Special Emphasis Program and EEO Complaints Tracking System</i>)						
(\$000)	49.3	49.3	0.0	+30.3	79.6	+30.3
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	1,932.5	2,154.2	+78.9	+30.3	2,263.4	+109.2
FTE	18.2	18.0	0.0	0.0	18.0	0.0

Program Overview

The Office of Civil Rights is the focal point for policy development and administration of civil rights and equal opportunity programs for the Department of the Interior. In addition, it partners with Federal and State Agencies, minority colleges and universities, and other interested parties to advance educational and employment opportunities. Its primary objectives are to:

- Ensure equal opportunity for all employees, applicants for employment, former employees, contract employees, and beneficiaries of Interior’s federally conducted and federally assisted programs.
- Provide for disability rights, complaint investigations, and technical assistance to State and local governments in implementing programs or activities receiving Federal assistance as well as those administered by public entities which do not receive Federal assistance.
- Develop effective equal employment counseling and complaint processing policy and guidance.
- Issue final Interior Department decisions on equal employment opportunity and civil rights complaints.
- Administer effective affirmative employment, minority education programs, and diversity programs.
- Provide Department-wide oversight and direction for the various Interior civil rights and equal opportunity compliance programs.

The Office of Civil Rights' major functional areas include:

Policies, Procedures, and Regulations — The Office develops policies to advance the Departmental objectives in equal opportunity according to existing laws, Executive Orders, and regulations. The Office also develops procedures and guidelines for implementing civil rights and equal opportunity programs in the bureaus and offices to assure compliance with applicable laws and regulations.

Guidance, Technical Assistance, and Consultation — The Office develops uniform Departmental policies and guidelines for implementation of all Federal civil rights and equal opportunity statutes. It provides advice and technical assistance to improve employment opportunities for women, minorities, and people with disabilities. It manages the equal opportunity complaints processing system and monitors programs to ensure non-discrimination in Interior-related federally conducted and assisted programs and activities. It trains and assists employees, supervisors, managers, and recipients of Federal financial assistance, in understanding and fulfilling their responsibilities to assure civil rights and equal opportunity.

Monitoring and Reporting — The Office develops policy, criteria, and guidelines for collecting and reporting data on applicants for employment, to present statistical workforce profiles and trends to management, the collection of information regarding program beneficiaries related to federally assisted programs, and statistical data on complaints of discrimination.

Program Evaluation — The Office analyzes and evaluates the collected data to determine status, trends, and progress made by the Department, bureaus, and offices. It conducts management, program, and compliance reviews, monitors achievements in diversity, equal opportunity, and civil rights, and assists bureaus and offices with self-evaluations. The Office publishes special studies and educational materials to inform managers, employees, and the public; and develops and submits formal reports in compliance with regulatory requirements. The Office reviews, monitors, and reports on bureau performance and progress in implementing programs and plans to enhance diversity, equal opportunity, affirmative employment, and civil rights compliance by public entities and federally conducted and assisted programs.

Program Performance Estimates

In 2006, the Office developed Departmental policy and collaborated with bureaus and offices to develop strategies for a Department-wide plan for establishing and maintaining effective affirmative programs of equal employment opportunity, pursuant to MD-715, and developed and conducted training on the Directive. It provided training to over 400 equal opportunity counselors from throughout Interior on the civil rights requirements of Title VII and other Federal nondiscrimination statutes for which the Office has enforcement responsibilities, including the No FEAR Act, which requires agencies to be more accountable for violations of anti-discrimination and whistle-blower protection laws. The Office web site is continuously maintained and serves as an information resource for managers, supervisors, and employees.

The Diversity and Program Compliance Division realized the following significant accomplishments during 2006: established a new Strategic Diversity Goal that calls for the increase in the percentage of qualified, highly skilled, diverse hires and is supported by the Human Capital Management Strategy; collaborated with the Office of Human Resources and OPM in the reconfiguration of OPM's Employee Express to allow employees, using the web-based system, to self-identify their race, ethnicity, and disability data in FPPS; participated in the Interior Human Capital Management Conference for EEO and HR professionals that enhanced quality, consistency, and compliance within EEO, affirmative employment, and diversity programs; and implemented new partnerships with the League of United Latin American Citizens and the National Association for Equal Opportunity in Higher Education.

The Employment Complaints and Adjudication Division successfully implemented agency-wide use of iComplaints, a complaints tracking system, and utilized it for completion of the Agency's Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints. The Division conducted training in all aspects of civil rights for the Department's EEO and Human Resources professionals during the Human Capital Training Conference. It also initiated a pilot project with the U.S. Postal Service's National EEO Investigative Services Office, in an effort to reduce costs for the investigations of EEO Complaints. The Office restructured and improved the Office's records center for maintaining EEO complaint files for the Department and managing records disposition.

To ensure the skills level of the Public Civil Rights component of the program, the Office arranged for the Department of Justice to provide training in the processing of Title VI complaints for Equal Opportunity and CR Specialists throughout Interior. Several site reviews were conducted on PCR activities, as well as investigations of Section 504 of Americans with Disabilities Act complaints at sites visited by significant numbers of national and international visitors; i.e., Ellis Island National Historical Site, New York; Galveston, Texas, state and local parks; and Yosemite National Park in California. The office developed an automated system to track the complaints filed in the PCR area that will assist in better management of the complaints workload.

During 2007 and 2008, the Office will maintain and improve the Department's existing Section 508 compliant internet web site to post five-year and quarterly summary complaints statistics as required by the No FEAR Act. It will complete the next round of No FEAR Act training for all Interior employees regarding the rights and remedies applicable to them under law and regulation, as required by the No FEAR Act. The Office will focus on education; e.g., it will develop and provide training to managers and supervisors on managing a diverse workforce, dispute resolution, and communication skills. The Office will ensure that the Department's managers and supervisors meet their annual four hour training requirement in the areas of workforce diversity, affirmative employment, and equal opportunity; improve customer and stakeholder access to needed policies and information through an improved web site; and utilize web conferencing to assure relevant personnel throughout the Department receive consistent training on all program components of the Civil Rights Program.

The Diversity and Program Compliance Division will provide training for managers and supervisors in the areas of diversity, reasonable accommodation, conflict management, and the NO Fear Act; develop and implement a knowledge transfer system as employees are lost through retirement or attrition; partner with Office of Human Resources to conduct on-site assessments and accountability reviews of bureaus and offices; develop strategies to address exit interview results to ensure the retention of a highly skilled and diverse workforce; develop strategies based on trends analysis of applicant flow data to improve the diversity within applicant pools; and provide continued learning within the knowledge transfer system to ensure continuity of operations during transition of EEO professionals; deploy automated systems necessary to conduct barrier analyses on gender, race, age, national origin, disability, applicants, reasonable accommodation, and training. In accordance with Executive Orders, the Division will strengthen educational partnerships with minority higher education institutions.

Employment Discrimination Complaints Processing

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Pending Start of Year	440	460	483
Interior.....	[39]	[60]	[63]
EEOC	[165]	[175]	[184]
New Cases	349	366	384
Remands	4	4	4
Closed	252	265	278
Pending End of Year	535	560	588
Interior.....	[72]	[90]	[95]
EEOC	[182]	[191]	[201]

The Employee Complaints Processing and Adjudication Division plans to reduce the processing times for complaints of discrimination; increase the awareness of and participation in ADR in the EEO complaint process by complainants and Interior managers through education and training; ensure that ADR is offered in all appropriate instances by EEO professionals throughout the Department, and that managers support and participate in ADR. The Division will reduce the processing time for issuing Final Agency Decisions; revise the Complaints Processing Handbook; and plan and conduct a pilot project using a system of e-filing of complaints of discrimination whereby employees and applicants will be able to file complaints via the Internet. In an effort to ensure accurate complaint tracking, users throughout the Department will receive refresher training in the iComplaints tracking system.

Civil Rights Compliance Reviews and Complaints

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Compliance reviews of federally-assisted park, recreation, and hunting programs.....	900	850	863
Civil rights complaints processed against recipients of Federal financial assistance and State and local government programs and activities	94	92	90
Complaints processed in Interior's federally conducted programs	4	4	3

The Public Civil Rights Division will continue to refine its PCR complaints tracking system to make information more readily available for generating various reports required by the regulatory agencies. Emphasis will be placed on training to better serve the customers, to include: effective communication for individuals with hearing loss who are visitors at parks, refuges, recreation areas, and other sites; visits for site access training to various entities in the local commuting area; and for State and local recipients, as requested. The Office will convene monthly meetings of PCR coordinators to provide technical assistance and Interior guidance to sub-components within the Department related to the overall PCR program. The Office will increase cooperation, consultation, and communication to improve services to recipients of Federal financial assistance and State and local government programs, as well as conduct two public civil rights state compliance reviews.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Department's Strategic Diversity Goal supports the President's management agenda as it calls for strategic management of human capital. The goal and measures for the Strategic Diversity Goal were revised to enable the Department to more accurately measure its success in the actual hiring of diverse candidates. The Strategic Diversity Goal, which calls for an increase in the percentage of qualified, highly skilled, diverse candidates hired as a result of implementing specified requirements of the Strategic Plan for Achieving and Maintaining a Highly Skilled and Diverse Workforce, is an integral part of managing for excellence. Management excellence lies at the heart of serving the public well and the diversity goal will ensure that the Department is infused with the best and the brightest employees available and better able to understand, appreciate, and serve an increasingly diverse American public.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Occupational Health and Safety

			2008			
	2006 Actual	2007*	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	56.3	0.0	0.0	0.0	0.0	0.0
FTE	1.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund (<i>Occupational Health and Safety Team, Health and Safety Training, and Safety Management Information System</i>)						
(\$000)	1,548.2	1,580.0	+57.6	+20.4	1,658.0	+78.0
FTE	5.5	5.5	0.0	0.0	5.5	0.0
Total						
(\$000)	1,604.5	1,580.0	+57.6	+20.4	1,658.0	+78.0
FTE	6.5	5.5	0.0	0.0	5.5	0.0

**Includes the realignment of 1.0 FTE and \$57.5 to the Office of Human Resources to better reflect the duties of the position.*

Program Overview

The Office of Occupational Health and Safety provides leadership and develops policies for the management and mitigation of human, economic, and environmental risks associated with the employees, visitors, lands, resources, and responsibilities of the Interior Department. This is accomplished by developing a broad, integrated Departmental policy, acting as an advocate for bureaus and all activities of Interior, providing specialized technical assistance to bureaus, and evaluating programs and activities to measure the success of policy implementation.

The Office, staffed by technical experts in varied fields, and functions, is now completely funded through the Working Capital Fund and provides Departmental health and safety policies and program management support to Interior bureaus and field offices. The Office is the principle Departmental representative to the Occupational Safety and Health Administration and supports the operation of the Interior Designated Agency Safety and Health Official Council and the Interior Safety and Occupational Health Council.

Program Performance Estimates

Web-based training courses, OSHA 6000 Collateral Duty Safety Officer Training, began in 2004 as a Safety Program Initiative. These courses provide time efficient, cost effective training for the thousands of collateral duty Safety Officers who are an essential element of the Interior Safety and Health Program. The courses were completed on March 27, 2006 with the Office adding extra value by ensuring that the courses had audio. The Office also released

training CDs in November 2006, for those Bureaus and Offices that do not have computer access. The Assistant Secretary — Policy, Management and Budget signed and distributed the memo announcing this Department-wide training.

The Office developed and coordinated throughout the Federal community the guidance tool, *Employee Health and Safety Guidance for Avian Influenza Surveillance and Control Activities in Wild Bird Populations*. This document has been approved and recognized by the Department of Homeland Security and is presently being used as a role model document and has been benchmarked by other Federal departments and agencies. This is an example of Interior's efforts to establish guidance for employees involved in avian influenza surveillance activities in wild bird populations. This document provides guidance on personal protective equipment and work practices to reduce the risk of acquiring or transmitting avian influenza or other pathogenic agents, when handling potentially infected wildlife. This document is clearly an excellent example of the compilation of information from numerous sources within and outside of the Department, and ensures a consistent public health approach to protecting employees.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Office of Occupational Health and Safety, through the GPRA strategic goal, Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve, develops policies for the Interior Safety and Health Program. These policies support the Department's strategic plan's goal of Management Excellence by improving the safety and health of the Department's employees through injury and illness prevention.

Justification of Program and Performance

Activity: **Policy, Management and Budget**

Program Element: **Law Enforcement, Security and
Emergency Management**

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	1,790.3	1,828.1	+87.6	0.0	1,915.7	+87.6
FTE	13.0	13.0	0.0	0.0	13.0	0.0
Working Capital Fund (<i>Classified Information, Watch Office, Emergency Preparedness, Coordination and Training</i>)						
(\$000)	2,692.3	2,955.7	+127.3	+306.0	3,389.0	+433.3
FTE	16.8	19.6	-2.0	2.0	19.6	0.0
Total						
(\$000)	4,482.6	4,783.8	+214.9	+306.0	5,304.7	+520.9
FTE	29.8	32.6	-2.0	2.0	32.6	0.0

Program Overview

The Office of Law Enforcement, Security, and Emergency Management was established following the events of September 11, 2001, and is headed by the Deputy Assistant Secretary — Law Enforcement, Security, and Emergency Management, who is responsible for providing management and leadership in these three functional areas. Primary functions of the office include ensuring bureau compliance with Departmental manuals and guidelines, Department of Homeland Security guidance, Presidential directives, and Secretarial orders in the law enforcement and national security areas. In addition, OLESEM provides coordination and management leadership to facilitate a successful and focused Departmental law enforcement, security and emergency management program capable of providing the key business principles of customer service, accountability to the public and to management, modernization, and integration.

Interior maintains the third largest Federal law enforcement workforce in the Executive Branch of the Federal government with over 4,000 commissioned officers. These law enforcement officers work to protect against illegal activities on its lands which comprise over 525 million acres. In addition to protecting 70,000 residents and employees, 200,000 volunteers, 1.5 million Indian Country citizens, and visitors which, total 1.3 million per day, Interior’s law enforcement officers protect natural, cultural, and heritage resources, and facilities in every State of the Union. Interior manages approximately one-fifth of the land in the U.S. including departmentally managed lands adjacent to the international borders of Canada and Mexico.

The Department's strategic plan for fiscal years 2007-2012 includes four mission and outcome goals. One of the Department's cornerstone missions is Serving Communities. This encompasses the foremost end outcome goal to, improve protection of lives, resources, and property. The Interior's law enforcement, security, and emergency management functions provide the Department leadership, policy, and overall coordination to ensure this goal is met. The goal is evaluated by the following outcome measures, percent of facilities meeting the minimum departmental security guidelines, level of emergency preparedness as measured by the Interior Readiness Index, and percent reduction in Part I, II, and natural, cultural, and heritage resource offenses that occur on Interior lands or under Interior jurisdiction.

The goal of improving the protection of lives, resources, and property is an essential component of the Department's other three mission components of Resource Protection, Resource Use, and Recreation, all of which are affected by the increasing pressures of population growth, the popularity of public lands, an expanded economy, and the need for increased energy production.

In March 2001, at the request of the Secretary, the Office of Inspector General conducted an assessment of the Department's law enforcement activities. The OIG made recommendations to improve the leadership, organization, control, and accountability of Departmental law enforcement programs. In July 2002, the Secretary issued 25 law enforcement directives for implementation. The Office continues to implement these directives while developing a professional Department-wide program.

Interior has a significant amount of land it manages along the Mexican and Canadian borders. This requires extensive coordination with the Department of Homeland Security, U.S. Customs and Border Protection, the U.S. Border Patrol, and with each bureau that has land adjacent to or near either border. Interior lands include the following:

- Close to 523 miles, 14 percent of the 3,900 mile U.S./Canadian border, including six national parks, seven wildlife refuges, numerous BLM land holdings, and lands held in trust by BIA for 12 Tribes.
- Close to 782 miles, 40 percent of the 1,950 mile U.S./Mexican southwestern border, including five national parks, six wildlife refuges, numerous BLM land holdings, and lands held in trust by BIA for four Tribes.
- Close to 628 miles, 31 percent of the 2,000 mile coastline border extending from Texas to Florida, which includes five national parks and 24 wildlife refuges.

In light of the continuing foreign and domestic terrorist threats, a number of Departmental assets continue to be closely monitored as they are considered to be potential targets identified by the intelligence community and the Department of Homeland Security. These assets include national monuments and icons, i.e., the Statue of Liberty, the Washington Monument, Mount Rushmore, Independence Hall; dams, i.e., Hoover, Shasta, Grand Coulee, Glen Canyon; as well as oil, gas, and electric production and transmission facilities and lines.

The Office also has responsibility for a number of bureau cross-cutting initiatives and projects which are funded by the Departmental Working Capital Fund including:

- Operating a Department-wide Watch Office, which provides the Secretary and Department leadership with enhanced command and control capability over its national resources and personnel during emergencies.
- Operating a Sensitive Compartmented Information Facility for secure classified communications, and for the secure collection and analyses of intelligence information and control and review of all incoming classified documents, cables, and other sensitive information.
- Operating a Department-wide Emergency Management program which manages emergency response programs in the event of natural disasters or man-made threats.
- Coordinating Interior law enforcement border and drug enforcement activities.
- Coordinating Department-wide basic and advanced training programs.

In summary, the Office provides leadership and guidance to bureau law enforcement, security, and emergency management programs and coordinates with a wide variety of Federal agencies on behalf of the Department. Top priorities include providing critical infrastructure protection; implementing the Secretary's law enforcement reforms; ensuring a well coordinated emergency response to incidents; providing coordination and advocacy for Indian Country detention program reforms; providing protection for the Department's employees, visitors, and residents; providing protection to its natural, cultural, and heritage resources, both owned and held in trust; and coordinating Interior activities along our international borders.

Program Performance Estimates

- Implement the pilot program for the Incident Management Analysis and Reporting System and if successful, begin full implementation of IMARS.
- Implement the new Law Enforcement Physical Fitness program to provide Department-wide standardization.
- Issue the revised Department law enforcement handbook.
- Review the Bureau of Reclamation guard force training program and develop guard force standards for the Department.
- Continue to refine Interior's border coordination policy through implementing task forces along the northern and southwest borders, coordinating with U.S. Border Patrol on the Secure Border initiative, and continued cross-training of personnel.
- Develop a Departmental drug enforcement posture for Interior lands in coordination with the Office of National Drug Control Policy; develop drug enforcement initiatives in Indian Country with the support of the ONDCP's High Intensity Drug Trafficking Area program; and continue support of bureau drug programs.
- Continue to implement a Departmental program integrity function to include establishing a compliance and review function; and conduct three bureau law enforcement program compliance reviews.

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- Conduct a review on each bureau internal affairs program for a total of six.
 - Conduct physical security reviews on all dams listed as national critical infrastructure for compliance with Department policy and procedure.
 - Develop and execute senior level exercises to test Department-wide emergency preparedness.
 - Continue development of incident support team for emergency response.
 - Develop an All-Hazard Response Plan.
 - Continue development and implementation of the Interior Regional Emergency Coordinating Council concept.
 - Complete the Department's Pandemic Influenza Preparedness and Response Plan.
 - Continued to successfully implement and oversee implementation of the 25 law enforcement Secretarial Directives to ensure Interior has a highly professional Department-wide law enforcement program
 - Issued two Departmental Manual chapters outlining the new title, functions, and organization of OLESEM and delegating authority to the Director, OLESEM.
 - Issued Department-wide interim directives for Internal Affairs and Boards of Review/Serious Incident Review Group policies and protocols.
 - Issued Departmental policy on National Critical Infrastructure and Key Resource Security.
 - Developed physical and homeland security policy and procedure in accordance with applicable laws and regulations. Examples include closed-circuit television, national security information, and For Official Use Only.
 - Developed an on-line training module for all Interior Victim Assistant Coordinators; obtained funding from Justice to hire a Victim Assistance Program Coordinator.
 - Awarded a contract to Lockheed Martin to ensure all appropriated funding could be utilized effectively, in coordination with the Department's Budget Office and affected bureaus.
 - Worked with OCIO and NBC to establish a stable SAFETALK web site for emergency vital records and coordination of emergency management activities and to provide VPN access to that secure site for the Interior emergency planning community.
 - Implemented required DMIS services, coordinated with bureaus to implement Common Alerting Protocols, and established internet presence on the Departmental web for emergency management programs, including a dynamic display of natural hazards updated daily by the USGS, as directed by OMB under the E-gov Disaster Management program.
 - Reviewed bureau budget requests to ensure they were consistent with Department law enforcement, security, and emergency management priorities and developed a cross-cutting 2008 budget proposal for consideration by the Assistant Secretary and Secretary, in coordination with the Department's Budget Office.
 - Initiated a complete rewrite of the Department's strategic plan performance measures for law enforcement and development of new performance measures for security and emergency management.
 - Successfully led an inter-Departmental effort with the Department of Homeland Security and Department of Agriculture to sign a ground-breaking Memorandum of Understanding that provides consistent goals, principles, and guidance related to bor-

der security issues affecting Interior lands, primarily to facilitate U.S. Border Patrol access to Interior lands in an environmentally sensitive manner.

- Provided leadership in the implementation of a second OLESEM border coordination field office, located in Boise, ID. Established field level, cross-bureau, inter-Departmental border management task forces in San Diego, CA and Yuma, AZ.
- Partnered with the U.S. Border Patrol in developing Border Patrol Public Lands Liaisons in each of the 20 Border Patrol Sectors. The development of these positions is significant for the Border Patrol and will assist Interior bureaus in coordinating border security efforts along the international borders.
- Continued to forge a partnership with the Office of National Drug Control Policy and the bureaus in coordinating the Indian Country methamphetamine initiative and the National Marijuana Initiative on Interior lands.
- Provided oversight and leadership to synchronize DHS/DOJ efforts with Interior in establishing protocols for deputizing law enforcement personnel in emergency situations.
- Represented Interior at the White House Homeland Security Council's Domestic Readiness Group on a variety of topics including the rewrite of the National Response Plan, integration of NIIMS with the NRP, and professional development opportunities for homeland security personnel.
- Completed draft National Monuments and Icons Sector Specific Plan on schedule as required by DHS, final plan approval expected in early 2007.
- Modified the original NMI vulnerability methodology, now identified as the Physical Security Assessment Methodology, for use at all Departmental facilities.
- Successfully held the 2006 Interior Security Conference, highlighting security, law enforcement, and intelligence sharing initiatives, programs, and related issues.
- Conducted follow-up security assessments on all seven Interior national monuments and icons.
- Provided Departmental-level coordination of ongoing response and recovery activities from Hurricane Katrina, including redefinition of response policy fostering bureau support to state and local jurisdictions to meet immediate emergency needs to protect human life, property, and the environment.
- Issued the first major revision of Departmental emergency management policy in a quarter of a century, defining emergency coordination policy for bureaus and offices, and covering continuity of operations, national security emergency preparedness, coordination of emergency incidents, and support under the National Response Plan.
- For the first time in a natural disaster, deployed the newly-created Interior Headquarters Incident Support Team, augmenting the Interior Watch Office and Emergency Management Division in coordination of Hurricane Katrina activities.
- Began activation of Interior Regional Emergency Coordinating Councils in FEMA Regions IV, Atlanta, and VI, Denton, TX, focusing on hurricane-prone regions.
- Assumed leadership for Departmental pandemic influenza planning, successfully coordinating and issuing in March 2006, the draft Interior pandemic influenza preparedness and response plan.
- Organized and conducted Exercise FORWARD CHALLENGE, deploying the Secretary of the Interior and 135 additional personnel to exercise Interior's continuity of

operations plans, in what has been described as the “best-ever” and most comprehensive exercise of its type within the Department. Identified lessons learned to improve future COOP preparedness.

- Acquired full access to all classified information systems at the National Joint Terrorism Task Force; this allows Interior to remain situationally aware of all threats and investigations having an impact on Interior.
- Developed and implemented an OLESEM web page.
- Developed and implemented a comprehensive internet accessible data-base of contacts that any crime victim can access, based on their geographic location, to obtain names and phone numbers to reach advocates/obtain assistance.

Relationship of Mission and Funding to the Department’s Strategic Plan or President’s Management Agenda

Budget Performance Integration — The OLESEM, Office of Planning and Performance Management, and the bureaus together have developed new performance measures. This effort was intended to standardize measures and clearly link them to the Department’s Strategic Plan, its missions and long term goals.

Activity-Based Costing — The OLESEM has worked with the law enforcement programs to develop standardized law enforcement, security, and emergency management activity definitions. These activity definitions and codes were incorporated into the 2004 accounting system. They have been revised for 2006 and are incorporated into the accounting system for tracking costs by activity, by bureau, and by law enforcement office. The primary work activities identified for tracking of costs include the following.

**Activity-Based Costing Measures for
Interior Law Enforcement, Security, and Emergency Management**

Work Activity	Output	Unit of Measure
Conduct patrol enforcement activities	Incidents reported	Number of natural resources, health, and safety incidents identified and reported by individual officers
Conduct non-drug investigative activities	Cases cleared	Number of cases cleared
Conduct drug enforcement activities	Seizure incidents	Number of seizure incidents
Conduct emergency response activities	Resolution of incidents	Number of incidents resolved
Conduct security activities	Vulnerability assessments	Number of vulnerability assessments
Conduct detention and corrections facility activities	An incarcerated individual	Number of inmate days

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Chief Information Officer

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Office of the Secretary, Salaries and Expenses						
(\$000)	4,272.3	4,543.1	+112.2	0.0	4,655.3	+112.2
FTE	22.1	22.0	0.0	0.0	22.0	0.0
Working Capital Fund (<i>Web, IT Architecture, FOIA Tracking and Reporting, Frequency Management Support, IT Security, Capital Planning, GPEA, Data Resource Management, Enterprise Resource Management, and Enterprise Services Network personnel</i>)						
(\$000)	10,686.0	11,433.2	+248.5	+245.9	11,927.6	+494.4
FTE	26.2	31.0	0.0	0.0	31.0	0.0
Working Capital Fund (<i>Enterprise Services Network non-personnel, Messaging, IT Certification and Accreditation, Active Directory, National Archive and Records Administration, and National Telecommunications and Information Administration</i>)						
(\$000)	24,592.2	28,744.0	0.0	-1,039.8	27,704.2	-1,039.8
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Allocations (<i>Office of Special Trustee for American Indians</i>)						
(\$000)	201.0	100.0	0.0	-100.0	0.0	-100.0
FTE	0.0	1.0	0.0	-1.0	0.0	-1.0
Total						
(\$000)	39,751.5	44,820.3	+360.7	-893.9	44,287.1	-533.2
FTE	48.3	54.0	0.0	-1.0	53.0	-1.0

Program Overview

The Office of the Chief Information Officer facilitates the development and maintenance of cost-effective, supportable, and sustainable information management and technology solutions to advance the mission of the Department consistent with the Interior strategic plan. These technology solutions promote the goals of the Department and its bureaus and enhance Interior's ability to serve the public through efficient business and resource management systems.

The OCIO develops Departmental information resources management strategies, provides guidance, and directs technical assistance to the bureaus in planning and managing information systems and technology. The Chief Information Officer plays a key role in supporting the Secretary of the Interior by assuring that technology investments provide net benefits, are within budget, on schedule, and consistent with Federal regulations and national policies.

The 2008 budget request for information technology-related activities within the Interior Department is \$964 million, which includes computer center operations, software manage-

ment, and telecommunications services. This level of investment must be managed with vision for consolidated enterprise-wide solutions to achieve optimum efficiencies in service delivery and to meet legislative requirements, achieve more direct interaction with the public in a citizen-centered government, provide adequate security for mission critical systems, and provide efficient means of collecting, storing, reporting and sharing electronic information. The OCIO implements information technology-related statutes and regulations including the E-Government Act of 2002, Clinger-Cohen Act, Federal Information Security Management Act, Telecommunications Act, Paperwork Reduction Act, Government Paperwork Elimination Act, Federal Records Act, Communication Act, Freedom of Information Act, Privacy Act, and IT-related Presidential Orders.

The OCIO accomplishes its objectives through the following programs:

Portfolio Management Program — This program manages Interior’s information technology portfolio of \$964 million in IT systems and the entire range of information technology investments from concept through implementation to disposal. This program directs the strategic Capital Planning and Investment Control process in compliance with the Clinger-Cohen Act across the bureaus throughout the various phases of selection, evaluation, and control of the major IT systems. The program is aligned with the Interior Enterprise Architecture Program and the Strategic Plan. The Portfolio Management Program directs the project management process for all Interior investment activities across all bureaus through the IT systems lifecycle phases of initiation, planning, execution, control, and closeout. This program also leads enterprise-wide IT acquisition, and directly supports Interior’s efforts to implement the electronic government component of the President’s management agenda.

Interior Enterprise Architecture Program — This is a Department-wide program that optimizes Interior’s mission performance through business transformation. Enterprise architecture provides the means for achieving E-Government initiatives and through the development of modernization blueprints it determines: processes that need to be re-engineered, streamlined, and modified; which systems are redundant to target solutions and should be retired; what data needs to be exchanged between systems and processes; and which services can be re-used or shared. The program is also responsible for establishing technology and product standards approved for use within the Department through the Technical Reference Model. Federal agencies are required to have an enterprise architecture under the Clinger-Cohen Act of 1996.

Data Resource Management Program — This is a Department-wide program that provides policy, standards, and procedures in the areas of data architecture, integrity, quality, and standardization. This program establishes data stewardship across Interior and facilitates data sharing, data retention, and data inventory collection. In 2007 and 2008, the program will support modernization blueprint efforts by determining authoritative data sources, and coordinate with data stewards and business owners to establish Interior data standards.

IT Security Program — This program provides policy and guidance on appropriate information assurance measures for the Department’s Information Technology systems, applications,

telecommunications networks, and related resources. The program develops and maintains the agency-wide security training program; tests perimeter defenses; conducts oversight of FISMA, and the National Institute of Standards and Technology compliance; provides coordination and oversight of certification and accreditation of IT systems; and develops policy and standards for critical infrastructure enhancements and Public/Private Key Infrastructure. Programmatic activities also include certification and accreditation efforts.

Information Management Program — This program aims to create an effective knowledge sharing environment, safeguarding records, privacy, and accessibility according to Federal regulations and system enforced regulations. This is achieved through safeguarding records, privacy, and accessibility. The PMA directs agencies to think seriously about how they will use citizens' data and incorporate that thinking as they plan new systems and upgrades. In addition, OMB guidelines, the E-Government Act of 2002, FISMA, and information management statutes mandate standards and restrictions for information maintained by the government. Included under the purview of Information Management are the Records Management, Privacy – Government Paperwork Elimination Act, Section 508, Information Quality, Web Management, and the Freedom of Information sub programs. The focus is to address statutory training, develop essential guidelines, provide bureau and office oversight, and ensure that E-Gov initiatives are compliant with information statutes and government requirements.

The Enterprise Infrastructure Program — This program provides direction, guidance, and technical support for the radio, data networks, telephone systems, and other IT network services that support Interior's 2,400+ sites. Cost effective operations are assured by upgrading and optimizing FTS2001 services; increasing sharing among bureaus and other agencies; implementing a single Department-wide data communications network; consolidating internet access; eliminating redundant services; and consolidating the acquisition of radio equipment.

Enterprise Resource Management Program — This is a growing program that was officially established in February 2003. Its main objective is to coordinate the acquisition and management of commonly used IT hardware and software products and services across the Department to best support Interior's key missions and programs. Key goals are to align the Department's major IT investments with its enterprise architecture, improve security through more consistent and efficient products and services, and to better manage IT resources to reduce costs.

Program Performance Estimates

Portfolio Management Program — In 2006 OCIO submitted high quality business cases in support of Interior's IT portfolio, established a project review process, supported the development and mapping of E-Gov milestones to major business initiatives through the Enterprise Transition Plan, and successfully implemented EVM based on OMB's feedback. In 2007, 70 percent of actions required to attain Level 3 maturity along GAO's IT Investment Management framework, will be completed. In addition, 100 percent of IT investment expenditures will be reviewed through the CPIC process, and emphasis will be placed on ensuring that 95 percent of the Department's IT investments are within ten percent variance of established cost, schedule,

and performance baselines. Building on these accomplishments, the program goal for 2008 is to fully attain Level 3 maturity, synchronize capital planning activities with enterprise architecture and IT security, and build upon the implementation of the Project Management Information System, including implementation of a portfolio management toolset.

Interior Enterprise Architecture Program — In 2006, IEA was named the highest rated enterprise architecture across the Federal government for a second consecutive year. In addition, GAO rated the program as the most mature in the Federal government, satisfying 97 percent of the required maturity elements. The program also received the Federal Computer Week E-Gov Institutes' 2006 Federal Civilian Leadership in Enterprise Architecture Award. The program launched blueprints for human resources, geospatial, and Indian trust lines-of-business. The Department's EA Repository maintained and expanded usage to support the FISMA and Privacy Act tracking and reporting. Continuing to build on these efforts, in 2007 and 2008, IEA will maintain a green status for enterprise architecture on the OMB PMA scorecard by completing additional modernization blue-prints for Interior's select lines-of-business, and re-baseline existing ones. **The Enterprise Architecture program** will also re-baseline Interior's technical reference model of approved technologies, and maintain the Department's EA repository as the authoritative data source for the Interior's IT systems and EA artifacts.

IT Security Program — In 2006, the program completed the development of Interior's first enterprise security architecture standards, and an independent and comprehensive quality review of all the Department's C&A packages. The program also supported Departmental compliance with existing FISMA, OMB, and NIST requirements, and revised numerous policies, standards, and guidelines to incorporate new and revised guidance. In 2007, the program will complete the IT Security Policy Handbook to align Departmental policies with the NIST Special Publication 800-53 families of controls, develop the C&A standard templates to improve the overall quality and consistency of Interior's C&A packages, and implement OMB's requirements for the protection of sensitive agency information, including personally identifiable information, by deploying appropriate encryption solutions and technology to remote laptops and workstations. By 2008, the program will seek additional improvements through implementation of IT security program FISMA compliance automation initiatives with respect to C&A documentation generation, annual IT security self-assessments, and plans of action and milestones. This will be achieved in conjunction with OMB, and the Department of Homeland Security Information System Security Line of Business.

Information Management Program — Accomplishments in 2006 included completing Interior's IT Strategic Plan for 2006-2008, incorporating OMB's dissemination of government information strategy into the 2007 IT Strategic Plan in response to OMB's request, and issuing four quarterly issues of the Information Management Newsletter with updates on program requirements. The newsletter met FOIA Executive Order information requirements and served the FOIA Officers, Privacy Officers, Records Officers, and Web Managers. With respect to FOIA, the program developed a comprehensive FOIA Strategic Plan and Report in response to Executive Order 13326. In addition, per OMB's emphasis on increasing personally identifiable information reporting, monitoring, and compliance, the program completed a Department-wide

data compilation, and issued an OCIO Directive outlining training and compliance measures. The program also initiated the implementation of a Best-in-Practice Records Capability Maturity Model and presented the model to OMB and the National Archives Records Administration. The program continues to support Sec. 508 compliance and provided training at the Department-wide IT summit. With respect to web management, the program completed the Web Standards Handbook that defined web standards for Interior-wide implementation.

Building on these efforts, the program will continue to implement Interior's FOIA Improvement Plan in 2007 and 2008 that was submitted to the Attorney General and OMB in June 2006. With respect to privacy, the program will continue to implement the new E-Gov Act requirements for privacy impact assessments and web privacy requirements. With respect to records, the program will continue to issue records guidelines to bureaus and address current record freezes, and will proceed to implement the activities specified in the Records CMM model that was presented to OMB. The program will also continue to administer computer-based Sec. 508 compliance training, and will begin revision of the Departmental manual on accessible technology to include mandatory training. With respect to web management, the program will continue to implement enterprise-wide improvements specified in the Standards Handbook, and monitor Departmental and bureau websites to improve their quality and correct deficiencies. By 2008, the program will develop and begin implementation of enterprise web infrastructure to begin web consolidation activities throughout Interior.

The Enterprise Infrastructure Program — In 2006, the program completed Phase II of enterprise services network managed services transition, the development of an enterprise root active directory, and migration of 80 percent of bureaus to root services, and radio dispatch of southwest border, and a 50 state interoperability study as a base for interagency sharing. Building on these efforts, in 2007 the program will assess and document the current asset management tools and methods used by the bureaus, quantify baseline costs, and develop a plan for an orderly migration to a more optimized asset management environment. The program will also complete analysis and engineering design for conversion to Phase 3 optimized ESN for sequencing and transition to the Networx contract. The program will also establish a commercial wireless consolidation contract, and a public safety radio interoperability and sharing agreements with key Federal, state, local, and tribal organizations. In 2008, the program will increase scope of AD services to cover two AD environments – one for Indian trust and one for non-trust, and to facilitate their merger into one AD forest. This will require significant added systems administration, operational and technical support costs.

Enterprise Resource Management Program — In 2006, the program renewed expiring Symantec and Oracle ELAs, solidified the working relationship with the Chief Technology Office Council to ensure that procured solutions were consistent with TRM and solutions architecture, leveraged Department-wide solutions in concert with OMB's updated enterprise architecture maturity framework, established linkages with the Portfolio Management program to ensure that procured solutions were directly tied to Interior's major IT systems, and renewed Option Year 1 of the Microsoft Enterprise Agreement. In 2007, the program will renew the first option year of the Symantec and Oracle ELAs that were renewed in 2006, update the ERM web-

site, <http://www.doi.gov/ocio/erm>, to ensure that it reflects all the awards completed in 2006, and solidify the process to formalize and track all the major tasks associated with managing Interior's Hardware Blanket Purchase Agreement. Activities in 2008 will include renewing the second option year of the Symantec and Oracle ELAs, establishing a process for renewing the Microsoft Enterprise Agreement, and continuing to strengthen linkages of purchased products with the blueprints outlined under the IEA program, and the IT investments managed under the Portfolio Management program.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

Interior has strengthened its integration of IT with budget, the Government Performance and Results Act, and the PMA. Recent accomplishments include effectively utilizing Process Maturity Models to achieve results; enhancing IT security to protect Interior systems against future vulnerabilities and threats; and preparing the IT workforce for future requirements. At the same time, Interior's Enterprise Architecture program continues to serve as a best-practice model with the implementation of modernization blueprints.

Interior has identified seven IT Strategic Goals to maximize the innovative and effective use of technology during the migration of its IT portfolio to integrated, Department-wide business processes and technologies.

Enterprise Architecture — Leverage EA to improve Interior's mission performance and realize its strategic goals and objectives.

IT Security — Protect the availability, confidentiality, and integrity of Interior's IT resources.

E-Government — Improve the efficiency and effectiveness of the Department's business processes.

IT Capital Planning and Investment Control — Improve the planning, execution, and management of IT investments.

IT Infrastructure — Provide world-class enterprise solutions, improving the quality, accessibility, and sharing information between Interior and its customers

Information and Records Management — Create an effective knowledge sharing environment while meeting information management standards and requirements.

IT Workforce Management — Ensure the availability of IT human capital capable of meeting the goals and Interior mission challenges.

A corresponding focus area for each IT strategic goal has been identified to measure progress. Interior's strategy establishes the usage of process maturity models including those of GAO, OMB, NIST, and the Federal CIO Council. The long-term goals and performance measures maintain our focus on the bottom line – specific results that must be achieved to be successful in accomplishing the Department's IT Mission.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Aviation Management Directorate

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	941.8	959.9	+32.1	0.0	992.0	+32.1
FTE	5.0	5.0	0.0	0.0	5.0	0.0
Working Capital Fund, centralized billing						
(\$000)	6,462.8	6,209.3	+106.3	+2,743.4	9,059.0	+2,849.7
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund, direct billing (Includes fleet pass-through)						
(\$000)	180,284.2	123,117.4	+37.2	0.0	123,154.6	+37.2
FTE	53.0	53.0	0.0	+2.0	55.0	+2.0
Total						
(\$000)	187,688.8	130,286.6	+175.6	+2,743.4	133,205.6	+2,919.0
FTE	58.0	58.0	0.0	+2.0	60.0	+2.0

Program Overview

The Aviation Management Directorate fulfills the Secretary's responsibility to provide safe, efficient, and cost-effective use of aircraft throughout the Department of the Interior. The Interior bureaus use aircraft to accomplish mandated resource missions. Much of this aviation activity involves unique and potentially hazardous flight profiles such as law enforcement, aerial fire fighting, low-level wildlife surveys, and placement of scientific personnel in remote locations. Safety cannot be ignored without serious consequences.

In addition to providing aviation services through the Departmental Working Capital Fund, AMD coordinates Interior's aviation policy oversight and system management. This structure provides an independent safety overview of bureau aviation programs by an office removed from direct bureau mission pressure. Additionally, this effort provides Department-wide direction of the aviation management program and coordinates interagency aviation activities with other government agencies.

Coordination between AMD and the bureaus is accomplished through individual bureau aviation managers, the National Fire and Aviation Executive Board, the National Interagency Aviation Council, the Fire Executive Council, and various other boards and committees. This centralized approach to aviation service delivery and policy development and oversight extends to each bureau, avoiding unnecessary aviation management duplication.

Aviation Management line of business service offerings to customers includes the following:

Aviation Safety

- **Mishap Prevention** — develops and maintains programs that provide implementation of aviation safety guidelines, goals, and safety performance metrics.
- **Mishap Investigation and Trend Analysis** — conducts on-site aircraft investigations, gathers factual information, conducts laboratory examination and analysis, and develops causal and contributing factors. Final mishap reports are produced and distributed. Analysis is conducted to identify trends and develop further recommendations for prevention.
- **Aviation Program Evaluation** — provides on-site visits to review customer aviation programs. Policies and procedures are analyzed to assess any deficiencies. Provides the customer with detailed report documenting deficiencies and providing recommendations. Follow-up evaluation is performed after one year, in which if no progress has been made, material weaknesses are documented and provided.

Aviation Safety Training

- Offers aviation-training services providing knowledge and expertise in aviation and accident prevention policy, procedures, and best safe operating practices.
- Offers development, implementation, and maintenance of an aviation-training program that meets the customer's needs.
- Classroom and online training is available. Online training offers web-based instructional technology to provide customers the opportunity to fulfill their aviation training requirements from their own desktop.

Aviation Program Management

- **Interior Pilot and Fleet Evaluation** — offers flight training and ground school for Interior pilots. Also provided are fleet airworthiness inspections and maintenance. The AMD inspects, approves, manages, and provides oversight of Interior pilots and fleet aircraft to include civil maintenance facilities providing support to the Department's fleet aircraft.
- **Technical Oversight and Support** — conducts research and evaluates technology related to Interior aircraft and/or pilot equipment modifications/improvements. Conduct transportation studies in support of competitive sourcing. Inspections of aviation fuels facilities are conducted to ensure equipment and fuel quality meet appropriate standards.

Aviation Flight Services Support

- **Flight Requirement Analysis** — offers procurement planning specific to a bureau's needs.
- **Acquisition Management and Support for Commercial Aviation Flight Services** — works with the customer to offer various aircraft procurements tailored with the technical specifications, specifying aircraft capabilities and limitations to meet the customer needs. Commercial aircraft and pilots are inspected and carded to the standard required in the award.

-
- **Flight Scheduling and Coordination** — offers assistance scheduling and coordinating commercial flight missions using on-call and aircraft rental agreement resources.

Program Performance Estimates

The AMD continues leveraging the concept of effective and efficient delivery of shared aviation services to provide Interior bureaus and related interagency Federal customers with best value. The AMD's approved business plan will continue to guide the organization toward the realization of its strategic goals and vision to be the competitive aviation services provider of choice for the Federal government and related customers.

The AMD will realize its vision through the adoption and implementation of four NBC strategic goals which include:

- **Achieve Customer Service Excellence** — AMD has developed and implemented a tool to measure customer satisfaction, problem response satisfaction rate, and problem resolution commitment rate which, is a goal of 24 hours and a threshold of 48 hours. The AMD will continue to implement and deliver new reports to customers initiated in 2006, including the executive quick-look reports provided to bureau aviation executives as well as the Interagency Aviation Safety Alerts and Interagency Aviation Lessons Learned published in cooperation with the U.S. Forest Service.
- **Modernize Financial and Business Management Practices** — In 2007, AMD is solidifying its use of activity based management costing. In 2007 and 2008 AMD will continue to reevaluate and realign its pricing strategy concurrent to the service offerings.
- **Optimize Operation Performance** — In 2007, AMD plans to document and communicate its standard operational procedures. The AMD plans to evaluate operational processes to identify where efficiencies can be gained. Optimized operation performance will improve upon an already excellent record of reducing aircraft accidents and losses. Partnerships with bureaus resulted in a reduction in annual aircraft accident rates from 6.12 per 100,000 flight hours in 2005 to 4.8 in 2006, a 22 percent reduction. The historic rate, average accident rate since 1975, was also reduced, falling from 8.46 to 8.35, representing a 1.3 percent drop in this 31 year average. Annually since 1973, the Department and its vendors have incurred an average of \$10.9 million in losses due to aircraft mishaps. In 2006, this amount was \$5.5 million, a reduction of 49.5 percent in dollar losses over the historic average.
- **Develop and Sustain a World Class Organization** — AMD is currently conducting a work force competency analysis. This will serve to identify core competencies for each workforce role in AMD where deficiencies may exist. The AMD will also utilize the results of the 2006 Aviation Governance Review, the first interagency aviation review in over 33 years, to further enhance the ability of the AMD to provide integrated, accountable, safe, and cost-effective aviation services to the customers.

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: OS Management Intern Program

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	372.4	378.2	+12.7	0.0	390.9	+12.7
FTE	6.7	5.0	0.0	0.0	5.0	0.0

Program Overview

The Office of the Secretary Management Intern Program was implemented in 2000 to recruit and develop future managers for the Office of the Secretary. The first class of five interns began their rotation in October 2000 and graduated in October 2002. The second class officially started in September 2002 and graduated in October 2004. The Office of the Secretary welcomed its third and largest class, composed of six interns, in September 2005.

This program provides recruiting, formal training, and experiential learning opportunities for entry and mid-level interns through rotational assignments managed and administered by the Departmental offices. The two-year Office of the Secretary Management Intern Program is managed by the DOI University for the OS Office of Human Resources. The DOI University manages the recruitment and selection process, provides curriculum development and contracting services for vendor led training, provides oversight of the six four-month rotational assignments, and conducts the final placement process. The interns are provided formal training and developmental rotational assignments designed to prepare them for managerial positions.

Developmental assignments teach the interns how to develop policy and coordinate compliance with statutes, executive orders, and regulations; provide leadership for the management and mitigation of human, economic, and environmental risks associated with the Department; develop and administer equal opportunity, civil rights, and diversity programs; provide leadership in managing information and information technologies; direct and coordinate the development, presentation, and management of all Interior budgets; provide direction, planning, and coordination for financial policy and procedures; and provide leadership and guidance for Interior on strategic planning, performance management, re-engineering of business processes, and organizational streamlining. The interns also develop an understanding of the quasi-judicial and appellate responsibilities of the Department.

Program Performance Estimates

Due to normal attrition, as well as a record number of retirements, and the fact that the Department of the Interior's workforce is older on average than the civilian workforce, the demand for talented entry-level employees is a key factor in workforce planning and succession planning. The fourth OSMIP class will be recruited in the spring of 2007 and will begin the program in August 2007.

The OSMIP Class of 2005 entered on duty in September 2005. Fifteen offices under the Office of the Secretary expressed interest in hosting the interns for rotations. All six interns are Outstanding Scholars with superior academic achievement and diverse backgrounds. During 2007, the interns are serving rotations in the Office of Budget, Office of Law Enforcement and Security, Office of Planning and Performance Management, Office of the Chief Information Officer, the Office of Collaborative Action and Dispute Resolution, and others. They are completing formal training in leadership development, managerial, and business skills. Upon successful completion of all program requirements, five interns will graduate in September 2007. One intern left the program in 2006 to accept a position with a private sector industry leader.

All of the interns received a rating of superior or higher for each of their rotations in the Office of the Secretary. The quality of their work has been outstanding and individual intern performance has had a very positive impact on the work of the organization. Several offices have expressed an interest in hosting future interns and continuing their participation in the program.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The Department's strategic plan names Management Excellence as a primary Strategic Goal, to manage the Department to be highly skilled, accountable, modern, functionally integrated, citizen-centered, and result oriented. That strategic goal is supported by a human capital management strategy which outlines a series of initiatives and programs to move the Department toward meeting performance goals

Justification of Program and Performance

Activity: Policy, Management and Budget

Program Element: Indirect Cost Negotiations

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	867.6	899.0	+25.9	0.0	924.9	+25.9
FTE	5.8	7.0	0.0	0.0	7.0	0.0
Working Capital Fund (Direct billing)						
(\$000)	253.8	381.3	+10.3	0.0	391.6	+10.3
FTE	2.0	2.0	0.0	0.0	2.0	0.0
Total						
(\$000)	1,121.4	1,280.3	+36.2	0.0	1,316.5	+36.2
FTE	7.8	9.0	0.0	0.0	9.0	0.0

Program Overview

The mission of the NBC's Office of Indirect Cost Negotiations is to negotiate indirect cost rates in accordance with Office of Management and Budget Circulars A-87 and A-122, with almost 1,000 non-federal entities including nonprofit organizations, Native American, territorial, state, and local governments. The ICN inventory includes 451 tribal organizations, 225 nonprofit organizations, 114 state and local governments, and 24 insular governments. These entities receive the majority of their Federal funds from the Department of the Interior or have been assigned to the Department by OMB. A federally approved indirect cost rate is required for these entities to be reimbursed for allowable indirect costs, such as general administration, incurred while conducting programs mandated or authorized by the Federal government.

In 2006, ICN issued 750 negotiation agreements containing one to 20 program rates: 482 for the Department and 268 for contracted customers. The proposals represented almost \$3.6 billion in Federal grant and contracting funds. The ICN review of adjustments to proposed rates saved the Federal government almost \$20.5 million. The ICN also approved 40 cost allocation plans and conducted five indirect cost proposal workshops: three for tribal governments, one for the territories, and one contracted.

The ICN team, consisting of auditors and program analysts, reviews indirect cost proposals to ensure compliance with applicable regulations, makes required adjustments, and establishes government-wide indirect cost rates through an agreement between the cognizant Department and the submitting non-federal entity. The ICN team also assists trial attorneys by serving as technical experts, conducts training sessions on the preparation of indirect cost proposals, and provides information and assistance to Federal program managers and contracting of-

ficers. In 2007, just over 60 percent of ICN activities are funded with Office of the Secretary appropriations and 40 percent is funded through fixed-price interagency agreements with the Environmental Protection Agency, Institute of Museums and Library Services, and Department of Agriculture, Rural Housing Services. Under this agreement, ICN also provides up to four indirect cost proposal training sessions annually to RHS customers and staff. The ICN staff keeps abreast of the latest issues concerning the negotiation of indirect cost rates by participating in training and information sharing with other Federal agencies performing indirect cost negotiations.

Program Performance Estimates

In 2008, ICN plans to continue making improvements to its indirect cost proposal processes to maintain performance levels and increase service offerings to the Department and other Federal entities. The ICN will continue to conduct training sessions for Native American, Territorial, and contracted customers as needed. The ICN also maintains and regularly updates a website for entities filing indirect cost proposals.

In 2007, the second year of a five-year agreement with EPA, ICN increased the number of negotiations performed from 224 to 300, or about 25 percent, and plans to increase by another 50 negotiations, or 15 percent, in 2008. Beginning in 2007, ICN plans to expand its scope of service offerings to include performing the following services on a fee basis to contracting officers and management: small business compliance reviews; contract pricing reviews; and pre-award surveys. These services will improve contracting operations for the Department.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The ICN contributes to the President's management agenda of improving financial performance. In 2006, ICN indirect cost rate adjustments resulted in savings approaching \$20.5 million. In addition, ICN strives to maintain customer service excellence through the use of an automated proposal tracking system which provides clients with current information on their proposal processing status and Interior awarding officials and other Federal agencies with current indirect cost rate information.

Justification of Program and Performance

Activity: Hearings and Appeals

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	7,949.5	7,895.0	+290.2	-573.0	7,612.2	-282.8
FTE	48.4	50.4	0.0	-3.0	47.4	-3.0
Allocations (Office of Special Trustee for American Indians)						
(\$000)	9,477.0	9,477.0	+348.4	-1,447.4	8,378.0	-1,099.0
FTE	68.5	70.0	0.0	-14.0	56.0	-14.0
Total						
(\$000)	17,426.5	17,372.0	+638.6	-2,020.4	15,990.2	-1,381.8
FTE	116.9	120.4	0.0	-17.0	103.4	-17.0

Summary of 2008 Program Change

Request Component	(\$000)	FTE
Transfer of the Interior Board of Contract Appeals to GSA	-573.0	-3.0

Justification of 2008 Program Change

Effective January 7, 2007, section 847 of P.L. 109-163 terminated the Interior Board of Contract Appeals and transferred its pending cases, staffing, funding, and assets to a new Civilian Board of Contract Appeals within the General Services Administration. The IBCA was the oldest appeals board within the Department, predating the creation of the Office of Hearings and Appeals in 1970, and its termination was a significant event for the Office. The OHA and IBCA staff worked throughout 2006 preparing for the transition, including assisting GSA in developing new regulations and ADR procedures for the CBCA.

The OHA 2008 request reflects a base transfer of 3 FTE and \$573,000 in funding for the former IBCA to GSA.

Program Overview

The Office of Hearings and Appeals serves as an authorized representative of the Secretary for the purpose of hearing, considering, and deciding administrative appeals within the jurisdiction of the Department. The OHA provides an impartial forum where parties affected by decisions of the bureaus may obtain independent review of those decisions; fulfills Interior's trust responsibility with respect to the probate of Indian trust estates and the disposition of other matters involving Indian trust assets; and promotes negotiated solutions to disputes involving bureau decisions.

By providing independent review of bureau decisions, OHA affords administrative due process to outside litigants, fostering confidence in Departmental actions. By developing a consistent body of administrative precedent construing applicable statutes and regulations, OHA provides legal guidance to officials across the Department and promotes uniformity of bureau decision-making. The OHA review ensures that the Department has an opportunity to correct its own administrative errors, that final agency decisions are consistent with law, and that Federal courts have fully developed records on which to base judicial review of agency actions.

The OHA employs Administrative Judges, Administrative Law Judges, Indian Probate Judges, and Attorney Decision Makers in its three hearings divisions and two permanent boards of appeal. These officials render decisions in cases pertaining to public lands and their resources, the regulation of surface coal mining, appeals from administrative decisions of the Bureau of Indian Affairs, and Indian probate matters. The Director’s Office provides management oversight and administrative support to the organization as a whole. In addition, the Director’s Office staff conducts hearings in personnel grievance cases and decides various appeals not assigned to one of OHA’s permanent appeals boards. The decisions rendered by the Director or by the boards of appeal are generally final for the Department.

The OHA is headquartered in Arlington, Virginia, and has 12 field and satellite offices, located in Aberdeen, South Dakota; Albuquerque, New Mexico; Anchorage, Alaska; Billings, Montana; Bismarck, North Dakota; Oklahoma City, Oklahoma; Phoenix, Arizona; Portland, Oregon; Rapid City, South Dakota; Sacramento, California; Salt Lake City, Utah; and Twin Cities, Minnesota.

The paragraphs below describe OHA’s organizational units and main program activities.

Director’s Office — The Director’s Office decides appeals to the Secretary that do not lie within the appellate review jurisdiction of an established appeals board. The Director may appoint OHA judges or attorneys to conduct hearings or to sit on ad hoc boards of appeal. Cases decided by the Director’s Office include personnel grievances, employee debt collection and waiver cases, property board of survey appeals, quarters rental rate adjustments, Uniform Relocation Assistance Act payments, acreage limitation appeals under the Reclamation Reform Act, civil penalty assessments under the Endangered Species Act, and National Indian Gaming Act Commission appeals. The following table shows changes in the Director’s Office caseload over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	188	182	158
Concluded	242	184	154
End of the year (pending)	136	134	138

Board of Indian Appeals — The Interior Board of Indian Appeals decides appeals from administrative decisions rendered by BIA officials. It also decides appeals rendered by the Hearings Divisions’ judges in Indian probate cases and cases under the White Earth Reservation Land Settlement Act. The IBIA also receives appeals from certain decisions made in the

Department of the Interior and the Department of Health and Human Services under the Indian Self-Determination and Education Assistance Act. The following table shows changes in IBIA's caseload over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	168	113	130
Concluded	131	136	137
End of the year (pending)	155	132	125

Board of Land Appeals — The Interior Board of Land Appeals exercises appellate authority over a wide variety of decisions made by Departmental officials relating to the use and disposition of public lands and their resources. These include land selections arising under the Alaska Native Claims Settlement Act, the use and disposition of mineral resources in certain acquired lands of the United States and in the submerged lands of the Outer Continental Shelf, and the conduct of surface coal mining under the Surface Mining Control and Reclamation Act of 1977. The IBLA also reviews decisions from ALJs in Departmental cases. The following table shows changes in IBLA's caseload over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	346	311	315
Concluded	445	467	397
End of the year (pending)	593	437	355

Departmental Cases Hearings Division — The ALJs preside over hearings in all Interior cases required by law to be conducted on the record pursuant to 5 U.S.C. § 554. Cases routinely heard include those under the Mining Law of 1872, the Taylor Grazing Act, the Surface Mining Control and Reclamation Act, the Endangered Species Act, the Debt Collection Act, and the Energy Policy Act of 2005. The ALJs also conduct hearings in Interior cases arising that are referred to the Division by one of OHA's appeals boards, the Director, or the Secretary. The following table shows changes in the Division's caseload over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	177	170	62
Concluded	182	120	208
End of the year (pending)	320	370	224

Probate Hearings Division — The ALJs, IPJs, and ADMs exercise the Secretary's trust responsibility in conducting hearings and rendering decisions in Indian probate matters. The number of new probate cases has increased significantly in the past few years, as BIA works to eliminate its current backlog of cases to be referred for adjudication. In response, OHA has increased its staffing, using funds from the Office of the Special Trustee for American Indians appropriation, to keep up with the increase in case referrals. The following table shows changes in the Division's case-load over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	3,960	4,658	7,710
Concluded	3,618	3,779	5,839
End of the year (pending)	2,010	2,889	4,760

WELSA Hearings Division — The AJ in this Division renders heirship determinations for eligibility to receive compensation under the WELSA statute. The following table shows changes in the Division’s caseload over the last three years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Received	149	106	204
Concluded	154	164	159
End of the year (pending)	171	113	158

Program Performance Estimates

Government Performance and Results Act — Under the Department’s strategic plan, OHA’s performance was measured in terms of the average age of its active pending cases. From the start of 2003 to the end of 2006, OHA had reduced the average age of its active non-probate cases from 23.4 months to 10.8 months, a 54 percent decrease; and it had reduced the average age of its active probate cases from 9.4 months to 5.7 months, a 39 percent decrease.

Starting in 2007, OHA’s performance is being measured in terms of the numbers of cases concluded. Reducing the average age of the pending cases by increasing the timeliness of case dispositions remains an important goal, and OHA continues to track the average age of its cases internally as part of its MIP implementation. But no direct or proportional relationship exists between changes in the level of resources expended and changes in the average age of the cases, making this measure less useful for planning and budgeting purposes. The Department’s strategic plan, therefore, uses the number of cases concluded as OHA’s performance measure, since a direct and proportional relationship exists between changes in the level of resources expended and changes in the number of cases concluded.

As shown in the Performance Overview Table, OHA expects to conclude 930 non-probate cases during both 2007 and 2008.

Use of Cost and Performance Information

The OHA implemented ABC on a pilot basis in 2003 and has subsequently revised its account codes, forms, and procedures to improve the ease and accuracy of its data gathering and entry. The data that have been generated have enabled OHA, the Office of Budget, and National Business Center to allocate costs between OHA’s two funding sources much more accurately than in the past.

However, in the past, OHA’s limited access to Departmental systems, as a result of the *Cobell v. Kempthorne* litigation, has prevented management from making more extensive use of the cost data to improve performance. For the first time in 2006, OHA was able to gain fuller access to its ABC data and to develop unit cost information that can be compared across individuals and offices handling the same types of cases. In 2007, OHA will be building on the 2006 baseline and analyzing its unit cost information to determine the causes of variances outside normal ranges.

Starting in 2006, OHA has also used its ABC data to support FERC cost recovery under the Federal Power Act for time devoted to the new hydropower licensing process.

In 2007, OHA expects to conclude 6,360 probate cases, while in 2008, this number is expected to decrease to 5,130 due to reductions in funding from the OST appropriation, as discussed in the following paragraphs.

Indian Probate Cases — In 2006, OHA completed the restructuring and expansion of its Probate Hearings Division in accordance with the Department's Fiduciary Trust Model. New offices were opened in Aberdeen, Anchorage, and Portland; and existing offices were relocated to new space in Albuquerque and Phoenix. Additional staff was hired for several locations; and training was provided for all staff, with a particular emphasis on the significant changes to the probate process resulting from the American Indian Probate Reform Act of 2004. OHA concluded 5,839 probate cases in 2006, its highest total ever.

Also during 2006, OHA continued to work with BIA and OST on developing new regulations to implement AIPRA's complex provisions. A proposed rule was published in August 2006, following months of intense staff work and consultation with tribes. The comment period, which has been extended twice, is due to close in March 2007. OHA, BIA, and OST will have to consider and respond to the many comments and draft a final rule, to be published by the end of 2007 or the early part of 2008.

In 2007, OHA received \$9.5 million from OST for probate activities. In 2008, OST expects to transfer \$8.4 million. OHA plans to scale back probate activities and reduce 14 FTEs by not backfilling vacancies.

Hydropower Licensing Hearings — Fiscal year 2006 was the first year of implementation of the hydropower licensing provisions of the Energy Policy Act of 2005. The OHA played a lead role on the interagency team that drafted the regulations for expedited trial-type hearings and the consideration of alternative license conditions and prescriptions, as required by the Act. The regulations were published by the Departments of the Interior, Commerce, and Agriculture in November 2005.

Interior received eight hearing requests under the new regulations in 2006, but as a result of settlements and consolidations with requests to other Departments, OHA ended up handling only two of those cases. Interior expects to receive fewer hearing requests in 2007 and 2008, and OHA is likely to handle only one or two cases each year. These hearings are very resource-intensive, since the entire process – including discovery, pre-hearing motions, trial-type hearing, post-hearing briefs, and the judge's decision – must be completed within 90 days.

Information Technology — During 2006, OHA completed a comprehensive recertification and accreditation process of its network, reflecting several enhancements. Those enhancements included migrating the network to active directory; reconfiguring the automatic update systems for all personal computers and servers, allowing for more timely installation of security patches and virus definitions; developing a central data storage and backup network that provides secure, centralized storage of all OHA computer data; and developing a new IT contingency plan. The OHA received a score of 95 percent on its Federal Information Security Management Act scorecard and successfully closed out 12 of 13 items on its plan of actions and milestones.

Also during 2006, OHA upgraded its application software to Microsoft Office 2003 with Service Pack 2, laying the groundwork for migration of OHA's internal e-mail system to Microsoft Exchange during 2007.

In addition, OHA obtained clearance from the Solicitor's Office and Department of Justice to having its website brought on-line for the first time since December 2001, when it had to be disconnected as a result of the *Cobell v. Kempthorne* litigation. The OHA is presently working with a contractor to update the website, which will be hosted by the National Business Center and made available to the public in mid-2007. The website is a valuable research tool for practitioners, as it contains OHA's published decisions in a searchable database.

Finally, OHA completed work in 2006 on the first two phases of a three-phase effort to develop and implement a new docket management system for all its non-probate cases. Working with a contractor, OHA first completed a comprehensive system requirements document and a market survey of potential solutions. It then retained a different contractor to create a detailed system design, building on an existing system being used by the Department of Transportation to save development costs. The third phase, customizing the DOT system in accordance with the system design and then implementing the system, is planned for late 2007 or early 2008.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

Within the serving communities mission area in the Department's 2007-2012 Strategic Plan, OHA supports the end outcome goal of protect lives, resources, and property, in that the adjudication of appeals from bureau decisions advances the strategy of providing prompt response to requests for administrative action. The OHA also supports the end outcome goal of fulfill Indian fiduciary trust responsibilities, in that the adjudication of Indian probate cases advances the strategy of ownership information that is accurate, timely, and reliable.

The primary means and strategies OHA uses to achieve its goals are set forth in a Management Improvement Plan initially approved by the Secretary in 2003 and updated in 2006. Pursuant to the MIP, OHA has

- Shifted staff resources and workload, enabling the elimination of a backlog of cases over one year old in the Director's Office
- Improved the timeliness of IBLA decisions involving energy development and wild-fire management cases, stay petitions, and its oldest appeals.
- Revised OHA regulations to improve the efficiency of its adjudication procedures. Additional revisions are currently underway.
- Established a system of internal deadlines, quarterly reports, and docket reviews to ensure that cases are being handled in a timely manner.
- Increased use of alternative dispute resolution by the appeals boards, including a pilot ADR program developed by IBLA with extensive input from the Office of Collab-

orative Action and Dispute Resolution, the U.S. Institute for Environmental Conflict Resolution, the affected bureaus, and the Solicitor's Office.

- Used activity based costing to better align its costs and funding sources (see text box).
- Worked with BIA and OST to develop an integrated case management system for Indian probate cases.
- Worked with contractors to develop requirements, a system design, and a project plan for an automated case management system for non-probate cases.

Justification of Program and Performance

Activity: Appraisal Services Directorate

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	7,331.8	7,415.9	+376.0	0.0	7,791.9	+376.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund, centralized billing						
(\$000)	2,947.2	2,996.6	0.0	0.0	2,996.6	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund, direct billing (Includes Minerals and Trust.)						
(\$000)	4,241.8	2,420.0	0.0	0.0	2,420.0	0.0
FTE	91.0	91.0	0.0	0.0	91.0	0.0
Total						
(\$000)	14,520.8	12,832.5	+376.0	0.0	13,208.5	+376.0
FTE	91.0	91.0	0.0	0.0	91.0	0.0

Program Overview

The mission of the Appraisal Services Directorate is to provide appraisal services to Interior bureaus. These services include real property appraisals, appraisal reviews, consultations, and concessions valuations. Real property appraisal includes appraisals for fee title land acquisition, disposal, and exchange; appraisal of real property rights such as mineral and water rights; appraisal of interests in lands such as partial interests, improvements, crops, and crop damage; appraisals to establish the fair market value of out-grants such as leases, licenses, and permits; excess land appraisals; and conservation easements.

Properties appraised include recreational, commercial, industrial, and residential. Appraisal reviews are provided to ensure that all appraisals are accurate and compliant with the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice. Consultations involve Department and bureau management and staff attorneys and may also require testimony in court and at administrative hearings. Concession valuations are performed to establish market rental rates for business within the national parks.

The Appraisal Services Directorate was established in November 2003, when real estate appraisal functions within the Department were consolidated based on Secretarial Order No. 3251. This was one of a number of reforms to address long-standing concerns related to the appraisal programs in Interior bureaus. The creation of a strong Departmental appraisal organization with unified lines of supervision has strengthened appraiser independence and enabled unbiased

valuation services that meet recognized professional standards. This action should restore consistency and standardize the use of Federal appraisal procedures.

Appraisers were consolidated from BLM, FWS, NPS, and the Bureau of Reclamation into the Appraisal Services Directorate. The ASD also manages appraisal functions for the Office of Special Trustee. The OST appraisers continue to report to OST in order to continue a close consultation with Indian Country regarding the relevant aspects of appraisals.

In 2006, the Office of Minerals Evaluation was created to comply with the Department's Trust Executive Steering Committee decision of March 21, 2005, recommending that responsibility for mineral appraisals for title transfer on Indian Lands be placed within the ASD. The Indian Land Consolidation Act requires establishment of fair-market value by appraisal for interests in lands purchased by Tribes from individual Native American Indians. Each appraisal, unless it involves surface interest only, requires a mineral analysis and assessment, either in the form of a mineral potential report or, for mineral estate only, an appraisal of the subsurface estate.

With the consolidation of appraisers, the ASD reformed policies, procedures, and practices for use by the new appraisal organization. The new approaches replaced those used by appraisers based on long-standing and inconsistent bureau practices and brought about consistency, standardization, and assurances of quality and objective results. In addition, one appraiser can be tasked with conducting or overseeing contract appraisals on multiple projects within the same geographic area, thereby resulting in savings of time and travel expenses. As a result, the ASD has been able to significantly reduce the backlog of appraisals that existed at the time of consolidation while addressing new appraisal requests in a timely fashion. Using a new web-based tracking system, the Appraisal Request and Review Tracking System, the organization is able to track the requests made by each bureau and maintain information on workload and accomplishments. The system allows bureaus to establish priorities and funding sources for each request.

To continue reforms, the ASD has developed and issued policies that strengthen existing practices for processing land exchanges, strengthen the use of alternative methods of valuation, and strengthen third party appraisals. These new policies and procedures improve internal processes and establish consistent practices throughout the Department's land acquisition programs.

Program Performance Estimates

The Appraisal Services Directorate will appraise land in support of Interior mission goals including Resource Protection, Recreation, and Serving Communities. In 2006 the ASD appraised approximately 1,827,000 acres of land, with a total value of over \$1.7 billion, involved in transactions related to Resource Protection; approximately 761,300 acres of land, with a total value of over \$715.1 million, involved in transactions related to Recreation; and approximately 457,000 acres of land, with a total value of over \$429.1 million, involving transactions related to Serving Communities. These properties were appraised in support of the BLM, FWS, NPS, and Reclamation.

The Appraisal Services Directorate will continue process improvement and cost reduction programs begun in prior fiscal years. The ASD will complete its space consolidation process by consolidating the midwest region into its Minneapolis office in 2008 after having completed northeast and northwest region consolidations in 2007 and southeast and southwest region consolidations in 2006. Appraisers will continue to take courses through the DOI University in a collaborative effort initiated in 2006. The Compliance Inspection and Review program, begun in 2006, will continue to conduct reviews through ASD in an effort to hold appraisers to the highest level of accountability; to determine and evaluate potential weaknesses and areas where corrective action is necessary; and to better identify training needs.

Justification of Program and Performance

Activity: Indian Arts and Crafts Board

			2008			
	2006 Actual	2007*	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	1,144.4	1,160.0	+29.7	0.0	1,189.7	+29.7
FTE	12.1	12.0	0.0	0.0	12.0	0.0
Permanent Appropriation (Revenue from Museum Fees)						
(\$000)	36.1	40.0	+0.0	0.0	40.0	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	1,180.5	1,200.0	+29.7	0.0	1,229.7	+29.7
FTE	12.1	12.0	0.0	0.0	12.0	0.0

Program Overview

The Indian Arts and Crafts Board implements the Indian Arts and Crafts Act of 1990; combats counterfeit activity in the Indian arts and crafts market; promotes the economic development of Indians through their creative work; expands the market for authentic Indian arts and crafts; increases participation of Indians in fine arts and crafts businesses; assists emerging artists to enter the market; and registers trademarks for arts and crafts marketing purposes on behalf of Tribes and their members. Portions of program costs are absorbed through user fees. Annual sales of Indian arts and crafts are estimated to total more than \$1.0 billion.

The IACB's activities are not duplicated in either the Federal or private sector. The IACB's policies are determined by its five Commissioners, who serve without compensation. The activities of the IACB support Departmental goals in promoting self-determination and economic self-sufficiency of the federally recognized Tribes, Indians, and their communities. Under the strategic plan, IACB supports the end outcome goal of advancing quality communities for Tribes.

The top priority of IACB is the enforcement and implementation of the Act, which was enacted in response to growing sales of arts and crafts products misrepresented as produced by Indians. The Act is a truth-in-advertising law that prohibits the marketing of products as Indian made when such products are not made by Indians as defined by the Act. It is intended to protect Indian artists and craftspeople, businesses, Tribes, and consumers. The Act protects Indian cultural heritage and promotes economic self-reliance. Additionally, the Act authorizes IACB to register, without charge, trademarks of genuineness and quality with the U.S. Patent and Trademark Office on behalf of Tribes and their members. This important trademark provision is intended to build market visibility and promote genuine Indian arts and crafts.

Through the coordination of the Act outreach, compliance, and enforcement activities, the trademark registration program, and museum and marketing activities, IACB will continue to support the economic development efforts of Tribes by working to ensure that only authentic Indian arts and crafts are offered for sale in the marketplace.

Program Performance Estimates

During 2008, IACB will further broaden its work to educate the Tribes, Indian arts and crafts industry, and buying-public nationwide about the Act's requirements and prohibitions to encourage the broadest possible compliance. To advance these efforts, IACB will continue to make presentations on the Act for tribal, law enforcement, Indian arts and crafts industry, travel and tourist industry, museums, and governmental groups, as well as at Indian arts and crafts marketing events, seminars, and symposiums. Additionally, IACB will participate in targeted Indian law enforcement conferences, arts and crafts markets, festivals, pow wows, and related events to raise the visibility of the Act and both to promote compliance with the Act and to elicit complaints of potential violations under the Act.

The IACB will continue to strengthen its ability to encourage, receive, process, and investigate complaints under the Act, and refer Act cases for criminal prosecution and civil suit to the appropriate law enforcement authorities. The IACB will continue its cooperative agreement with the National Park Service, established in the summer of 2006, to cover the costs of a senior NPS criminal investigator to investigate alleged violations of the Act; assist in educating other Federal, state, and local law enforcement professionals about the Act and encourage their assistance in investigating Act cases; and assist with building interest and support from U.S. Attorneys, State Attorney-Generals, District Attorneys, and tribal or local law authorities in the prosecution of Act and Act-related cases. With the assistance of the NPS criminal investigator, IACB will expand its growing number of significant investigations, where possible in partnership with the Federal Bureau of Investigation and other Federal and State law enforcement agencies. Through these and related efforts, IACB will address dominant industry problems regarding the marketing of Indian arts and crafts that are not authentic, including the flood of counterfeit Indian arts and crafts from overseas that are being sold in the U.S. as authentic Indian work, and the marketing of mass quantities of counterfeit Indian products by organized crime.

In 2008, IACB will continue to build upon the expanded authority that has been given the Department's law enforcement professionals to investigate Act cases through a Department of the Interior and FBI Memorandum of Understanding. The IACB will also build upon the support it has received to enforce the Act from existing interagency relationships with the FBI, Department of Justice, tribal organizations, Federal Trade Commission, U.S. Department of Homeland Security, U.S. Customs and Border Service, State consumer protection agencies, the Department's Office of Law Enforcement and Security, the Indian Affairs' Office of Law Enforcement Services, and Interior's Office of Inspector General.

The IACB will build upon work it initiated with the U.S. PTO to promote the registration of Indian trademarks for arts and crafts marketing purposes. This will be done through an expan-

sion of on-site meetings with tribal governments and their tribal members. As Indian trademark registration expands and is incorporated with the IACB trademark certification program, there will be a significant increase in the public recognition, value, and reliance on products marketed with the Indian trademark and IACB certification identification tags of authentic Indian craftsmanship and origin. The IACB will continue to work with the U.S. PTO to expand its Tribal Insignia program. The IACB will also expand its intellectual property workshops in the field for Indian artists, artisans, and businesses to raise the visibility and understanding of trademark, copyright, and patent protections, as well as protections under the Act, in cooperation with the U.S. PTO, Volunteer Lawyers for the Arts, States Arts Councils, Tribal organizations, FTC, and other supportive organizations.

In 2007, the Department focused on improving the operation of the three IACB-managed museums so that they better align with Interior mission, activities, and goals to promote authentic contemporary Indian arts and crafts and compliance with the Act. In 2008, the museums will continue to advance authentic contemporary Indian arts and crafts and Act education and compliance. They will also expand their work with their local communities, including the area's Tribes, governments, business community, and non-profit organizations, as well as Interior's Office of Museum Programs. For example, the IACB museum programs will include Act outreach and Intellectual Property Rights seminars, Indian arts and crafts production workshops, Artists in Residents, oral history and cultural preservation presentations, forums for contemporary Indian artists, artisans symposiums, and arts and cultural education collaborations with tribal and local schools, community colleges, universities, and related organizations.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

Activities of IACB implement the Department's mission goal by concentrating on the Secretary's end outcome goal to advance quality communities for Tribes and Alaska Natives. The IACB is the only Federal or state organization that is dedicated exclusively on a national level to promoting and protecting the economic livelihood and self sufficiency of Indians and their communities through their arts.

Justification of Program and Performance

Activity: Central Administrative Services

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	33,367.3	35,094.5	+2,781.2	+219.0	38,094.7	+3,000.2
FTE	2.6	2.0	0.0	0.0	2.0	0.0

Summary of 2008 Program Change

Request Component	(\$000)	FTE
Working Capital Fund increase to fund FBMS	+219.0	0.0

Justification of 2008 Program Change

This increase will cover the Office of the Secretary’s portion of the Department’s overall program increase for the Financial and Business Management System in 2008, which will be paid through the Working Capital Fund.

Program Overview

The Central Administrative Services activity supports all offices funded by this appropriation and provides a single activity for general overhead support costs and centrally managed programs. Central Administrative Services support covers administrative expense items that are not practical to distribute to the various offices in the Office of the Secretary. Most of the resources budgeted under this activity provide for fixed costs. Examples of this type of cost include:

- Rental payments to the General Services Administration and security costs to the Department of Homeland Security.
- Reimbursement to the Department of Labor for worker’s compensation and unemployment compensation paid to current and former Office of the Secretary employees funded by the Office of the Secretary–Salaries and Expenses appropriation.
- Communications costs, such as FTS and postage.
- Services financed through the Working Capital Fund, including guard services, financial management, payroll services, internal mail service, procurement and property management, information technology services, and other administrative services.
- Personnel services procured from the Minerals Management Service.

Also funded in this activity are discretionary, centrally-managed programs including:

- Summer hire and diversity intern programs.
- SES performance awards and other employee cash awards.
- Equipment replacement.
- Extraordinary, unplanned costs including lump sum leave payments, complaint investigations, settlements, and attorney's fees

Program Performance Estimates

- As part of the conversion schedule to FBMS for Departmental Offices, the Office of the Secretary has begun a detailed data cleanup project.
- With support from the Solicitor's Office, the start of a three-year program to resolve a backlog of FOIA appeals will begin.
- The Office of the Secretary developed and updated the refresh schedule for outdated, unsecured desktop computers and began phasing in deployment in 2006. Deployment will continue in 2007 and 2008.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The services contained in the Central Administrative Services budget activity can directly affect all of the goals in the Department's strategic plan and the successful implementation of the President's management agenda. The Office of the Secretary relies on these services for effective and efficient operations. High quality administrative and logistical services allow program managers to focus their resources and effort on policy and programmatic areas, which benefit all areas of the office.

Justification of Program and Performance

Activity: USBM Worker's Compensation Costs

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	643.0	626.9	+20.0	0.0	646.9	+20.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0

Program Overview

This activity funds worker's compensation payments for former U.S. Bureau of Mines employees. The activity was added to the Office of the Secretary—Salaries and Expenses appropriation in the 1997 Omnibus Appropriations Act.

Justification of Program and Performance

Activity: Financial and Business Management System

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	22,223.5	22,240.4	0.0	-22,240.4	0.0	-22,240.4
FTE	11.7	12.0	0.0	-12.0	0.0	-12.0

Summary of 2008 Program Change

Request Component	(\$000)	FTE
Transfer of funding from the Office of the Secretary appropriation to the Working Capital Fund appropriation. This decrease to the Office of the Secretary appropriation is offset by an equivalent increase in the WCF appropriation.	-22,240.4	0.0

Justification of 2008 Program Change

The 2008 budget proposes to fund the Financial and Business Management System in the Working Capital Fund, consistent with the Department’s approach of funding other enterprise investments through the WCF. This change will also help mitigate the impact of operating under continuing resolutions in future years.

Through 2007, funding for deployment of the system was requested in the Office of the Secretary–Salary and Expenses account. The 2008 budget request for FBMS is \$40.4 million, including \$22.2 million requested in the WCF and an additional \$18.2 million that will be billed and collected through this revolving fund from bureaus and offices throughout Interior. This reflects an increase of \$16.0 million and redirection of \$2.2 million from completed enterprise investments funded through the WCF. Additionally, it is anticipated that \$8.0 million will be directed to the FBMS project from the Interior Franchise Fund, along with \$3.7 million in charge card rebate funds.

Detail on the 2008 request for FBMS may now be found in the Working Capital Fund section.

Justification of Program and Performance

Activity: Grant to Kendall County, Illinois

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	4,926.4	0.0	0.0	0.0	0.00	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0

Program Overview

The 2004, 2005, and 2006 Interior Appropriations Acts provided funds for three grants to Kendall County, Illinois for land acquisition.

Program Performance Estimates

With assistance from the National Park Service, the Department issued grants in the amounts of \$4,938,400 and \$4,930,538 to Kendall County, Illinois in 2004 and 2005 for land acquisition. On behalf of the Department, NPS is working with the County to issue a third grant in the amount of \$4,926,400.

Justification of Program and Performance

Activity: **Martin Luther King Memorial**

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Office of the Secretary, Salaries and Expenses						
(\$000)	9,852.4	0.0	0.0	0.0	0.0	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0

Program Overview

Sec. 134 of the 2006 Interior, Environment, and Related Agencies Appropriations Act provided \$9.9 million for necessary expenses for the Memorial to Martin Luther King, Jr., as authorized in the Omnibus Parks and Public Lands Management Act of 1996. The funds shall only be made available after the entire amount is matched by non-Federal contributions that are pledged and received after July 26, 2005, but prior to November 12, 2008.

Program Performance Estimates

The non-Federal contributions have been pledged. The Department is working with the National Park Service who will make the funds available at the appropriate time, for the erection of a Memorial to Martin Luther King, Jr. in the District of Columbia, to the Alpha Phi Alpha Fraternity.

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES**

**Summary of Requirements by Object Class
(in thousands of dollars)**

Appropriation: Office of the Secretary - Salaries and Expenses

Object Classification	2007		Fixed cost & related changes		Program changes		2008 Budget Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Personnel compensation								
11.1 Full-time permanent.....	398.0	42,609.5	0.0	+1,563.9	-14.0	-1,246.0	384.0	42,927.4
11.3 Other than full-time permanent.....	0.0	4,018.3	0.0	+147.5	0.0	-157.5	0.0	4,008.3
11.5 Other personnel compensation.....	0.0	488.2	0.0	+17.8	0.0	-10.7	0.0	495.3
11.9 Total personnel compensation.....	398.0	47,116.0	0.0	+1,729.2	-14.0	-1,414.2	384.0	47,431.0
12.1 Personnel benefits: civilian.....		11,628.3		+611.7		-350.5		11,889.5
13.0 Benefits for former personnel.....		80.8		+27.0		0.0		107.8
21.0 Travel and transportation of persons.....		648.5		0.0		+10.0		658.5
22.0 Transportation of things.....		7.8		0.0		0.0		7.8
23.1 Rental payments to GSA.....		13,841.5		+1,714.0		0.0		15,555.5
23.3 Communications, utilities, and miscellaneous.....		1,121.2		0.0		0.0		1,121.2
24.0 Printing and reproduction.....		244.7		0.0		0.0		244.7
25.1 Advisory and assistance services.....		37.9		0.0		0.0		37.9
25.2 Other services.....		4,486.4		0.0		0.0		4,486.4
25.3 Purchases of goods & services - government.....		39,180.7		+969.0		-20,695.7		19,454.0
25.4 Operation and Maintenance of Facilities.....		42.6		0.0		0.0		42.6
25.7 Operation and Maintenance of Equipment.....		62.7		0.0		0.0		62.7
26.0 Supplies and materials.....		302.8		0.0		0.0		302.8
31.0 Equipment.....		42.6		0.0		0.0		42.6
99.9 Total requirements.....	398.0	118,844.5	0.0	5,050.9	-14.0	-22,450.4	384.0	101,445.0
Impact of the CR.....	[-32.0]	[-24,342.0]		[+20.0]		[+24,342.0]		[-12.0]

DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES
Office of the Secretary - Salaries and Expenses
Program and Financing (in millions of dollars)

Identification code 14-0102-0-1-306	2006	2007	2008
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
Direct program:			
00.01	19	13	14
00.03	31	28	31
00.04	7	7	8
00.05	1	1	1
00.06	33	32	38
00.07	1	1	1
00.08	23	5	.....
00.09	7	7	8
00.10	.....	10	.....
01.00	<u>122</u>	<u>104</u>	<u>101</u>
Reimbursable program:			
09.01	29	33	33
09.02	2	3	3
09.03	3	4	4
09.99	<u>34</u>	<u>40</u>	<u>40</u>
10.00	156	144	141
Budgetary resources available for obligation:			
21.40	2	10	.....
22.00	<u>168</u>	<u>134</u>	<u>141</u>
23.90	170	144	141
23.95	-156	-144	-141
23.98	<u>-4</u>	<u>.....</u>	<u>.....</u>
24.40	10	0	0
New budget authority (gross), detail:			
Discretionary			
40.00	124	87	93
40.20	7	7	8
40.35	<u>-1</u>	<u>.....</u>	<u>.....</u>
43.00	130	94	101
Spending authority from offsetting collections:			
58.00	29	40	40
58.10	9	.....	.....
58.90	<u>38</u>	<u>40</u>	<u>40</u>
70.00	168	134	141
Change in obligated balances:			
72.40	-3	-3	6
73.10	156	144	141
73.20	-152	-135	-141
73.40	-1	.....	.....
74.00	-9	.....	.....
74.10	6	.....	.....
74.40	<u>-3</u>	<u>6</u>	<u>6</u>

DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES
Office of the Secretary - Salaries and Expenses
Program and Financing - cont'd (in millions of dollars)

Identification code 14-0102-0-1-306	2006	2007	2008
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority.....	152	122	129
86.93 Outlays from discretionary balances.....	.....	13	12
87.00 Total outlays (gross).....	152	135	141
Offsets: Against gross budget authority and outlays			
Offsetting collections (cash) from			
88.00 Federal sources.....	36	40	40
Against gross budget authority only			
88.95 Change in uncollected customer payments from			
Federal sources (unexpired).....	9	.....	.....
88.96 Portion of offsetting collections (cash) credited to			
expired accounts.....	-7	.....	.....
Net budget authority and outlays:			
89.00 Budget authority.....	130	94	101
90.00 Outlays.....	116	95	101
95.02 Unpaid obligation, end of year.....	16		

Object Classification (in millions of dollars)

Direct obligations:

Personnel compensation			
11.1 Full-time permanent.....	35	33	36
11.3 Other than full-time permanent.....	3	2	3
11.9 Total personnel compensation.....	38	35	39
12.1 Civilian personnel benefits.....	9	8	9
21.0 Travel and transportation of persons.....	1	.....	1
23.1 Rental payments to GSA.....	13	14	16
25.2 Other services.....	7	5	7
25.3 Other purchases of goods and services from			
Government accounts.....	50	32	29
41.0 Grants, subsidies, and contributions.....	5	10	.....
99.0 Subtotal, obligations, direct obligations.....	123	104	101

Reimbursable obligations:

Personnel compensation			
11.1 Full-time permanent.....	20	21	22
11.3 Other than full-time permanent.....	1	1	1
11.9 Total personnel compensation.....	21	22	23
12.1 Civilian personnel benefits.....	5	6	7
21.0 Travel and transportation of persons.....	1	3	2
25.2 Other services.....	1	2	2
25.3 Other purchases of goods and services from			
Government accounts.....	5	7	6
99.0 Subtotal, obligations, reimbursable obligations.....	33	40	40
99.9 Total new obligations.....	156	144	141

Personnel Summary

Direct:

Total compensable workyears			
1001 Civilian full-time equivalent employment.....	398	366	372

Reimbursable:

2001 Civilian full-time equivalent employment.....	218	244	244
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Allocations account:

3001 Civilian full-time equivalent employment.....	111	110	110
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**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Everglades Restoration

Appropriation Summary Statement

The Federal Agriculture Improvement and Reform Act of 1996 provided that receipts not exceeding \$100 million, from Federal surplus property sales in the State of Florida, shall be deposited in the Everglades restoration account and shall be available to the Secretary to assist in the restoration of the Everglades. From the time of enactment through the first quarter of fiscal year 2001, revenue totaling \$7.5 million was deposited to this account.

Authority to receive these funds was rescinded by the Water Resources Development Act of 2000. Outlays of receipts deposited before December 11, 2000, remain ongoing.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Everglades Restoration

Program and Financing (in millions of dollars)

Identification code 14-5233-0-2-303	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct Program Activity	1	---	---
10.00 Total new obligations (object class 25.2)	1	---	---
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	---	---
23.95 Total new obligations	-1	---	---
24.40 Unobligated balance carried forward, end of year	---	---	---
Change in obligated balances:			
73.10 Total new obligations	1	---	---
73.20 Total outlays (gross)	---	---	---
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	---	---	---
Net budget authority and outlays:			
89.00 Budget authority (net).....	---	---	---
90.00 Outlays (net)	---	---	---

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Appropriation Language Sheet

King Cove Road and Airstrip

Sec. 353. King Cove Health and Safety. (a) Road on King Cove Corporation Lands. Of the funds appropriated in this section, not later than 60 days after the date of enactment of this Act, \$20,000,000 shall be made available to the Aleutians East Borough for the construction of an unpaved road not more than 20 feet in width, a dock, and marine facilities and equipment. Such road shall be constructed on King Cove Corporation Lands and shall extend from King Cove to such dock. The Aleutians East Borough, in consultation with the State of Alaska, shall determine the appropriate location of such dock and marine facilities. In no instance may any part of such road, dock, marine facilities or equipment enter or pass over any land within the Congressionally-designated wilderness in the Izembek National Wildlife Refuge (for purposes of this section, the lands within the Refuge boundary already conveyed to the King Cove Corporation are not within the wilderness area).

(b) King Cove Air Strip. Of the funds appropriated in this section, not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall make available up to \$15,000,000 to the State of Alaska for the cost of improvements to the air strip at King Cove, Alaska, including to enable jet aircraft with the capability of flying non-stop between Anchorage, Alaska and King Cove, Alaska to land and take off from such air strip.

(c) King Cove Indian Health Service Facility. Of the funds appropriated in this section, not later than 60 days after the enactment of this Act, the Secretary of Health and Human Services shall make available \$2,500,000 to the Indian Health Service for the cost of new construction or improvements to the clinic in King Cove, Alaska, and telemedicine and other medical equipment for such clinic.

(d) Applicability of Other Laws. All actions undertaken pursuant to this section must be in accordance with all other applicable laws.

(e) Appropriation. In addition to funds in this or any other Act, \$37,500,000 is appropriated and shall remain available until expended for the King Cove Health and Safety projects specifically identified within this section. (*Omnibus Appropriations Act, 1999*)

Sec. 115. Any unobligated amount appropriated pursuant to section 353(b) of the Department of the Interior and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681-303), shall be made available to complete the project described in section 353(a) of that Act. (*Consolidated Appropriation Act, 2005*)

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Appropriation Language Citations

King Cove Road and Airstrip

Appropriation language and citations:

1. Sec. 115. Any unobligated amount appropriated pursuant to section 353(b) of the Department of the Interior and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681-303), shall be made available to complete the project described in section 353(a) of that Act.

Consolidated Appropriations Act, 2005. (P.L. 108-447)

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

OFFICE OF THE SECRETARY

King Cove Road and Airstrip

Appropriation Summary Statement

Funds under this account, established pursuant to the 1999 Omnibus Consolidated Appropriations Act, were made available to the Department of the Interior for construction of an unpaved road, dock and marine facilities and equipment, and for improvements to the airstrip at King Cove, Alaska.

Funds totaling \$35.0 million were appropriated in 1999 to improve access between King Cove and Cold Bay, Alaska in the vicinity of a national wildlife refuge. Of the total amount, \$20.0 million was designated for construction of an unpaved road, dock, marine facilities, and equipment. The remaining \$15.0 million was designated for the cost of improvements to enable jet aircraft with the capability of flying non-stop between Anchorage and King Cove to land and take off from such an airstrip. The funds were appropriated to the Department who entered into a reimbursable agreement with the Fish and Wildlife Service to implement the improvements, however, the airstrip has not been constructed due to some issues encountered during the planning process that have not yet been resolved. Because there has been no recent activity, FWS has returned the cash advanced to the Department, and these now appear as an undelivered order in the amount of \$15.0 million. The FWS has indicated that the planning process is progressing, but has not yet provided a timeframe for the remaining the improvements. When implementation begins, the Department will provide funds as needed to FWS.

The 2005 Consolidated Appropriations Act directed the use of the \$15.0 million to complete the road, dock, marine facilities, and equipment.

No funding is requested in 2008 for this program.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

King Cove Road and Airstrip

Program and Financing (in millions of dollars)

Identification code 14-5039-0-2-303 2006 actual 2007 est. 2008 est.

Change in obligated balances

Change in obligated balances

72.40	Obligated balance, start of year	9	---	---
73.20	Total outlays (gross).....	-9	---	---
74.40	Obligated balance, end of year.....	---	---	---

Net budget authority and outlays

89.00	Budget authority (net).....	---	---	---
90.00	Outlays (net).....	9	---	---

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Management of Federal Lands for Subsistence Uses

Appropriation Summary Statement

Funds under this account, established pursuant to the FY 1999 Omnibus Consolidated Appropriations Act, are available to the Department of the Interior until expended, for expenses of bureaus and offices of the Department to manage Federal lands in Alaska for subsistence uses.

In 1999, \$8.0 million was provided to the Secretary of the Interior to implement and enforce certain Federal regulations in the State of Alaska dealing with subsistence uses of fish and wildlife on navigable rivers in Alaska consistent with the Alaska National Interest Lands Conservation Act. In 2001, funds were provided to the Fish and Wildlife Service, National Park Service, and Bureau of Indian Affairs to continue this effort and outlays of obligated balances remain ongoing.

The goal of the program is to give subsistence users the priority afforded in Title VIII of the Alaska National Interests Land Conservation Act. The subsistence salmon harvest represents the foundation of the subsistence way of life, and is essential for meeting economic, social, and cultural needs for most of rural Alaska.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Management of Federal Lands for Subsistence Uses

Program and Financing (in millions of dollars)

Identification code 14-0124-0-1-302	2005 actual	2006 est.	2007 est.
Change in obligated balances			
72.40 Obligated balance, start of year	1	---	---
73.20 Total outlays (gross)	-1	---	---
74.40 Obligated balance, end of year	---	---	---
Outlays (gross) detail			
86.93 Outlays from discretionary balances	1	---	---
Net budget authority and outlays			
89.00 Budget Authority	---	---	---
90.00 Outlays.....	1	---	---

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Priority Federal Land Acquisitions and Exchanges

Appropriation Summary Statement

This account was established pursuant to the fiscal year 2000 Appropriations Act for the Department of the Interior under the Land and Water Conservation Fund, for priority land acquisitions and exchanges and other purposes.

Title V of the 1998 Interior and Related Agencies Appropriations Act made \$532 million available for obligation until September 20, 2001 for high priority land acquisitions and exchanges. These funds were also to be used to reduce the significant maintenance backlogs of the Federal land management agencies. In 2000, Title VI of that fiscal year's appropriation act designated \$116.5 million, available for obligation until September 30, 2003, for the same purposes.

In the 2001 Interior Appropriations Act, \$35.0 million previously appropriated for State grants for land acquisition in the State of Florida was withdrawn and redirected to the Everglades water modification project.

Funds previously obligated in this account continue to be outlayed. No funding is requested in fiscal year 2008 for this account.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Priority Land Acquisitions and Exchanges

Program and Financing (in millions of dollars)

Identification code 14-5039-0-2-303	2006 actual	2007 est.	2008 est.
Change in obligated balances			
Change in obligated balances			
72.40 Obligated balance, start of year	13	10	4
73.20 Total outlays (gross).....	-3	-6	-1
74.40 Obligated balance, end of year.....	10	4	3
Outlays (gross), detail			
86.93 Outlays from discretionary balances.....	3	6	1
Net budget authority and outlays			
89.00 Budget authority (net).....	---	---	---
90.00 Outlays (net).....	3	6	1

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Take Pride in America Gifts and Bequests

Appropriation Summary Statement

Public Law 101-628 established the Gifts and Bequest trust fund account for the Take Pride in America program within the Department of the Interior. The purpose of this program is to encourage public awareness, stewardship, and conservation of public lands, facilities, and resources. The Secretary may solicit, accept, hold, administer, invest, and use gifts and bequests to further these purposes.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY—SALARIES AND EXPENSES**

Appropriation Language Sheet

Administrative Provisions

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: Provided, That existing aircraft being replaced may be sold with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: Provided further, That no programs funded with appropriated funds in the “Office of the Secretary—Salaries and Expenses”, “Office of the Solicitor”, and “Office of Inspector General” may be augmented through the Working Capital Fund: Provided further, That the annual budget justification for Office of the Secretary and Department-wide Offices shall describe estimated Working Capital Fund charges to bureaus and offices, including the methodology on which charges are based: Provided further, That departures from the Working Capital Fund estimates contained in the Office of the Secretary and Department-wide Offices budget justification shall be presented to the Committees on Appropriations: Provided further, That the Secretary shall provide a semi-annual report to the Committees on Appropriations on reimbursable support agreements between the Office of the Secretary and the National Business Center and the bureaus and offices of the Department, including the amounts billed pursuant to such agreements.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY–SALARIES AND EXPENSES**

Appropriation Language Citations

Appropriation: Administrative Provisions

Appropriation language and citations:

1. *There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase, or through available excess surplus property: Provided, That existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft:*

31 U.S.C. 638(b)

31 U.S.C. 638(b) provides that, “Excepting appropriations for the military and naval establishments, no appropriations shall be available for the purchase, maintenance, or operation of any aircraft unless specific authority for the purchase, maintenance, or operation thereof has been or is provided in such appropriations.”

31 U.S.C. 638(b) requires specific authority for the purchase of aircraft. This also applies to replacement.

As part of the budget process, each year, the Aviation Management Division reviews records and estimates how many aircraft will need to be replaced or new additional aircraft purchased in a given year. This estimate provides for general replacement of aircraft and some contingency in case of destruction of aircraft.

If the estimated number of aircraft requested in the budget is determined to be insufficient to meet program requirements in a given year, i.e., the need to replace an aircraft due to mishap damage; the Department will seek legislative authority as required by law.

The use of proceeds derived from the sale of replaced aircraft to partially offset the purchase price of the replacement aircraft is a cost conscious and economical approach to the perpetuation of fleet operations which are financially managed through the Working Capital Fund.

Donated aircraft includes those that may become available through court-ordered action following aircraft seizure, forfeiture, or abandonment procedures in the course of conducting law enforcement investigations or that may become available for other reasons. Donated aircraft are included in the number authorized for acquisition. Aircraft acquired as a donation will be subject to the same rules and regulations of any Interior aircraft (i.e., A-76 provisions).

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- 2. Provided further, That no programs funded with appropriated funds in the “Office of the Secretary–Salaries and Expenses”, “Office of the Solicitor”, and “Office of the Inspector General” may be augmented through the Working Capital Fund: Provided further, That the annual budget justification for Office of the Secretary and Department-wide Programs shall describe estimated Working Capital Fund charges to bureaus and offices, including methodology on which charges are based:*

 - 3. Provided further, That departures from the Working Capital Fund estimates contained in the Office of the Secretary and Department-wide Programs budget justification shall be presented to the Committees on Appropriations:*

 - 4. Provided further, That the Secretary shall provide a semi-annual report to the Committees on Appropriations on reimbursable support agreements between the Office of the Secretary and the National Business Center and the bureaus and offices of the Department, including the amounts billed pursuant to such agreements.*

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY—SALARIES AND EXPENSES**

Allocations Received From Other Accounts

Note: Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows:

Environmental Protection Agency: “Hazardous Substance Superfund”

Department of the Interior: Bureau of Land Management, “Wildlife Fire Management”

Office of the Special Trustee for American Indians, “Federal Trust Programs”

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES, NATIONAL BUSINESS CENTER
AND DEPARTMENT-WIDE PROGRAMS**

EMPLOYEE COUNT BY GRADE

	2006 Actual	2007 Estimate	2008 Estimate
Executive Level I.....	1	1	1
Executive Level II.....	1	1	1
Executive Level III.....	1	1	1
Executive Level IV.....	3	3	3
subtotal.....	6	6	6
SES.....	72	72	72
CA-1 *.....	2	2	0
AL-2-3 **.....	12	12	12
SL-0 ***.....	23	23	23
subtotal.....	37	37	35
GS-15.....	228	232	235
GS-14.....	343	348	353
GS-13.....	372	378	382
GS-12.....	280	284	287
GS-11.....	185	188	190
GS-10.....	14	14	14
GS-9.....	152	154	156
GS-8.....	45	46	46
GS-7.....	179	182	184
GS-6.....	103	105	106
GS-5.....	61	62	63
GS-4.....	35	35	35
GS-3.....	8	8	8
GS-2.....	4	4	4
subtotal.....	2,009	2,040	2,063
Other Pay Schedule Systems.....	27	27	27
Total employment (actual / projected) at end of fiscal year.....	2,151	2,182	2,203

* CA - DOI Board Member
 ** AL - Administrative Law Judge
 *** SL - Administrative Judge & Senior Level

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Payments in Lieu of Taxes

Appropriation Language Sheet

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901-6907), \$190,000,000 of which not to exceed \$400,000 shall be available for administrative expenses: Provided, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Appropriation Language Citations

Appropriation: Payments in Lieu of Taxes

Appropriation language and citations:

1. *For expenses necessary to implement the Act of October 20, 1976, as amended,*

31 U.S.C. 6901-6907

31 U.S.C. 6901-6907 the Payments in Lieu of Taxes Act, authorizes payments to certain units of local government with eligible Federal lands within their jurisdictions, under prescribed payment formulas and within amounts annually appropriated by Congress.

2. *of which not to exceed \$400,000 shall be for administrative expenses: Provided, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.*

Justification of Program and Performance

Activity: Payments in Lieu of Taxes

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Payments in Lieu of Taxes						
(\$000)	232,527.9	198,000.0	0.0	-8,000.0	190,000.0	-8,000.0
FTE	1.0	1.0	0.0	0.0	1.0	0.0
Impact of the CR						
(\$000)	0.0	+34,527.9	0.0	-34,527.9	0.0	-34,527.9
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	232,527.9	232,527.9	0.0	-42,527.9	190,000.0	-42,527.9
FTE	1.0	1.0	0.0	0.0	1.0	0.0

Summary of 2008 Program Changes

Request Component	(\$000)	FTE
Payments to units of local governments	-8,000.0	0.00
Impact of the Continuing Resolution	<u>-34,527.9</u>	<u>0.00</u>
Total, Program Changes	-42,527.9	0.00

Justification of 2008 Program Change

The 2008 budget request for Payments in Lieu of Taxes is \$190.0 million and 1.0 FTE, a program decrease of \$8.0 million from the 2007 President's budget and a program decrease of \$42.5 million from the continuing resolution. The 2008 budget restores the priorities of the 2007 President's budget implementing the program enhancements and program reduction initiatives include in the 2007 President's budget. The request is in line with historical funding levels.

The 2008 budget request funds PILT at a level that is 52 to 91 percent higher than the PILT payments during the 1990s. As recently as 2000, PILT was funded at \$134.0 million and has since increased by 73 percent. To constrain spending and focus on deficit reduction, the budget recommends maintaining this program at levels that are closer to historic amounts. In addition to the annual PILT payments, the Department allocates \$4.0 billion annually to States and counties in revenue sharing and grant program funding.

Program Overview

Payments in Lieu of Taxes are Federal payments to local governments that help offset losses in property taxes due to nontaxable Federal lands within their local boundaries. The program is based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands within their boundaries, but are unable to collect taxes on these lands. The payments are made to local governments in lieu of tax revenues and to supplement other Federal land receipts shared with local governments. Unlike other Federal payments that require local governments to use the funds for only specified activities, PILT payments may be used for any governmental purpose.

The PILT payments help local governments carry out such vital services as fire fighting and police protection, construction of public schools and roads, and search-and-rescue operations. In recent years, PILT monies have been used to fund projects such as construction of county buildings, purchasing new police cruisers, and upgrading 911 emergency services. Since the inception of the PILT program in 1976, over \$3.8 billion in payments have been made.

The amount of the payments is determined by several codified formulas (31 U.S.C. 6901-07) that are based on population and the amount of PILT eligible Federal land within an affected jurisdiction. Federal revenue transferred to local governments under other programs, such as income generated from the use of public land for livestock grazing, timber harvests, and mineral receipts, are deducted from the receiving county's PILT payments. All states except Rhode Island, which has almost no Federal land, received PILT payments in 2006. The District of Columbia, Puerto Rico, Guam, and the Virgin Islands also received PILT payments. According to the formula established by the PILT law, there are three categories of entitlement lands:

- Federal lands in the national forest system or the national park system, lands administered by the Bureau of Land Management, lands in Federal water resource projects, dredge areas maintained by the U.S. Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal government (31 U.S.C. 6902).
- Federal lands acquired after December 30, 1970, as additions to lands in the national park system or national forest wilderness areas (31 U.S.C. 6904).
- Federal lands in Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980 (31 U.S.C. 6905).

Program Performance Estimates

All payments to eligible local governments will be distributed in June 2007 and June 2008. Payments made before July 1 help local governments to better plan for PILT in the preparation of their annual budgets. In 2006, over \$232 million, based on approximately 615 million entitlement acres, was distributed to approximately 1,850 local government units in 49 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands on June 16, 2006. The annual PILT appropriation determines the total funding available for distribution to these local government units.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

The PILT program is important to the Department's strategic goal of serving communities by providing funds that help local governments in their efforts to protect life, resources, and property. To some extent, the Department indirectly shares in the benefits that counties receive from PILT payments through increased capabilities to provide law enforcement agreements, assistance in search and rescue, and other cooperative management or sharing arrangements.

The table on the next page summarizes the 2006 Payments in Lieu of Taxes made to eligible units of government, by State.

2006 PILT Payments by State/Territory

State/Territory	2006 Payment
Alabama	\$438,185
Alaska	\$16,137,648
Arizona	\$19,023,415
Arkansas	\$2,581,846
California	\$21,051,156
Colorado	\$17,478,838
Connecticut	\$22,838
Delaware	\$10,736
Dist. of Columbia	\$16,131
Florida	\$2,870,056
Georgia	\$1,494,379
Guam	\$1,948
Hawaii	\$197,612
Idaho	\$16,268,552
Illinois	\$651,151
Indiana	\$395,041
Iowa	\$265,911
Kansas	\$665,491
Kentucky	\$1,583,762
Louisiana	\$316,189
Maine	\$213,273
Maryland	\$82,569
Massachusetts	\$66,383
Michigan	\$2,684,187
Minnesota	\$1,589,455
Mississippi	\$906,153
Missouri	\$2,182,521
Montana	\$17,269,635

State/Territory	2006 Payment
Nebraska	\$685,500
Nevada	\$14,135,972
New Hampshire	\$1,044,016
New Jersey	\$69,933
New Mexico	\$22,808,415
New York	\$85,274
North Carolina	\$2,510,791
North Dakota	\$946,429
Ohio	\$447,394
Oklahoma	\$1,631,676
Oregon	\$6,595,478
Pennsylvania	\$365,037
Puerto Rico	\$10,351
Rhode Island	\$0
South Carolina	\$263,366
South Dakota	\$2,623,544
Tennessee	\$1,457,897
Texas	\$2,613,774
Utah	\$20,055,933
Vermont	\$539,793
Virgin Islands	\$29,965
Virginia	\$2,360,392
Washington	\$6,592,856
West Virginia	\$1,583,700
Wisconsin	\$1,018,512
Wyoming	\$15,192,700
Total	\$232,133,759

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Payments in Lieu of Taxes

Program and Financing (in millions of dollars)

Identification code 14-1114-0-1-806	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity.....	232	233	190
10.00 Total new obligations (object class 41.0).....	232	233	190
Budgetary resources available for obligation:			
22.00 New budget authority (gross).....	233	233	190
23.95 Total new obligations.....	-232	-233	-190
New budget authority (gross) detail:			
Discretionary			
40.00 Appropriation.....	236	233	190
40.35 Appropriation permanently reduced.....	-3	--	--
43.00 Appropriation (total discretionary)	233	233	190
Change in obligated balances:			
73.10 Total new obligations.....	232	233	190
73.20 Total outlays (gross)	-232	-233	-190
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority.....	232	233	190
Net budget authority and outlays:			
89.00 Budget authority.....	233	233	233
90.00 Outlays.....	232	233	190

Personnel Summary

Direct:			
Total compensable workyears:			
Civilian full-time equivalent employment:			
10.01 Civilian full-time equivalent employment.....	1	1	1

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Appropriation Language Sheet

Central Hazardous Materials Fund

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), \$9,954,000, to remain available until expended: Provided, That hereafter, notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to sections 107 or 113(f) of such Act, shall be credited to this account to be available until expended without further appropriation: Provided further, That hereafter such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Appropriation Language Citations

Appropriation: Central Hazardous Materials Fund

Appropriation language and citations:

1. For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended

42 U.S.C. 9601 et seq.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, provides for liability, risk assessment, compensation, emergency response, and clean-up (including the clean-up of inactive sites) for hazardous substances. It requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed, and requires responsible parties, including Federal agencies, to clean-up releases of hazardous substances.

2. That hereafter, notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to sections 107 or 113(f) of such Act, shall be credited to this account to be available until expended without further appropriation

3. That hereafter such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

Justification of Program and Performance

Activity: Central Hazardous Material Fund

	2006 Actual	2007	2008			Change from 2007
			Fixed & Related Changes	Program Changes	Budget Request	
Central Hazardous Materials Fund						
(\$000)	9,710.0	9,923.0	+31.0	0.0	9,954.0	+31.0
FTE	1.0	2.0	0.0	0.0	2.0	0.0
Impact of the CR						
(\$000)	0.0	-2,635.8	0.0	+2,635.8	0.0	+2,635.8
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	9,710.0	7,287.2	+31.0	+2,635.8	9,954.0	+2,666.8
FTE	1.0	2.0	0.0	0.0	2.0	0.0

Summary of 2008 Program Changes

Request Component	(\$000)	FTE
Impact of the Continuing Resolution	+2,635.8	0.00

Justification of 2008 Program Change

The 2008 budget request for the Central Hazardous Materials Fund is \$10.0 million and 2.0 FTE, a program increase of \$31,000 from the 2007 President's budget and a program increase of \$2.6 million from the continuing resolution. The 2008 budget restores the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including fixed costs, and implements other program enhancements and program reduction initiatives included in the 2007 President's budget.

Program Overview

The Department of the Interior continues to face major demands regarding the clean-up of hazardous substance releases on its property. In 2006, the Department identified over \$150 million in environmental liabilities in its annual financial statement. Much of that liability results from past activities such as mining, landfills, agricultural, and other industrial uses. The CHF is the only Department-wide vehicle available to address its medium to long-term clean-up needs.

The CHF supports program management, response actions, remedial investigations, feasibility and other advanced studies, and clean-ups at sites where a release of hazardous substances has occurred, as defined in the Comprehensive Environmental Response, Compensation, and Liability

Act, and for which the Department is the lead agency or for which it may be liable. The CHF funding may not be used to clean up releases of petroleum, solid waste, or State designated special wastes, such as asbestos or lead based paint, because these may not be Federal CERCLA hazardous substances. In previous years, funds for the CHF were appropriated to the Bureau of Land Management for overall fiscal administration and were made available by allocation to the other participating bureaus. These management functions of the CHF were moved into the Department, specifically to the Office of Environmental Policy and Compliance, in 2005. Within OEPC, the CHF is managed by a staff of two reporting directly to the Director, OEPC.

The purpose of the CHF is to:

- Protect public health and safety relative to uses and activities on Interior lands and facilities,
- Conduct hazardous material clean-up activities and the subsequent maintenance and monitoring of the remedial actions in a manner consistent with the National Contingency Plan and with bureau land use and management plan objectives.
- Pursue aggressive cost recovery and cost-sharing actions with the parties responsible for contaminating Federal land.

Project Selection Criteria — The Department’s highest priorities for remediation are assessed using five criteria:

1. Identified risk to human health and the environment.
2. Utilization of innovative and accelerated approaches or technology.
3. Involvement of Potentially Responsible Parties in cost sharing.
4. National Priorities List status based on EPA’s priority list of highly contaminated sites.
5. Legal risk of the Department to fines and penalties if action is not taken. Legal risk may result from the existence of Federal or State judicial orders to clean up a site; statutory time frames that require mandatory compliance; the existence of orders from States or EPA; or a formal agreement among the Department, regulators, or Potentially Responsible Parties.

The selection criteria are applied by the Technical Review Committee as it conducts its annual review of projects for the purpose of allocating available appropriations and recoveries. The TRC is a multi-discipline working group staffed by BLM, FWS, NPS, BIA, Reclamation, USGS, and the Office of the Secretary, including the Offices of Budget and OEPC, working together to recommend the funding of specific projects and provide policy, coordination, and oversight. The OEPC is the chair of the TRC.

Program Management — The OEPC manages the CHF to provide:

- Direction, consistency, and coordination of the Department’s Hazardous Materials Management program.

-
- Oversight of contaminated site clean-ups, and the subsequent monitoring and maintenance of remedial actions, to achieve cost-effective and timely response actions.
 - Optimal and cost-effective distribution of the Department's remediation resources to Interior's contaminated sites.

Program management activities include personnel, technical, and financial systems support, as well as database development and implementation. These activities include support for the Environmental Database. The CHF supports a program manager, a program budget analyst, four attorneys, and ten bureau project-specific field staff.

The Department's environmental database is used to establish the baseline for the consistent identification of potentially contaminated sites to be addressed by the CHF. This database includes the early identification of the Department's Environmental and Disposal Liability sites. The subsequent bureau investigation of these EDL sites leads to their separation into two categories: CHF-eligible sites requiring some action under CERCLA, and contaminated sites, which may require some bureau action, but not of sufficient nature to qualify for CHF support. In 2006, the environmental database showed 360 sites potentially requiring some level of clean-up action under CERCLA. The oversight and clean-up activities at 79 of these sites, or 22 percent, are supported by the CHF.

Cost Recovery — From the inception of the CHF in 1995 through 2006, the Department has obtained an estimated \$141 million from cost-shared, cost-recovered, and in-kind work contributed by other parties. During this same period, Interior received nearly \$117 million in Central Hazardous Materials Fund appropriations. This represents a return of nearly \$1.20 for every \$1.00 appropriated. Thus, for those projects with potentially responsible parties, Interior uses appropriated dollars to leverage additional clean-ups by involving PRPs in site clean-up, or by having PRPs reimburse the Department for past costs. These recovered PRP funds can enable the CHF to make more appropriated funds available for initiating clean-up at other sites where PRPs do not exist, and for monitoring of remediation-completed sites.

Pursuit of PRPs is a multi-year, resource intensive activity. Often these sites do not have obvious PRPs, and extensive research must be conducted to identify viable parties. Interior has learned to invest resources early in the identification of PRPs and to engage PRPs as early as possible. Negotiations with PRPs are much more complex than the simple presentation of a bill. Each PRP is unique, and each may need to be approached, educated, and managed differently.

Additionally, site-specific collaboration with the Natural Resource Damage Assessment and Restoration program enables the Department to design studies that address the clean-up, damage assessment, and restoration needs of our lands and to speak with one voice in negotiations with PRPs. This allows PRPs to discharge their obligations for clean-up and remediation or restoration of natural resource damages with one set of negotiations and one payment, thus avoiding the specter of two separate processes. Early coordination allows the two programs to target their limited resources.

For example, at the Crab Orchard National Wildlife Refuge's associated uncharacterized sites operable unit, the Department invested \$2.0 million over three years to identify PRPs, locate areas of contamination, and determine the source and contribution rates at these contaminated areas. Armed with these data, attorneys from Interior and the Department of Justice met with PRPs to initiate discussion on cost recovery, cost sharing, and site clean-up. The PRPs were successfully convinced to reimburse Interior for its previous response expenses. As the estimated cost of clean-up at Crab Orchard is many millions of dollars, the Department's investment, as the landowner, was of tremendous benefit.

At the Krejci site in Ohio, part of the Cuyahoga Valley National Park, PRP work required seven years of diligent negotiation before cost recovery yielded success. Even then, the size and resources of the PRP often temper the assessment of PRP liability. A small business has a much smaller pool of resources than a large corporation and our demands may be modified accordingly. Krejci provides a good example of this modification. The single largest source of wastes turned out to be a small business with very limited resources. Working cooperatively with the small business and DOJ, the Department ascertained that a smaller recovery payment was necessary to prevent the bankruptcy of the small firm. While the small business was determined to be able to shoulder only a small portion of the overall clean-up, their cooperation allowed them to be shielded from legal action by the other PRPs. Several large auto makers agreed to assume the estimated \$28 million clean-up cost under Interior oversight.

Environmental and Disposal Liability — The Statement of Federal Financial Accounting Standard Number 5, Accounting for Liabilities of the Federal Government guidance, requires Federal agencies to report information on contingent environmental liabilities in their financial reports. Agencies are required to recognize a contingent liability when a future outflow or other sacrifice of resources as a result of past transactions or events is probable and measurable. Department bureaus are required to report contingent environmental liabilities to the Office of Financial Management and to OEPC on a quarterly basis.

Recognizing that CERCLA sites probably constitute the largest source of potential environmental liability within the Department, a decision was made early on to utilize the tools, procedures, and guidance developed to support the CHF as the building blocks for environmental liability management. This creative application allowed the Department to jump-start its program development. Additionally, it has provided an unparalleled opportunity to establish a consistent set of procedures and guidance that can be used to address not only those sites that can be supported by the CHF, but also to establish consistent project management requirements regarding documentation, cost estimation, and out year fiscal needs. Utilizing the financial requirements of EDL, as an integral part of CHF, provides a consistent structure for identifying site-specific needs and risks as well as a disciplined approach to third party review.

Cost Estimation — Remedial Action Cost Estimation Requirements is a unique multi-agency software package designed to provide consistent and replicable clean-up cost estimates. The Air Force, Navy, Army, Department of Energy, EPA, and Interior, all members of the RACER

Federal Steering Committee, use RACER to cost out clean-ups and to support financial statement estimates. The Department's technical support for RACER is covered by the annual allocation of funds from the CHF for cost estimation and technical support that the Bureau of Reclamation provides on a reimbursable basis. As part of the RACER Federal steering committee, Interior provides technical support to the committee in lieu of cash.

Program Performance Estimates

In 2006, the Department completed several remedial actions, including the Manning Canyon site, UT; the Tyro Mill site, AZ; and the Matheson Ore Transfer site, CA. The Manning Canyon site is an abandoned gold milling facility, and it is estimated that approximately 720,000 cubic yards of tailings were left at the site when mining operations were completed in 1937. The Department began site investigation, remedial design, and clean-up activities in 1996, and completed a removal action for the Northern Area portion of the site in 2006. The remedy involved excavation of the remaining arsenic contaminated soil and placement in an on-site repository constructed during an earlier phase of the clean-up. The remedy is protective of downstream populations, including the town of Fairfield, UT, recreational users, and the environment. No additional cleanup actions are anticipated at the site.

The Tyro Mill site consisted of a cyanide mill complex formerly used for processing precious metal ores. Interior completed a removal action in 2006, which involved removing contaminated mill process wastes from two washes and consolidating them into a single on-site repository. The site study, remedial design, and remedial action were conducted over a period of approximately five years. The remedy is protective of the Lake Mead National Recreation Area and sensitive riparian habitats located downstream. No additional cleanup actions are anticipated at the site.

The Department also completed a clean-up at the Matheson Ore Transfer site, in 2006, and saved several hundred thousand dollars as a result of its collaborative efforts with the EPA. At the Matheson site, pyrite ore from the site was leaching into the Sacramento River. The remedy involved excavating and transporting contaminated soil to a disposal area located on an existing NPL site. Completion of the project allows for continued recreational uses in the areas adjacent to the Keswick Reservoir.

In 2006, Interior successfully completed development of program management tools, including the EDL component of the environmental database. The Department provided training for 67 EDL database users and launched the EDL Database application on the Department's intranet, with the appropriate protocols and security. Two quarters of 2006 EDL data were captured using the EDL database application. In addition, Interior successfully completed an EDL database verification and validation process, which was conducted by an independent entity.

In 2007, the Department plans to develop and test new program management tools and maintain and update existing applications. Interior expects that the ED will continue to be main-

tained on the Enterprise Server Network with appropriate levels of site maintenance and updates, software licensing, and technical support. In addition, the Department plans to develop and test new program management tools, including: automated, standardized CHF project nomination forms and reports; a CHF project ranking system; and CHF project cost documentation guidance and an automated, standardized cost tracking application. The automated CHF project nomination and ranking systems will facilitate the funding process by standardizing the information necessary for the TRC to make funding recommendations. The system will capture funds received, and document the use of funds in a database that will be used to track cleanup progress across all CHF projects. The CHF project cost documentation guidance and application will facilitate cost-recovery efforts and reduce the current level of effort needed to create cost documentation packages. The prototype application will be tested by selected CHF projects to track current and future costs.

In the area of program management, the Department will continue its focus on OMB Circular A-123 internal management control review and compliance by developing internal control review protocols in 2007. The objective of the protocols is to integrate the financial requirements of A-123 with environmental program needs. The Department will use these protocols to evaluate CHF program performance in advance of an expected program review by OMB in 2007 or 2008.

During 2007, Interior expects to continue site study and remedy design and implementation activities that were initiated at several sites in 2006. For example, at the Valley Forge Asbestos site, PA, the site investigation was completed in 2006, and the Department expects that a record of decision will be signed for the site in 2007. At the Palmerton Zinc site, PA, the Department provided oversight of a demonstration project conducted as part of the remedial design during 2006. Completion of the remedial design and initiation of the remedial action are expected in 2007. In addition, the Department expects to initiate remedial actions in 2007 at two abandoned mine sites in Nevada: the Norse Windfall Mill Site and the Rip Van Winkle Mine Site. Clean-up is expected to be completed at these sites in 2008.

Remedial actions will be completed at the Krejci Dump Site, in 2007, with final grading and revegetation completed in 2008. The Krejci site was operated as a municipal and industrial dump from approximately 1950 until 1980. During the years of operation, solid and liquid waste materials were brought to the site, where they were disposed of or burned. Contamination of the site occurred as a result of open dumping, spills, leaking containers, and burning. In 1986, it was determined that the site constituted a threat to human health and the environment. Since that time, Interior has implemented a multi-phase remedy, including the removal and off-site disposal of approximately 140,000 tons of contaminated soil and debris.

Since the inception of the CHF, Interior has worked to increase the number of sites directly cleaned up by PRPs with Departmental oversight, and the number of sites where PRPs reimburse Interior for past oversight costs incurred. In 2007, the Department will continue to recover oversight costs at several sites. At the Crab Orchard National Wildlife Refuge, Interior

expects to recover costs incurred during 2004, 2005, and 2006 for oversight of cleanup activities at the AUS operable unit. In addition, the Department expects to recover past costs for oversight of remedial action at Site 14, and anticipates entering into negotiations in an attempt to reach global settlement among all parties concerning allocation of all response costs incurred at site 14. At Area 7 of the Crab Orchard NWR, Interior has initiated negotiations to discuss the PRP's willingness to perform future response action. These negotiations will include discussions concerning the recovery of the Department's past costs and reimbursement of future oversight costs.

At the Valley Forge site, PA, the Department has entered into a mediation process with the PRP to attempt to reach an agreement by which total response costs would be allocated among the parties. At the Washington Gas site, Interior will pursue negotiations with the PRP in 2007 to reach a settlement for the performance of remedial design and remedial action work and reimbursement of the Department's oversight costs. At the Clark Fork site, MT, Interior expects to finalize a remedial design and remedial action consent decree, which will settle all Department claims on the Clark Fork River. At the Orphan Mine, AZ, Interior is engaged in negotiations with site PRPs to pursue an agreement under which the PRPs would perform the site investigation to characterize site contamination and evaluate removal action alternatives.

In 2008, Interior expects that clean-up and related oversight activities will continue at long-term projects such as the Crab Orchard National Wildlife Refuge in IL, the Vieques and Culebra National Wildlife Refuges in PR, the Pine Creek Mill Sites in ID, the Tar Creek site in OK, and the Historic Mercury Sites in CA. Shorter term clean-ups projects, such as La Sal Creek, UT; Rip Van Winkle Mine, NV; Saginaw Hill, AZ; and Ute Ulay, CO, will draw closer to completion in 2008.

Relationship of Mission and Funding to the Department's Strategic Plan or President's Management Agenda

Through its involvement in the NCP response process and the bureau's applicable land use or facility use management plans, the CHF directly affects many natural resource management policies and decisions. This function also directly affects the goals of resource protection, with secondary benefits to serving communities, at those sites undergoing remediation and required post-remedy monitoring.

The CHF enhances the protection of Interior's interests, lands, resources, and facilities through its multi-bureau clean-up efforts, as well as by working closely with other agencies, e.g., EPA, state and tribal governments, that manage the response to, remediation, and reuse of contaminated sites located on Interior managed lands. The Office also integrates the Department's interests in both remediation and environmental restoration of contaminated sites by incorporating Interior's natural resource management concerns into Superfund remediation actions. The CHF coordinates its remedial activities with the natural resources damage assessment program.

All of these efforts advance goals of resource protection and serving communities.

The Department's strategic plan requires integration as a key element in achieving the management excellence agenda. The CHF and its adherence to the National Contingency Plan represents a programmatic integration of Interior policies, operating its programs and policy functions by merging Departmental funding and oversight with bureau clean-up execution and complementary funding or support from PRPs.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Central Hazardous Materials Fund

Program and Financing (in millions of dollars)

Identification code 14-1121-0-1-304		2006 actual	2007 est.	2008 est.
Obligations by program activity:				
00.01	Remedial action.....	10	8	10
09.01	Reimbursable program.....	3	1	1
10.00	Total new obligations.....	<u>13</u>	<u>9</u>	<u>11</u>
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year.....	4	7	5
22.00	New budget authority (gross).....	12	7	10
22.10	Resources available from recoveries of prior year obligations.....	4	--	--
23.90	Total budgetary resources available for obligation.....	<u>20</u>	<u>14</u>	<u>15</u>
23.95	Total new obligations.....	<u>-13</u>	<u>-9</u>	<u>-11</u>
24.40	Unobligated balance carried forward, end of year.....	7	5	4
New budget authority (gross) detail:				
Discretionary				
40.00	Appropriation.....	10	7	10
58.00	Spending authority from offsetting collections: (cash)	2	--	--
70.00	Total new budget authority (gross).....	<u>12</u>	<u>7</u>	<u>10</u>
Change in obligated balances:				
72.40	Obligated balance, start of year.....	20	16	11
73.10	Total new obligations.....	13	9	11
73.20	Total outlays (gross)	-13	-14	-9
73.45	Recoveries of prior year obligations.....	-4	--	--
74.40	Obligated balance, end of year.....	<u>16</u>	<u>11</u>	<u>13</u>
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority.....	4	4	5
86.93	Outlays from discretionary balances.....	9	10	4
87.00	Total outlays (gross)	<u>13</u>	<u>14</u>	<u>9</u>
Offsets				
Against gross budget authority and outlays				
88.40	Offsetting collections (cash) from: Non-Federal sources.....	2	--	--
Net budget authority and outlays:				
89.00	Budget authority.....	10	7	10
90.00	Outlays.....	11	14	9
95.02	Unpaid obligation, end of year.....	16		

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Central Hazardous Materials Fund

Object Classification (in millions of dollars)

Identification code 14-1121-0-1-304	2006 actual	2007 est.	2008 est.
Direct obligations			
12.52 Other Services.....	1	1	1
Reimbursable obligations			
22.52 Other Services.....	<u>3</u>	<u>1</u>	<u>1</u>
29.90 Subtotal, obligations, Reimbursable obligations.....	3	1	1
Allocation Account			
31.11 Personnel compensation: Full-time permanent.....	1	1	1
32.52 Other services.....	<u>8</u>	<u>6</u>	<u>8</u>
39.90 Subtotal, obligations, Allocation Account - direct.....	<u>9</u>	<u>7</u>	<u>9</u>
99.99 Total new obligations.....	13	9	11

Personnel Summary

Direct			
Total compensable workyears:			
Civilian full-time equivalent employment:			
10.01 Civilian full-time equivalent employment.....	1	2	2

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund

Appropriation Language Sheet

For the acquisition of a departmental financial and business management system, \$22,240,000 to remain available until expended.

DEPARTMENT-WIDE PROGRAMS
Appropriation Language Citations

Appropriation: Working Capital Fund

Appropriation language and citations:

1. *For the acquisition of a departmental financial and business management system, \$22,240,400 to remain available until expended.*

43 U.S.C. 1451

Reorganization Plan No. 3 of 1950; 64 Stat. 1262, as amended, 66 Stat. 121.

43 U.S.C. 1451 provides that: There shall be at the seat of government an executive Department to be known as the Department of the Interior, and a Secretary of the Interior, who shall be the head thereof.

Reorganization Plan No. 3 states that: (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of the Interior all functions of all agencies and employees of such Department... (b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) [now covered by sections 551 et seq. and 701 et seq. of Title 5, Government Organization and Employees] in hearing examiners employed by the Department of the Interior, nor to the functions of the Virgin Islands Corporation or of its Board of Directors or officers.

All functions of all other officers of the Department of the Interior and all functions of all agencies and employees of such Department were, with the two exceptions, transferred to the Secretary of the Interior, with power vested in the Secretary to authorize their performance or the performance of any of the Secretary's functions by any of such offices, agencies and employees.

Under authority of Reorganization Plan No. 3 of 1950, the Secretary is empowered to effect transfers of functions and responsibilities, with certain exceptions, and delegate authorities within the Department or its agencies to address changing requirements in the overall organization of the Department.

Justification of Program and Performance

Activity: Financial and Business Management System

			2008			
	2006 Actual	2007	Fixed & Related Changes	Program Changes	Budget Request	Change from 2007
Working Capital Fund (appropriation requested)						
(\$000)	0.0	0.0	0.0	+22,240.4	22,240.4	+22,240.4
FTE	0.0	0.0	0.0	+15.0	15.0	+15.0
Working Capital Fund (bureau contributions)						
(\$000)	0.0	0.0	0.0	+18,195.2	18,195.2	+18,195.2
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund (transfer from Interior Franchise Fund)						
(\$000)	11,000.0	8,000.0	0.0	0.0	8,000.0	0.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital Fund (charge card rebates)						
(\$000)	3,000.0	3,000.0	0.0	+700.0	3,700.0	+700.0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total						
(\$000)	14,000.0	11,000.0	0.0	+41,135.6	52,135.6	+41,135.6
FTE	0.0	0.0	0.0	+15.0	15.0	+15.0

Summary of 2008 Program Change

Request Component	(\$000)	FTE
Transfer of funding from the Office of the Secretary appropriation to the Working Capital Fund appropriation. This increase in the WCF appropriation is offset by an equivalent decrease to the Office of the Secretary appropriation.	+22,240.4	0.0

Justification of 2008 Program Change

The Financial and Business Management System is an enterprise-level, integrated administrative management system that will replace the Department's existing administrative systems. When fully implemented, the project will support the administrative systems requirements of all Interior bureaus for core accounting, acquisition, personal property and fleet, travel, real property, financial assistance, budget formulation, and enterprise management information. As FBMS is an enterprise system designed to support and provide benefits to bureaus and offices throughout the Department, the 2008 budget proposes to fund FBMS in the Working Capital Fund. This is consistent with the Department's approach of funding other enterprise investments in the WCF, such as the Enterprise Services Network, the Federal Payroll Personnel System, and the

Federal Financial System. This change will also help mitigate the impact of operating under continuing resolutions in future years.

Through 2007, funding for deployment of the system was requested in the Office of the Secretary–Salary and Expenses Account. With these funds appropriated to the Working Capital fund, the total budget for FBMS will be in the WCF, rather than having a portion of it in the Salaries and Expenses appropriation and other components of the WCF. The total 2008 budget request for FBMS from all sources totals \$52.1 million. The components of this funding include:

- \$22.2 million in funds appropriated directly to the WCF. This represents the total previously appropriated to the Salaries and Expenses appropriation, and an equivalent decrease in that appropriation applies.
- \$18.2 million to be billed and collected centrally through the revolving fund from bureaus and offices throughout the Department.. This reflects an increase of \$16.0 million and redirection of \$2.2 million from completed enterprise investments funded through the WCF.
- \$8.0 million to be transferred from the Interior Franchise Fund.
- \$3.7 million to be provided from charge card rebate funds.

The FBMS will replace more than 100 legacy accounting, acquisition, property, grants, and budget systems and subsystems. In 2006, MMS and OSM were successfully migrated to FBMS. These bureaus are now operating financial and accounting processes on this new system, and in 2007, FBMS will provide support for their acquisition services. In 2008, the Department anticipates that it will deploy the core financial, acquisition, property, and grants components of FBMS to BLM. The 2008 budget includes \$22.2 million in appropriations directly to the WCF and \$18.2 million to be collected through the Fund. The mandatory funding includes a program increase of \$16.0 million to complete the deployment to BLM and prepare for deployments to other large and complex bureaus, including NPS, FWS, and Reclamation.

The BLM deployment is the first that will have the full functionality of the integrated system including: core financials; acquisition; property; budget formulation; and enterprise management. The system integration is designed to resolve a number of government accounting and accountability issues. The FBMS will allow Interior to realize the benefits of common processes, a common technology platform, integrated real-time data, and improved operational decisionmaking. The system will also provide replacement of numerous unsupported legacy systems with integrated and standardized system modules that are upgradeable. Additionally, improved security and internal controls will help meet compliance requirements from various sources, including the new requirements of revised OMB circular A-123. It will provide a single point of system access that will eliminate redundant administrative tasks and multiple logins and provide shared tools that will help stabilize operations and maintenance costs. These efficiency gains, plus the retirement of legacy systems, will achieve savings in the outyears.

When fully deployed, FBMS will provide standardization and integration of business processes across Interior (i.e., property will “talk to” accounting) while allowing for minor adjustments that may be required for valid business reasons. It will also provide improved reporting capabilities across module and components that will reduce the time and effort needed to generate reports. System deployment completion is anticipated in 2011. Funding for FBMS deployment is budgeted in the WCF beginning in 2008, consistent with the approach for other enterprise system investments.

Program Performance Estimates

As noted, the BLM deployment is particularly important because it will have the full functionality of the integrated system and will tangibly demonstrate the benefits of standardization and integration of business processes across Interior.

This deployment will provide the benefits of obligating funds for procurements in a standardized manner through the procurement process. Because of its integrated property management component, it will demonstrate the benefits of maintaining real and personal property inventories within an integrated system, and will also provide essential data on capitalization of real and personal property. It will take the budget process from the planning process through to account level fund management after funds appropriated, building a bridge between the budget formulation and execution processes. When fully deployed, the system will include information relating to on-board staffing levels and allow for automated recalculation of labor costs based on changes in pay policy, including adjustments based on pay raise percentages that are ultimately enacted.

Information from the various modules of the integrated system will be available through a single information warehouse and, ultimately, this information warehouse will have data from all the bureaus, allowing Interior to generate reports in a standardized format.

The system is designed with standard interfaces, including multiple interfaces with other agencies. Because of the system standardization, information will be provided and obtained in a standard manner, providing advantages for Department-wide analysis and comparison.

Another benefit being built into the new system is computerized user training. This approach will minimize training costs, of particular benefit due to the Department’s geographically dispersed field locations. The training will be immediately available when new bureaus come online, and will be available to new employees when needed, with no need to wait for classroom sessions to be offered.

Accomplishments thus far in the FBMS program include:

- Deployment 1 provided an automated grant management system for the Department’s more than 110 grant programs. This system allows Interior to process and track grant applications; provides a standardized method for evaluating grant applications; and

standardizes and automates the reporting process, allowing us to track the performance of the grantees utilizing required financial and performance reports.

- Deployment 2 deployed core financials at OSM and MMS. Because of unsupported legacy systems at these two bureaus, deployment of core financial systems was particularly essential at these two sites.
- Deployment 3 will deploy core financial and acquisition modules at GovWorks Federal Acquisition Center, plus OSM and MMS will add the acquisition module to their current systems.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund — Reimbursable Activity

Narrative Statement

The Department of the Interior's Working Capital Fund was established pursuant to 43 U.S.C. 1467, to provide common administrative and support services efficiently and economically on a reimbursable basis to Interior's bureaus and offices as well as other Federal agencies. The Fund is used to finance reimbursable activities including centralized services provided by Departmental offices and the National Business Center. The Fund also provides an efficient way to bill Interior bureaus and offices for shared costs including for example space rent costs for the Main Interior building charged by the General Services Administration.

The Fund is used to finance most of the activities of the National Business Center, including appraisal services and aviation management. The Appraisal Services Directorate, which was formed in 2004 when appraisers from the Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, and National Park Service were transferred to the NBC, conducts appraisals for the Department's bureaus in an efficient and unbiased manner. The Aviation Management Directorate in NBC manages Interior-owned aircraft, contracts for commercial aircraft, and provides aviation safety and training.

Offices within the Office of the Secretary also finance services or activities through the Fund. A complete listing of the services financed through the Fund is included in the tables that follow this narrative. Fiduciary responsibility for the Fund rests with the Assistant Secretary – Policy, Management, and Budget. Direct oversight and management of the Fund is conducted by the Office of Budget, with supervision of the Deputy Assistant Secretary – Business Management and Wildland Fire.

In 1999, authority was provided to permit non-Federal entities to use public space in the Main and South Interior Buildings, to assess fees for the use of such space, and to retain the fees in the Fund to be used to offset costs associated with the maintenance and operation of Interior facilities. Collection of these funds helps to defray the costs of operation of the Main Interior Building complex.

The Working Capital Fund Consortium, established in 2003 and chaired by the Deputy Assistant Secretary – Business Management and Wildland Fire, is comprised of senior level bureau officials. The Consortium reviews and approves policies and procedures, including which services and initiatives are financed through the Fund, the level of production, and pricing methodologies. The Consortium also reviews and approves budget changes and provides oversight for the operation of the Fund. The funding levels presented in the budget are the result of this review process, as they must receive approval from the Consortium.

Creation of the Consortium was one component of the Working Capital Fund Improvement Plan. The Plan provided a framework for improved operation of the Fund and identified specific tasks to make the operation of the Fund more transparent to customers; ensure the Fund is used for its intended purposes; and charge customers fairly and accurately for the services they are procuring.

Improvement efforts completed include benchmarking Fund-financed activities to the standards adopted by the Consortium relevant to the appropriateness of using Fund financing versus another funding mechanism; evaluation of Fund activities based on Consortium-approved standards defining mandatory versus discretionary services; a pricing and indirect cost review; implementation of activity-based cost management; and establishment of new posting models to facilitate accounting and reporting. Work continues on completing policies and procedures. As part of Fund management, the Department and the Consortium jointly evaluate the need to continue providing services already financed through the Fund, which additional services should be financed through the Fund, and opportunities to streamline services and reduce costs.

The Department continues to use the Fund to consolidate collections for services funded through reimbursable agreements in order to improve the transparency of ongoing cooperative funding arrangements. For example, beginning in 2006, a portion of Department-wide funding for IT certification and accreditation was collected through the Fund.

In addition to meeting the needs of the Department's bureaus and offices, selected administrative services are provided to a growing number of other Federal agencies. Chief among these activities is the Federal Personnel and Payroll System that is provided by NBC. The NBC is one of the four entities that provide payroll services across the entire Federal government.

The Fund also serves as the financial tool to manage the Department's charge card rebate program. Rebates are used to fund administrative management initiatives of general benefit to Interior's bureaus and offices such as planning, developing, and assisting in the implementation of the Financial and Business Management System.

Fund Pricing and Billing Methods

Pricing for Fund services provided and customer billing is accomplished using one of the following methods.

Centralized Billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed each year using a pre-established fixed price. The price is adjusted from year-to-year based on a review of the costs of providing services and customer consumption. Consequently, the 2007 level has been adjusted from the 2007 President's budget to reflect current estimates. The use of centralized billing is limited to the Department's bureaus and offices and mandatory services. Bureau and office budgets are adjusted to reflect increases or decreases in the costs of

services that are centrally billed. For 2008, bureau and office budget requests include full funding for all charges in the centralized billing portion of the Fund.

Direct Billing is used whenever the product or service provided is severable and individual customer orders are used. Direct billing is used for both fixed fee and time and materials contractual arrangements. Reimbursable support agreements, government charge cards, and similar contractual documents are used to establish the customer and service provider relationship. This type of billing is used for discretionary services. Bureaus and offices adjust budget requests based on their estimates of service levels required and requested through the direct billing. Consequently, the 2007 level has been adjusted from the 2007 President's budget to reflect current estimates.

MIB/SIB Occupancy Billing is based on the space occupied in the main and south Interior complex. In addition to the rent paid to the General Services Administration and security payments to the Department of Homeland Security, funds are collected to provide for the operation and maintenance of the buildings, lease management, support for the Department's modernization team that oversees the rehabilitation of the main building, and the installation of fiber optic cabling while the building is being renovated. The GSA no longer pays for relocations within the complex as a result of the modernization, and the budget includes an increase comparable to these estimated costs.

2008 Overview

In 2008, the Fund will finance the production of nearly \$656.9 million worth of goods and services, an increase of \$22.1 million over the \$634.8 million 2007 level. The level includes only those funds provided for the goods and services produced by the Office of the Secretary and the NBC; it excludes the funds collected by NBC's Southwest Acquisition Branch from customers to pay invoices from vendors on the customer's behalf. The Department's decision to deliver many IT services such as internet and intranet access at the enterprise level, in addition to investing in the security of existing IT hardware and software, are at the root of most of the increase.

The table on the next page summarizes the Fund's revenue for 2006, 2007, and 2008.

The 2008 centralized billing for Secretarial activities is \$96.4 million, an increase of \$21.3 million over the 2007 level. The increase includes \$817,800 for fixed costs, \$18.3 million for programmatic increases, and a billing change of \$2.2 million to redirect funds to the FBMS project. The programmatic increases include \$18.2 million to pay for contractor costs related to the implementation of the Department-wide Financial and Business Management System.

The 2008 centralized billing for the NBC is \$106.5 million, an increase of \$7.2 million that includes a \$2.3 million increase for fixed costs, \$2.8 million for programmatic increases, and a billing change of \$2.1 million for aviation management. These increases are described in more detail in the National Business Center section of the justification.

**Working Capital Fund
2006, 2007, and 2008 FTE and Revenue**

	2006		2007		2008		Change from 2007	
	FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	(\$000)
Revenue Estimates								
OS Activities								
Centralized billing.....	106.8	66,191.8	119.0	75,111.3	119.0	96,446.1	0.0	+21,334.8
Direct billing.....	11.4	74,816.0	5.0	78,004.4	5.0	63,770.4	0.0	-14,234.0
Charge card rebates.....	1.0	7,001.0	1.0	5,321.7	1.0	5,333.0	0.0	+11.3
MIB/SIB facilities.....	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0	0.0	+3,474.3
Subtotal, OS Activities.....	119.2	191,830.6	125.0	205,963.1	125.0	216,549.5	0.0	+10,586.4
National Business Center								
Centralized billing.....	0.0	94,040.3	0.0	99,228.6	0.0	106,455.9	0.0	+7,227.3
Direct billing.....	1,089.6	371,471.0	1,120.0	329,952.2	1,120.0	333,305.7	0.0	+3,353.5
Charge card rebates.....	4.0	474.4	4.0	637.3	4.0	672.0	0.0	+34.7
MIB/SIB facilities.....	0.0	31.4	0.0	12.0	0.0	12.0	0.0	0.0
Subtotal, NBC.....	1,093.6	466,017.1	1,124.0	429,830.1	1,124.0	440,445.6	0.0	+10,615.5
Working Capital Fund Total								
Centralized billing.....	106.8	160,232.1	119.0	174,339.9	119.0	202,902.0	0.0	+28,562.1
Direct billing.....	1,101.0	446,287.0	1,125.0	407,956.6	1,125.0	397,076.1	0.0	-10,880.5
Charge card rebates.....	5.0	7,475.4	5.0	5,959.0	5.0	6,005.0	0.0	+46.0
MIB/SIB facilities.....	0.0	43,853.2	0.0	47,537.7	0.0	51,012.0	0.0	+3,474.3
Total, WCF.....	1,212.8	657,847.7	1,249.0	635,793.2	1,249.0	656,995.1	0.0	+21,201.9
Appropriations								
OS Activities								
FBMS Appropriation.....	0.0	0.0	0.0	0.0	15.0	22,240.4	+15.0	+22,240.4
Subtotal, OS Activities.....	0.0	0.0	0.0	0.0	15.0	22,240.4	+15.0	+22,240.4

Revenue reported for the centralized billing will be charged to bureaus and offices in the amounts shown. Bureaus and offices have included funding requests in their budgets equal to the proposed charges in the centralized billing portion of the Fund. It is anticipated that the revenue will be collected in the fiscal years as shown.

Revenue reported for 2006 for direct billing represents the total collections received in 2006 regardless of the year in which it was earned. Revenue projected for 2007 and 2008 is based on the level of accounts receivable from prior years and anticipated new business. For direct billing, service level agreements are negotiated between customers and service providers which means customers may not be billed the estimates shown for 2007 and 2008 because actual billings are based on the goods and services actually procured.

2006 and 2007 Overview

In 2006, the NBC began an IT Security Improvement program to guard against intruders penetrating the various applications the NBC hosts.

Also in 2006, NBC was selected as a Shared Service Provider for Homeland Security Presidential Directive 12 (HSPD-12). This new service will standardize practices in proving the identity

of an employee, agency affiliate, and allow for both physical and logical access to government facilities or systems.

In 2007 NBC will continue to provide technical support for the implementation of the Department's Financial and Business Management System, including hosting of the system's modules.

Highlights of Office of the Secretary Activities

The following presents major programs within the Office of the Secretary that are financed through the centralized billing, as well as significant changes for 2008:

Electronic Records Management — This is a new initiative to develop policies, procedures, and requirements for the development of an Electronic Records Management System for the Department. The 2008 request of \$1.0 million is for contractor support to develop a prototype for the Electronic Records Management System.

Enterprise Services Network — The ESN is an integrated network which provides access to the Internet, a Department-wide intranet, and a fully operational technical support center. In addition to better service, ESN provides a uniformly secure environment, standardized and efficient 24x7 operations, and improved technical support. The ESN also facilitates the consolidation of directory services, web hosting, messaging, data warehousing, and other applications and systems.

The ESN completed connection of the bureaus and migrated several bureaus to central network management in 2005, with all internet traffic consolidated through five gateways. In 2006, the remaining bureaus transitioned to central management, with a focus on network optimization. The remote access project has been initiated and will improve access and various types of dial up services for remote and travel users. By the end of 2007, ESN is planned to be in steady state.

The ESN is also facilitating efforts to consolidate directory services, web hosting, messaging, data warehousing, help desk capabilities, and other applications and systems. It also establishes the foundation to implement the required new internet protocol version six technology. The 2008 budget includes \$22.3 million for ESN, a net increase of \$46,500 over 2007 for fixed costs, which will continue the establishment of connectivity to the Department's bureaus and offices.

Information Technology Initiatives

Over the last several years, the Office of the Chief Information Officer has been hosting enterprise software contracts which have resulted in savings to the Department as a result of economies of scale, as well as facilitated standardization of IT systems which helps to solve many of the Department's IT architecture and security problems. The Department continues to place a high priority on strengthening its information technology security program through an integrated approach.

IT Security — The IT Security program provides policy and guidance on appropriate information assurance measures for the Department’s Information Technology systems, applications, telecommunications networks, and related resources. The program develops and maintains the agency-wide security training program; tests perimeter defenses; conducts oversight of FISMA and NIST compliance; provides coordination and oversight of certification and accreditation of IT systems; and develops policy and standards for critical infrastructure enhancements and Public and Private Key Infrastructure.

In 2006 the program completed development of Interior’s first Enterprise Security Architecture standard, as well as an independent comprehensive quality review of all of the Department’s C&A packages. In 2007 the program will complete C&A standards and templates to improve the overall quality and consistency of the Department’s C&A packages. The program will also complete implementation of OMB’s requirements for the protection of sensitive agency information by deploying appropriate encryption solutions and technology to remote laptops and workstations.

The 2008 budgets for bureaus and offices continue to provide \$5.0 million through the centralized billing to support IT security. Of this amount, \$2.1 million will be used for activities related to IT security and \$2.9 million will be used for IT security C&A tasks. The funds are centrally managed to develop standards, tools, and establish contract vehicles for use by the Department’s bureaus and offices.

Department-wide Telecommunications Initiatives — The 2008 budget request includes a total of \$2.9 million for these programs, a decrease of \$1.1 million from the 2007 level. Active Directory is a consolidated directory service that provides the Department with an authoritative repository of security credentials, which includes authentication, authorization, and access services. In 2008, the budget request includes \$2.0 million for this program, including a \$1.0 million program increase to enable the Department to cover both trust and non-trust environments. In 2006 the Department elected to discontinue the Enterprise Messaging Services initiative. As a result, \$2.2 million will be collected through centralized billing from bureaus and offices to cover the costs of terminating this program in 2007. In 2008, funds originally budgeted for this initiative will be redirected to the Financial and Business Management System.

Financial and Business Management System — The Financial and Business Management System is a major enterprise management initiative to integrate financial management, procurement, property management, and other subsidiary systems and standardize administrative processes throughout the Department. The FBMS will provide the system and process structure for Interior to modernize its operations. Once fully operational, this system will provide complete, accurate, and timely information on financial activities, including budget execution, acquisition, grants, property management, core accounting, and performance that will enable the Department’s employees and managers to make better informed decisions about programs.

The FBMS project implementation currently receives funding from three principal sources: direct appropriations, retained earnings from the Interior Franchise Fund, and charge card rebates.

In 2004 and 2005, Congress funded FBMS via rescissions and transfers of unobligated balances from the Fund. In 2006, new funds were specifically appropriated for implementation and deployment of FBMS. The FBMS hosting, provided by the National Business Center, is principally funded through redirections of funding for legacy systems. However, redirections have been insufficient, as some legacy systems cannot yet be retired, so a number of other sources have been used to fill the gap. Now that Interior has successfully switched to a new program integrator, the highest risk for the project is steady and adequate funding.

The FBMS will eventually replace more than 100 duplicative legacy systems and subsystems throughout the Department. The Department's current financial program, the Federal Financial System, is based on software that was developed in the early 1980s. As such, it is cumbersome and inefficient to use and does not take advantage of new technology. The Department no longer receives technical support for FFS or IDEAS, which is the Department's acquisition system.

The FBMS will also improve Interior-wide financial reporting, as all bureaus and offices will be using the same system to compile financial data and information. Currently, individual applications within each bureau have been customized to such a degree that Department-wide reporting requires third-party software and expensive hands-on analytical support to compile the necessary information. In addition, other administrative systems are not integrated with Interior's core financial system, and thus are also inefficient. The Department's vision is to have a single seamless system that supports all major administrative functions, except for human resources/payroll and facilities, across all bureaus and offices, and is capable of delivering management reports without intensive manual efforts.

The 2008 budget request includes an increase of \$18.2 million in centralized billing for FBMS implementation, and is consistent with the Department's approach of funding enterprise investments within the Fund. The centralized billing request will pay for contractor costs related to system deployment, including new modules for property and initial budget formulation. Core financials and eGrants were implemented in the first bureaus in 2006, and the acquisition module is scheduled for 2007. The Department is implementing the system in phases by bureau, with all bureaus scheduled to be on board by the end of 2011. The 2008 request will support implementation of new modules for the Office of Surface Mining and Minerals Management Service, and all modules for the Bureau of Land Management. The 2008 request represents the peak funding year for the project, as it involves the implementation of the remaining modules, and would allow the Department to retire eleven legacy systems. The request is critical to meeting the Department's return on its investment, as delays in implementation will increase the total cost of the project.

E-Government Initiatives

Management of the funding for the Department's support of the government-wide e-government projects was centralized within the CIO in 2005. These projects support the Department's activities and are more cost-effective when funded and managed at a government-wide level. In 2007 and 2008 \$3.7 million and \$3.9 million, respectively, will be budgeted in bureaus and

offices and collected to support the Department's contribution to government-wide E.gov initiatives. The following e-government initiatives are currently being supported by the Fund:

Government to Citizen Portfolio

Recreation One-Stop — Interior is the managing partner and BLM, USGS, FWS, NPS, and Reclamation currently participate in this program, which provides citizens with a user-friendly single access point to information about recreational opportunities at thousands of Federal, state, and local parks, museums, and historical landmarks nationwide. The portal consists of information for planning visits to Federal recreation sites and making campground/tour reservations. Because citizens have a central place to search for recreational services in lieu of searching through separate websites to find information such as hours of operation, cabin and campsite reservations materials, maps, facts and figures, and usage fees, the following agencies benefit from the program:

- The NPS, BLM, FWS, and Reclamation benefit by providing information related to recreational activities in national parks, wildlife refuges, lakes, and public lands on the Recreation One-Stop portal.
- The U.S. Forest Service provides information related to recreational activities in national forests and grasslands on the Recreation One-Stop portal.
- The U.S. Army Corps of Engineers provides information related to recreational activities at USACE-managed lakes on the Recreation One-Stop portal.

Gov Benefits.gov — The BIA currently participates in this program, which provides a single point of access for citizens to locate and determine potential eligibility for government benefits and services. The Department's benefit programs include, but are not limited to, the following descriptions and efforts:

- Provide special education and related services to Native American children with severe disabilities.
- Encourage and promote the development of American Indian and Alaska Native arts and crafts.
- Promote the stability and security of American Indian Tribes and families by protecting American Indian children and preventing the separation of American Indian families. Furthermore, the grants provide assistance to Indian Tribes in the operation of child and family service programs.
- Begin educating children at an early age through parental involvement, to increase high school graduation rates among Indian parents, and to encourage life-long learning. Provide vocational training and employment opportunities to eligible American Indians.

USA Services — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this citizen-centric initiative, which provides citizens with easy access to accurate, consistent, and timely government information. To achieve this mission, it provides

citizens information about and from all levels of government through an array of integrated information channels including, FirstGov.gov, telephone and e-mail inquiry responses from GSA, National Contact Center, and print materials distributed from Pueblo, Colorado. The Department also benefits through GSA handling of misdirected inquiries. Interior recently provided a report to OMB and USA Services on incoming e-mail volumes, toll-free numbers, and in-house citizen response activities to determine applicability of using First Contact Services, the contract vehicle.

Government to Business Portfolio

Business Gateway — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program, which provides access to government information, including forms, compliance assistance resources, and tools in a single access point. Additionally, Business Gateway:

- Links to resources to help businesses understand what regulations to comply with and how to comply, and streamlined submission processes to reduce the regulatory paperwork burden on business.
- Additionally, OSM launched a program for single source coal reporting. This project supports the objectives of the PMA and the Business Gateway initiative by using E-Gov to better serve citizens through improved government-to-business and government-to-government transactions. Every coal producer in the U.S. must report production activity and other information to multiple Federal, State and Tribal agencies. Single source coal reporting reduces this burden on industry through an integrated, Internet-based information capturing system which then feeds the appropriate Federal, state, and tribal agencies with relevant information.

E-Rulemaking — The BIA, BLM, USGS, FWS, MMS, NPS, OSM, and Reclamation currently participate in this program. As a whole, Interior publishes an average of 281 regulatory actions and over 1,760 notices annually. The community interested in activities for which the Department is responsible is extremely large and diverse and can benefit greatly from the consolidated functions the Federal Docket Management System provides. The Department currently operates two systems to manage some of their regulatory materials electronically. The Department's conversion to this system is expected to reduce the operating costs to maintain these separate systems while increasing the functionality available. The initiative outcomes pertinent to Interior and other agencies include:

- Expanding public understanding of the rulemaking process.
- Improving the quality of Federal rulemaking decisions.
- Increasing the amount, breadth, and ease of citizen intergovernmental access and participation in rulemaking.

Government to Government Portfolio

Geospatial One-Stop — Interior is also the managing partner of this initiative and BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The program provides Federal and state agencies with a single-point of access to map-related data and promotes coordination and alignment of geospatial data collection and maintenance among all levels of government. Geospatial One-Stop goals include:

- Developing portal for seamless access to geospatial information.
- Providing standards and models for geospatial data.
- Creating an interactive index to geospatial data holdings at Federal and non-Federal levels.
- Encouraging greater coordination among Federal, state, and local agencies about existing and planned geospatial data collections.

Grants.gov — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The Grants.gov initiative benefits Interior and its grant programs, including those of FWS, by providing a single location to publish grant funding opportunities and application packages, as well as by providing a single site for the grants community to apply for grants using common forms, processes, and systems. The Department derives its largest source of benefits from Grants.gov by not having to duplicate such a system on its own.

Disaster Management — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The Department benefits directly and indirectly from the Disaster Management program. First, agencies benefit from the Disaster Management interoperability services platform and the interoperable data exchange standards project, which permits their emergency operations centers to exchange data smoothly both during an emergency incident and during day to day operations with any other user of this software.

The DisasterHelp.gov portal provides a one-stop portal for Federal emergency and incident information where U.S. citizens can link to sites across the Federal government for information on preparing for and responding to an emergency incident. This internet portal promotes the ability to share information with DHS partners in state, local, and tribal governments, associations, and the private sector. The creation of approximately 5,000 knowledge centers on DisasterHelp.gov means collaborative services throughout the community are valued. Interior launched its emergency presence in the second quarter of 2006. The Department provides in-kind services in coordinating with tribal nations.

Internal Efficiency and Effectiveness Portfolio

E-Travel — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The Department is migrating its travel services to one of the designated E-Travel service providers, and will be able to provide more efficient and effective travel management reservation services after the migration is completed. The benefits include cost

savings associated with cross-government purchasing agreements and improved functionality through streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. Interior employees benefit through more efficient travel planning, authorization, and reimbursement processes.

Integrated Acquisition Environment — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, NBC, and Reclamation currently participate in this program. Through adoption of the tools and services provided by IAE, the Department improves its ability to make informed and efficient purchasing decisions and allows it to replace manual processes. If Interior were not allowed to use the IAE systems, they would need to build and maintain separate systems to record vendor and contract information, and to post procurement opportunities. Agency purchasing officials would not have access to databases of important information from other agencies on vendor performance and could not use systems to replace paper-based and labor-intensive work efforts.

E-Training — The BIA, BLM, USGS, FWS, MMS, NPS, OSM, and Reclamation currently participate in this program. Through OPM's Application Service Model, the Department's migration from stove-piped systems provides:

- Streamlined business processes.
- Aligned technology with the delivery of services.
- Improved quality through standardized processes and solutions.
- Reduced costs and improved maintenance of interfaces for regulatory reporting.
- Elimination of redundant systems and provided economies of scale.
- Access for supervisors and administrators to monitor, track, and manage all learning and competency management.
- The cost of \$3.05 per person in 2006 provided the Department learning management system technology platform.

The ASP services are contracted through OPM per the OMB Capital Asset Plan for the e-Training Initiative. Without these services the cost would be \$22.50 per person, based on surveys of current market pricing to individually acquire and set-up an agency training system. E-Training addresses significant business challenges and is the foundation for Interior's strategy to fulfill the requirements of 5 CFR 410. It sets the stage for additional economies of scale to further drive down costs for employee development.

Recruitment One-Stop — The BIA, BLM, USGS, FWS, MMS, NPS, OSM, and Reclamation currently participate in this program, which provides state-of-the-art online recruitment services to Federal job seekers that include online job posting, intuitive job searching, resume warehousing, online application submission, automated eligibility and status feedback, applicant data mining and integration with sophisticated automated assessment tools. The Department benefits by having its information incorporated and provided to citizens.

E-Payroll — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, NBC and Reclamation currently participate in this program. Interior’s NBC is a fee-for service payroll provider. This initiative simplifies and standardizes HR/payroll policies and procedures and better integrates payroll, human resources, and finance functions. Prior to beginning the initiative, 26 Federal agencies provided payroll services. Consolidation has been effected by the selection of four providers to furnish payroll services for the Executive branch. The agencies that will no longer provide payroll services will be migrated to these four providers which is currently underway.

Cross-Cutting Portfolio

E-Authentication — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this initiative, which benefits Interior by providing E-Authentication expertise, guidance, and documentation, including project planning and reporting templates, to enable Interior to achieve production implementation of E-Authentication for various applications. The E-Authentication Federation allows Interior and its bureaus to use identity credentials issued and managed by organizations within and outside the Federal government, thereby, relieving Interior of much of the cost of providing its own identity management solutions.

Lines of Business

Geospatial Line of Business — Interior is this managing partner and BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The Department is actively leveraging the success of Geospatial One-Stop through the new Geospatial Line of Business that will better serve the agencies’ missions and the Nation’s interests by building upon the policy foundation of OMB Circular A-16, Coordination of Geographic Information and Related Spatial Data Activities, and the PMA to develop a more strategic, coordinated, and leveraged approach to producing, maintaining, and using geospatial data and services across the Federal government. The Federal government reported spending \$2.26 billion dollars from 2005 through 2007 on geospatial data and services. Life-cycle cost savings realized through cost avoidance and reduced operational costs are projected to be \$51.8 million in the current Geospatial LoB joint business case.

Financial Management Line of Business — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. Interior’s NBC is one of four current Federal Financial Management Center of Excellences). It services multiple small agencies and the Department’s bureaus. The initiative benefits the Interior by leveraging information technology and financial processing expertise to provide FM hosting and support services to additional Federal agencies. As the Department’s customer base continues to grow, the agency can create economies of scale and use the growth to gain leverage with the financial management software vendor community.

Grants Management Line of Business — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. This initiative benefits the Department, and specifically FWS, by improving the delivery of services to grant recipients,

improving decisionmaking, and decreasing costs associated with building and maintaining Grants Management IT systems. The GM LoB identifies Federal Service Centers. These service centers work with customer agencies to define requirements, streamline processes, improve reporting, and host a grants management system. The grants management system can be used by multiple grant-making agencies to make awards and manage grants programs. By sharing services, Interior's costs to build and maintain grants management systems decrease. Under the GM LoB, the Department continues to make award decisions and perform all administrative and programmatic grants management functions. Interior is evaluating whether it intends to host a Federal Grants Management Service Center or be a customer of one.

Human Resources Management Line of Business — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program. The NBC is one of the approved service providers for the HR LoB. This initiative allows the Department to spread the cost of managing HR systems and processes across a larger customer base, reducing agency costs to operate these systems and processes. Employees across the agency benefit from improved HR services.

IT Infrastructure Optimization Line of Business — The BIA, BLM, USGS, FWS, MMS, NPS, OS, OSM, and Reclamation currently participate in this program, whose long-term benefit is to provide world-class enterprise operations, thus improving the quality, accessibility, and sharing of data between the Department and its customers. The architecture and management of Interior's network has recently been shifted from a fragmented and decentralized governance structure to a centrally managed structure. The overall goal is to consolidate and optimize operations for a variety of technology infrastructure components including voice and radio communications in order to provide improved levels of service, security, and interoperability with an overall reduction in operational costs. The IT Infrastructure LoB will identify the opportunities for increased IT infrastructure consolidation and optimization, and develop government-wide common solutions of which Interior will be a participant. This LoB will define specific common performance measures for service levels and costs, identify best practices, and develop guidance for transition plans within the Department. Consolidation and optimization of IT infrastructure represents a significant opportunity to realize future cost savings by taking a more coordinated approach to spending on commodity IT infrastructure.

Budget Formulation and Execution Line of Business — The Department is an active participant in the Budget Formulation and Execution LoB, providing voluntary funding support for this initiative of \$75,000 in 2007 and \$85,000 in 2008. The LoB solutions address the basic functional capabilities and tools budgeting staff use to perform budget formulation and execution activities. These solutions will enhance Federal budgeting capabilities by: strengthening the budgeting profession through a community of practice, establishing a clearinghouse for sharing best practices, assisting agencies in implementing appropriate automation, improving tools for government-wide budget exercises and collaboration, consolidating procurements, and establishing standards for data, data exchange, and modularity that facilitate flexible solutions, sharing, and re-usability.

The BFE task force is actively represented by Interior, and has established a project plan and work products for 2007 through 2010. The most important work products for 2007 that will provide significant benefit to the Department at very nominal cost are the collaboration tools the task force is implementing. These include a government-wide collaboration site and a solution for hosting secure, on-line meetings.

In 2008, the task force is expected to complete the development of tools that will optimize data collection and tracking across the government. These tools will have substantial benefits to both budget and program staff involved in completing government-wide data calls and other recurring data collection efforts.

In the future, the task force will address development of document production solutions, expand offerings of agency budgeting tools, and explore common tools for analytics and knowledge management.

CFO Financial Statement Audit

In compliance with the Chief Financial Officers Act of 1990, Interior's consolidated financial statements and individual bureau financial statements are audited annually. The Department has benefited significantly from these independent and objective evaluations of its financial statements. Beginning in 2002, the Department began to contract with a private sector audit firm for the annual financial audits with funding specifically appropriated for this purpose in the Office of Inspector General.

Beginning in 2005, the full cost of the consolidated portion and bureau baseline portions of the audit were fully budgeted in bureaus and financed through the centralized billing segment of the Fund. Bureaus continued to fund the cost of additional audit work related to unanticipated, unique, or bureau-specific audit issues. These additional costs are collected through direct billing. In 2006 a new audit contract was awarded. The cost of the baseline audit in 2006 was \$7.6 million. The cost of the baseline audit in 2007 will be \$8.0 million, which is \$1.4 million over the amount budgeted within the centralized billing segment of the Fund. The remaining funds will be collected through direct billing. In 2008, the request in centralized billing will cover the cost of the baseline audit, which is \$8.2 million.

Overview of Detail to Follow

The table on the next page displays the revenue and FTE used by the activities financed through the Fund in the production of their goods and services. The tables that follow display revenue collected by billing methodology and by customer. These are followed by more detail on the goods and services produced. The information includes a customer breakdown by activity, a description of the services provided, and information on cost changes from year to year.

In this section the descriptions are for services provided by the Office of the Secretary; descriptions for services provided by NBC follow the NBC narrative statement, which is located in the next section.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
<u>Centralized billing</u>						
Other OS Activities						
Invasive Species Program	7.6	1,248.2	7.6	1,268.4	7.6	1,339.9
Alaska Field Office	7.0	1,088.2	7.0	1,112.7	7.0	1,183.7
Alaska Resources Library and Information Services	0.0	1,022.5	0.0	1,022.5	0.0	1,022.5
Indian Water Rights Office	1.5	486.8	1.5	534.2	1.5	557.3
Document Management Unit	6.5	763.9	6.5	813.3	6.5	848.6
Departmental News and Information	4.0	819.3	4.0	825.3	4.0	742.1
Southern Nevada Water Coordinator	1.0	206.1	1.0	216.0	1.0	195.0
Land/Water Settlements	0.0	0.0	0.0	0.0	1.0	180.5
Electronic Records Management (ERM)	0.0	0.0	0.0	0.0	0.0	1,010.0
Financial Mgmt Training and Travel Mgmt Center	2.5	385.5	7.5	1,068.6	5.5	804.4
Activity Based Costing/Management	0.0	1,057.0	0.0	1,057.0	0.0	1,057.0
Quarters Program, Space Mgmt Initiative, and Interior	2.0	391.6	3.0	1,162.4	3.0	1,265.6
Planning and Performance Management	8.0	1,517.6	8.0	1,569.9	8.0	1,671.7
Center for Competitive Sourcing Excellence	1.0	496.6	1.0	500.9	1.5	604.3
Human Resources Initiatives	11.0	2,560.1	12.0	2,976.2	12.0	3,014.2
Special Emphasis Program and EEO Complaints Tracking	0.0	49.3	0.0	49.3	0.0	79.6
Occupational Health and Safety/Training Initiative	5.5	1,548.2	5.5	1,580.0	5.5	1,658.0
Law Enforcement, Security, & Emergency Preparedness	19.8	2,692.3	19.8	2,955.7	21.8	3,389.0
IT Architecture and Capital Planning	7.2	5,389.9	7.2	5,540.4	6.7	5,867.5
IT Security	6.8	5,002.9	6.8	4,995.9	6.8	5,025.7
Department-wide Telecommunications Initiatives	5.3	1,773.2	5.3	4,064.5	4.3	2,928.0
Enterprise Services Network (ESN)	5.9	19,872.6	11.1	22,296.2	11.1	22,342.7
Department-wide Records Management	1.0	1,630.5	1.0	1,623.2	1.0	1,716.2
Solicitor - Ethics Training/ALLEX Database/FOIA Appeals	0.0	78.1	0.0	578.1	0.0	578.1
CFO Financial Statement Audit	0.0	6,260.3	0.0	6,613.8	0.0	8,167.2
E Government Initiatives	1.0	3,713.9	1.0	3,713.9	1.0	3,885.5
Appraisal Services	0.0	2,947.2	0.0	2,996.6	0.0	2,996.6
Central Services	2.2	3,190.2	2.2	3,976.4	2.2	4,120.0
Financial and Business Management System (FBMS)	0.0	0.0	0.0	0.0	0.0	18,195.2
Other OS Activities Subtotal	106.8	66,191.8	119.0	75,111.3	119.0	96,446.1
National Business Center						
Training Services	0.0	9,133.2	0.0	9,349.3	0.0	9,830.3
Information Technology Services	0.0	27,026.4	0.0	30,495.2	0.0	30,514.0
Human Resources Management	0.0	16,381.8	0.0	16,472.2	0.0	18,232.7
Department Support Services	0.0	12,962.4	0.0	14,151.3	0.0	14,721.6
Financial Management Services	0.0	22,073.5	0.0	22,551.4	0.0	24,098.2
Aviation Services	0.0	6,462.8	0.0	6,209.3	0.0	9,059.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
National Business Center Subtotal	0.0	94,040.3	0.0	99,228.6	0.0	106,455.9
Centralized billing subtotal	106.8	160,232.0	119.0	174,339.9	119.0	202,902.0

Direct billing

Other OS Activities

Departmental Direction Activity Coordination	0.0	145.6	0.0	445.3	0.0	0.0
Financial and Business Management System (FBMS)	0.0	20,840.0	0.0	11,000.0	0.0	8,000.0
Management and Coordination Initiatives	6.4	5,011.2	1.0	954.7	1.0	674.5
HSPD-12	0.0	0.0	0.0	7,047.0	0.0	6,010.0
Information Resources Initiatives	2.0	25,770.8	1.0	21,867.7	1.0	17,435.3
ESN	0.0	6,302.5	0.0	22,964.2	0.0	24,215.0
Central Services	3.0	16,746.0	3.0	13,725.6	3.0	7,435.6
Other OS Activities Subtotal	11.4	74,816.0	5.0	78,004.4	5.0	63,770.4

National Business Center

Training Services	82.1	8,232.8	90.0	9,585.0	90.0	8,250.3
Information Technology Services	100.0	39,178.9	100.0	36,131.8	100.0	37,955.1
Human Resources Management	347.4	40,036.6	350.0	39,364.0	350.0	42,608.4
Department Support Services	198.9	31,259.6	199.0	32,944.0	199.0	34,505.8
Financial Management Services	198.5	59,112.1	200.0	70,325.2	200.0	67,970.6
Aviation Services	66.5	174,930.0	72.0	123,117.4	72.0	123,154.6
Appraisal Services	78.4	13,698.1	91.0	12,832.5	91.0	13,208.5
NBC Direction	17.8	5,022.9	18.0	5,652.4	18.0	5,652.4
National Business Center Subtotal	1,089.6	371,471.0	1,120.0	329,952.2	1,120.0	333,305.7
Direct billing subtotal	1,101.0	446,287.0	1,125.0	407,956.6	1,125.0	397,076.1

Building maintenance

Other OS Activities

Departmentally Controlled Space	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0
Other OS Activities Subtotal	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0
Building maintenance subtotal	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0

MIB/SIB space rental

National Business Center

Interior Building Space Rental	0.0	31.4	0.0	12.0	0.0	12.0
National Business Center Subtotal	0.0	31.4	0.0	12.0	0.0	12.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
MIB/SIB space rental subtotal	0.0	31.4	0.0	12.0	0.0	12.0
<u>Charge card rebates</u>						
Other OS Activities						
Charge Card Rebate Program	1.0	7,001.0	1.0	5,321.7	1.0	5,333.0
Other OS Activities Subtotal	1.0	7,001.0	1.0	5,321.7	1.0	5,333.0
National Business Center						
NBC Charge Card Support Operations	4.0	474.4	4.0	637.3	4.0	672.0
National Business Center Subtotal	4.0	474.4	4.0	637.3	4.0	672.0
Charge card rebates subtotal	5.0	7,475.4	5.0	5,959.0	5.0	6,005.0
Working Capital Fund Total	1,212.8	657,847.6	1,249.0	635,793.3	1,249.0	656,995.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Other OS Activities						
Financial and Business Management System (Appropriation)	0.0	0.0	0.0	0.0	15.0	22,240.4
Other OS Activities Subtotal	0.0	0.0	0.0	0.0	15.0	22,240.4
subtotal	0.0	0.0	0.0	0.0	15.0	22,240.4
Working Capital Fund Total	0.0	0.0	0.0	0.0	15.0	22,240.4

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund - Centralized Billing
Revenue by Customer
(in thousands of dollars)

<u>Customer</u>	2006 Actual	2007 Pres Budget	2007 Estimate	2008 Estimate
Bureau of Land Management	19,458.0	23,440.3	21,331.5	26,836.6
Minerals Management Service	4,721.9	4,654.8	4,276.7	5,465.8
Office of Surface Mining	2,738.5	3,420.1	3,277.5	3,490.5
Bureau of Reclamation	13,089.1	15,439.7	14,137.5	16,246.1
Central Utah Project	84.0	84.0	89.8	99.8
Geological Survey	14,503.9	19,507.2	17,395.0	19,156.8
Fish and Wildlife Service	17,630.6	23,966.2	21,304.6	25,020.6
National Park Service	26,396.0	33,079.2	29,777.9	38,314.6
Bureau of Indian Affairs	18,309.4	18,237.7	17,338.1	21,040.1
Office of the Secretary	15,629.0	15,335.4	15,437.1	16,271.2
Natural Resource Damage Assessment	73.7	79.8	79.6	87.9
Insular Affairs	488.2	567.4	575.7	721.8
Office of the Solicitor	2,404.8	2,966.5	2,974.5	2,980.5
Office of Inspector General	877.8	983.5	985.8	1,019.3
Office of Special Trustee	1,970.2	1,641.8	1,574.1	2,140.2
National Business Center	5,145.8	6,136.4	7,385.7	7,559.1
NBC - Directorates	3,446.6	3,500.8	3,406.9	3,416.2
NBC - Internal Business	13,183.2	13,203.7	12,905.8	12,934.5
NBC - Centralized Billing				
National Indian Gaming Commission	60.9	68.1	69.5	82.8
Advisory Council on Historic Preservation	14.2	15.0	11.2	11.2
Commission of Fine Arts	6.2	6.6	6.1	6.1
Other federal agencies				
Total, Centralized Billing, WCF	160,232.0	186,338.7	174,339.9	202,902.0

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund - Direct Billing
Revenue by Customer
(in thousands of dollars)

<u>Customer</u>	2006 Actual	2007 Pres Budget	2007 Estimate	2008 Estimate
Bureau of Land Management	8,995.5	10,877.2	12,741.2	11,870.9
Minerals Management Service	1,656.3	2,014.5	2,868.4	2,117.8
Office of Surface Mining	861.9	1,564.3	1,149.2	936.4
Bureau of Reclamation	3,667.0	5,379.4	6,443.3	5,539.1
Central Utah Project	47.9	29.8	21.1	2.7
Geological Survey	5,660.6	7,463.4	7,983.3	6,490.4
Fish and Wildlife Service	12,082.2	11,628.2	8,860.8	9,262.1
National Park Service	9,879.6	15,009.7	17,444.2	16,217.7
Bureau of Indian Affairs	13,652.2	10,096.0	12,398.0	12,017.6
Office of the Secretary	51,211.8	29,044.3	46,300.7	47,626.2
Natural Resource Damage Assessment	150.8	147.9	161.4	158.7
Insular Affairs	32.8	256.4	158.5	163.5
Office of the Solicitor	2,927.6	1,443.9	1,378.0	1,827.2
Office of Inspector General	3,782.8	352.6	313.2	318.4
Office of Special Trustee	4,878.6	3,744.4	7,123.7	5,578.4
National Business Center	21,007.4	18,562.8	25,114.4	21,299.8
NBC - Directorates		4,105.2		
NBC - Internal Business	30,530.1	14,463.7	29,921.9	37,674.6
NBC - Centralized Billing	2,055.6	97701.0	1,744.3	1,160.9
National Indian Gaming Commission	204.8	155.2	201.4	200.3
Advisory Council on Historic Preservation	232.6	217.8	208.1	213.0
Commission of Fine Arts	142.4	99.6	109.6	112.9
Other Federal Agencies	272,626.4	217,528.7	225,312.1	216,287.8
Total, Direct Billing, WCF	446,287.0	451,884.1	407,956.6	397,076.1

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Invasive Species Program

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	228.0	228.3	241.2	12.9
Minerals Management Service	36.9	38.1	40.2	2.1
Office of Surface Mining	21.3	25.4	26.8	1.4
Bureau of Reclamation	228.0	228.3	241.2	12.9
Geological Survey	228.0	228.3	241.2	12.9
Fish and Wildlife Service	228.0	228.3	241.2	12.9
National Park Service	228.0	228.3	241.2	12.9
Bureau of Indian Affairs	35.7	38.1	40.2	2.1
Insular Affairs	14.2	25.4	26.8	1.4
Activity Totals: (\$000)	1,248.2	1,268.4	1,339.9	71.5
FTE	7.6	7.6	7.6	0.0

The National Invasive Species Council provides coordination and leadership for invasive species programs and activities throughout the Federal government. Invasive species are defined as nonnative or alien species that harm the economy, environment, and in some cases human health. Executive Order 13112 was signed in 1999; it established NISC and designated the Secretaries of the Interior, Agriculture, and Commerce as co-chairs. Other members include the Departments of Transportation, Defense, Health and Human Services, State, Homeland Security, and Treasury as well as the Environmental Protection Agency, U.S. Trade Representative, U.S. Agency for International Development, and the National Aeronautics and Space Administration. The Executive Order directs the Secretary of the Interior to provide for support for the Council's small staff and funding for travel and other expenses related to the Invasive Species Advisory Committee – a group of diverse, non-federal representatives, tasked with providing outside input and advice to the Council.

The Council coordinates action within more than 30 Federal agencies (including eight Interior bureaus) that currently manage programs related to the escalating problem of invasive species. Included in the NISC budget is funding for the Interior Liaison, who coordinates these activities throughout the Department and is Interior's liaison to the Council. The Council's Executive Director and the Interior Liaison report to the Deputy Assistant Secretary for Performance, Accountability and Human Resources.

As directed by the Executive Order, NISC issued the first comprehensive National Invasive Species Management Plan dealing with a wide range of invasive species responses in the following areas: prevention; early detection and rapid response; control; research; restoration; information management; international cooperation; and education and outreach. As directed by the Plan, the Council coordinates the drafting of an invasive species performance-based crosscut budget. In 2006, NISC completed its fourth invasive species performance (crosscut) budget, published the five-year review of Executive Order 13112, and initiated the update of the National Management Plan. The Council is also directed to work with State, local, and private entities to improve the quality and availability of information about invasive species over the Internet.

The 2008 budget request of \$1,339.9 is an increase of \$71.5 from the 2007 level. The increase includes \$71.5 for fixed costs and no program increase.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Alaska Field Office

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	228.5	233.7	248.6	14.9
Minerals Management Service	10.9	11.1	11.8	0.7
Geological Survey	10.9	11.1	11.8	0.7
Fish and Wildlife Service	228.5	233.7	248.6	14.9
National Park Service	228.5	233.7	248.6	14.9
Bureau of Indian Affairs	10.9	11.1	11.8	0.7
Office of the Secretary	370.0	378.3	402.5	24.1
Activity Totals: (\$000)	1,088.2	1,112.7	1,183.7	71.0
FTE	7.0	7.0	7.0	0.0

The Secretary, to enhance policy and program implementation and strengthen communication and coordination, directed the Alaska Field Office to serve as the lead and focal point on matters originating in or effecting Alaska. The Secretary's Alaska Office, at the request of Interior offices and bureaus, facilitates, negotiates, and assists Alaska bureaus in a wide array of Alaska policy matters. The Office facilitates discussions between Interior bureaus, other Federal agencies, the State of Alaska and local governments and entities. When requested by the Alaska bureaus, this Office plays a major role in negotiations with the State of Alaska and the Alaska Congressional delegation on legislation and resource management matters. Some of the current activities include the Federal Subsistence Management Program, Exxon Valdez Oil Spill Trustee Council, Pipeline Safety Committee, the Arctic Council, and the President's National Energy Policy.

The 2008 budget request of \$1,183.7 is an increase of \$71.0 from the 2007 level. The increase includes \$71.0 for fixed costs and no program increase.

Activity: Alaska Resources Library and Information Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	533.5	533.5	533.5	0.0
Minerals Management Service	73.1	73.1	73.1	0.0
Geological Survey	166.4	166.4	166.4	0.0
Fish and Wildlife Service	85.8	85.8	85.8	0.0
National Park Service	163.7	163.7	163.7	0.0
Activity Totals: (\$000)	1,022.5	1,022.5	1,022.5	0.0
FTE	0.0	0.0	0.0	0.0

The Alaska Resources Library and Information Services provides universal access to natural and cultural resources information. The library staff and ARLIS's Federal, State, and university partners recognize that improved understanding of Alaska's resources facilitates wise development, conservation, and management. The ARLIS serves the diverse information needs of its customers in an unbiased and effective manner.

The 2008 budget request of \$1,022.5 is the same as the 2007 level.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Indian Water Rights Office

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	48.7	53.4	55.7	2.3
Bureau of Reclamation	243.4	267.1	278.7	11.5
Fish and Wildlife Service	73.0	80.1	83.6	3.5
Bureau of Indian Affairs	121.7	133.6	139.3	5.8
Activity Totals: (\$000)	486.8	534.2	557.3	23.1
FTE	1.5	1.5	1.5	0.0

The Indian Water Rights Office manages and negotiates settlements of Indian water rights claims which typically involve significant conflicts between Indian rights based on Federal law and the state law based water rights of non-Indian agricultural, domestic, and municipal water users. In addition, conflicts among the water needs of wildlife, particularly threatened and endangered species, tribal rights, and non-Indian water rights are often at issue in Indian water rights settlements. The Indian Water Rights Office is located in the Office of the Secretary in order to provide high level policy guidance and direction and to facilitate the inter-bureau participation and coordination required to achieve and implement settlements. This organizational location also reassures affected settlement parties, Congress, and other Federal agencies of the Department's commitment to these settlements.

The 2008 budget request of \$557.3 is an increase of \$23.1 from the 2007 level. The increase includes \$23.1 for fixed costs and no program increase.

Activity: Document Management Unit

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	58.3	166.7	3.4	-163.4
Minerals Management Service	34.6	3.7	22.2	18.6
Office of Surface Mining	3.1	3.7	0.0	-3.7
Geological Survey	5.7	20.7	0.1	-20.7
Fish and Wildlife Service	65.2	42.0	43.1	1.1
National Park Service	16.7	0.0	0.0	0.0
Bureau of Indian Affairs	179.9	449.4	138.5	-310.9
Office of the Secretary	19.8	10.7	53.3	42.6
Office of the Solicitor	50.0	47.2	0.3	-46.8
Office of Special Trustee	330.7	69.0	587.8	518.7
NBC - Corporate	0.0	0.1	0.0	-0.1
Activity Totals: (\$000)	763.9	813.3	848.6	35.4
FTE	6.5	6.5	6.5	0.0

The Document Management Unit manages the process by which the Department responds to requests for production of documents by the courts and Congress. The DMU provides large scale document production and secure, long-term storage services to satisfy high level document production requests. The Document Acquisition Production and Storage system currently is home to nearly five million pages of documents, and DMU currently produces 30,000 pages of documents a week. The DAPS system allows DMU clients to apply privileges and other metadata such as document titles and provider codes, as well as redact documents during offline review. The reviewed metadata and document images are then updated back into DAPS and can be produced on labeled compact discs or other media upon request from DMU clients. All documents housed within DMU are stored long-term in a safe, secure environment.

In 2006 DMU processed nine administrative records, three general litigation projects, 14 tribal trust projects, three special collections, and seven Congressional requests for a total of 1,004,386 pages. The Solicitor's Office has indicated that 60 new tribal trust cases have been filed to date in 2007, bringing the total to 105 cases that the DMU will process documents for legal review. A sharp increase in requests is also anticipated from the 110th Congress. Thus far in 2007, 279,727 pages have been processed.

The 2008 budget request of \$848.6 is an increase of \$35.4 from the 2007 level. The increase includes \$35.4 for fixed costs and no program increase.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Departmental News and Information

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	116.0	119.4	114.7	-4.7
Minerals Management Service	79.6	83.7	17.9	-65.8
Office of Surface Mining	32.1	33.8	6.0	-27.7
Bureau of Reclamation	89.5	74.7	61.1	-13.5
Geological Survey	113.2	95.0	89.3	-5.7
Fish and Wildlife Service	106.5	164.8	97.4	-67.4
National Park Service	131.5	125.9	217.5	91.6
Bureau of Indian Affairs	84.9	76.2	102.0	25.7
Office of the Secretary	52.3	37.8	7.9	-29.9
Insular Affairs	5.6	2.7	0.4	-2.3
Office of the Solicitor	0.1	2.0	4.5	2.4
Office of Inspector General	0.9	1.3	3.0	1.7
Office of Special Trustee	4.6	2.7	6.5	3.8
NBC - Corporate	2.4	5.0	13.2	8.2
National Indian Gaming Commission	0.0	0.4	0.8	0.4
Activity Totals: (\$000)	819.3	825.3	742.1	-83.2
FTE	4.0	4.0	4.0	0.0

The Departmental News and Information Center provides oversight for audio, video, and motion picture productions; writing, narrating, producing, editing, and electronic national distribution of pretaped radio programs and live national radio broadcasts.

The online Departmental newsletter, *People, Land, & Water*, provides regular communication for all Interior employees and to Congressional, State and local leaders, natural resource groups, environmental organizations, and others. The goal of this newsletter is to share information across bureau lines in order to build on the work done by others, recognize employees for outstanding work, convey policy decisions to employees, and promote a better understanding of Interior's role and responsibilities in managing U.S. natural resources and carrying out the Nation's trust responsibility for American Indians and Alaskan Natives.

Hispanic Media Outreach provides regular communication to the Spanish-speaking audience by using Hispanic media sources and traditional media outlets. This Hispanic component develops, coordinates, and implements plans and activities to achieve public understanding and acceptance of the diverse programs of the Interior Department to reach the growing Hispanic community.

The 2008 budget request of \$742.1 is a decrease of \$83.2 from the 2007 level. The decrease is due to cost savings from increased use of the internet to provide information about available radio spots, as well as publishing the Departmental newsletter exclusively online beginning in 2008.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Southern Nevada Water Coordinator

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	61.8	64.8	58.5	-6.3
Geological Survey	41.2	43.2	39.0	-4.2
Fish and Wildlife Service	41.2	43.2	39.0	-4.2
National Park Service	61.8	64.8	39.0	-25.8
Bureau of Indian Affairs	0.0	0.0	19.5	19.5
Activity Totals: (\$000)	206.1	216.0	195.0	-21.0
FTE	1.0	1.0	1.0	0.0

The Southern Nevada Water Coordinator is a liaison for the utilization of public lands in the development of groundwater resources in Southern Nevada. The incumbent's duties include formulating policy recommendations, resources management and planning, and the identification and mitigation of external and internal influences on Interior-managed resources. Due to the rapid population growth and development in Southern Nevada, intense pressure to accommodate the exploding population creates a politically sensitive and controversial operating environment for the incumbent. This utilization of groundwater resources on public land dictating the need for resources management and planning requires extensive coordination with associated special-interest groups and environmentally-oriented agencies. The water planning and management duties of this position are related to water resources within the State of Nevada and do not include main stem Colorado River management or oversight.

The 2008 budget request of \$195.0 is a decrease of \$21.0 from the 2007 level for fixed costs.

Activity: Land/Water Settlements

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	0.0	90.3	90.3
Bureau of Indian Affairs	0.0	0.0	90.3	90.3
Activity Totals: (\$000)	0.0	0.0	180.5	180.5
FTE	0.0	0.0	1.0	1.0

The 2008 budget establishes funding for a new position to address comprehensive land and/or water settlements or related issues such as those involving the Snake River (ID) and Klamath River (CA and OR) basins, Tar Creek (OK), and others, such as those involving the Federal government's Indian trust responsibilities. These settlements and/or negotiations are comprehensive in nature, and generally involve multiple Interior bureaus as well as a number of Executive branch departments and non-federal parties such as Tribes. The position involves coordination and analysis related to negotiation, settlement, and implementation of these complex resource, programmatic, Indian Trust, and legal conflicts. This position would be funded through the Working Capital Fund as it requires the interpretation, application, and development of policy-based solutions at the Departmental level.

The 2008 request of \$180.5 is a program change of \$180.5 above the 2007 level to establish this new position.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Electronic Records Management (ERM)

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	0.0	162.8	162.8
Minerals Management Service	0.0	0.0	23.4	23.4
Office of Surface Mining	0.0	0.0	8.9	8.9
Bureau of Reclamation	0.0	0.0	151.9	151.9
Geological Survey	0.0	0.0	139.8	139.8
Fish and Wildlife Service	0.0	0.0	113.9	113.9
National Park Service	0.0	0.0	229.1	229.1
Bureau of Indian Affairs	0.0	0.0	162.0	162.0
Office of the Secretary	0.0	0.0	9.3	9.3
Office of the Solicitor	0.0	0.0	2.0	2.0
Office of Inspector General	0.0	0.0	2.0	2.0
Office of Special Trustee	0.0	0.0	4.8	4.8
	<u>0.0</u>	<u>0.0</u>	<u>4.8</u>	<u>4.8</u>
Activity Totals: (\$000)	0.0	0.0	1,010.0	1,010.0
FTE	0.0	0.0	0.0	0.0

Electronic Records Management (ERM) is a new initiative to develop policies, procedures, and requirements for the development of an Electronic Records Management System for the Department. The Department has established records management systems for retaining and retiring paper records but does not have an electronic system to assist employees in the day-to-day creation, management, and disposition of electronic records. This requires e-mail and other electronic documents that are records to be printed to paper and filed in an approved record keeping system. The purpose of this project is to provide the Department with an enterprise-wide, centralized approach to ERM. An ERM system will provide the following benefits to the Department: mechanisms for managing agency records through their life cycle, as required by law; enterprise-wide systems or cross-agency collaboration to reduce the cost associated with operating multiple, disparate records management systems, including administration, maintenance, training, etc.; a central system to provide the ability to read records beyond the life of the system that created them, thus alleviating the need to maintain outdated software; and providing a central access point to the active and inactive records of an agency.

The 2008 request of \$1,010.0 is an increase of \$1,010.0 above the 2007 level. The increase is for contractor support to develop an Electronic Records Management System prototype.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Financial Mgmt Training and Travel Mgmt Center

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	51.0	54.3	25.8	-28.5
Minerals Management Service	39.2	42.2	12.8	-29.4
Office of Surface Mining	28.9	31.8	1.7	-30.1
Bureau of Reclamation	46.5	49.7	20.8	-28.9
Geological Survey	72.2	75.8	48.7	-27.1
Fish and Wildlife Service	37.1	40.1	10.6	-29.5
National Park Service	40.1	43.2	13.9	-29.3
Bureau of Indian Affairs	29.7	32.6	2.6	-30.0
Office of the Secretary	28.7	227.5	197.5	-30.0
Natural Resource Damage Assessment	0.0	1.0	1.0	0.0
Insular Affairs	0.0	10.2	10.2	0.0
Office of the Solicitor	0.7	97.6	97.7	0.1
Office of Inspector General	2.5	2.7	0.7	-2.0
Office of Special Trustee	0.0	61.2	61.2	0.0
NBC - Corporate	8.7	261.8	262.4	0.6
Central Utah Project Completion Act	0.0	1.0	1.0	0.0
National Indian Gaming Commission	0.0	20.4	20.4	0.0
Commission of Fine Arts	0.0	4.1	4.1	0.0
Advisory Council on Historic Preservation	0.0	11.2	11.2	0.0
Activity Totals: (\$000)	385.5	1,068.6	804.4	-264.2
FTE	2.5	7.5	5.5	-2.0

The Financial Management Human Capital Program focuses on developing and maintaining a highly skilled financial management workforce as called for by the CFO Act of 1990, and is necessary to support the financial management needs of the Department to meet its mission. The Department will do the following: 1) conduct the Financial Management Career Intern Program; 2) develop and conduct a career paths program based on critical competencies identified in the Department's FM Workforce Plan; 3) conduct strategic recruitment and retention efforts in support of the Department's Strategic Human Capital Plan and the FM Workforce Action Plan; and 4) continue to encourage the use of both traditional and nontraditional approaches to provide additional training and career development opportunities for the Department's financial management community.

This activity also sponsors and manages E-Gov Travel online travel services for initiating and completing official travel arrangements on a Department-wide basis using electronic means to the fullest extent possible. The Department is working to fully deploy E-Gov Travel in 2008 and will therefore require new user training for the Department's travelers.

The 2008 budget request of \$804.4 is a decrease of \$264.2 from the 2007 level. The change includes a \$9.6 increase for fixed costs and a program decrease of \$273.8 due to the transfer of the Financial Management Career Intern Program to the National Business Center in 2008.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Activity Based Costing/Management

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	162.3	162.3	163.4	1.1
Minerals Management Service	26.3	26.3	25.5	-0.8
Office of Surface Mining	9.5	9.5	8.6	-1.0
Bureau of Reclamation	84.7	84.7	87.1	2.4
Geological Survey	141.6	141.6	127.3	-14.4
Fish and Wildlife Service	134.9	134.9	138.7	3.8
National Park Service	306.5	306.5	309.8	3.3
Bureau of Indian Affairs	145.8	145.8	145.2	-0.5
Office of the Secretary	9.2	9.2	11.2	2.0
Natural Resource Damage Assessment	0.1	0.1	0.0	-0.1
Insular Affairs	0.5	0.5	0.5	0.0
Office of the Solicitor	6.2	6.2	6.3	0.1
Office of Inspector General	4.0	4.0	4.2	0.2
Office of Special Trustee	9.5	9.5	9.2	-0.3
NBC - Corporate	15.6	15.6	18.8	3.2
Central Utah Project Completion Act	0.1	0.1	0.0	-0.1
National Indian Gaming Commission	0.0	0.0	1.2	1.2
Activity Totals: (\$000)	1,057.0	1,057.0	1,057.0	0.0
FTE	0.0	0.0	0.0	0.0

The Department's Activity Based Costing/Management Program provides information on the cost of the individual activities performed in support of the Department's mission. These funds are needed to operate and maintain the ABC/M system, consultant support for migration from bureau costing systems to the Department's ABC/M system, and maintenance of the ABC/M website. These funds are also required for modifications to the ABC/M system to accommodate bureau ABC modules and for refresher training on using the ABC/M system, including training on system enhancements.

The Department is currently developing a standard process to incorporate the full cost of goods and services reported in the Statement of Net Cost. Full implementation of the process is required to comply with SFFAS 30 as well as Inter-Entity Cost Implementation, which needs to be completed in 2008 and will require training and financial system modifications.

The 2008 budget request of \$1,057.0 includes no increase from the 2007 level.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Quarters Program, Space Mgmt Initiative, and Interior Collections Mgmt Sys

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	42.0	129.8	155.4	25.6
Minerals Management Service	6.0	9.3	13.9	4.5
Office of Surface Mining	2.1	2.1	3.8	1.7
Bureau of Reclamation	22.9	110.9	121.4	10.6
Geological Survey	33.3	36.8	61.6	24.8
Fish and Wildlife Service	44.7	123.9	144.4	20.5
National Park Service	143.3	604.2	587.3	-17.0
Bureau of Indian Affairs	86.6	124.7	147.3	22.7
Office of the Secretary	2.4	5.7	7.5	1.8
Insular Affairs	0.1	0.1	0.2	0.1
Office of the Solicitor	1.5	1.5	2.8	1.3
Office of Inspector General	0.9	1.0	1.9	0.9
Office of Special Trustee	1.9	5.1	6.6	1.5
NBC - Corporate	3.6	6.9	10.9	4.0
National Indian Gaming Commission	0.3	0.3	0.5	0.2
Activity Totals: (\$000)	391.6	1,162.4	1,265.6	103.2
FTE	2.0	3.0	3.0	0.0

The Department maintains a comprehensive Quarters Management Program promoting equitable and consistent management of government-furnished employee housing consistent with the Federal Employees Quarters Facilities Act. This nationwide program oversees approximately 10,500 Departmental housing units, providing rate setting, geographic market rate surveys, and assuring compliance with federal requirements. The program is managed in consultation with the National Quarters Council, an interagency group representing all of the bureaus within the Department that have government-furnished housing, along with staff from other government agencies seeking to establish standard policies across agency lines. The group meets annually to discuss a wide range of quarters management issues.

Employees and contractors live in required government quarters when: (1) the mission of the agency requires a service to the public that cannot otherwise be provided; (2) U.S. property cannot be protected without 24-hour employee presence at the property site; and (3) the available housing supply within a reasonable commuting distance will not meet the necessary housing requirements.

In 2006, funds previously budgeted in the National Business Center were moved to the Office of Acquisition and Property Management to support the Secretary's Space Management Initiative. This initiative is improving space utilization throughout the Department through consolidation, collocation, and other means.

The Interior Museum Program's Interior Collections Management System (ICMS) is a new program, funded from existing bureau budgets earmarked for bureau museum collections management systems. The ICMS provides Department-wide consistency in accounting for, reporting on, and providing access to the Department's bureau museum collections for use in delivery of bureau mission and compliance activities to the American public.

New funding for renewable energy certificates is requested to ensure compliance with the Energy Policy Act of 2005, which stipulates that an increasing percentage of electric energy purchases by the Federal government must be from renewable energy sources. These targets may be met through the purchase of "green energy" from utility companies, on-site renewable energy projects, or the purchase of renewable energy credits. The majority of Interior's renewable energy is produced through individual onsite renewable energy projects, but since these projects are not yet sufficient to meet the new requirements, the Department must purchase renewable energy certificates and "green energy" to fill the gap.

The 2008 budget request of \$1,265.6 is an increase of \$103.2 from the 2007 level. The change includes an increase of \$26.6 for fixed costs, a program increase of \$197.0 for renewable energy credits, a program increase of \$6.1 for quarters management, a program decrease of \$130.3 for the Interior Collections Management System due to non-recurring start-up costs, and an increase of \$3.8 due to changes in indirect cost rates.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Planning and Performance Management

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	167.4	172.1	261.1	89.0
Minerals Management Service	75.1	78.0	34.1	-43.9
Office of Surface Mining	63.9	66.3	10.5	-55.8
Bureau of Reclamation	162.2	166.7	164.1	-2.6
Geological Survey	171.2	177.9	162.6	-15.3
Fish and Wildlife Service	178.1	183.1	229.6	46.5
National Park Service	252.7	260.7	447.4	186.7
Bureau of Indian Affairs	213.1	221.4	184.9	-36.5
Office of the Secretary	221.6	231.0	164.2	-66.7
Office of the Solicitor	6.1	6.4	7.9	1.5
Office of Inspector General	6.1	6.4	5.2	-1.1
Activity Totals: (\$000)	1,517.6	1,569.9	1,671.7	101.7
FTE	8.0	8.0	8.0	0.0

The Office of Planning and Performance Management provides leadership and guidance throughout the Department in the development of the unified strategic plan and conduct of performance assessments. The data is used for planning and budgeting as well as development of the performance evaluation included in the annual performance and accountability report prepared in compliance with the Government Performance and Results Act, and development of processes for improved budget and performance integration in accordance with the President's Management Agenda. The Office coordinates management improvement and reengineering efforts through strategic planning, performance assessment, organizational streamlining, program analysis, and benchmarking studies to improve decision-making and organizational effectiveness.

The Office also manages a Department-wide system for standardized performance data management, and is working to more closely relate this system to the Department's financial systems through activity based costing.

The Office also manages the Recreation One-Stop e-Government initiative to improve access to recreation-related information across various levels of government. Current efforts include integrating the separate National Park Reservation Service and National Reservation Recreation Service with the Recreation.gov website.

The 2008 budget request of \$1,671.7 is an increase of \$101.7 from the 2007 level for fixed costs.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Center for Competitive Sourcing Excellence

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	49.7	78.6	96.7	18.1
Minerals Management Service	9.9	13.0	12.1	-0.9
Office of Surface Mining	0.0	4.0	6.0	2.0
Bureau of Reclamation	59.6	43.1	54.4	11.3
Geological Survey	49.7	62.6	78.6	16.0
Fish and Wildlife Service	9.9	67.1	78.6	11.4
National Park Service	258.2	152.8	181.3	28.5
Bureau of Indian Affairs	49.7	71.6	84.6	13.0
NBC - Corporate	9.9	8.0	12.1	4.1
Activity Totals: (\$000)	496.6	500.9	604.3	103.4
FTE	1.0	1.0	1.5	0.5

The Center for Competitive Sourcing Excellence functions as a central program office for coordination of competitive sourcing Department-wide, the preparation and administration of the FAIR Act Inventory, and the annual competitive sourcing report to Congress.

It assists the bureaus to examine the commercial functions being done by Interior employees to find the best, most cost-effective means of delivering excellent customer service. The program considers the best means of performing functions, regardless of whether they are categorized as commercial or inherently governmental. Functions are selected to be studied by the bureaus based on feasibility of identifying efficiencies and cost savings through a competitive process.

Factors considered when making competitive sourcing decisions include workforce planning issues such as: unusually large numbers of vacancies projected for the activity; existing skills gaps, technology gaps or staffing shortages in the activity; the existence of organizational performance problems, and current and projected retirement eligibility in the function. Other considerations include the availability of private sector sources to perform the activity, and whether budget constraints make outsourcing the activity favorable. The program includes a centralized support office to provide assistance and assure a consistent approach throughout Interior. In instances where competition suggests that contracting out will improve value, the program utilizes the services of Human Resource personnel to provide extensive transition assistance for affected employees, such as early-outs and buyouts.

Since 2001, competitive sourcing at Interior has produced annualized net cost-savings of \$11.6 million, which bureaus are reinvesting in their missions. Through proactive human resource management practices, only one permanent federal employee has been involuntarily separated in the process of providing these savings.

During the past year, the Center has undertaken a major effort to improve the accuracy and consistency of the FAIR Act inventory across all bureaus and offices. In the past, FTE were coded to function codes developed by the Department of Defense. In lieu of using 360 DOD function code definitions, Interior has written function codes that define our mission and reduced the number from 360 to approximately 90 codes. The new inventory process greatly reduces preparation time and accurately defines Interior's missions.

The 2008 budget request of \$604.3 is an increase of \$103.4 from the 2007 level. The increase includes \$17.2 for fixed costs and a program increase of \$86.2 to fund a new position that would provide backup for management of the competitive sourcing program and leadership in implementing new recommendations from the Department's Office of Inspector General.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Human Resources Initiatives

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	584.3	599.9	608.3	8.5
Minerals Management Service	120.1	48.0	48.1	0.1
Office of Surface Mining	24.2	109.3	109.1	-0.2
Bureau of Reclamation	116.7	227.8	228.4	0.7
Geological Survey	267.5	204.6	204.0	-0.5
Fish and Wildlife Service	313.8	369.4	375.5	6.1
National Park Service	796.7	919.5	936.2	16.6
Bureau of Indian Affairs	234.9	397.7	403.1	5.4
Office of the Secretary	31.8	36.5	36.8	0.3
Insular Affairs	0.9	0.9	0.9	0.0
Office of the Solicitor	4.5	6.5	6.4	-0.0
Office of Inspector General	18.8	14.6	15.0	0.4
Office of Special Trustee	41.4	33.4	33.6	0.1
NBC - Corporate	4.3	8.2	8.6	0.5
Activity Totals: (\$000)	2,560.1	2,976.2	3,014.2	38.0
FTE	11.0	12.0	12.0	0.0

In order to address the issue of rising Workers' Compensation costs Department-wide, a full-time Workers' Compensation Program Manager position was created. The Workers' Compensation Program Manager is responsible for developing and implementing an effective return-to-work program throughout the Department, and deals directly with each bureau/office on effective case management, tracking and monitoring workers' compensation cases. The Manager also ensures that all OWCP bureau/office coordinators are fully trained, and that DOI is in full compliance with Department of Labor laws and regulations.

The Firefighter and Law Enforcement Retirement Team is responsible for review of applications for coverage in the special law enforcement retirement program. The Office has reengineered the processes for review and approval of applications for coverage in the special retirement program and plans to reduce the backlog of pending cases, improve processing times, develop case processing manuals, and establish specific production goals.

The employee assistance program provides short term counseling and referral services for employees experiencing personal problems which may affect their work.

The employee counseling program is designed to ease the transition of employees from one work environment to another. The focus of the activity is to assist displaced employees in finding jobs elsewhere in the Department, in other Federal agencies, or in the private sector.

The Office of Human Resources procures information for Department-wide use from the Corporate Leadership Council's Consortium of the Center for Human Resources Management. The information includes best practices on important issues such as workforce planning.

Homeland Security Presidential Directive 12 directed the promulgation of a new Federal standard for secure and reliable identification issued by Federal agencies for their employees and contractors. On October 27, 2005, the Department put in place Personal Identity Verification (PIV) processes and procedures to comply with part one of this directive. After completing the PIV process digital certificates will be loaded onto smart cards for all employees and contractors across the Department who need them. These certificates will have Department-specific profiles and meet the requirements of the Federal Common Policy Framework.

This activity also collects funds from bureaus to pay OPM for the costs incurred by bureaus using OPM's Federal Employment Services and USA Jobs. The cost of these services will increase by \$228.0 beginning in 2007, as OPM will no longer subsidize the cost per Congressional directive. The increased cost has been incorporated into the 2008 request.

The 2008 budget request of \$3,014.2 is an increase of \$38.0 from the 2007 level for fixed costs.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Special Emphasis Program and EEO Complaints Tracking System

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	4.9	4.9	8.0	3.0
Minerals Management Service	4.9	4.9	8.0	3.0
Office of Surface Mining	4.9	4.9	8.0	3.0
Bureau of Reclamation	4.9	4.9	8.0	3.0
Geological Survey	4.9	4.9	8.0	3.0
Fish and Wildlife Service	4.9	4.9	8.0	3.0
National Park Service	4.9	4.9	8.0	3.0
Bureau of Indian Affairs	4.9	4.9	8.0	3.0
Office of the Secretary	4.9	4.9	8.0	3.0
Office of the Solicitor	4.9	4.9	8.0	3.0
Activity Totals: (\$000)	49.3	49.3	79.6	30.3
FTE	0.0	0.0	0.0	0.0

This activity funds the Department's participation in events including American Education Week, National Hispanic Heritage Month and Special Emphasis activities, National Disability Month, National American Indian Heritage, National African American Month, National Women's History Month, National Gay and Lesbian Month, and Asian/Pacific American Heritage Month.

The 2008 budget request of \$79.6 is a program increase of \$30.3 above the 2007 level for new software to track EEOC complaints within each bureau and throughout the Department in an effort to comply with No FEAR requirements.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Occupational Health and Safety/Training Initiative

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	258.5	263.9	261.5	-2.4
Minerals Management Service	34.1	34.8	40.8	6.1
Office of Surface Mining	13.9	14.2	13.8	-0.4
Bureau of Reclamation	120.8	123.2	139.3	16.1
Geological Survey	201.3	205.4	203.6	-1.8
Fish and Wildlife Service	192.0	195.9	221.9	26.0
National Park Service	467.5	477.2	495.6	18.4
Bureau of Indian Affairs	212.1	216.5	232.3	15.8
Office of the Secretary	48.0	49.0	49.4	0.4
Activity Totals: (\$000)	1,548.2	1,580.0	1,658.0	78.1
FTE	5.5	5.5	5.5	-0.0

The Office of Occupational Health and Safety provides Departmental safety and health policies and program management support to Interior bureaus and field offices. The Office's published instructions, guidelines, and management evaluations supply up-to-date information on employee, contractor and visitor safety regulations, and medical health services. Through the OHS Safety Management Information System (SMIS), accident statistics are maintained for bureau use and analyses of accident trends are developed for Departmental managers. OHS provides technical support in a variety of safety and occupational health subject areas including industrial hygiene. The Office coordinates the development of Department-wide occupational safety and health training programs and tools for bureau personnel. Safety and health information and program resources are shared through the Department's SafetyNet web site. OHS is the principal Departmental representative to the Occupational Safety and Health Administration and supports the operations of the Interior Designated Agency Safety and Health Official Council and the Interior Safety and Occupational Health Council.

In 2007, OHS contracted with the Department's National Business Center (NBC) to assume the SMIS system hosting responsibility. This change allowed OHS to discontinue its SMIS system administrator contract, using the savings to fund the NBC hosting activity, improve support to the bureaus, and address other critical application needs.

The 2008 budget request of \$1,658.0 is an increase of \$78.1 from the 2007 level. The increase includes \$57.6 for fixed costs and a program increase of \$20.4 to pay for contract costs related to SMIS operation and maintenance.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Law Enforcement, Security, & Emergency Preparedness

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	449.6	493.6	534.9	41.3
Minerals Management Service	59.2	65.0	83.5	18.5
Office of Surface Mining	24.2	26.6	28.2	1.6
Bureau of Reclamation	210.0	230.5	285.0	54.4
Geological Survey	350.0	384.2	416.4	32.2
Fish and Wildlife Service	333.8	366.5	453.9	87.4
National Park Service	813.1	892.6	1,013.9	121.2
Bureau of Indian Affairs	368.8	404.9	475.2	70.2
Office of the Secretary	53.8	59.1	36.5	-22.6
NBC - Corporate	29.6	32.5	61.6	29.0
Activity Totals: (\$000)	2,692.3	2,955.7	3,389.0	433.3
FTE	19.8	19.8	21.8	2.0

This activity provides leadership for the Department and its bureaus in five functional areas. These areas include (1) Law enforcement: policy development, Indian Country detention, drug enforcement, border coordination, and training; (2) Professional responsibility: internal affairs and program compliance; (3) Security: protection of our national critical infrastructure (dams, national monuments and icons), secure communications, and handling of classified information; (4) Emergency management: coordination and preparedness of Department resources to respond to natural and man-caused incidents; and (5) Information sharing: assessment and distribution of classified and unclassified intelligence/information and management of a 24-hour Watch Office.

The 2008 budget request of \$3,389.0 is an increase of \$433.3 from the 2007 level. The increase includes \$127.3 for fixed costs and a program increase of \$306.0 to fund an Emergency Preparedness and Response Specialist and an Emergency Management Readiness Coordinator. The Emergency Preparedness and Response Specialist would support the Departmental Emergency Coordinator, represent the Department at the Homeland Security Council, prepare Department-level work plans, and work with bureaus and offices to provide policy and guidance. The Emergency Management Readiness Coordinator would develop and carry out readiness exercises, analyze “lessons learned” from operations and exercises, and manage a Department-wide corrective action program.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: IT Architecture and Capital Planning

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	844.0	1,022.2	942.4	-79.8
Minerals Management Service	147.3	181.2	155.5	-25.7
Office of Surface Mining	148.7	570.1	215.9	-354.2
Bureau of Reclamation	444.6	861.0	590.1	-270.9
Geological Survey	679.7	693.7	770.6	76.9
Fish and Wildlife Service	537.8	355.1	606.5	251.4
National Park Service	1,406.3	627.2	1,522.5	895.4
Bureau of Indian Affairs	731.2	1,002.3	842.8	-159.4
Office of the Secretary	325.9	32.1	70.8	38.7
Office of the Solicitor	23.9	27.1	28.9	1.7
Office of Inspector General	13.8	0.0	12.8	12.8
Office of Special Trustee	40.6	168.4	55.2	-113.2
NBC - Corporate	46.1	0.0	53.4	53.4
Activity Totals: (\$000)	5,389.9	5,540.4	5,867.5	327.1
FTE	7.2	7.2	6.7	-0.5

The Department's IT Enterprise Architecture Program establishes a framework for its IT investments. Implementation of the IEA is mandated by the Clinger-Cohen Act, and the Department's approach has been endorsed by OMB and the Congress. An enterprise architecture is a master blueprint for systematically defining an organization's current (baseline) and desired (target) architecture, aligned with the mission of the organization. The IEA, through multiple iterations, documents business processes, the data required to accomplish those processes, applications required to manipulate and manage the required data, and the technology components needed to deliver data and applications to the business community.

In compliance with the Clinger-Cohen Act, the Department has established an IT Capital Planning and Investment Control Program that is aligned with the Department's Enterprise Architecture and Strategic Plan. The CPIC program is responsible for maintaining a sound performance-based process that tracks the progress of all major IT investments and ensures decisions are based on a set of predefined criteria regarding those investments.

The Department-wide data resource management program provides policy, standards and procedures in the areas of data privacy, security, integrity, quality, and standardization. This program establishes data stewardship across the department and facilitates data sharing, data retention, and data inventory collection.

Enterprise Resource Management is a new requirement that coordinates the acquisition and management of commonly used IT hardware and software products and services across the Department to best support its key missions and programs. Key goals are to align the Department's major IT investments with its enterprise architecture, improve security through more consistent and efficient products and services, and to better manage IT resources.

The 2008 budget request of \$5,867.5 is an increase of \$327.1 from the 2007 level. The increase includes \$125.1 for fixed costs and a program increase of \$202.0 for CPIC monitoring that is needed to strengthen the oversight, monitoring, and reporting of IT investments.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: IT Security

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	831.4	685.8	691.3	5.5
Minerals Management Service	359.2	194.0	195.0	1.0
Office of Surface Mining	132.8	304.6	307.7	3.1
Bureau of Reclamation	659.1	812.6	817.3	4.6
Geological Survey	898.3	693.5	697.3	3.7
Fish and Wildlife Service	409.6	386.2	388.1	1.9
National Park Service	577.3	557.9	561.3	3.4
Bureau of Indian Affairs	547.1	800.5	805.9	5.4
Office of the Secretary	408.4	410.0	410.2	0.2
Office of the Solicitor	47.2	49.1	49.2	0.1
Office of Inspector General	10.5	0.0	0.0	0.0
Office of Special Trustee	122.1	101.6	102.5	0.9
Activity Totals: (\$000)	5,002.9	4,995.9	5,025.7	29.9
FTE	6.8	6.8	6.8	0.0

The IT Security Program provides policy and guidance on appropriate information assurance measures for the Department's Information Technology systems, applications, telecommunications networks, and related resources. The program develops and maintains the agency-wide security training program; tests perimeter defenses; conducts oversight of FISMA and NIST compliance; provides coordination and oversight of certification and accreditation of IT systems; and develops policy and standards for critical infrastructure enhancements and Public/Private Key Infrastructure.

The 2008 budget request of \$5,025.7 is an increase of \$29.9 above the 2007 level for fixed costs.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Department-wide Telecommunications Initiatives

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	247.0	628.0	299.8	-328.2
Minerals Management Service	29.5	92.3	32.0	-60.3
Office of Surface Mining	15.3	47.9	14.1	-33.8
Bureau of Reclamation	184.8	371.9	170.1	-201.9
Geological Survey	371.8	582.6	261.8	-320.8
Fish and Wildlife Service	303.8	779.0	333.2	-445.7
National Park Service	442.3	1,078.7	504.4	-574.3
Bureau of Indian Affairs	111.1	288.6	1,163.5	874.9
Office of the Secretary	11.7	36.5	15.7	-20.8
Natural Resource Damage Assessment	0.1	0.3	0.0	-0.3
Insular Affairs	18.1	40.6	97.3	56.7
Office of the Solicitor	3.1	9.8	2.8	-7.0
Office of Special Trustee	7.1	22.2	7.9	-14.4
NBC - Corporate	27.5	86.0	25.4	-60.6
Activity Totals: (\$000)	1,773.2	4,064.5	2,928.0	-1,136.5
FTE	5.3	5.3	4.3	-1.0

Active Directory is a consolidated directory service that provides the Department with an authoritative repository of security credentials. This repository provides authentication, authorization, and access services. Security credentials for all bureau users was completed in 2006. Common identity management, security tools, and integration projects for Homeland Security Presidential Directive 12, PKI/certificate authorities, reduced sign-on, remote user access, and external directory services is planned to be completed in 2007.

The Department provides radio spectrum management services for all of its bureaus as well as other Federal activities and the Insular areas, and coordinates radio policy throughout Interior. In 2006, Interior conducted a radio sharing and interoperability study at four high priority locations, exploring opportunities for sharing infrastructure and dispatch centers with all levels and agencies of government to improve interoperability and efficiency, and to assist Interior in meeting narrowband requirements. In 2007 Interior plans to complete the analysis and planning for the remaining U.S. States and territories.

The 2008 budget request of \$2,928.0 is a decrease of \$1,136.5 from the 2007 level. The request includes a \$21.7 increase for fixed costs and a program increase of \$1,000.0 for Active Directory. The funding for Active Directory will expand the scope of services to cover two environments, and facilitate a merger between the trust and non-trust forests. Also included is a \$2,158.2 decrease due to the termination of the Department's messaging program in 2007, thus resulting in an overall net decrease for these activities.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Enterprise Services Network (ESN)

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	1,918.0	2,066.9	2,124.8	57.9
Minerals Management Service	842.3	350.1	288.2	-61.8
Office of Surface Mining	573.3	280.9	281.5	0.6
Bureau of Reclamation	1,127.7	1,104.3	1,175.2	70.9
Geological Survey	2,562.4	5,255.2	4,656.2	-599.0
Fish and Wildlife Service	2,583.9	5,096.9	5,596.8	499.9
National Park Service	3,270.1	5,244.1	5,581.2	337.1
Bureau of Indian Affairs	5,263.0	1,705.7	1,644.4	-61.2
Office of the Secretary	1,081.0	278.1	192.1	-86.0
Office of the Solicitor	5.3	182.8	207.8	25.0
Office of Special Trustee	476.2	33.4	22.3	-11.1
NBC - Corporate	169.5	697.9	572.0	-125.9
Activity Totals: (\$000)	19,872.6	22,296.2	22,342.7	46.5
FTE	5.9	11.1	11.1	0.0

The Enterprise Service Network is an integrated network which will provide access to the Internet, a Department-wide intranet, and a fully operational technical support center. The system will provide better services and a uniformly secure environment, standardized and efficient 24x7 operations, and improved technical support. ESN also facilitates the consolidation of directory services, web hosting, data warehousing, and other applications and systems. In 2006, the transition to central management was completed, with a focus on network optimization. The remote access project has been initiated and will improve access and various types of dial up services for remote and travel users. By the end of 2007, the ESN is expected to be in steady state.

The 2008 budget request of \$22,342.7 is an increase of \$46.5 over the 2007 level for fixed costs.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Department-wide Records Management

Customer	2006	2007	2008	2008 Chng
Bureau of Land Management	196.5	245.6	256.4	10.8
Minerals Management Service	47.8	91.5	94.0	2.5
Office of Surface Mining	13.6	47.8	48.2	0.4
Bureau of Reclamation	92.7	84.3	88.4	4.1
Geological Survey	178.9	89.6	88.9	-0.8
Fish and Wildlife Service	129.6	220.8	231.9	11.1
National Park Service	323.2	336.7	352.6	16.0
Bureau of Indian Affairs	147.6	278.7	296.7	18.0
Office of the Secretary	273.9	107.7	129.4	21.7
Insular Affairs	0.0	0.3	0.3	-0.0
Office of the Solicitor	9.7	14.6	18.5	3.9
Office of Inspector General	17.7	31.6	23.0	-8.6
Office of Special Trustee	9.0	4.9	5.2	0.4
NBC - Corporate	190.2	68.4	82.0	13.6
National Indian Gaming Commission	0.0	0.7	0.7	-0.1
Activity Totals: (\$000)	1,630.5	1,623.2	1,716.2	93.0
FTE	1.0	1.0	1.0	0.0

The Information Management Program addresses statutory training, develop essential guidelines, provide bureau/office oversight, and ensure that E-Gov initiatives are compliant with information statutes and Government requirements. Under the leadership of IMD includes Records Management, Privacy - Government Paperwork Elimination Act, Section 508, Information Quality, Web Management, and the Freedom of Information Act sub programs.

Specific program initiatives include: managing and preserving records containing adequate and proper documentation of the organization, functions, policies, procedures, decisions, and essential transactions of the agency in concert with the Federal Records Act of 1950; ensuring that information systems comply with the new E-Government Act of 2002 (Section 208) and the new Section D of the FISMA privacy requirements; provide reasonable accommodations for people with disabilities to be able to access and use federal information systems; improve the overall web communication channel, both internally and externally, intranet and internet respectively; and comply with the FOIA Executive Order 13392 on reducing and / or eliminating existing FOIA backlogs, procuring necessary technology to streamline the overall FOIA process, and to provide training needed to effectively implement the program with improve customer service.

The 2008 budget request of \$1,716.2 is \$93.0 above the 2007 level. The increase includes \$22.9 for fixed costs, a program increase of \$19.2 to cover increasing NARA storage costs, a program increase of \$43.9 for FOIA tracking and reporting, and an increase of \$7.0 due to changes in indirect cost rates.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Solicitor - Ethics Training/ALLEX Database/FOIA Appeals

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	14.0	104.0	104.1	0.1
Minerals Management Service	4.9	40.1	40.0	-0.1
Office of Surface Mining	0.7	7.8	7.7	-0.1
Bureau of Reclamation	4.1	25.7	25.8	0.1
Geological Survey	9.6	20.2	19.6	-0.6
Fish and Wildlife Service	11.1	106.3	106.5	0.2
National Park Service	18.4	91.9	91.8	-0.1
Bureau of Indian Affairs	12.4	81.6	81.4	-0.2
Office of the Secretary	0.9	64.4	64.4	0.0
Office of the Solicitor	0.9	17.3	17.3	0.0
Office of Inspector General	0.2	0.2	0.2	0.0
Office of Special Trustee	0.3	9.3	9.4	0.1
NBC - Corporate	0.6	9.6	9.9	0.3
National Indian Gaming Commission	0.0	0.0	0.1	0.1
Activity Totals: (\$000)	78.1	578.1	578.1	0.0
FTE	0.0	0.0	0.0	0.0

The Ethics Office is mandated by the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989 to provide annual ethics training to all employees required to file annual financial disclosure reports. Additionally, Title 18 of the United States Code sets forth provisions to govern the ethical conduct of all employees. Training in ethics is required for all new entrant employees, whether or not they are entering a covered position targeted for financial disclosure. The Department's Ethics Office provides training to bureau employees through computer-based training, satellite broadcast training, and written training materials to bureaus. In 2006, responsibility for the ALLEX Database moved from the National Business Center to the Office of the Secretary.

The Office of the Solicitor is responsible for eliminating the Department's current backlog of FOIA appeals; over 730 appeals were pending by the end of 2006. In 2007 the Office will be hiring contractors to begin eliminating this backlog, and this process is expected to be completed by the end of 2009.

The 2008 budget request of \$578.1 includes no increase from the 2007 level.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: CFO Financial Statement Audit

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	569.7	601.9	690.1	88.3
Minerals Management Service	775.7	819.5	1,198.1	378.7
Office of Surface Mining	332.4	351.2	254.0	-97.2
Bureau of Reclamation	726.2	767.2	1,127.1	359.9
Geological Survey	565.9	597.9	558.6	-39.3
Fish and Wildlife Service	629.2	664.7	882.9	218.2
National Park Service	979.7	1,035.1	1,300.2	265.2
Bureau of Indian Affairs	919.6	971.6	1,257.8	286.2
Office of the Secretary	388.1	410.1	458.2	48.1
Natural Resource Damage Assessment	53.2	56.2	62.9	6.7
Insular Affairs	53.2	56.2	62.9	6.7
Office of the Solicitor	30.7	32.4	35.9	3.5
Office of Inspector General	30.7	32.4	35.9	3.5
Office of Special Trustee	53.2	56.2	62.9	6.7
NBC - Corporate	38.2	40.3	44.9	4.6
Central Utah Project Completion Act	83.9	88.6	98.8	10.2
National Indian Gaming Commission	30.7	32.4	35.9	3.5
Activity Totals: (\$000)	6,260.3	6,613.8	8,167.2	1,553.4
FTE	0.0	0.0	0.0	0.0

The annual audit of the Department's financial records is necessary to meet the requirements of the Chief Financial Officers Act of 1990, provide a basis for the Government Accountability Office to determine the extent to which it may rely on the Department's audit report to support the annual audit of the government-wide financial report, assist Departmental management in assessing the effectiveness of internal controls and compliance with laws and regulations, assist the Department in determining the effectiveness of information technology related internal controls, and ensure compliance with the Federal Financial Management Improvement Act and the Federal Information Security Management Act.

For the past several years the Department has contracted with KPMG to complete the annual audit with oversight by the Office of Inspector General. Until 2005, the cost for the annual audit was funded in part by funding requested in the OIG's budget and in part by additional funds collected through reimbursable support agreements with bureaus. The 2008 request for audit funding identifies the anticipated full cost of the annual baseline audit, but does not include funds to pay for costs that are a result of unanticipated, unique, and bureau-specific audit issues.

The 2008 budget request of \$8,167.2 is an increase of \$1,553.4 from the 2007 level to cover the cost of the baseline audit based on an awarded contract with KPMG. In 2006 and 2007, the cost of the baseline audit was charged to bureaus and offices through both the centralized and direct billing. In 2008, bureaus and offices will pay for the cost of the baseline audit through the centralized billing only, thus resulting in the increase.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: E Government Initiatives

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	528.6	528.6	604.4	75.8
Minerals Management Service	323.5	323.5	92.3	-231.1
Office of Surface Mining	48.8	48.8	31.1	-17.6
Bureau of Reclamation	247.9	247.9	328.1	80.1
Geological Survey	382.3	382.3	473.4	91.1
Fish and Wildlife Service	784.4	784.4	514.9	-269.5
National Park Service	781.4	781.4	1,133.9	352.5
Bureau of Indian Affairs	360.3	360.3	525.3	165.0
Office of the Secretary	29.9	29.9	40.4	10.5
Insular Affairs	1.0	1.0	2.4	1.4
Office of the Solicitor	13.9	13.9	22.8	8.9
Office of Inspector General	9.0	9.0	15.3	6.3
Office of Special Trustee	26.9	26.9	33.2	6.3
NBC - Corporate	176.2	176.2	68.0	-108.1
Activity Totals: (\$000)	3,713.9	3,713.9	3,885.5	171.7
FTE	1.0	1.0	1.0	0.0

Funds collected through this activity are for certain Government-wide e-government and lines of business initiatives that are centrally billed. Estimated 2007 and 2008 allocations include:

	<u>2007</u>	<u>2008</u>
Business Gateway	248.6	151.2
E-Authentication	641.3	585.0
E-Rulemaking	615.0	511.0
E-Training	185.0	185.0
Geospatial One Stop	300.0	300.0
GovBenefits.gov	135.0	134.5
Grants.gov	520.6	521.0
Integrated Acquisition	469.8	470.0
Financial Management	83.3	75.0
Grants Management	60.1	60.0
Human Resources Mgmt	130.4	130.4
Budget Formulation & Execution	75.0	85.0
Infrastructure Optimization Initiative	80.0	160.0
Inter-Agency Council Partner Dues	0.0	192.0
Indirect Costs	104.4	260.2
Volunteer.gov	<u>65.3</u>	<u>65.3</u>
	3,713.8	3,885.5

This activity also supports the Department's electronic outreach as served by www.volunteer.gov, a web site designed to help potential volunteers and the agencies seeking them to find each other on the Internet. Volunteer.gov makes volunteer opportunities more accessible to a broader range of the public through the web and enhances program planning and delivery in the process. This web-based, searchable database enables individuals to search for volunteer opportunities by location, agency, or personal interest and submit applications online. This online application system allows volunteers to apply to any of nine land management agencies.

The 2008 budget request of \$3,885.5 is a program increase of \$171.7 from the 2007 level. The increase is for IT infrastructure and the budget formulation and execution lines of business.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Appraisal Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	299.2	304.2	304.2	0.0
Bureau of Reclamation	1,178.0	1,197.8	1,197.8	0.0
Fish and Wildlife Service	1,470.0	1,494.6	1,494.6	0.0
Activity Totals: (\$000)	2,947.2	2,996.6	2,996.6	0.0
FTE	0.0	0.0	0.0	0.0

In November 2003, real estate appraisal functions within the Department were consolidated, one of a number of appraisal reforms. Appraisers were consolidated from the Fish and Wildlife Service, National Park Service, Bureau of Land Management, and Bureau of Reclamation into the Appraisal Services Directorate, which reported to the Department's National Business Center. As recommended in the Statement of the Managers accompanying the 2005 Interior Appropriations Act, this function transferred to Departmental Management in 2006.

The 2008 request of \$2,996.6 includes no increase from the 2007 level.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Central Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	345.6	698.5	711.9	13.4
Minerals Management Service	17.4	31.7	32.5	0.8
Office of Surface Mining	16.9	37.8	27.9	-10.0
Bureau of Reclamation	343.0	332.3	334.0	1.7
Geological Survey	759.6	619.8	627.9	8.2
Fish and Wildlife Service	348.7	538.9	622.0	83.1
National Park Service	656.3	841.9	790.3	-51.5
Bureau of Indian Affairs	264.8	398.1	378.8	-19.2
Office of the Secretary	344.0	344.6	369.5	24.9
Insular Affairs	39.4	72.9	186.7	113.9
Office of the Solicitor	17.9	18.5	1.6	-16.9
Office of Inspector General	11.1	11.1	0.6	-10.5
Office of Special Trustee	0.0	3.6	3.9	0.3
NBC - Corporate	25.4	26.7	32.2	5.5
Activity Totals: (\$000)	3,190.2	3,976.4	4,120.0	143.6
FTE	2.2	2.2	2.2	0.0

This activity supports Working Capital Fund (WCF) management and other programs that are financed through the WCF but are not necessarily services provided by the Office of the Secretary, i.e., funds collected are “passed through” to the Departmental bureau or other Federal agency that is providing the service. Examples include the Cooperative Ecosystem Study Units, Glen Canyon Adaptive Management Plan, and radio frequency assignments by the National Telecommunications and Information Administration (NTIA).

WCF management leads the effort to improve the WCF, coordinates and provides support for the WCF Consortium, and implements Consortium decisions. WCF management formulates the annual budget request, prepares necessary budget presentation materials, and performs budget execution and reporting responsibilities. CESU provides research, technical assistance, and education to Federal land managers through a network of university and college-based cooperative study units, as authorized by the 1998 National Parks Omnibus Act. Funds support coordination and management of the CESU network including 13 Federal agencies, 181 universities and full national coverage and provides Interior agencies and partners with the scholarships needed to address important resource issues.

NTIA, under delegated authority from the President, manages the Federal government use of the radio spectrum. NTIA assigns frequencies to Federal users, assesses interference concerns, assures spectrum availability for future needs, and improves efficiency while minimizing costs. The Small Business Administration (SBA) certifies small and disadvantaged businesses (SDB), resolves protests over SDB status, oversees a network of private certifiers, and maintains a database of certified SDBs.

The Glen Canyon Adaptive Management Plan provides support that ensures continued tribal participation and government-to-government consultation in the program, meeting departmental trust responsibilities, and facilitating the resolution of issues and the continuing good relationship with the participating tribes. The funds are provided to the Bureau of Reclamation which contracts with the Indian tribes. This activity moved into the WCF in 2006 and was previously supported through reimbursable agreements with the bureaus.

Enterprise Geographic Information Management (EGIM) enhances geospatial data sharing, increases operating efficiencies, and provides cost-savings across the Department. This activity moved into the WCF in 2006, and was funded from existing bureau budgets earmarked for EGIM.

The 2008 budget request of \$4,120.0 is an increase of \$143.6 from the 2007 level. This increase includes \$55.8 for fixed costs, a program increase of \$99.2 for spectrum management costs no longer subsidized by NTIA, a fixed cost assessment of \$15.7 authorized by OMB for SBA Certifications, and a program decrease of \$27.0 for EGIM.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Centralized billing

Activity: Financial and Business Management System (FBMS)

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	0.0	2,871.2	2,871.2
Minerals Management Service	0.0	0.0	457.8	457.8
Office of Surface Mining	0.0	0.0	165.6	165.6
Bureau of Reclamation	0.0	0.0	1,546.8	1,546.8
Geological Survey	0.0	0.0	2,298.1	2,298.1
Fish and Wildlife Service	0.0	0.0	2,571.2	2,571.2
National Park Service	0.0	0.0	5,335.8	5,335.8
Bureau of Indian Affairs	0.0	0.0	2,374.5	2,374.5
Office of the Secretary	0.0	0.0	243.8	243.8
Natural Resource Damage Assessment	0.0	0.0	0.2	0.2
Insular Affairs	0.0	0.0	8.9	8.9
Office of the Solicitor	0.0	0.0	104.7	104.7
Office of Special Trustee	0.0	0.0	158.1	158.1
NBC - Corporate	0.0	0.0	58.5	58.5
Activity Totals: (\$000)	0.0	0.0	18,195.2	18,195.2
FTE	0.0	0.0	0.0	0.0

The Financial and Business Management System (FBMS) is an integrated suite of software applications that will enable the Department to manage a variety of business functions, including budget formulation and execution, core financials, property, acquisitions, travel, financial assistance, and enterprise management information. FBMS will replace more than 100 legacy accounting, acquisition, property, grants, and budget systems and subsystems. In 2006, MMS and OSM successfully migrated to FBMS. These bureaus are now operating financial and accounting processes on this new system, and in 2007 FBMS will provide support for their acquisition services as well.

In 2008, the Department anticipates that it will deploy the core financial, acquisition, property, and grants components of FBMS to BLM. The BLM deployment is the first that will have the full functionality of the integrated system, including core financials, acquisition, property, budget formulation, and enterprise management. The system integration is designed to resolve a number of Government accounting and accountability issues. FBMS will allow the Department to realize the benefits of common processes, a common technology platform, integrated real-time data, and improved operational decision-making. The system will also replace numerous unsupported legacy systems with integrated and standardized system modules that are upgradeable. Additionally, improved security and internal controls will help meet compliance requirements from various sources, including the new requirements of revised OMB circular A-123. FBMS will provide a single point of system access that will eliminate redundant administrative tasks and multiple logins and provide shared tools that will help stabilize operations and maintenance costs.

When fully deployed, FBMS will provide standardization and integration of business processes across Interior (e.g., property will “talk to” accounting) while allowing for minor adjustments that may be required for valid business reasons. It will also improve reporting capabilities across the Department by reducing the time and effort needed to accumulate data and generate reports. FBMS deployment is anticipated to be completed in 2011. Funding for deployment is budgeted within the WCF beginning in 2008, which is consistent with the approach for funding other enterprise system investments within the Department.

The 2008 request of \$18,195.2 is an increase of \$18,195.2 over the 2007 level. The increase includes a program change of \$16,037.0 and \$2,158.2 that was originally budgeted for the Department’s messaging program, which is being terminated in 2007. In 2008 these funds will be used to pay contractor costs for the implementation of new modules for property and initial budget formulation at OSM and MMS, as well as all system modules at BLM. Since all system modules will be online at these bureaus in 2008, the Department will be able to retire eleven legacy systems as a result. The funding will also be used to prepare for deployments at larger and more complex Interior bureaus, including NPS, FWS, and Reclamation.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Direct billing

Activity: Executive Direction

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Office of Special Trustee	145.6	423.3	0.0	-423.3
Other (e.g., other Federal agencies)	0.0	22.0	0.0	-22.0
Activity Totals: (\$000)	145.6	445.3	0.0	-445.3
FTE	0.0	0.0	0.0	0.0

In 2006, activities managed at the Departmental level included a Saltcedar analysis conducted by the National Invasive Species Council, support for the Preserve America program, and recordkeeping within the Office of the Executive Secretariat.

Activity: Financial and Business Management System (FBMS)

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Fish and Wildlife Service	300.0	0.0	0.0	0.0
Office of the Secretary	40.0	0.0	0.0	0.0
Other (e.g., other Federal agencies)	20,500.0	11,000.0	8,000.0	-3,000.0
Activity Totals: (\$000)	20,840.0	11,000.0	8,000.0	-3,000.0
FTE	0.0	0.0	0.0	0.0

In 2006, \$11,000.0 in funding was obtained from the Interior Franchise Fund (IFF) to keep the deployment of FBMS on schedule. In 2007 and 2008, additional funding from the IFF will be collected to prevent delays in the implementation of the project.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Direct billing

Activity: Policy, Management, and Budget

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	432.0	64.0	55.8	-8.2
Minerals Management Service	19.5	10.3	6.8	-3.5
Office of Surface Mining	13.2	8.6	5.5	-3.1
Bureau of Reclamation	268.8	60.6	57.3	-3.2
Geological Survey	83.6	60.8	44.2	-16.6
Fish and Wildlife Service	978.8	186.3	25.4	-160.9
National Park Service	169.6	94.0	85.9	-8.1
Bureau of Indian Affairs	2,175.2	67.2	56.4	-10.7
Office of the Secretary	471.4	150.8	79.3	-71.5
Natural Resource Damage Assessment	1.0	0.0	0.0	0.0
Insular Affairs	15.0	0.0	0.0	-0.0
Office of the Solicitor	111.2	6.6	6.5	-0.1
Office of Inspector General	-19.5	4.4	4.4	-0.0
Office of Special Trustee	77.8	12.0	12.0	-0.0
NBC - Centralized Billing	255.7	0.0	0.0	0.0
NBC - Corporate	19.3	19.1	19.1	-0.0
Central Utah Project Completion Act	1.0	0.0	0.0	0.0
National Indian Gaming Commission	20.4	0.0	0.0	0.0
Commission of Fine Arts	4.1	0.0	0.0	0.0
Advisory Council on Historic Preservation	11.2	0.0	0.0	0.0
Other (e.g., other Federal agencies)	-98.2	210.0	215.8	5.8
Activity Totals: (\$000)	5,011.2	954.7	674.5	-280.2
FTE	6.4	1.0	1.0	0.0

The Office of Policy Analysis provides analyses on environmental, natural resource, and economic issues such as those involving public lands management, Indian programs, mineral leasing, and water resources policy. The Office is currently providing consultation on environmental reports for the Council on Environmental Quality and other entities.

The Office of Acquisition and Property Management sponsors conferences on property management and acquisition. Conference registration and registration rates are generally consistent from year-to-year. The Office also coordinates Architect & Engineering studies for various bureaus to enhance efficiencies and reduce costs.

The Office of Wildland Fire Coordination partners with the Forest Service to contract for studies for various purposes and the development of databases. This includes the development of an interagency financial coding system for fire suppression and subsequent emergency stabilization (FireCode System). The FireCode System is being built to track the fire incident accounting code to provide effective tracking and compilation for reporting full costs of multi-jurisdictional fire suppression incidents.

The Office of Human Resources sponsors conferences and workshops on various personnel and human resource management issues. The Office also reviews position classification appeals.

The Office of Civil Rights sponsors various conferences, workshops, and symposia on equal employment and civil rights issues. The Office also investigates potential violations of the Equal Employment Opportunity Act.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Direct billing

Activity: HSPD-12

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	1,156.2	986.2	-170.0
Minerals Management Service	0.0	201.0	172.0	-29.0
Office of Surface Mining	0.0	65.0	55.0	-10.0
Bureau of Reclamation	0.0	674.1	575.1	-99.0
Geological Survey	0.0	922.1	786.1	-136.0
Fish and Wildlife Service	0.0	1,008.1	860.1	-148.0
National Park Service	0.0	1,935.3	1,650.3	-285.0
Bureau of Indian Affairs	0.0	717.1	612.1	-105.0
Office of the Secretary	0.0	99.0	84.0	-15.0
Office of the Solicitor	0.0	45.0	38.0	-7.0
Office of Special Trustee	0.0	75.0	64.0	-11.0
NBC - Corporate	0.0	149.0	127.0	-22.0
Activity Totals: (\$000)	0.0	7,047.0	6,010.0	-1,037.0
FTE	0.0	0.0	0.0	0.0

The 2007 estimate represents costs for the first phase of the HSPD-12 project as well as proof-of-concept costs that have been deferred from 2006. The 2008 estimate reflects a decrease in implementation costs. The estimates are based on the number of cards that will be issued to full-time, permanent employees within each bureau.

Activity: Information Resources Initiatives

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	3,183.1	3,420.0	3,206.4	-213.6
Minerals Management Service	606.3	912.7	651.8	-260.9
Office of Surface Mining	386.9	316.9	188.4	-128.5
Bureau of Reclamation	1,173.8	2,124.6	1,546.6	-578.0
Geological Survey	2,674.3	3,797.4	2,362.3	-1,435.1
Fish and Wildlife Service	4,260.2	2,440.1	2,374.9	-65.2
National Park Service	5,021.6	3,974.6	3,735.1	-239.4
Bureau of Indian Affairs	2,307.4	1,123.4	1,099.8	-23.6
Office of the Secretary	4,103.1	1,122.3	1,125.3	2.9
Office of the Solicitor	176.2	78.3	73.4	-4.8
Office of Inspector General	43.7	44.1	43.4	-0.6
Office of Special Trustee	427.2	220.3	171.3	-49.0
NBC - Centralized Billing	1,306.0	1,271.9	805.0	-466.9
Other (e.g., other Federal agencies)	101.0	1,021.3	51.7	-969.6
Activity Totals: (\$000)	25,770.8	21,867.7	17,435.3	-4,432.4
FTE	2.0	1.0	1.0	0.0

The Office of the Chief Information Officer sponsors Department-wide hardware and software purchases. Currently, contracts have been established with Oracle, Microsoft, and Symantec for software licenses and maintenance. Other initiatives include enterprise architecture services, IT security, and frequency management assignments.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Direct billing

Activity: ESN

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	1,755.0	4,303.0	4,587.0	284.0
Minerals Management Service	226.1	633.1	623.1	-10.0
Office of Surface Mining	170.1	375.1	400.0	24.9
Bureau of Reclamation	0.0	1,550.1	1,550.0	-0.1
Geological Survey	1,403.7	2,376.0	2,526.1	150.1
Fish and Wildlife Service	421.6	1,655.9	1,991.9	336.0
National Park Service	2,186.0	8,319.0	8,319.1	0.1
Bureau of Indian Affairs	0.0	2,639.9	2,639.9	0.0
Office of the Secretary	0.0	443.9	444.1	0.2
Office of the Solicitor	42.4	156.1	622.1	466.0
Office of Special Trustee	97.6	240.1	240.0	-0.1
NBC - Centralized Billing	0.0	272.0	271.9	-0.1
Activity Totals: (\$000)	6,302.5	22,964.2	24,215.0	1,250.8
FTE	0.0	0.0	0.0	0.0

The direct billing for ESN covers Bureau specific data circuits, equipment, and maintenance. During fiscal year 2006, ESN billings began moving from Bureaus over to centralized billing. By the end of fiscal year 2007, this transition should be completed for circuits and services procured via FTS2001, with all circuits and related equipment maintenance billed to the ESN, and recovered from Bureaus. For circuits and services procured individually from a plethora of providers, an inventory should be complete, with final transition of procurement activities continuing into fiscal 2008. The 2007 budget increase is due to the shift in costs that were paid by bureaus and are now paid centrally. This will result in savings with improved management of circuits and bills.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Direct billing

Activity: Central Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	1,120.4	1,993.6	1,135.0	-858.7
Minerals Management Service	519.0	836.3	382.4	-453.9
Office of Surface Mining	125.5	154.6	59.4	-95.2
Bureau of Reclamation	691.6	746.0	471.4	-274.6
Geological Survey	423.1	302.1	177.7	-124.4
Fish and Wildlife Service	719.3	309.7	171.5	-138.3
National Park Service	674.9	1,466.9	203.0	-1,263.8
Bureau of Indian Affairs	1,396.2	1,029.6	497.1	-532.6
Office of the Secretary	4,891.0	3,423.6	2,549.2	-874.4
Natural Resource Damage Assessment	14.7	13.4	1.7	-11.7
Insular Affairs	14.7	13.4	1.7	-11.7
Office of the Solicitor	154.8	168.0	90.9	-77.1
Office of Inspector General	3,565.2	39.3	32.6	-6.7
Office of Special Trustee	2,378.4	1,121.5	54.5	-1,066.9
NBC - Centralized Billing	493.9	200.4	84.0	-116.4
NBC - Corporate	32.7	50.2	19.7	-30.6
Central Utah Project Completion Act	46.9	21.1	2.7	-18.4
National Indian Gaming Commission	8.5	7.7	1.0	-6.7
Other (e.g., other Federal agencies)	-524.8	1,828.0	1,500.0	-328.0
Activity Totals: (\$000)	16,746.0	13,725.6	7,435.6	-6,290.0
FTE	3.0	3.0	3.0	0.0

This activity supports the litigious consultant services intended to determine the Department's compliance with court orders and discovery obligations regarding retention, preservation, and search of e-mail records relating to Indian trust matters in the government's case of Cobell et al. v. Kempthorne et al., Civil Action 96CV01285 (District Court). Funds are also provided to fund the Bureau of Indian Affairs' need to put into place a security system for its Internet and Intranet activities.

The Office of International Affairs and Office of Policy Analysis, in partnership with the Agency for International Development (AID), coordinates the provision of Departmental expertise to various AID programs throughout the world.

This activity also supports the Federal Flexible Spending Account (FSA) Program. This funding will cover the payment of administrative fees associated with the program.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Charge card rebates

Activity: Charge Card Rebate Program

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Other (e.g., other Federal agencies)	7,001.0	5,321.7	5,333.0	11.3
Activity Totals: (\$000)	7,001.0	5,321.7	5,333.0	11.3
FTE	1.0	1.0	1.0	0.0

Authorization to retain refunds and rebates to enhance Interior-wide programs and administrative systems was provided in the Interior Appropriation Act of 1999 and made permanent in 2001. Rebates of over \$48.5 million have been received to date. Approximately \$44.6 million in rebate funding has supported a variety of Departmental projects.

	<u>2006 actual</u>	<u>2007 est.</u>	<u>2008 est.</u>
Unallocated balance - start of year	2,380.5	1,120.2	161.2
New revenue (including NBC revenue)	<u>6,215.2</u>	<u>5,000.0</u>	<u>5,900.0</u>
Total revenue available for allocation	8,595.7	6,120.2	6,061.2
Projects funded from credit card rebates			
A-123 Compliance	83.9	0.0	0.0
Bureau A-123 Support	16.8	0.0	0.0
CIO/CFO Council Projects	191.7	191.7	200.0
Charge Card Contract Oversight	128.8	130.0	133.0
Charge Card Support Operation	474.4	637.3	672.0
ESM Lease Order	1,600.0	0.0	0.0
FBMS Implementation Support	3,000.0	3,000.0	3,700.0
FBMS Bureau Implementation Support	1,470.8	0.0	0.0
Renewable Energy Certificates	4.8	0.0	0.0
IT Workforce Planning	357.0	0.0	0.0
eCapital Investment Control	141.1	0.0	0.0
Completion of Prior Year Projects	6.2	0.0	0.0
Projects not yet determined	<u>0.0</u>	<u>2,000.0</u>	<u>1,300.0</u>
Total projects funded	7,475.5	5,959.0	6,005.0
Unallocated balance - end of year	1,120.2	161.2	56.2

In 2007, unallocated funds total \$161.2 based on projected revenue of \$5,000.0. A number of projects are being considered for funding, consistent with our authority to fund administrative management initiatives of general benefit to Interior's bureaus and offices. In 2007 and 2008, final project decisions will be made after rebate payments are received.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

Other OS Activities

Building maintenance

Activity: Departmentally Controlled Space

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	999.2	1,109.3	1,190.3	81.1
Minerals Management Service	1,010.7	1,122.1	1,204.1	82.0
Office of Surface Mining	2,328.6	2,718.5	2,917.2	198.7
Bureau of Reclamation	1,384.3	1,536.5	1,648.8	112.3
Geological Survey	71.7	79.4	85.2	5.8
Fish and Wildlife Service	786.2	873.0	936.9	63.8
National Park Service	1,572.1	1,744.7	1,872.2	127.5
Bureau of Indian Affairs	3,022.7	3,401.4	3,650.1	248.7
Office of the Secretary	11,774.0	12,481.7	13,394.1	912.4
Natural Resource Damage Assessment	41.3	45.6	49.0	3.3
Insular Affairs	571.9	624.0	669.6	45.6
Office of the Solicitor	5,105.0	5,585.2	5,993.5	408.3
Office of Inspector General	2,559.7	2,714.2	2,912.6	198.4
Office of Special Trustee	373.9	414.9	445.2	30.3
NBC - Internal Business	10,507.9	11,304.9	12,131.4	826.4
National Indian Gaming Commission	850.9	875.4	939.4	64.0
Commission of Fine Arts	233.2	241.0	258.6	17.6
Advisory Council on Historic Preservation	628.7	653.5	701.3	47.8
Activity Totals: (\$000)	43,821.8	47,525.7	51,000.0	3,474.3
FTE	0.0	0.0	0.0	0.0

The resources in this activity provide for the rent and security of Departmentally controlled space. The rent is paid to the General Services Administration and the security is paid to the Department of Homeland Security. The resources are also used to support the Interior Complex operations and maintenance, a small Department-wide lease management program, the Main Interior Building modernization team, and the cost of installing fiber optics during the modernization of the Main Interior Building. The 2008 budget request of \$51,000.0 is a \$3,474.3 increase above the 2007 level for fixed costs. The following table itemizes the major spending elements of the resources collected in this activity.

	<u>2006 actual</u>	<u>2007 est.</u>	<u>2008 est.</u>
Rent	29,780.8	33,445.4	34,133.9
Security	1,268.4	1,658.7	3,558.7
Interior Complex operations & maintenance	10,421.4	10,055.9	10,927.0
MIB modernization team	750.0	750.0	750.0
MIB fiber optics	1,000.0	1,000.0	1,000.0
Lease management	<u>601.2</u>	<u>615.7</u>	<u>630.4</u>
Total	43,821.8	47,525.7	51,000.0

**DEPARTMENT OF THE INTERIOR
NATIONAL BUSINESS CENTER
Working Capital Fund Activities**

Narrative Statement

The National Business Center serves under the Working Capital Fund with the mission of providing effective and efficient administrative and financial management services and solutions to meet customer business needs for the Department of the Interior and other Federal agencies. The NBC vision is to be the preferred shared service provider for these services. The NBC has been designated by the Office of Management and Budget as one of a select number of Federal agencies approved to provide human resources, payroll, and financial management systems and services to other federal agencies as part of OMB's lines of business initiative. The NBC strives to support this initiative through customer service excellence, quality products and services, and efficient and economical operations.

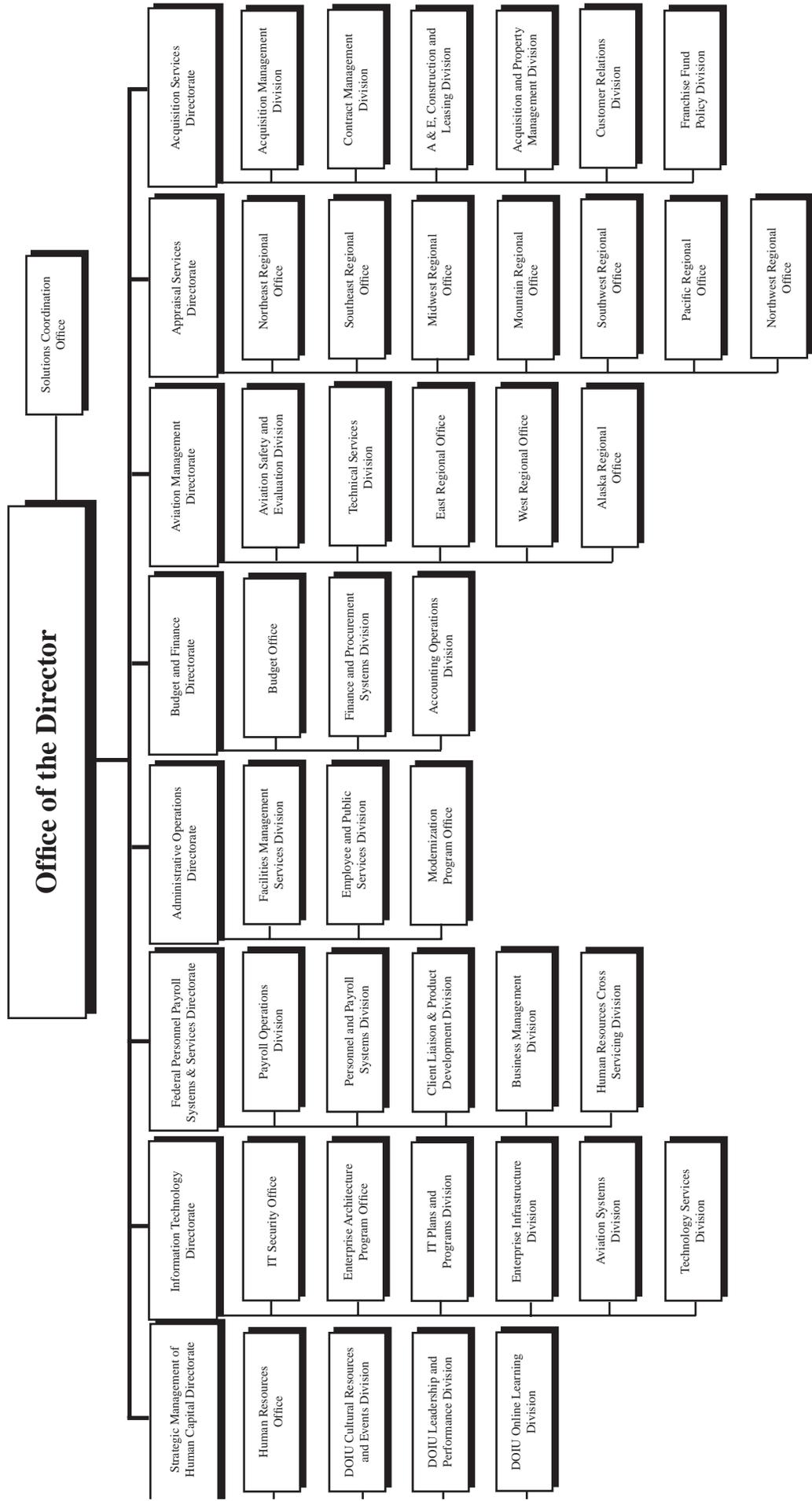
The NBC has eight lines of business that include financial management, payroll and human resources, training, acquisition, land appraisal, aviation, information technology, and support services including facilities and asset management.

The NBC organizational structure reflects an enterprise-wide architecture which fully leverages functional expertise and best practices across all organizations. The NBC strategic plan provides a long-term vision and direction for the organization. Goals of the strategic plan are translated into performance measures which drive accountability down to each employee. In step with the Department's strategic goal of management excellence, the NBC strategic plan builds upon four major goals:

- Achieve customer service excellence by anticipating and responding to customer requirements.
- Modernize financial and business management practices.
- Optimize operational performance by establishing centers of excellence to deliver services.
- Develop and sustain a world class organization by investing in human capital.

The NBC has embraced the President's management agenda through a strategic plan that hallmarks the vision of being a shared service provider and center of excellence. Through the Secretary's guiding business principles of integration, accountability, customer value, and modernization, NBC plays a crucial role for Interior and other Federal agencies in meeting their mission responsibilities by providing quality administrative and financial services and sound business solutions through its lines of business. Delivery of these services by NBC allows the Department, bureaus, and other Federal agency staff to instead focus on mission work. Synopses of these services, which are provided on both a central and direct bill basis, are presented on the pages following this narrative for each NBC line of business. The NBC also has policy, management, and coordination responsibility for Department-wide programs including Aviation Management, Indirect Cost Negotiation, and Land Appraisals.

National Business Center



The services provided by NBC have assisted the Department in meeting the President's management agenda as follows:

Human Capital Management — As required for all agencies by 2008, NBC will be developing a workforce plan that will serve as the strategic backbone to maximize the use of human capital over the next three to five years. The major strategies identified in the plan will include core and technical competency development for NBC mission critical occupations, approaches to address recruitment and retention, diversity strategies, and the need for an organization-wide focus on succession planning. In addition, NBC will continue to provide intern, career development, and classroom and online training programs to address NBC and Department skill imbalances due to attrition and retirements. Using the strategies outlined in the workforce plan will enable NBC to be flexible in meeting the changes in business and product lines, as well as market conditions and the future needs of customers. The NBC has also developed supplementary performance guidance that is both quantifiable and qualitative and sets clear performance goals and expectations for employees. This guidance shows a clear linkage between the Department and NBC strategic goals and performance indicators outlined in the NBC strategic plan. Additionally, performance measures linked to the strategic goals and initiatives are being cascaded down throughout the organization.

Improved Financial Management — The NBC has made considerable progress in improving financial performance. While preparing for the smooth transition to the Financial and Business Management System, NBC has developed and is executing plans to ensure that financial data are prepared and appropriately recorded for conversion; resolved audit findings and issues, to include material weaknesses and non-compliance issues; and implemented a quarterly funds review with all customers to improve controls, communication, and transparency. Further, in response to new OMB A-123 Appendix A requirements, NBC has documented all financial processes, developed test plans, and conducted random sample testing to ensure transactions for all customers are being performed with the highest level of security and compliance with documented controls and processes. Finally, NBC has instituted an aggressive initiative to enhance and standardize all financial management business processes, including integrated budgeting, cost-based pricing, standardized billings and collections, and performance tracking.

Performance–Budget Integration — The NBC has enhanced its costing methodology through the implementation of activity based costing. The new structure yields consistent recognition and calculation of indirect costs, reliable unit cost metrics, and costs by work activity. New reports detailing costs and labor hours spent on each activity have been developed and NBC management is using these reports to identify costs and look for opportunities for cost reduction. Benefits of the new cost methodology will be realized in terms of consistent cost allocation, improved transparency in customer billing, and identification and calculation of indirect costs. The NBC's ABC/M initiative also integrates more closely with the Department's strategic planning process, reflecting the NBC's responsibilities in Departmental land appraisals, indirect cost negotiations, and aviation policy. In 2008, NBC will continue to strengthen strategic planning and corporate governance initiatives through a budget and performance model that integrates corporate-level strategic planning with business line implementation and performance measurement.

Expanding E-Government — The NBC is actively creating business centers of excellence to support the delivery of administrative services to its customers consistent with OMB’s line of business initiative. In this light, NBC has been designated by OMB to be a provider of HSPD-12 services. This is in addition to its selection by OMB as one of a select number of Federal organizations identified to provide financial management, payroll, and human resources services to other Federal agencies. As a Shared Services Provider, NBC is positioned to deliver effective, efficient, and economical administrative services to all of its customers, including the Department.

Performance/Process Improvement — The NBC continues to improve and standardize its business practices through implementation of revised strategic and business planning processes. The increased use and refinement of the web-based Customer Agreement System has improved full cost recovery efforts through a direct interface to the corporate accounting application. The NBC has also developed performance measures that it provides to its customers in Service Level Agreements. Many of these performance measures are reflected in the NBC’s strategic plan and are consistent with measures identified by OMB for all agencies or as part of OMB’s line of business initiative. Operating plans provided to each NBC line of business are calculated to support the performance objectives identified for customers based on revenue projections. The NBC lines of business have also developed business plans to link business lines to the performance goals and measures identified in the new strategic plan. Finally, NBC has enhanced communication channels by establishing a web-based database for NBC policies and procedures, a correspondence tracking system, and a revised web page that provides employees with a common starting point to access systems such as Time & Attendance and eTravel.

Conservation — The NBC continues to develop and implement cost efficient energy conservation solutions for the Department. Examples of sustainable building practices in the Main Interior Building include the award of a contract for the MIB Green Roof Demonstration Project; design and construction of a green parking lot at the South Interior Building; the purchase of renewable energy which is five percent of electric purchases for the MIB; development and implementation of an NBC environmental policy; development and implementation of a carpet policy at headquarters; and additional recycling activities and awareness. Further, modernized wings of the MIB will realize energy savings from the installation of energy-efficient lighting motors, fans, lighting, and insulation of perimeter walls. In 2006, the motor vehicle fleet averaged a 40 percent consumption rate of alternative fuels, which exceeded the goal of 20 percent reduction called forth in Executive Order 13149. The NBC continues to collaborate on these energy conservation efforts with GSA’s Public Building Service, the Environmental Protection Agency, and the Department of Energy’s Federal Energy Management Program. In 2006, NBC developed an Affirmative Procurement Program, Green Procurement, in conjunction with the Department and the EPA.

Budget Overview

The 2008 estimate for the NBC working capital fund activities is \$440.4 million. Of this amount, \$106.5 million and 504 FTE are for centrally billed services provided to the Department and \$333.3 million for direct bill services provided to Interior and other Federal agencies

**National Business Center
Working Capital Fund Revenue**

	2006		2007		2008	
	FTE	(\$000)	FTE	(\$000)	FTE	(\$000)
National Business Center						
Centralized billing.....	0.0	94,040.3	0.0	99,228.6	0.0	106,455.9
Direct billing.....	1,089.6	371,471.0	1,120.0	329,952.2	1,120.0	333,305.7
Credit card rebates.....	4.0	474.4	4.0	637.3	4.0	672.0
MIB/SIB facilities.....	0.0	31.4	0.0	12.0	0.0	12.0
Subtotal, NBC.....	1,093.6	466,017.1	1,124.0	429,830.1	1,124.0	440,445.6

through negotiated reimbursable agreements. This estimate represents a net increase of \$10.6 million from the 2007 level.

The 2008 central bill request includes a nondiscretionary cost increase of \$2.3 million for salary and rent increases. Program changes include a billing change versus increase of \$2.1 million to reflect a redirection of administrative support costs (e.g., finance, IT, and acquisition services) previously disbursed across other central bill services to aviation services, an increase of \$980,000 for hosting costs of bureaus transitioning to the Financial and Business Management System, \$1.2 million to fund infrastructure enhancements for integration and automation of human resources services provided under the e-Gov initiative with the Federal Personnel and Payroll System, \$662,000 for additional aviation safety investigators and inspectors, \$299,500 for continued work on the Main Interior Building's new telecommunications system, and a transfer of \$273,800 to reflect NBC's management of the Department's Financial Management Intern Program. These program increases are offset by a reduction of \$553,100 reflecting one-time IT security purchases.

Below are estimates by each NBC line of business for central bill services that are executed in the Working Capital Fund:

NBC Line of Business	2006	2007	2008
Training Services	9,133,200	9,349,300	9,830,300
Info Technology Services	27,026,500	30,495,100	30,514,000
HR Management Services	16,381,800	16,472,200	18,232,700
Dept. Support Services	12,962,400	14,151,300	14,721,600
Financial Mgmt. Services	22,073,500	22,551,400	24,098,200
Aviation Services	6,462,800	6,209,300	9,059,000
Total	\$94,040,200	\$99,228,600	\$106,455,800

The Department is engaged in a review of the benefits of moving NBC lines of business from the Working Capital Fund into the Franchise Fund, and executing out of the Franchise Fund as early as 2008. The Department will consult with the Appropriations Committees before such a move is made.

Program Performance Estimates

The NBC plans to accomplish the following in support of 2008 revenue projections:

- Integrate activity based costing data into rate setting processes for all NBC products and services.
- Continue activities to enhance NBC's internal control program to ensure compliance with revised A-123 Appendix A requirements.
- Provide technical support for the implementation of Department-wide enterprise service initiatives, including FBMS.
- Continue to expand service offerings as a shared service provider under the Federal HR line of business initiative.
- Continue to provide HSPD-12 services to other government agencies separately or as part of an integrated Secure On-and-Off-Boarding Access Management Solution project. This project is an integrated human resources system solution that automates the on-boarding process for new government employees, agency affiliates, and contractors at Interior bureaus and offices and other customer agencies. Utilizing SOAMS, data is only entered once and then shared among solution components in a fully secure and automated environment.
- Establish a world class contact center with focus on improving service delivery operations across all NBC lines of business. When fully implemented, the result will be the consolidation of over 15 different help desks that currently operate independently within NBC for selected products and services.
- Continue to leverage the concept of effective and efficient delivery of shared aviation services to provide Interior bureaus and related interagency Federal customers with best value.
- Leverage regional appraiser resources by accommodating priority work assignments independent of the requesting bureau, sharing appraisal data across regions, and assigning appraisals based on geographical area independent of the requesting Bureau.
- Improve productivity and enhance customer services within the Administrative Operations line of business by deploying a one-stop-shop for customer related services.
- Provide continued emphasis on security improvement initiatives, including ongoing review of NBC security program, and implementation of best practices security administration processes.
- Fully implement use of DOI LEARN, including competency management systems, within all parts of NBC.

Planned Program Performance

The following are NBC's anticipated accomplishments in 2007 from revenue received from the Department and external Federal agencies:

- Provide technical support for the implementation of the Department-wide FBMS project and hosting services for the FBMS general ledger application.
- Continue implementation of the NBC's business plans for the Financial Management and Human Resources lines of business in support of the Federal-wide LOB programs.

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- Expand the implementation of the ISO 9001 quality management program from the NBC acquisition LOB to all NBC LOBs.
 - Enhance NBC's internal control program to ensure compliance with revised A-123 Appendix A requirements.
 - Provide continued emphasis on security improvement initiatives, including a complete review of the NBC security program and implementation of best practices security administration processes.
 - Coordinate HSPD-12 activities among NBC's Administrative Services and Human Resources lines of business as the designated Department-wide provider of HSPD-12 smartcards.
 - Provide HSPD-12 services to other government agencies separately or as part of an integrated Secure On-and-Off-Boarding Access Management Solution; evaluate operational processes to identify where efficiencies can be gained in standard operational procedures for aviation management.
 - Establish a northeast regional appraisal office in Philadelphia, PA; begin consolidation of operations in Hadley, MA and Minneapolis, MN; and complete consolidations in Portland, OR.
 - Complete Phase III of the Main Interior Building Modernization project in November 2008 and begin Phase IV.
 - Deliver a competency-based leadership program to NBC supervisors and managers.
 - Continue the transition of DOI University and NBC to DOI LEARN, the Department-wide Learning Management System, to include integrating e-commerce and competency management components.
 - Work with the Department and bureaus to implement the mandated eTravel system Department-wide.

Program Performance Accomplishments

Following are NBC's accomplishments in 2006 as a result of revenue received from the Department and external Federal agencies:

- Provided technical support for the implementation of the Department-wide FBMS service initiatives and hosting service for the FBMS e-grants system.
- Piloted and formalized an activity based costing program that established baseline costs for all NBC products and services to be used in future rate setting.
- Enhanced NBC's internal control program to ensure compliance with revised OMB Circular A-123 Appendix A requirements.
- Established a business plan to implement an ISO 9001 quality management program for NBC's acquisition organizations.
- Developed business plans for each of the NBC's lines of business.
- Selected as a Human Resources line of business by OMB, which allows Federal agencies to take advantage of NBC's integrated personnel/payroll system and robust HR service offerings.
- Selected as a shared service provider for HSPD-12. This new service will standardize practices in proving the identity of an employee, agency affiliate, and allow for both

physical and logical access to government facilities or systems.

- Developed a competency-based leadership program for supervisors and managers.
- Converted approximately 50,000 Federal Aviation Administration accounts to the Department's payroll system under the President's e-Payroll initiative.
- Established a Performance Assessment and Improvement program to foster new processes and procedures within an integrated Acquisition line of business.
- Established an NBC-wide system of policies, procedures, and performance metrics for measuring performance against NBC strategic goals.
- Performed the first interagency aviation review in over 33 years and conducted the first-ever assessment and analysis of bureau costs associated with aviation, using an innovative building block approach and proven analytical methods from the Department of Defense.
- Negotiated an unprecedented agreement to allow for the first-ever deployment of a commercial aircraft on a U.S. military ship in partnership with the National Science Foundation and the U.S. Coast Guard.
- Partnered with Interior bureaus to reduce the annual aircraft accident rate from 6.12 per 100,000 flight hours in 2005 to 4.8 in 2006, a 22 percent reduction. The historic rate, i.e., the average accident rate since 1975, was also reduced, falling from 8.46 to 8.35, representing a 1.3 percent drop in this 31-year average. Annually since 1973, the Department and its vendors have incurred an average of \$10.9 million in losses due to aircraft mishaps. In 2006, this amount was \$5.5 million, a reduction of 49.5 percent in dollar losses over the historic average.
- Appraised approximately 1,827,000 acres of land, with a total value of over \$1.7 billion. Involved in transactions related to resource protection of approximately 761,300 acres of land, with a total value of over \$700 million. Involved in transactions related to recreation of approximately 457,000 acres of land, with a total value of over \$400 million involving transactions related to serving communities elements of Interior's strategic plan.
- Completed the departmental Appraisal Policy Manual, which was established to support the standardization of appraisal policies for ASD and Office of Appraisal Services of the Special Trustee appraisers.
- Met the objectives of the Main Interior Building Facility Modernization Plan, which is currently in the third of six phases and remains on schedule.
- Administered 76,717 drug tests to both Interior and non-Interior clients and reduced the cost per collection by 12 percent from \$109 in 2005 to \$96 per test in 2006.
- Replaced portable radios to allow communication among departmental entities on a common Interior Complex system, as well as communication with other Interior and Federal entities within the Washington, D.C. metropolitan area.
- Oversaw the design and development of over 54 new online courses and programs and trained approximately 170,906 users.
- Offered 259 courses at the four DOI University Leadership and Performance Centers and 30 off-site courses, resulting in over 5,000 Federal employees trained in a variety of professional skills and specialty courses such as the Freedom of Information Act and the Privacy Act.

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- Provided continuing support to the Department in the implementation of DOI LEARN and the use of technology-enabled learning across Interior.
 - Continued partnerships with Interior's bureaus to coordinate access to online library resources and to serve the public through exhibits at the Department's museum, including Eleanor Roosevelt and Val-Kill Industries; the popular Park Ranger Series, highlighting public moments across the Nation; the Lewis and Clark Revisited exhibition; and America's Beautiful National Parks program.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Training Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	1,300.4	1,300.6	1,330.1	29.5
Minerals Management Service	286.2	267.3	307.0	39.7
Office of Surface Mining	96.9	93.7	128.8	35.2
Bureau of Reclamation	648.4	669.1	704.0	34.8
Geological Survey	906.6	904.3	943.4	39.1
Fish and Wildlife Service	1,189.3	1,196.5	1,249.8	53.3
National Park Service	1,946.9	2,021.5	2,044.2	22.7
Bureau of Indian Affairs	1,027.5	1,123.6	1,156.3	32.8
Office of the Secretary	490.5	508.1	529.2	21.1
Natural Resource Damage Assessment	0.0	0.2	0.2	0.0
Insular Affairs	1.8	1.9	2.0	0.1
Office of the Solicitor	689.3	700.7	709.4	8.7
Office of Inspector General	80.3	66.8	73.6	6.8
Office of Special Trustee	135.2	150.1	169.6	19.5
NBC - Corporate	330.6	341.0	478.6	137.5
National Indian Gaming Commission	3.5	3.9	4.1	0.3
Activity Totals: (\$000)	9,133.2	9,349.3	9,830.3	481.0
FTE	0.0	0.0	0.0	0.0

The NBC Training Services Line of Business (LOB) provides training and performance improvement services through the Department of the Interior University.

Centrally billed training opportunities include Departmental cross-cutting core technical training in areas such as finance and acquisitions, supervision, and the Senior Executive Service Candidate Development Program which prepares individuals for the senior executive service based on OPM Executive Core Qualifications.

The Training Services LOB offers online training resources for federal employees to learn 24 hours a day/365 days a year anywhere in the world via Internet access. Training resources include off-the-shelf courses covering introductory through advanced learning in both technology and other workplace skills. The Training Services LOB also provides learning management system support for DOIU and NBC, supporting the provision of online and classroom training Department-wide.

The Cultural Resources and Events program orchestrates the Interior Executive Forums, manages both the Departmental Museum and Library, and coordinates Public School Partnerships nationwide. These resources provide employees with enrichment and developmental opportunities to enhance work performance, expand their personal perspective, and facilitate creativity.

The 2008 request of \$9,830.3 is an increase of \$481.0 from the 2007 level. The increase includes \$207.2 for fixed costs and a program increase of \$273.8 to reflect the transfer of the program responsible for the Financial Management Career Intern Program from the Office of the Secretary to the NBC.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Information Technology Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	191.7	891.8	869.7	-22.1
Minerals Management Service	192.5	223.3	235.4	12.1
Office of Surface Mining	274.6	309.4	332.9	23.5
Bureau of Reclamation	250.2	247.8	267.9	20.1
Geological Survey	89.9	474.5	407.4	-67.1
Fish and Wildlife Service	175.0	462.7	427.4	-35.3
National Park Service	240.5	719.1	659.7	-59.4
Bureau of Indian Affairs	376.6	1,029.3	963.8	-65.5
Office of the Secretary	6,144.5	6,330.5	6,526.0	195.5
Natural Resource Damage Assessment	5.0	5.4	5.6	0.2
Insular Affairs	179.9	176.6	181.2	4.6
Office of the Solicitor	403.1	474.9	488.5	13.6
Office of Inspector General	160.9	224.7	225.6	0.9
Office of Special Trustee	81.6	200.3	180.7	-19.6
NBC - Corporate	2,396.4	2,910.4	2,919.8	9.4
NBC - Directorates	3,446.6	3,406.9	3,416.2	9.2
NBC - Internal Business	12,403.5	12,403.7	12,402.4	-1.2
National Indian Gaming Commission	2.1	2.2	2.2	0.1
Commission of Fine Arts	1.8	1.8	1.8	0.0
Advisory Council on Historic Preservation	10.0	0.0	0.0	0.0
Activity Totals: (\$000)	27,026.4	30,495.2	30,514.0	18.8
FTE	0.0	0.0	0.0	0.0

The NBC Information Technology Services Line of Business (LOB) provides computer hosting; desktop support; local and wide area telecommunications network management; computer security; and broadcast studio, audio-video production, and video conference services to all Interior bureaus and Departmental Offices. The IT Services LOB also responds to Freedom of Information Act requests on behalf of the Office of the Secretary.

The LOB hosts the Federal Personnel Payroll System, Interior Department Enterprise Acquisition System, Federal Financial System, and FBMS system at the NBC Data Center in Denver, Colorado, and the Enterprise Service Center in Herndon, Virginia. Hosting services occur on a variety of computer platforms and operating systems (e.g., z/OS, UNIX, Intel). Services include computer hardware, software, and telecommunications environment; maintenance and version management of operating system and related software; data storage, archiving, and retrieval; customer support (help desk) services; emergency recovery (disaster recovery) services; security (physical and logical) services; and formal problem and change management systems for the operating system environment.

The 2008 request of \$30,514.0 is an increase of \$18.8 from the 2007 level. The increase includes \$272.4 for fixed costs, a program increase of \$299.5 for implementation of the Department's Integrated Digital Voice Communications (IDVC) system, and a program decrease of \$553.1 for the NBC IT Security Improvement Plan. The increase for IDVC would fund the purchase of Voice-over-Internet-Protocol equipment, additional electrical upgrades, and certification and accreditation activities. These cost increases are part of a 10-year strategy as outlined in the Department's Exhibit 300.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Human Resources Management

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	2,568.5	2,548.9	2,918.5	369.6
Minerals Management Service	345.2	334.6	368.1	33.5
Office of Surface Mining	110.4	113.3	124.5	11.2
Bureau of Reclamation	1,174.2	1,190.0	1,308.9	118.9
Geological Survey	1,894.9	1,895.4	2,084.7	189.3
Fish and Wildlife Service	2,126.6	2,082.6	2,290.7	208.1
National Park Service	5,332.3	5,435.5	5,978.6	543.1
Bureau of Indian Affairs	2,166.2	2,167.2	2,383.7	216.5
Office of the Secretary	200.3	211.9	233.0	21.1
Office of the Solicitor	81.8	81.7	89.8	8.1
Office of Inspector General	56.8	57.9	63.7	5.8
Office of Special Trustee	115.0	119.4	131.3	11.9
NBC - Internal Business	209.4	233.8	257.2	23.4
Activity Totals: (\$000)	16,381.8	16,472.2	18,232.7	1,760.5
FTE	0.0	0.0	0.0	0.0

The NBC Human Resources Management Line of Business (HRLOB) provides payroll systems and operations services for all Interior bureaus and offices, as well as numerous other Federal civilian agencies under OMB's e-payroll initiative. The HRLOB was competitively selected by the Office of Personnel Management and the Office of Management and Budget as one of the four e-Payroll providers government-wide. Now that e-Payroll implementation is complete, the Directorate additionally services the Department of Transportation, including the Federal Aviation Administration, National Aeronautics and Space Administration, National Science Foundation and the Nuclear Regulatory Commission. Distribution of costs for payroll systems and services is based on the actual number of W-2s generated per customer.

In 2005, the Office of Management and Budget pre-selected the HRLOB to be one of the five Federal Human Resource Shared Service Centers and the Office of Personnel Management later qualified and finalized the selection.

The 2008 request of \$18,232.7 is a net increase of \$1,760.5 from the 2007 level. The increase includes \$563.4 for fixed costs and a program increase of \$1,197.1 to integrate the Federal Personnel Payroll System (FPPS) with other HR services and systems in support of the e-Gov line of business. The fixed cost increase is based on cost rate increases for processing pay and leave records in FPPS and Employee Express, which are applied to the number of W-2 forms processed by the Department. The integration of FPPS with the Human Resources e-Gov initiatives, such as HSPD-12, is designed to streamline business processes, align technology with the delivery of services, improve quality through standardized processes and solutions, reduce costs and improve maintainability of interfaces, eliminate redundant systems, and provide economies of scale.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Department Support Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	801.0	830.8	936.5	105.7
Minerals Management Service	422.9	457.0	485.5	28.5
Office of Surface Mining	668.1	649.0	709.8	60.8
Bureau of Reclamation	648.9	693.7	647.9	-45.8
Geological Survey	301.8	319.3	270.3	-49.0
Fish and Wildlife Service	708.0	725.8	858.6	132.8
National Park Service	1,029.7	1,083.5	1,262.9	179.4
Bureau of Indian Affairs	1,422.0	1,648.8	1,507.1	-141.8
Office of the Secretary	3,771.4	4,157.8	4,302.4	144.6
Natural Resource Damage Assessment	15.3	16.4	18.0	1.6
Insular Affairs	173.4	186.4	141.1	-45.3
Office of the Solicitor	1,003.8	1,179.1	1,067.4	-111.8
Office of Inspector General	395.7	465.0	478.0	13.0
Office of Special Trustee	167.2	160.2	143.3	-16.9
NBC - Corporate	1,400.1	1,568.6	1,875.7	307.1
NBC - Internal Business	0.0	0.2	0.0	-0.2
National Indian Gaming Commission	24.4	9.2	16.9	7.6
Commission of Fine Arts	4.4	0.2	0.2	0.0
Advisory Council on Historic Preservation	4.2	0.0	0.0	0.0
Activity Totals: (\$000)	12,962.4	14,151.3	14,721.6	570.3
FTE	0.0	0.0	0.0	0.0

The NBC Support Services Line of Business (LOB) provides a variety of operational support services to the Department.

Facilities Management Services provides management and oversight of building services at NBC facilities nationwide. Facilities Management also maintains the NBC Continuity of Operation plan, oversees the 10-year Main Interior Building Renovation project, and supports the Department's Space Management Initiative.

Employee and Public Services (EPS) provides Department-wide oversight of drug and alcohol testing programs, physical security operations and policy responsibility, a health unit, emergency evaluation services, passport services, photography, shipment of household goods for employee duty station changes, and the Accessible Technology Center. EPS also operates the Department's Federal Executive Board office in Saint Paul, Minnesota.

Mail and Messenger Services provides support and mail and messenger services to bureaus and Departmental offices located within the MIB complex.

The 2008 request of \$14,721.6 is an increase of \$570.3 from the 2007 level. The increase includes \$546.1 for fixed costs, a program increase of \$42.2 to update floorplans as a result of the ongoing Main Interior Building (MIB) modernization project, and a decrease of \$18.0 due to changes in indirect cost rates.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Financial Management Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	3,192.2	3,151.3	3,231.4	80.1
Minerals Management Service	103.7	104.1	583.7	479.7
Office of Surface Mining	50.7	51.4	555.7	504.3
Bureau of Reclamation	3,855.7	3,800.4	3,897.1	96.7
Geological Survey	2,885.1	2,843.5	2,915.9	72.3
Fish and Wildlife Service	2,558.3	2,527.5	2,593.1	65.6
National Park Service	4,035.7	4,016.9	4,113.7	96.8
Bureau of Indian Affairs	2,829.8	2,807.1	2,875.8	68.7
Office of the Secretary	1,316.0	1,465.8	1,702.1	236.3
Office of Inspector General	57.7	57.0	58.5	1.4
Office of Special Trustee	347.6	336.5	345.1	8.5
NBC - Corporate	270.7	1,122.4	951.1	-171.3
NBC - Internal Business	570.3	268.1	274.9	6.8
Activity Totals: (\$000)	22,073.5	22,551.4	24,098.2	1,546.8
FTE	0.0	0.0	0.0	0.0

The NBC Financial Management Line of Business (FMLOB) provides a full spectrum of financial management systems and services to Interior bureaus and offices. The Finance and Procurement Systems Division provides systems management, training, help desk and technical support for the Department's legacy systems, including the Federal Financial System, Interior Department Electronic Acquisition System - Procurement Desktop, Fixed Assets, Hyperion, and Travel Manager. The FMLOB also administers the Quarters Program, which provides operational support for government-furnished housing, including surveying, establishing rental rates, and maintenance of the Quarters Management Information System. Finally, the FMLOB is also providing hosting and applications management services for the Department's new corporate accounting suite, FBMS, which includes core SAP software as well as integrating Compusearch PRISM, eGrants Plus, Hyperion Enterprise, eTravel - Carlson Wagonlit Travel System, and ePCS Relocation Manager.

The 2008 request of \$24,098.2 is an increase of \$1,546.8 from the 2007 level. The increase includes \$596.8 for fixed costs, a program increase of \$980.0 to reflect a redirection of funds from MMS and OSM for FBMS hosting, and a decrease of \$30.0 due to changes in indirect cost rates.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Centralized billing

Activity: Aviation Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	2,565.7	2,363.2	4,326.1	1,962.8
Minerals Management Service	213.9	235.3	433.1	197.7
Office of Surface Mining	27.1	32.3	53.8	21.5
Bureau of Reclamation	114.4	119.8	178.5	58.7
Geological Survey	159.6	164.5	84.4	-80.2
Fish and Wildlife Service	1,587.9	1,518.8	1,638.5	119.8
National Park Service	1,442.5	1,428.8	1,949.2	520.5
Bureau of Indian Affairs	351.6	346.5	395.5	49.0
Activity Totals: (\$000)	6,462.8	6,209.3	9,059.0	2,849.7
FTE	0.0	0.0	0.0	0.0

The NBC Aviation Services Line of Business (LOB) provides aviation safety oversight; manages all Department-owned aircraft; establishes standards for all Interior aircraft facilities and aviation-related personnel; and assigns aircraft to bureaus and offices as required to optimize aircraft use consistent with varying bureau mission requirements.

The 2008 request of \$9,059.0 is a \$2,849.7 net increase from the 2007 level. The increase includes \$106.3 for fixed costs, a program increase of \$249.2 for additional safety personnel, a program increase of \$413.2 for increased training and space costs, a billing change of \$2,089.0 to reflect the transfer of support personnel to the aviation program, and a decrease of \$8.0 due to changes in indirect cost rates.

Aviation Acquisitions and Aviation Finance were previously funded through the NBC indirect cost pool and distributed to all Interior centralized bill customers regardless of the level of aviation use. The billing change of \$2,089.0 will move these indirect costs that directly support Aviation Management services into the Aviation Centralized Bill, which is now distributed only to Aviation Management customers based on a four-year historical average that was presented to the Aviation Board of Directors.

The additional safety personnel includes a Safety Investigator to provide additional accident investigation support, provide aviation training, and assist technical inspectors, and a Safety Compliance Specialist to alleviate workload due to increases in the number of aircraft inspections and flight evaluations. The cost of classroom courses will increase by 16%, and the cost of space will increase by 35% per square foot due to relocation as the Aviation Services LOB request to renew its old lease was denied.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Training Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	121.7	29.1	42.8	13.7
Minerals Management Service	145.8	43.1	42.8	-0.3
Office of Surface Mining	22.2	11.0	10.8	-0.2
Bureau of Reclamation	84.2	21.0	51.0	30.0
Geological Survey	69.0	23.9	30.0	6.2
Fish and Wildlife Service	145.5	32.9	44.3	11.4
National Park Service	213.7	25.2	42.7	17.5
Bureau of Indian Affairs	1,143.8	1,000.0	1,000.0	0.0
Office of the Secretary	529.3	347.3	308.1	-39.2
Office of the Solicitor	0.4	1.3	3.3	2.0
Office of Inspector General	2.6	1.1	6.1	5.0
Office of Special Trustee	1,001.6	1,002.5	1,010.5	8.0
NBC - Corporate	2,611.0	3,309.7	3,368.9	59.3
NBC - Internal Business	874.0	30.4	42.9	12.5
Other (e.g., other Federal agencies)	1,268.0	3,706.4	2,245.9	-1,460.5
Activity Totals: (\$000)	8,232.8	9,585.0	8,250.3	-1,334.7
FTE	82.1	90.0	90.0	0.0

The NBC Training Services Line of Business (LOB) provides training and performance improvement services through the Department of the Interior University (DOIU) to both Interior and other federal agency customers.

Training and education opportunities include: 1) Interior and Government-wide intern programs, 2) certificate programs, 3) executive and mid-level leadership programs, and 4) professional development courses and programs in addition to selected and customer special request course offerings and services. The Leadership and Performance Division training and education programs and courses are competency-based and performance-driven.

The Training Services LOB offers online training resources for federal employees to learn 24 hours a day/365 days a year via Internet access. Training resources include off-the-shelf courses covering introductory through advanced learning in both technology and other workplace skills. DOIU also provides customized online training solutions to meet specialized mandated training requirements, both Interior-specific and government-wide, addressing topics such as drug and alcohol testing, National Park Service park planning, safety and occupational health, performance management, IT Security, records management, and privacy.

The Cultural Resources and Events program of the Training Services LOB orchestrates the Government-wide Forums, Career, Balance, and Diversity Forums, and the Art, Collaboration, and Conservation Project, as well as the Museum and Library.

The 2008 request of \$8,250.3 is a decrease of \$1,334.7 from the 2007 level. The 2008 estimate includes \$121.2 in fixed costs and a program decrease of \$1,455.9 attributable to the Government-Wide Acquisition Intern Program. There are currently three acquisition intern program classes underway, and the decrease is due to the graduation of one of these classes in 2007. While in the program, these interns are on DOI University's payroll. Once they graduate, they receive permanent placement in sponsoring agencies and are no longer on the payroll.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Information Technology Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	94.4	97.2	2.8
Minerals Management Service	0.0	19.3	19.9	0.6
Office of Surface Mining	0.0	32.8	33.8	1.0
Bureau of Reclamation	702.2	850.9	876.5	25.6
Geological Survey	186.7	1.0	1.0	-0.0
Fish and Wildlife Service	6.2	19.1	19.7	0.6
National Park Service	6.0	30.1	31.0	0.9
Bureau of Indian Affairs	1,016.9	1,056.9	1,088.6	31.7
Office of the Secretary	4,805.6	573.8	591.0	17.2
Office of the Solicitor	703.5	73.3	75.5	2.2
Office of Inspector General	0.0	14.5	14.9	0.4
NBC - Corporate	3,635.7	2,905.0	0.0	-2,905.0
NBC - Internal Business	24,209.6	26,126.9	32,304.4	6,177.5
Advisory Council on Historic Preservation	23.8	0.0	0.0	0.0
Other (e.g., other Federal agencies)	3,882.8	4,333.8	2,801.6	-1,532.2
Activity Totals: (\$000)	39,178.9	36,131.8	37,955.1	1,823.3
FTE	100.0	100.0	100.0	0.0

The NBC Information Technology Services Line of Business (LOB) provides computer hosting, desktop, telecommunications, broadcast studio, audio-video production, and video conference services to Interior bureaus, Departmental Offices, and other Federal organizations on a fully reimbursable basis.

The computer hosting services support client-specific and NBC-supported applications on a variety of computer platforms. Services include computer hardware, software, and telecommunications environments; maintenance and version management of operating system and related software; data storage, archiving, and retrieval; customer support (help desk) services; emergency recovery (disaster recovery) services; security (physical and logical) services; and formal problem and change management systems for the operating system environment.

Telecommunications services include design, acquisition, deployment, tuning and support both at the NBC and client sites. Broadcast studio, audio-video production, and video conference services are provided at the Main Interior Building in Washington, D.C.

The 2008 request of \$37,955.1 is an increase of \$1,823.3 from the 2007 level. The increase includes \$805.8 for fixed costs and \$1,017.5 in program increases. The program increase includes a decrease of \$302.3 in NBC IT Security Improvement Plan, increase of \$815.8 in IT Security, an increase of \$369.4 in Enterprise Infrastructure, and an increase of \$134.6 in Technology Services. The IT Security increase includes funding for project management to support implementation of HSPD-12, e-Authentication, and other Interior Enterprise Infrastructure Initiatives.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Human Resources Management

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	1,381.0	1,204.0	1,299.6	95.6
Minerals Management Service	62.4	59.1	68.6	9.5
Office of Surface Mining	19.0	18.2	21.5	3.3
Bureau of Reclamation	187.2	74.9	77.6	2.7
Geological Survey	618.0	306.8	360.0	53.2
Fish and Wildlife Service	450.0	13.4	390.4	377.0
National Park Service	344.9	347.8	1,018.7	670.9
Bureau of Indian Affairs	394.6	352.5	504.3	151.8
Office of the Secretary	1,770.2	55.2	61.1	5.9
Office of the Solicitor	16.4	16.5	19.0	2.5
Office of Inspector General	9.7	10.4	12.1	1.7
Office of Special Trustee	0.0	64.1	28.4	-35.7
NBC - Corporate	0.0	0.0	0.2	0.2
NBC - Internal Business	293.7	36.4	42.7	6.3
Other (e.g., other Federal agencies)	34,489.8	36,804.6	38,704.3	1,899.7
Activity Totals: (\$000)	40,036.6	39,364.0	42,608.4	3,244.4
FTE	347.4	350.0	350.0	0.0

The NBC Human Resources Management Line of Business (HRLOB) provides fee-for-service integrated HR/payroll system and operations services to non-Interior clients and optional services to individual Interior clients at their request.

In addition to the integrated payroll system and operations services, the HRLOB provides HR cross services and support for the strategic management of human capital including HR Strategy, Organization and Position Management, Staff Acquisition, Performance Management, Compensation Management, Benefits Management, Human Resources Development, Employee Relations, Labor Relations, and Separation Management. In 2006, five new customers were added to the HR cross services customer base. The new customers are the Arctic Research Commission, African Development Foundation, Chemical Safety Board, Federal Retirement Thrift Investment Board, and James Madison Fellowship Foundation.

The 2008 estimate for direct bill activity of \$42,608.4 is an increase of \$3,244.4 from the 2007 level. The increase includes \$2,188.2 for fixed costs, billing changes that result in a decrease of \$563.2, and a program change of \$1,619.4. The fixed cost increase includes \$1,015.4 to fund contract escalations for hosting and maintenance of the Federal Personnel and Payroll System (FPPS) and related systems. The program change supports the W-2 \$12 surcharge that will be used to build automated systems in support of OMB's HRLOB initiative.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Department Support Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	261.3	465.9	454.7	-11.2
Minerals Management Service	62.6	144.2	141.2	-3.0
Office of Surface Mining	125.0	167.1	161.9	-5.2
Bureau of Reclamation	156.2	341.1	333.6	-7.6
Geological Survey	7.1	71.5	81.3	9.8
Fish and Wildlife Service	418.1	506.3	503.6	-2.7
National Park Service	174.3	432.3	420.1	-12.2
Bureau of Indian Affairs	1,579.8	683.3	677.3	-6.0
Office of the Secretary	14,437.7	15,462.0	16,514.3	1,052.3
Natural Resource Damage Assessment	0.4	4.1	3.9	-0.2
Insular Affairs	3.1	17.7	27.3	9.5
Office of the Solicitor	1,054.7	461.3	455.4	-6.0
Office of Inspector General	56.2	65.9	63.8	-2.0
Office of Special Trustee	403.4	1,175.4	1,186.8	11.5
NBC - Corporate	6,348.5	8,622.2	7,530.5	-1,091.7
NBC - Internal Business	2,614.1	1,067.1	2,648.9	1,581.8
National Indian Gaming Commission	35.4	43.3	45.2	1.9
Advisory Council on Historic Preservation	29.6	29.6	29.6	-0.0
Other (e.g., other Federal agencies)	3,492.0	3,183.6	3,226.3	42.8
Activity Totals: (\$000)	31,259.6	32,944.0	34,505.8	1,561.9
FTE	198.9	199.0	199.0	0.0

The NBC Support Services Line of Business (LOB) provides a variety of operational support services to Interior bureaus and offices and other government agencies on a fee-for-service, full cost recovery basis.

Acquisitions Services provides multi-sited cradle-to-grave contracting, procurement, and indirect cost negotiation services through multiple locations nationwide, including Denver, Boise, Sacramento, Washington, D. C., and Fort Huachuca, Arizona.

Facilities Management Services provides building alteration services for occupants of the Main and South Interior Building; technical, advisory, and contractor-assisted space management services for Departmental bureaus; and Department-wide issuance of selected controlled supply items such as official flags and seals.

Employee and Public Services provides drug and alcohol testing program oversight and administration for the Bureau of Indian Affairs and reimbursable drug testing services for other government agencies; physical security services for special events at the Main Interior Complex; an array of printing and graphic services, photography services, and centralized acquisitions of publications and supplies from the Government Printing Office.

Mail and Messenger Services provides reimbursable mail and messenger services to Interior bureaus and offices, including the Blue Pages, express delivery, overseas mail delivery, postage, and mail delivery to satellite bureau offices within the Washington D.C. area.

The 2008 request of \$34,505.8 is an increase of \$1,561.9 from the 2007 level. The increase includes \$751.8 in fixed costs and \$810.1 in program increases. The program increases include an increase of \$750.0 in the MIB Modernization Moves, a decrease of \$9.5 in Washington DC Acquisitions, an increase of \$8.2 in Denver Acquisitions, a decrease of \$28.1 in Facilities Reimbursable Services, a decrease of \$11.3 in Reimbursable Security Services, a decrease of \$97.2 in Creative Communications and an increase of \$198.0 in the Other Agency Drug Testing Program.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Financial Management Services

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management	0.0	11.0	6.2	-4.8
Minerals Management Service	14.6	9.2	9.2	-0.0
Geological Survey	195.1	121.7	121.7	-0.0
Fish and Wildlife Service	2,471.9	2,688.9	2,880.2	191.3
National Park Service	744.1	819.0	711.7	-107.3
Bureau of Indian Affairs	3,638.3	3,728.0	3,842.0	114.0
Office of the Secretary	9,884.8	14,210.2	15,081.4	871.2
Natural Resource Damage Assessment	134.7	143.9	153.1	9.2
Insular Affairs	0.0	127.3	134.5	7.2
Office of the Solicitor	668.0	371.6	443.1	71.5
Office of Inspector General	125.0	133.5	141.0	7.5
Office of Special Trustee	347.0	369.5	390.8	21.3
NBC - Corporate	4,366.2	5,911.4	6,086.6	175.2
NBC - Internal Business	1,509.8	1,156.5	1,131.1	-25.4
National Indian Gaming Commission	140.5	150.3	154.1	3.8
Commission of Fine Arts	138.3	109.6	112.9	3.3
Advisory Council on Historic Preservation	168.0	178.5	183.4	4.9
Other (e.g., other Federal agencies)	<u>34,565.8</u>	<u>40,085.0</u>	<u>36,387.6</u>	<u>-3,697.4</u>
Activity Totals: (\$000)	59,112.1	70,325.2	67,970.6	-2,354.6
FTE	198.5	200.0	200.0	0.0

The NBC Financial Management Line of Business (FMLOB) provides training, help desk, technical support, and systems management for the Federal Financial System, Momentum, Oracle Federal Financials, Interior Department Electronic Acquisition System - Procurement Desktop, Fixed Assets, Hyperion, Travel Manager, and eTravel; administers the Quarters Program; and provides operational accounting services. FMLOB services are provided to both Interior and external customers through individually negotiated interagency agreements. The FMLOB also houses the NBC Budget Office, which provides a full range of budgetary support for the NBC including authorization of funding and staffing allotments, preparation of funding status reports, and administration of the NBC's Activity Based Cost Management initiative.

The 2008 request of \$67,970.6 is a decrease of \$2,354.6 from the 2007 level. This includes \$619.3 for fixed costs and a decrease of \$2,973.9 in program changes. The program changes include a decrease of \$31.6 in NBC Chief Financial Officer, an increase of \$23.1 in NBC Budget Office, a decrease of \$2,506.3 in Accounting Operations, an increase of \$664.4 in FBMS Transition, a decrease of \$1,259.5 in Financial Systems, a decrease of \$4.8 in Quarters Program, an increase of \$112.3 in IDEAS, an increase of \$17.6 in the Business Management Office, and an increase of \$10.9 in CFO Audit Liaison. The decreases in Accounting Operations and Financial Systems reflect the departure of two non-Interior customers (ITA and DEA).

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: Aviation Services

<u>Customer</u>		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Other (e.g., other Federal agencies)		174,930.0	123,117.4	123,154.6	37.2
Activity Totals:	(\$000)	174,930.0	123,117.4	123,154.6	37.2
	FTE	66.5	72.0	72.0	0.0

The NBC Aviation Services Line of Business (LOB) provides aviation safety, aviation program management, aviation user training and flight scheduling. Aviation services also include coordination services and related activities, such as managing all Department-owned aircraft; establishing standards for all Interior aircraft facilities and aviation-related personnel; assigning aircraft to bureaus and offices as required; procuring commercial aircraft services through contracts and rental agreements in support of bureaus and offices; providing aircraft maintenance; assisting bureaus in determining whether aircraft should be government-owned, leased, contracted, or chartered; and optimizing aircraft use consistent with varying bureau mission requirements.

The Aviation Services LOB also provides reimbursable aviation services to other Federal agencies and cooperating organizations. The Aviation Services LOB oversees approximately 100 DOI-owned aircraft, 350 annually contracted or leased aircraft, and nearly 1,700 rental aircraft in providing aviation services to its customers throughout the fifty states, Puerto Rico, the U.S. Virgin Islands, and the Antarctic. The Aviation Services LOB supports Interior and non-Interior agencies involved in fighting wildland fires. Actual costs are driven by the severity of each year's fire season.

The 2008 request of \$123,154.6 is an increase of \$37.2 over the 2007 level for fixed costs.

Activity: Appraisal Services

<u>Customer</u>		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Bureau of Land Management		741.1	0.0	0.0	0.0
Bureau of Reclamation		403.0	0.0	0.0	0.0
Fish and Wildlife Service		1,910.7	0.0	0.0	0.0
National Park Service		344.6	0.0	0.0	0.0
Office of the Secretary		10,278.7	10,412.5	10,788.5	376.0
Office of Special Trustee		0.0	2,420.0	2,420.0	-0.0
Other (e.g., other Federal agencies)		20.0	0.0	0.0	0.0
Activity Totals:	(\$000)	13,698.1	12,832.5	13,208.5	376.0
	FTE	78.4	91.0	91.0	0.0

The NBC Appraisal Services Line of Business (LOB) provides land appraisal services to Department of the Interior bureaus and represents the consolidation of all land appraisal functions within the Department.

In 2008, the Office of the Secretary will provide a total of \$11,141.4 to the Appraisal Services LOB. Of this amount, \$8,144.8 is funded from the Departmental Management Appropriation and \$2,996.6 is collected on behalf of Appraisal Services from BLM, BOR, FWS, and NPS. Appraisal Services also provides oversight of land appraisals conducted by the Office of the Special Trustee and land appraisal services for non-Interior clients.

The 2008 request of \$13,208.5 is an increase of \$376.0 over the 2007 level. The increase includes \$322.0 for fixed costs and a billing change of \$54.0.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Direct billing

Activity: NBC Direction

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
NBC - Corporate	3,994.0	4,147.8	4,147.8	0.0
NBC - Internal Business	1,028.9	1,504.6	1,504.6	-0.0
Activity Totals: (\$000)	5,022.9	5,652.4	5,652.4	0.0
FTE	17.8	18.0	18.0	0.0

This activity provides funding to support the NBC Director and immediate staff. The Office of the Director provides executive leadership and strategic direction for the National Business Center. The costs for these services are indirect costs that are provided for in the pricing schedules established for NBC products and services. The Solutions Coordination Office (SCO) within the Office of the Director provides coordination and ensures integration of NBC systems and Lines of Business Initiatives.

The 2008 request of \$5,652.4 is the same as the 2007 level.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

Charge card rebates

Activity: NBC Charge Card Support Operations

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Other (e.g., other Federal agencies)	474.4	637.3	672.0	34.7
Activity Totals: (\$000)	474.4	637.3	672.0	34.7
FTE	4.0	4.0	4.0	0.0

This funding is provided through the Department's charge card rebate program and supports the oversight and management of the charge card program by the NBC Budget and Finance Directorate.

DEPARTMENT-WIDE PROGRAMS

Working Capital Fund Revenue and Activity Detail

National Business Center

MIB/SIB space rental

Activity: Interior Building Space Rental

<u>Customer</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008 Chng</u>
Other (e.g., other Federal agencies)	31.4	12.0	12.0	0.0
Activity Totals: (\$000)	31.4	12.0	12.0	0.0
FTE	0.0	0.0	0.0	0.0

This activity provides rental services for the auditorium and conference rooms to other Federal agencies and the private sector on a fee-for-service basis.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund

Overview of Detail to Follow

The table that begins on the next page displays the obligations and FTE for the activities financed through the Working Capital Fund in the production of goods and services. The tables that follow display these obligations by object class.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Obligations by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
<u>Centralized billing</u>						
Other OS Activities						
Invasive Species Program	7.6	1,248.3	7.6	1,268.4	7.6	1,339.8
Alaska Field Office	7.0	1,088.2	7.0	1,112.7	7.0	1,183.7
Alaska Resources Library and Information Services	0.0	1,022.5	0.0	1,022.5	0.0	1,022.5
Indian Water Rights Office	1.5	486.8	1.5	534.2	1.5	557.3
Document Management Unit	6.5	763.9	6.5	813.3	6.5	848.6
Departmental News and Information	4.0	819.3	4.0	825.3	4.0	742.1
Southern Nevada Water Coordinator	1.0	206.1	1.0	216.0	1.0	195.0
Land/Water Settlements	0.0	0.0	0.0	0.0	1.0	180.5
Electronic Records Management (ERM)	0.0	0.0	0.0	0.0	0.0	1,010.0
Financial Mgmt Training and Travel Mgmt Center	2.5	385.5	7.5	1,068.6	5.5	804.4
Activity Based Costing/Management	0.0	1,057.0	0.0	1,057.0	0.0	1,057.0
Quarters Program, Space Mgmt Initiative, and Interior	2.0	391.6	3.0	1,162.4	3.0	1,265.5
Planning and Performance Management	8.0	1,517.6	8.0	1,569.9	8.0	1,671.6
Center for Competitive Sourcing Excellence	1.0	496.6	1.0	500.9	1.5	604.3
Human Resources Initiatives	11.0	2,560.1	12.0	2,976.2	12.0	3,014.2
Special Emphasis Program and EEO Complaints Tracking	0.0	49.3	0.0	49.3	0.0	79.6
Occupational Health and Safety/Training Initiative	5.5	1,548.1	5.5	1,580.0	5.5	1,658.0
Law Enforcement, Security, & Emergency Preparedness	19.8	2,692.3	19.8	2,955.7	21.8	3,389.0
IT Architecture and Capital Planning	7.2	5,389.9	7.2	5,540.4	6.7	5,867.5
IT Security	6.8	5,002.8	6.8	4,995.9	6.8	5,025.7
Department-wide Telecommunications Initiatives	5.3	1,773.2	5.3	4,064.5	4.3	2,928.0
Enterprise Services Network (ESN)	5.9	19,872.7	11.1	22,296.2	11.1	22,342.7
Department-wide Records Management	1.0	1,630.5	1.0	1,623.2	1.0	1,716.2
Solicitor - Ethics Training/ALLEX Database/FOIA Appeals	0.0	78.1	0.0	578.1	0.0	578.1
CFO Financial Statement Audit	0.0	6,260.3	0.0	6,613.8	0.0	8,167.2
E Government Initiatives	1.0	3,713.9	1.0	3,713.9	1.0	3,885.6
Appraisal Services	0.0	2,947.2	0.0	2,996.6	0.0	2,996.6
Central Services	2.2	3,190.2	2.2	3,976.4	2.2	4,120.0
Financial and Business Management System (FBMS)	0.0	0.0	0.0	0.0	0.0	18,195.2
Other OS Activities Subtotal	106.8	66,191.7	119.0	75,111.2	119.0	96,446.1
National Business Center						
Training Services	0.0	9,133.3	0.0	9,349.3	0.0	9,830.3
Information Technology Services	0.0	27,026.5	0.0	30,495.2	0.0	30,514.0
Human Resources Management	0.0	16,381.9	0.0	16,472.2	0.0	18,232.7
Department Support Services	0.0	12,962.4	0.0	14,151.3	0.0	14,721.6
Financial Management Services	0.0	22,073.4	0.0	22,551.4	0.0	24,098.2
Aviation Services	0.0	6,462.8	0.0	6,209.3	0.0	9,059.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Obligations by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
National Business Center Subtotal	0.0	94,040.3	0.0	99,228.6	0.0	106,455.8
Centralized billing subtotal	106.8	160,232.0	119.0	174,339.8	119.0	202,901.8

Direct billing

Other OS Activities

Executive Direction	0.0	278.0	0.0	270.5	0.0	200.0
Financial and Business Management System (FBMS)	0.0	23,166.7	0.0	11,000.0	0.0	8,000.0
Policy, Management, and Budget	6.4	5,678.8	1.0	926.1	1.0	681.3
HSPD-12	0.0	0.0	0.0	7,047.0	0.0	6,010.0
Information Resources Initiatives	2.0	29,933.3	1.0	17,214.7	1.0	17,228.6
ESN	0.0	5,686.1	0.0	22,954.0	0.0	24,215.0
Central Services	3.0	14,490.0	3.0	13,920.2	3.0	7,854.2
Other OS Activities Subtotal	11.4	79,232.9	5.0	73,332.5	5.0	64,189.1

National Business Center

Training Services	82.1	16,011.8	90.0	9,629.5	90.0	8,292.6
Information Technology Services	100.0	53,665.3	100.0	36,131.8	100.0	37,955.1
Human Resources Management	347.4	54,495.8	350.0	39,363.9	350.0	42,608.3
Department Support Services	198.9	48,272.5	199.0	32,943.9	199.0	34,497.8
Financial Management Services	198.5	71,277.7	200.0	70,325.2	200.0	67,970.6
Aviation Services	66.5	180,284.2	72.0	123,117.4	72.0	123,154.6
Appraisal Services	78.4	14,399.6	91.0	12,832.5	91.0	13,208.5
NBC Direction	17.8	5,476.2	18.0	5,652.4	18.0	5,652.4
National Business Center Subtotal	1,089.6	443,883.0	1,120.0	329,996.4	1,120.0	333,339.9
Direct billing subtotal	1,101.0	523,115.9	1,125.0	403,328.9	1,125.0	397,529.1

Building maintenance

Other OS Activities

Departmentally Controlled Space	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0
Other OS Activities Subtotal	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0
Building maintenance subtotal	0.0	43,821.8	0.0	47,525.7	0.0	51,000.0

MIB/SIB space rental

National Business Center

Interior Building Space Rental	0.0	31.4	0.0	12.0	0.0	12.0
National Business Center Subtotal	0.0	31.4	0.0	12.0	0.0	12.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Obligations by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
MIB/SIB space rental subtotal	0.0	31.4	0.0	12.0	0.0	12.0
<u>Charge card rebates</u>						
Other OS Activities						
Charge Card Rebate Program	1.0	7,001.0	1.0	5,321.7	1.0	5,333.0
Other OS Activities Subtotal	1.0	7,001.0	1.0	5,321.7	1.0	5,333.0
National Business Center						
NBC Charge Card Support Operations	4.0	474.4	4.0	637.3	4.0	672.0
National Business Center Subtotal	4.0	474.4	4.0	637.3	4.0	672.0
Charge card rebates subtotal	5.0	7,475.5	5.0	5,959.0	5.0	6,005.0
Working Capital Fund Total	1,212.8	734,676.6	1,249.0	631,165.5	1,249.0	657,448.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Obligations by Activity**

<u>Account</u>	<u>2006Actual</u>		<u>2007Estimate</u>		<u>2008Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Other OS Activities						
Financial and Business Management System (Appropriation)	0.0	0.0	0.0	0.0	15.0	22,240.4
Other OS Activities Subtotal	0.0	0.0	0.0	0.0	15.0	22,240.4
subtotal	0.0	0.0	0.0	0.0	15.0	22,240.4
Working Capital Fund Total	0.0	0.0	0.0	0.0	15.0	22,240.4

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
Summary of Requirements by Object Class
(in thousands of dollars)

Appropriation: <u>Working Capital Fund</u>	Object Classification	2007		Fixed cost & related changes		Program changes		2008 Budget Request	
		Estimate		Amount		Amount		Amount	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
	Personnel compensation								
	11.1 Full-time permanent.....	1,249	85,301.7	0.0	+1,955.1	0.0	+450.2	1,249.0	87,707.0
	11.3 Other than full-time permanent.....	0.0	2,271.6	0.0	+52.1	0.0	+12.0	0.0	2,335.7
	11.5 Other personnel compensation.....	0.0	2,530.4	0.0	+58.0	0.0	+13.4	0.0	2,601.8
	11.9 Total personnel compensation.....	1,249.0	90,103.8	0.0	+2,065.2	0.0	+475.5	1,249.0	92,644.5
	12.1 Personnel benefits: civilian.....		22,569.1		+589.5		+96.4		23,255.0
	13.0 Benefits for former personnel.....		168.3		0.0		+46.3		214.6
	21.0 Travel and transportation of persons.....		3,920.6		+18.5		-10.1		3,929.0
	22.0 Transportation of things.....		382.8		+2.1		+0.4		385.3
	23.1 Rental payment to GSA.....		14,956.1		+414.5		+41.6		15,412.2
	23.3 Communications, utilities, and miscellaneous.....		70,184.1		+2,832.4		+1,185.4		74,201.9
	24.0 Printing and reproduction.....		544.5		+0.2		-1.3		543.4
	25.1 Advisory and assistance services.....		13,812.8		+60.6		+567.3		14,440.6
	25.2 Other services.....		197,119.4		+864.4		+8,717.1		206,700.9
	25.3 Purchases of goods & services - government.....		54,675.5		+239.8		+2,245.6		57,160.9
	25.5 Research and Development Contracts.....		136,067.7		+599.4		+5,614.1		142,281.2
	26.0 Supplies and materials.....		16,927.2		+12.8		-120.8		16,819.2
	31.0 Equipment.....		9,733.7		+58.4		-332.9		9,459.2
99.9	Total requirements.....	1,249.0	631,165.5	0.0	7,757.8	0.0	18,524.7	1,249.0	657,448.0

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
Summary of Requirements by Object Class
(in thousands of dollars)

Appropriation: _____ Financial and Business Management System

Object Classification	2007 Estimate		Fixed cost & related changes		Program changes		2008 Budget Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Personnel compensation								
11.1 Full-time permanent.....	0.0	0.0	0.0	0.0	+15.0	+1,253.6	15.0	1,253.6
11.3 Other than full-time permanent.....	0.0	0.0	0.0	0.0	0.0	+33.4	0.0	33.4
11.5 Other personnel compensation.....	0.0	0.0	0.0	0.0	0.0	+37.2	0.0	37.2
11.9 Total personnel compensation.....	0.0	0.0	0.0	0.0	+15.0	+1,324.2	15.0	1,324.2
12.1 Personnel benefits: civilian.....		0.0				+321.5		321.5
25.2 Other services.....		0.0				+20,594.7		20,594.7
99.9 Total requirements.....	0.0	0.0	0.0	0.0	+15.0	+22,240.4	15.0	22,240.4

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund**

Program and Financing (in millions of dollars)

Identification code 14-4523-0-4-306	2006	2007	2008
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
Obligations by program activity			
09.01	148	149	158
09.02	1,059	1,328	1,340
09.04	8	8	8
09.05	41	46	51
09.06	44	98	100
09.07	.....	.....	22
09.09	<u>1,300</u>	<u>1,629</u>	<u>1,679</u>
10.00	1,300	1,629	1,679
Budgetary resources available for obligation:			
21.40	188	112	105
22.00	1,217	1,622	1,651
22.10	7	.....	.....
23.90	<u>1,412</u>	<u>1,734</u>	<u>1,756</u>
23.95	<u>-1,300</u>	<u>-1,629</u>	<u>-1,679</u>
24.40	112	105	77
New budget authority (gross), detail:			
Discretionary			
40.00	.....	.....	22
Mandatory			
69.00	1,244	1,622	1,629
69.10	Change in uncollected customer payments from		
	Federal sources (unexpired).....		
	-27	.....	.....
69.90	<u>1,217</u>	<u>1,622</u>	<u>1,629</u>
70.00	1,217	1,622	1,651
Change in obligated balances:			
72.40	408	269	95
73.10	1,300	1,629	1,679
73.20	-1,459	-1,803	-1,686
73.45	-7	.....	.....
74.00	Change in uncollected customer payments from		
	Federal sources (unexpired).....		
	27	.....	.....
74.40	<u>269</u>	<u>95</u>	<u>88</u>
Outlays (gross), detail:			
86.90	.....	.....	20
86.97	2	1,460	1,466
86.98	<u>1,457</u>	<u>343</u>	<u>200</u>
87.00	1,459	1,803	1,686
Offsets:			
Against gross budget authority and outlays			
Offsetting collections (cash) from			
88.00	1,293	1,622	1,629
88.40	-49	.....	.....
88.90	<u>1,244</u>	<u>1,622</u>	<u>1,629</u>
Against gross budget authority only			
88.95	Change in uncollected customer payments from		
	Federal sources (unexpired).....		
	-27	.....	.....
Net budget authority and outlays:			
89.00	.....	.....	22
90.00	<u>215</u>	<u>181</u>	<u>57</u>
95.02	606		

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund**

Program and Financing (in millions of dollars)

Identification code 14-4523-0-4-306

		2006	2007	2008
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Reimbursable obligations				
Personnel Compensation				
11.1	Full-time permanent.....	85	85	86 ¹
11.3	Other than full-time permanent.....	2	2	2
11.5	Other personnel compensation.....	<u>2</u>	<u>2</u>	<u>2</u>
11.9	Total personnel compensation.....	89	89	90
12.1	Civilian personnel benefits.....	24	27	27
21.0	Travel and transportation of persons.....	4	4	5
23.1	Rental payments to GSA.....	33	39	39
23.2	Rental payments to others.....	3	.....	.....
23.3	Communications, utilities, and misc. charges.....	24	28	28
24.0	Printing and reproduction.....	1	1	1
25.1	Advisory and assistance services.....	44	48	48
25.2	Other services.....	541	679	727 ²
25.3	Other purchases of goods and services from Government accounts.....	130	190	190
25.4	Operations and maintenance of facilities.....	1	1	1
25.5	Research and development contracts.....	373	475	475
25.7	Operation and maintenance of equipment.....	2	5	5
26.0	Supplies and materials.....	25	32	32
31.0	Equipment.....	<u>6</u>	<u>11</u>	<u>11</u>
99.0	Reimbursable obligations subtotal.....	<u>1,300</u>	<u>1,629</u>	<u>1,679</u>
99.9	Total new obligations.....	1,300	1,629	1,679

Personnel Summary

Direct:

 Total compensable workyears

1001	Civilian full-time equivalent employment.....
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Reimbursable:

2001	Civilian full-time equivalent employment.....	1,211	1,249	1,264 ³
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¹ Added 1M for Financial and Business Management System

² Added 21M for Financial and Business Management System

³ Added 15 FTE for Financial and Business Management System

**DEPARTMENT OF THE INTERIOR
NATIONAL BUSINESS CENTER
Interior Franchise Fund**

Narrative Statement

The GovWorks organization of the National Business Center serves under the Interior Franchise Fund with the mission of providing effective and cost competitive acquisition services to the Department of Interior and other Federal agencies.

In 2008, NBC will continue formation of the Acquisition Line of Business through the merger of GovWorks and other NBC acquisition and procurement offices into the IFF. This consolidation will leverage best practices, standardize policies and procedures, improve internal controls, and provide an enhanced value proposition to our customers.

The NBC has taken actions to enhance acquisition oversight and mitigate risk. The NBC has developed policies to ensure that procurement actions for non-Interior customers include customer-appropriate supplemental requirements in accordance with Federal Acquisition Regulations and mandatory contracting officer review of Appropriations Law prior to award. The NBC now requires all contractor personnel to execute non-disclosure agreements and ensures, through contracting officer review, separation of duties and potential organizational conflict of interest. Finally, NBC has strengthened financial management of acquisitions awards through monthly management reports and issuance of policies regarding availability of funds and avoidance of unauthorized commitments. The NBC will also take additional actions including the establishment of a formal review program to ensure compliance with FAR, internal reviews to ensure compliance with Interior's acquisition policies, and more robust peer and Departmental legal review of contracts.

Franchise Fund Background

The Government Management Reform Act of 1994 authorized creation of six executive agency pilot franchise funds. The Director of OMB approved the Department of the Interior's application for a pilot program in May 1996 and the Interior Franchise fund was established in the 1997 Interior and Related Agencies Appropriations Act.

The goal of the franchise fund is to provide common administrative and financial management services to Federal agencies by reducing the costs of common services and systems, which ultimately reduces costs to the taxpayer. Common services are those functions all agencies perform in support of their mission. This includes, but is not limited to, procurement, financial management, personnel, payroll, property, information technology, and facilities management.

The Consolidated Appropriations Act, 2006 reauthorized the IFF through October 1, 2006. The 2007 President's budget proposed to extend franchise fund authority until October 1, 2008, and the 2008 budget proposes to extend the authority until October 1, 2009.

Budget Overview

The 2008 estimate for services provided by NBC through IFF is estimated at \$2.3 billion supported by 171 FTE. The increase of \$1.0 million reflects fixed cost increases that will be funded through negotiated customer agreements with other Federal agencies and the Department.

The Department is engaged in a review of the benefits of moving the other NBC lines of business from the Working Capital Fund into the Franchise Fund, and executing out of the Franchise Fund as early as 2008. The Department will consult with OMB and Congress before such a move is made.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Interior Franchise Fund**

Program and Financing (in millions of dollars)

Identification code 14-4529-0-4-306	2006	2007	2008
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
Obligations by program activity			
09.00 Reimbursable program.....	1,505	1,611	1,724
10.00 Total new obligations.....	1,505	1,611	1,724
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year.....	789	504	458
22.00 New budget authority (gross).....	1,220	1,565	1,678
23.90 Total budgetary resources available for obligation.....	2,009	2,069	2,136
23.95 Total new obligations.....	-1,505	-1,611	-1,724
24.40 Unobligated balance carried forward, end of year.....	504	458	412
New budget authority (gross), detail:			
Mandatory			
69.00 Offsetting collections (cash).....	1,293	1,565	1,678
69.10 Change in uncollected customer payments from Federal sources (unexpired).....	-73	.....	.....
69.90 Spending authority from offsetting collections (total mandatory).....	1,220	1,565	1,678
Change in obligated balances:			
72.40 Obligated balance, start of year.....	544	727	686
73.10 Total new obligations.....	1,505	1,611	1,724
73.20 Total outlays (gross).....	-1,395	-1,652	-1,622
74.00 Change in uncollected customer payments from Federal sources (unexpired).....	73	.....	.....
74.40 Obligated balance, end of year.....	727	686	788
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority.....	607	1,252	1,342
86.98 Outlays from mandatory balances.....	788	400	280
87.00 Total outlays (gross).....	1,395	1,652	1,622
Offsets:			
Against gross budget authority and outlays			
Offsetting collections (cash) from			
88.00 Federal sources.....	1,293	1,565	1,678
Against gross budget authority only			
88.95 Change in uncollected customer payments from Federal sources (unexpired).....	-73	.....	.....
Net budget authority and outlays:			
89.00 Budget authority.....	.....	.....	.....
90.00 Outlays.....	102	87	-56
95.02 Unpaid obligation, end of year.....	813		

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Interior Franchise Fund**

Object Classification (in millions of dollars)

Identification code 14-4529-0-4-306		2006	2007	2008
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Reimbursable obligations				
Personnel compensation				
11.1	Full-time permanent.....	10	10	10
12.1	Civilian personnel benefits.....	4	4	4
23.1	Rental payments to GSA.....	2	2	3
25.1	Advisory and assistance services.....	4	4	4
25.2	Other services.....	1,479	1,588	1,700
26.0	Supplies and materials.....	2	2	2
31.0	Equipment.....	4	1	1
99.0	Reimbursable obligations subtotal.....	<u>1,505</u>	<u>1,611</u>	<u>1,724</u>
99.9	Total new obligations.....	1,505	1,611	1,724

Personnel Summary

Reimbursable:				
2001	Civilian full-time equivalent employment.....	113	113	113

Due to the anomaly of the FY 2006 Budget process, the following general provisions section is being presented as if it was new; however, explanations are provided only for those provisions that are changed from the FY 2007 President's Budget.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: Provided further, That it is the sense of the Congress that all funds used pursuant to this section be replenished by a supplemental appropriation, to be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of wildland fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for wildland fire operations shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for wildland fire operations, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That for wildland fire operations, no funds shall be made available under this authority until the Secretary determines that funds appropriated for "wildland fire operations" shall be exhausted within 30 days: Provided further, That it is the sense of the Congress that all funds used pursuant to this section be replenished by a supplemental appropriation, to be requested as promptly as possible: Provided further, That such replenishment funds should be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed \$500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 104. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore preleasing, leasing and related activities placed under restriction in the President's moratorium statement of June 12, 1998, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 105. No funds provided in this title may be expended by the Department of the Interior to conduct oil and natural gas preleasing, leasing and related activities in the Mid-Atlantic and South Atlantic planning areas.

SEC. 106. Appropriations made in this Act under the headings Bureau of Indian Affairs and Office of Special Trustee for American Indians and any unobligated balances from prior appropriations Acts made under the same headings shall be available for expenditure or transfer for Indian trust management and reform activities, except that total funding for historical accounting activities shall not exceed amounts specifically designated in this Act for such purpose.

SEC. 107. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transfer-

ring funds to address identified, unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. No federally recognized tribe shall receive a reduction in Tribal Priority Allocation funds of more than 10 percent in fiscal year 2008. Under circumstances of dual enrollment, overlapping service areas or inaccurate distribution methodologies, the 10 percent limitation does not apply.

SEC. 108. Notwithstanding any other provision of law, in conveying the Twin Cities Research Center under the authority provided by Public Law 104–134, as amended by Public Law 104–208, the Secretary may accept and retain land and other forms of reimbursement: Provided, That the Secretary may retain and use any such reimbursement until expended and without further appropriation: (1) for the benefit of the National Wildlife Refuge System within the State of Minnesota; and (2) for all activities authorized by 16 U.S.C. 460zz.

SEC. 109. The Secretary of the Interior may use or contract for the use of helicopters or motor vehicles on the Sheldon and Hart National Wildlife Refuges for the purpose of capturing and transporting horses and burros. The provisions of subsection (a) of the Act of September 8, 1959 (18 U.S.C. 47(a)) shall not be applicable to such use. Such use shall be in accordance with humane procedures prescribed by the Secretary.

SEC. 110. The Secretary of the Interior may use discretionary funds to pay private attorney fees and costs for employees and former employees of the Department of the Interior reasonably incurred in connection with *Cobell v. Kempthorne* to the extent that such fees and costs are not paid by the Department of Justice or by private insurance. In no case shall the Secretary make payments under this section that would result in payment of hourly fees in excess of the highest hourly rate approved by the District Court for the District of Columbia for counsel in *Cobell v. Kempthorne*.

SEC. 111. (a) *IN GENERAL*.—Nothing in section 134 of the Department of the Interior and Related Agencies Appropriations Act, 2002 (115 Stat. 443) affects the decision of the United States Court of Appeals for the 10th Circuit in *Sac and Fox Nation v. Norton*, 240 F.3d 1250 (2001). (b) *USE OF CERTAIN INDIAN LAND*.—Nothing in this section permits the conduct of gaming under the Indian Gaming Regulatory Act (25 U.S.C. 2701 *et seq.*) on land described in section 123 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (114 Stat. 944), or land that is contiguous to that land, regardless of whether the land or contiguous land has been taken into trust by the Secretary of the Interior.

SEC. 112. Notwithstanding any implementation of the Department of the Interior’s trust reorganization or reengineering plans, or the implementation of the “To Be” Model, funds appropriated for fiscal year 2008 shall be available to the tribes within the California Tribal Trust Reform Consortium and to the Salt River Pima-Maricopa Indian Community, the Confederated Salish and Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Tribe of the Rocky Boys Reservation through the same methodology as funds were distributed in fiscal year 2003. This Demonstration Project shall continue to operate separate and apart from the Department of the Interior’s trust reform and reorganization and the Department shall not impose its trust management infrastructure upon or alter the existing trust resource management systems of the above referenced tribes having a self-governance compact and operating in accordance with the Tribal Self-Governance Program set forth in 25 U.S.C. 458aa–458hh: Provided, That the California Trust Reform Consortium and any other participating tribe agree to carry out their responsibilities under the same written and implemented fiduciary standards as those being carried by the Secretary of the Interior: Provided further, That they demonstrate to the satisfaction of the Secretary that they have the capability to do so: Provided further, That the Department shall provide funds to the federally recognized tribes in an amount equal to that required by 25 U.S.C. 458cc(g)(3), including funds specifically or functionally related to the provision of trust services to the federally recognized tribes or their members.

SEC. 113. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to acquire lands, waters, or interests therein including the use of all or part of any pier, dock, or landing within the State of New York and the State of New Jersey, for the purpose of operating and maintaining facilities in the support of transportation and accommodation of visitors to Ellis, Governors, and Liberty Islands, and of other program and administrative activities, by donation or with appropriated funds, including franchise fees (and other monetary consideration), or by exchange; and the Secretary is authorized to negotiate and enter into leases, subleases, concession contracts or other agreements for the use of such facilities on such terms and conditions as the Secretary may determine reasonable.

SEC. 114. Notwithstanding any other provision of law, the National Park Service final winter use rules published in Part VII of the Federal Register for November 10, 2004, 69 Fed. Reg. 65348 *et seq.*, shall be in force and effect for the winter use season for the fiscal year funded by this appropriation.

TITLE IV—GENERAL PROVISIONS

SEC. 401. *The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.*

SEC. 402. *No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete other than to communicate to Members of Congress as described in 18 U.S.C. 1913.*

SEC. 403. *No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.*

SEC. 404. *None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.*

SEC. 405. *Estimated overhead charges, deductions, reserves or holdbacks from programs, projects, activities and subactivities to support government-wide, departmental, agency or bureau administrative functions or headquarters, regional or central operations shall be presented in annual budget justifications. Advance notice of changes to such estimates shall be presented to the Committees on Appropriations.*

SEC. 406. *None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (*Sequoiadendron giganteum*) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 2007.*

SEC. 407. (a) **LIMITATION OF FUNDS.**—*None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws. (b) EXCEPTIONS.*—*The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date. (c) REPORT.*—*On September 30, 2008, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104–208). (d) MINERAL EXAMINATIONS.*—*In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.*

SEC. 408. *Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103–138, 103–332, 104–134, 104–208, 105–83, 105–277, 106–113, 106–291, 107–63, 108–7, 108–108, 108–447, 109–54, and 109–289, division B, for payments for contract support costs associated with self-determination or self-governance contracts, grants, compacts, or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 2007 for such purposes, except that the Bureau of Indian Affairs and federally recognized tribes may use their tribal priority allocations for unmet contract support costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.*

SEC. 409. *The National Endowment for the Arts and the National Endowment for the Humanities are hereafter authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities. Any proceeds from such gifts, bequests, or devises, after acceptance*

by the National Endowment for the Arts or the National Endowment for the Humanities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate endowment for the purposes specified in each case.

SEC. 410. No part of any appropriation contained in this Act shall be expended or obligated to complete and issue the 5-year program under the Forest and Rangeland Renewable Resources Planning Act.

SEC. 411. Amounts deposited during fiscal year 2007 in the roads and trails fund provided for in the 14th paragraph under the heading "FOREST SERVICE" of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or to carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildlandcommunity interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, longterm forest productivity, and biological integrity. The projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

SEC. 412. Prior to October 1, 2008, the Secretary of Agriculture shall not be considered to be in violation of subparagraph 6(f)(5)(A) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(5)(A)) solely because more than 15 years have passed without revision of the plan for a unit of the National Forest System. Nothing in this section exempts the Secretary from any other requirement of the Forest and Rangeland Renewable Resources Planning Act (16 U.S.C. 1600 et seq.) or any other law: Provided, That if the Secretary is not acting expeditiously and in good faith, within the funding available, to revise a plan for a unit of the National Forest System, this section shall be void with respect to such plan and a court of proper jurisdiction may order completion of the plan on an accelerated basis.

SEC. 413. No funds provided in this Act may be expended to conduct preleasing, leasing and related activities under either the Mineral Leasing Act (30 U.S.C. 181 et seq.) or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) within the boundaries of a National Monument established pursuant to the Act of June 8, 1906 (16 U.S.C. 431 et seq.) as such boundary existed on January 20, 2001, except where such activities are allowed under the Presidential proclamation establishing such monument.

SEC. 414. In entering into agreements with foreign countries pursuant to the Wildfire Suppression Assistance Act (42 U.S.C. 1856m) the Secretary of Agriculture and the Secretary of the Interior are authorized to enter into reciprocal agreements in which the individuals furnished under said agreements to provide wildfire services are considered, for purposes of tort liability, employees of the country receiving said services when the individuals are engaged in fire suppression: Provided, That the Secretary of Agriculture or the Secretary of the Interior should not enter into any agreement under this provision unless the foreign country (either directly or through its fire organization) agrees to assume any and all liability for the acts or omissions of American firefighters engaged in firefighting in a foreign country: Provided further, That when an agreement is reached for furnishing fire fighting services, the only remedies for acts or omissions committed while fighting fires shall be those provided under the laws of the host country, and those remedies shall be the exclusive remedies for any claim arising out of fighting fires in a foreign country: Provided further, That neither the sending country nor any legal organization associated with the firefighter shall be subject to any legal action whatsoever pertaining to or arising out of the firefighter's role in fire suppression.

SEC. 415. In awarding a Federal contract with funds made available by this Act, notwithstanding Federal Government procurement and contracting laws, the Secretary of Agriculture and the Secretary of the Interior (the "Secretaries") may, in evaluating bids and proposals, give consideration to local contractors who are from, and who provide employment and training for, dislocated and displaced workers in an economically disadvantaged rural community, including those historically timber-dependent areas that have been affected by reduced timber harvesting on Federal lands and other forest-dependent rural communities isolated from significant alternative employment opportunities: Provided, That notwithstanding Federal Government procurement and contracting laws the Secretaries may award contracts, grants or cooperative agreements to local non-profit entities, Youth Conservation Corps or related partnerships with State, local or non-profit youth groups, or small or micro-business or disadvantaged business: Provided further, That the contract, grant, or cooperative agreement is for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration

or management: Provided further, That the terms “rural community” and “economically disadvantaged” shall have the same meanings as in section 2374 of Public Law 101–624: Provided further, That the Secretaries shall develop guidance to implement this section: Provided further, That nothing in this section shall be construed as relieving the Secretaries of any duty under applicable procurement laws, except as provided in this section.

SEC. 416. No funds appropriated in this Act for the acquisition of lands or interests in lands may be expended for the filing of declarations of taking or complaints in condemnation without the prior notification of the House and Senate Committees on Appropriations: Provided, That this provision shall not apply to funds appropriated to implement the Everglades National Park Protection and Expansion Act of 1989, or to funds appropriated for Federal assistance to the State of Florida to acquire lands for Everglades restoration purposes.

SEC. 417. Section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2000 (as enacted into law by section 1000(a)(3) of Public Law 106–113; 113 Stat. 1501A–196; 16 U.S.C. 497 note), as amended, is amended— (1) in subsection (a) by striking “2007” and inserting “2008”; and (2) in subsection (b) by striking “2007” and inserting “2008”.

SEC. 418. GRAZING ALLOTMENT CATEGORICAL EXCLUSION AUTHORITY EXTENSION.—For fiscal year 2008, a decision made by the Secretary of Agriculture to authorize grazing on an allotment shall be categorically excluded from documentation in an environmental assessment or an environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) if: (1) the decision continues current grazing management of the allotment; (2) monitoring indicates that current grazing management is meeting, or satisfactorily moving toward, objectives in the land and 638 resource management plan, as determined by the Secretary; and (3) the decision is consistent with agency policy concerning extraordinary circumstances. The total number of allotments that may be categorically excluded under this section may not exceed 900.

**DEPARTMENT OF THE INTERIOR
2008 GENERAL PROVISIONS
EXPLANATION OF LANGUAGE CHANGES**

Due to the anomaly of the FY 2006 Budget process, the following general provisions section is being presented as if it was new; however, explanations are provided only for those provisions that are changed from the FY 2007 President's Budget.

Sec. 101... The Department proposes to modify language that requires submission of a supplemental appropriations request to replenish transferred funds. This requirement is inconsistent with the President's authority under Article II, Section 3 of the Constitution to recommend such measures as he shall judge necessary and expedient. The proposed revision would state the sense of the Congress that a replenishment supplemental should be submitted.

Sec. 102... The Department proposes to modify language that requires submission of a supplemental appropriations request to replenish transferred funds. This requirement is inconsistent with the President's authority under Article II, Section 3 of the Constitution to recommend such measures as he shall judge necessary and expedient. The proposed revision would state the sense of the Congress that a replenishment supplemental should be submitted.

Sec. 105 (old)... The Department proposes to delete this provision regarding expenditure of funds to conduct offshore oil and natural gas preleasing, leasing, and related activities in the eastern Gulf of Mexico. Public Law 109-432 defines this activity and thus this language is no longer necessary.

Sec. 107... The Department proposes to extend for one year this provision that provides the authority to redistribute Tribal Priority Allocation funds to address tribal funding inequities.

Sec. 112 (old)... The Department proposes to delete this provision, which sets the ceiling for fees that the National Indian Gaming Commission can collect and also proposes to raise the ceiling for fees collected from \$12 million to \$13 million. Public Law 109-221 supersedes this language and it is no longer necessary.

Sec. 112... The Department proposes to extend for one year this provision, which establishes a demonstration project with respect to compacting and management of Tribal trust resources.

Sec. 126... The Department proposes to define the time period covered by this provision concerning the National Park Service final winter use rules to the winter use season for the fiscal year funded by this appropriation.

Sec. 129 (old)... The Department proposes to delete this provision concerning the re-authorization of the Surface Mining Control and Reclamation Act. Public Law 109-432 reauthorized this program.

Sec. 130 (old)... The Department proposes to delete this language that requires Congressional approval prior to set up of Centers of Excellence and Partnership Skills Bank training. This section is inconsistent with the Supreme Court decision in *INS v. Chada*.

Title IV

Sec. 405... The Department proposes to modify language that restricts the use of funds for Government-wide administrative functions without approval by the Committees on Appropriations. This section is inconsistent with the Supreme Court decision in *INS v. Chada*. The proposed modification would require notification of the Committees on Appropriations prior to use of funds for Government-wide administrative functions.

Sec. 406... The Department proposes to extend for one year this provision that prohibits use of funds for planning, preparing, or offering for sale timber from trees classified as giant sequoia in a manner different for such sales conducted the year previously.

Sec. 407... The Department proposes to extend the requirement for an annual report to certain Congressional committees for one year under this provision, which establishes a mine patent moratorium. This will allow for orderly completion of patent applications grandfathered under Section 133 and allow time for the Administration to consult with Congress on the amendment of the General Mining Law.

Sec. 408... The Department proposes to extend for one year and revise this provision to include the most current legislation affecting contract support costs in the Bureau of Indian Affairs and the Indian Health Service.

Sec. 414... The Department proposes to modify language that directs the terms of agreements with foreign countries for wildfire services. This language is inconsistent with the President's authority for conduct of foreign relations under Article II of the Constitution. The proposed modification would make the language advisory.

Sec. 416... The Department proposes to modify language that requires approval of the Committees on Appropriations for all declarations of taking and complaints in condemnation, except those associated with Everglades restoration activities. This section is inconsistent with the Supreme Court decision in *INS v. Chada*. The

proposed modification would require notification of the Committees on Appropriations prior to filing of declarations of taking and complaints in condemnation.

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
RESOURCE PROTECTION Protect the nation's natural, cultural and heritage resources						
Improve health of watersheds, landscapes, and marine resources that are DOI managed or influenced						
Percent of DOI stream/shoreline miles that have achieved desired conditions where condition is known and as specified in management plans	90.5%	88.0%	83.7%	86.0% (E)	87.8%	88.0%
	126,821	131,200	133,339	137,173	195,598	196,197
	140,096	149,167	159,330	159,411	222,830	222,830
Percent of DOI acres achieving desired conditions where condition is known and as specified in management plans	45.3%	48.3%	N/A	58.1%	60.6%	63.0%
	118,862,916	127,055,258		200,715,412	208,695,160	216,806,537
	262,659,257	263,115,511		345,580,083	344,308,411	344,308,411
Number of non-DOI stream/shoreline miles achieving watershed and landscape goals as specified in watershed or landscape management plans or agreements that involve DOI	593	851	882	1,217	798	895
Number of non-DOI acres achieving watershed and landscape goals as specified in watershed or landscape management plans or agreements that involve DOI	1,453,090	1,865,569	1,825,987	4,948,766	1,902,750	1,734,183
Number of Federal, private and tribal land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past coal mining	N/A	N/A	N/A	N/A	6,900	6,900
Number of treated burned acres that achieve the desired condition	N/A	N/A	N/A	N/A	126,000	126,000
Percent of treated burned acres that have achieved the desired condition	N/A	N/A	N/A	N/A	70%	73%
					126,000	126,000
					180,000	173,000
Percent of surface water miles (stream/shoreline) managed by DOI that meet State (EPA approved) Water Quality Standards	89.3%	94.7%	94.9%	94.9%	81.5%	82.7%
	128,765	259,895	260,347	260,205	228,988	232,388
	144,138	274,327	274,327	274,327	281,138	281,138
Percent of surface water acres managed by DOI that meet State (EPA approved) water quality standards.	Baseline Established	82.4%	82.4%	69.5% (E)	91.9%	92.1%
		8,629,278	8,633,818	7,278,536	18,622,559	18,660,621
		10,476,231	10,476,231	10,476,231	20,266,359	20,266,359
Number of surface and ground water systems directly managed or influenced by DOI that are protected and/or restored, as specified in management plans, by working with State and local resource managers, as appropriate, to meet ecological needs.	N/A	N/A	N/A	N/A	1,456	1,468
Restore Watersheds and Landscapes						
Number of DOI riparian (stream/shoreline) miles restored to the condition specified in management plans	N/A	80	140	97	571	571
Number of DOI wetland acres restored to the condition specified in management plans	89,262	40,027	40,849	49,765	35,316	40,418

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Number of DOI coastal and marine acres restored to the condition specified in management plans	310,073	214,428	7,775	5,903	13,554	13,554
Number of DOI upland acres restored to the condition specified in management plans	264,522	174,421	311,274	198,663	663,705	715,117
Number of non-DOI riparian (stream/shoreline) miles restored, including miles restored through partnerships, as specified in management plans or agreements that involve DOI	593	851	882	1,217	798	895
Number of non-DOI wetland acres restored, including acres restored through partnership, as specified in management plans or agreements that involve DOIs	395,146	410,605	472,449	593,996	554,355	518,421
Number of non-DOI coastal and marine acres restored, including acres restored through partnerships, as specified in management plans or agreements that involve DOI	1,634	5,771	5,445	41,009	4,787	5,553
Number of non-DOI upland acres restored, including acres restored through partnerships, as specified in management plans or agreements that involve DOI	262,931	348,362	247,665	284,898	226,952	293,104
Percent of natural ignitions, occurring in areas designated for wildland fire use or consistent with wildland fire use strategies, that are managed for resource protection benefits (i.e., "allowed to burn")	N/A	N/A	N/A	N/A	1%	2%
Percent of acres treated which are moved toward desired condition	N/A	N/A	N/A	N/A	67%	69%
Percent of acres treated which are maintained in desired condition	N/A	N/A	N/A	N/A	15%	16%
Percent of known contaminated sites remediated on DOI-managed land	10.6%	20.4%	16.5%	21.1% (E)	6.6%	10.8%
	44	100	93	119	39	64
	416	491	564	564	591	591
Tons of salt loading prevented	26,680	22,200	21,000	22,000	21,000	18,500
Manage and Protect Watersheds and Landscapes						
Number of DOI riparian (stream/shoreline) miles managed or protected to maintain desired condition as specified in management plans	N/A	N/A	4,374	5,144	58,327	58,327
Number of DOI wetland acres managed or protected to maintain desired condition as specified in management plans	1,053,918	1,150,276	25,054,788	21,357,697	21,450,067	21,455,169
Number of DOI coastal and marine acres managed or protected to maintain desired condition as specified in management plans	126,645	174,586	2,087,581	2,359,228	2,411,988	2,413,161

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Number of DOI upland acres managed or protected to maintain desired condition as specified in management plans	2,081,140	2,502,152	49,784,498	52,791,511	52,901,557	52,949,557
Number of non-DOI riparian (stream/shoreline) miles managed or protected to maintain desired condition, including miles managed or protected through partnerships, as specified in management plans or agreements that involve DOI	38	5,837	3,354	5,828	2,907	2,793
Number of non-DOI wetland acres managed or protected to maintain desired condition, including acres managed or protected through partnerships, as specified in management plans or agreements that involve DOI	455,340	555,457	1,079,046	3,685,608	1,061,301	876,207
Number of non-DOI coastal and marine acres managed or protected to maintain desired condition, including acres managed or protected through partnerships, as specified in management plans or agreements that involve DOI	338,039	381,809	18,955	14,143	40,443	25,755
Number of non-DOI upland acres managed or protected to maintain desired condition, including acres managed or protected through partnerships, as specified in management plans or agreements that involve DOI	N/A	163,565	N/A	329,112	14,923	15,143
Sustain biological communities on DOI managed and influenced lands and waters						
Percent of fish species of management concern that are managed to self-sustaining levels, in cooperation with affected States and others, as defined in approved management documents	N/A	N/A	N/A	N/A	42%	42%
					63	63
					150	150
Percent of all migratory bird species that are at healthy and sustainable levels	61%	61%	61%	61%	62%	62%
	561	561	561	561	563	563
	913	913	913	913	912	912
Percent of threatened or endangered species that are stabilized or improved	37.8%	37.4%	37.8%	43.2%	47.2%	45.0%
	338	350	356	407	509	509
	894	937	942	942	1,079	1,131
Percent of candidate species where listing is unnecessary as a result of conservation actions, including actions taken through conservation agreements	1.2%	1.2%	1.4%	1.4%	1.1%	1.4%
	3	3	4	4	3	4
	256	256	283	283	283	282
Percent of baseline acres infested with invasive plant species that are controlled	9.1%	1.5%	1.5%	1.6% (E)	1.5%	1.6%
	372,971	615,991	605,844	667,640	577,345	594,325
	4,100,000	40,364,819	40,962,678	40,725,678	37,717,611	37,719,169
Percent of invasive animal species populations that are controlled	No Report	Baseline Established	5.3%	8.0% (E)	7.8%	7.9%
			319	481	415	419
			6,023	6,023	5,293	5,293

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Provide Habitat for Biological Communities to Flourish						
Number of acres of habitat restored or enhanced that directly support ESA-listed and Bureau sensitive species conservation or recovery	N/A	N/A	N/A	N/A	107,000	128,400
Number of stream/shoreline miles of habitat restored or enhanced that directly support ESA-listed and Bureau sensitive species conservation or recovery	N/A	N/A	N/A	N/A	150	180
Manage populations to self-sustaining levels for specific species						
Percent of populations of species of management concern that are managed to desired condition	50%	40%	49%	67%	13%	13%
			366	501	474	486
			749	749	3,606	3,609
Number of international species of management concern whose status has been improved in cooperation with affected countries	N/A	249	271	271	271	271
Protect cultural and natural heritage resources						
Percent of archaeological sites on DOI inventory in good condition	68.6%	71.2%	82.2%	69.3%	65.5%	70.7%
	50,045	56,867	41,911	65,160	69,395	75,554
	73,003	79,839	50,965	94,068	105,887	106,887
Percent of historic structures on DOI inventory in good condition	45.5%	47.0%	31.0%	51.7%	46.0%	49.5%
	12,145	12,674		13,808	17,207	18,550
	26,685	26,979		26,730	37,436	37,446
Percent of cultural landscapes in DOI inventory in good condition	N/A	N/A	N/A	N/A	38%	45%
					326	381
					856	856
Percent of collections in DOI inventory in good condition (i.e., maintained according to DOI museum property management)	41.1%	43.7%	36.1%	33.1% (E)	37.3%	38.1%
	718	230	890	849	883	906
	1,747	526	2,467	2,565	2,370	2,380
Percent of paleontologic localities in DOI inventory in good condition.	41%	57%	52%	85% (E)	83%	86%
	2,926	2,932	2,997	16,352	18,202	20,460
	7,064	5,176	5,784	19,189	21,917	23,917
Percent of acres of Wilderness Areas and other Special Management Areas under DOI management meeting their heritage resource objectives under the authorizing legislation	94%	88%	65%	69%	78%	82%
			28,341,852	30,205,192	56,853,029	59,834,041
			43,602,813	43,602,803	72,693,010	72,693,010
Percent of miles of National Historic Trails, Wild and Scenic Rivers, and other linear Special Management Areas under DOI management meeting their heritage resource objectives under the authorizing legislation	N/A	Baseline Established	71%	63%	61%	62%
			2,428	2,173	6,414	6,529
			3,411	3,456	10,570	10,570

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Improve the Condition of Cultural and Natural Heritage Resources						
Percent of participating cultural properties owned by others in good condition.	5%	5%	5%	5%	5%	5%
	291,300	256,700	292,800	274,200	282,000	283,600
	5,581,400	5,542,800	6,016,200	6,016,200	5,956,200	5,956,200
Improve understanding of national ecosystems and resources through integrated interdisciplinary assessment						
% of targeted science products that are used by partners for land or resource management decisionmaking	N/A	N/A	N/A	N/A	90%	90%
Ensure availability of long-term environmental and natural resource information, data, and systematic analyses needed by land and resource manager for informed decision making						
% of river basins that have streamflow stations	77%	82%	81%	81%	84%	84%
		1,825	1,800	1,800	1,870	1,870
		2,223	2,223	2,223	2,223	2,223
% of the Nation's 65 principal aquifers with monitoring wells used to measure responses of water levels to drought and climatic variations to provide information needed for water-supply decisionmaking	60%	62%	62%	62%	60%	58%
		39	40	40	39	38
		65	65	65	65	65
Percent of U.S. land surface area with contemporary land cover data available for major environmental monitoring and assessment programs	N/A	N/A	N/A	N/A	95.3%	100.0%
Percent of the surface area in the conterminous United States for which high resolution geospatial data sets are cataloged, managed, and available through The National Map	N/A	N/A	N/A	N/A	83%	84%
% of North American migratory birds for which scientific information on their status and trend are available	N/A	26%	26%	26%	26%	27%
					169	176
					650	650
% of targeted fish and aquatic populations for which information is available regarding limiting factors	N/A	31.0%	31.0%	31.0%	37.0%	41.2%
					44	49
					119	119
% of targeted invasive species for which scientific information and decision support models are available to improve early detection (including risk assessments) and invasive species management	N/A	51.6%	51.6%	51.6%	52.5%	53.3%
% of targeted contaminants for which methods are developed to assess potential environmental health significance	10.0%	20.0%	30.0%	85.0%	32.7%	33.2%
					55	74
					168	223

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Ensure the quality and relevance of science Information and data to support decision making						
% of studies validated through appropriate peer review and independent review	100%	100%	100%	100%	100%	100%
	200	1,439	1,039	1,610	1,706	1,683
	200	1,439	1,039	1,610	1,706	1,683
Percent satisfaction with scientific and technical products and assistance for environment and natural resource decisionmaking	90%	96%	> or = 80%	91%	> or = 90%	> or = 90%
RESOURCE USE Manage natural resources to promote responsible use and sustain a dynamic economy						
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Energy (Fossil Fuels)						
Percent of fluid mineral leases with approved applications for permits to drill.	N/A	N/A	N/A	N/A	47%	47%
					23,393	23,393
					49,731	49,731
Number of onshore federal acres under lease for coal development	N/A	N/A	N/A	N/A	464,500	464,450
Number of offshore lease sales held consistent with the Secretary's 2007-2012 Five Year Program	4	4	2	2	2	4
Average acreage disturbed per permitted energy exploration or development activity	2.3	2.3	2.1	2.3	2.1	2.1
Percent of active coal mining sites that are free of off-site impacts	93%	89%	93%	92%	93%	93%
	6,364	7,436		7,454		
	6,872	8,335		8,142		
Percent of mined acreage reclaimed	N/A	48%	45%	48%	45%	45%
		1,535,201		1,534,301		
		3,225,161		3,225,261		
Number of acres reclaimed to appropriate final land condition	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
% of federal and Indian revenues disbursed on a timely basis per statute.	95.5%	98.0%	96.5%	94.5%	97.0%	98.0%
				2,505,305,626		
				2,650,350,794		
Effectively manage and provide for efficient access and development						
Percent of fluid mineral permit and lease applications processed.	105.3%	62.7%	78.8%	62.1%	95.4%	95.4%
	7,351	7,317	9,175	8,776	10,555	10,555
	6,979	11,662	11,647	14,131	11,067	11,067
Percent of coal lease applications processed.	13.2%	30.8%	16.1%	20.5%	25.6%	25.0%
	5	12	5.8	9	10	9
	38	39	36	44	39	36
Percent of available offshore oil and gas resources offered for leasing compared to what was planned in the Secretary's Five-Year Plan	N/A	N/A	N/A	N/A	29%	No Target

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Progress made in the development of a commercial oil shale leasing program by FY2008.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of pending cases of right-of-way permits and grant applications in backlog status	N/A	N/A	N/A	N/A	30%	25%
					1,100	750
					3,666	3,000
Enhance responsible use management practices						
Amount (in barrels) of offshore oil spilled per million barrels produced	8	31	5	1 (E)	5	5
Percent of required fluid minerals inspection and enforcement reviews completed	108%	97%	82%	84%	69%	84%
	18,950	17,884	18,944	19,405	20,343	27,188
	17,546	18,437	23,084	22,979	29,353	32,366
Percent of required coal inspection and enforcement reviews completed	99.0%	111.1%	102.0%	108.6%	95.7%	95.0%
	3,524	2,305	2,115	2,253	2,443	2,233
	3,560	2,074	2,074	2,074	2,552	2,350
Composite accident severity ratio	0.08	0.03	0.08	0.05	0.07	0.06
Percent of fluid mineral safety violations (incidents of non-compliance) corrected by operators with first notice.	96%	96%	96%	96%	96%	97%
	8,358	8,358	8,358	2,633	8,401	8,445
	8,706	8,706	8,706	2,754	8,706	8,706
Appropriate Value Through Effective Lease and Permit Management						
Percent of late disbursements.	4%	2%	4%	5%	3%	2%
Percent of federal and Indian royalties compliance work completed within the 3-year compliance cycle	69%	71%	72%	73%	65%	Establish Baseline
	5	4	6	6		
	7	6	8	8		
Net return (in dollars) to the government through royalties-in-kind (RIK)	19.7	36	43.9	N/A	51.8	59.6
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Energy (Renewables)						
Number of megawatts of installed capacity authorized on public land for renewable energy development.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of wind farms incorporating best management practices (BMP) for protecting raptors, and other birds and bats.	N/A	N/A	N/A	28%	38%	45%
				35	55	75
				125	145	165

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Energy (Hydropower)						
Number of megawatts of hydropower delivered annually.	N/A	N/A	N/A	N/A	12,362	12,362
Percent of time in forced outage	0.70%	0.41%	2.50%	1.20%	1.90%	1.90%
Percent of base Operation and Maintenance cost for power compared to the 5-year rolling average cost expressed as \$/MW.	N/A	N/A	7.15%	-4.30%	7.21%	7.21%
Operate and maintain reliable, safe and secure power facilities						
Hydropower facilities are in fair to good condition as measured by the Facilities Reliability Rating.	100%	98%	95%	100%	93%	93%
	56	55	53	55	51	51
	56	56	56	55	55	55
Improved power generation management to maximize supply						
Percent of time that Bureau of Reclamation hydroelectric generating units are available to the interconnected Western Electrical System during daily peak summer demand periods.	92%	93%	92%	93%	92%	92%
Deliver water, consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner						
Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law.	29 MAF	28 MAF	28 MAF	31 MAF	28 MAF	28 MAF
Amount of acre-feet of restricted capacity	16,831	16,831	410,412	410,412	410,412	410,442
Percent of water facilities that do not receive Federal or State notices of violation under environmental requirements as defined by Federal and State law.	100%	100%	97%	100%	97%	96%
	326	329	320	330	326	326
	326	330	331	331	337	338
Percent change in cost to operate and maintain water storage infrastructure compared to the five-year rolling average.	N/A	N/A	Establish Baseline	Baseline Not Established	Establish Baseline	Establish Baseline in 2007
Operate and maintain a safe and reliable water infrastructure						
Water infrastructure is in fair to good condition as measured by the Facilities Reliability Rating.	97%	96%	93%	98%	91%	91%
	331	326	316	333	316	316
	340	338	339	340	346	347
Effective water management to optimize supply						
Improvement in water supply (acre-feet per year) resulting from management agreements and partnerships	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Address environmental/resource stewardship concerns						
Percent of environmental audit findings and reviews addressed (results pertain to both water and hydropower facilities).	56%	77%	80%	89%	82%	76%
	40	75	74	85	66	57
	72	98	92	95	81	75

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Complete construction projects to increase delivery infrastructure and water availability						
Potential acre-feet made available through completion of projects.	103,598	51,720	34,349	47,739	24,839	94,932
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Forage						
Percent of grazing permits and leases processed consistent with applicable resource management plans	N/A	N/A	N/A	N/A	100%	100%
					2,600	2,600
					2,600	2,600
Cost per grazing permit/lease for processing and issuing grazing permits/leases	4,227	4,088	N/A	4,956	5,000	5,000
Provide access for grazing						
Average time (average reduction, number of days) for processing and issuance of grazing permits and leases (lower number is good)	215	207	207	204	204	204
Enhance responsible use management practices						
Percent of range improvement projects completed as planned.	N/A	N/A	N/A	N/A	100.0%	100.0%
					95	95
					95	95
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Forest Products						
Percent of allowable sale quantity timber offered for sale consistent with applicable resource management plans	69%	98%	91%	80%	82%	85%
	140	198		162	166	172
	203	203		203	203	203
Volume of wood products offered consistent with applicable management plans.	186.5	257	270	243	276	302
Administrative cost per thousand board feet of timber offered for sale	\$176	\$105	\$125	\$135	\$190	\$194
Enhance responsible use management practices						
Percent of forestry improvements (acres) completed as planned.	N/A	N/A	N/A	N/A	100.0%	100.0%
					26,700	25,700
					26,700	25,700
Manage or influence resource use to enhance public benefit, promote responsible development, and ensure appropriate value : Non-energy Minerals						
Number of onshore federal acres under lease or contract for non-energy mineral exploration and development (leasable and saleable minerals).	N/A	N/A	N/A	N/A	883,826	883,826
Number of acres reclaimed to appropriate land condition and water quality standards.	1,786	12,131	8,000	4,151	4,000	4,000
Effectively manage and provide for efficient access and production						
Average time for processing plans of operation for locatable minerals.	18	18	18	17	17	17

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Improve understanding of energy and mineral resources to promote responsible use and sustain the Nation's dynamic economy						
% of targeted science products that are used by partners and customers for land or resource management decisionmaking	N/A	N/A	N/A	N/A	80%	80%
Ensure availability of energy and mineral resource information and systematic analyses needed by land and resource managers for informed decision making						
Number of targeted basins/areas with energy resource assessments available to support management decisions	5	7	6	6	5	5
Percent of targeted non-fuel mineral commodities for which up-to-date deposit models are available to support decisionmaking	N/A	N/A	N/A	N/A	Establish Baseline	10%
Ensure availability of tools and methodologies to support decision making						
Percent of studies validated through appropriate peer review or independent review	100%	100%	100%	100%	100%	100%
	10	10	11	11	11	9
	10	10	11	11	11	9
Percent satisfaction with scientific and technical products and assistance for natural resource decisionmaking	N/A	N/A	N/A	N/A	80%	80%
RECREATION Provide recreation opportunities for America						
Improve the quality and diversity of recreation experiences and visitor enjoyment on DOI lands						
Percent of visitors satisfied with the quality of experience	94%	94%	91%	93% (E)	91%	92%
Provide recreational opportunities						
Percentage of recreation units with current management plan	N/A	18%	18%	25%	22%	22%
		85	82	117	105	105
		469	463	463	469	469
Improve capacities to provide access for recreation where appropriate						
Overall condition of trails and campgrounds as determined by the Facilities Condition Index.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of priority recreation facilities that meet applicable accessibility standards	8%	14%	25%	28% (E)	28%	29%
	684	211	509	574	571	600
	8,761	1,558	2,054	2,048	2,051	2,051
Provide effective interpretation and education programs						
Percent satisfaction among visitors served by facilitated programs	95%	N/A	N/A	92%	93%	93%

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Manage and protect recreational resources and users						
Number of serious injuries per 100,000 visitors	Baseline Established	No Report	No Target	No Report	2.0944	1.8212
Number of fatalities per 100,000 visitors	0.07	0.06	N/A	0.05	0.0703	0.0674
Percent of visitors satisfied with services provided by commercial recreational operations	72%	77%	77%	75%	75%	76%
Provide for and receive fair value in recreation						
Percent of customers satisfied with the value for fee paid	No Report	89%	88%	87% (E)	89%	89%
Percent of recreation fee program receipts spent on fee collection	22%	17%	20%	18%	20%	20%
Expand seamless recreation opportunities with partners						
Number of non-DOI acres made available for recreation through financial support and technical assistance	N/A	N/A	N/A	N/A	15,271,729	16,277,305
Number of non-DOI river, shoreline and trail miles made available for recreation through financial support and technical assistance	N/A	N/A	N/A	N/A	1,575	3,150
Number of waters where recreational fishing opportunities are provided	N/A	221	221	221	271	221
SERVING COMMUNITIES Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve						
Improve protection of lives, resources and property						
Percent of change from 10-year average in the number of acres burned by unplanned and unwanted wildland fires on DOI lands	N/A	N/A	N/A	N/A	-2%	-3%
Percent of facilities meeting the minimum Departmental security guidelines	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Level of emergency preparedness as measured by the Interior Readiness (I-READ) Index	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent change in Part I offenses that occur on DOI lands or under DOI jurisdiction	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent change in Part II offenses (excluding natural, cultural, and heritage resource crimes) that occur on DOI lands or under DOI jurisdiction	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent change of natural, cultural and heritage resource crimes that occur on DOI lands or under DOI jurisdiction	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Improve fire management						
Percent of unplanned and unwanted wildland fires on DOI land controlled during initial attack.	98%	97%	95%	96%	95%	95%
	5,852	2,325		9,790		
	5,947	2,406		10,149		
Percent of acres treated which achieve fire management objectives as identified in applicable management plans	N/A	N/A	N/A	N/A	90%	92%
Number of treated Wildland-Urban Interface (WUI) acres that are identified in Community Wildfire Protection Plans or other applicable collaboratively developed plans.	N/A	N/A	N/A	334,323	315,250	335,240
Percent of treated Wildland-Urban Interface (WUI) acres that are identified in Community Wildfire Protection Plans or other applicable collaboratively developed plans.	N/A	N/A	N/A	63%	65%	68%
				334,323	315,250	335,240
				532,539	485,000	493,000
Number of acres in WUI treated per million dollars gross investment	4,248	4,092	3,553	4,025	3,760	3,765
	490,110	542,568	472,000	532,539	485,000	493,000
	115	133	133	132	129	131
Improve public safety and security and protect public resources from damage						
Percent of physical and chemical hazards mitigated in appropriate time to ensure visitor or public safety	Baseline Established	69%	46%	57% (E)	55%	55%
		1,557	593	1,221	758	761
		2,252	1,287	2,142	1,389	1,389
Percent change in physical security vulnerabilities identified at DOI facilities	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of Incidents/Investigations closed for Part I, Part II and natural, cultural and heritage resource offenses.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of DOI public lands management units where travel management plans or equivalent regulatory or policy documents are completed.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Promote respect for private property						
Percent of open complaints received from property owners, concerning DOI actions affecting status of their private property, resolved within one year	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Provide prompt response to requests for administrative action						
Number of non-probate cases concluded	N/A	N/A	N/A	N/A	930	930
Improve understanding, prediction, and monitoring of natural hazards to inform decisions by civil authorities and the public to plan for, manage, and mitigate the effects of hazard events on people and property						
Percent of communities/Tribes using DOI science on hazard mitigation, preparedness and avoidance for each hazard management activity	43%	45%	48%	48%	51%	52%
					153	156
					300	300
Provide information to assist communities in managing risks from natural hazards						
Number of areas for which detailed hazard assessments are completed	N/A	N/A	N/A	N/A	51	53
Number of metropolitan regions where Shakemap is incorporated into emergency procedures	5	5	5	5	5	5
Percentage of potentially hazardous volcanoes with published hazard assessments	61%	63%	64%	64%	66%	67%
		44	45	45	46	47
		70	70	70	70	70
Ensure availability of tools and methodologies to support decision making						
Percent of studies validated through peer review or other independent review, as appropriate	100%	100%	100%	100%	100%	100%
	314	576	551	543	18	20
	314	576	551	543	18	20
Percent satisfaction with scientific and technical products and assistance for natural hazard planning, mitigation and emergency response	98%	99%	> or = 80%	100%	> or = 80%	> or = 80%
Fulfill Indian fiduciary trust responsibilities						
Percent of financial information accurately processed in Trust beneficiary accounts.	17.8%	99.7%	98.0%	99.7%	98.0%	98.0%
Percent timeliness of financial account information provided to trust beneficiaries.	97.1%	99.1%	99.5%	100.0%	99.5%	99.5%
	564,999	594,600	597,000			
	581,766	600,000	600,000			
Percent of risk mitigated on Corrective Action Plans based on Federal Managers Financial Integrity Act control plans.	90.9%	97.4%	94.7%	100.0%	97.0%	97.0%
	30	37	36			
	33	38	38			
Percent of total annual allowable harvest offered for sale.	81%	81%	N/A	75%	80%	76%
Percent of total acres of agricultural and grazing land that have resource management plans completed.	N/A	14%	N/A	20%	25%	30%
Percent of agricultural and range acres leased where lease proceeds exceed administrative cost of the leased-acres base.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Ownership information that is accurate, timely and reliable						
Percentage of estates closed	N/A	N/A	N/A	N/A	100%	100%
					7,200	6,000
					7,200	6,000
Percent of Whereabouts Unknown accounts resolved.	51%	36%	20%	33%	25%	25%
Number of fractionated interests acquired	40,170	72,547	46,000	77,577	37,800	4,135
Land and natural resources management that maximizes return						
Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt.	98.7%	100.0%	98.5%	99.8%	98.5%	99.0%
	103,101,536	73,000,000	71,905,000			
	104,505,364	73,000,000	73,000,000			
Advance quality communities for Tribes and Alaska Natives						
Percent of BIA/BIE funded schools achieving Adequate Yearly Progress (AYP).	N/A	30%	N/A	30%	34%	38%
		51		51	57	64
		170		170	170	170
Part I violent crime incidents per 100,000 Indian Country inhabitants receiving law enforcement services.	N/A	No Report	No Target	No Report	492	No Target
					6,051	
					12	
Improve education for Indian Tribes and Alaska Natives						
Percent of BIA/BIE school facilities that are rated as good or fair, as measured by the Facilities Condition Index.	N/A	38%	N/A	N/A	51%	63%
		69			94	115
		184			184	184
Percent of teachers that are highly qualified in select subject areas.	Baseline Established	94%	78%	90% (E)	94%	95%
		3,064	1,966	1,112		
		3,263	2,521	1,229		
Percent of BIA/BIE schools not making AYP that improved in reading proficiency	N/A	23%	N/A	23%	23%	30%
		27		27		
		119		119		
Percent of BIA/BIE schools not making AYP that improved in math proficiency.	N/A	18%	N/A	18%	27%	25%
		21		21		
		119		119		

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget		
Enhance public safety								
Percent of BIA-funded Tribal judicial systems receiving an acceptable rating under independent Tribal judicial system reviews.	1%	16%	15%	15%	42%	42%		
			23	23	65	65		
			155	155	155	155		
Percent of law enforcement detention facilities that are in acceptable condition as measured by the Facilities Condition Index.	57%	49%	N/A	N/A	55%	53%		
					33	25	28	24
					58	51	51	45
Percent of miles of road in good or better condition based on the Service Level Index.	Baseline Established	21%	16%	17% (E)	14%	14%		
Percent of bridges in good or better condition based on the Service Level Index.	Baseline Established	52%	49%	62%	44%	44%		
Increase economic self-sufficiency of insular areas								
Ratio of Federal revenue to total revenues in insular areas	26%	25%	33%	28%	28%	28%		
Improve insular governments financial management practices								
Total average months late for all insular general fund financial statements	8	19	12	12	5	4		
Increase economic development								
Ratio of private sector jobs to total employment	0.76	0.72	No Target	No Report	0.71	0.71		
Increased federal responsiveness to unique needs of island communities striving for economic self-sufficiency								
Numerical improvement in insular areas satisfaction with and confidence in Interior responsiveness to their needs	70%	72%	73%	N/A	74%	74%		
MANAGEMENT EXCELLENCE Manage the Department to be highly skilled, accountable, modern, functionally integrated, citizen-centered and result oriented								
Increase Accountability								
Percent of reporting entities with unqualified audits	100%	100%	100%	100% (E)	100%	100%		
	9		8	8	7	7		
	9		8	8	7	7		
Percent of bureaus and offices that establish and maintain effective, risk-based internal control environment as defined by the Federal Managers Financial Integrity Act (FMFIA) and revised OMB Circular A-123	N/A	N/A	Establish Baseline	Baseline Established	100%	100%		

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Improved financial management						
Percent of material weaknesses and non-compliance issues that are corrected on schedule	N/A	N/A	100%	66% (E)	100%	100%
				21		
				32		
Percent of established targets in Financial Performance Metrics met as defined in FAM No. 2003-015	N/A	N/A	100%	100% (E)	100%	100%
Advance Modernization / Integration						
Percent of time that networks are operational for all users	99.8%	99.9%	99.5%	99.9%	99.5%	99.5%
Percent of completed IT projects for which customers report objectives were met	N/A	N/A	N/A	N/A	86%	88%
Percent of systems and lines of businesses/functional areas associated with an approved modernization blueprint that are managed consistent with that blueprint.	N/A	N/A	N/A	N/A	75%	80%
Percent of identified skill gaps across the workforce that are closed	N/A	Baseline Established	3%	3% (P)	3%	3%
Percent of IT systems that have Certification and Accreditation (C&A) and are maintaining C&A status.	98%	98%	90%	98%	100%	100%
				171		
				175		
E-Government and information technology management						
Score achieved on the OMB Enterprise Architecture Framework	2.44	4.06	N/A	4.13	3.3	4
Stage achieved of the GAO IT Investment Management Framework	N/A	N/A	N/A	20%	100%	100%
				2	10	10
				10	10	10
Score achieved on the NIST Federal IT Security Assessment Framework	N/A	N/A	N/A	N/A	3.5	4.5
Percent of all bureaus and offices developing consistent records management policy	30%	30%	100%	100%	100%	100%
				10	10	10
				10	10	10
Percentage of electronic records managed through an approved electronic records management system.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Human capital management						
Percent of employees who have resolved competency gaps for specified occupational groups representing Department-wide skill needs.	N/A	N/A	N/A	N/A	3%	3%
Percent change in Lost Production Days (LPD)	N/A	-3%	-3%	-5%	-1%	-1%
Percent change in the number of employees on workers' compensation rolls.	N/A	N/A	N/A	N/A	-3%	-3%

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Percent annual change in the injury incidence rate at DOI	N/A	Baseline Established	-3%	-5%	-3%	-3%
Increase in the percentage of qualified, highly skilled, diverse candidates hired as a result of implementing specified requirements of the DOI Strategic Plan for Achieving and Maintaining a Highly Skilled and Diverse Workforce, FY2005-2009.	1.6%	1.5%	N/A	-2.3%	1.0%	1.0%
Number of volunteer hours per year supporting DOI mission activities	9,130,000	9,467,427	9,648,226	8,231,390 (E)	10,469,000	10,678,380
Percent of organizations that have trained and developed skills for employees in collaboration and partnering competencies.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of conservation projects that actively involve the use of skills and knowledge of people in the area, and local resources, in priority setting, planning, and implementation processes.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Number of facilities with multi-agency use / occupancy that coordinate services.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Organizational reviews and acquisitions						
Number of FTE in competitive sourcing studies completed	402	198	457	645	450	400
Percent savings compared to relevant GSA Federal Supply Schedule prices for contracts awarded through Strategic Sourcing	N/A	N/A	N/A	N/A	2%	2%
Percent of eligible service contract actions over \$25,000 awarded as performance-based acquisitions.	N/A	N/A	N/A	N/A	45%	50%
Efficiencies (in dollars) achieved through utilization of core operations principles.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Performance budget integration						
Percent of programs with demonstrated use of performance measures in budget justifications and decisions.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007
Percent of programs that can estimate marginal cost of changing of performance.	N/A	N/A	N/A	N/A	Establish Baseline	Establish Baseline in 2007

Performance Measure	FY2004 Actual	FY2005 Actual	FY2006 Final Target	FY2006 Actual	FY2007 Final Target	FY2008 President's Budget
Facilities improvement						
Overall condition of buildings and of structures (as measured by the FCI) that are mission critical and mission dependent, (as measured by the API) with the emphasis on improving the condition of assets with critical health and safety needs.	N/A	0.119*	N/A	Baseline Established (0.097)	0.092	0.088
Percent change in the Operating Costs (operations and maintenance costs) per square foot of buildings that are "Not-Mission Dependent" as reported in the Federal Real Property Profile (FRPP) in the current fiscal year compared to the previous fiscal year	N/A	\$3.37 per square foot*	N/A	Baseline Established (\$4.63 per square foot)	-2%	-3%
Percent change in the total number of buildings (office, warehouse, laboratory, and housing) reported as "Under Utilized" or "Not Utilized" in the Federal Real Property Profile (FRPP) in the current fiscal year compared to the previous fiscal year	N/A	1,022*	N/A	Baseline Established (1,648)	-5%	-5%
Percentage of assets targeted for disposal that were disposed during the fiscal year.	N/A	N/A	N/A	Baseline Established (1,181)**	50%	50%

*First year of reporting data. Refinement in 2006 make 2006 data more suitable for establishing a baseline.

**Preliminary list of total assets targeted for disposal

Other measures related to facilities improvement in the Federal Real Property Profile

Overall condition (Condition Index) of buildings and of structures (as measured by the FCI).	N/A	0.118*	N/A	Baseline Established (0.098)	0.095	0.092
Percentage reduction in the total number of assets reported as "Not Mission Dependent."	N/A	9,927*	N/A	Baseline Established (6084)	-10.00%	-10.00%
Percent change in the Operating Costs (operations and maintenance costs) per square foot of all buildings.	N/A	\$3.70 per square foot*	N/A	Baseline Established (\$3.98 per square foot)	-2.00%	-3.00%

*First year of reporting data. Refinement in 2006 make 2006 data more suitable for establishing a baseline.