

**VIEWS AND ESTIMATES
OF THE
COMMITTEE ON NATURAL RESOURCES
FOR FY 2009**

INDIAN AFFAIRS

Each year the Federal government appropriates funds for American Indians and Indian tribes based on numerous treaties signed between the United States and Indian tribes, as well as statutes passed by Congress, and Supreme Court holdings. In nearly every treaty, Indian tribes gave up lands in return for goods, services, and binding legal agreements that tribes would retain sovereign authority within their reservation boundaries and would receive funds in perpetuity from the Federal government.

Indian Health Service

The President's FY 2009 budget request for the Indian Health Service (IHS) is \$3,324,862,000 in discretionary budget authority—a decrease of \$21,317,000 below the FY 2008 enacted funding level. The FY 2009 budget makes no additional investment in health care services for reservation Indians and flat funds IHS programs at last year's appropriated levels. The Indian population is increasing at a rate of 1.7 percent each year, which translates to an estimated 70,000 new patients entering the IHS system annually. The Committee supports funding the IHS at \$3.8 billion in FY 2009 to maintain existing services and accommodate population growth.

Approximately 600,000 American Indians are served by IHS urban clinics. The Administration has zeroed out funding for this important faction even though close to 70% of American Indians are considered to be living in urban areas. The Committee strongly recommends restoring funding of \$34,547,000 for urban Indian health care and adding an additional \$50 million to begin to close the gap in funding for Urban programs.

There is a backlog of need for sanitation facilities throughout Indian country of \$1 billion. The President has requested a mere \$94 million for sanitation facilities for FY 2009. The Committee supports increased funding for sanitation facilities to \$200 million for FY 2009 with the understanding that healthy communities must have safe and clean sanitation facilities.

Health Care Facilities Construction includes construction of new facilities, such as inpatient hospitals, outpatient hospitals, and staff quarters for health professionals, regional treatment centers and joint venture construction programs. It also includes the small ambulatory program and the construction of dental facilities. These elements constitute the entire physical infrastructure of the health care delivery system in American Indian and Alaska Native communities. Funding for construction of new health facilities in the President's FY 2009 budget request is decreased by \$20.8 million. The Committee supports funding Health Care Facilities Construction at \$46 million.

The purpose of Alcohol and Substance Abuse Program is to raise the behavioral health status of American Indians/Alaska Natives to the highest possible level through the provision of preventive and treatment services at both the community and clinic levels. These programs provide alcohol and substance abuse treatment and prevention services within rural and urban communities, with a focus on holistic and culturally-based approaches. The President's FY 2009 Budget request decreased funding for Alcohol and Substance Abuse by \$11.3 million. The Committee supports restoring funding for Alcohol and Substance Abuse to the FY 2008 enacted amount.

Bureau of Indian Affairs

The FY 2009 budget request for the BIA is \$2.2 billion which is nearly \$100 million or 4.4 percent below the FY 2008 enacted level. Considering the vast needs of Indian Country including housing, school and road construction, land consolidation and law enforcement, the Committee strongly supports funding the BIA at \$2.5 billion.

The Committee supports the President's "Safe Indian Communities Initiative" which is designed to address the crisis of methamphetamine in Indian country. The goals of this initiative, including additional law enforcement officers and better training to combat production and distribution are laudable. However, the Committee is concerned that the request for \$26.6 million to carry out the initiative may be inadequate.

General welfare assistance addresses the basic needs of children, the elderly and adult heads of household who either have no access to or do not meet the eligibility criteria for welfare benefits from any other county, State, or Federal welfare program. The President's budget cuts general welfare assistance - used to help improve the living conditions of desperately poor Indian families and children - by \$22 million. The Committee strongly supports restoring funding for general welfare assistance and an additional \$53 million.

It is estimated that more than 11 percent of Native American homes lack plumbing; compared to 1.2 percent of the rest of the Nation and that one in five Native Americans live in overcrowded homes. Yet the proposed budget eliminates the Housing Improvement Program (HIP) which helps the neediest of Native communities, tribal elders and low income people. The HIP assists 375 families annually and their grants are often no greater than \$1,500. Funding levels for prior years were \$19 million. This small program has been extremely successful in helping tribal members address all sorts of housing problems and the Committee strongly supports funding for the Housing Improvement Program at \$25 million.

An Inspector General Report was released last year detailing the dangerous conditions of several BIA-funded schools. Despite the desperate need to renovate these schools, the President has proposed a \$10.5 million cut to the Education Facilities Improvement and Repair Program. The Committee strongly supports funding for the Education Facilities Improvement and Repair Program by \$15 million over the President's request.

The Department of the Interior intends to reduce the Bureau of Indian Affairs Road Maintenance budget by \$13 million, or 50 percent. Maintenance funding for Indian reservation roads has been chopped in half for FY 2009. Indian reservation roads consist of 82,000 miles of public roads, of which the BIA is responsible for 27,000 miles. Of the 27,000 miles that the BIA oversees, 20,450 miles are currently unpaved. The Committee strongly supports restoring funding for Road Maintenance.

Under the President's proposed FY 2009 budget, Tribal Priority Allocations (TPA) would decline 8.3 percent. These funds are vital to Indian tribes as it allows for tribal governments to use the funding for specific tribal priority matters. Over the last decade, TPA remained flat and lost significant ground to inflation and population increases. The Committee supports funding TPA at \$852 million.

The FY 2009 Request proposes a total of \$141.8 million for the programs administered in the Trust-Natural Resource Management account, a \$5.3 million decrease from FY 2008 enacted levels. These programs assist Indian tribes in the management, development, and protection of Indian trust land and trust resources and fund a variety of activities, ranging from Indian energy development to natural resources law enforcement. Significant decreases are proposed for the Rights Protection Implementation (-\$3.3 million) and Tribal Management/Development programs (-\$2.2 million), both of which provide Indian tribes with critical funding needed to carry out management responsibilities for fish, wildlife, and related tribal hunting and gathering activities under treaties or other agreements with the United States. The Request also proposes a \$978,000 decrease to the Endangered Species program, in addition to reductions to other programs administered in this account that relate to trust resources.

The Committee opposes the Administration's proposed \$5.3 million decrease and instead recommends a \$22 million increase for the Trust-Natural Resources Management account. The proposed reductions would directly and negatively impact management of tribal natural resources, one of the linchpins of the United States' trust responsibility to Indian tribes. The Committee is also concerned that the reductions target programs that have successfully allowed Indian tribes and tribal organizations to contract for or otherwise assume a more direct role in the management of tribal trust resources.

Office of Special Trustee

The FY 2009 budget request proposes eliminating the Indian Land Consolidation program in the Office of the Special Trustee budget. The justification for the proposed elimination is that the program has done little to reduce fractionation and the Department will instead work with the Office of Management and Budget (OMB), Indian tribes, and Congress to develop an alternative approach. The justification also notes that the Department is forming a work group that will recommend other options to resolve the issues. The costs to the Department of administering fractionated trust lands are substantial and continue to increase as lands become more fractionated. The Committee strongly supports restoring funding for the Indian Land Consolidation program and

believes this program needs to continue to chip away at the problem until a better solution is found.

On January 30, 2008, Federal Judge James Robertson declared a historical accounting of the Indian trust “impossible.” This decision came after years of litigation and countless debates in Congress. The judge stated that the Department of the Interior would be unable to perform an adequate accounting of the Individual Indian Money (IIM) trust. The FY 2008 enacted amount for the Office of Historical Accounting was \$55.5 million and the FY 2009 budget request is \$56.4 million. The Committee believes this \$112 million should not be wasted on an impossible task and instead these monies should be divided among Tribal Priority Allocations, road maintenance, and contract support costs for self governance tribes.

INSULAR AFFAIRS

The Territorial Clause of the Constitution provides the Congress with powers to “dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States...” The enactment of certain Federal laws has provided the Secretary of the Interior with the authority to carry out functions to improve the economic and political development of the U.S. territories of the Virgin Islands (USVI), Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI). Congress makes annual appropriations available to the Interior Department’s Office of Insular Affairs to assist in their mission to help the aforementioned U.S. territories. Additionally, annual appropriations for three former U.N. Trust Territories of the Pacific Islands; whose political relationship and funding agreements are governed under Compacts of Free Association; are carried out through the Department of the Interior’s Office of Insular Affairs

Administration of Territories

The U.S. insular areas other than Puerto Rico (American Samoa, Guam, the CNMI and the USVI) are provided special assistance through Administration of Territories appropriations. This Department of the Interior account also funds technical assistance to these areas, as well as the three freely Associated States (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (RP).

For Fiscal Year 2009, the President has proposed a budget of \$401.6 million, of which \$79.9 million is in current appropriations. This amount is \$3.3 million below the FY 2008 enacted amount. In general the Committee is supportive of this request; however, the Committee would recommend increasing the Technical Assistance account to further assist the Office of Insular Affairs (OIA) in implementing private sector economic development and promoting sound financial management practices in the insular governments. Additionally, the Committee feels strongly that the OIA should have additional funding to increase personnel at the CNMI Ombudsman office. The

Committee recognizes that the Ombudsman's office is best situated to assist non resident guest workers with outstanding claims against CNMI employers and resolving such claims is necessary prior to the extension of U.S. immigration laws to the CNMI.

Territorial Assistance

The Office of Insular Affairs is intended to be the Executive Branch's primary agency for matters concerning all of the insular areas other than Puerto Rico. It is charged with providing financial and technical assistance to these areas and it is expected to be an expert on and advocate for them within the Executive Branch.

The Committee continues to acknowledge and support recommendations made by the Interior Department's Inspector General (IG) in 2007 and the Government Accountability Office (GAO) that a more coordinated effort should be made between the OIA and other federal grant-making agencies on issues of common concern relating to insular governments. Some of the ongoing concerns are single audit reports, high-risk designations, and deficiencies in financial management systems and practices.

The technical assistance program is one of OIA's most useful programs because it provides insular governments with relatively small amounts of assistance for projects of all kinds on a discretionary basis. The program allows each government to identify pressing needs and priorities and develop action plans to mitigate these problems which OIA then funds. A major focus the program has been to help insular governments to improve the productivity and efficiency of government operations.

The Committee supports an increase of \$4 million to OIA's Technical Assistance account to provide more assistance in helping insular governments establish sound financial management systems, improve accounting systems, and promote stable economic development.

The Pacific Islands Committee (PIC) of the Judicial Council of the Ninth Circuit's assessment of the education and training needs for judges and court personnel benefits the U.S. Territories of Guam, the CNMI, and American Samoa, as well as the freely associated State of Palau. The program strengthens all aspects of each respective judiciary by providing a more competent, stable, and fair judicial system. Congress has supported funding for this initiative in Fiscal Years 2005 through 2008. The Committee strongly agrees with the recommendations of the PIC and supports an increase of \$320,000 for this initiative.

The 177 Healthcare Program created under the Compact of Free Association with the Republic of the Marshall Islands (P.L. 99-239), serves the communities from the four atolls of Enewetak, Utrok, Rongelap, and Bikini exposed to fallout from the U.S. thermonuclear weapons testing program in the mid-1950's.

The U.S. Administration has previously taken the position that nuclear compensation issues should be addressed separately from other assistance programs and

in the context of the Marshall Island's petition to Congress for additional nuclear claims compensation. Congress has supported a temporary extension of the 177 Healthcare Program in Fiscal Years 2005 – 2008 pending Congress's consideration and resolution of such matters. The Committee supports providing \$2 million to continue the 177 Healthcare Program.

American Samoa Government Operations

The President's budget proposes maintaining American Samoa's government (ASG) operations grant at a constant level, requiring American Samoa to absorb costs of inflation or costs associated with their growing population.

American Samoa, like the other territories, is facing serious economic challenges. The department's own budget justifications acknowledge that the two tuna canneries that account for 80 percent of the private-sector economy are coming under increasing pressure from changes to international trade and tariff policies and the recent enactment of a federal minimum wage schedule.

The Committee continues to recognize that the American Samoa government is working towards establishing a healthy financial position under the Revised Fiscal Reform Plan and the August 2002 Memorandum of Understanding between Governor Tauese P. Sunia and DOI Deputy Assistant Secretary David B. Cohen. Continued pressures on the local government should be considered in deciding which government, ASG or the U.S., should bear the increased costs in American Samoa's operating budget attributed to inflation or population growth.

Covenant Grants

The law that approved the Covenant that established the political union between the United States and the CNMI committed the Federal government to provide the commonwealth with assistance for operating government, capital and economic development for seven years. It also contemplated further multi-year assistance based upon consultations between representatives of the President and the CNMI Governor prior to the end of every multi-year period. Beginning in Fiscal Year 1992, this law required an amount of \$27.72 million be provided annually until another law on the matter was enacted.

In 1996, Public Law 104-134 reduced the annual funding to the CNMI and allocated the remaining funds for use throughout the U.S. insular areas. Each of the territories received funding through this mandatory Covenant appropriation to fund Capital Improvement Projects (CIP). Beginning in Fiscal Year 2005, OIA implemented a competitive allocation system for the \$27.72 million mandatory Covenant CIP grants, based on a premise that all funds will be used for capital improvement needs in the U.S. territories. The new process offers the U.S. insular area governments the opportunity to compete each year for a portion of the guaranteed funding in addition to other assistance for local funding that might be available.

The Committee believes that maximum consideration for funding should be given to those governments that are under federal court orders and consent decrees for compliance or violations of federal environmental laws. Additionally, the Committee has growing concerns that a significant amount of CIP funding appropriated in previous fiscal years remains either unspent or unobligated.

Compacts of Free Association

Funding to the FSM, RMI and RP are almost entirely met through permanent indefinite or mandatory appropriations. The Committee supports the President's requests for the mandatory and other Federal services requests in accordance with the different negotiated agreements.

The Compact Amendments Act (CAA) (P.L. 108-188) provided mandatory funding for the Enewetak Food and Agriculture Program (EFAP). The Enewetak Atoll was the site for 43 nuclear tests carried out by the United States in the 1950's. Partial resettlement of the Enewetak people has occurred; however, more than half of the atoll remains contaminated by radiation. In Fiscal Years 2005 - 2007, Congress added close to \$500,000 more to the mandatory funding provided for in the CAA which has allowed the EFAP to keep up with inflation. The Committee requests the same funding for Fiscal Year 2009 to cover inflationary costs.

NATIONAL PARKS, FORESTS AND PUBLIC LANDS

National Park Service

Overview

Founded in 1916, the National Park Service (NPS) manages 391 park units encompassing more than 84 million acres in 49 states, five insular areas and the District of Columbia. The agency expects to employ 21,649 full-time employee equivalents in 2009. According to NPS figures, more than 274 million people visited the National Parks in 2007.

The Administration is requesting \$2.4 billion for the National Park Service in Fiscal Year 2009, of which \$2.13 billion is for operation of the National Park System. This represents an increase of \$160.9 million over the FY 2008 enacted level for park operations – \$125.1 million in “new” money and \$35.8 million to cover increases in fixed costs. The request includes increases for each subaccount in the operations budget, including facilities maintenance and operations and the U.S. Park Police.

However, \$119 million, or more than 95 percent, of the “new” operations funding comes at the expense of reductions, compared to enacted levels, in non-operations accounts such as construction and major maintenance (-\$46 million), national recreation and preservation (-\$21 million) the Historic Preservation Fund (-\$4 million) and federal

land acquisition and assistance to states (-\$48 million), meaning this request would result in essentially flat funding for the NPS overall.

NPS Centennial Proposal

The Administration has proposed an initiative to mark the 100th anniversary of the National Park System in 2016 which includes \$1 billion in appropriated funds, \$1 billion in direct spending and \$1 billion in donated funds, all over ten years. For the second year in a row, the Administration points to the increase in requested funds for NPS operations as part of the initiative. Also like last year, however, the vast majority of the “increase” in operations funding comes at the expense of non-operations accounts, raising serious questions regarding the actual benefits of this spending plan.

Furthermore, this budget request again assumes enactment of legislation authorizing the direct spending. While the Natural Resources Committee continues to support this idea, and has long advocated for increased park funding, the Administration has yet to formally propose any offset for this spending, making its enactment difficult.

Maintenance Backlog

The Administration has never fulfilled its promise – made repeatedly during the President’s first term – to spend an additional billion dollars a year to retire the backlog of maintenance needs for National Park Service facilities. That backlog is now estimated by the National Parks Conservation Association (NPCA) at more than \$8 billion – or almost twice what it was when President Bush entered office. This budget request includes a seemingly generous \$712 million for park facility operations and maintenance but the maintenance backlog for Glacier National Park alone is estimated at more than \$250 million, according to NPCA.

Moreover, the proposed cuts to construction and major maintenance discussed above mean less funding to repair sewer systems, address asbestos and mold hazards and other safety needs, rehabilitate historic buildings, and remove dangerous debris, thus adding to the long-term maintenance backlog. The reduction in the construction budget would leave only \$5 million and 5 full time employees for the Housing Replacement Program, the account that pays for efforts to upgrade the disgraceful quarters offered to our national park rangers and seasonal employees. Two years ago, for FY 2007, Congress enacted a housing replacement budget of \$6.9 million and 15 full time employees.

Bureau of Land Management

Overview

The Bureau of Land Management (BLM) manages 258 million surface acres and approximately 700 million acres of subsurface minerals, predominantly located in 11

contiguous western states¹ and Alaska. These lands make up about 13% of the land mass of the United States and about 40% of the land managed by the Federal Government.

The BLM manages multiple resources and uses, including energy and mineral production, timber, grazing, public recreation, wild horse and burro herds, fish and wildlife habitat and wilderness areas as well as archaeological, paleontological, and historic sites. In addition, the BLM manages the National Landscape Conservation System, which includes National Conservation Areas, Wilderness, and 15 National Monuments.

For FY 2009 the Administration is requesting \$977.4 million for the BLM, a decrease of roughly \$30 million compared to the FY 2008 enacted level. This overall cut necessitates reductions in the requests for management of land resources (-\$5 million), recreation management (-\$8.7 million), and transportation and facilities maintenance (-\$12 million), among others.

Focus on Energy Development

One exception to this downward trend is the request for energy development on BLM lands. In the current fiscal year, Energy and Minerals Management is funded at roughly \$109 million, but for the upcoming fiscal year, the Administration proposes spending more than \$131 million, a 20% increase. By way of comparison, the enacted level for FY 2000 for these activities was \$74 million. Investigations by the Government Accountability Office and the Interior Inspector General have documented that this reprioritization of the BLM's focus toward energy development has limited the agency's ability to perform other aspects of its core mission. This is a multiple use agency with an obligation to manage our public lands for the benefit of all resources. Unfortunately, this budget request makes abundantly clear that, to this Administration, management of all other resources on public lands is subservient to energy development.

Healthy Lands Initiative

The BLM budget request includes \$14.9 million for the Healthy Lands Initiative (HLI), a 66% increase over current levels. HLI is described as a program to “conserve and restore vital habitats on a broad landscape scale in key geographic areas where land health has been damaged or is threatened by numerous natural and anthropogenic stresses, ranging from drought and wildfire to increased recreation and energy development.” However, to the extent that the damage addressed by this initiative was caused by increased energy development, the Committee wonders why such damage was not prohibited by the BLM in the first place or why those energy companies causing the damage are not required to pay for its remediation.

¹ These states are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Forest Service

Overview

Congress established the Forest Service (FS) as an agency within the U.S. Department of Agriculture in 1905. The FS manages 193 million acres of national forests and grasslands in 44 states, Puerto Rico and the Virgin Islands including a wide range of natural, recreational, and historical resources. These lands comprise 8.5% of the total land mass of the United States, an area approximately the size of Texas. The Forest Service is the largest forest research organization in the world and provides states, tribes, and private land owners with technical and financial assistance on forest matters.

The President's FY 2009 budget request for the FS totals \$4.109 billion in discretionary appropriations, a \$380 million decrease (8.5%) from current enacted levels. This request is irresponsibly low and, if enacted, would require a fundamental reorganization of the agency and re-examination of its mission. For example, under this request, the agency expects to cut more than 2,700 full-time-equivalent employees, or 8% of its workforce, compared to the FY 2008 enacted level.

Fire Spending

Spending related to fires continues to account for an ever-larger percentage of the FS budget. In 1991, wildland fire management was 13% of the overall FS budget; for FY 2009 it is expected to account for nearly half of the FS budget. The skyrocketing cost of fighting fires has forced drastic reductions in other FS accounts, a trend continued in this budget request.

State and Private Forestry

Shockingly, the Administration proposes to cut funding for State and Private Forestry (SPF) by 58% compared to current enacted levels. SPF programs provide technical and financial assistance to non-federal landowners and resource managers to protect communities from fire, disease, insects and invasive species. This proposed cut is unconscionable and amounts to the federal government pretending that the ravages of wildfire or insect infestation stop at the border between federal and non-federal lands. Such an abdication of responsibility for the health of neighboring lands would only exacerbate the threat of wildfire on all forest lands, regardless of ownership.

Land and Water Conservation Fund (LWCF)

Since 1965, the Federal LWCF program has provided essential funding for the acquisition of lands and waters to improve national parks, forests, wildlife refuges, and public lands. The program allocates a fraction of the enormous revenues generated by depletion of oil and gas resources in the Outer Continental Shelf to these purposes. Further, the Stateside LWCF program has provided states and localities with crucial funding to preserve open space and develop parks and recreational facilities.

Each year, approximately \$900 million is credited to the LWCF. The Fund is expected to end FY 2009 with a balance approaching \$17 billion. Inexplicably, the Administration's budget request includes only \$40 million for Federal LWCF programs and again proposes no funding for the Stateside program. This is a meager 4% of the revenue credited to the LWCF in the last fiscal year alone and only one quarter of one percent of the Fund balance. This request represents nothing less than the abandonment of this forty-three-year-old program and a full retreat from a presidential commitment to fully fund LWCF programs.

FISHERIES, WILDLIFE, AND OCEANS

National Oceanic and Atmospheric Administration (NOAA)

The challenges to the conservation and management of the world's oceans continue to grow. In 2003 and 2004, two national commissions, the Pew Oceans Commission and the Congressionally authorized U.S. Commission on Ocean Policy, released reports detailing the significant threats facing oceans and our coasts that must be addressed to assure the sustainability of an ocean economy that, according to the National Ocean Economic Program, generates more than \$130 billion and 2.3 million jobs annually¹. In late 2004, the two commissions formed one entity, the Joint Ocean Commissions Initiative (JOCI) to pursue their recommendations.

In the report to Congress in February 2006, the JOCI identified \$750 million in new and immediate funding needs--\$500 million of which was targeted at NOAA programs. As was the case last year, the budget proposed this year by the President for Fiscal Year 2009 continues to ignore that advice. Even though the Fiscal Year 2009 request of \$4.1 billion would increase overall NOAA funding over Fiscal Year 2008 enacted levels, the request actually cuts \$110 million (6.5%) from many of the ocean, coastal, fisheries and research areas for which JOCI recommended increases. The Committee considers this request insufficient and instead urges increased funding for NOAA's ocean, coastal and fisheries programs, to better address the challenges before us in protecting our oceans and the economic benefits they provide.

Operations, Research and Facilities (ORF) Accounts

National Ocean Service

The National Ocean Service (NOS) is the primary federal agency working to preserve America's coastal resources. The President's budget requests \$488 million for NOS programs, a \$48 million decrease over FY 2008 enacted levels. Of particular concern to the Committee is the continued erosion of funding for the Ocean Resources Conservation and Assessment accounts which show an aggregate cut of \$26 million from the Fiscal Year 2008 appropriation of \$183 million. This reduction and cuts to

¹ The National Ocean Economic Program, <http://noep.mbari.org>

navigation services again contrast sharply with recommendations to increase monitoring, observations and mapping programs at NOAA and other agencies.

Also of continued concern to the Committee are the inadequate requests to fund coastal management, coral reef conservation and the National Marine Sanctuary Program. The Administration claims to maintain level-funding for coastal management, yet eliminates all funding (\$4 million) for state grants to implement coastal polluted run-off programs and continues to pursue the implementation of an ill-advised, competitive process to award State management grants which is wholly inconsistent with purpose and intent of the underlying Federal/State partnership. In addition, the Administration's proposed \$5.9 million increase for the National Estuarine Research Reserves System (NERRS) is nothing more than a transfer of funds that support the Cooperative Institute for Coastal and Environmental Technology at the University of New Hampshire; no additional funding for NERRS operations is requested despite the likely addition of one or two new NERRS sites in Fiscal Year 2009.

The committee is very concerned that funding to support NOAA's coral reef conservation program would be cut by \$3.5 million (12%) from the \$29.2 million FY 2008 appropriation. In 2007, the House passed legislation reauthorizing the Coral Reef Conservation Act which authorized \$40 million for Fiscal Year 2009 to support NOAA's activities and the important work of the U.S. Coral Reef Task Force. At a time when it has become abundantly clear that climate change and other human-induced activities are dramatically affecting the present and future health of the world's coral reefs, cutting funding for this program is short-sighted.

We applaud the Administration for incorporating into its \$44.4 million request for the National Marine Sanctuary System the \$8 million in new funding provided by the Congress in FY 2008 for the Papahānaumokuākea Marine National Monument. However, funding for the 14 other sanctuaries responsible for the management of over 150,000 square miles of marine and Great Lakes waters and submerged resources would be cut by \$2.5 million. The harsh reality is that these cuts would likely force across-the-board cutbacks in enforcement, research, management and visitor service activities.

National Marine Fisheries Service (NMFS)

NMFS is responsible for the conservation and management of fisheries and other living marine resources within the U.S. Exclusive Economic Zone (EEZ). The President's budget requests an increase for the NMFS ORF accounts of \$15.9 million over the FY 2008 enacted level.

Relative to items funded under Protected Resources Research and Management Programs, the Committee is pleased to see the increase of \$1.5 million, with a total request of \$35 million, to conduct Protected Species Stock Assessments, as well as the \$1 million increase for the Marine Mammal Initiative. Less understandable is the proposed decrease for marine turtles (\$3.7 million less than the FY 2008 enacted level). It is also difficult to comprehend the lack of new funds for Cook Inlet Beluga Whale Research

given the Administration's recommendation that the population be listed under the Endangered Species Act. Likewise, the absence of new funding for North Atlantic Right Whale disentanglement makes little sense given the increased incidence of entanglement of these critically endangered whales in fishing gear.

With a few exceptions noted below, the Committee supports the Administration's request of a \$31.8 million increase to implement the requirements of the Magnuson-Stevens Fishery Conservation and Management Act. However, the Committee is concerned that NMFS has not yet produced a comprehensive, multi-year budget describing what will be required to support full implementation of the mandates and new requirements of the Magnuson Stevens Reauthorization Amendments (MRSA).

At the same time, the Administration attributes some requests for increases to MSRA implementation that are actually policy choices emanating from the Agency and not actual mandates of the law. For instance, while the Committee supports the request for an increase to the Fisheries Research and Management Programs to enhance the peer review process for fisheries data needed to set annual catch limits and burgeoning efforts to end overfishing in all fisheries as the law requires, we do not support their request for \$4.8 million in new funding to increase the number of Limited Access Privilege Programs (LAPPs) from 11 to 14 in 2009. Given that the decisions regarding the use of LAPPs or any other fishery management tool originate with the regional fishery management councils, the Committee does not believe the Agency should be devoting limited resources to promoting specific management measures—particularly when this is not their mandate under the law. Instead, the Committee believes the agency should instead devote resources to developing the regulations needed to ensure LAPPS will promote fishing conservation and management, fishing safety, and social and economic benefits, consistent with their mandate under the Magnuson-Stevenson Act.

While the Committee supports the Administration's request for an increase of \$8.5 million to expand stock assessments and provide the scientific and technical basis for setting annual catch limits, it is not at all certain that the Administration has requested the resources it will need to assist the regional councils in meeting the MSRA deadline to end overfishing in America by 2011 for all federally managed stocks. Key to meeting this objective is the new requirement to establish annual catch limits and accountability measures in all U.S. fisheries by 2010-2011, and stock assessments are an important part of establishing those limits and measures. Yet, even with the requested increase to expand stock assessments, the Agency will have assessed only 56% of stocks, requiring the regional councils to establish the annual catch limits for the remaining stocks with insufficient data.

Fishery observers are also essential to achieving the MSRA requirement for accountability measures in all U.S. fisheries. The Committee would like to see a financial commitment that is greater than the minimal \$1.2 million increase over the FY 2008 enacted level for an FY 2009 request for Enforcement and Observers Training of \$89.1 million.

Likewise, law enforcement funding under NMFS's subactivity entitled, "Enforcement and Observers/Training" is unlikely to make a significant improvement in U.S. efforts to stanch the flow of illegally imported fish and other marine products into our ports. Similarly, it is doubtful that NOAA's FY 2009 budget request for the Observers/Training program will achieve the MSRA requirement to establish accountability measures in all U.S. fisheries.

Office of Atmospheric Research (OAR)

The Administration's request for the ORF accounts of OAR is \$382 million, a \$15.4 million decrease over FY 2008 enacted levels. While this overall decrease in funding may seem small, it again stands in sharp contrast with the recommendations of the JOCI that called for almost \$300 million in *new funding* for ocean science and research to address the growing threat of climate change and other new challenges in ocean and coastal management. Within the OAR accounts, the Committee is particularly concerned about proposed cuts to the National Undersea Research Program as part of NOAA's initiative to merge this program with its Ocean Exploration Program. The Committee is also concerned about the impacts the transition to a competitive grant process may have on these smaller scale yet important programs. Finally, the Administration proposes to cut invasive species research and control. Such cuts in funding are penny wise and pound foolish, and fail to address this burgeoning environmental threat. Moreover, considering the potential losses attributed to invasive species, estimated in the hundreds of millions of dollars annually on the ocean and Great Lakes economy as a whole, failure to fund these programs is grossly irresponsible.

Program Support

While the Administration seeks an overall increase of \$73.3 million over the FY08 enacted level in the Program Support accounts within ORF, the Committee is very concerned about the proposed \$17.5 million cut - - almost 50 percent - - from the NOAA Education Program. Given that one of the primary new funding recommendations made by the JOCI was an increase in ocean education and outreach, this proposal heads the agency in the wrong direction.

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service is the principal Federal agency responsible for conserving, protecting and enhancing fish, wildlife, plants and their habitats. The Service manages the 96-million-acre National Wildlife Refuge System, which encompasses 548 national wildlife refuges, 37 wetland management districts and other special management areas. It also operates 70 national fish hatcheries, 64 fishery resource offices and 81 ecological services field stations.

Overall, the Fiscal Year 2009 request of \$1.3 billion for the activities of the U.S. Fish and Wildlife Service, a \$65 million cut from the Fiscal Year 2008 appropriation, is a disappointment. A recently released survey for the period between the years 2001-2006 reports that more than 87 million sportsmen and women spent more than \$120 billion in

2006 on wildlife-related recreation.² Considering the significant economic and environmental benefits derived from wildlife-based recreation and the need to do more now to address potential negative impacts to fish and wildlife habitat caused by climate change, this request represents a missed opportunity to increase investments in conservation when it is most needed.

National Wildlife Refuge System

The Committee remains concerned regarding the long-term operations and maintenance budget backlog facing the National Wildlife Refuge System. The President's Fiscal Year 2009 budget requests \$434 million for the operations and maintenance of the National Wildlife Refuge System. This amount represents leveling funding from the FY 2008 appropriation. The Committee, nevertheless, is disappointed with this request.

The Fiscal Year 2009 budget request partially addresses the annual increase of uncontrollable fixed costs which the Service estimates costs \$16 million in additional funds annually. As a result, level funding, while appreciated, likely will mean that the Service, which has already lost approximately 600 field personnel since 2005,³ will continue to lose ground. The committee acknowledges that the Fiscal Year 2008 appropriation was sufficient to forestall the Service from implementing radical proposals to restructure field operations and close refuges, although the committee is concerned that cost savings contained in this budget are derived from personnel attrition and retirements from positions which will remain unfilled thereby exacerbating the present workforce shortage.

In addition, the request remains entirely inadequate within the context of the operations and maintenance budget backlog now estimated by the Service to be approximately \$2.87 billion.⁴ In order to cover these costs and provide additional funds for essential program activities, especially the completion of comprehensive conservation plans for all refuges as required under the National Wildlife Refuge Act (P.L. 105-57), the Committee urges that the Congress fund the Refuge System at the amount that builds upon the increase provided in last year's appropriation to come closer to the annual amount recommended by the Cooperative Alliance for Refuge Enhancement.

Endangered Species Program

The Administration requests \$146.8 million in FY 2009 for the endangered species program, \$3.7 million less than the FY 2008 enacted level. The budget request for candidate conservation programs is \$8.7 million, a \$1 million or 11% reduction from

² See 2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation. U.S. Fish and Wildlife Service. May, 2007.

³ House Report 109-465. Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2007. May 15, 2006.

⁴ Restoring America's Wildlife Legacy 2007. Cooperative Alliance for Refuge Enhancement.

FY 2008. The budget request for recovery is \$68.4 million, a \$2.6 million or 4% decrease from FY 2008, which includes cuts for Pacific salmon grants, Lahontan Cutthroat trout, the Peregrine Fund, and West Virginia mussel recovery, as well as general program reductions. The Committee does not support these cuts.

Under the FY 2009 budget request, the listing program would receive \$18.1 million, a \$210,000 increase above the FY 2008 enacted level, but still insufficient to address the 280 candidate species and decisions inappropriately influenced by former Deputy Assistant Secretary Julie MacDonald. Notwithstanding the legal requirement that most listed domestic species have recovery plans and critical habitat designations, 235 species do not have recovery plans and 846 species lack critical habitat designations. The Committee recommends additional resources be provided for these activities. Without specific funding for these reviews, resources will likely come from other programs that are already faced with budget cuts and will further burden the financially challenged endangered species program.

Coastal Barrier Resources System

The Committee is extremely disappointed that the Administration has failed to request any funding to implement the digital mapping modernization program to improve the accuracy and availability of maps produced under the Coastal Barrier Resources Act (CBRA). As was noted last year, this market-based conservation approach has saved the U.S. Treasury an estimated \$1.27 billion⁵. In addition, the effectiveness of the program was reaffirmed by the positive review it received from the Office of Management and Budget during the program's FY 2006 performance rating assessment.

The existing series of 600 hand-rendered paper maps that depict undeveloped coastal barriers desperately needs to be modernized. Last Congress, as part of the Act's most recent reauthorization (P.L. 109-226), the Service was directed to complete the digital transformation of all CBRA maps. Considering the substantial benefits of digital maps and the relatively low cost to produce them - - the Fish and Wildlife Service estimates it will take roughly \$12 million - - the Committee is disappointed that the Administration has failed to request any funding to support this critical cartographic modernization, especially in a budget that touts an Ocean and Coastal Frontiers Initiative.

Land Acquisition

The Committee notes with disappointment the Administration's proposal to cut land acquisition by 71% from the 2008 enacted level of \$34.5 million to \$10.2 million. Ironically, the President's budget request also includes a proposal to increase from \$15 to \$25 the cost of a duck stamp. Monies generated by the sale of duck stamps are used for land acquisitions and easement purchases, thereby shifting the burden for land acquisition almost exclusively onto the hunters that purchase these stamps. While the Committee will consider legislation to increase the cost of a duck stamp to generate additional funds

⁵ "The Coastal Barrier Resources Act: Harnessing the Power of Market Forces to Conserve America's Coasts and Save Taxpayers' Money. U.S. Fish and Wildlife Service, August 2002.

for land acquisition, these efforts by hunters should be supported and complemented by adequate federal appropriations. As such, the Committee recommends that the land acquisition account be funded in FY 2009 at a level at least equal to the FY 2008 enacted level.

Law Enforcement

The Committee is also concerned about the Administration's request of \$57.4 million for law enforcement—a \$2.3 million or 4% reduction from the FY 2008 enacted level. The Committee does not support this cut. This request will further stretch law enforcement operations, limit inspections and interdictions, and inhibit activities to control or prevent the spread of harmful invasive species. Inadequate law enforcement capabilities also can have a negative impact on visitor enjoyment and use of the National Wildlife Refuge system.

Birds Forever

While the Committee supports the concept behind the Administration's new initiative, Birds Forever, it notes that the \$9 million increase targeted at reducing the dramatic decline of the nation's bird species is largely undermined by the proposed cuts to land acquisition and inadequate funding requests for the National Wildlife Refuge System. As the Fish and Wildlife Service notes, the chief factor in the decline of wild birds is habitat loss—which will only increase with dramatic cuts to the land acquisition program and continued growth in the backlog of operations and maintenance at the Refuge system.

Multi-national Species Conservation Fund

The Committee is also concerned with the Administration's request of \$4.3 million for the Multi-National Species Conservation Fund, a \$3.6 million (46%) decrease from the FY 2008 enacted appropriations. While the funding numbers are small, the grants provided by these tremendously successful cooperative wildlife conservation grant programs have significant benefits for species conservation in the countries where they are allocated. As such, the Committee opposes these proposed cuts.

WATER AND POWER

Bureau of Reclamation

The Bureau of Reclamation is best known for the dams, power plants, and canals it constructed in the 17 western states. The Bureau operates nearly 350 storage reservoirs, approximately 250 diversion projects and 58 power plants. Through this federally owned and controlled infrastructure, the Bureau is the largest wholesale distributor of water in the country, providing more than 31 million people with water. In addition, the Bureau supplies one out of five Western farmers (140,000) with irrigation water for 10 million

acres of farmland that produce 60% of the nation's vegetables and 25% of its fruits and nuts. As the largest wholesaler of water, the Bureau's operations have a dramatic impact on western communities facing unprecedented growth and drought.

Water and Related Resources

Most of the requested funds for the Bureau of Reclamation is for Water and Related Resources. This category includes items deemed by the Bureau to be central to its "core mission of delivering water and generating hydropower." The Fiscal Year 2008 request for Water and Related Resources totals \$779,320,000 a decrease of over \$170,000,000 from the FY 2008 enacted level.

Contemporary Water Needs

The Committee is particularly interested in how the Bureau's budget request reflects the *priorities* of the Bureau of Reclamation. The Bureau of Reclamation is the only Federal agency with exclusive responsibility for water supply in the Western United States. Yet the agency's budget request and its resulting policy direction do not reflect a strong commitment to address the ongoing drought crisis or respond to the contemporary water needs in the West. Of the annual budget request and appropriation in the neighborhood of a billion dollars, only about \$7 million— less than one percent—is requested each year to help communities finance water recycling projects.

Title XVI Water Recycling Projects

The general purpose of "Title XVI" projects is to provide federal financial assistance for developing supplemental water supplies by recycling/reusing agricultural drainage water, municipal wastewater, brackish surface and groundwater, and other sources of contaminated water.

Projects are financed with partial federal grants, and construction costs are shared by a local project sponsor or sponsors and the federal government. The federal share is generally limited to 25% of total project costs and in most cases the federal share is non-reimbursable, resulting in a de facto grant to the local project sponsor. Congress limited the federal share of individual projects to \$20 million in 1996 dollars (P.L. 104-266).

Despite having over a \$320 million backlog in unfunded or underfunded Title XVI water recycling projects, the Bureau of Reclamation only requested \$7 million in the FY 2009 budget. This is not only woefully inadequate but also ignores the real potential of these projects to address water shortages throughout the West. Instead of requesting funding for proven technologies that will create jobs and deliver water, the Bureau instead created an entirely new program, Water for America, which requires congressional authorization.

Water for America

The Fiscal Year 2009 budget includes the Secretarial driven Water from America initiative. This new initiative combines funding for the United States Geological Survey with a retread of the Water 2025 program. According to the Budget Justification, the Bureau's portion of this nearly \$32 million initiative specifically identifies \$19 million as the new "Water for America Initiative." This \$19 million includes an \$11 million Challenge Grant program that appears to do little to actually assist communities facing drought. The Committee recommends allocating the \$19 million of funding allocated for the unauthorized Water for America initiative to the Title XVI water reuse program to complete projects that will deliver water and create jobs.

California Restoration Efforts

Other major programmatic categories of interest to the Committee include *the California Bay-Delta Restoration (CALFED), Trinity River Restoration, and San Joaquin River Restoration*. The budget request for the CALFED program is \$32 million; more than an \$8 million reduction from the previous year's funding level. The reduction is unacceptable in light of the ongoing concerns regarding the long-term health and sustainability of the Bay-Delta. The Committee will continue to maintain oversight on this important program in the 110th Congress, and recommends that adequate funding for the California Bay-Delta Restoration Program is restored.

The FY 2009 budget request for Trinity River Restoration is \$7.1 million with an additional \$1,000,000 allocated from the Central Valley Project Restoration Fund. The Committee is concerned that the annual funding level for this important program is inadequate to implement the 2000 Record of Decision. A more realistic funding total of \$10 million is recommended. In addition, the budget justification states that the currently authorized cost ceiling will not be sufficient to complete the restoration. The Bureau of Reclamation should promptly submit its request and recommendation for a ceiling increase.

The Committee recently reported the San Joaquin River Restoration Settlement Act (H.R. 4074). The legislation resolves decade's long litigation surrounding this issue and provides dedicated funding to the restoration of the San Joaquin River. In anticipation of enactment of this legislation, the FY 2008 Budget Resolution included a reserve fund to provide additional flexibility to meet House Pay-As-You-Go rules. The Committee requests the same reserve fund in this year's resolution.

United States Geological Survey (USGS) Water Programs

Since 1879, the USGS has been involved in issues related to water availability, water quality, and flood hazards. This work, conducted by more than 3,500 hydrologists, technicians, and support staff located in every State, includes collection, management, and dissemination of hydrologic data; analysis of hydrologic systems through modeling

or statistical methods; and research and development leading to new methods and new understanding of water resources.

The President's budget request for the USGS's Water Division for Fiscal Year 2009 is \$203,027,000, a decrease of \$17 million. The FY 2009 budget request for the USGS Water Division proposes several important changes. Of note is the lack of funding for the Water Resources Research Programs. The Administration refuses to include this popular and highly effective program in its annual budget requests, knowing that Congress will restore funding. The Committee strongly supports this program, which was reauthorized in the 109th Congress, and recommends funding at least at the Fiscal Year 2008 level of \$6.3 million.

The FY 2009 USGS budget completely eliminates funding for the National Water-Quality Assessment. This budget request cuts \$9.8 million by eliminating this valuable program that is a source for long-term information on streams, rivers, ground water, and aquatic systems in support of national, regional, State, and local information needs as related to water-quality management and policy. A wide variety of reports are produced by the program in which water-quality conditions were compared to national standards and guidelines related to drinking water, protection of aquatic life, and nutrient enrichment. The committee recommends funding be restored to this program.

In addition, we are concerned with the proposed cuts to the Cooperative Water Program. The USGS Cooperative Water Program is an ongoing partnership between the USGS and non-Federal agencies. The program has been in existence for 112 years, jointly funding water resources investigation projects in every State, Puerto Rico, and several other U.S. territories. The Administration has requested \$62,285,000 for the Cooperative Water Program, a decrease of \$564,000. This is a highly cost-effective program, relying on more than 1,400 partners across the country for most of the financial support. The program is successful because cooperators have been forced to increase their share of project funding. The USGS share of this program is grossly underfunded, and the Committee strongly recommends that funds be restored to an adequate level.

ENERGY AND MINERAL RESOURCES

Minerals Management Service (MMS)

Expansion of Compliance Activities

In a little over one year, two reports came out exposing numerous weaknesses in the Minerals Management Service's royalty collection and compliance activities. The first was a December 2006 audit from the Department of the Interior's Office of the Inspector General (OIG), which focused on MMS' compliance processes. The second was a December 2007 report from the Subcommittee on Royalty Management (SRM), which looked at a broader set of issues regarding royalty collections, compliance, and enforcement, as well as the Royalty In Kind program.

One of the key findings of the OIG report was that MMS has been increasingly relying on compliance reviews instead of full audits in recent years: MMS initiated 22% fewer audits in 2004-2005 than it did in 2000-2001, and the number of MMS auditors declined by 21% (35 auditors) over that timeframe. Compared to an average of over 540 audits completed per year between 1998 and 2001, MMS expects to complete only 155 in FY 2008. The FY 2009 budget contains a \$480,000 increase to hire 4 auditors, with a concomitant increase of 7 audits. While a small step in the right direction, and an improvement from the FY08 request, this does not come close to bringing the MMS auditing program back to its proper capacity.

The FY 2009 budget also contains increases of \$1.52 million for implementing a risk-based compliance tool and \$1.7 million for improving how interest is billed. While, again, these are critically needed improvements, they are only a drop in the bucket. The OIG and SRM reports contained dozens of recommendation for MMS alone, but MMS requests no money to implement any of the recommendations in the SRM report.

The two reports highlight the need for serious investment into improving the royalty collection system. Last year, the House passed a number of provisions reported out by the Committee on Natural Resources designed to improve royalty collection and management, some of which were specifically recommended in the SRM report. However, none of these provisions became law. The Committee supports the proposed increases for MMS' Compliance and Asset Management Program, but urges consideration of additional funds into order to more aggressively return the royalty program to a state of good repair.

Bureau of Land Management (BLM)

Oil Shale Regulations

The FY 2009 budget includes language to lift the moratorium on finalizing regulations for a commercial oil shale leasing program, despite significant public concerns about the environmental and community impacts, and a continued acknowledgement by major oil producers that they are still years away from readiness for commercial production. The Committee recommends a continued prohibition on use of funds to finalize a commercial oil shale program in FY 2009 or to hold a commercial oil shale lease sale.

Legislative Proposals

The Committee endorses several of the Administration's proposals which would generate revenue and ensure fair return to the taxpayer for energy and mineral development from public resources, including:

- Elimination of the Energy Policy Act Section 365 Permit Processing Pilot Program, which directed 50 percent of all rentals into a special BLM Permit Processing Improvement Fund. The budget proposal would redirect such rentals back into the General Fund of the Treasury.

- A proposal to allow BLM to implement regulations establishing permanent cost recovery fees for APDs by repealing Section 365 of EPACT of 2005 which prohibits BLM from establishing those fees. The FY 2009 budget assumes an interim fee of \$4,150, generating an estimated \$34 million in cost recoveries in FY 2009. Over five years, the proposal would generate \$161 million.
- The budget proposes accelerated coal bonus bid payments on all new coal leases. Full payment of bonus bids would be required within the first year of the lease sale. Current law requires the BLM to offer the deferred payment option for at least half of leases, allowing coal operators to spread the bonus bid payments over five years. The budget assumes this would generate \$385 million in additional revenue in FY 2009, but over 10 years the total additional revenue would only be \$8 million.
- The budget proposes to repeal Sections 224 and 234 of EPACT, which shared geothermal leasing with counties and formed a Geothermal Steam Act Implementation Fund (50% to states, 25% to counties, 25% to the Fund). Repeal would restore the historical 50%-50% disposition to states and the Treasury.

However, the Committee opposes the Administration's proposal to cancel \$24.7 million in balances in the Naval Oil Shale Reserve Site Restoration Fund account that exceed the cleanup costs for the Anvil Point site in Colorado.

1872 Mining Law Reform and Hardrock Mine Reclamation

The Committee notes that the Administration's budget proposal continues to ignore the giveaway of billions of dollars of hardrock minerals (such as gold, copper, and uranium) on public lands. The 1872 Mining Law allows hardrock mining on public lands without a royalty. Provisions to establish a 8% gross income royalty on new mining on public lands and a 4% royalty on mining from current operations, as well as increased location and claim maintenance fees, are included in H.R. 2262 which passed the House in October 2007. CBO projects that these provisions (not including the 4% royalty) would increase revenues by \$160 million in 2008-2012. The Committee emphasizes that securing a fair return from hardrock mining on public lands is critical, in particular to fund the reclamation of hundreds of thousands of abandoned hardrock mines. Current cleanup budgets are meager: for FY 2009 the BLM proposes \$8.3 million and the Forest Service proposes \$13 million, while the potential total abandoned mine cleanup cost looms in the billions.

U.S. Geological Service (USGS)

Minerals Resources Program

The FY 2009 USGS budget cuts the Mineral Resources Program budget by half, to \$26 million. This translates to a dramatic reduction in the scientific information on non-fuel mineral potential and production that the program provides—and no other

federal statistical agency duplicates. (As a point of comparison, a sister agency in the Department of Energy which provides analogous information on energy resources and trends, the Energy Information Administration, has a proposed budget of \$110 million). Importantly, an October 2007 report by the National Research Council (“Critical Minerals”) urged increased resources be devoted to mineral information and this very program. The Council concluded: “*The USGS Minerals Information Team is the most comprehensive and responsive source of minerals information domestically and internationally, but the quantity and depth of its data and analysis have fallen in recent years, due in part to reduced or static budgets and to resultant reductions in staff and data coverage.*” The Committee urges a restoration of USGS Mineral Resources Program funding to at least the FY 2008 level.

Carbon Sequestration

In the Energy Independence and Security Act of 2007 (P.L. 110-140), the Secretary of the Interior is directed to develop methodologies and conduct assessments for both geological and terrestrial carbon sequestration, with an average authorization level of \$10 million per year between FY 2008 and FY12. The FY 2009 USGS budget contains \$1 million to develop the geological sequestration assessment methodology, but no money for the terrestrial sequestration assessment methodology, nor any funds to begin conducting the actual assessments. Failure to provide funding in FY 2009 will delay the assessments and the growth of this promising technology. The Committee recommends that additional funding be provided to the USGS for development of the methodologies and conducting the assessments.

Earthquake Hazards

The FY 2009 budget proposes to cut the Earthquake Hazards program by \$4.6 million, which will result in 50% fewer funds for external grants to support earthquake research. A large portion of USGS’ seismic hazard work relies on collaborations with external institutions, so in addition to cutting promising grant-funded research short; the proposed cut would also degrade the ability of USGS to carry out one of its core mission areas. The Committee recommends that the Earthquake Hazards program be funded at least at its FY 2008 enacted level.