

# CRS Report for Congress

## Interior, Environment, and Related Agencies: FY2008 Appropriations

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The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of the session. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Subcommittees on Interior, Environment, and Related Agencies. It summarizes the status of the Interior, Environment, and Related Agencies appropriations bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

**NOTE: A Web version of this document with active links is available to congressional staff at [\[http://beta.crs.gov/cli/level\\_2.aspx?PRDS\\_CLI\\_ITEM\\_ID=73\]](http://beta.crs.gov/cli/level_2.aspx?PRDS_CLI_ITEM_ID=73).**

# Interior, Environment, and Related Agencies: FY2008 Appropriations

## Summary

The Interior, Environment, and Related Agencies appropriations bill includes funding for the Department of the Interior (DOI), except for the Bureau of Reclamation, and for two agencies within other departments — the Forest Service within the Department of Agriculture and the Indian Health Service (IHS) within the Department of Health and Human Services. It also includes funding for arts and cultural agencies, the Environmental Protection Agency, and numerous other entities and agencies.

The House passed H.R. 2643 with \$27.63 billion for Interior, Environment, and Related Agencies for FY2008. This would be higher than enacted for FY2007 (excluding funds for Secure Rural Schools), requested by the Administration for FY2008, and recommended by the Senate Committee on Appropriations for FY2008 in S. 1696. The House level was an increase of \$679.2 million (2.5%) over the FY2007 level of \$26.95 billion, \$1.94 billion (7.6%) over the request of \$25.69 billion, and \$445.1 million (1.6%) over the Senate Committee level of \$27.19 billion.

The House-passed bill contained higher funding for many agencies and programs than the bill reported by the Senate Appropriations Committee, but lower funding for others. Among the House-passed levels that were higher than the Senate Committee recommendations were the following:

- \$318.0 million for the Environmental Protection Agency (EPA);
- \$81.2 million for the Bureau of Indian Affairs (BIA);
- \$51.8 million for the National Park Service (NPS);
- \$40.2 million for the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH) combined; and
- \$36.3 million for the Fish and Wildlife Service (FWS).

Among the House-passed levels that were lower than the Senate Committee recommendations were the following:

- -\$99.4 million for the Minerals Management Service (MMS);
- -\$44.3 million for the Smithsonian Institution (SI); and
- -\$35.7 million for the Bureau of Land Management (BLM).

Congress has debated a variety of funding and policy issues during consideration of FY2008 Interior legislation. These issues include appropriate funding for BIA construction, education, and housing; IHS construction and urban Indian health; wastewater/drinking water needs; land acquisition; the Payments in Lieu of Taxes program; the Superfund program; the Smithsonian Institution; and wildland fire fighting. Other issues include Indian trust fund management, leasing in the Outer Continental Shelf, royalty relief, and the impact of climate change.

Currently, Interior, Environment, and Related Agencies are operating under a law (P.L. 110-137) that generally continues funds at FY2007 levels through December 21, 2007, or until Congress enacts a regular FY2008 appropriations law for these agencies. This report will be updated following major congressional action.

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

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# Interior, Environment, and Related Agencies: FY2008 Appropriations

## Most Recent Developments

Interior, Environment, and Related Agencies are operating under a law (P.L. 110-137) that generally provides funds at FY2007 levels (as contained in P.L. 110-5). Continuing funds are provided through December 21, 2007, unless a regular appropriations bill for Interior, Environment, and Related Agencies for FY2008 is enacted prior to that date.

## Introduction

The annual Interior, Environment, and Related Agencies appropriations bill includes funding for agencies and programs in three separate federal departments, as well as numerous related agencies and bureaus. It provides funding for Department of the Interior (DOI) agencies (except for the Bureau of Reclamation, funded in Energy and Water Development appropriations laws), many of which manage land and other natural resource or regulatory programs. The bill also provides funds for agencies in two other departments — the Forest Service in the Department of Agriculture, and the Indian Health Service (IHS) in the Department of Health and Human Services — as well as funds for the Environmental Protection Agency (EPA). Further, the annual bill includes funding for arts and cultural agencies, such as the Smithsonian Institution, National Gallery of Art, National Endowment for the Arts, and National Endowment for the Humanities, and for numerous other entities and agencies.

In recent years, the appropriations laws for Interior and Related Agencies provided funds for several activities within the Department of Energy (DOE), including research, development, and conservation programs; the Naval Petroleum Reserves; and the Strategic Petroleum Reserve. However, at the outset of the 109<sup>th</sup> Congress, these DOE programs were transferred to the House and Senate Appropriations subcommittees covering energy and water, to consolidate jurisdiction over DOE.<sup>1</sup> At the same time, jurisdiction over the EPA and several smaller entities was moved to the House and Senate Appropriations subcommittees covering Interior and Related Agencies.<sup>2</sup> This change resulted from the abolition of the House and Senate Appropriations Subcommittees on Veterans Affairs, Housing and Urban

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<sup>1</sup> These panels are now called the Subcommittees on Energy and Water Development.

<sup>2</sup> These panels are now called the Subcommittees on Interior, Environment, and Related Agencies.



Development, and Independent Agencies, which previously had jurisdiction over EPA.

The FY2006 and FY2007 appropriations laws for Interior, Environment, and Related Agencies contained three primary titles providing funding. This report is organized along these lines. Accordingly, the first section (Title I) provides information on Interior agencies; the second section (Title II) discusses EPA; and the third section (Title III) addresses other agencies, programs, and entities. A fourth section of this report discusses cross-cutting topics that encompass more than one agency.

Entries in this report are for major agencies (e.g., the National Park Service) and cross-cutting issues (e.g., Everglades restoration) that receive funding in the Interior bill. For each such agency or issue, we discuss some of the key funding changes proposed for FY2008 that are likely to be of interest to Congress. We also address related policy issues that have tended to occur, or might be likely to arise, in the context of considering appropriations legislation. Presenting such information in summary form is a challenge given that budget submissions for some agencies number several hundred pages and contain innumerable funding, programmatic, and legislative changes for congressional consideration. Similarly, funding bills and accompanying reports contain numerous line items and discussions of programs and issues.

This report contains final FY2007 enacted levels for agencies, programs, and activities. These figures were not used as the basis of comparison in agency budget submissions for FY2008, because agencies were being funded under a short-term continuing resolution at the time of those submissions. Accordingly, the FY2007 figures used throughout this report will differ in many cases from those contained in the FY2008 agency budget submissions. A further difference is that FY2007 figures in this report include supplemental funding. In addition, final FY2007 enacted levels are not included in CRS Report RL33399, *Interior, Environment, and Related Agencies: FY2007 Appropriations*, because they were not available until after the start of the 110<sup>th</sup> Congress and the beginning of the FY2008 appropriations cycle.

Final FY2007 funding levels were determined by the agencies under the provisions of P.L. 110-5, the Revised Continuing Appropriations Resolution for FY2007. Continuing funding was needed to fund agency operations and activities because Congress did not enact a regular FY2007 appropriations bill for Interior, Environment, and Related Agencies. P.L. 110-5 provided funds through September 30, 2007, which is the rest of the fiscal year. It continued funds at the FY2006 account level, except where otherwise specified. The law required that agencies and departments submit an allocation of funds below the account level, for example for programs and activities, to the House and Senate Appropriations Committees. The submissions were due within 30 days of enactment (March 17, 2007).

In general, in this report the term *appropriations* represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals, but excludes permanent mandatory budget authorities. Increases and decreases generally are calculated on comparisons between the funding levels agreed to during the most recent stage of congressional action and

those enacted for FY2007 and requested by the President for FY2008. The House Committee on Appropriations is the primary source of the funding figures used throughout the report. Other sources of information include the Senate Committee on Appropriations, agency budget justifications, and the *Congressional Record*. In the tables throughout this report, some columns of funding figures do not add to the precise totals provided due to rounding. This report will be updated following major congressional activity on the Interior appropriations bill.

## FY2004-FY2008

**Table 1**, below, shows the budget authority for Interior, Environment, and Related Agencies for FY2004-FY2007. Funding for earlier years is not readily available due to the changes in the makeup of the Interior appropriations bill. The President's request for FY2008 would be the lowest level since FY2004. It would be a \$1.64 billion (6%) decrease in funds from the FY2004 level in current dollars, or a 16% decrease in constant dollars (assuming 2.24% inflation for 2007 and 2008). The House approved funding at slightly higher than FY2004 — a \$301.8 million increase (1%) in current dollars but a 10% decrease in constant dollars. The Senate Committee on Appropriations recommended funding at a slightly lower level than FY2004 — about a \$143.3 million decrease (0.5%) in current dollars and an 11% decrease in constant dollars. See **Table 25** for a budgetary history of each agency for FY2004-FY2008.

**Table 1. Interior, Environment, and Related Agencies  
Appropriations, FY2004 to FY2007**  
(budget authority in billions of current dollars)

FY2004	FY2005	FY2006	FY2007
\$27.33	\$27.02	\$25.94	\$26.95

**Note:** These figures exclude permanent budget authorities, and generally do not reflect scorekeeping adjustments. They generally reflect rescissions and supplemental appropriations to date, except that the FY2006 figure does not reflect supplementals and the FY2007 figure excludes \$425.0 million for Secure Rural Schools.

## FY2008 Budget and Appropriations

### Current Overview

Currently, Interior, Environment, and Related Agencies are operating under a law (P.L. 110-137) that generally continues funds at FY2007 levels through December 21, 2007, or until Congress enacts a regular FY2008 appropriations law for these agencies. Continuing funding is needed to fund ongoing projects and activities because Congress did not enact a regular FY2008 funding bill for Interior, Environment, and Related Agencies before the October 1, 2007, start of the fiscal year.

An earlier continuing funding law (P.L. 110-116) included emergency funds for fighting wildfires on federal lands. It contained \$329.0 million for the Forest Service

for wildland fire management, with the funds divided as follows: \$110.0 million for suppression, \$100.0 million for repayment of accounts from which funds were borrowed in FY2007, \$80.0 million for hazardous fuels reduction, \$25.0 million for rehabilitation and restoration of federal lands, and \$14.0 million for construction and reconstruction of federal facilities. For fire fighting on DOI lands, the law provided BLM with \$171.0 million in wildland fire management funds. The funds were apportioned as follows: \$40.0 million for suppression, \$115.0 million for repayment of accounts from which funds were borrowed in FY2007, \$10.0 million for hazardous fuels reduction, and \$6.0 million for rehabilitation and restoration of federal lands.

Previously, on June 26, 2007, the Senate Committee on Appropriations reported S. 1696 (S.Rept. 110-91), with \$27.19 billion for FY2008 for all agencies included in the Interior, Environment, and Related Agencies appropriations bill. This bill has not been considered on the Senate floor. On June 27, 2007, the House passed H.R. 2643 with \$27.63 billion for FY2008. These would both be increases over the FY2007 level of \$26.95 billion, including supplemental funding except for \$425.0 million for the Secure Rural Schools program (established under P.L. 106-393). The House and the Senate Committee levels also would be increases over the President's request for FY2008 of \$25.69 billion.

The House-passed bill contained higher funding for many agencies and programs than the Senate Appropriations Committee, but lower funding for others. Among the House-passed levels that were higher than the Senate Committee recommendations were the following:

- \$318.0 million for the Environmental Protection Agency (EPA);
- \$81.2 million for the Bureau of Indian Affairs (BIA);
- \$51.8 million for the National Park Service (NPS);
- \$40.2 million for the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH) combined; and
- \$36.3 million for the Fish and Wildlife Service (FWS).

Among the House-passed levels that were lower than the Senate Committee recommendations were the following:

- -\$99.4 million for the Minerals Management Service (MMS);
- -\$44.3 million for the Smithsonian Institution (SI); and
- -\$35.7 million for the Bureau of Land Management (BLM).

The Senate Appropriations Committee considered several amendments during its markup, in addition to a managers' package of amendments. The Committee agreed to an amendment to remove language from the bill that barred funds from being used for new Outer Continental Shelf leases for those holding leases without price thresholds, unless the leases were renegotiated. The Committee also agreed to an amendment seeking to ban imports of polar bears and polar bear parts. An amendment seeking to extend the Secure Rural Schools Act for four years was withdrawn. The act provides a method for compensating counties for the tax exempt status of most national forests (managed by the FS) and some public lands (managed by the BLM). Amendments seeking to expedite the time frame for filing claims

challenging the land management plan for the Tongass National Forest (AK) also were withdrawn.

The House considered 58 amendments to H.R. 2643 during two days of floor debate, and adopted 18 of them before passing the bill (272-155) on June 27, 2007. The amendments addressed an array of programs and issues. Some of them were broad, as in those that sought to cut the total appropriation in the bill by a particular sum or reduce each appropriation in the bill by a fixed percentage (which were not agreed to). Others were more narrow, such as those prohibiting funds in the bill from being used for particular programs or purposes. Many of the amendments are discussed in the pertinent sections throughout this report.

In earlier action, on June 11, 2007, the House Appropriations Committee had reported H.R. 2643 (H.Rept. 110-187) with a total of \$27.63 billion. The House Appropriations Committee issued a supplemental report (H.Rept. 110-187, Part II) on June 22, 2007. The report identified projects that would be funded from various line items in the bill, such as the construction accounts of the land management agencies. It specified whether the Administration or a particular Member of Congress requested the funding and the state in which the project is located.

## Major Issues

The President's FY2008 budget requests contained many recommendations for legislative changes. One proposal was to alter the distribution of proceeds from land sales under the Federal Land Transaction Facilitation Act (FLTFA). This issue is covered briefly in the "Bureau of Land Management" section, below. The President also recommended selling certain National Forest System lands. This issue is covered briefly in the "Forest Service" section, below. The President's FY2008 budget further proposed enactment of legislation to open part of the Coastal Plain in the Arctic National Wildlife Refuge to oil and gas exploration and development. This issue is covered briefly in the "Fish and Wildlife Service" section, below. (For more information, see CRS Report RL33872, *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.)

Controversial funding and policy issues typically have been debated during consideration of the annual Interior, Environment, and Related Agencies Appropriations bill. Debate on the FY2008 funding levels has encompassed a variety of issues, many of which have been controversial in the past, including the issues listed below.

- *Clean Water and Drinking Water State Revolving Funds*, especially the adequacy of funding to meet state and local wastewater and drinking water needs. These state revolving funds provide seed money for state loans to communities for wastewater and drinking water infrastructure projects. (For more information, see the "Environmental Protection Agency" section in this report.)
- *Climate Change*, including whether to create a temporary Commission on Climate Change Adaptation and Mitigation. (For

more information, see the “Environmental Protection Agency” and “Climate Change” sections in this report.)

- *Construction of BIA Schools and IHS Health Facilities*, particularly whether to enact funding cuts proposed in the President’s FY2008 budget. (For more information, see the “Bureau of Indian Affairs” and the “Indian Health Service” sections in this report.)
- *Indian Trust Funds*, especially whether to enact reductions proposed in the President’s FY2008 request and the method by which a historical accounting will be conducted of Individual Indian Money (IIM) accounts to determine correct balances in the class-action lawsuit against the government. (For more information, see the “Office of Special Trustee for American Indians” section in this report.)
- *Land Acquisition*, including the appropriate level of funding for the Land and Water Conservation Fund for federal land acquisition and the state grant program, and extent to which the fund should be used for activities not involving land acquisition. (For more information, see “The Land and Water Conservation Fund (LWCF)” section in this report.)
- *Outer Continental Shelf Leasing*, particularly the moratoria on preleasing and leasing activities in offshore areas, and oil and gas leases in offshore California. (For more information, see the “Minerals Management Service” section in this report.)
- *Payments in Lieu of Taxes Program (PILT)*, primarily the appropriate level of funding for compensating local governments for federal land within their jurisdictions. (For more information, see the “Payments in Lieu of Taxes Program (PILT)” section in this report.)
- *Royalty Relief*, especially the extent to which oil and natural gas companies receive royalty relief for production of oil and natural gas on federal lands. (For more information see “MMS” section of this report.)
- *Superfund*, notably the adequacy of proposed funding to meet hazardous waste cleanup needs, and whether to continue using general Treasury revenues to fund the account or reinstate a tax on industry that originally paid for most of the program. (For more information, see the “Environmental Protection Agency” section in this report.)
- *Termination of BIA Education and Housing and IHS Urban Health Programs*, particularly whether to end funding for BIA’s Johnson-O’Malley grants to schools and the Housing Improvement Program and for IHS’s urban Indian health projects. (For more information,

see the “Bureau of Indian Affairs” and the “Indian Health Service” sections in this report.)

- *Wildland Fire Fighting*, involving questions about the appropriate level of funding to fight fires on agency lands; advisability of borrowing funds from other agency programs to fight wildfires; implementation of a new program for wildland fire protection and locations for fire protection treatments; and impact of environmental analysis, public involvement, and challenges to agency decisions on fuel reduction activities. (For more information, see the “Bureau of Land Management” and “Forest Service” sections in this report.)

### Status of Bill

Table 2, below, contains information on congressional consideration of the FY2008 Interior appropriations bill so far.

**Table 2. Status of Interior, Environment, and Related Agencies Appropriations, FY2008**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
05/23/07	06/19/07	H.R. 2643 H.Rept. 110-187 06/11/07; Part II 06/22/07	H.R. 2643 06/27/07 272-155	S. 1696 S.Rept. 110-91 06/26/07					

## Title I: Department of the Interior

### Bureau of Land Management

**Overview.** The Bureau of Land Management (BLM) manages approximately 258 million acres of public land for diverse and sometimes conflicting uses, such as energy and minerals development, livestock grazing, recreation, and preservation. The agency also is responsible for about 700 million acres of federal subsurface mineral resources throughout the nation, and supervises the mineral operations on an estimated 56 million acres of Indian Trust lands. Another key BLM function is wildland fire management on about 370 million acres of DOI, other federal, and certain nonfederal land.

The Administration’s FY2008 budget suggested changes in law. For instance, the Administration suggested amending the Federal Land Transaction Facilitation Act (FLTFA) in part to alter the distribution of proceeds from land sales. Under current law, proceeds are deposited into a separate Treasury account and are available primarily for land acquisition. The President’s proposal would direct 70% of the

proceeds to the general fund of the Treasury to help reduce the deficit. Legislation would be needed to make this change.

For the BLM for FY2008, the House approved \$1.85 billion and the Senate Appropriations Committee recommended \$1.89 billion. From the FY2007 level of \$1.87 billion (including \$95.0 million in FY2007 supplemental funding), the House level was a decrease of \$19.0 million (1%) while the Senate Committee level was an increase of \$16.7 million (1%). See **Table 3**. Proposed funding for several key activities is discussed below.

**Table 3. Appropriations for the Bureau of Land Management, FY2007-FY2008**

(\$ in millions)

Bureau of Land Management	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Management of Lands and Resources	866.9	879.4	888.6	902.9
Wildland Fire Management <sup>a</sup>	853.4	801.8	806.6	829.5
— <i>Preparedness</i>	274.9	268.3	274.9	286.0
— <i>Suppression</i> <sup>a</sup>	344.2	294.4	294.4	294.4
— <i>Other Operations</i>	234.3	239.1	237.4	249.1
Construction	11.8	6.5	6.5	11.5
Land Acquisition	8.6	1.6	18.6	12.2
Oregon and California Grant Lands	109.0	110.2	110.2	110.2
Range Improvements	10.0	10.0	10.0	10.0
Service Charges, Deposits, and Forfeitures <sup>b</sup>	0.0	0.0	0.0	0.0
Miscellaneous Trust Funds	12.4	12.4	12.4	12.4
<b>Total Appropriations<sup>a</sup></b>	<b>1,872.0</b>	<b>1,822.0</b>	<b>1,853.0</b>	<b>1,888.7</b>

a. The figures for FY2007 reflect a supplemental appropriation of \$95.0 million for wildfire suppression contained in P.L. 110-28.

b. The figures of “0” are a result of an appropriation matched by offsetting fees.

**Management of Lands and Resources.** Management of Lands and Resources includes funds for an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration. For this line item, the House approved \$888.6 million and the Senate Appropriations Committee recommended \$902.9 million. The House figure reflects \$20.0 million in revenues from a new oil and gas cost recovery program as an offset to the appropriation for energy and minerals management. Both the Senate Committee and House levels are higher than those enacted for FY2007 and requested for FY2008. Many programs would share in the increases, including deferred maintenance, wild horses and burros, range, and recreation.

For deferred maintenance, the House approved \$37.1 million and the Senate Committee recommended \$38.9 million. The Administration had requested \$33.8 million, slightly higher than the \$33.2 million enacted for FY2007. BLM has

estimated its deferred maintenance at between \$387 million and \$473 million for FY2006. In its report, the Senate Appropriations Committee stated that it did not support DOI efforts to reduce funding for popular public lands outside the park system while promoting the parks centennial (S.Rept. 110-91, p. 13).

For management of wild horses and burros, the House approved \$37.5 million and the Senate Committee recommended \$36.8 million. The Administration had sought to reduce funding for FY2008 to \$32.1 million, down from \$36.4 million in FY2007. In its report, the Senate Appropriations Committee “strongly” encouraged federal agencies that use horses to first seek to acquire a wild horse from BLM, and encouraged BLM to expedite providing wild horses to state and local police (S.Rept. 110-91, p. 12). The range program would be increased from the FY2007 level of \$68.3 million to \$70.4 million by the Administration, \$72.0 million by the House, and \$73.5 million by the Senate Committee.

Recreation resources management, funded at \$47.5 million in FY2007, would increase to \$48.5 million under the President’s request, \$52.0 million by the House, and 52.1 million by the Senate Committee. In its report, the House Appropriations Committee specified a portion of the increase for national scenic and historic trails, directed BLM to clearly identify trails funding in future budget requests, and stated that BLM should implement projects connecting children and families with nature.

The House approved lower funding for energy and minerals (\$112.1 million) than has been recommended by the Senate Committee (\$139.3 million), enacted for FY2007 (\$136.5 million), and requested by the Administration (\$141.5 million). The House reduction would be accomplished primarily through the collection of \$20.0 million in offsetting fees. The House bill capped the appropriation for oil and gas management at \$92.1 million, due to concerns that BLM has used conservation and other natural resource funds for oil and gas activities (H.Rept. 110-187, p. 16). The House agreed to an amendment to prohibit funds from being used to prepare final regulations regarding a commercial leasing program for oil shale or to conduct a commercial oil shale lease sale. Current law (P.L. 109-58) requires BLM to issue the regulations and to move to a commercial leasing program.

For resource protection and law enforcement, the House approved higher funding (\$24.0 million) than the Senate Committee (\$19.0 million), Administration (\$18.8 million), and FY2007 level (\$20.1 million). The House Appropriations Committee expressed concern about law enforcement along the Southwest border, and directed that “a substantial portion” of the increase be used for border areas with high visitation and potential for drug trafficking (H.Rept. 110-187, p. 17).

The House, like the Administration, sought a large increase in funds for the healthy lands initiative, from \$3.0 million in FY2007 to \$15.0 million in FY2008. The Senate Committee recommended \$6.0 million. The initiative will consist of vegetation resources enhancements to restore and improve the health and productivity of western public lands. The Administration anticipated using another \$8.2 million in existing BLM funds for the initiative, and leveraging \$10.0 million in contributions from partners. For the National Landscape Conservation System (NLCS), which consists of 26 million acres of BLM’s protected conservation areas, the President requested \$49.2 million. The House and the Senate Appropriations



Committee approved increases over the request of \$10.0 million and \$8.0 million respectively. Both Committees' reports directed BLM to provide clear, detailed information on NLCS funding in future budget requests.

**Wildland Fire Management.** For Wildland Fire Management for FY2008, the House approved \$806.6 million and the Senate Committee recommended \$829.5 million. Both levels are higher than the Administration's request of \$801.8 million, but lower than the \$853.4 million enacted for FY2007.<sup>3</sup> Fire suppression would decline 14% from \$344.2 million in FY2007 to \$294.4 million in FY2008 under the House bill, Senate Committee bill, and Administration request. The Administration stated that this level represents the ten-year average cost of fire suppression, which continues to increase due to fires involving large fuel loads and areas where communities and wildlands meet. The FY2008 House and Senate Committee reports expressed continued concern over the cost of suppressing fires, even though the agencies have taken steps to manage suppression costs.

The Senate Committee approved higher funding for fire preparedness (\$286.0 million) than was approved by the House (\$274.9 million), enacted for FY2007 (\$274.9 million), and requested by the Administration (\$268.3 million). The Senate Committee stated that cutting preparedness funding does not save money, but shifts expenditures to suppression (S.Rept. 110-91, p. 15). Among other report language, the House Committee directed that funding for rehabilitation not be reprogrammed, and that the agencies report on the allocation of funds for reducing hazardous fuels.

The wildland fire funds appropriated to BLM are used for fire fighting on all DOI lands. Interior appropriations laws also provide funds for wildland fire management to the Forest Service (Department of Agriculture) for fire programs primarily on its lands. A focus of both departments is implementing the Healthy Forests Restoration Act of 2003 (P.L. 108-148) and the National Fire Plan, which emphasize reducing hazardous fuels which can contribute to catastrophic fires. (For additional information, see the "Forest Service" section in this report.)

**Construction.** For FY2008, the House approved the Administration's request of \$6.5 million for BLM Construction. This would be a decrease of \$5.3 million (45%) from the FY2007 level of \$11.8 million. In recommending \$11.5 million for construction, the Senate Appropriations Committee sought to avoid an increase in the construction backlog and noted "with disapproval" DOI's "lack of commitment to its infrastructure" (S.Rept. 110-91, p. 15-16).

**Land Acquisition.** For Land Acquisition for FY2008, the House approved \$18.6 million and the Senate Committee recommended \$12.2 million. The Administration sought an appropriation of \$1.6 million for FY2008, an 81% reduction from FY2007. The appropriation for BLM acquisitions has fallen steadily from \$49.9 million in FY2002 to \$8.6 million for FY2007. In noting the decline, the Senate Appropriations Committee stated that it intended to establish a "responsible baseline budget" for future land acquisitions (S.Rept. 110-91, p. 16). The

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<sup>3</sup> This figure includes \$95.0 million in emergency supplemental fire suppression funds for FY2007 that was contained in P.L. 110-28.

Administration had proposed augmenting its request by \$5.0 million from the proceeds of sales of portions of the subsurface mineral estate to the surface owners. BLM estimated that 500,000 acres could be sold annually for approximately \$10 per acre, for a total of \$5.0 million. Directing the proceeds of the sales to land acquisition would require a legislative change. Neither the House nor Senate Appropriations Committees supported this proposal. Money for land acquisition is appropriated from the Land and Water Conservation Fund. (For more information, see the “Land and Water Conservation Fund (LWCF)” section in this report.)

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

CRS Report RL33792. *Federal Lands Managed by the Bureau of Land Management (BLM) and the Forest Service: Issues for the 110<sup>th</sup> Congress*, by Ross W. Gorte, Carol Hardy Vincent, and Marc Humphries.

CRS Report RL33990. *Wildfire Funding*, by Ross W. Gorte.

## Fish and Wildlife Service

For FY2008, the President requested \$1.29 billion for the Fish and Wildlife Service (FWS), 4% less than the FY2007 level of \$1.34 billion. The House approved \$1.42 billion, 6% more than FY2007 and 10% more than the Administration’s request. The Senate Appropriations Committee recommended \$1.38 billion. By far the largest portion of the FWS annual appropriation is for the Resource Management account. The President’s FY2008 request was \$1.03 billion, a 1% increase from the FY2007 level of \$1.02 billion. The House approved \$1.10 billion; the Senate Committee level was \$1.08 billion. Among the programs included in Resources Management are the Endangered Species program, the Refuge System, and Law Enforcement.

In addition, the President’s FY2008 budget proposed enacting legislation to open part of the Coastal Plain in the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and development.<sup>4</sup> The budget proposed that the first lease sale would be held in FY2009. Under the proposal, this and subsequent sales are estimated to generate \$7.0 billion in revenues over the next five years, to be divided evenly between the U.S. Treasury and the State of Alaska. For information on the debate over whether to approve energy development in the Refuge, see CRS Report RL33872, *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

**Endangered Species Funding.** Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. The

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<sup>4</sup> U.S. Office of Management and Budget, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2008* (Washington, DC), p. 279. The proposed authorization for exploration and development would be separate legislation, rather than part of the Interior appropriations bill. The proposal does not appear in the FWS Budget Justification for FY2008. To date, no legislation to this effect has been introduced in the 110<sup>th</sup> Congress.

Administration proposed to increase the program from \$144.7 million in FY2007 to \$146.5 million in FY2008 (1%), with the bulk of the increase in the consultation subprogram. The House approved \$152.5 million, an increase of 5% over FY2007, with increases spread among the subprograms. See **Table 4**. During floor debate, the House defeated an amendment to prohibit use of funds for Mexican wolf recovery. In addition, the House rejected an amendment to prohibit use of funds for permits to allow importation of polar bears or their body parts. The Senate Committee level for Endangered Species was \$155.5 million, an 8% increase over FY2007.

A number of related programs also benefit conservation of species that are listed, or proposed for listing, under the Endangered Species Act. The President's request would end the Landowner Incentive Program (\$23.7 million in FY2007) as well as Stewardship Grants (\$7.3 million in FY2007). The House accepted these proposals, as did the Senate Committee. The Cooperative Endangered Species Conservation Fund (for grants to states and territories to conserve threatened and endangered species) would be reduced from \$81.0 million to \$80.0 million, under the Administration's request. The House approved the FY2007 level, while the Senate Committee supported the requested level. See **Table 4**.

Under the President's request, total FY2008 funding for the Endangered Species program and related programs would decrease from \$256.6 million to \$226.5 million (12%). The House's levels varied, with increases in the ESA program proper but cuts in the related programs. Overall, the House's total of \$233.5 million would be a 9% decrease from FY2007, while the Senate Committee level was down 8%.

**Table 4. Appropriations for Endangered Species and Related Programs, FY2007-FY2008**

(\$ in thousands)

Endangered Species and Related Programs	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Endangered Species Program				
— <i>Candidate Conservation</i>	8,425	8,635	9,135	10,135
— <i>Listing</i>	17,824	18,263	18,763	18,763
— <i>Consultation</i>	49,179	51,578	52,578	53,578
— <i>Recovery</i>	69,244	68,067	72,067	73,067
Subtotal, Endangered Species Program	144,672	146,543	152,543	155,543
Related Programs				
— <i>Landowner Incentive Program</i>	23,667	0	0	0
— <i>Private Stewardship Grants</i>	7,277	0	0	0
— <i>Cooperative Endangered Species Conservation Fund</i>	81,001	80,001	81,001	80,001
Subtotal, Related Programs	111,945	80,001	81,001	80,001
<b>Total Appropriations</b>	<b>256,617</b>	<b>226,544</b>	<b>233,544</b>	<b>235,544</b>

**National Wildlife Refuge System (NWRS) and Law Enforcement.** For refuge operations and maintenance in FY2008, the President proposed \$394.8 million, a slight decrease from \$395.3 million in FY2007. The House approved \$451.0 million, an increase of 14% over FY2007. The Senate Committee level was \$413.8 million, up 5% over FY2007.

An NWRS budget controversy may affect recreation, especially on less well-known refuges. Costs of operation have increased on many refuges, partly due to special problems such as hurricane damage and more aggressive border enforcement. Reductions in funding for operations in the NWRS, combined with the need to meet fixed costs such as rent, salaries, and utilities, have led to cuts in funding for programs to aid endangered species, reduce infestation by invasive species, protect water supplies, address habitat restoration, and ensure staffing at the less popular refuges. The Northeast Region (roughly Virginia to Maine, with 71 refuges) took the lead in addressing this issue by attempting to consolidate management at refuges, and increasing the number of refuges which are not staffed on a regular basis (termed “de-staffing”). This region also attempted to consolidate some services in order to spread resources more effectively. Implications for recreation could include reduced trash collection, fewer visitor services, less trail maintenance, and greater reliance on volunteers (if available). Other regions have observed actions in the Northeast, and have begun their own plans to address reduced operating budgets.

The President proposed \$57.6 million for Law Enforcement — a modest increase from the FY2007 level (\$57.3 million). The House approved \$60.1 million, up 5%. The Senate Committee recommended \$61.1 million, a 7% increase.

**Avian Flu.** For FY2008, the Administration, House, and Senate Committee approved \$7.4 million for the study, monitoring, and early detection of highly pathogenic avian flu. The FY2007 appropriation was \$12.4 million, including a \$7.4 million supplemental appropriation in P.L. 110-28. FWS cooperates with other federal and nonfederal agencies in studying the spread of the virus through wild birds. Attention is on North American species whose migratory patterns make them likely to come into contact with infected Asian birds. The geographic focus is on Alaska, the Pacific Flyway (along the west coast), and Pacific islands, with smaller samples in other areas. (See CRS Report RL33795, *Avian Influenza in Poultry and Wild Birds*, by Jim Monke and M. Lynne Corn.)

**Land Acquisition.** For FY2008, the Administration proposed \$18.0 million for Land Acquisition, \$10.0 million (36%) below FY2007. Both the House and the Senate Appropriations Committee approved \$43.0 million, \$15.0 million (53%) above FY2007. See **Table 5**. This program is funded with appropriations from LWCF. In the past, the bulk of this FWS program had been for acquisitions of land for specified federal refuges, but a portion was used for closely related functions such as acquisition management, land exchanges, emergency acquisitions, purchase of inholdings, and general overhead (“Cost Allocation Methodology”). In recent years, less of the funding has been reserved for traditional land acquisition. The Administration continued this trend for FY2008, reserving \$5.5 million for specified acquisitions, and funding the remainder of the program at \$12.5 million.<sup>5</sup> The House

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<sup>5</sup> Under the Migratory Bird Conservation Account (MBCA), FWS has a permanently (continued...)

increase was devoted entirely to the acquisition function, and the Senate Committee increase was primarily for this function. (For more information, see the “Land and Water Conservation Fund (LWCF)” in this report.)

**Table 5. Appropriations for FWS Land Acquisition Program, FY2007-FY2008**

(\$ in thousands)

<b>FWS Land Acquisition</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>FY2008 House Passed</b>	<b>FY2008 Senate Comm.</b>
Acquisitions — Federal Refuge Lands	13,650	5,544	28,650	28,904
Inholdings	1,500	1,500	1,500	1,500
Emergencies & Hardships	1,478	1,500	1,478	1,500
Exchanges	1,485	1,537	1,485	1,500
Acquisition Management	8,140	6,436	8,140	8,140
Cost Allocation Methodology	1,793	1,494	1,793	1,500
<b>Total Appropriations</b>	<b>28,046</b>	<b>18,011</b>	<b>43,046</b>	<b>43,044</b>

**Wildlife Refuge Fund.** The National Wildlife Refuge Fund (also called the Refuge Revenue Sharing Fund) compensates counties for the presence of the non-taxable federal lands of the National Wildlife Refuge System (NWRS). A portion of the fund is supported by the permanent appropriation of receipts from various activities carried out on the NWRS. However, these receipts are not sufficient for full funding of amounts authorized in the formula, and county governments have long urged additional appropriations to make up the difference. Congress generally provides additional appropriations. The President requested \$10.8 million for FY2008, down \$3.4 million (24%) from the FY2007 level of \$14.2 million. This FY2008 level, combined with expected receipts, would provide about 35% of the authorized full payment, down from 52% in FY2007. However, the House approved the FY2007 level, as did the Senate Committee.

**Multinational Species and Neotropical Migrants.** The Multinational Species Conservation Fund (MSCF) has generated considerable constituent interest despite the small size of the program. It benefits Asian and African elephants, tigers, rhinoceroses, great apes, and marine turtles.<sup>6</sup> For FY2008, the President proposed \$4.3 million for the MSCF and \$4.0 million for the Neotropical Migratory Bird

<sup>5</sup> (...continued)

appropriated source of mandatory funding (from the sale of duck stamps to hunters, and import duties on certain arms and ammunition) for land acquisition. As annual appropriations for acquisitions under LWCF have declined, the MBCA (\$41.9 million in FY2006) has become increasingly important in the protection of habitat for migratory birds, especially waterfowl. Other species in these habitats benefit incidentally.

<sup>6</sup> The President’s FY2008 budget did not propose to move funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. Congress had rejected the Administration’s proposed transfer for the previous six fiscal years, beginning in FY2002.

Conservation Fund (NMBCF). The proposal would cut each of the MSCF programs and hold funding level for NMBCF. Instead, the House and the Senate Appropriations Committee approved increases over FY2007 in both NMBCF and MSCF. The Senate Committee's increases were smaller than those approved by the House. See **Table 6**.

**Table 6. Appropriations for Multinational Species Conservation Fund and Neotropical Migratory Bird Conservation Fund, FY2007-FY2008**  
(\$ in thousands)

Multinational Species Conservation Fund	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
African Elephant	1,379	990	2,000	1,500
Tiger and Rhinos	1,576	990	2,500	2,000
Asian Elephant	1,379	990	2,000	1,500
Great Apes	1,379	990	2,000	2,000
Marine Turtles	691	297	1,500	1,000
<b>Total MSCF Appropriations</b>	<b>6,404</b>	<b>4,257</b>	<b>10,000</b>	<b>8,000</b>
Neotropical Migratory Birds	3,941	3,960	5,000	4,000

**State and Tribal Wildlife Grants.** State and Tribal Wildlife Grants help fund efforts to conserve species (including nongame species) of concern to states, territories, and tribes. The grants and have generated considerable support from these governments. The program was created in the FY2001 Interior appropriations law (P.L. 106-291) and further detailed in subsequent Interior appropriations bills. (It does not have any separate authorizing statute.) Funds may be used to develop state conservation plans as well as to support specific practical conservation projects. A portion of the funding is set aside for competitive grants to tribal governments or tribal wildlife agencies. The remaining portion is for matching grants to states. A state's allocation is determined by formula. The Administration, House, and Senate Appropriations Committee approved increases for FY2008, with the House supporting the highest funding. See **Table 7**.

**Table 7. Appropriations for State and Tribal Wildlife Grants, FY2007-FY2008**  
(\$ in thousands)

State and Tribal Wildlife Grants	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
State Grants	61,852	59,210	73,000	60,580
Competitive Grants for States, Territories, & Other Jurisdictions	0	5,000	5,000	5,000
Tribal Grants	5,640	5,282	7,000	6,912
<b>Total Appropriations<sup>a</sup></b>	<b>67,492</b>	<b>69,492</b>	<b>85,000</b>	<b>72,492</b>

a. In FY2006 and earlier, administrative costs were limited to 3%, after tribal grants were deducted from the total. For FY2008, the Senate Appropriations Committee and the House specified only that such costs be deducted from the state grants share of the program.

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

CRS Report RL33872. *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Report RL33795. *Avian Influenza in Poultry and Wild Birds*, by Jim Monke and M. Lynne Corn.

CRS Report RL33779. *The Endangered Species Act (ESA) in the 110<sup>th</sup> Congress: Conflicting Values and Difficult Choices*, by Eugene H. Buck, M. Lynne Corn, Pervaze A. Sheikh, Robert Meltz, and Kristina Alexander.

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

## National Park Service

The National Park Service (NPS) is responsible for the National Park System, currently comprising 391 separate and diverse park units covering 85 million acres. The NPS and its more than 20,000 permanent, temporary, and seasonal employees protect, preserve, interpret, and administer the park system's diverse natural and historic areas representing the cultural identity of the American people. The NPS mission is to protect park resources and values, unimpaired, while making them accessible to the public. Annual park visitation is now 273 million visits. The Park System has some 20 types of area designations, including national parks, monuments, memorials, historic sites, battlefields, seashores, recreational areas, and other classifications. The NPS also supports and promotes some resource conservation activities outside the Park System through limited grant and technical assistance programs and cooperation with partners.

The Senate Appropriations Committee provided \$2.46 billion for the NPS for FY2008, \$97.6 million (4%) above the President's request and \$161.5 million (7%) above the FY2007 level, but \$51.8 million (2%) below the House-passed level. See **Table 8**. The parks remain popular with the public and the condition of the parks and the adequacy of their care and operating capacity continues to be of concern. Despite protracted budgetary constriction and competing priorities, the Administration's budget request for the NPS and the House-approved and Senate Committee bills are among the largest dollar increases proposed in the agency's 90-year history.

To be ready for the NPS's 100<sup>th</sup> anniversary in 2016, the Administration proposed a multi-year initiative, beginning in FY2008, to strengthen visitor services and other park programs. The National Parks Centennial Initiative, announced by President Bush in August 2006, could add up to \$3 billion in new funds for the parks over the next 10 years through a public/private joint effort. The initiative has three components: (1) a commitment to add \$100.0 million annually in discretionary funds; (2) a challenge for the public to donate \$100.0 million annually; and (3) a commitment to match the public donations with federal funds of up to \$100.0 million annually. The second part of the initiative — the proposed \$1 billion "Centennial

Challenge” — would rely on corporate, foundation, and other private donations, raising concerns among some park supporters about potential commercialization and privatization influence on the parks. Many claim that the park system has long experienced chronic budget shortfalls. Park advocacy groups have estimated that, on average, the national parks operate with two-thirds of needed funding — a budget shortfall of more than \$600 million annually.<sup>7</sup>

**Major NPS Issues in Appropriations.** The House-passed bill would extend the authorization of the National Park System Advisory Board until January 1, 2009. Board authority expired on January 1, 2007, preventing statutorily required participation in some NPS programs. The Senate Committee bill did not contain a similar provision.

A House floor amendment transferred \$1.0 million from the Office of the Secretary to park operations to help fully reopen the Statue of Liberty to park visitors. The Senate Committee bill did not contain a similar provision. Another House floor amendment would have exempted a number of cities near Los Angeles from a Park Service special resources study of the San Gabriel Watershed and Mountains; this amendment was rejected.

The Urban Parks and Recreation Recovery (UPARR) grant program has not been funded since FY2002. The House Appropriations Committee reminded the NPS of its responsibility to enforce §1010 of the authorizing legislation (16 U.S.C. §2509), generally prohibiting the conversion of UPARR project sites from public recreational use to other (e.g., commercial) use, regardless of whether funding is provided (H.Rept. 110-187, p. 46). The Senate Committee report did not contain similar language.

The Senate Committee bill contained provisions not included in the House-passed bill. For instance, it directed the NPS to keep in force, for the 2007-2008 winter season, the interim Yellowstone snowmobile use regulations of the past three years. The bill also would repeal a provision in law (P.L. 109-364) that prohibited the NPS from complying with a court-approved agreement to remove nonnative deer and elk from Santa Rosa Island in the Channel Islands National Park.

**Operation of the National Park System.** The park operations line item is the primary source of funding for the national parks, accounting for more than 80% of the total NPS budget. For FY2008, the Senate Committee bill provided \$1.96 billion, \$1.0 million less than the House-approved level (excluding Park Police), 0.5% less than the request, and 11% more than the FY2007 level. The House-passed bill moved the U.S. Park Police into this account — it had been a separate line item — and the Senate Committee bill retained it as a separate line item. For comparative purposes, **Table 8** follows the historical arrangement.

The majority of operations funding is provided directly to park managers. It supports the activities, programs, and services essential to the day-to-day operations

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<sup>7</sup> See the website of the National Parks Conservation Association at [[http://www.npca.org/media\\_center/reports/analysis.html](http://www.npca.org/media_center/reports/analysis.html)].



of the park system, and covers resource protection, visitors' services, facility operations and maintenance, and park support programs, as well as such administrative expenses as employee pay, benefits, and other fixed costs. The Senate Committee bill provided \$1.82 billion for park management, \$1.0 million less than the House-passed level, \$5.2 million less than the FY2008 request, and \$189.5 million (12%) more than the FY2007 enacted level. The House and the Senate Committee measures increased accounts over FY2007, with relatively large increases for maintenance, visitor services, and resource stewardship.

**Table 8. Appropriations for the National Park Service,  
FY2007-FY2008**  
(\$ in millions)

National Park Service	FY2007 Approp.	FY2008 Request	FY2008 House	FY2008 Senate Comm.
Operation of the National Park System	1,762.7	1,969.0	1,959.7 <sup>b</sup>	1,958.7
— <i>Park Management</i>	1,627.6	1,822.3	1,818.1	1,817.1
— <i>Administrative Costs</i>	135.1	146.7	141.6	141.6
U.S. Park Police	85.2	88.1	88.1 <sup>b</sup>	88.1
Centennial Challenge (Matching Prog.)	0.0	0.0 <sup>c</sup>	50.0	0.0
National Recreation and Preservation	54.4	48.9	62.9	58.8 <sup>e</sup>
Historic Preservation Fund	65.7	63.7	81.5	80.0 <sup>e</sup>
Construction	297.5	201.6	201.6	227.2
Land and Water Conservation Fund <sup>d</sup>	-30.0	-30.0	-30.0	-30.0
Land Acquisition and State Assistance	64.0	22.5	99.4	78.7
— <i>Assistance to States</i>	29.6	0.0	50.0	30.0
— <i>NPS Acquisition</i>	34.4	22.5	49.4	48.7
<b>Total Appropriations</b>	<b>2,300.0<sup>a</sup></b>	<b>2,363.8</b>	<b>2,513.2</b>	<b>2,461.4</b>

- a. Includes an emergency appropriation of \$0.5 million not reflected in the figures above.
- b. The House-passed appropriation included the U.S. Park Police as part of *Operation of the National Park System*. It is reflected in this table as a separate line item to be comparable to the historic, requested, and Senate Committee recommended appropriations.
- c. The Administration requested the establishment of a mandatory fund with \$100.0 million annually for ten years, to match nonfederal contributions to the NPS for certain purposes. The fund has not been authorized to date. This figure reflects that the Administration did not seek funding through annual appropriations.
- d. Figures reflect a rescission of contract authority.
- e. The Senate Committee appropriation included \$5.0 million for Preserve America within the *National Recreation and Preservation* line item. It is reflected in the Historic Preservation total to be comparable to the historic, requested, and House appropriations.

**United States Park Police (USPP).** This budget item supports the U.S. Park Police, an urban-oriented, full-service, uniformed law enforcement entity with primary jurisdiction at park sites within the metropolitan areas of Washington, DC, New York City, and San Francisco. USPP law enforcement authority extends to all NPS units and to certain other federal and state lands. The park police provide specialized law enforcement services to other park units when requested, through deployment of professional police officers to support law enforcement trained and commissioned park rangers working in park units system-wide. The House-passed

and Senate Committee bills matched the request, \$88.1 million, \$2.9 million (3%) above the enacted level for FY2007. Increased funding was proposed primarily for enhanced security at National Mall icons, special events in Washington, DC, and at the Statue of Liberty in New York. As noted above, the House-passed bill moved the U.S. Park Police to the Operation of the National Park System line item, while the Senate Committee bill retained it separately. An internal review concluded in December 2004 reportedly addressed long-standing fiscal and management problems and redefined USPP priorities to be (1) protection of “iconic” (symbols of democracy) park units and their visitors; (2) patrol of the National Mall and adjacent parks; (3) special events and crowd management; (4) criminal investigations; and (5) traffic control and parkway patrol.

**Centennial Challenge.** As noted above, the Administration proposed a three-part National Parks Centennial Initiative, with additional funding for park operations (presumably included in the request for park management discussed above), donations, and federal funds to match the donations. The House approved \$50.0 million to be available for matching donations in FY2008, while the Senate Committee bill provided no money for the program. The Senate Committee expressed support for the concept, but a preference that the authorizing committee address the issue (S.Rept. 110-91, p. 25). The President did not seek an annual appropriation for this purpose, but instead proposed the establishment of a mandatory program with \$100.0 million annually for ten years. This program has not been authorized to date, and legislation would be required to effect this 10-year mandatory spending program.

**National Recreation and Preservation.** This line item funds a variety of park system recreation and natural and cultural resource protection programs and an international park affairs office, as well as programs connected with state and local community efforts to preserve natural and historic resources. For FY2008, the Senate Committee bill provided \$58.8 million (excluding \$5.0 million for Preserve America), \$4.1 million (7%) less than the House-passed level, \$9.9 million (20%) more than the request, and \$4.4 million (8%) more than the FY2007 level. The Senate Committee bill included \$15.0 million for the heritage partnership program that funds National Heritage Areas (NHAs) — \$5.0 million (25%) less than the House-approved level, \$5.0 million (50%) more than requested, and \$1.7 million (12%) more than enacted for FY2007. For the statutory and contractual aid program for specific, non-NPS sites, the Senate Committee bill included \$5.9 million, \$0.9 million (18%) more than the House and \$2.7 million (82%) more than the FY2007 level. The Administration again proposed discontinuing statutory and contractual aid, as for FY2005-FY2007. Congress provided \$11.2 million for FY2005 and \$7.0 million for FY2006. The Senate Committee bill also provided \$5.0 million for Preserve America, and a transfer of this sub-account from Historic Preservation. Preserve America was funded at \$4.9 million in FY2007; the House and the Administration supported \$10.0 million for FY2008.

**Construction.** The construction line item funds new construction projects, as well as improvements, repair, rehabilitation, and replacement of park facilities. The Senate Committee bill included \$227.2 million for NPS construction, \$25.6 million (13%) more than the House approved and the Administration requested, and \$70.3 million (24%) less than FY2007. Recent DOI data (March 2007) report an

NPS deferred maintenance backlog of \$7.9 billion, of which \$4.3 billion is park roads, while another DOI source estimates an NPS backlog (mid-range) of \$9.1 billion for FY2006. (For information on NPS maintenance, see CRS Report RL33484, *National Park Management*, coordinated by Carol Hardy Vincent.)

**Land Acquisition and State Assistance.** FY2007 appropriations for the NPS under the Land and Water Conservation Fund (LWCF) were \$64.0 million, comprised of \$34.4 million for NPS land acquisition and \$29.6 million for state assistance programs. Land acquisition funds are used to acquire lands, or interests in lands, for inclusion within the National Park System. State assistance is for recreation-related land acquisition and recreation planning and development by the states, with the appropriated funds allocated by formula and states determining their spending priorities.

The FY2008 Senate Committee bill provided \$48.7 million for NPS land acquisition, \$0.7 million (1%) less than the House-approved level, but \$14.3 million (42%) above the FY2007 level and more than double the Administration's request of \$22.5 million. The Administration did not seek funds for state assistance from LWCF, requesting \$1.4 million for program administration under National Recreation and Preservation. The Senate Committee bill contained \$30.0 million for state assistance, \$20.0 million (40%) less than the House-approved level and \$0.4 million more than the FY2007 enacted level. (For more information, see the "Land and Water Conservation Fund (LWCF)" section in this report.)

**Historic Preservation.** The Historic Preservation Fund (HPF), administered by the NPS, provides grants-in-aid for activities specified in the National Historic Preservation Act (NHPA; 16 U.S.C. §470), such as restoring historic districts, sites, buildings, and objects significant in American history and culture. NHPA reauthorization (P.L. 109-235) was enacted on December 22, 2006, and extends authority to fund the HPF through 2015. The Fund's preservation grants are normally funded on a 60% federal/40% state matching share basis. The HPF also includes funding for *Save America's Treasures* and *Preserve America* grants.

For FY2008, the House bill would provide \$81.5 million for the HPF, while the Senate Committee recommended \$80.0 million (including \$5.0 million for *Preserve America* within another line item). The House level represents an increase over FY2007 of \$15.8 million, or 24%; the Senate Committee recommendation was \$14.3 million, or 22% higher. The FY2007 level included a \$10.0 million hurricane recovery supplemental appropriation contained in P.L. 110-28. The FY2008 House bill would increase funding for state historic preservation offices and tribal historic preservation grants, by \$7.8 million (21%) and \$1.1 million (19%) respectively, rather than decrease these programs as requested by the NPS. The Senate Committee recommended increases over FY2007 of \$1.8 million (5%) for states and \$0.6 million (10%) for tribes. Neither the House nor the Senate Committee would restore preservation funding for historically black colleges and universities, which was eliminated for FY2007.

Both the House and the Senate Committee would provide additional funding for the *Save America's Treasures* and the *Preserve America* grant programs, which had been cut from \$29.6 million in FY2006 to \$13.0 million in FY2007. The House

would fund these programs at \$30.0 million, a 131% increase, with \$20.0 million toward Save America's Treasures and \$10.0 million for Preserve America. The Senate Committee recommended \$35.0 million, a 169% increase, with \$30.0 million for Treasures and \$5.0 million for Preserve America within the National Recreation and Preservation Account. The House Appropriations Committee specified \$6.0 million from *Treasures* for 43 projects; the Senate Committee specified \$7.5 million for 26 projects.

New for FY2008, the Park Service proposed to establish a \$5.0 million program to help states and tribal governments create an integrated inventory of historic properties. Of that amount, \$4.0 million would be to fund grants through the HPF and the balance would be provided through National Recreation and Preservation funding. Neither the House nor the Senate Committee would fund this proposal.

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

For further information on *Historic Preservation*, see its website at [<http://www.cr.nps.gov/hps/>].

CRS Report RL33617. *Historic Preservation: Background and Funding*, by Susan Boren.

CRS Report RL33484. *National Park Management*, by Carol Hardy Vincent, Ross W. Gorte, Sandra L. Johnson, and Susan Boren.

CRS Report RL33525. *Recreation on Federal Lands*, coordinated by Kori Calvert and Carol Hardy Vincent.

## **U.S. Geological Survey**

The U.S. Geological Survey (USGS) is the nation's premier science agency in providing physical and biological information related to natural hazards; certain aspects of the environment; and energy, mineral, water, and biological sciences. In addition, it is the federal government's principal civilian mapping agency and a primary source of data on the quality of the nation's water resources. For FY2008, the Administration is emphasizing the role USGS plays in the healthy lands initiative, the ocean action plan, and providing timely scientific information for monitoring natural hazards and assessing their impacts.

Funds for the USGS are provided in the line item *Surveys, Investigations, and Research*, for seven activities: the National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; Enterprise Information; Science Support; and Facilities. For FY2008, the Administration requested \$975.0 million for the USGS, which was \$13.1 million (1%) below the FY2007 level of \$988.1 million. The House-passed bill provided \$1,032.8 million for FY2008, and the Senate Appropriations Committee recommended \$1,009.9 million, both increases over FY2007. See **Table 9**.

The FY2008 request proposed eliminating funding for the water resources research institutes, but the House and the Senate Committee bills provided funding at \$6.4 million. The FY2008 request also would cut \$20.1 million for mineral resource assessments, to focus on the needs of federal land management programs, according to the Administration. The House and the Senate Committee bills supported funding for mineral resource assessments. Further, the House included \$10.0 million for an increase to global climate change research for FY2008, which was not requested by the Administration or included in the Senate Committee bill.

**Table 9. Appropriations for the U.S. Geological Survey,  
FY2007-FY2008**  
(\$ in millions)

U.S. Geological Survey	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Enterprise Information	111.8	112.1	112.1	112.1
Geographic Research, Investigations, and Remote Sensing	80.2	75.0	80.0	78.5
Geologic Hazards, Resources, and Processes	237.0	222.1	249.8	243.3
Water Resources Investigations	214.9	212.5	223.5	224.1
Biological Research	175.7	181.1	187.1	182.1
Science Support	67.8	70.7 <sup>b</sup>	68.7	68.2
Facilities	95.4	101.6	101.6	101.6
Global Climate Change Research	0.0	0.0	10.0	0.0
<b>Total Appropriations</b>	<b>988.1<sup>a</sup></b>	<b>975.0</b>	<b>1,032.8</b>	<b>1,009.9</b>

a. The FY2007 total includes \$5.3 million in P.L. 110-28.

b. This figure includes \$2.4 million for the Financial and Business Management System.

**Enterprise Information.** In FY2005, the Administration proposed a new line item for funding within the USGS called Enterprise Information. This program consolidates funding of all USGS information needs including information technology, security, services, and resources management, as well as capital asset planning. The FY2008 Administration's request was \$112.1 million for this program, \$0.3 million above the FY2007 level of \$111.8 million. The House-passed bill and Senate Committee bill included the same amount.

There are three primary programs within Enterprise Information: (1) enterprise information security and technology, which supports management and operations of USGS telecommunications (e.g., computing infrastructure and email); (2) enterprise information resources, which provides policy support, information management, and oversight over information services; and (3) federal geographic data coordination, which provides operational support and management for the Federal Geographic Data committee (FGDC). The FGDC is an interagency, intergovernmental committee that encourages collaboration to make geospatial data available to state, local, and tribal governments, as well as communities.

**Geographic Research, Investigations, and Remote Sensing.** This program aims to provide access to high quality geospatial information to the public. The Administration requested \$75.0 million for this program, \$5.2 million (7%) below the FY2007 level of \$80.2 million. The House-passed bill provided \$80.0 million, and Senate Committee provided \$78.5 million. Under the Land Remote Sensing subheading, \$24.2 million was requested to support the Landsat Data Continuity Mission, also known as Landsat 8. Landsat 8 is an upcoming satellite that is to take remotely sensed images of the Earth's land surface and surrounding coastal areas primarily for environmental monitoring. The volume of data taken by Landsat 8 is to be four times greater than its predecessor, Landsat 7, and Landsat 8 is to include additional spectral bands and higher resolution than Landsat 7 data. The House and the Senate Appropriations Committee appeared to support the requested funding level for Landsat 8.

**Geologic Hazards, Resources, and Processes.** For Geologic Hazards, Resources, and Processes activities, the Administration requested \$222.1 million, \$14.9 million (6%) below the FY2007 level of \$237.0 million. The House-passed bill provided \$249.8 million and the Senate Committee bill recommended \$243.3 million. This line item covers programs in three activities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments.

The primary reduction sought by the Administration was a \$20.1 million cut in the mineral resources program. According to the Administration, proposed cuts will focus efforts on mineral resource assessments and research that benefit federal land management programs, as opposed to both federal and nonfederal needs as in previous years. The Administration expects that universities or other entities will undertake assessments and research that support nonfederal needs. In previous years the Administration requested similar cuts in this program, yet each year funding was provided. For FY2008, the House and the Senate Committee bills retained funding for this program.

The FY2008 request contained an increase of \$2.1 million for the geologic hazards program, for a total of \$84.0 million. Some of the funds would go towards supporting research and monitoring on volcanoes, landslides, and earthquakes. The Senate Appropriations Committee supported this level. The House-passed bill would add another \$5.0 million, for a total of \$89.0 million.

**Water Resources Investigations.** The Administration's request for Water Resources Investigations was \$212.5 million, \$2.4 million (1%) below the FY2007 level of \$214.9 million. The House bill provided \$223.5 million for this program, and the Senate Committee bill recommended \$224.1 million. The hydrologic monitoring, assessments, and research activities would receive \$153.7 million under the House bill and \$153.3 million under the Senate Committee bill. The federal-state cooperation water program would receive \$63.3 million under the House bill and \$64.4 million under the Senate Committee bill. As with the Bush Administration's FY2002-FY2007 budget requests, the FY2008 request would discontinue USGS support for water resources research institutes because, according to the Administration, most institutes have succeeded in leveraging sufficient funding for program activities from non-USGS sources. Nevertheless, the institutes received funding from FY2002-FY2007, with \$5.4 million appropriated for FY2007. The

House and the Senate Committee bills would provide \$6.4 million for the water resources research institutes for FY2008.

The Administration's request, the House-passed bill, and the Senate Committee bill would provide additional funds for the National Streamflow Information Program (NSIP) for FY2008. For FY2007, \$16.6 million was enacted. The Administration and the Senate Committee supported \$18.9 million, and the House approved \$21.6 million. These additional funds would be used to continue the operation of the streamgauge network of 7,400 streamgages. Further, it would allow for several new streamgages to be built and maintained. Through the NSIP, the USGS collects the streamflow data needed by federal, state, and local agencies for planning, operating water-resources projects, and regulatory programs.

**Biological Research.** The Biological Research Program under the USGS generates and distributes information related to conserving and managing the nation's biological resources. The Administration requested \$181.1 million for biological research, \$5.4 million (3%) above the FY2007 level of \$175.7 million. The House bill included \$187.1 million, and the Senate Committee bill recommended \$182.1 million.

In cooperation with the FWS and other federal and state agencies, the USGS is surveying for the early detection of avian flu in wild birds, and collecting samples from birds that are known to migrate through the Russian Far East and Southeast Asia. For 2008, the USGS will continue sampling birds for avian flu and coordinate with other agencies to address the potential for avian flu in North America.

**Science Support and Facilities.** Science Support focuses on those costs associated with modernizing the infrastructure for managing and disseminating scientific information. The Administration requested \$70.7 million for science support, an increase of \$2.9 million (4%) from the FY2007 level of \$67.8 million. The House bill contained \$68.7 million, and Senate Committee recommended \$68.2 million.

Facilities focuses on the costs for maintenance and repair. The Administration, House, and Senate Committee approved \$101.6 million for facilities. This would be an increase of \$6.1 million (6%) from the FY2007 enacted level of \$95.4 million.

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

## **Minerals Management Service**

The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (OMM) Program and the Minerals Revenue Management (MRM) Program. OMM administers competitive leasing on Outer Continental Shelf (OCS) lands and oversees production of offshore oil, gas, and other minerals. MRM collects and disburses bonuses, rents, and royalties paid on federal onshore and OCS leases and Indian mineral leases. Revenues from onshore leases are distributed to states in which they were collected, the general fund of the U.S. Treasury, and designated programs. Revenues from the offshore leases are allocated

among the coastal states, the Land and Water Conservation Fund, the Historic Preservation Fund, and the U.S. Treasury.

The MMS expects to collect and disburse about \$14 billion in revenue in FY2007 from mineral leases on federal and Indian lands (H.Rept. 110-187, p. 54). This amount fluctuates based primarily on the prices of oil and natural gas. Over the past decade, royalties from natural gas production have accounted for 40% to 45% of annual MMS receipts, while oil royalties have been not more than 25%. Other sources of MMS receipts include rents and bonuses for all leaseable minerals and royalties from coal and other minerals.

**Budget and Appropriations.** The Administration submitted an FY2008 total MMS budget of \$297.2 million, comprised of \$161.5 million in appropriations and an additional \$135.7 million in offsetting collections which MMS has been retaining since 1994. The Senate Appropriations Committee recommended a total MMS budget of \$302.1 million, consisting of a \$166.4 million appropriation and \$135.7 million in offsetting collections. The House approved a total MMS budget of \$295.7 million, but much less funding through the annual appropriation process. Specifically, the House included \$67.0 million in appropriations, \$135.7 million in offsetting collections, and an “administrative provisions” section resulting in a \$50.0 million deferral for ultra deepwater research and a \$43.0 million deduction for state royalty administrative costs. See **Table 10**.

**Table 10. Appropriations for the Minerals Management Service, FY2007-FY2008**  
(\$ in millions)

Minerals Management Service	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Royalty and Offshore Minerals Management				
— OCS Lands (OMM)	152.8	160.0	159.0	164.9
— Royalty Management (MRM)	80.1	82.4	82.4	82.4
— General Administration	48.5	48.5	48.0	48.5
— Gross, Royalty and Offshore Minerals Management	281.3	290.8	289.3	295.7
— Use of Receipts	-128.7	-135.7	-135.7	-135.7
Total, Royalty and Offshore Minerals Management Appropriations	152.6	155.0	153.6	159.9
Oil Spill Research	6.9	6.4	6.4	6.4
Administrative Provisions				
— Ultra Deepwater Research Deferral	—	—	-50.0	—
— State Royalty Administrative Cost Deduction	—	—	-43.0	—
<b>Total Appropriations</b>	<b>159.5</b>	<b>161.5</b>	<b>67.0</b>	<b>166.4</b>



The administrative provisions section in the House bill stemmed from an Administration proposal to repeal the Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Research Fund (the Fund) and reintroduce *net receipts sharing* among states. The House reflected its support for the Administration proposal through *scoring credits*, resulting in a \$50.0 million deferral for ultra deepwater research and a \$43.0 million deduction for state royalty administrative costs. See **Table 10**. The Fund was created as a mandatory program in the Energy Policy Act of 2005 (P.L. 109-58) and authorized to receive \$50 million each year from FY2007-FY2017 from federal oil and gas leasing receipts. Congress established net receipts sharing in 1991 which required states to pay for a portion of the administrative costs associated with managing federal leases in their states. In 2000, P.L. 106-393 ended that requirement and allowed states to receive their full share of revenue from federal leases within their state. The current proposal would deduct 2% from the states 50% share of revenue from onshore federal leases.

**Oil and Gas Leasing Offshore.** Issues not directly tied to specific funding accounts remain controversial. Oil and gas development moratoria in the OCS along the Atlantic and Pacific Coasts, parts of Alaska, and the Gulf of Mexico have been in place since 1982, as a result of public laws and executive orders of the President. However, Congress enacted separate legislation (P.L.109-432) to open part of the Gulf of Mexico (about 5.8 million acres) previously under the moratoria, but the law places nearly all of the eastern Gulf under a leasing moratorium until 2022. The law also contains revenue sharing provisions for selected coastal states. Two areas — Bristol Bay (AK) and Virginia — contained in the MMS Proposed Final Five-Year OCS Oil and Gas Leasing Program (2007-2012) remain controversial. Bristol Bay, once included in the congressional moratoria was removed, while oil and gas leasing off Virginia remains under the moratoria. The new five-year program took effect July 1, 2007. (For more information, see CRS Report RL33493, *Outer Continental Shelf: Debate Over Oil and Gas Leasing and Revenue Sharing*, by Marc Humphries.)

Royalty relief for OCS oil and gas producers was debated during consideration of FY2007 Interior appropriations. On February 13, 2006, the *New York Times* reported that the MMS would not collect royalties on leases awarded in 1998 and 1999 because no price threshold was included in the lease agreements during those two years. Without the price thresholds, producers may produce oil and gas up to specified volumes without paying royalties no matter what the price. The MMS asserts that placing price thresholds in the lease agreements is at the discretion of the Secretary of the Interior. However, according to the MMS, the price thresholds were omitted by mistake during 1998 and 1999.<sup>8</sup>

On January 18, 2007, the House passed a bill (H.R. 6) that would deny new Gulf of Mexico leases to those holding leases without price thresholds or payment or an agreement to pay a “conservation of resources” fee that would be established by H.R. 6. DOI has asserted that the House-passed bill could lead to legal challenges which could delay oil and gas development in the Gulf of Mexico. The Department also suggested that Congress offer the lessees a three-year extension to their leases as an

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<sup>8</sup> This information is from discussions with Walter Cruickshank, Deputy Director of MMS, during April 2006.

incentive to amend the leases to include price thresholds. The Senate continues to debate this issue. (For more information, see CRS Report RS22567, *Royalty Relief for U.S. Deepwater Oil and Gas Leases*, by Marc Humphries and CRS Report RL33974 *Legal Issues Raised by Provision in House Energy Bill (H.R. 6) Creating Incentives for Certain OCS Leaseholders to Accept Price Thresholds*, by Robert Meltz and Adam Vann.)

During consideration of FY2008 Interior appropriations, the House considered several amendments related to the OCS. An amendment which would have lifted the OCS moratoria for natural gas leasing and development beyond 25 miles from the coastline was defeated. Related amendments to open the OCS for oil and gas drilling beyond 100 miles of the coastline and to open the entire OCS currently under the moratoria were defeated. The House retained Committee language barring funds in the bill from being used for new leases for those holding leases under the Deep Water Royalty Relief Act of 1995 without price thresholds. The Senate Appropriations Committee, however, rejected bill language that would have prohibited the government from issuing new offshore leases to companies holding deepwater leases held in 1998 and 1999 without price thresholds.

The House Appropriations Committee included report language related to drilling in the North Aleutian Basin Planning Area, also known as Bristol Bay. The Committee expressed that drilling in that area should be conducted only after the availability of detailed studies and information. The House Committee directed DOI agencies and other scientific bodies to document, among other things, economic and technological aspects of accidents related to oil and gas drilling and development in the North Aleutian Basin. The House Committee further directed the Government Accountability Office (GAO) to report to Congress an economic analysis of costs to the U.S. Treasury resulting from production in the North Aleutian Basin and other Alaskan OCS waters based on royalty relief provisions in the Energy Policy Act of 2005 (H.Rept. 110-187, p. 58-59).

Another challenge confronting the MMS is to ensure that its audit and compliance program is consistently effective. Critics contend that less auditing and more focus on compliance review has led to a less rigorous royalty collection system and thus a loss of revenue to the federal Treasury. DOI's Inspector General (IG) has made recommendations to strengthen and improve administrative controls of the Compliance and Asset Management Program (CAM). Further, DOI established an independent panel to review the MMS Mineral Leasing Program. The review includes an examination of the Royalty-In-Kind Program which has grown significantly over the past three years — from 41.5 million barrels of oil equivalent (BOE) sold in 2004 to 112 million BOE sold in 2007. The House Appropriations Committee, in report language on the FY2008 bill, expressed concern about IG reports on the need for more and better audits, and directed MMS to report on corrective actions it is taking (H.Rept. 110-187, p. 58).

Oil and gas leasing in offshore California also has continued to be a controversial issue. Under the Coastal Zone Management Act of 1972, as amended (16 U.S.C. §1451-64) (CZMA), development of federal offshore leases must be consistent with state coastal zone management plans. In 1999, MMS extended the terms of 36 leases in offshore California by granting suspensions of the leases' five-

year terms. A suspension extends the term of the lease, to allow the lessee to facilitate development.<sup>9</sup> The state of California sued, contending that MMS should have made a consistency determination showing that the lease suspensions were consistent with California's coastal management plan before issuing the suspensions. In June 2001, the U.S. Court for the Northern District of California agreed with the state of California and struck down the lease suspensions.<sup>10</sup> MMS appealed to the U.S. Court of Appeals for the Ninth Circuit. However, in December 2002, the Ninth Circuit upheld the District Court decision.<sup>11</sup>

Following this ruling, nine oil company lessees brought breach of contract claims against MMS seeking restitution for "bonus payments" made to MMS in order to obtain and suspend their leases in offshore California. In November 2005, the U.S. Court of Federal Claims held that the federal government breached its contract with the lessees when it enacted the amendments to the CZMA in 1990 that, according to the decisions described above, required lease suspensions to be evaluated for consistency with a state's coastal management plan.<sup>12</sup> The Court reasoned that the lessees had not bargained for the more extensive consistency determination requirements to be applied to suspension requests when the leases were signed, and that therefore the legislation creating these new requirements amounted to breach of the leases.<sup>13</sup> The government was ordered to repay the lessees for all so-called "bonus payments" made to the government in exchange for the leases.<sup>14</sup>

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

CRS Report RL33974. *Legal Issues Raised by Provision in House Energy Bill (H.R. 6) Creating Incentives for Certain OCS Leaseholders to Accept Price Thresholds*, by Robert Meltz and Adam Vann.

CRS Report RL33493. *Outer Continental Shelf: Debate Over Oil and Gas Leasing and Revenue Sharing*, by Marc Humphries.

CRS Report RS22567. *Royalty Relief for U.S. Deepwater Oil and Gas Leases*, by Marc Humphries.

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<sup>9</sup> The regulations on suspension are at 30 C.F.R §250.168.

<sup>10</sup> *California v. Norton*, 150 F.Supp.2d 1046 (N.D. Cal. 2001).

<sup>11</sup> *California v. Norton*, 311 F.3d 1162 (9<sup>th</sup> Cir. 2002).

<sup>12</sup> *Amber Resources Co. v. U.S.*, 68 Fed. Cl. 535 (2005).

<sup>13</sup> *Id.* at 546-48.

<sup>14</sup> *Id.* at 560. The lessees continued to pursue further recovery under other breach of contract theories. These matters remain unsettled. *See Amber Resources Corp. v. United States*, 73 Fed. Cl. 738 (2006).

## Office of Surface Mining Reclamation and Enforcement

The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87; 30 U.S.C. §1201 note) established the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that land mined for coal would be returned to a condition capable of supporting its pre-mining land use. However, coal mining is an old activity in the United States, and at the time SMCRA was enacted there was a large inventory of abandoned mine sites that no company could be held accountable to reclaim. To address this problem, SMCRA established an Abandoned Mine Land (AML) fund, with fees levied on coal production, to reclaim abandoned sites that posed serious health or safety hazards. The law provided that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. Reclamation in states with no approved programs is directed by OSM.

Historically, AML collections have been divided up and assigned to different accounts, some of which fall into a federal designation allocated to individual states based upon their ranking in historical coal production. A portion of fee collections also has been credited to a state share account. Grants to states and tribes for reclamation have been awarded after applying a formula to annual congressional appropriations from the AML fund. Grants to a state or tribe would draw on both that state's federal-share and state-share accounts. Collections have exceeded appropriations for a number of years. The total unappropriated balance — including both federal and state share accounts in the AML fund — was over \$1.95 billion by the end of FY2006, of which approximately \$1.2 billion was in the state-share accounts.

As coal production has shifted westward, western states have paid more into the fund. These states have contended that they are shouldering a disproportionate share of the reclamation burden because the great majority of the sites requiring remediation are in the East.<sup>15</sup> Several states were pressing for increases in the AML appropriations, with an eye on those unappropriated balances in the state-share accounts.

The Tax Relief and Health Care Act (P.L. 109-432) reauthorized AML fee collections through FY2021, and also made significant changes in the procedures for disbursing grants. Grants will now be funded by permanent appropriations from the AML fund and the general fund of the U. S. Treasury. All the revenues paid to the fund during a given fiscal year will be returned during the fiscal year that follows.<sup>16</sup> Under the restructuring, the balances in the state- and tribal-share accounts will be

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<sup>15</sup> Interest generated by unappropriated balances in the AML fund is transferred to the United Mine Workers of America Combined Benefit Fund, established by P.L. 102-486 to cover the unreimbursed health cost requirements of retired miners.

<sup>16</sup> The permanent appropriation has a ceiling of \$490 million annually. If demands on that money, which include annual payments to the United Mine Workers of America Combined Benefit Fund, would exceed the cap, distributions will be proportional.

returned to all states and tribes in seven annual installments paid with general Treasury funds.<sup>17</sup>

States and tribes are categorized as “Certified” or “Uncertified,” and distributions to each will differ. Certified states are those that have reclaimed the most serious sites, while uncertified states have not yet done so. Beginning in FY2008, and over a period of seven years, certified states will receive equal installments of the unappropriated balances in their state-share accounts as of the end of FY2006. Additionally, they will receive whatever grants they would be entitled to based upon application of the distribution formula to both prior year collections and that state’s entitlement based upon its historic coal production.<sup>18</sup> Beginning with fees collected during FY2008, the amounts that would have been deposited to certified states’ state-share accounts will instead be credited to the federal-share account representing historical coal production. Certified states will not receive this allocation in their annual grants after FY2008. This will have the effect of increasing the pool of money available for distribution to uncertified states in future years.

The level of grants distributed to uncertified states will be based upon their proportionate entitlement from the historical coal production account (which, as just noted, will hold more money than under the old system), as well as the amount that would have otherwise been deposited to the state-share account.<sup>19</sup>

Owing to the establishment of the permanent appropriation, the FY2008 OSM budget request was sharply lower than the FY2007 level. Overall, the FY2008 budget request for OSM totaled \$168.3 million in discretionary spending, a reduction of \$126.3 million (43%) from the FY2007 level of \$294.6 million. However, due to the restructuring of the program, which now provides for repayment of the unappropriated state balances from Treasury funds, one cannot make a direct comparison between the FY2008 request and the FY2007 appropriated level for OSM. Similarly, the House and the Senate Committee levels for FY2008 are not directly comparable to the FY2007 level.

In FY2008, some activities will remain subject to annual appropriations. Among these are the expenses of federal AML programs in states with no OSM-approved reclamation programs, an emergency reclamation program, OSM administrative expenses, and the Clean Streams program. The agency budget also has an additional component — regulatory and technology programs.

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<sup>17</sup> Added to these totals will be any money needed to fund minimum program states. These states have sites remaining with serious problems. However, these states also have insufficient levels of current coal production to generate significant fees to the AML fund. Each minimum program state is to receive \$1.5 million annually.

<sup>18</sup> Payments will be ramped up. For the first three years, certified states will receive 25%, 50%, and 75% of the amount the state would receive under the restructured program.

<sup>19</sup> An allocation of fee collections under the old program to the Rural Abandoned Mine Program (RAMP) is discontinued by P.L. 109-432, which transfers the RAMP balances to the fund pool representing state historical coal production. Whether or not fee collections are reauthorized beyond FY2021, mandatory distributions will continue so long as money remains in the AML fund.

The House approved a \$1.9 million boost to Regulation and Technology, an addition of 2%, over the Administration's request for \$115.5 million. The additional funds were for environmental protection activities. The House agreed with the Administration request of \$52.8 million for AML. In total, the House approved \$170.1 million for OSM, \$1.8 million (1%) over the Administration's request and \$124.5 million (42%) below FY2007.

The Senate Appropriations Committee recommended \$121.5 million for Regulation and Technology, an increase of \$6.0 million above the Administration request of \$115.5 million. The increase would provide additional funds to match state costs for the conduct of regulatory programs intended to minimize impacts of coal extraction on local environments and populations. The Senate Committee, like the House, supported the request for \$52.8 for the AML. In total, the Senate Committee recommended \$174.3 million for OSM, \$6.0 million (4%) over the Administration's request and \$120.3 million (41%) below FY2007. See **Table 11**.

**Table 11. Appropriations for the Office of Surface Mining Reclamation and Enforcement, FY2007-FY2008**

(\$ in millions)

Office of Surface Mining Reclamation and Enforcement	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Regulation and Technology	109.2	115.5	117.3	121.5
— <i>Environmental Protection</i>	78.7	83.8	85.8	89.8
Abandoned Mine Reclamation Fund	185.4	52.8	52.8	52.8
<b>Total Appropriations</b>	<b>294.6</b>	<b>168.3</b>	<b>170.1</b>	<b>174.3</b>

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

CRS Report RL32993. *Abandoned Mine Reclamation Fee on Coal*, by Nonna A. Noto.

## Bureau of Indian Affairs

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

BIA's direct appropriations were \$2.31 billion in FY2007. For FY2008, the Administration proposed \$2.23 billion, a decrease of \$79.4 million (3%) below FY2007. The House approved \$2.35 billion for FY2008, an increase of \$38.6 million (2%) over FY2007 and of \$118.1 million (5%) over the Administration's

request. The Senate Appropriations Committee recommended \$2.27 billion for FY2008, a decrease of \$42.6 million (2%) from FY2007 and of \$81.2 million (3%) from the House FY2008 amount, and an increase of \$36.8 million (2%) over the Administration's request. See **Table 12**.

Key issues for the BIA include education programs — including the Administration's proposals to increase education management spending, eliminate funding for the Johnson-O'Malley program and tribal technical colleges, and reduce education construction — as well as BIA law enforcement and housing programs, and the Interior Department's process for acknowledging Indian tribes. In August 2006, the BIA's administrative office for its education programs was removed from the BIA, made a parallel agency under the Assistant Secretary — Indian Affairs, and renamed the *Bureau of Indian Education* (BIE).

**Table 12. Appropriations for the Bureau of Indian Affairs, FY2007-FY2008**

(\$ in thousands)

Bureau of Indian Affairs	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Operation of Indian Programs				
<i>Tribal Government</i>	392,261	397,698	403,009	406,398
— <i>Johnson-O'Malley Grants<sup>a</sup></i>	7,700	0	5,311	7,700
— <i>Housing Improvement Program<sup>b</sup></i>	4,266	0	0	0
— <i>Contract Support Costs</i>	143,628	149,628	149,628	149,628
<i>Human Services</i>	144,824	120,703	146,548	134,128
— <i>Welfare Assistance</i>	80,179	74,164	80,179	77,164
— <i>Housing Improvement Program<sup>b</sup></i>	18,824	0	18,830	9,425
<i>Trust - Natural Resources Management</i>	145,238	141,684	152,684	147,489
<i>Trust - Real Estate Services</i>	144,073	150,722	150,722	151,722
— <i>Probate</i>	15,884	19,883	19,883	19,883
— <i>Real Estate Services</i>	43,510	47,964	47,964	48,964
— <i>Land Records Improvement</i>	7,897	16,065	16,065	16,065
<i>Bureau of Indian Education</i>	657,912	660,540	699,040	685,540
— <i>Elementary/ Secondary (Forward-Funded)</i>	458,310	476,500	487,500	476,500
— <i>ISEP Formula Funds</i>	351,817	364,020	364,020	364,020
— <i>Elementary/ Secondary [Other]</i>	60,390	61,803	61,803	69,803
— <i>Johnson-O'Malley Grants<sup>a</sup></i>	12,000	0	16,500	8,000
— <i>Post Secondary Programs</i>	108,619	98,520	109,520	115,520
— <i>Tribal Colleges and Universities</i>	54,721	54,721	54,721	59,721

<b>Bureau of Indian Affairs</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>FY2008 House Passed</b>	<b>FY2008 Senate Comm.</b>
— <i>Tribal Colls. and Univs. Supplements to Grants<sup>c</sup></i>	4,588	1,292	1,292	1,292
— <i>Tribal Technical Colleges<sup>c</sup></i>	2,004	0	6,000	6,000
— <i>Education Management</i>	18,593	23,717	23,717	23,717
<i>Public Safety and Justice</i>	217,611	233,818	250,018	237,818
— <i>Law Enforcement</i>	204,454	221,753	231,753	225,753
— <i>Detention/Corrections</i>	58,678	65,038	65,038	67,038
— <i>Tribal Courts</i>	12,013	12,065	17,065	12,065
<i>Community and Economic Development</i>	42,234	39,061	47,339	39,061
<i>Executive Direction and Administrative Services</i>	244,070	246,692	244,185	244,185
— <i>Office of Federal Acknowledgment</i>	1,900	1,900	2,900	1,900
— <i>Information Resources Technology</i>	53,199	53,704	53,704	53,704
<b>Subtotal, Operation of Indian Programs</b>	1,988,223	1,990,918	2,093,545	2,046,341
<b>Construction</b>				
<i>Education Construction</i>	204,956	139,844	145,200	125,029
— <i>Replacement School Construction</i>	83,891	14,815	14,815	0
— <i>Replacement Facility Construction</i>	26,873	22,578	22,578	22,578
— <i>Education Facilities Improvement and Repair</i>	92,219	100,834	105,834	100,834
<i>Public Safety and Justice Construction</i>	11,605	11,621	14,621	11,621
— <i>Law Enforcement Facilities Improvement and Repair</i>	8,103	8,111	11,111	8,111
<i>Resources Management Construction</i>	45,125	37,916	39,916	37,916
<i>General Administration Construction and Construction Management</i>	10,137	8,246	8,246	8,246
<b>Subtotal, Construction</b>	271,823	197,627	207,983	179,012 <sup>d</sup>
<b>Land and Water Claim Settlements and Miscellaneous Payments</b>	42,000	34,069	39,136	34,069
<b>Indian Guaranteed Loan Program</b>	6,258	6,276	6,276	6,276
<b>Total Appropriations</b>	<b>2,308,304</b>	<b>2,228,890</b>	<b>2,346,940</b>	<b>2,265,698</b>



**Note:** N/A = Not available.

- a. The Johnson O'Malley program is split between two budget activities, Tribal Government and Bureau of Indian Education.
- b. The Housing Improvement Program is split between two budget activities, Tribal Government and Human Services.
- c. Of the FY2007 amount for Tribal Colleges and Universities Supplements to Grants, \$3.3 million is for tribal technical colleges.
- d. Reflects a rescission of \$3.8 million of unobligated prior year balances.

**BIE Education Programs.** BIE funds an elementary-secondary school system and higher education programs. The BIA school system comprises 184 BIE-funded schools and peripheral dormitories, with over 2,000 structures, educating about 46,000 students in 23 states. Tribes and tribal organizations, under self-determination contracts and other grants, operate 120 of these institutions; the BIE operates the remainder. The BIE operates two postsecondary schools and provides grants to 26 tribally controlled colleges and two tribally controlled technical colleges. Key problems for the BIE-funded school system are low student achievement, the high proportion of schools failing to make adequate yearly progress (AYP), and the large number of inadequate school facilities.

**Proposed Indian Education Initiative.** The Administration proposed a nearly \$15-million initiative in FY2008 to enhance education at BIE-funded schools. BIE's forward-funded elementary and secondary budget activity would receive \$9.6 million of the new program funds, to be used to improve instructional resources (especially through teacher development and principal training) at BIE schools being restructured to meet AYP goals (\$5.3 million) and to increase operation and maintenance funds for student transportation (\$4.3 million). The remaining \$5.3 million of the initiative would go to BIE's education management budget activity, to add education and administrative specialists at *education line offices* (\$4.0 million) and maintain BIE's new student and school information system (\$1.2 million). Both the full House and the Senate Appropriations Committee approved these initiatives, but the House approved an additional \$7.0 million for meeting AYP goals and an additional \$1.0 million for student transportation.

**Johnson-O'Malley (JOM) Program.** The JOM program provides supplementary education assistance grants for tribes and public schools to benefit Indian students, and is funded in two budget activities, Tribal Government and BIE. In FY2007 JOM was funded at \$7.7 million in the Tribal Government activity and \$12.0 million in the BIE activity. The Administration proposed no funding for this program in FY2008, asserting that Department of Education programs under Titles I (education of the disadvantaged) and VII (Indian education) of the Elementary and Secondary Education Act<sup>20</sup> provide funds for the same purposes, and that the funds should be used for BIE-funded schools. Opponents disagree that the Education Department programs can replace what they see as JOM's culturally relevant programs. The House Appropriations Committee rejected the Administration's proposal to end JOM funding in FY2008, stating that the Administration's argument has not been substantiated (H.Rept. 110-187, p. 70). For FY2008, the House

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<sup>20</sup> These sections are contained in 20 U.S.C. §§6301, et seq. and 20 U.S.C. §§7401, et seq. respectively.

approved \$5.3 million under Tribal Government and \$16.5 million under BIE for JOM. The Senate Committee recommended \$7.7 million under Tribal Government and \$8.0 million under BIE.

**Tribal Technical Colleges.** There are two tribal technical (or vocational) colleges, one in North Dakota and one on the Navajo Reservation. Both are statutorily excluded from the BIE tribal colleges and universities assistance program, but the two are the only colleges receiving grants under the Education Department's Carl Perkins Act program for tribally controlled vocational colleges.<sup>21</sup> The BIE has for several years sought to end its funding for the two technical colleges, asserting that they receive adequate funding from the Perkins Act and other Education Department higher education programs and that the funds are needed more at the 26 tribal colleges and universities. To date, Congress has not agreed to the Administration's recommendation. The tribal technical colleges received a total of \$5.3 million in FY2007, split between the BIA's Community Development budget activity and the BIE's Post Secondary Programs budget subactivity. The Administration proposed no funding for tribal technical colleges in FY2008, but neither the full House nor the Senate Committee agreed. The House approved, and the Senate Committee recommended, \$6.0 million for tribal technical colleges, all in the BIE Post Secondary Programs budget subactivity.

**Education Construction.** Many BIE school facilities are old and dilapidated, with health and safety deficiencies. BIA education construction covers both construction of new school facilities to replace facilities that cannot be repaired, and improvement and repair of existing facilities. Schools are replaced or repaired according to priority lists. **Table 12** shows education construction funds. For FY2008, the Administration proposed reducing the appropriation for education construction by \$65.1 million (32%). Included was a reduction of \$69.1 million (82%) for construction of replacement schools, leaving \$14.8 million for two new replacement schools. The Administration asserted that construction and repairs since 2001 have reduced the proportion of BIE facilities in bad condition from about 66% to 31%, and that the BIA needed to focus on completing replacement schools funded in prior years. Opponents of a reduction contend that a large proportion of BIA schools still need replacement or major repairs and thus funding should not be cut. The House approved \$145.2 million for education construction in FY2008, a decrease of \$59.8 million (29%) from FY2007 and an increase of \$5.4 million (4%) from the Administration proposal. The Senate Committee recommended \$125.0 million, a decrease of \$79.9 million (39%) from FY2007, \$14.8 million (11%) from the Administration request, and \$20.2 million (14%) from the House amount. The Senate Committee recommended no funding for replacement school construction, stating that the BIA informed them that 15 replacement school construction projects (of 18 total) had funding shortfalls, totaling \$143 million overall, and that the Committee believed it imprudent to start new projects until the BIA presented a plan to address the shortfalls (S.Rept. 110-91, p. 39).

**Law Enforcement Program.** BIA and Justice Department figures show rising crime rates, methamphetamine use, and juvenile gang activity on some Indian

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<sup>21</sup> The provision for tribally controlled vocational institutions is at 20 U.S.C. 2327.

reservations. The federal government has lead jurisdiction over major criminal offenses on most Indian reservations, although in some states federal law has transferred criminal jurisdiction to the state. Tribes share jurisdiction but under federal law they have limited sentencing options, and also fewer law enforcement resources. The BIA funds most law enforcement, jails, and courts in Indian country, whether operated by tribes or the BIA. For FY2008 the Administration proposed a “Safe Indian Communities Initiative” involving a \$17.3 million total increase (8%) in BIA law enforcement funding, to \$221.8 million. Included in the initiative were \$5.4 million for additional officers, equipment, and training; \$6.4 million to increase staffing at detention and corrections facilities, a need identified in a 2004 Interior Inspector General report; and \$5.4 million for specialized drug enforcement training, especially regarding methamphetamine. Separately, the Administration proposed a small increase (0.4%) in tribal courts, to \$12.1 million. Indian tribes and supporters, estimating a 42% shortfall in law enforcement staffing, suggest the Administration’s initiative is insufficient for adequate policing on reservations<sup>22</sup> and may not be sufficient to handle the methamphetamine problem. They also urge greater funding for tribal courts.

For BIA law enforcement, the House approved \$231.8 million in FY2008, an increase of \$27.3 million (13%) from FY2007 and of \$10.0 million (5%) from the Administration proposal, including an additional \$9.5 million to combat methamphetamine abuse. For tribal courts, the House approved \$17.1 million, an increase of \$5.1 million (42%) from FY2007 and of \$5.0 million (41%) from the Administration proposal. The Senate Committee recommended \$225.8 million for BIA law enforcement in FY2008, an increase of \$21.3 million (10%) from FY2007 and of \$4.0 million (2%) from the Administration proposal, but a decrease of \$6.0 million (3%) from the House amount. The Senate Committee did not include funds specifically for methamphetamine abuse, but instead increased funding for criminal investigations and for detention/corrections by \$2.0 million each over the requested and House-approved amounts. The Senate Committee also required the BIA to report on the needs of BIA- and tribally operated detention facilities for staffing, operation and maintenance, and improvement and repairs (S.Rept. 110-91, p. 38). For tribal courts, the Senate Committee recommended \$12.1 million, the same as the Administration request but a decrease of \$5.0 million (29%) from the House amount.

**Housing Improvement Program (HIP).** The major federal Indian housing program is the Indian Housing Block Grant administered by the Department of Housing and Urban Development (HUD), which funds all types of housing. BIA’s HIP, an older and much smaller program, focuses on urgently needed repairs, renovations, or modest new houses, on or near reservations, especially for the neediest families. BIA has considered HIP a safety net for those not eligible for or not served by the HUD program. Total HIP funding was \$23.1 million in FY2007, split between the Tribal Government budget activity (\$4.3 million) and the Human Services activity (\$18.8 million). The Administration proposed eliminating HIP for

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<sup>22</sup> Testimony of Jefferson Keel, National Congress of American Indians, “NCAI Testimony on the Administration’s Fiscal Year 2008 Budget Request for Indian Programs,” presented at a hearing of the Senate Indian Affairs committee, February 15, 2007, p. 3; available at [[http://indian.senate.gov/public/\\_files/Keel021507.pdf](http://indian.senate.gov/public/_files/Keel021507.pdf)].

FY2008, contending that its recipients are not statutorily barred from the HUD program, that it serves a limited number of tribes, and that other BIA programs are of higher priority. Indian tribes and supporters oppose the elimination of HIP, asserting that HIP meets a great need for rehabilitation of substandard housing, and questioning whether the HUD program could fill the need for urgent housing repairs.

The House declined to end HIP, funding it at \$18.8 million in FY2008 in the Human Services budget activity only, a slight increase (\$6,000, or less than 1%) from the FY2007 Human Services portion, but a decrease of \$4.3 million from total HIP funding in FY2007. The House Appropriations Committee directed the BIA and HUD to evaluate HIP's effectiveness and determine whether HIP and its eligibility criteria could be integrated into existing HUD programs (H.Rept. 110-187, p. 69). The Senate Appropriations Committee recommended \$9.4 million for HIP in FY2008, an increase from the request, and a decrease from both the House amount and the FY2007 Human Services amount of \$9.4 million (50%) and a decrease from the FY2007 total amount of \$13.7 million (59%).

**Federal Tribal Acknowledgment Process.** Federal recognition brings an Indian tribe unique benefits, including partial sovereignty, jurisdictional powers, and eligibility for federal Indian programs. Tribes have been acknowledged in many ways, but it was not until 1978 that the Interior Department established a regulatory process for acknowledgment decisions (25 CFR 83).<sup>23</sup> First located within the BIA, the recognition office is now in the office of the Assistant Secretary — Indian Affairs, as the Office of Federal Acknowledgment (OFA). OFA employs teams of expert ethnohistorians, genealogists, and anthropologists to consider recognition petitions. The OFA process has been frequently criticized for taking too long, one reason for which is a lack of resources.<sup>24</sup> For FY2007 OFA received \$1.9 million within the Executive Direction budget activity, which funds the Assistant Secretary's office. The Administration requested, and the Senate Committee recommended, the same amount for FY2008. The House approved an amendment to designate an additional \$1.0 million for OFA in FY2008, bringing OFA's total to \$2.9 million within the Assistant Secretary's office, or 53% more than the FY2007, requested, and Senate Committee amount. The House's goal was to add several teams of experts to increase the number of decisions on recognition petitions.

For further information on education programs of the *Bureau of Indian Education*, see its website at [<http://www.oiep.bia.edu>].

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<sup>23</sup> For further information on the BIA acknowledgment process, see CRS Report RS21109, *The Bureau of Indian Affairs' Process for Recognizing Groups as Indian Tribes*, by M. Maureen Murphy.

<sup>24</sup> See U.S. General Accounting Office, *Indian Issues: Improvements Needed in Tribal Recognition Process* (GAO-02-49, November 2001), and U.S. Government Accountability Office, *Indian Issues: Timeliness of the Tribal Recognition Process Has Improved, But It Will Take Years to Clear the Existing Backlog of Petitions* (GAO-05-347T, February 2005).

## Departmental Offices and Department-Wide Programs<sup>25</sup>

**Office of Insular Affairs.** The Office of Insular Affairs (OIA) provides financial assistance to four insular areas — American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, and the U.S. Virgin Islands — as well as three former insular areas — the Federated States of Micronesia (FSM), Palau, and the Republic of the Marshall Islands (RMI). OIA staff manage relations between these jurisdictions and the federal government and work to build the fiscal and governmental capacity of units of local government.

The total OIA request (including permanent and indefinite annual appropriations) for FY2008 was \$403.8 million, an amount below that provided in FY2007 (\$428.6 million). OIA funding consists of two parts: (1) permanent and indefinite appropriations and (2) funds provided in the annual appropriations process. Of the total request for FY2008, \$324.1 million (80%) in permanent and indefinite funding is required through statutes.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining 20% of the OIA budget.<sup>26</sup> Two accounts — Assistance to Territories (AT) and the Compact of Free Association (CFA) — comprise discretionary and current mandatory funding. AT funding is used to provide grants for the operation of the government of American Samoa, infrastructure improvement projects on many of the insular area islands, and specified natural resource initiatives. The CFA account provides federal assistance to the freely associated states pursuant to compact agreements negotiated with the U.S. government.

Discretionary and mandatory appropriations for FY2007 totaled \$81.5 million, with AT funded at \$76.2 million and CFA at \$5.3 million. The FY2008 request would reduce AT funding to \$74.9 million and CFA assistance to \$4.9 million, for a total of \$79.8 million.

The House approved \$78.3 million in AT funding and \$5.4 million in CFA funding, totaling \$83.7 million in funding for insular affairs. This would be a 3% increase over FY2007. Of the total for AT, almost \$70 million was designated for technical and maintenance assistance, disaster assistance, brown tree snake control and research, judiciary grants in American Samoa, other grants to individual territories, and other territorial assistance typically associated with insular-areas appropriations. Approximately \$8.5 million in remaining funding was designated for OIA salaries and expenses. The bill specified conditions for release of AT funding, such as Government Accountability Office (GAO) audits, and specified grants to the Northern Mariana Islands, the Pacific Basin Development Council, and the Close Up Foundation. Insular areas funding was not the subject of major floor debate or amendments in the House.

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<sup>25</sup> This section addresses selected activities/offices that fall under *Departmental Offices* or *Department-Wide Programs*. Total funding for these entities is identified in **Table 25** at the end of this report.

<sup>26</sup> Congress has mandated that certain funds be provided. Those funds, however, are subject to the annual appropriations process.

In the Senate, the Appropriations Committee recommended \$77.8 million in AT funding. That amount would be approximately \$0.5 million below the appropriation passed by the House, but \$2.9 million higher than the requested amount. The legislative language reported by the Senate Appropriations Committee pertaining to AT is similar to that passed by the House. The CFA language reported in the Senate is identical to that passed by the House; both bills would allocate \$5.4 million in CFA funding. The Senate Appropriations Committee total for insular affairs was \$83.2 million.

For additional information on *Insular Affairs*, see its website at [<http://www.doi.gov/oia/index.html>].

**Payments in Lieu of Taxes Program (PILT).** For FY2008, the Administration requested \$190.0 million for PILT, down \$42.5 million (18%) from the FY2007 level of \$232.5 million. See **Table 13**. The House Appropriations Committee supported the FY2007 level. A House floor amendment added \$20.1 million to the Committee's recommendation for a total of \$252.7 million for PILT. The Administration's request would provide approximately 51.9% of the authorized amount; the House level would provide 69.0%. The Senate Appropriations Committee recommended the FY2007 level.

The PILT program compensates local governments for federal land within their jurisdictions which cannot be taxed. Since the beginning of the program in 1976, payments of more than \$3.6 billion have been made. The PILT program has been controversial, because in recent years the payment formula, which was indexed for inflation in 1994, has increased authorization levels. However, appropriations have grown less rapidly, and substantially slower than authorized amounts, ranging from 42% to 68% of authorized levels between FY2000 and FY2007.<sup>27</sup> See **Table 13**. County governments claim that the program as a whole does not provide funding comparable to property taxes, and that rural areas in particular need additional PILT funds to provide the kinds of services that counties with more private land are able to provide.

**Table 13. Authorized and Appropriated Levels for Payments in Lieu of Taxes, FY2000-FY2008**  
(\$ in millions)

Fiscal Year	Authorized Amount	Appropriated Amount	% of Authorized Amount
2000	317.6	134.0	42.2
2001	338.6	199.2	58.8
2002	350.8	210.0	59.9
2003	324.1	218.2	67.3
2004	331.3	224.3	67.7
2005	332.0	226.8	68.3

<sup>27</sup> When appropriations are not sufficient to cover the authorization, each county receives a pro rata share of the authorized amount.

Fiscal Year	Authorized Amount	Appropriated Amount	% of Authorized Amount
2006	344.4	232.5	67.5
2007	358.3	232.5	64.9
2008 Request	366.2	190.0	51.9
2008 House Passed	366.2	252.7	69.0
2008 Senate Comm.	366.2	232.5	63.5

**Notes:** The FY2008 authorized level, in *italics*, is an estimate. Calculation of the level assumes (1) all revenues from other payment programs are flat over the period; (2) the number of acres eligible for PILT payments is unchanged; (3) all of the counties' populations are unchanged; and (4) no states change their "pass-through" laws. In consequence, only the changes in the Consumer Price Index would influence PILT payments. However, it is likely that at least some of these assumptions would need to be modified, if only marginally. PILT payment levels could become particularly difficult to predict in the future, depending on the enactment of legislation to amend the Secure Rural Schools program. Some versions of this legislation would offer counties the choice of this program's payments or PILT payments. (See CRS Report RL33822, *The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties*, by Ross W. Gorte.)

For further information on the *Payments in Lieu of Taxes* program, see the DOI website at [<http://www.doi.gov/pilt/>].

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

CRS Report RL33822. *The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties*, by Ross W. Gorte.

**Office of Special Trustee for American Indians.** The Office of Special Trustee for American Indians (OST), in the Secretary of the Interior's office, was authorized by Title III of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. §§4001, et seq.). The OST generally oversees the reform of Interior Department management of Indian trust assets, establishment of an adequate trust fund management system, and support of department claims settlement activities related to the trust funds. OST also manages Indian funds directly. Indian trust funds formerly were managed by the BIA, but in 1996 the Secretary transferred trust fund management to the OST.

Indian trust funds managed by the OST comprise two sets of funds: (1) tribal funds owned by about 300 tribes in approximately 1,450 accounts, with a total asset value of about \$2.9 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in about 323,000 accounts with a current total asset value of about \$400 million.<sup>28</sup> The funds include monies received from claims awards, land or water rights settlements, and other one-time payments, and from income from land-based trust assets (e.g., land, timber, minerals), as well as from investment income.

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<sup>28</sup> Figures are derived from the OST FY2008 Budget Justification.

OST's FY2007 appropriation was \$223.3 million. The Administration proposed \$196.2 million for FY2008, a decrease of \$27.1 million (12%). The House approved \$192.5 million, a decrease of \$30.7 million (14%) from FY2007 and of \$3.6 million (2%) from the Administration proposal. The Senate Appropriations Committee recommended \$195.9 million, a decrease of \$27.3 million (12%) from FY2007 and of \$0.2 million (less than 1%) from the request, and an increase of \$3.4 million (2%) from the House amount. See **Table 14**. Key issues for the OST are an historical accounting for tribal and IIM accounts, and litigation involving tribal and IIM accounts.

**Table 14. Appropriations for the Office of Special Trustee for American Indians, FY2007-FY2008**

(\$ in thousands)

Office of Special Trustee for American Indians	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.	
				Total	Change from House
Federal Trust Programs	189,251	186,158	182,542	185,947	2%
— <i>Historical Accounting Office</i>	56,384	60,000	56,384	60,000	6%
Indian Land Consolidation	34,006	10,000	10,000	10,000	0%
<b>Total Appropriations</b>	<b>223,257</b>	<b>196,158</b>	<b>192,542</b>	<b>195,947</b>	<b>2%</b>

**Historical Accounting.** For FY2008, the Administration proposed \$60.0 million for historical accounting activities, an increase of 5% over FY2007. The House approved \$56.4 million, the same as FY2007 and \$3.6 million (6%) below the Administration proposal. The Senate Committee recommended \$60.0 million, the same as the request and \$3.6 million (6%) more than the House. The historical accounting effort seeks to assign correct balances to all tribal and IIM accounts, especially because of litigation. Because of the long historical period to be covered (some accounts date from the 19<sup>th</sup> century), the large number of IIM accounts, and the large number of missing account documents, an historical accounting based on actual account transactions is expected to be large and time-consuming. In 2003, DOI proposed an extensive, five-year, \$335 million project to reconcile IIM accounts. The plan has been revised to reflect ongoing experience and to add additional accounts. The project seeks to reconcile all transactions for certain types of accounts and all land-based transactions of \$5,000 and over, but uses a statistical sampling approach to reconcile land-based transactions of less than \$5,000. OST continues to follow this plan, subject to court rulings (see "Litigation," below) or congressional actions, and now estimates its completion in FY2011.

Plaintiffs in the *Cobell* litigation (discussed below) consider the statistical sampling technique invalid. Tribal trust fund and accounting suits have been filed for over 300 tribes. Most of the tribal suits were filed at the end of 2006, because the statute of limitations on such claims expired then. OST has been allocating about \$40 million of its historical accounting expenditures to IIM accounts and the remainder to tribal accounts. In the past, the House Appropriations Committee has



expressed its intent to limit expenditures for historical accounting, asserting it reduces spending on other Indian programs.

**Litigation.** An IIM trust funds class-action lawsuit (*Cobell v. Kempthorne*) was filed in 1996, in the federal district court for the District of Columbia, against the federal government by IIM account holders.<sup>29</sup> Many OST activities are related to the *Cobell* case, including litigation support activities. The most significant issue for appropriations concerns the method for the historical accounting to estimate IIM accounts' proper balances. The DOI estimated its method would cost \$335 million over five years and produce a total owed to IIM accounts in the low millions. The plaintiffs' method, based on estimated rates of errors applied to an agreed-upon figure for IIM throughput, was estimated to produce a total owed to IIM accounts of as much as \$177 billion, depending on the error rate used.

After a lengthy trial, the court, on September 25, 2003, rejected both the plaintiffs' and DOI's historical accounting plans and ordered DOI to account for all trust fund and asset transactions since 1887, without using statistical sampling. DOI estimated that the court's choice for historical accounting would cost \$6 billion-\$12 billion, and appealed the order. The U.S. Court of Appeals for the District of Columbia temporarily stayed the September 25 order and, on December 10, 2004, overturned much of the order. On February 23, 2005, however, the district court issued an order on historical accounting very similar to its September 2003 order, requiring that an accounting cover all trust fund and asset transactions since 1887 and not use statistical sampling. The DOI, which estimated that compliance with the new order would cost \$12 billion-\$13 billion,<sup>30</sup> appealed the new order. The Appeals Court on November 15, 2005, vacated the district court's February 2005 order. The district court has not issued another order, and the OST continues its historical accounting under its September 2003 plan. In 2006 the D.C. Circuit assigned a new judge to the *Cobell* case and in April 2007 the judge scheduled conferences and a hearing during 2007 on DOI's historical accounting obligations, methodology, and results.

Congress has long been concerned that the current and potential costs of the *Cobell* lawsuit may jeopardize DOI trust reform implementation, reduce spending on other Indian programs, and be difficult to fund. Besides the ongoing expenses of the litigation, possible costs include \$12 billion-\$13 billion for the court-ordered historical accounting, a *Cobell* settlement that might cost as much as (1) the court-ordered historical accounting, (2) the more than \$100 billion that *Cobell* plaintiffs estimate their IIM accounts are owed, or (3) the \$27.5 billion that the *Cobell*

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<sup>29</sup> *Cobell v. Norton* (Civil No. 96-1285) (D.D.C.). Updated information is available on the websites of the plaintiffs at [<http://www.indiantrust.com>], the DOI at [<http://www.doi.gov/indiantrust/>], and the Justice Department at [<http://www.usdoj.gov/civil/cases/cobell/index.htm>].

<sup>30</sup> Testimony from the Interior Department estimated the cost at \$12 billion-\$13 billion. See James Cason, Associate Deputy Secretary, U.S. Dept. of the Interior, Statement before the House committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies, March 17, 2005. Previous Interior estimates of the cost were \$6 billion-\$12 billion.

plaintiffs have proposed as a settlement amount.<sup>31</sup> The addition of tribal trust fund and accounting suits may greatly enlarge the potential costs of a settlement, since tribes' funds are far larger in size than individuals' funds.

Among the funding sources for these large costs discussed in a 2005 House Interior Appropriations Subcommittee hearing were discretionary appropriations and the Treasury Department's "Judgment Fund,"<sup>32</sup> but some senior appropriators consider the Fund insufficient even for a \$6 billion-\$13 billion dollar settlement.<sup>33</sup> Among other options, Congress may enact another delay to the court-ordered accounting, direct a settlement, or delineate the department's historical accounting obligations (which could limit, or increase, the size of the historical accounting). Settlement bills in the 109<sup>th</sup> Congress would have established in the Treasury Department's general fund an IIM claim settlement fund with appropriations from the Judgment Fund, but did not specify the dollar size of the fund. The Administration on March 1, 2007, proposed a comprehensive settlement and a settlement amount of \$7 billion, but the proposed settlement would not only cover both IIM and tribal accounting claims but would also settle all trust land mismanagement claims.<sup>34</sup> At a March 29, 2007, hearing before the Senate Indian Affairs committee, both a Cobell plaintiff and a tribal representative opposed the Administration's proposal, and the committee chair expressed numerous doubts.<sup>35</sup> No trust fund settlement legislation has been introduced thus far in the 110<sup>th</sup> Congress. The House Appropriations Committee urged the parties to the litigation, and Congress, to settle trust litigation in its entirety (H.Rept. 110-187, p. 80).

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

CRS Report RS22343. *Indian Trust Fund Litigation: Legislation to Resolve Accounting Claims in Cobell v. Norton*, by M. Maureen Murphy.

CRS Report RS21738. *The Indian Trust Fund Litigation: An Overview of Cobell v. Norton*, by M. Maureen Murphy.

**National Indian Gaming Commission.** The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act (IGRA) of 1988 (25 U.S.C. §§2701, et seq.) to oversee Indian tribal regulation of tribal bingo

<sup>31</sup> Trust Reform and Cobell Settlement Workgroup, "Principles for Legislation," June 20, 2005, p. 2, at [[http://www.indiantrust.com/\\_pdfs/20050620SettlementPrinciples.pdf](http://www.indiantrust.com/_pdfs/20050620SettlementPrinciples.pdf)].

<sup>32</sup> The Judgment Fund is a permanent, indefinite appropriation for paying judgments against, and settlements by, the U.S. government. (See 31 U.S.C. §1304.)

<sup>33</sup> Matt Spangler, "Treasury Fund May Be Short of Cash Needed to Settle Indian Royalty Case," *Inside Energy with Federal Lands* (March 21, 2005), p. 6.

<sup>34</sup> See letter to Sen. Byron Dorgan, Chairman, Senate Indian Affairs committee, from the Secretary of the Interior and Attorney General, available at [<http://www.indianz.com/docs/cobell/bush030107.pdf>].

<sup>35</sup> "Bush Administration Won't Admit Liability on Indian Trust," *Indianz.com* (March 30, 2007), available at [<http://www.indianz.com/News/2007/002150.asp>].

and other *Class II* operations, as well as aspects of *Class III* gaming (e.g., casinos and racing).<sup>36</sup> The primary appropriations issue for NIGC is whether its funding is adequate for its regulatory responsibilities.

The NIGC is authorized to receive annual appropriations of \$2 million, but its budget authority consists chiefly of annual fees assessed on tribes' Class II and III operations. During FY1999-FY2007, all NIGC activities have been funded from fees, with no direct appropriations. Neither the Administration, the House, nor the Senate Appropriations Committee recommended a direct appropriation for the NIGC for FY2008.

The NIGC in recent years had expressed a need for additional funding because it was experiencing increased demand for its oversight resources, especially audits and field investigations. IGRA formerly capped NIGC fees at \$8 million per year, but Congress used appropriations act language to increase the NIGC's fee ceiling to \$12 million for FY2004-FY2007. In the Native American Technical Corrections Act of 2006 (P.L. 109-221), Congress amended IGRA to create a formula-based fee ceiling — 0.08% of the gross gaming revenues of all gaming operations subject to regulation under IGRA.

For FY2007, based on the FY2007 fee rate of .059%, NIGC anticipates fee revenues of \$16 million, about a 30% increase from its FY2006 fee revenues of \$12 million. NIGC plans for FY2007 include increasing its workforce by 31% to 115 employees, opening additional field offices (with auditors and field investigators), providing employee training to keep up with gaming technology, and developing standards for Class II and III games. NIGC anticipates FY2008 fee revenues of about \$18 million.

For further information on the *National Indian Gaming Commission*, see its website at [<http://www.nigc.gov>].

## **Title II: Environmental Protection Agency**

EPA was established in 1970 to consolidate federal pollution control responsibilities that had been divided among several federal agencies. EPA's responsibilities grew significantly as Congress enacted an increasing number of environmental laws as well as major amendments to these statutes. Among the agency's primary responsibilities are the regulation of air quality, water quality, pesticides, and toxic substances; the management and disposal of solid and hazardous wastes; and the cleanup of environmental contamination. EPA also awards grants to assist state and local governments in controlling pollution.

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<sup>36</sup> Classes of Indian gaming were established by the IGRA, and NIGC has different but overlapping regulatory responsibilities for each class.

EPA's funding over time generally has reflected an increase in overall appropriations to fulfill a rising number of statutory responsibilities.<sup>37</sup> Without adjusting for inflation, the agency's appropriation has risen from about \$1.0 billion when the agency was established in FY1970 to a high of \$8.4 billion in FY2004. For FY2008, both the House and the Senate Appropriations Committee approved more funding for EPA than the President requested, and more than Congress enacted for FY2007. The House approved \$8.09 billion, while the Senate Appropriations Committee recommended \$7.77 billion. The President had requested \$7.20 billion for the agency, and Congress appropriated \$7.73 billion for FY2007. Although the House and the Senate Appropriations Committee proposed an increase in total funding for EPA, funding for some individual programs and activities would decline in each respective bill when compared to the request and the prior year's appropriation.

The House considered several amendments relevant to EPA. The House agreed to an amendment to increase funding by \$15.0 million within the State and Tribal Assistance Grants (STAG) account for water infrastructure projects along the U.S.-Mexico border. The amendment would increase total funding for this activity from \$10.0 million to \$25.0 million. The Senate Committee recommended \$10.0 million for these projects, as the President requested. Each of these proposed amounts would be a reduction below the enacted level of \$49.3 million in FY2007.

The above House floor amendment offset the \$15.0 million increase with reductions of \$5.0 million within EPA's Science and Technology (S&T) account, and \$5.0 million within its Environmental Programs and Management (EPM) account, resulting in a net increase of \$5 million for the agency overall. The remaining \$5.0 million was offset within the Department of the Interior. The House also agreed to three other amendments that would redirect funding for activities within certain EPA accounts, one in the EPM account and two in the S&T account. However, these amendments did not alter the total funding for these accounts, or for EPA overall.

The House agreed to other amendments that would affect EPA's implementation of certain activities. For example, one amendment would prohibit the agency from spending funds to promulgate or implement a proposed rule that would alter the regulation of hazardous air pollutant emissions from major sources under the Clean Air Act. Other House floor amendments relevant to EPA were not agreed to. For example, one amendment would have decreased the agency's total funding by \$222.0 million, including \$160.0 million from the Superfund account and \$62.0 million from EPM, including a reduction of \$1.0 million within that latter account for developing regulations to control emissions of greenhouse gases. A large portion of these reductions would have been used as an offset within the bill to increase funding for the National Park Service by \$100.0 million.

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<sup>37</sup> EPA's funding was moved to the jurisdiction of the Interior Appropriations Subcommittees beginning with the FY2006 appropriations. In the beginning of the first session of the 109<sup>th</sup> Congress, the House and Senate Appropriations Committees abolished their respective Subcommittees on Veterans Affairs, Housing and Urban Development, and Independent Agencies, which previously had jurisdiction over EPA.

**Table 15** lists the statutory accounts that currently fund EPA.<sup>38</sup> The table specifies the amounts within each account that Congress enacted for FY2007, the President requested for FY2008, and the House and the Senate Appropriations Committee approved for FY2008. The House also proposed a new account to fund a new Commission on Climate Change Adaptation and Mitigation, reflected in the following table. Neither the Senate Appropriations Committee nor the President proposed such an account, or other funding in existing accounts, for this purpose.

**Table 15. Appropriations for the Environmental Protection Agency, FY2007-FY2008**  
(\$ in millions)

<b>Environmental Protection Agency</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>FY2008 House Passed</b>	<b>FY2008 Senate Comm.</b>
Science and Technology				
— <i>Base Appropriations</i>	733.4	754.5	783.3	772.5
— <i>Transfer in from Superfund</i>	30.2	26.1	26.1	26.1
<b>Science and Technology Total</b>	763.6	780.6	809.4	798.6
<b>Commission on Climate Change Adaptation and Mitigation<sup>a</sup></b>	0.0	0.0	50.0	0.0
<b>Environmental Programs and Management</b>	2,358.4	2,298.2	2,370.6	2,384.1
Office of Inspector General				
— <i>Base Appropriations</i>	37.2	38.0	43.5	40.0
— <i>Transfer in from Superfund</i>	13.3	7.1	10.0	13.3
<b>Office of Inspector General Total</b>	50.5	45.1	53.5	53.3
<b>Buildings &amp; Facilities</b>	39.6	34.8	34.8	34.8
Hazardous Substance Superfund Total (before transfers)	1,255.1	1,244.7	1,272.0	1,274.6
— <i>Transfer out to Office of Inspector General</i>	(13.3)	(7.1)	(10.0)	(13.3)
— <i>Transfer out to Science and Technology</i>	(30.2)	(26.1)	(26.1)	(26.1)
<b>Hazardous Substance Superfund Net (after transfers)</b>	1,211.6	1,211.5	1,235.9	1,235.2
<b>Leaking Underground Storage Tank Program<sup>b</sup></b>	100.3	92.2	118.0	72.5
<b>Oil Spill Response</b>	15.7	17.3	17.3	17.5
State and Tribal Assistance Grants (STAG)				
— <i>Clean Water SRF</i>	1,083.8	687.6	1,125.0	887.0
— <i>Drinking Water SRF</i>	837.5	842.2	842.2	842.2
— <i>Categorical Grants</i>	1,084.9	1,045.2	1,113.8	1,118.4
— <i>Other Grants</i>	179.3	149.7	325.5	334.3

<sup>38</sup> Congress appropriates funding for EPA according to eight statutory accounts. Congress established these accounts in FY1996 as a result of a restructuring of the agency's budget to more closely align the accounts with the purposes of the activities funded within them.

Environmental Protection Agency	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>State and Tribal Assistance Grants Total<sup>b</sup></b>	3,185.5	2,724.7	3,406.5	3,181.9
<b>Rescission (various EPA accounts)</b>	n/a	<sup>c</sup> (5.0)	<sup>c</sup> (5.0)	<sup>c</sup> (5.0)
<b>Total EPA Accounts</b>	<b>7,725.1</b>	<b>7,199.4</b>	<b>8,090.9</b>	<b>7,772.9</b>

**Source:** Prepared by the Congressional Research Service (CRS) using information provided by the House and Senate Appropriations Committees.

- a. The House recommended a new account to support a new Commission on Climate Change Adaptation and Mitigation. Neither the Senate Appropriations Committee nor the President proposed funding for such a commission.
- b. The FY2007 enacted, FY2008 requested, and FY2008 House-passed amounts include funding for specific activities authorized in the Energy Policy Act of 2005 (P.L. 109-58). The Senate Appropriations Committee reflected funding for these activities as Categorical Grants in the STAG account. Consequently, the Committee's recommended amount would not reduce funding to the degree suggested by these amounts.
- c. The House and the Senate Appropriations Committee both recommended a rescission of \$5.0 million in unobligated balances from prior years' appropriations within "various EPA accounts." The Administration had requested this rescission specifically within the STAG account, as specified in EPA's FY2008 budget justification. They all presented the rescission as an offsetting reduction in FY2008.

## Key Funding Issues

Although there have been varying levels of interest in the adequacy of funding for individual programs and activities administered by EPA, much of the attention has focused on funding for water infrastructure projects, the cleanup of hazardous waste sites under the Superfund and Brownfields programs, scientific research on human health effects upon which pollution control standards are based, and grants to assist state and local governments in administering air quality programs. There also has been rising interest in the adequacy of funding and staffing of EPA's Office of Inspector General to audit and evaluate the agency's activities. Funding within EPA and other federal agencies to address climate change has been another area of increasing interest within Congress. Major funding issues are discussed below.

**Water Infrastructure.** The adequacy of federal funding to assist states in capitalizing their Clean Water State Revolving Funds (SRFs) has been an ongoing issue. These state funds are used to issue loans to communities for wastewater infrastructure improvements, such as municipal sewage treatment plant upgrades. The Clean Water Act authorized EPA to award grants to states to help capitalize these loan funds. Although appropriations for these grants have declined in recent years, Congress has provided significantly more funding than the President has requested each year. This is generally due to differing views on the extent of the role of the federal government in capitalizing these state loan funds. For FY2008, the House proposed \$1.13 billion for Clean Water SRF grants within the State and Tribal Assistance Grants (STAG) account. The Senate Appropriations Committee recommended \$887.0 million for these grants. Both amounts are more than the President's request of \$687.6 million. Whereas the House amount also is more than the FY2007 appropriation of \$1.08 billion, the Senate Committee's recommendation would be a decrease compared to FY2007.

Similar to Clean Water SRF grants, EPA also administers Drinking Water SRF grants to assist states in capitalizing separate loan funds to aid communities in improving drinking water treatment facilities. There has been less disagreement between Congress and the Administration in regard to the adequacy of funding for Drinking Water SRF grants. However, some Members have asserted that more federal funds are needed to help capitalize these loan funds, especially in light of more stringent drinking water standards with which communities must comply. The House and the Senate Appropriations Committee both recommended \$842.2 million, as requested, an increase above the FY2007 appropriation of \$837.5 million.

Congress also has supported local water infrastructure needs through targeted funding for “special project grants” within EPA’s STAG account. These grants fund a variety of wastewater, drinking water, and storm water infrastructure projects. They are awarded on a noncompetitive basis to specific communities. Although communities must repay the loan funds that they borrow from the SRFs, special project grants do not require repayment. However, each recipient of these grants must provide 45% of a project’s cost in matching funds, unless EPA approves a waiver due to financial hardship.

The House and the Senate Appropriations Committee proposed \$140.0 million within the STAG account for special project grants for FY2008, and identified the intended recipients in their respective reports on the Interior appropriations bill. As in past years, the Administration did not request funding for these projects. Total funding for special project grants has declined in the past few years. For FY2006, \$197.1 million was provided. Congress did not provide funding for special project grants in FY2007, as the Revised Continuing Appropriations Resolution for FY2007 (P.L. 110-5) specifically prohibited the funding of these types of grants.

**Superfund.** The adequacy of funding to clean up the nation’s most contaminated and threatening sites has been a long-standing issue. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) established the Superfund program to fund the cleanup of contamination when responsible parties cannot be found or cannot pay. The House and the Senate Appropriations Committee proposed similar funding of \$1.24 billion for the Superfund account to fund the program in FY2008. Both amounts would be an increase above the \$1.21 billion requested by the Administration for FY2008 and appropriated for FY2007. All of these amounts reflect funding for the Superfund account after transfers to other EPA accounts.

Total funding for the Superfund account has remained relatively close to the above amounts over the past several years, averaging approximately \$1.25 billion. Some Members of Congress and the Bush Administration have asserted that steady federal funding is sufficient to maintain a constant pace of cleanup, considering the costs borne by responsible parties that supplement these funds. Other Members, states, environmental organizations, and communities have countered that more federal funds are necessary to expedite the pace of cleanup to address human health and environmental risks more quickly.

The availability of funds within the Superfund account for “physical” cleanup of sites has been a perennial issue, in light of public concerns about health risks from

potential exposure to contamination. Although the primary purpose of the Superfund program is to clean up contaminated sites, the program does fund many “indirect” activities that support cleanup, such as enforcement against responsible parties and research of more effective cleanup methods noted above. In recent years, about 2/3 of annual funding has been devoted to physical cleanup of sites, including both short-term removal actions to address immediate risks and long-term remedial actions intended to provide a more permanent means to prevent exposure.

For FY2008, the House proposed \$191.9 million for removal actions, the same as the President requested. The Senate Appropriations Committee recommended \$193.7 million, as appropriated for FY2007. The House proposed \$600.0 million for remedial actions, whereas the Senate Appropriations Committee recommended a slighter higher amount of \$601.3 million. Both of these amounts would be an increase above the President’s request of \$584.8 million, and the FY2007 appropriation of \$573.8 million. Concerns about the sufficiency of cleanup actions to protect human health and the environment have raised questions about program performance. Staffing and funding of EPA’s Office of Inspector General to audit and evaluate the Superfund program has been particularly controversial, as discussed later in this report.

**Brownfields.** In addition to the Superfund program, CERCLA also established a program to clean up contaminated “brownfields.” Typically, brownfields are abandoned, idled, or underutilized commercial and industrial properties with levels of contamination less hazardous than a Superfund site, but that still warrant cleanup before the land can be safe for reuse. The desire to redevelop these properties for economic benefit has generated significant interest in the adequacy of funding for brownfields cleanup grants to states and local areas.

For FY2008, the House proposed \$172.9 million for EPA’s Brownfields program. The Senate Appropriations Committee recommended \$162.5 million, closer to the President’s request of \$162.2 million and the \$163.0 million appropriated for FY2007. The increase that the House passed would be devoted to grants to assist communities with cleanup at individual sites. The House and the Senate Appropriations Committee amounts for administration of the Brownfields program, and for other grants to assist states with their own Brownfields programs, are similar to what the President requested and what was appropriated for FY2007.

**EPA’s Office of Inspector General (OIG).** The Office of Inspector General (OIG) is an independent office within EPA that conducts and supervises audits, evaluations, inspections, and investigations of the agency’s programs and operations. The OIG also performs audits and evaluations specifically requested by Congress. The office is funded by a “base” appropriation and a transfer of appropriations from the Superfund account. Historically, Congress has transferred these funds to the OIG because a significant portion of its funding and staffing has been devoted to oversight of EPA’s cleanup efforts under the Superfund program.

Including the transfer from Superfund, the House proposed \$53.5 million for the OIG and the Senate Committee recommended \$53.3 million. These amounts are an increase above the President’s request of \$45.1 million and the FY2007 appropriation of \$50.5 million. Some Members expressed concern that the request would not be



sufficient to support adequate staffing to audit and evaluate cleanup activities. In their respective reports on the Interior appropriations bill, the House and Senate Appropriations Committees directed that the increased funding for the OIG be used to restore staffing to prior year levels. EPA had reported that the President's proposed decrease in funding for the OIG would result in a reduction of 30 workyears (full time equivalent employees or FTEs), and a reassignment of 20 FTEs from oversight of Superfund cleanup to oversight of a broader array of agency activities.

**Scientific Research.** Some Members, scientists, and environmental organizations have expressed concern about the downward trend in federal funding for core scientific research. Debate regarding funding for scientific research administered by EPA and other federal agencies often has focused on the question of whether these agencies' actions are based on "sound science," and how scientific research is applied in developing federal policy. Most of EPA's scientific research activities are funded within the Science and Technology (S&T) account, including the agency's laboratories and research grants. Similar to the OIG account, the S&T account is funded by a base appropriation and a transfer from Superfund. These transferred funds are dedicated to research of more effective methods to clean up contaminated sites.

Including transfers from the Superfund account, both the House and the Senate Appropriations Committee proposed an increase for the S&T account above the President's request of \$780.6 million and the FY2007 appropriation of \$763.6 million. The House proposed \$809.4 million for the account, and the Senate Committee recommended \$798.6 million. Although most of this account funds "actual" research activities, certain facility operations and administration expenses, such as rent, utilities, and security, are also funded within this account. Both the House and the Senate Appropriations Committee increased funding for actual research activities.<sup>39</sup> The increase above FY2007 that the President had requested was mainly due to a continued shift in funds from the Environmental Programs and Management account to pay the operational and administrative expenses of research facilities, rather than an increase in funds for actual research.

**State and Local Air Quality Management Grants.** Some Members, and state and local air pollution control officials, continue to be concerned about reduced funding for state and local air quality management categorical grants within EPA's STAG account. They contend that more funds are needed as a result of increasing Clean Air Act responsibilities, including broader monitoring of ozone and particulate matter and efforts to attain national standards for these pollutants. The House proposed \$220.2 million for these state and local air quality grants, and the Senate Committee recommended \$220.3 million. Both amounts are an increase above the

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<sup>39</sup> The House agreed to an amendment to reduce, then increase, the S&T account by \$3.9 million, resulting in no net increase above the House Appropriations Committee's recommendation. The sponsor stated an intent to decrease funding for facility operations and administration by \$3.9 million, and to increase funding for a homeland water security research initiative by the same amount to raise funding to the President's request of \$21.9 million. However, the amendment did not specify the allocation of funds for activities.

President's request of \$185.2 million, and the FY2007 appropriation of \$199.8 million.

According to EPA, the decrease that the President requested for these grants was mostly due to the agency's use of different authorities in the Clean Air Act, as EPA originally proposed in its FY2007 budget justification. These grant authorities require matching funds from recipients, rather than the federal government bearing the full cost. This shift in authorities is primarily based on EPA's assertion that the monitoring network for particulate matter is beyond the demonstration phase, and that the network should now be considered an operational system in the implementation phase. Authorities for demonstration grants do not require matching funds, but those for implementation do require a match, thereby reducing the federal role in funding these activities.

The Senate Appropriations Committee "strongly" disagreed with the President's proposed shift in grant authorities to require matching funds of recipients (S.Rept. 110-91, p. 69). However, the Committee did not include bill language that would bind EPA to using one grant authority instead of another. Absent such bill language, it is unclear how the rise in funds that either the House or the Senate Committee approved would affect which authorities would be used to administer these grants, particularly whether matching funds may be required of recipients.

**Proposed Commission on Climate Change.** The House proposed \$50.0 million for a new account to fund a new Commission on Climate Change Adaptation and Mitigation. The Commission would be temporary and would serve for two years. The Senate Appropriations Committee did not recommend funding for such purposes. Of the \$50.0 million, \$5.0 million would be used to establish and operate the Commission, analyze science questions related to climate change adaptation and mitigation, and recommend research priorities to better understand climate change. The remaining \$45.0 million would be distributed to various federal agencies to conduct this research, based on the Commission's recommended priorities. The agencies that would receive this funding would not be limited to those funded in the Interior appropriations bill. Individuals inside and outside of government would serve on the Commission, and the President of the National Academy of Sciences would serve as the chairman. (For further discussion of climate change issues, see the "Climate Change" section in this report.)

For further information on the Environmental Protection Agency's budget and activities, see its websites [<http://www.epa.gov>] and [<http://epa.gov/ocfo/budget/>].

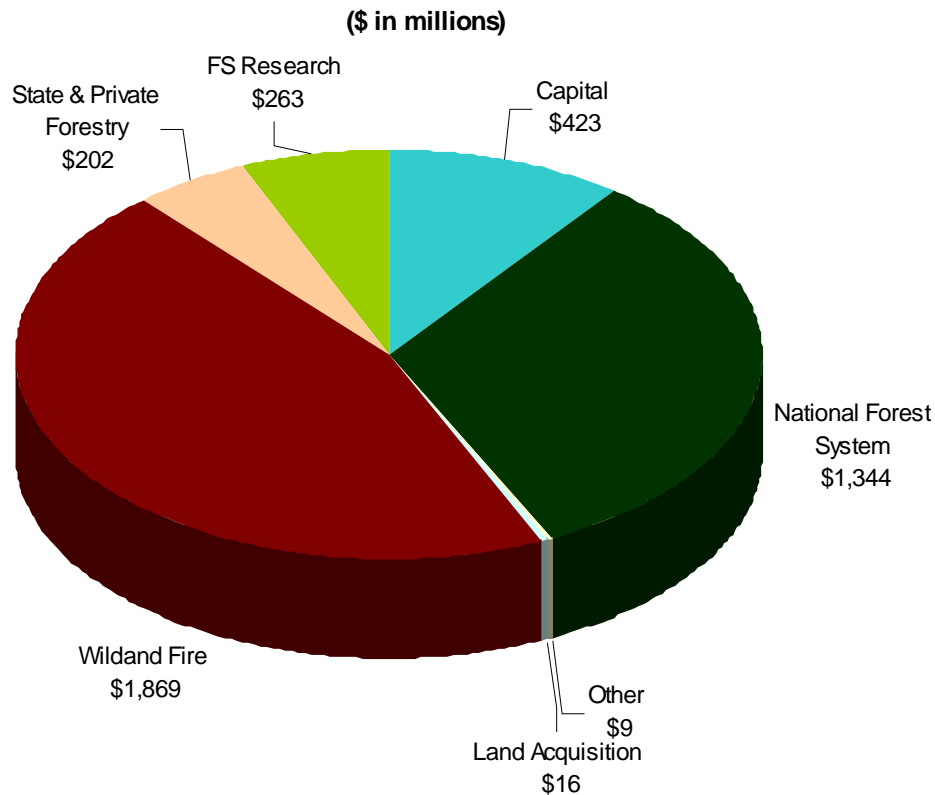
## **Title III: Related Agencies**

### **Department of Agriculture: Forest Service**

The Senate Appropriations Committee recommended a Forest Service (FS) budget for FY2008 of \$4.55 billion. This was \$28.0 million (less than 1%) less than the House-passed level of \$4.58 billion, \$422.7 million (10%) more than the Administration's request, and \$156.6 million (3%) less than the appropriation of

\$4.71 billion for FY2007 (including \$382.0 million of emergency supplemental appropriations enacted in P.L. 110-28). As discussed below and shown in **Figure 1**, FS appropriations are provided in several major accounts, including Forest and Rangeland Research (FS Research); State and Private Forestry; National Forest System; Wildland Fire Management; Capital Improvement and Maintenance (Capital); Land Acquisition; and Other programs.

**Figure 1. FS FY2008 Budget Request**



**Major FS Issues in Appropriations.** Significant FS issues have been raised during consideration of the Interior appropriations bills. In the FS budget proposals for FY2007 and FY2008, the President proposed selling about 300,000 acres of national forest lands. In the FY2007 request, the proceeds would have paid for a five-year extension of FS payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393). In the FY2008 request, the proceeds were proposed to be split, with half for a four-year phase-out of payments under P.L. 106-393 and the other half for habitat improvement and land acquisition. Current FS authorities to sell or otherwise dispose of national forest lands are quite narrow, so legislation would be needed to authorize the proposed land sale. Last year, the Administration sent Congress draft legislation with criteria to determine lands eligible for sale, such as lands that are inefficient or difficult to manage because they are isolated or scattered. Land sale legislation was not introduced, and such authority was not included in the FY2007 Interior appropriations bill. No legislation to sell Forest Service lands has been introduced in the 110<sup>th</sup> Congress to date.

A one-year extension of payments under P.L. 106-393 was included in P.L. 110-28. On the House floor, an amendment was offered to the FY2008 Interior

appropriations bill to add \$425.0 million for another year's payments under the program, but a point of order was sustained so the amendment was not in order. Some Members agreed to write a letter requesting that the authorizing committees reauthorize the program. Reauthorization of P.L. 106-393 — without land sales — is still being debated.

The House agreed to an amendment to prohibit funds to plan, design, study, or build forest development roads in the Tongass (AK) National Forest for timber harvesting (\$503). Proponents of the amendment contended that timber harvests in the Tongass are a net loss to the Treasury and damaging to the environment; opponents asserted that federal timber is critical to the economy of southeast Alaska. A similar amendment had passed the House in the FY2006 appropriations bill but was removed in the conference agreement. In the FY2007 bill, the amendment was disallowed on a point of order.

**Wildland Fire Management.** Fire funding and fire protection programs continue to be controversial. Ongoing discussions include questions about funding levels and locations for various fire protection treatments, such as thinning and prescribed burning to reduce fuel loads and clearing around structures to protect them during fires. Another focus is whether, and to what extent, environmental analysis, public involvement, and challenges to decisions hinder fuel reduction and post-fire rehabilitation activities. Members and committees also have expressed concerns about the continued high cost of fire suppression efforts. (For historical background, descriptions of activities, and analysis of wildfire expenditures, see CRS Report RL33990, *Wildfire Funding*, by Ross W. Gorte.)

The National Fire Plan comprises the FS wildland fire program (including fire programs funded under other line items) and fire fighting on DOI lands; the DOI wildland fire monies are appropriated to BLM. Congress does not fund the National Fire Plan in any one place in Interior appropriations acts. The total can be derived by combining the several accounts which the agencies identify as National Fire Plan funding. The House approved \$2.78 billion for FY2008, \$110.8 million (4%) more than the President proposed, \$265.7 million (9%) less than FY2007, and \$30.7 million (1%) less than the Senate Committee as shown in **Table 16**.

The Senate Appropriations Committee recommended \$829.5 million for BLM wildfire funding in FY2008, \$22.9 million (3%) more than the House, \$27.7 million (3%) more than the request, and \$23.9 million (3%) less than FY2007. The Senate Committee recommendation for FY2008 FS wildfire funding was \$1.98 billion, \$7.8 million (less than 1%) more than the House, \$113.9 million (6%) more than the request, and \$211.1 million (10%) less than FY2007. The FS and BLM wildfire line items include funds for fire suppression (fighting fires), preparedness (equipment, training, baseline personnel, prevention, and detection), and other operations (rehabilitation, fuel reduction, research, and state and private assistance).

**Table 16. Appropriations for the National Fire Plan,  
FY2004-FY2008**  
(\$ in millions)

National Fire Plan	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>Forest Service</b>							
— <i>Fire suppression<sup>a</sup></i>	1,296.0	1,044.4	790.2	1,111.5	911.0	859.0	859.0
— <i>Preparedness</i>	671.6	676.5	660.7	665.4	568.8	675.4	676.4
— <i>Other operations<sup>b</sup></i>	379.0	407.7	395.2	416.7	388.8	440.2	447.1
Subtotal, FS	2,346.6	2,128.6	1,846.1	2,193.6	1,868.6	1,974.6	1,982.5
<b>BLM</b>							
— <i>Fire suppression<sup>a</sup></i>	391.3	317.0	330.7	344.2	294.4	294.4	294.4
— <i>Preparedness<sup>c</sup></i>	254.2	258.9	268.8	274.9	268.3	274.9	286.0
— <i>Other Operations</i>	238.1	255.3	255.7	234.3	239.1	237.4	249.1
Subtotal, BLM	883.6	831.3	855.3	853.4	801.8	806.6	829.5
<b>National Fire Plan</b>							
— <i>Fire suppression<sup>a</sup></i>	1,687.3	1,361.4	1,120.9	1,455.7	1,205.4	1,153.4	1,153.4
— <i>Preparedness</i>	925.8	935.4	929.5	940.3	837.1	950.2	962.4
— <i>Other Operations</i>	617.1	663.0	650.9	651.0	627.9	677.6	696.2
<b>Total Funding</b>	<b>3,230.2</b>	<b>2,959.8</b>	<b>2,701.3</b>	<b>3,047.0</b>	<b>2,670.4</b>	<b>2,781.3</b>	<b>2,812.0</b>

**Notes:** Includes funding only from BLM and FS Wildland Fire Management accounts.

This table differs from the detailed tables in CRS Report RL33990, *Wildfire Funding*, by Ross W. Gorte, because that report rearranges data to distinguish funding for protecting federal lands, for assisting in nonfederal land protection, and for fire research and other activities.

- a. Includes emergency supplemental and contingent appropriations for FY2003 — FY2007.
- b. Excludes fire assistance funding under the State & Private Forestry line item.
- c. Fire research and fuel reduction funds are included under Other Operations.

BLM suppression would be the same under the House and the Senate Committee bills and the Administration request. In other cases, the Senate Committee recommendations for the BLM differed from the House-passed levels and those proposed by the President. FY2008 preparedness would be \$286.0 million, \$11.1 million (4%) more than the House and \$17.7 million (7%) more than the request. For other operations, one difference is that only the Senate Committee included funds — \$8.0 million — for BLM rural fire assistance grants. For the FS, the House, Senate Committee, and Administration generally supported different funding levels for fire programs. For FS suppression, the Senate Committee and the House approved \$52.0 million (6%) less than the request and \$252.5 million (23%) less than FY2007. For FS preparedness, the Committee recommended \$1.0 million (less than 1%) more than the House, \$107.6 million (19%) more than the request. The Senate Committee and the House both rejected the separate proposed Wildland Firefighters account. Within Other Operations, the Committee recommended additional funding for FS fuel treatments — \$14.7 million (5%) above the House and \$33.5 million (11%) above the request. The Senate Committee recommended \$6.2

million for post-fire site rehabilitation, matching FY2007 (compared to \$18.0 million passed by the House and \$0.0 million requested). The Senate Committee supported increasing state fire assistance, by \$4.0 million (9%) above the House and \$15.2 million (43%) above the request. The Senate Committee did not recommend contingent or emergency funding for FY2008; neither did the House or the Administration. The agencies have the authority to borrow unobligated funds from any other account to pay for firefighting, for instance, if the fire season is worse than average. Such borrowing typically is repaid, commonly through subsequent emergency appropriations bills.

**State and Private Forestry.** While funding for wildfires has been the center of debate, proposed changes in State and Private Forestry (S&PF) — programs that provide financial and technical assistance to states and to private forest owners — also have attracted attention. For FY2008, the Senate Committee recommended \$272.5 million for S&PF, \$8.1 million (3%) less than the House, \$7.2 million (3%) less than FY2007, and \$70.1 million (35%) more than the FY2008 request. See **Table 17**.

For S&PF forest health management (insect and disease control on federal and cooperative [nonfederal] lands) in FY2008, the Senate Committee recommended a \$1.1 million (1%) increase over the House and FY2007 funding, and \$11.1 million (12%) more than the request with most of the increase for cooperative lands. For S&PF Cooperative Fire Assistance to states' fire departments, the Senate Committee recommended \$39.0 million, \$3.1 million (7%) below the President's request and the House. The difference was entirely in volunteer fire assistance.

For Cooperative Forestry (assistance for forestry activities on state and private lands) in FY2008, the Senate Committee recommended \$124.3 million, \$5.1 million (4%) below the House and \$8.7 million (7%) below FY2007, and \$57.6 million (86%) above the request. All three major programs were recommended to be substantially above the request, but below the House level. They are: Forest Stewardship, for states to assist private landowners; Forest Legacy, to purchase title or easements for lands threatened with conversion to nonforest uses, such as for residences; and Urban and Community Forestry, for financial and technical assistance to localities. Only the Senate Committee supported funding (\$6.5 million) for the Economic Action Program (for rural community assistance, wood recycling, and Pacific Northwest economic assistance). The Senate Committee and the House supported S&PF funding for resource information and analysis, while the President did not. Most forest information and analysis funding is under Forest Research, and the Senate Committee recommended total funding (S&PF and Research) at \$4.6 million (7%) more than the Administration requested, \$2.9 million (5%) more than FY2007, and \$0.4 million less than the House.

For international programs (technical forestry assistance to other nations), the Senate Committee recommended \$7.0 million, 13% less than the House-passed level, nearly triple the amount requested, and \$67,000 more than FY2007.

**Table 17. Appropriations for FS State and Private Forestry,  
FY2005-FY2008**  
(\$ in millions)

State and Private Forestry	FY2005 Approp.	FY2006 Approp.	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Forest Health Management	101.9	100.1	101.1	91.1	101.1	102.2
— <i>Federal Lands</i>	54.2	53.2	54.0	53.0	54.0	55.0
— <i>Cooperative Lands</i>	47.6	46.9	47.1	38.1	47.1	47.2
Cooperative Fire Assistance	38.8	38.8	38.8	42.1	42.1	39.0
— <i>State Assistance</i>	32.9	32.9	32.9	33.1	33.1	33.1
— <i>Volunteer Asst.</i>	5.9	5.9	5.9	9.0	9.0	5.9
Cooperative Forestry	145.4	133.2	133.0	66.7	129.4	124.3
— <i>Forest Stewardship</i>	32.3	34.1	41.9	20.0	36.9	34.3
— <i>Forest Legacy</i>	57.1	56.5	56.3	29.3	56.3 <sup>a</sup>	48.1
— <i>Urban &amp; Comm. Forestry</i>	32.0	28.4	30.1	17.4	31.1	30.8
— <i>Economic Action Prog.</i>	19.0	9.5	0.0	0.0	0.0	6.5
— <i>Forest Res. Info. &amp; Anal.</i>	5.0	4.6	4.6	0.0	5.0	4.6
International Programs	6.4	6.9	6.9	2.5	8.0	7.0
Emergency Appropriations	49.1	30.0	0.0	0.0	0.0	0.0
Total State & Pvt. Forestry	<b>341.6</b>	<b>309.0</b>	<b>279.8</b>	<b>202.5</b>	<b>280.6</b>	<b>272.5</b>

a. An additional \$6.5 million (\$62.8 million total) is to be available from prior year balances.

**National Forest System.** For the National Forest System, the Senate Committee recommended \$1.50 billion, \$6.3 million (less than 1%) less than the House, \$155.9 million (12%) above the request and \$35.5 million (2%) more than FY2007. The Committee did not support the requested cut in land management planning, instead providing \$6.1 million (12%) more than the request and the House and \$1.1 million (2%) above FY2007. The Senate Committee and House-passed levels were generally higher than the request for each major program, including recreation, heritage, and wilderness; inventory and monitoring; and vegetation and watershed management. The Senate Committee recommended \$135.0 million for law enforcement, \$11.2 million (9%) above the House and the request, and \$8.0 million above FY2007 (including the \$12.0 million supplemental enacted in P.L. 110-28). Funding for the Valles Caldera National Preserve was recommended at \$4.0 million, \$0.5 million above FY2007 and the House-passed level, and substantially above proposed funding of \$0.85 million. Only the House supported funding (\$9.5 million) for challenge cost sharing, for partnerships with the private sector to leverage federal funds for research, assistance, and management projects to improve natural resource stewardship.

**Infrastructure.** For Capital Improvement and Maintenance, the Senate Committee recommended \$444.1 million, \$21.5 million (5%) above the request, and \$7.7 million (2%) more than FY2007, but \$76.1 million (15%) less than the House. The Senate Committee recommended less than the House for most programs — \$3.3 million (2%) less for facilities, \$3.9 million (2%) less for roads, and \$2.6 million (3%) less for trails — with more money for construction and less for maintenance. The \$9.1 million Senate Committee recommendation for **Deferred Maintenance**, to reduce the agency's backlog (estimated at \$5.6 billion), matched the request and

FY2007 levels, but was \$66.4 million less than the House level. The House-passed level included \$65.0 million for “legacy road remediation” to address environmental damages caused by infrastructure problems.

**Other FS Accounts.** For FY2008 FS **Land Acquisition** with LWCF funds, the Senate Committee recommended \$48.2 million, more than triple the request of \$15.7 million, \$3.8 million (8%) above the House, and \$6.3 million (15%) above FY2007. (For more information, see the “Land and Water Conservation Fund (LWCF)” section in this report.) For **FS Research** in FY2008, the Senate Committee recommended \$291.8 million, \$4.1 million (1%) less than the House, \$28.8 million (11%) more than the request, and \$11.3 million (4%) more than FY2007.

For information on the *Department of Agriculture*, see its website at [<http://www.usda.gov/wps/portal/usdahome>].

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

CRS Report RL33792. *Federal Lands Managed by the Bureau of Land Management (BLM) and the Forest Service: Issues for the 110<sup>th</sup> Congress*, by Ross W. Gorte, Carol Hardy Vincent, and Marc Humphries.

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

CRS Report RL30647. *National Forest System Roadless Areas Initiative*, by Pamela Baldwin and Ross W. Gorte.

CRS Report RL33990. *Wildfire Funding*, by Ross W. Gorte.

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

The Indian Health Service (IHS) in the Department of Health and Human Services (HHS) is responsible for providing comprehensive medical and environmental health services for approximately 1.9 million American Indians and Alaska Natives (AI/AN) who belong to 561 federally recognized tribes located in 35 states. Health care is provided through a system of federal, tribal, and urban Indian-operated programs and facilities. IHS provides direct health care services through 33 hospitals, 52 health centers, 2 school health centers, 38 health stations, and 5 residential treatment centers. Tribes and tribal groups, through IHS contracts and compacts, operate another 15 hospitals, 220 health centers, 9 school health centers, 116 health stations, 166 Alaska Native village clinics, and 28 residential treatment centers. IHS, tribes, and tribal groups also operate 11 regional youth substance abuse treatment centers and 2,252 units of residential quarters for staff working in the clinics.

The Administration proposed \$3.27 billion for IHS for FY2008, an increase of 3% over the FY2007 level of \$3.18 billion. The House approved \$3.38 billion, an increase of \$204.3 million (6%) over FY2007 and of \$113.7 million (3%) over the



Administration's proposal. The Senate Appropriations Committee recommended \$3.37 billion, an increase of \$187.3 million (6%) over FY2007 and of \$96.7 million (3%) over the request, and a decrease of \$17.0 million (0.5%) below the House amount. IHS also receives funding through reimbursements and a special Indian diabetes program (see "Health Services" below). The sum of direct appropriations, reimbursements, and diabetes is IHS's "program level" total. See **Table 18**.

IHS funding is separated into two budget categories: Health Services, and Facilities. Of total IHS appropriations enacted for FY2007, 89% will be used for Health Services and 11% for the Facilities program. The most significant issues in the FY2008 IHS budget concern the urban Indian health program, in Health Services, and the health care facilities construction program in Facilities.

**Table 18. Appropriations for the Indian Health Service,  
FY2007-FY2008**  
(\$ millions)

Indian Health Service	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Committee	
				Total	Change from House
<b>Indian Health Services</b>					
<b>Clinical Services</b>					
— Hospital and Health Clinics	1,442.5	1,493.5	1,493.5	1,503.8	1%
— Dental Health	126.9	135.8	135.8	135.8	0%
— Mental Health	61.7	64.5	64.5	67.0	4%
— Alcohol and Substance Abuse	150.5	162.0	162.0	164.5	2%
— Contract Health Care	517.3	569.5	579.5	579.5	0%
— Catastrophic Health Emergency Fund	17.7	18.0	18.0	28.0	56%
— Methamphetamine treatment & prevention	N/A	0	15.0	0.0	-100%
— Indian Health Care Improvement Fund	N/A	0	25.0	0.0	-100%
Subtotal, Clinical Services	2,298.8	2,425.3	2,475.3	2,450.6	-1%
<b>Preventive Health Services</b>					
— Public Health Nursing	53.0	56.8	56.8	56.8	0%
— Health Education	14.5	15.2	15.2	15.2	0%
— Community Health Representatives	55.7	55.8	55.8	55.8	0%
— Immunization (Alaska)	1.7	1.8	1.8	1.8	0%
Subtotal, Preventive Health Services	124.9	129.6	129.6	129.6	0%
<b>Other Services</b>					
— Urban Health Projects	34.0	0	34.0	35.1	3%
— Indian Health Professions	31.7	31.9	36.9	31.9	-14%
— Tribal Management	2.5	2.5	2.5	2.5	0%
— Direct Operations	63.8	64.6	64.6	64.6	0%
— Self-Governance	5.8	5.9	5.9	5.9	0%

Indian Health Service	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Committee	
				Total	Change from House
— <i>Contract Support Costs</i>	264.7	271.6	274.6	271.6	-1%
— <i>Subtotal, Other Services</i>	402.5	376.6	418.6	411.7	-2%
<b>Subtotal, Indian Health Services</b>	<b>2,826.2</b>	<b>2,931.5</b>	<b>3,023.5</b>	<b>2,991.9</b>	<b>-1%</b>
<b>Indian Health Facilities</b>					
— <i>Maintenance and Improvement</i>	52.7	51.9	52.7	53.7	2%
— <i>Sanitation Facilities Construction</i>	94.0	88.5	94.0	95.7	2%
— <i>Health Care Facilities Construction</i>	24.3	12.7	20.3	33.0	63%
— <i>Facilities and Environmental Health Support</i>	161.3	164.8	172.3	170.6	-1%
— <i>Equipment</i>	21.6	21.3	21.6	22.4	4%
<b>Subtotal, Indian Health Facilities</b>	<b>353.9</b>	<b>339.2</b>	<b>360.9</b>	<b>375.5</b>	<b>4%</b>
<b>Total Appropriations</b>	<b>3,180.1</b>	<b>3,270.7</b>	<b>3,384.4</b>	<b>3,367.4</b>	<b>-&lt;1%</b>
Medicare/Medicaid Reimbursements and Other Collections	648.2	700.3	700.3	700.3	0%
Special Diabetes Program for Indians <sup>a</sup>	150.0	150.0	150.0	150.0	0%
<b>Total Program Level</b>	<b>3,978.4</b>	<b>4,121.0</b>	<b>4,234.7</b>	<b>4,217.7</b>	<b>-&lt;1%</b>

a. The Special Diabetes Program for Indians has a direct appropriation of \$150 million for each of fiscal years FY2004 through FY2008 (P.L. 107-360). Funded through the General Treasury, this program cost is not a part of IHS appropriations.

**Health Services.** IHS Health Services are funded not only through congressional appropriations, but also from money reimbursed from private health insurance and federal programs such as Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP). Estimated total reimbursements are expected to be \$648.2 million in FY2007. Another \$150.0 million per year is expended through IHS for the Special Diabetes Program for Indians under a separate appropriation that expires after FY2008.

The IHS Health Services budget has three subcategories: clinical services, preventive health services, and other services.

**Clinical Services.** The clinical services budget includes most of IHS Health Services funding. The clinical services budget proposed for FY2008 was \$2.43 billion, an increase of 6% over the \$2.30 billion in FY2007. The House approved \$2.48 billion, an increase of \$176.5 million (8%) over FY2007 and \$50.0 million (2%) over the Administration's proposal. The Senate Committee recommended \$2.45 billion, an increase of \$151.8 million (7%) over FY2007 and of \$25.3 million (1%) over the proposal, and a decrease of \$24.7 million (1%) below the House amount.

Clinical services include primary care at IHS- and tribally run hospitals and clinics. For *hospital and health clinic programs*, which make up 63% of the FY2007 clinical services budget, the Administration requested and the House approved \$1.49 billion for FY2008, 4% over the \$1.44 billion for FY2007. The Senate Committee recommended \$1.50 billion, an increase of \$61.4 million (4%) over FY2007 and \$10.3 million (1%) over the request and the House amount.

*Contract health care* is a significant clinical service that funds the purchase of health services from local and community health care providers when IHS cannot provide medical care and specific services through its own system. It is especially important in IHS regions that have fewer direct-care facilities or no inpatient facilities. The Administration proposed that contract health care receive an increase in FY2008 to \$569.5 million, 10% more than the FY2007 appropriation. The House approved \$579.5 million, an increase of \$62.2 million (12%) over FY2007 and \$10.0 million (2%) over the proposal. The Senate Committee recommended the same amount as the House, but within contract health care recommended increasing the Catastrophic Health Emergency Fund (CHEF) from \$18.0 million, as requested by the Administration and approved by the House, to \$28.0 million, an increase of 56%. CHEF is used to pay contract health care costs in critical, high-cost cases (above \$25,000), such as disaster victims or catastrophic illnesses.

For *other programs* within clinical services for FY2008, the Administration proposed that dental programs receive \$135.8 million, mental health programs \$64.5 million, and alcohol and substance abuse programs \$162.0 million. The House approved these proposals, but separately added \$15.0 million for methamphetamine treatment and prevention and \$25.0 million for the Indian Health Care Improvement Fund. The fund was authorized for allocation among IHS service units to reduce health status and resources deficiencies and shortfalls. The Senate Committee recommended the same amount as the House for dental health but disagreed with the House on other programs. The Senate Committee recommended dropping the House's separate \$15-million appropriation for methamphetamine programs, instead adding \$2.5 million for methamphetamine programs to the Administration and House amount for alcohol and substance abuse programs, and also adding \$2.5 million for suicide prevention to the proposed and House amount for mental health programs. The Senate Committee also recommended no funding for the Indian Health Care Improvement Fund.

**Preventive Health Services.** For preventive health services, the Administration proposed \$129.6 million for FY2008, a 4% increase over the \$124.9 million for FY2007. The House and the Senate Committee approved the same amount. Included were \$56.8 million for public health nursing, \$15.2 million for health education in schools and communities, \$1.8 million for immunizations in Alaska, and \$55.8 million for the tribally administered community health representatives program, which supports tribal community members who work to prevent illness and disease in their communities.

**Other Health Services.** For these health services, the Administration proposed a total of \$376.6 million for FY2008, a 6% decrease from FY2007. The House approved \$418.6 million for these services, an increase of \$16.0 million (4%) from FY2007 and \$42.0 million (11%) from the proposal. The Senate Committee

recommended \$411.7 million, \$9.2 million (2%) more than FY2007 and \$35.1 million (9%) more than the proposal, and \$6.9 million (2%) below the House amount. *Contract support costs* (CSC), the largest item in this category, were proposed to receive \$271.6 million for FY2008, a 3% increase. The House approved \$274.6 million for CSC, up \$9.9 million (4%) over FY2007 and \$3.0 million (1%) over the proposal. The Senate Committee recommended the same amount as the proposal, \$3.0 million (1%) less than the House. Contract support costs are provided to tribes to help pay the costs of administering IHS-funded programs under self-determination contracts or self-governance compacts authorized by the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended). CSC pays for costs that tribes incur for such items as financial management, accounting, training, and program start-up.

Besides urban Indian health programs (discussed below), other health services include Indian health professions scholarships and other support, for which the Administration proposed \$31.9 million in FY2008; tribal management grants (\$2.5 million proposed); direct IHS operation of facilities (\$64.6 million proposed); and self-governance technical assistance (\$5.9 million proposed). The House and the Senate Committee supported these requests, except that for Indian health professions scholarships and support the House approved \$36.9 million.

***Urban Indian Health Program.*** As in its FY2007 budget proposal, the Administration proposed no FY2008 funding for the urban Indian health program. The program was funded at \$33.95 million in FY2007. The House disagreed with the Administration's proposal and approved \$34.0 million for FY2008, slightly higher than FY2007 (\$49,000, or less than 1%). The Senate Committee also disagreed with the proposal, recommending \$35.1 million, or \$1.1 million (3%) over the FY2007 and House amount. The 28-year-old program helps fund preventive and primary health services for eligible urban Indians through contracts and grants with 34 urban Indian organizations at 41 urban sites. The specific services vary from site to site, and may include direct clinical care, alcohol and substance abuse care, referrals, and health information. The Administration contends that IHS must target funding and services towards Indians on or near reservations, to serve those who do not have access to health care other than IHS, and that urban Indians can be served through other federal and local health programs, such as HHS's Health Centers program. Opponents assert that the Administration has not provided evidence that alternative programs can replace the urban Indian health program and that it has not studied the impact of the loss of IHS funding on health care for urban Indians who annually receive services through this program. The House Appropriations Committee made similar assertions and added that the urban Indian health program "provides vital, culturally sensitive health care" (H.Rept. 110-187, p. 146).

***Facilities.*** The IHS's Facilities category includes money for the equipment, construction, maintenance, and improvement of both health-care and sanitation facilities, as well as environmental health support programs. The Administration's proposal for FY2008 was \$339.2 million, a 4% decrease from FY2007 appropriations. The House approved \$360.9 million, an increase of \$7.0 million (2%) over FY2007 and \$21.7 million (6%) over the Administration's proposal. The Senate Committee recommended \$375.5 million, an increase of \$21.5 million (6%)

over FY2007, \$36.3 million (11%) over the proposal, and \$14.6 million (4%) over the House amount. See **Table 18**.

Included in the Administration's FY2008 Facilities request were \$51.9 million for maintenance and improvement of health care facilities (1% decrease from FY2007), \$88.5 million for sanitation facilities construction (6% decrease), \$21.3 million for equipment (2% decrease), \$164.8 million for facilities and environmental health support (2% increase), and a significant decrease in funds for health care facilities construction (discussed below). The House approved \$172.3 million for facilities and environmental health support (7% increase from FY2007) and the same amounts as FY2007 for maintenance and improvement, sanitation facilities construction, and equipment. The Senate Committee recommended \$53.7 million for maintenance and improvement (2% over FY2007 and the House and 3% over the proposal), \$95.7 million for sanitation facilities construction (2% over FY2007 and the House and 8% over the proposal), \$22.4 million for equipment (4% over FY2007 and the House and 5% over the proposal), and \$170.6 million for facilities and environmental health support (6% over FY2007, 3% over the proposal, and 1% below the House).

**Health Care Facilities Construction.** The Administration proposed \$12.7 million for construction of new health care facilities in FY2008, a 48% reduction from the FY2007 level of \$24.3 million. The House approved \$20.3 million for FY2008, a decrease of \$4.0 million (17%) from FY2007 and an increase of \$7.6 million (60%) from the proposal. The Senate Committee recommended \$33.0 million, an increase of \$8.7 million (36%) from FY2007, \$20.4 million (161%) from the proposal, and \$12.8 million (63%) above the House amount. The FY2007 level for health care facilities construction was a 36% reduction from the FY2006 level of \$37.8 million, which was itself a 57% reduction from the FY2005 level of \$88.6 million. The Administration's FY2008 proposal would fund continued construction of one project, a hospital in Barrow, AK; all of the Senate Committee's recommended increase over the proposal would go towards construction of this hospital (S.Rept. 110-91, p. 87). The Administration asserted that its overall proposed cut in new facilities construction is part of an HHS-wide emphasis on maintenance of existing facilities, and that it helps fund the increasing costs of health care services and the staffing of several recently completed facilities. Opponents contended that the IHS has reported a \$1.5 billion backlog in unmet health-facility needs and that the need is too great for a reduction in new construction.

For further information on the Indian Health Service, see its website at [<http://www.ihs.gov/>].

## **Office of Navajo and Hopi Indian Relocation**

The Office of Navajo and Hopi Indian Relocation (ONHIR) and its predecessor were created pursuant to a 1974 act (P.L. 93-531, as amended) to resolve a lengthy dispute between the Hopi and Navajo tribes involving lands originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, the lands were partitioned between the two tribes. Members of one tribe living on land partitioned to the other tribe were to be relocated and provided new homes, and bonuses, at federal expense. Relocation is to be voluntary.

ONHIR's chief activities consist of land acquisition, housing acquisition or construction, infrastructure construction, and post-move support, all for families being relocated, as well as certification of families' eligibility for relocation benefits. For FY2008, the Administration proposed \$9.0 million for ONHIR, a 6% increase from the FY2007 appropriation of \$8.5 million. Both the House and the Senate Appropriations Committee approved the same amount.

Navajo-Hopi relocation began in 1977 and is now nearing completion. ONHIR has a backlog of relocatees who are approved for replacement homes but have not yet received them. Most families subject to relocation were Navajo. Originally, an estimated 3,600 eligible Navajo families resided on land partitioned (or judicially confirmed) to the Hopi, while only 26 eligible Hopi families lived on Navajo partitioned land, according to ONHIR data. By the end of FY2005, according to ONHIR, 98% of the currently eligible Navajo families and 100% of the Hopi families had completed relocation. In addition, however, ONHIR estimates that about half of roughly 250 Navajo families (not all of them eligible families) who live on Hopi land and signed "accommodation agreements" (under P.L. 104-301) that allow them to stay on Hopi land, under Hopi law, may wish to opt out of these agreements and relocate using ONHIR benefits.

ONHIR estimated that, as of the end of FY2005, 83 eligible Navajo families were awaiting relocation. Eight of these 83 families still resided on Hopi partitioned land; one of these families was seeking a relocation home and the other seven refused to relocate or sign an accommodation agreement. ONHIR and the U.S. Department of Justice were negotiating with the Hopi Tribe to allow the seven families to stay on Hopi land, as autonomous families, in return for ONHIR's relocating off Hopi land those families who had signed accommodation agreements but later decided to opt out and accept relocation.

In its FY2007 budget justification ONHIR had estimated that relocation moves for currently eligible families would be completed by the end of FY2006. However, the addition of Navajo families who opt out of accommodation agreements and of Navajo families who filed late applications or appeals (but whom ONHIR proposes to accommodate to avoid litigation),<sup>40</sup> would mean that all relocation moves would not be completed until the end of FY2008, according to ONHIR. This schedule for completion of relocations would depend on infrastructure needs and relocatees' decisions. In addition, required post-move assistance to relocatees would necessitate another two years of expenditures after the last relocation move (whether in FY2006 or FY2008).

Congress has been concerned, at times, about the speed of the relocation process and about avoiding forced relocations or evictions. In the 109<sup>th</sup> Congress, legislation passed the Senate, but not the House, to sunset ONHIR in 2008 and transfer any remaining duties to the Secretary of the Interior. Further, a long-standing proviso in ONHIR appropriations language, retained for FY2008 by the Administration, the House, and the Senate Committee, prohibits ONHIR from evicting any Navajo

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<sup>40</sup> The number of families is estimated altogether at around 75; they overlap to an unpredicted extent with the 83 eligible Navajo families

family from Hopi partitioned lands unless a replacement home were provided. This language appears to prevent ONHIR from forcibly relocating Navajo families in the near future, because of ONHIR's backlog of approved relocatees awaiting replacement homes. As the backlog is reduced, however, forced eviction may become an issue, if any remaining Navajo families were to refuse relocation and if the Hopi Tribe were to exercise a right under P.L. 104-301 to begin legal action against the United States for failure to give the Hopi Tribe "quiet possession" of all Hopi partitioned lands. The purpose of the negotiations among ONHIR, the Justice Department, and the Hopi Tribe, mentioned above, was to avoid this.

## Smithsonian Institution

The Smithsonian Institution (SI) is a museum and research complex consisting of 19 museums and galleries and the National Zoo in addition to 9 research facilities throughout the United States and around the world. Smithsonian facilities logged nearly 23 million visitors in 2006. Established by federal legislation in 1846 in acceptance of a trust donation by the Institution's namesake benefactor, SI is funded by both federal appropriations and a private trust, with over \$979 million in revenue for FY2006.<sup>41</sup> The House would increase SI appropriations over FY2007 by \$17.5 million (3%), for a total of \$652.4 million. The Senate Committee recommended a substantially higher increase to \$696.7 million, an increase of \$61.8 million (10%) over FY2007 and \$18.3 million (3%) more than the Institution's request. Funding has been provided for two main line items: Salaries and Expenses and Facilities Capital.

**Salaries and Expenses.** For FY2008, the SI requested \$571.3 million to fund Salaries and Expenses for its museums, research centers, and administration, as shown in **Table 19**. This represented a \$35.1 million (7%) increase over FY2007 (\$536.3 million). Federal appropriations fund salaries of over 4,200 employees. Requested growth in staff and expenditures would primarily be for the National Museum of African American History and Culture (established by P.L. 108-184), which is under development.

The House bill would not fund any increase in Salaries and Expenses over the FY2007 levels,<sup>42</sup> based upon concerns of the Appropriations Committee chair and other Members over governance and fiscal management at the Smithsonian. The Senate Committee recommendation would increase Salaries and Expenses by \$35.4 million (7%) over FY2007. In addition to funding the SI request, the Senate Committee would add funds for an additional auditor in the Office of Inspector General and two accountants in the Chief Financial Officer's division. These changes were recommended based on the same concerns over governance and fiscal management. Questions over the salary and other compensation for Smithsonian Secretary Lawrence M. Small led to his resignation in March 2007. Secretary Small

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<sup>41</sup> Smithsonian Institution, *Illumination: Annual Report 2006*. This and earlier annual reports are available online at [<http://www.si.edu/opa/annualrpts/>].

<sup>42</sup> While the House would match the request for each particular activity within Salaries and Expenses, it included a "general reduction" of \$35.1 million, returning the total to the FY2007 amount.

was to receive \$915,698 in 2007, compared to the President's salary of \$400,000. Also, the chief executive officer of Smithsonian Business Ventures is resigning at the end of his contract, effective September 2007, amid an investigation of his expenses. Some Members and others have questioned whether Congress should begin to limit the salaries and expenses of certain Smithsonian officials who are often compensated well over comparable federal levels because they are paid from private trust funds.

**Facilities Capital.** The SI is responsible for over 400 buildings with approximately 8 million square feet of space. Recent external studies<sup>43</sup> and the SI estimate that an investment of \$2.3 billion over ten years is needed to address advanced facilities deterioration. Recent appropriations and fundraising fall far short of this level. Of the FY2008 request for \$107.1 million for Facilities Capital, \$87.4 million would fund these renovations with the balance toward security and health and safety improvements. No funds for construction were requested for FY2008. The request included funds for planning and design for renovations and new construction, including preliminary planning for the new African American History and Culture Museum, which will be located on the Mall near the Washington Monument. The House bill would fund a larger increase than requested for *revitalization*, bringing Facilities Capital funds to \$116.1 million for FY2008, a \$17.5 million (18%) increase from FY2007. The Senate Committee recommendation would also add funds for renovations for a total of \$125.0 million, or \$26.4 million (27%) above FY2007.

**Trust Funds.** In addition to federal appropriations, the Smithsonian Institution receives income from trust funds which support salaries for some employees, donor-designated capital projects and exhibits, and operations. At the end of FY2006, the SI trust funds endowment was valued at over \$2.2 billion. Non-appropriated revenues fund over a third of SI operations and include income from the trusts, contributions from private sources, competitive government grants and contracts from other agencies, and the profits from the Smithsonian Business Ventures division. For FY2008, the SI estimates \$284.1 million will be available for Institution operations from these sources.

**Table 19. Appropriations for the Smithsonian Institution,  
FY2007-FY2008**  
(\$ in thousands)

Smithsonian Institution	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Salaries and Expenses	536,295	571,347	536,295	571,705
— <i>Museums &amp; Research Institutes</i>	215,195	231,541	231,541	231,541
— <i>Program Support and Outreach</i>	37,567	38,205	38,205	38,205
— <i>Administration</i>	64,110	66,740	66,740	66,991
— <i>Inspector General</i>	1,834	1,977	1,977	2084

<sup>43</sup> For further information, see U.S. Government Accountability Office, *Smithsonian Institution: Facilities Management is Progressing, but Funding Remains a Challenge*, GAO-05-369 (April 2005).



Smithsonian Institution	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
— <i>Facilities Services</i>	217,589	232,884	232,884	232,884
— <i>General Reduction<sup>a</sup></i>	—	—	-35,052	—
Facilities Capital	98,600	107,100	116,100	125,000
— <i>Revitalization</i>	82,700	91,400	100,400	109,000
— <i>Construction</i>	5,400	0	0	0
— <i>Facilities Planning and Design</i>	10,500	15,700	15,700	16,000
<b>Total Appropriations</b>	<b>634,895</b>	<b>678,447</b>	<b>652,395</b>	<b>696,705</b>

a. The allocation of the recommended “general reduction” within activities covered by Salaries and Expenses was not specified.

For further information on the *Smithsonian Institution*, see its website at [<http://www.si.edu/>].

## National Endowment for the Arts and National Endowment for the Humanities

One of the primary vehicles for federal support for the arts and the humanities is the National Foundation on the Arts and the Humanities, composed of the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), the Federal Council on the Arts and Humanities, and the Institute of Museum and Library Services (IMLS).<sup>44</sup> The NEA and NEH authorization (P.L. 89-209; 20 U.S.C. §951) expired at the end of FY1993, but the agencies have been operating on temporary authority through appropriations law. The House bill would provide a total of \$320.0 million to the arts and humanities endowments — an increase of \$54.3 million (20%) over FY2007 — while the Senate Committee recommended a smaller increase to \$279.8 million, or \$14.1 million (5%) more than the previous year.

**NEA.** The NEA is a major federal source of support for all arts disciplines. Since 1965 it has provided over 120,000 grants that have been distributed to all states. For FY2008, the House bill would provide a substantial increase for the agency, up \$35.4 million (28%) to \$160.0 million, as shown in **Table 20**. The House considered, but did not agree to, several floor amendments to cut or eliminate funding for the arts. Floor amendments to increase or decrease arts funding similarly have been raised for many years. The Senate Committee recommendation for FY2008 would match the NEA request, plus an additional \$5.0 million for grants, for a total increase over FY2007 of \$8.9 million (7%). The House total included \$15.0 million to fund *Challenge America* — a program of matching grants for arts education, outreach, and community arts activities for rural and under-served areas. The Senate Committee would reduce this program from \$10.5 million in FY2007 to \$8.5 million for FY2008, as requested. Another \$13.5 million in the House bill would fund *American Masterpieces* — touring programs, local presentations, and arts education in the fields of dance, visual arts, and

<sup>44</sup> IMLS receives funding through the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts.

music. The Senate Committee would provide this program \$12.3 million, as requested, both increases over the FY2007 level of \$5.9 million.

**Table 20. Appropriations for Arts and Humanities,  
FY2007-FY2008**

(\$ in thousands)

Arts and Humanities	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>National Endowment for the Arts</b>				
Grants	100,319	102,942	133,500	107,942
Program Support	1,672	1,636	2,000	1,636
Administration	22,571	23,834	24,500	23,834
<b>Subtotal, NEA</b>	<b>124,562</b>	<b>128,412</b>	<b>160,000</b>	<b>133,412</b>
<b>National Endowment for the Humanities</b>				
Grants	102,247	101,807	119,900	106,807
Matching Grants	15,221	14,510	14,500	14,510
Administration	23,637	25,038	25,600	25,038
<b>Subtotal, NEH</b>	<b>141,105</b>	<b>141,355</b>	<b>160,000</b>	<b>146,355</b>
<b>Total NEA &amp; NEH</b>	<b>265,667</b>	<b>269,767</b>	<b>320,000</b>	<b>279,767</b>

**NEH.** The NEH generally supports grants for humanities education, research, preservation and public humanities programs; the creation of regional humanities centers; and development of humanities programs under the jurisdiction of the 56 state humanities councils. Since 1965, NEH has provided approximately 61,000 grants. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions. For FY2008, NEH requested \$141.4 million, essentially level with FY2007. However, both the House and the Senate Appropriations Committee supported increases over FY2007. The House approved an increase of \$18.9 million (13%), while the Senate Committee recommended an increase of \$5.3 million (4%). The two largest programs funded by NEH are federal/state partnership grants and the *We the People Initiative* grants, which would be funded in the House bill at \$36.0 million and \$23.0 million, respectively. *We the People* grants include model curriculum projects for schools to improve course offerings in the humanities. The Senate Committee recommended funding these programs at \$32.2 million and \$15.2 million, respectively. FY2007 program funding was \$30.9 million for federal/state partnerships and \$15.2 million for *We the People*.

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

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

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

## Cross-Cutting Topics

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

**Overview.** The LWCF (16 U.S.C. §§4601-4, et seq.) is authorized at \$900 million annually through FY2015. However, these funds may not be spent without an appropriation. The LWCF is used for three purposes. First, the four principal federal land management agencies — Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service — draw primarily on the LWCF to acquire lands. The sections on each of those agencies earlier in this report identify funding levels and other details for their land acquisition activities. Second, the LWCF funds acquisition and recreational development by state and local governments through a grant program administered by the NPS, sometimes referred to as stateside funding. Third, Administrations have requested, and Congress has appropriated, money from the LWCF to fund some related activities. This third use is relatively recent, starting with the FY1998 appropriation. Programs funded have varied from year to year. Most of the appropriations for federal acquisitions generally are specified for management units, such as a specific National Wildlife Refuge. The appropriations for the state grant program and other related activities rarely have been specified for individual projects or areas.

From FY1965 through FY2007, about \$30 billion will have been credited to the LWCF. About half that amount — \$15 billion — has been appropriated. Throughout history, annual appropriations from LWCF have fluctuated considerably. Until FY1998, LWCF funding did not exceed \$400 million, except from FY1977-FY1980, when funding was between \$509 million and \$805 million. In FY1998, LWCF appropriations exceeded the authorized level for the first time, spiking to \$969 million from the FY1997 level of \$159 million. A record level of funding was provided in FY2001, when appropriations reached \$1.0 billion, partly in response to President Clinton's Lands Legacy Initiative and some interest in increased and more certain funding for LWCF.

**FY2008 Funding.** For FY2008, the Administration requested \$378.7 million for LWCF, an increase of \$12.8 million (3%) over the FY2007 appropriation of \$365.9 million. The FY2008 request included funds for federal land acquisition, the stateside program, and other purposes as described below. Both the House and the Senate Appropriations Committee supported decreases from the FY2007 level. The Senate Committee recommended \$292.9 million for LWCF, while the House approved \$261.9 million.

**Land Acquisition.** For land acquisition, the House and the Senate Committee supported sizeable increases over FY2007 and the FY2008 request. The House approved \$155.6 million, a \$42.6 million (38%) increase over the FY2007 level of \$113.0 million and a \$97.7 (169%) increase over the President's request of \$57.9 million. An additional \$7.8 million was recommended for land appraisals related to federal land acquisitions, but it does not appear that this amount would be derived from LWCF. The Senate Appropriations Committee recommended \$152.2 million for land acquisition, an increase of \$39.2 million (35%) over FY2007 and of \$94.3 million

(163%) over the President's request. The Senate Committee also approved \$7.8 million for land appraisals with funds derived from LWCF, as had been requested.

For the five fiscal years ending in FY2001, appropriations for federal land acquisition had more than tripled, rising from \$136.6 million in FY1996 to \$453.4 million in FY2001. However, since then the appropriation for land acquisition has declined, to \$113.0 million for FY2007. The decline may be attributed in part to increased interest in allocating funding to lands already in federal ownership, reducing the federal budget deficit, and funding other national priorities, such as the war on terrorism. **Table 21** shows recent funding for LWCF.

**Table 21. Appropriations from the Land and Water Conservation Fund, FY2004-FY2008**  
(\$ in millions)

Land and Water Conservation Fund	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Federal Acquisition							
— <i>BLM</i>	18.4	11.2	8.6	8.6	1.6	18.6	12.2
— <i>FWS</i>	38.1	37.0	28.0	28.0	18.0	43.0	43.0
— <i>NPS</i>	41.7	55.1	17.4 <sup>a</sup>	34.4	22.5	49.4	48.7
— <i>FS</i>	66.4	61.0	41.9	41.9	15.7	44.5	48.2
Subtotal, Federal Acquisition	164.6	164.3	95.8	113.0	57.9	155.6	152.2
Appraisal Services	0.0	0.0	7.3	7.4	7.8	0.0 <sup>c</sup>	7.8
Grants to States	93.8	91.2	29.6	29.6	0.0 <sup>b</sup>	50.0	30.0
Other Programs	229.7	203.4	213.1	215.9	313.1	56.3	102.9
<b>Total Appropriations</b>	<b>488.1</b>	<b>458.9</b>	<b>345.9</b>	<b>365.9</b>	<b>378.7</b>	<b>261.9</b>	<b>292.9</b>

**Source:** Data are from the House and Senate Appropriations Committees, the DOI Budget Office, and *The Interior Budget in Brief* for each fiscal year.

- This figure does not reflect the availability of an additional \$26.8 million in prior year funds.
- The President proposed \$1.4 million for the administration of state grants in FY2008, to be derived from the appropriation for National Recreation and Preservation rather than the LWCF. Accordingly, this amount is not reflected here.
- The House approved \$7.8 million for appraisal services, but it does not appear that this amount would be derived from LWCF. Accordingly, this amount is not reflected here.

**Stateside Program.** For FY2008, the House approved \$50.0 million for the stateside program, comprised of \$48.0 million for new stateside grants and \$2.0 million for administrative expenses. The Senate Appropriations Committee recommended \$30.0 million, with \$28.3 million for grants to states and \$1.7 million for program administration. The Senate Committee total was similar to the \$29.6 million appropriated for each of FY2006 and FY2007 for the stateside program.

The Administration did not request funds for new stateside grants in FY2008, as in FY2006 and FY2007. The Administration has asserted that state and local governments have alternative sources of funding for parkland acquisition and development, and that the current program could not adequately measure performance or demonstrate results. As for FY2006 and FY2007, for FY2008 the Administration did request a relatively small amount of funding for administration of the grant

program. Specifically, the Administration supported \$1.4 million for program administration in FY2008, but in a break from the past, the Administration asked that the funds be derived from the National Recreation and Preservation line item rather than the LWCF. Seeking to eliminate funds for new stateside grants is not a new phenomenon. For example, for several years the Clinton Administration proposed eliminating stateside funding, and Congress concurred. In the last six years, stateside funding has fallen 79%, from \$143.9 million in FY2002 to \$29.6 million in FY2007.

Through provisions of the Gulf of Mexico Energy Security Act of 2006 (P.L. 109-432), a portion of revenues from certain OCS leasing will be provided in future years (without further appropriation) to the stateside grant program. No money is expected to be available under these provisions for FY2008. An estimated \$6.4 million in revenue from such OCS leasing is projected to be collected in FY2008 and disbursed to the stateside program in FY2009. Preliminary estimates of disbursements through FY2017 total approximately \$21.8 million, according to the DOI Budget Office.

**Other Purposes.** The largest portion of the President's FY2008 LWCF request — \$313.1 million — was for 11 other programs in the Department of the Interior and the Forest Service. This would be a \$97.2 million (45%) increase over the FY2007 level of \$215.9 million. **Table 21** shows that for each year from FY2004 through FY2007, the largest portion of the LWCF appropriation was for other programs. The Administration had requested a much larger amount for each year, for instance requesting \$440.6 million for FY2007.

For FY2008, the House and the Senate Appropriations Committee supported funding fewer other programs from LWCF than the Administration sought. The House appeared to provide funds for one other program — Forest Legacy — at \$56.3 million. The Senate Committee would provide a total of \$102.9 million for other programs, comprised of \$48.1 million for Forest Legacy and \$54.8 million for Cooperative Endangered Species Grants.

**Table 22** shows the other programs for which Congress appropriated funds for FY2006 and FY2007, and for which the President, House, or Senate Committee supported funds for FY2008. In some cases, Congress provided these programs with non-LWCF funding, which is not reflected here.

**Table 22. Appropriations for Other Programs from the LWCF, FY2006-FY2008**  
(\$ in millions)

Other Programs	FY2006 Approp.	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>Department of the Interior</b>					
<b>Bureau of Land Management</b>					
— <i>Challenge Cost Share</i>	0.0	0.0	9.4	0.0	0.0
<b>Fish and Wildlife Service</b>					
— <i>Refuge Challenge Cost Share</i>	0.0	0.0	6.7	0.0	0.0

<b>Other Programs</b>	<b>FY2006 Approp.</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>FY2008 House Passed</b>	<b>FY2008 Senate Comm.</b>
— <i>Partners for Fish and Wildlife</i>	0.0	0.0	48.4	0.0	0.0
— <i>Coastal Programs</i>	0.0	0.0	13.3	0.0	0.0
— <i>Migratory Bird Joint Ventures</i>	0.0	0.0	11.1	0.0	0.0
— <i>State and Tribal Wildlife Grants</i>	67.5	67.5	69.5	0.0	0.0
— <i>Landowner Incentive Grants</i>	21.7	23.7	0.0	0.0	0.0
— <i>Private Stewardship Grants</i>	7.3	7.3	0.0	0.0	0.0
— <i>Cooperative Endangered Species Grants</i>	60.1	61.1	80.0	0.0	54.8
— <i>North American Wetlands Conservation Fund Grants</i>	0.0	0.0	42.6	0.0	0.0
<b>National Park Service</b>					
— <i>Challenge Cost Share</i>	0.0	0.0	2.4	0.0	0.0
<b>Departmental Management</b>					
— <i>Take Pride in America</i>	0.0	0.0	0.5	0.0	0.0
<b>Forest Service (USDA)</b>					
— <i>Forest Legacy Program</i>	56.5	56.3	29.3	56.3	48.1
<b>Total Appropriations</b>	<b>213.1</b>	<b>215.9</b>	<b>313.1</b>	<b>56.3</b>	<b>102.9</b>

**Notes:** This table identifies “other” programs for which Congress appropriated funds for FY2006 or FY2007, or for which the Administration, House, or Senate Appropriations Committee supported funds for FY2008. It excludes federal land acquisition and the stateside program. Funding provided outside of LWCF is not reflected. Information is from the DOI Budget Office and House and Senate Appropriations Committees.

CRS Report RL33531. *Land and Water Conservation Fund: Overview, Funding History, and Current Issues*, by Carol Hardy Vincent.

## Everglades Restoration

Altered natural flows of water by a series of canals, levees, and pumping stations, combined with agricultural and urban development, are thought to be the leading causes of environmental deterioration in South Florida. In 1996, Congress authorized the U.S. Army Corps of Engineers (Corps) to create a comprehensive plan to restore, protect, and preserve the entire South Florida ecosystem, which includes the Everglades (P.L. 104-303). A portion of this plan, the Comprehensive Everglades Restoration Plan (CERP), was completed in 1999, and provides for federal involvement in restoring the ecosystem. Congress authorized the Corps to implement CERP in Title IV of the Water Resources Development Act of 2000 (WRDA 2000, P.L. 106-541). While restoration activities in the South Florida ecosystem are conducted under several federal laws, WRDA 2000 is considered the seminal law for Everglades restoration. (See CRS Report RS20702, *South Florida Ecosystem Restoration and the Comprehensive Everglades Restoration Plan*, by Pervaze A. Sheikh and Nicole T. Carter.)

Appropriations for restoration projects in the South Florida ecosystem have been provided to various agencies as part of several annual appropriations bills. The Interior, Environment, and Related Agencies appropriations laws have provided funds to several DOI agencies for restoration projects. Specifically, DOI conducts CERP and non-CERP activities in southern Florida through the National Park Service, Fish and Wildlife Service, U.S. Geological Survey, and Bureau of Indian Affairs. (For more on Everglades funding, see CRS Report RS22048, *Everglades Restoration: The Federal Role in Funding*, by Pervaze A. Sheikh and Nicole T. Carter.)

From FY1993 to FY2007, federal appropriations for projects and services related to the restoration of the South Florida ecosystem exceeded \$2.8 billion, and state funding topped \$4.8 billion.<sup>45</sup> The average annual federal cost for restoration activities in southern Florida in the next 10 years is expected to be approximately \$286 million per year.<sup>46</sup> For FY2008, the Administration requested \$235.0 million for DOI and the Corps for restoration efforts in the Everglades.

**FY2008 Funding.** For DOI, the Administration requested \$72.4 million for CERP and non-CERP activities related to restoration in the South Florida ecosystem for FY2008. The request was approximately \$3.0 million (4%) above the FY2007 level. See **Table 23**. Of the total, the NPS requested \$54.5 million for park management, construction, and research activities; the FWS requested \$11.7 million for land acquisition, refuges, ecological services, and other activities; the USGS requested \$5.8 million for research, planning, and coordination; and the BIA requested \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. The DOI request included \$8.0 million to conduct activities authorized by CERP. It is generally not possible to identify specific funding amounts for Everglades restoration activities from the House and the Senate Committee bills. Accordingly, they are not reflected in the table below.

**Table 23. Appropriations for Everglades Restoration in the DOI Budget, FY2007-FY2008**  
(\$ in thousands)

Everglades Restoration in DOI	FY2007 Approp.	FY2008 Request
National Park Service		
— CERP	4,658	4,731
— Park Operations <sup>a</sup>	26,350	28,991
— Land Acquisition (use of prior year balances)	0	0
— Everglades Acquisitions Management	500	500
— Modified Water Delivery	13,330	14,526
— Everglades Research	3,863	3,910

<sup>45</sup> These figures represent an estimate of all CERP and non-CERP related costs for restoration in the South Florida ecosystem.

<sup>46</sup> This figure is based on CERP and non-CERP related restoration activities in South Florida.

<b>Everglades Restoration in DOI</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>
— <i>South Florida Ecosystem Task Force</i>	1,308	1,324
— <i>GSA Space</i>	554	554
<b>Subtotal, NPS</b>	<b>50,563</b>	<b>54,536</b>
<b>Fish and Wildlife Service</b>		
— <i>CERP</i>	3,269	3,269
— <i>Land Acquisition</i>	0	1,044
— <i>Ecological Services</i>	2,516	2,516
— <i>Refuges and Wildlife</i>	4,086	4,086
— <i>Migratory Birds</i>	101	101
— <i>Law Enforcement</i>	619	619
— <i>Fisheries</i>	95	95
<b>Subtotal, FWS</b>	<b>10,686</b>	<b>11,730</b>
<b>U.S. Geological Survey</b>		
— <i>Research, Planning and Coordination</i>	7,771	5,771
<b>Subtotal, USGS</b>	<b>7,771</b>	<b>5,771</b>
<b>Bureau of Indian Affairs</b>		
— <i>Seminole, Miccosukee Tribe Water Studies and Restoration</i>	382	382
<b>Subtotal, BIA</b>	<b>382</b>	<b>382</b>
<b>Total Appropriations</b>	<b>69,402</b>	<b>72,419</b>

**Source:** U.S. Department of the Interior, *Fiscal Year 2008, The Interior Budget in Brief* (Washington, DC: February 2007).

- a. This includes total funding for park operations in Everglades National Park, Dry Tortugas National Park, Biscayne National Park, and Big Cypress National Preserve.

The FY2008 request for Everglades funding had slight increases in several categories compared to the FY2007 enacted level. One increase would be for the Modified Water Deliveries Project (Mod Waters) under NPS. This project is designed to improve water deliveries to Everglades National Park, and to the extent possible, restore the natural hydrological conditions within the Park. The completion of this project is required prior to the construction of certain projects under CERP. For FY2007, \$13.3 million in new funds were appropriated for Mod Waters. For FY2008, \$14.5 million was requested and also was provided in the House and the Senate Committee bills. The House Appropriations Committee noted that it intends to monitor the progress of restoring the Everglades and requested that the DOI submit a progress report on the status of restoration (H.Rept. 110-187, p. 44). Both the House and the Senate Committee bills provide funds for Mod Waters only if matching amounts are obligated for similar purposes to the Corps. Further, both bills prohibit funding for Mod Waters under NPS Construction if any Corps matching funds for Mod Waters become unavailable, including funds for design analysis of the Tamiami Trail (a component of Mod Waters).



A funding issue receiving broad attention is the level of commitment by the federal government to implement restoration activities in the Everglades. Some observers measure commitment by the frequency and number of projects authorized under CERP, and the appropriations they receive. Because no restoration projects have been authorized since WRDA 2000, these observers are concerned that federal commitment to CERP implementation is waning. Others assert that the federal commitment will be measurable by the amount of federal funding for construction, expected when the first projects break ground in the next few years. Some state and federal officials contend that federal funding will increase compared to state funding as CERP projects move beyond design into construction. Still others question whether the federal government should maintain the current level of funding, or increase its commitment, because of escalating costs and project delays.

**Concerns Over Phosphorus Mitigation.** Since FY2004, Interior appropriations laws have conditioned funding for the Modified Water Deliveries Project based on meeting state water quality standards. Funds appropriated in the laws and any prior laws for Mod Waters would be provided *unless* administrators of four federal departments/agencies (Secretary of the Interior, Secretary of the Army, Administrator of the EPA, and the Attorney General) indicate in their joint report that water entering the A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park do not meet state water quality standards, and the House and Senate committees on Appropriations respond in writing disapproving the further expenditure of funds. These provisions were enacted based on concerns regarding a Florida state law (Chapter 2003-12, enacted on May 20, 2003) that amended the Everglades Forever Act of 1994 (Florida Statutes §373.4592) by authorizing a new plan to mitigate phosphorus pollution in the Everglades. Phosphorus is one of the primary water pollutants in the Everglades and a primary cause for ecosystem degradation. Provisions conditioning funds on the achievement of water quality standards were not included in the Administration's request for FY2008. However, they were included in the House-passed bill and the Senate Committee bill.

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

CRS Report RS22048. *Everglades Restoration: The Federal Role in Funding*, by Pervaze A. Sheikh and Nicole T. Carter.

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

CRS Report RL32131. *Phosphorus Mitigation in the Everglades*, by Pervaze A. Sheikh and Barbara A. Johnson.

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

## Climate Change

**Overview.** Climate change due to emissions of greenhouse gases (GHG) by human activities has drawn the attention of Congress as scientific understanding of the causes, extent, and impacts has grown. Several major scientific reports<sup>47</sup> have concluded that:

- “Warming of the climate system is unequivocal.”
- Elevated GHG concentrations are likely responsible for a major portion of the observed global temperature increase since the 1970s.
- Human activities are principally responsible for the increase of CO<sub>2</sub> and other GHG concentrations since the Industrial Revolution.
- Effects of observed climate change are visible in many physical and ecological systems, including melting of glaciers, sea ice and permafrost, altered animal behaviors, and species extinctions.
- Based on plausible future greenhouse gas scenarios, global average temperatures could rise from current levels at least 1.5°C (2.7°F) to 5°C (9°F) by 2100, with some benefits and many risks to ecological and human systems.

The growing scientific consensus has, in turn, increased interest from many groups and foreign countries for Congress to take stronger action to reduce greenhouse gas emissions and the risks of impacts of climate change. However, a small minority of scientists dissent from this view, and a broad group of interests are concerned that the risks may not merit the high costs they expect of abatement policies.

In the federal government, activities explicitly to address climate change are funded in 13 agencies, including four agencies within the Interior, Environment, and Related Agencies appropriations: the U.S. Geological Survey (USGS), Environmental Protection Agency (EPA), Forest Service (FS), and Smithsonian Institution (SI). For FY2007, total federal appropriations for climate change were \$5.55 billion. The vast majority of funds supported scientific and technological research, while a small portion was dedicated to encouraging businesses and other entities to adopt the least emitting and/or most efficient technologies, or to supporting international negotiations and cooperation. Out of the total, an estimated \$175 million was appropriated for FY2007 for climate change activities in the four agencies funded by Interior appropriations.<sup>48</sup> This was approximately 3% of government-wide, climate-related appropriations. The \$175 million included \$121 million for EPA and \$26 million for USGS.

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<sup>47</sup> Among the most recent and authoritative reports are the Intergovernmental Panel on Climate Change — Working Group I. 2007. *Climate Change 2007: The Physical Basis*. Cambridge, UK: Cambridge University Press. [<http://ipcc-wg1.ucar.edu/>] and Working Group II. *Climate Change 2007: Impacts, Adaptation and Vulnerability*. Cambridge, UK: Cambridge University Press. [<http://www.ipcc-wg2.org/>]. The points bulleted in the text come from these two ICC reports.

<sup>48</sup> U.S. Office of Management and Budget, *Federal Climate Change Expenditures Report to Congress*, Washington, DC (2007) [[http://www.whitehouse.gov/omb/legislative/fy08\\_climate\\_change.pdf](http://www.whitehouse.gov/omb/legislative/fy08_climate_change.pdf)].

**FY2008 Funding.** The President's request for climate change activities in the Interior appropriations bill was \$176 million for FY2008, an increase of \$1 million over FY2007 enacted.<sup>49</sup> The House Appropriations Committee's report identified \$266 million for climate change activities in FY2008 (H.Rept. 110-187, p. 5), including increases over the request of \$82 million for the EPA and of \$10 million for USGS. (See **Table 24**, below — small differences from Committee reports may be due to rounding).

The Senate Appropriations Committee increased the climate-related appropriations to \$179 million for these four agencies, \$3 million over the request.<sup>50</sup> The Senate Committee bill reduced EPA funding from FY2007 by \$3 million, as requested by the President. For FS climate change activities, the Administration proposed an increase from FY2007 of \$3 million, while the Senate Committee provided an increase of \$5.5 million. The House Appropriations Committee's report does not address FS funding for climate change.

The appropriations in both the House bill and the Senate Committee bill maintained the large emphasis on funding for scientific and technological research. However, the House-passed bill contained funding for a new Commission on Climate Change Adaptation and Mitigation within EPA, to recommend and boost funding for scientific activities. The House bill also contained funding for EPA to develop regulatory frameworks to mitigate greenhouse gases and to protect health and safety from underground injection of carbon dioxide — a technology being developed at large scale to geologically sequester CO<sub>2</sub> rather than allow it to be emitted from large, fossil fuel combustion facilities. The FY2008 House-passed bill included Sense of the Congress language concerning the risks of climate change and the recommendation to limit greenhouse gas emissions. These issues are discussed in more detail below.

**House Bill.** The House-passed bill would establish a two-year Commission on Climate Change Adaptation and Mitigation within the EPA (with \$50.0 million in a new account). The Commission would be composed of nine heads of federal science agencies, including the President of the National Academy of Sciences as chair, plus six additional members to be selected by the chair. The Commission would be charged with identifying and initiating specific steps to address the science challenges related to climate change adaptation and mitigation. The first set of recommendations for research is due in early 2008, to enable the proposed appropriations of \$45.0 million to be transferred by EPA to science agencies no later than July 1, 2008. The House Appropriations Committee's report directed the Commission to provide a second set of research recommendations by March 30, 2009 (H.Rept. 110-187, p.101). The Commission would terminate September 30, 2009, following submission of a report to Congress on implementation of its recommendations. The appropriation included

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<sup>49</sup> OMB, *op. cit.*, 2007.

<sup>50</sup> Where the House or Senate Committee bills do not specify any change for climate change activities, this report assumes that they provide appropriations for FY2008 at the level of the request. Where the House or Senate Appropriations Committee reports do not specify the FY2007 appropriations or President's request, this report uses the data provided by the White House in OMB, *op. cit.* (2007).

\$5.0 million for EPA to support the Commission, both through direct provision of staff, and a contract with the National Academies of Science.

An amendment to strike the Commission on Climate Change Adaptation and Mitigation was offered in the House, on the grounds that it constituted authorization in an appropriations bill and duplicated the purpose of another bill (H.R. 906). The amendment was rejected. Proponents of the amendment asserted that the Commission would provide recommendations to the science agencies regarding scientific challenges and underscore the importance of strengthening research.

In other provisions, the House Committee report directed EPA to use funds for regulatory development to help mitigate greenhouse gases in two specific areas: (1) to take actions towards proposing and publishing regulations to reduce GHG emissions (H.Rept. 110-187, p. 102-103); and (2) to develop a regulatory framework to protect against “safety and permanence” risks associated with underground injection of carbon dioxide (H.Rept. 110-187, p. 107). The House bill included not less than \$2 million for EPA to begin the regulatory framework to reduce greenhouse gases. In support of this provision, the House Committee report cited the Supreme Court decision, *Massachusetts et al. V. EPA et al.*, which found that regulation of carbon dioxide as a pollutant is authorized by the Clean Air Act Amendments of 1990. The Senate Committee bill similarly set aside no less than \$2 million for regulatory development but with a slightly different purpose: to develop and publish a rule for mandatory reporting of GHG emissions in all sectors.

The House did not specify the level of funding for developing a regulatory framework for underground injection of carbon dioxide, under the authority of the Safe Drinking Water Act. The House Committee report stated that EPA should expect to testify on the underground injection matter in appropriations hearings for FY2009 (H.Rept. 110-187, p. 107). On a related regulatory question, the House Committee report stated its expectation that EPA issue its decision no later than December 31, 2007 on the California petition for a waiver, under §209(b) of the Clean Air Act, to allow enactment of state car emissions standards to reduce greenhouse gases from vehicles by 30% by 2016 (H.Rept. 110-187, p. 100). The Senate Committee report did not address this activity.

The House-passed bill also included *Title V — Global Climate Change*, expressing the Sense of the Congress that there should be enacted comprehensive and effective, mandatory, market-based limits and incentives to slow, stop and reverse the accumulation of GHG concentrations in a manner that “(1) will not significantly harm the United States economy; and (2) will encourage comparable action by other nations....” It is based on congressional findings that “(1) greenhouse gases accumulating in the atmosphere are causing average temperatures to rise at a rate outside the range of natural variability and are posing a substantial risk.... (2) there is a growing scientific consensus that human activity is a substantial cause of greenhouse gas accumulation in the atmosphere; and (3) mandatory steps will be required to slow or stop the growth of greenhouse gas emissions into the atmosphere.” On the House floor, one amendment proposed to strike the Sense of Congress and insert language instructing that “no federally-mandated steps should be taken to mitigate global climate change if those steps would harm American consumers, workers, or businesses in any way.” This amendment was disallowed on a point of order that it constituted

legislation in an appropriations bill, contravening existing authority. The House-passed language nearly duplicates the Sense of the Senate language approved by the Senate to H.R. 6 (109<sup>th</sup> Congress) and is identical to language included in the House Appropriations Committee's reported version of the FY2007 Interior appropriations bill (H.R. 5386).

**Forest Service.** The Senate Committee report added \$2.5 million to the President's request for climate-related research in the FS Forest and Rangeland Research account. This suggests an overall increase for the FS of about \$6 million over the FY2007 appropriation for climate. The Senate Committee report directed the FS to use the increase "to develop forest management techniques that adapt to and mitigate the effects of climate change, particularly in those geographic regions of the United States where forest lands are most at risk. Within 60 days of enactment, the Committee directs the Forest Service to submit a proposed work plan that details the planned work and accomplishments with this increased funding and the other base climate change resources" (S.Rept. 110-91, p. 72).

**Smithsonian Institution.** For the Smithsonian Institution, neither the House nor the Senate Committee reports mentioned the \$6 million enacted in FY2007 for climate change science research, also in the President's request for FY2008. In **Table 24**, the totals for climate change funding in the House-passed and Senate Committee bills assume that the appropriations remain constant at the FY2007 enacted and FY2008 requested levels.

**Table 24. Appropriations for Climate Change Activities,  
FY2007-FY2008**  
(\$ in millions)

Climate Change Activities	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>Department of Interior</b>				
<b>U.S. Geological Survey</b>				
<i>Surveys, Investigations and Research<sup>a</sup></i>	26	27	37	NA
<b>Environmental Protection Agency</b>				
<i>Science and Technology, of which:</i>	29	30	52	32
— Climate Protection <sup>b</sup>	13	13	19	13
— Clean Air (Global Change) <sup>c</sup>	16	17	33	19
<i>Commission on Climate Change</i>	0	0	50	0
<i>Adaptation and Mitigation<sup>d</sup> of which:</i>				
— To be transferred in FY2008 to climate science agencies	0	0	45	0
— Support costs of the Commission	0	0	5	0
<i>Environmental Programs and Management, of which:</i>	92	88	98	86
— Air Toxics and Quality: <sup>e</sup> "GHG regulation development"	0	0	2	2
— Energy Star voluntary program	46	44	52	44
— Asia-Pacific Partnership	5	5	3	3

<b>Climate Change Activities</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>FY2008 House Passed</b>	<b>FY2008 Senate Comm.</b>
— Water: Human Health Protection: Underground Injection of Carbon Dioxide <sup>f</sup>	NA	NA	NA	NA
— Methane-to-Markets Program	4	4	13	4
<b>Environmental Protection Agency Total</b>	<b>121</b>	<b>118</b>	<b>200</b>	<b>118</b>
<b>U.S. Department of Agriculture</b>				
<b>Forest Service</b>				
<i>Forest and Rangeland Research (science)<sup>g</sup></i>	19	19	NA	22
<i>Forest Service R&amp;D - Inventories of Carbon Biomass</i>	1	1	NA	NA
<i>Biofuels/Biomass, Forest and Rangeland Research (technology)</i>	2	5	NA	NA
<b>U.S. Forest Service Total<sup>g</sup></b>	<b>22</b>	<b>25</b>	<b>25</b>	<b>28</b>
<b>Smithsonian Institution<sup>h</sup></b>	<b>6</b>	<b>6</b>	<b>NA</b>	<b>NA</b>
<b>Total Climate Change Activities in Interior, Environment and Related Agencies<sup>i</sup></b>	<b>175</b>	<b>176</b>	<b>267</b>	<b>179</b>

**Note:** NA = Not Available

- a. The House bill included an increase of \$10 million for “global climate change research” by USGS scientists. This table reflects these funds as added to the President’s request for FY2008, as represented in the White House report, OMB, *Federal Climate Change Expenditures Report to Congress* (May, 2007). OMB is the source of the data in this table for USGS for FY2007 enacted and the President’s FY2008 request.
- b. The House Committee report expected not less than \$9 million of this program to be available for research and engineering in the Clean Automotive Technology Program, and increased the account by \$5.7 million over FY2007 enacted for that purpose (H.Rept. 110-187, p. 97).
- c. The House Committee report allows EPA to use a portion of the \$16.4 million increase over the President’s request in the Science and Technology account, Research: Clean Air program to be used for further research or technology testing that may be required to promulgate a regulation to control greenhouse gas emissions (H.Rept. 110-187, p. 98). (See footnote e.)
- d. The House bill established a Commission on Climate Change Adaptation and Mitigation, as a new separate account, within the EPA. The Commission is to expire on September 30, 2009.
- e. The House-passed bill set aside no less than \$2.0 million in FY2008 that may only be used to begin to promulgate a regulation to control greenhouse gas emissions. The Senate Committee bill similarly set aside no less than \$2 million for regulatory development but to develop and publish a rule for mandatory reporting of GHG emissions in all sectors. The Senate Committee report also recommended approximately \$2 million for research to support future rulemaking on greenhouse gas reduction (S.Rept. 110-91, p. 53).
- f. The House Committee report recommended that funds provided to EPA be used in part to analyze safety and permanence issues associated with underground injection of carbon dioxide, and to develop a regulatory framework for how the associated risks might be minimized (H.Rept. 110-187, p. 107). The Senate Committee report did not address this activity.
- g. The Senate Committee report recommended an increase of \$2.5 million to expand the FS Forest and Rangeland climate science research program. Because the climate change program is below the account level and the total is not specified in the Senate Committee report, this table shows the increase to the President’s request for science research as reported by the White House in OMB, op. cit. (2007). The data for the President’s request and the FY2007 appropriations for FS are from OMB, op. cit. (2007).
- h. Funding for climate change research in Smithsonian Institution appropriations occurs below the account level. Neither the House nor the Senate Committee reports identify changes to the President’s request specifically for climate change activities.

- i. The House Committee report states that it “provides \$266 million for various climate change activities throughout the bill, an increase of \$94 million over the 2007 level” (H.Rept. 107-187, p. 5). The difference for the total climate-related spending between the House and the CRS totals for FY2008 may be rounding error, as it is not discernible from available sources.

CRS Report RL34067. *Climate Change Legislation in the 110<sup>th</sup> Congress*, by Jonathan L. Ramseur and Brent D. Yacobucci.

CRS Report RL33849. *Climate Change: Science and Policy Implications*, by Jane A. Leggett.

CRS Report RL33801. *Direct Carbon Sequestration: Capturing and Storing CO<sub>2</sub>*, by Peter Folger.

CRS Report RS22665. *The Supreme Court’s Climate Change Decision: Massachusetts v. EPA*, by Robert Meltz.

**Table 25. Appropriations for Interior, Environment, and Related Agencies, FY2004-FY2008**

(\$ in thousands)

Bureau or Agency	FY2004 Approp.	FY2005 Approp.	FY2006 Approp. <sup>g</sup>	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
<b>Title I: Department of the Interior</b>							
Bureau of Land Management	1,893,233	1,816,910	1,757,188	1,872,047	1,822,029	1,853,029	1,888,736
U.S. Fish and Wildlife Service	1,308,405	1,332,591	1,307,639	1,338,109	1,286,769	1,417,120	1,380,857
National Park Service	2,258,581	2,365,683	2,255,768	2,299,960	2,363,784	2,513,172	2,461,419
U.S. Geological Survey	937,985	944,564	961,675	988,050	974,952	1,032,764	1,009,933
Minerals Management Service	170,297	173,826	158,294	159,515	161,451	66,955	166,351
Office of Surface Mining Reclamation and Enforcement	295,975	296,573	294,228	294,591	168,295	170,111	174,295
Bureau of Indian Affairs	2,300,814	2,295,702	2,274,270	2,308,304	2,228,890	2,346,940	2,265,698
Departmental Offices <sup>a</sup>	460,859	496,837	527,656	514,873	478,657	486,681	486,302
Departmental-Wide Programs <sup>b</sup>	221,815	232,542	248,254	248,286	228,418	268,854	285,851
<b>Total Title I</b>	<b>9,847,964</b>	<b>9,955,228</b>	<b>9,784,972</b>	<b>10,023,735</b>	<b>9,713,245</b>	<b>10,155,626</b>	<b>10,119,442</b>
<b>Title II: Environmental Protection Agency</b>	<b>8,365,817<sup>d</sup></b>	<b>8,026,485</b>	<b>7,617,416</b>	<b>7,725,130</b>	<b>7,199,400</b>	<b>8,090,915</b>	<b>7,772,928</b>
<b>Title III: Related Agencies</b>							
U.S. Forest Service <sup>e</sup>	4,939,899	4,770,598	4,200,762	4,706,149	4,126,873	4,577,514	4,549,543
Indian Health Service	2,921,715	2,985,066	3,045,310	3,180,148	3,270,726	3,384,427	3,367,399
National Institute of Environmental Health Sciences	78,309	79,842	79,108	79,117	78,434	79,117	78,434
Agency for Toxic Substances and Disease Registry	73,034	76,041	74,905	75,212	75,004	75,212	75,004
Council on Environmental Quality and Office of Environmental Quality	3,219	3,258	2,677	2,698	2,703	2,703	2,703
Chemical Safety and Hazard Investigation Board	8,648	9,424	9,064	9,113	9,049	9,549	9,049
Office of Navajo and Hopi Indian Relocation	13,366	4,930	8,474	8,509	9,000	9,000	9,000
Institute of American Indian and Alaska Native Culture and Arts Development	6,173	5,916	6,207	6,207	7,297	7,297	7,297
Smithsonian Institution	596,279	615,158	615,097	634,895	678,447	652,395	696,705
National Gallery of Art	98,225	102,654	111,141	111,729	116,000	119,867	119,735
John F. Kennedy Center for the Performing Arts	32,159	33,021	30,347	30,389	39,350	43,350	43,350
Woodrow Wilson International Center for Scholars	8,498	8,863	9,065	9,100	8,857	10,000	9,718
National Endowment for the Arts	120,972	121,264	124,406	124,562	128,412	160,000	133,412
National Endowment for the Humanities	135,310	138,054	140,949	141,105	141,355	160,000	146,355
Commission of Fine Arts	1,405	1,768	1,865	1,873	2,092	2,092	2,192
National Capital Arts and Cultural Affairs	6,914	6,902	7,143	7,143	—	10,000	7,200
Advisory Council on Historic Preservation	3,951	4,536	4,789	4,828	5,348	5,348	5,348
National Capital Planning Commission	7,635	7,888	8,123	8,168	8,265	8,265	8,265
U.S. Holocaust Memorial Museum	39,505	40,858	42,150	42,349	44,996	44,996	45,496
Presidio Trust	20,445	19,722	19,706	19,706	18,450	22,400	18,450
White House Commission on the Natl. Moment of Remembrance	—	248	247	247	200	200	200



Bureau or Agency	FY2004 Approp.	FY2005 Approp.	FY2006 Approp. <sup>g</sup>	FY2007 Approp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Comm.
Dwight D. Eisenhower Memorial Comm.	—	—	—	—	5,000	—	—
<b>Total Title III</b>	<b>9,115,661</b>	<b>9,036,011</b>	<b>8,541,535</b>	<b>9,203,247</b>	<b>8,775,858</b>	<b>9,383,732</b>	<b>9,334,855</b>
<i>[Title IV: Veterans' Health]</i>	—	—	<i>[1,500,000]</i>	—	—	—	—
<i>[Title IV: Secure Rural Schools]</i>				<i>[425,000]</i>			
Undistributed Reductions	—	—	1,768	—	—	—	—
<b>Grand Total (in Bill)<sup>c</sup></b>	<b>27,329,442</b>	<b>27,017,724</b>	<b>25,942,155<sup>f</sup></b>	<b>26,952,112<sup>h</sup></b>	<b>25,688,503</b>	<b>27,631,273<sup>i</sup></b>	<b>27,186,125<sup>j</sup></b>

**Source:** House and Senate Appropriations Committees.

- a. The Departmental Offices figure currently includes the Office of the Secretary, Insular Affairs, Office of the Solicitor, Office of Inspector General, and Office of Special Trustee for American Indians.
- b. The Departmental-Wide Programs figure currently includes the Payments in Lieu of Taxes Program (PILT), Central Hazardous Materials Fund, Natural Resource Damage Assessment Fund, and Working Capital Fund.
- c. Figures generally do not reflect scorekeeping adjustments.
- d. Derived from the report of the House Appropriations Committee on H.R. 5041 (H.Rept. 108-674).
- e. The FY2005 figure excludes \$40.0 million in transferred funds from the Department of Defense (§8098, P.L. 108-287).
- f. The total does not reflect a \$1.50 billion in emergency appropriations for veteran's health. The total does reflect undistributed reductions which are not included in the individual agency figures in the column.
- g. Supplemental appropriations are not reflected in this column.
- h. The total does not reflect \$425.0 million in emergency appropriations for Secure Rural Schools.
- i. The total reflects a \$1.0 million increase from FS rights of way.
- j. The total reflects a reduction for MMS state royalty costs, and increases from FS marina fees and FS rights-of-way.

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