



# PARTNERS IN STEWARDSHIP




U.S. DEPARTMENT OF THE INTERIOR



An aerial photograph of a vast, flat landscape, likely a coastal plain or a large field, under a clear blue sky with some light, wispy clouds. The terrain is a mix of light brown and tan colors, suggesting a mix of soil and vegetation. The horizon is visible in the distance.

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An aerial photograph of a vast, flat, arid landscape. The terrain is a mix of light brown and tan colors, with a prominent grid-like pattern of dark, winding paths or roads that stretch across the horizon. The sky is a clear, bright blue, and the overall scene conveys a sense of desolation and timelessness.

“One generation passeth away,  
and another generation cometh;  
but the earth abideth always ...”

Ecclesiastes



# GUARDIANS OF THE PAST — STEWARDS OF THE FUTURE

The history of the Department of the Interior captures much of the story of America's last 150 years. It tells of Manifest Destiny and the great Western expansion; of fertile fields rising from arid desert; of people rising from the depths of the Great Depression; of a Nation marshalling the resources to win two world wars. It tells of scientific discovery and relentless explorations, too, and of our country's uncertain attempts to recognize the dignity and sovereignty and expand the opportunity of the Native Americans.

Most of all, however, it tells a story of change — and of the struggle to define the obligations and opportunities of stewardship.

What is our responsibility for the public lands and waters, minerals, forests, and wildlife? Are our vast natural resources commodities to be exploited for economic gain? Are they a wonder of creation to be preserved and cared for? Or can we find a way to balance these two competing views of the national landscape, working toward a common purpose that will bind us together?

The Department was founded in 1849, as the Nation wrestled with how to absorb the addition of more than a million square miles from the annexation of Texas, the resolution of the Oregon border dispute, and the treaty concluding the Mexican War. It was a modest operation at first, with a headquarters staff of 10 and a

budget of \$14,200. "The Department of Everything Else," people called it. Early responsibilities included such diverse tasks as overseeing Indian affairs, exploring the western wilderness, directing the District of Columbia jail, constructing the national capital's water system, managing hospitals and universities, improving historic western emigrant routes, marking boundaries, issuing patents, conducting the census, and conducting research on geological resources.

In the century and a half that followed the Department has evolved from the general housekeeper for the federal government to steward of the Nation's natural and cultural resources and the administrator of its trust responsibilities to American Indians and Alaska Natives. The meaning of stewardship has kept evolving at the same time, from encouraging the settlement and development of the West, to conserving federally managed natural resources and restoring endangered and damaged ecosystems across the country. American Indian policy also has evolved — from early, ill-conceived attempts to control Native Americans and force their integration into the Nation's Euro-American mainstream, to today's policies of self-determination and self-government.

Broad social and political movements have shaped the Department, including the national park initiative of the late 19th



**THE MISSION OF THE DEPARTMENT OF THE INTERIOR IS TO PROTECT AND PROVIDE ACCESS TO OUR NATION'S NATURAL AND CULTURAL HERITAGE AND HONOR OUR TRUST RESPONSIBILITIES TO INDIAN TRIBES AND OUR COMMITMENTS TO ISLAND COMMUNITIES.**

ARE OUR VAST NATURAL RESOURCES COMMODITIES TO BE EXPLOITED FOR ECONOMIC GAIN?  
ARE THEY A WONDER OF CREATION TO BE PRESERVED AND CARED FOR?  
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century, the conservation crusade of the early 20th century, and the environmental movement of the past four decades. Through its influence, Interior has become a principal agent of the American people's desire not only to conserve but also to restore the Nation's natural and cultural resources without harming the livelihoods of American communities.

Today Interior oversees approximately 436 million acres of America's public lands, assets valued for their environmental resources, recreational and scenic values, the cultural and historical resources, vast open spaces, and the resource commodities and revenue they provide. Interior supervises mineral leasing and operations on more than 634 million acres of mineral estate that underlie both federal and other surface ownerships and on 1.5 billion acres of the Outer Continental Shelf. Land now managed by Interior represents about 19 percent of America's land surface and approximately 66 percent of all federally owned land. Each of America's 50 states, U.S.-associated Pacific insular areas, the Virgin Islands, and Puerto Rico contain lands administered by the Department of the Interior.

The Department's responsibilities still cover a broad spectrum of activities: operation of parks and wildlife refuges, implementation of the Endangered Species Act, management of public lands and resources, fulfilling trust responsibilities to American Indians and Alaska Natives, mineral leasing and revenue collection, research and data collection, water resource programs, and regulation and restoration of surface mining. Work is carried on primarily through eight separate bureaus, each with their specific individual mission. But the ethic of restoration underlies them all, a shared

to conserve special places or prevent further environmental damage, but to repair entire ecosystems and instill an ethic that would enable communities to live on these landscapes in ways that maintain their health and sustain their productivity.

With the aid of science and technology, restoring polluted watersheds and ravaged landscapes has moved from ecological concept to reality — in the Northwest Forests, along the Platte River, in the Florida Everglades, and in the California desert, to name but a few of the recent initiatives. Driven by a powerful grassroots environmental ethic, there is widespread public support for cleaning up degraded rivers and landscapes and living, working, and prospering on them. Innovative use of habitat conservation plans and other landscape-scale recovery plans has breathed new life into the Endangered Species Act, too, finding new ways to protect habitat on private land without alienating public support for species preservation. Today wolves roam the Southwest and Yellowstone Park again, and the peregrine falcon, the Aleutian Canada goose, and the bald eagle have been removed from the federal endangered species list.

Restoration recognizes that understanding landscapes as complex, living, and integrated systems can result in better ways of living on and prospering from the land, while protecting wildlife and preserving nature's special places. Watershed-scale approaches seek to restore and preserve the Nation's cultural and natural bounty while ensuring that economic development needs can be met.

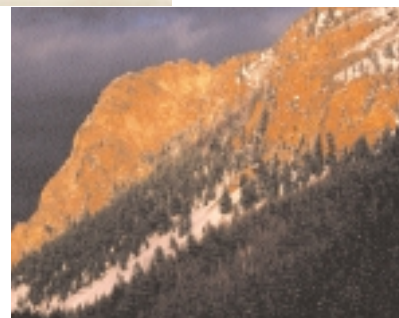
Restoration also requires partnerships that recognize that the fate of a watershed involves all of the people who live in it and benefit from it and share responsibility in deciding its future. Habitat management plans and other flexible mechanisms to restore wildlife and habitat without destroying American livelihoods or stifling prosperity have been key to this partnership approach. Such projects demonstrate that by

working together, federal and state agencies, local communities, tribal governments, non-profit groups, and the private sector can address issues and frame solutions.

Restoration speaks of optimism, of hope, of change, of the ability to make a hands-on contribution. It involves an enormous act of imagination, because it says change and improvement are achievable. Most importantly, perhaps, it gives the responsibility of stewardship to all of us, and the opportunity to leave a legacy for our children and grandchildren that is greater than the one we inherited.

recognition that all of us are but brief visitors to this small planet, and that everything we want for our children depends on protecting the forests, streams, mountains, and deserts that were here long before we arrived.

Restoration is a new model of stewardship, moving beyond simple preservation and natural resource protection to promote a view of natural landscapes as complex, integrated systems that require holistic management. It considers entire watersheds as the frame of reference for natural resources managers, rather than arbitrarily segmented landscapes, for example. The goal is not simply



## LETTER FROM THE SECRETARY



If you are an American, you are a customer of the Department of the Interior. We are the stewards of the Nation's treasures, protecting your environment and preserving your natural and cultural resources, providing parks, refuges, and reserves for recreation, managing your natural resources, expanding your natural science, and taking care of America's trust responsibilities to native peoples.

No matter how the Department touches your life, I invite you to read this, our first Performance Report, thoroughly. It will explain our mission, strategy, and programs, and show you how we measure our success. It will introduce you to our varied customers, and show you how we're learning to serve them better. You will see that the Department reflects the same critical performance character-

istics that drive America's best organizations, public or private: customer focus and leadership accountability, teamwork, innovation, efficient use of resources, and, most of all, a highly motivated and well-trained work force.

1999 was an extraordinary year for the 67,000 men and women of Interior. We brought new protection to such national treasures as the critical lands adjoining Yellowstone National Park, the birthplace of Martin Luther King, Jr., and California's Headwaters Forest. With our partners, we introduced a comprehensive new plan for the Everglades, advancing the on-going efforts to restore the "River of Grass" on which the future of South Florida depends. And we resolved a bitter 12-year struggle over the California redwoods, creating the 7,500 acres Headwaters Forest Reserve and developing a habitat conservation plan for the surrounding 211,000 acres. We removed dams, opening up more of America's rivers to a more natural flow. We made great progress in the difficult task of rebuilding our

trust fund management capacity. And we continued to foster native wildlife, fighting invasive alien species, introducing wolves back into the wild, and taking both the bald eagle and the peregrine falcon off the endangered species list.

We improved our efficiency and productivity internally too, adding new training and new technologies, finding new ways to do our many different jobs faster and better simultaneously.

Through it all, however, we looked to the future. New attitudes are creating new opportunities, and new ways for the Department to add value, moving beyond conservation and preservation to the far more complex challenges of restoration.

Restoration is a magic word, filled with power and vision. It recognizes that everything in our landscape is related, and that we can't separate our world into small preserves, which we protect, and everything else, which we ignore. At the threshold of the 21st century we've come to understand that the natural world doesn't work that way. We're on the verge of a new movement, an integrated view of the American landscape: a view that carries responsibility for every single citizen and every community, that places on us inside the Department the possibility of pointing the way,

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illuminating the landscape, finding the links, and putting them back together.

This new vision of Interior's responsibilities is shaping the Department in four key ways:

- Interior is committed to collaboration, working toward shared goals with federal, state, local and tribal governments, and private organizations and businesses through government-to-government programs and public/private partnerships.
- Interior is committed to citizen participation in the decision-making process, through mandated public hearings, advisory boards, regular stakeholder meetings, and other public forums. Increasingly, our award-winning Internet sites are sources of information dissemination and public involvement.
- Interior is committed to making sure that everything we do is



**Destroying the old Rains Dam in North Carolina was an act of creation—creating a healthy free-flowing stream that opens aquatic habit of fish migration and access to spawning beds. The Department and the Secretary have been leaders in the growing movement to remove dams nationwide.**



**Preserving Headwaters Forest assures that the giant redwood will remain a marvel for our children and grandchildren to enjoy.**

grounded in the best scientific, social, economic, and environmental information available.

- Interior is committed to a management philosophy that fosters creativity, focuses on results, and requires accountability at all levels. Through the Interior Management Council we use performance management to monitor progress, with GPRAs quarterly data reports to track program accomplishments and inform bureau and departmental management.

The result of these commitments is a new attitude of shared responsibility — and creative new initiatives that fuse “habitat” and “open space.” Consider the plan to preserve the shrinking coastal sagebrush ecosystem that separates Los Angeles and San Diego, for example. The Department’s role was to bring all the stakeholders together to focus on a common goal at the front end, building consensus among biologists, urban planners, economists, and local business and political leaders. Together, they developed a series of habitat conservation plans covering 210,000 acres in San Diego and Orange Counties, the most comprehensive and imaginative urban habitat plan in US history.

There is still much to do. We must preserve more of our precious natural and historical lands, such as Civil War battlefields, remote stretches of the historic Lewis and Clark trail, and additional acreage in and around Mojave National Preserve and Joshua Tree National Park. We must continue to invest in our existing parks, as well, finding new ways to ease the stress of swelling popularity.

It is no longer enough to preserve our grandest natural wonders. As communities grow and expand, we must preserve the small, but treasured,

green and open space closer to home: meadows and seashores where children play, streams where sportsmen and women can fish, and farmlands that produce the fresh harvest we take for granted.

We need to fulfill our promises to the first Americans as well, increasing our investments in education, housing, and economic development to create an infrastructure of hope.

The Department also needs to continue to move forward internally. New technologies will demand new practices if innovation in our products and services is to continue to flourish. Workforce replacement will become ever more critical, requiring expanded programs to attract, train, and retain a diverse team of professionals committed to excellence and public service.

Our job today is to meet those challenges, drawing on our collective understanding and imagination to create a Department of the Interior for the 21st century. Stewardship is a tradition that endures as a result of our labor, an opportunity that lasts as long as we fight for it. It is part of our collective heritage, passed on like a torch, a responsibility that brings all of us together under a common purpose and drives everything we do.

Our successes are etched in our landscape, an enduring legacy the Department of the Interior protects for the 290 million people whose lives we touch.

# GOALS AT A GLANCE

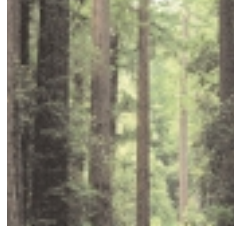


## IN 1999, AMERICANS ...

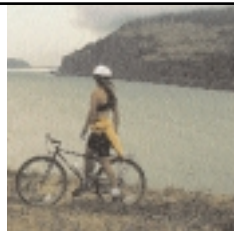


... started construction of 1.675 million new single-family houses, developed some 100,000 acres of wetlands, threatening precious ecosystems and endangering fish and wildlife.

... put more than 200 open space initiatives on local and state ballots, hoping to preserve green space in their local communities.

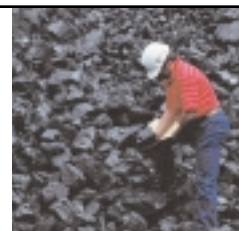


... escaped to the great outdoors in record numbers, including an estimated 46.5 million campers, 43.6 million anglers, 27.2 million hikers, 7.1 million canoeists, 3.2 million kayakers and rafters, and 14.6 million backpackers and wilderness campers.



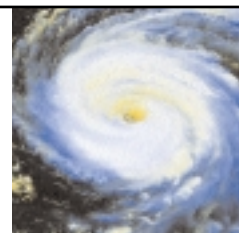
... burned more than an estimated 1,000,000 thousand short tons of coal, more than 20,000,000 million cubic feet of natural gas, and 7,000,000 thousand barrels of oil.

... consumed more than 40 billion gallons of water and 3,600 billion kilowatt hours of electricity each day.



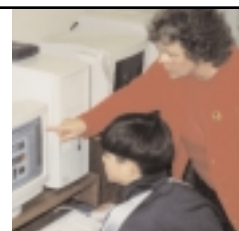
... faced critical decisions on environmental health, population expansion, and suburban sprawl, and land and water use.

... suffered through 52 declared disasters in 35 states, the worst of which cost victims, insurance companies, and taxpayers over \$1 billion each week.



... included 1.4 million American Indians and Native Alaskans living on or near reservations.

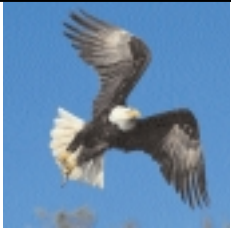
... included 556 federally recognized tribes and over 50,000 school-aged American Indian children.





**IN 1999, THE DEPARTMENT ...**

**GOAL**



... protected 436 million acres of public lands; increased protection of 115 natural and historic sites across the country; restored 3.5 million acres of damaged habitat; improved woodland, desert, and aquatic ecosystems — and was able to take eight species off the endangered list.

... worked with state and local governments, private land trusts, and other non-profit organizations to create and fund acquisition and planning grants and loans, protecting farmland, forests and wildlife, ocean and coastlands, coral reefs, fisheries, and marine habitats.

ENVIRONMENT AND NATURAL RESOURCES



... welcomed and provided safe visits for more than 287 million visitors to 379 national parks, battlefields, historic sites, monuments, and recreation areas; 75 million visitors to 264 million acres of public lands; 36 million visitors to 521 wildlife refuges; and 90 million visitors to 300 water recreation sites. Generated more than \$25 billion in economic benefits and provided more than 350,000 jobs.

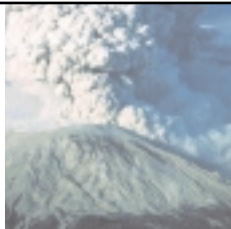
RECREATION



... managed lands that produced 31 percent of the Nation's coal, 38 percent of its natural gas, and 25 percent of its oil. Balanced sustainable use with a fair return to taxpayers, generating \$4.5 billion in annual revenues and more than \$1.5 billion in royalty and revenue sharing payments to states and counties.

... served as the fifth largest electric utility in the 17 western states, delivering 10 trillion gallons of water to more than 31 million people for agricultural, municipal, industrial, and domestic uses, and as the Nation's second largest wholesale water supplier, generated nearly \$1 billion in annual power revenues while providing substantial flood control, recreation, and fish and wildlife benefits.

RESOURCES



... monitored the status and trends in quantity and quality of water resources through more than 45,000 monitoring stations; produced the first large-scale assessments of the health, status, and trends of our plants, animals, and ecosystems; developed 20 different urban land use studies.

... provided long-term hazard monitoring and forecasting, short-term prediction, real-time monitoring, and communication with civil authorities during each crisis, along with post-crisis analysis to mitigate the impact of future events.

SCIENCE



... managed natural resources on nearly 56 million acres of Indian trust land and managed approximately \$3 billion held in trust for 315 Indian Tribes and over 262,000 individuals.

... provided elementary and secondary education for over 50,000 students and post-secondary education through 26 tribally controlled community colleges; constructed two replacement schools and repaired seven schools.

TRUST RESPONSIBILITY



# SERVING OUR CUSTOMERS



these annual targets, we are also concerned with creating long-term positive performance trends. Our success in achieving the 1999 performance targets and improving long-term trends is detailed in the remainder of this Performance Report.

Interior's strategic and performance goals are achieved through the many programs and activities carried out by our eight bureaus and several departmental offices. Interior's bureaus have separate but often related legislated missions, programs, customers, and stakeholders. Working with the Department, our bureaus and offices establish the goals and performance measures for their programs and link them to the departmental goals. The Department provides leadership, management oversight, and administrative support services for this planning process.

1999 marked a new approach to improve the coordination and management of Interior programs. For the first time we have integrated our bureau missions and departmental programs into a number of long-term objectives under Interior's five strategic goals. This alignment brings Interior's themes into sharp focus: restoring landscapes, watersheds, and natural systems; guarding and restoring our Nation's natural and cultural landmarks; providing access to our vast public lands for sustainable economic development, recreation, and renewal of spirit; applying our best scientific information and knowledge; working in partnerships with governments, tribes, industry, non-profit groups, and ordinary citizens; and meeting our trust responsibilities.

Linking the key programs and outcomes of individual Interior bureaus to the Department's priorities and initiatives reinforces Interior's stewardship of our critical resources, especially important in light of increasing developmental pressures, shifting public wants and needs, and accelerating changes in science and technology. Interior's response to the greater demands on the vital resources the Department oversees must be the efficient and wise use and management of those resources.

The goals that we set, like the missions behind them, are a critical part of our continuous efforts to provide the best results to our customers — the American public.

The Department of the Interior continuously seeks to improve its performance, provide our customers with responsive service, and produce solid results. We measure our success in pursuit of our mission against five strategic goals:

- Protect the environment and preserve our Nation's natural and cultural resources
- Provide recreation for America
- Manage natural resources for a healthy environment and a strong economy
- Provide science for a changing world
- Meet our trust responsibilities to Indian tribes and our commitments to island communities.

These strategic goals are the broad outcomes we seek to produce: they are the way we fulfill our mission.

To measure our progress in moving toward these strategic goals, we have developed a set of performance goals that reflect our most critical challenges. Each year we establish targets for these goals — the highest level of performance achievable given the challenges we face and the resources at hand. In addition to achieving

## PRINCIPLES FOR PERFORMANCE

- Outstanding employees
- Excellent service
- Productive partnerships
- Citizen involvement
- Wise decisions
- Fair return
- Efficient technologies
- Effective management

### BUREAU OF LAND MANAGEMENT

**Mission:** To sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

[www.blm.gov](http://www.blm.gov)

### MINERALS MANAGEMENT SERVICE

**Mission:** To manage the mineral resources on the Outer Continental Shelf in an environmentally sound and safe manner and to timely collect, verify, and distribute mineral revenues from federal and Indian lands.

[www.mms.gov](http://www.mms.gov)

### OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

**Mission:** To carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with states and tribes.

[www.osmre.gov](http://www.osmre.gov)

### BUREAU OF RECLAMATION

**Mission:** To manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

[www.usbr.gov](http://www.usbr.gov)

### U.S. GEOLOGICAL SURVEY

**Mission:** To provide the Nation with reliable, impartial information to describe and understand the earth.

[www.usgs.gov](http://www.usgs.gov)

### FISH AND WILDLIFE SERVICE

**Mission:** Working with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

[www.fws.gov](http://www.fws.gov)

### NATIONAL PARK SERVICE

**Mission:** To preserve unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. The Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world.

[www.nps.gov](http://www.nps.gov)

### BUREAU OF INDIAN AFFAIRS

**Mission:** To fulfill trust responsibilities and promote self-determination on behalf of Tribal Governments, American Indians and Alaska Natives.

[www.doi.gov/bureau-indian-affairs.html](http://www.doi.gov/bureau-indian-affairs.html)



# THE LONG LOOK AHEAD



sion with many elements: protecting lands of national significance and helping communities tackle the future; healing damaged public lands and restoring natural systems and habitats; helping native species; and protecting cultural resources.

The Department is responsible for 379 parks, 521 wildlife refuges, and 264 million additional acres of public lands, along with 634 million subsurface acres and 1.5 billion acres on the Outer Continental Shelf. Rich in natural heritage, representing diverse and complex ecosystems, these lands contain exceptional geological formations, rare and vulnerable plant and animal communities, wilderness areas, wild and scenic rivers, and numerous historical, paleontological, and archaeological sites. We approach their care systematically, using a watershed or ecosystem strategy, involving our partners and stakeholders in decision making, which is guided by state-of-the-art scientific research.

Thanks to the Lands Legacy Initiative, launched last year, the Department and its partners have been able to expand our efforts to save nationally significant tracts of land from further development and protect existing parks, refuges, and other public lands from encroachment. 1998 was marked by the historic acquisition of the proposed New World Mine north of Yellowstone, protecting America's first national park from the threat of acid mine runoff. 1999 saw another step to protect the park's wildlife and world-famous geysers, the acquisition of title or conservation easements on 9,300 acres, a mosaic of forest and grassland extending from the Yellowstone River to the high peaks of the Gallatin range. Nationwide, acquisition has included lands involving 115 natural and historic sites in 38 states and Puerto Rico, protecting such "great places" as California's Headwaters Forest, Georgia's Cumberland Island, Idaho's Salmon River, New Mexico's Bandelier National Monument, and Texas' Lower Rio Grande Valley.

It is not enough to save America's crown jewels, however. We must work every day to preserve the natural wonders in our backyard. Protecting local green spaces helps improve air and water quality, sustain wildlife, provide families with places to play and relax, and make our communities livable. Through Lands Legacy the Department works with state and local governments, private land trusts, and other non-profits to create land acquisition grants and planning grants and loans, and to increase protection for farmland, forests and wildlife, ocean and coastal areas, coral reefs, fisheries, and marine habitats.

At the beginning of the 20th century, Theodore Roosevelt had the foresight to embrace a conservation legacy that is still cherished. "It is the growing Nation with a future which takes the long look ahead," he said.

Today, as we begin the 21st century, this country has an opportunity to take that long look, asking the questions that will define our future.

How will we live on our landscape? What kind of open space do we want? What kind of development and natural-resource use do we need? America has been blessed with unparalleled natural gifts. But population growth, suburban sprawl and congestion, and thoughtless development threaten our treasures. What must we preserve for future generations?

People and the environment are interdependent. So we must ensure that our lands, waters, and other resources remain healthy if our communities are to thrive. That challenge defines the Department's first strategic goal, protecting the environment and preserving our nation's natural and cultural resources. It is a mis-

## HEALING PUBLIC LANDS

Sometimes you can see the damage, like the scars from years of mining in the mountains and valleys of Appalachia. Other times it is hidden, like the destruction of native plants by invading alien species. Sometimes it threatens an entire region, like the damage from the Exxon Valdez oil spill. Other times the impact is more localized, like a landfill contaminated with hazardous wastes.

Whatever the case or cause, the Department is responsible for restoring the health of the land it manages. Work includes improving and enhancing wildlife habitats, with efforts directed toward control of invasive plant and animal species, restoration of historic wetlands, and replanting or reforesting uplands that were previously mined, logged, or converted to agricultural production.

In FY 1999 the Department restored or enhanced an estimated 3,472,215 acres, slightly over our target. This represents hundreds of different projects, large and small, across all 50 states. Partnership defines the process, with disturbed lands restored by DOI personnel collaborating with states and using volunteers.

The Appalachian Clean Streams Initiative captures the spirit behind the Department's efforts. Acid mine drainage from abandoned coal mines in the region represents more than \$6 billion in environmental damage. It is a major source of water pollution in the region and the leading cause of aquatic habitat destruction. But today those polluted rivers and streams are being cleaned up, thanks to a collaboration between the Office of Surface Mining and local community groups. In 1999, states received \$5.9 million in grants to fund Appalachian Clean Streams projects, and 11 non-profit groups received a total of \$750,000 in cooperative agreements to fund local projects. In addition to restoring land and waters to productive use and removing existing health and safety hazards, the funds generate economic benefits to the local communities, providing jobs, enhancing the local infrastructure, and creating the community pride critical for future growth.

For the hundreds of sites across our country where Interior lands and trust resources are threatened by oil spills or the release of hazardous substances, the Department operates on the "polluter pays" principle. Working as a partner with states, tribes, and other federal agencies, damage assessment activities are applied to identify and quantify injuries to natural resources and seek a settlement payment from responsible parties.

By the end of FY 1999, a total of 151 settlements had been reached, slightly over target, and 59 restoration projects were

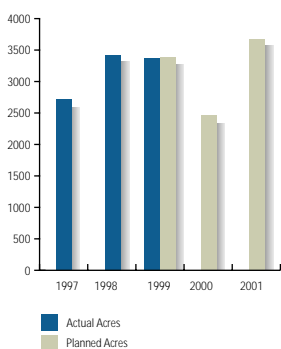


For Stephen Newland, a senior at the University of Tennessee at Chattanooga, the summer of '99 was a chance to see how his knowledge could make a difference in his own community. Under the Appalachian Clean Streams Initiative, 10 such interns were chosen, sponsored, and hosted by a local watershed group to work on acid mine drainage, the cause of the dead, orange-tinged streams in America's historical coal regions.

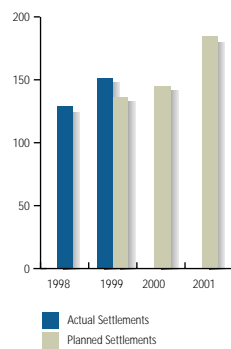


underway, slightly under target. Over \$25 million in settlements were received into the Restoration Fund during the year, including nearly \$12 million for restoration and past costs at the Saginaw Bay, Michigan, site, where the responsible parties have agreed to remove all the contaminants and restore nearly 1,700 acres. Cumulatively the program has recovered over \$300 million for restoration work, equal to 193 percent of the cumulative annual appropriations.

Thousands of Acres Restored



Damage Assessment Settlements



FOR DETAILED INFORMATION ON THE RECLAMATION OF AMERICA'S MINED LANDS VISIT [WWW.OSMRE.GOV](http://WWW.OSMRE.GOV)

## HABITAT AND HERITAGE

The ongoing restoration of the Everglades ecosystem is one of the most significant environmental initiatives in history. And it is one of the most complex, a jigsaw puzzle involving water flow, endangered species and habitats, and invasive plants — and the future of the six million people of South Florida. (See *Restoring the River of Grass*, page 13.)

The California Desert Initiative is equally complex. Encompassing 25 million acres, one-fourth of the state's land area, it requires conserving a harsh but fragile desert ecosystem, managing wild horses and burros, and restoring damaged habitat, all within a day's drive of some 40 million potential visitors.

The Department has made significant improvements in the cooperative management of California's Bay-Delta, where the Sacramento and San Joaquin Rivers meet the San Francisco Bay. The Bay-Delta ecosystem supports more than 750 plant and animal species, contains the largest wetland habitat in the western United States, and provides irrigation water for 45 percent of the country's fruit and vegetable crops. More than 22 million Californians (over 40 percent) rely on the Bay-Delta for their drinking water. This vital resource faces challenges including growing water supply demands, aging levees, and impaired water quality.

After years of working at odds, federal, state, and local agencies, as well as urban, agricultural, business, and environmental interests joined together several years ago to form the

CALFED partnership to achieve common ends. Following the development of the Bay-Delta Accord in 1994, these groups have worked cooperatively to meet water quality and species protection requirements while strengthening California's long-term economic health. This new cooperative approach is now getting results and providing hope for the future. With Interior's leadership, CALFED has undertaken over 130 ecosystem restoration projects. For example, the Bureau of Reclamation has acquired land along the Butte Creek, a Sacramento River tributary critical to endangered spring-run chinook salmon. Reclamation will develop this area as a natural floodplain to benefit riparian habitats as well as imperiled spring-run and steelhead salmon. Additional efforts to restore salmon will take place on Battle Creek in the Sacramento Valley. Reclamation will work

with partners to install fish screens and ladders, remove several diversion dams, and complete other project modifications that will ensure supplies of power and water, while restoring steelhead habitat. In the coming years, CALFED's cooperative efforts and water project efficiencies will make an additional 200,000 acre feet of water available for use.

Not all of the Department's habitat restoration projects are so monumental, of course. But all of them share the same ambition: to restore natural systems.

Historically, we have been a Nation of dam builders, constructing 74,993 dams to block 600,000 miles of what had once been free-flowing rivers, roughly 17 percent of all rivers in the Nation. These have provided power and irrigation for much of the West, but there has been a price: fish-spawning runs destroyed, downstream rivers altered, and delta wetlands degraded by lack of fresh water and saltwater intrusion.

Rivers are always on the move. Their inhabitants know no boundaries. Salmon and shad do not read maps, only streams. Today the Department is working to restore rivers to a more natural state. In 1999 Secretary Babbitt helped breach the 160-year-old Edwards Dam on the Kennebec River in Maine and the Raines Dam in North Carolina. Agreements were also reached to eventually remove 125-foot-high Condit Dam in Washington and five more dams on the Sacramento River in California.

Historically, the Department has focused on the suppression



Department personnel wage a constant battle against invasive species like cheatgrass and loosestrife, non-native plants which have invaded our lands and threaten our landscape, depriving wildlife and livestock of forage and ground cover.



The giant redwoods of Headwaters Forest, many more than 1,000 years old and 300 feet tall, represent a new model for ecosystem-wide application of Endangered Species Act protections on private property. Besides acquiring 7,500 acres from Pacific Lumber the Department developed a Habitat Conservation Plan to protect wildlife on 211,000 acres of nearby lands that the company owns and will continue to log.



## RESTORING THE RIVER OF GRASS

A century ago, the Everglades covered some 18,000 square miles, a shallow river of grass-like plants bordering expanses of cypress swamp and mangrove forest, tropical hardwood hammocks, and deepwater sloughs, filled with wetland birds and aquatic wildlife, part of the larger watershed extending from present-day Orlando to Florida Bay, roughly two-thirds the length of the Florida peninsula.

Today, in addition to being one of the world's unique environmental resources, this vast region is home to more than six million Americans, some of the fastest-growing cities in the country, a huge tourism industry, and a large agricultural economy.

And therein lies the problem.

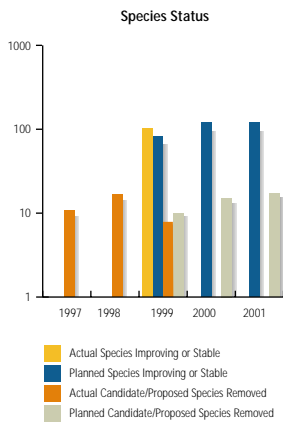
Over the past 100 years, manmade changes to the region's water flow have provided important economic benefits to the region, but also have had deteriorating effects on the environment. Nearly half of those wetlands have been lost, while what remains shows severe damage. And South Florida, as a society and economy dependent on its watery heartland, is not sustainable on its present course.

Leading the search for solutions is the South Florida Ecosystem Restoration Task Force, a federal, state, and tribal initiative chaired by the Secretary of the Interior, aimed at saving and restoring the Nation's most endangered subtropical wetland system.

There are three strategies for restoring the South Florida environment. First, restore a more natural flow of water, providing adequate water supplies, water quality, and flood control. Second, restore and enhance the natural system, physically and biologically reconnecting natural habitats, and reestablishing species diversity. Third, transform the built environment. This means developing sustainable lifestyles and economies that do not damage the natural environment or degrade the quality of life in built areas.

Much has been accomplished in the last six years. Almost \$1.2 billion of federal funds and \$2.3 billion of state funds have been invested. More than 4.7 million acres of land have been acquired by state and federal agencies, including 53,662 acres in 1999. The bald eagles are back, the native crocodile population is growing, and 29,000 acres of invasive plants have been treated or eradicated. New programs in the Florida Keys National Marine Sanctuary to monitor the health and status of the Nation's only living barrier coral reef ecosystem.

Much more remains to be done, however. According to the Everglades restoration proposal presented to Congress last year, the Comprehensive Everglades Restoration Plan, approximately \$7.8 billion more will be needed over the next 20 years to fulfill the promise of South Florida as a landscape whose health, integrity, and beauty are restored and are nurtured by its interrelationships with South Florida's human communities.



of wildfires, too. But over the past several decades, a better understanding of the critical role that fire plays in shaping and maintaining healthy ecosystems has been incorporated into agency fire management practices.

In 1999 the Department treated 827,824 acres with fire as part of its land management mission — below target, but more than a 100 percent increase since 1993. The high occurrence of wildland fires

during the summer and fall kept the crews active on their first priority, fighting fires to protect people, property, and lands.

Responsibility for administration of the Endangered Species Act is shared by Interior's Fish and Wildlife Service and the National Marine Fisheries Service of the Department of Commerce. Working with state, local, and tribal governments, FWS provides technical assistance for the development of large area, multiple species habitat conservation plans. Over 260 such plans are now in effect, with another 240 currently in development.

The effect has been dramatic. In 1999, 99 of the 499 species populations listed a decade ago or more were improving and/or stable. Eight others were approved for removal from the list: the hedgehog cactus, tinian monarch, American peregrine falcon, Colombian white-tailed deer, tidewater goby, bald eagle, Aleutian Canada goose, and the dismal swamp southeastern shrew. Particularly noteworthy is the recovery of the peregrine falcon, once near extinction. Thanks to a two-decade partnership to breed and release peregrines into the wild, their numbers have reached 1,593 breeding pairs, inhabiting skyscrapers, bridges, and cliffs in 40 states.

The Department's National Park Service has a special responsibility for listed species with critical habitat on park lands. Recovering these species provides park visitors with an opportunity to view nearly complete ecosystems. At the same time it provides park managers with information that can be applied to the management of other species, perhaps preventing them from becoming listed. In 1999, 54 populations managed by parks showed improved status; another 65 were considered stable.

Not all our Nation's treasures are part of natural landscapes, however. The NPS is also charged with protecting the historic and prehistoric properties and sites that link us to our Nation's past, including the landscapes associated with historical events, from large rural tracts covering several thousand acres, such as the Gettysburg battlefield and the Blue Ridge Parkway, to formal designed landscapes of less than two acres, such as Frederick Law Olmsted's home and studio. 23,167 structures and 236 landscapes are currently inventoried and assessed, of which 10,659 structures and 74 landscapes are considered to be in good condition.

A large backlog of essential protection work must be done to bring these treasures to a condition that can be preserved by routine maintenance. But there is cause for optimism in the Safe Visits Initiative, a new effort that provides administration and congressional leaders with a prioritized list of repair and restoration needs, allowing us to protect visitors in our parks, refuges, and public lands.



By depriving forests of fire's slow, natural spread from lightning, we choke the forest, spread insect damage and disease and wipe out diverse native vegetation and wildlife. Department policy encourages controlled burns like this one in Mississippi, when property and lives are not at risk.



This bald eagle is more than our Nation's symbol. He's proof that the Endangered Species Act is working. In 1963 only 417 nesting pairs were found in the lower 48 states; in 1999, thanks to the Department's restoration program, there are 7,748 nesting pairs — and the eagle was taken off the endangered list, along with seven other native species.





# THE PEOPLE'S "PLEASURING GROUND"

America has turned to its public lands for escape and inspiration since 1872, when Congress designated Yellowstone as the Nation's first "pleasuring ground for the benefit and enjoyment of the people."

Hiking to the floor of the Grand Canyon, recapturing family history at Ellis Island, surf casting off the great Outer Beach of Cape Cod, visiting the newly restored Washington Monument, exploring the canyons of the Grand Staircase-Escalante, or climbing the peaks of the Grand Tetons, millions of citizens, year after year, seek out their national parks, refuges, and public lands. They come to renew their sense of self, for adventure and relaxation, to sample the rich diversity of our landscape and culture on water or land, at sea level or thousands of feet above, in scuba gear or on mountain bikes, and while hunting, fishing, camping, hiking, boating, white-water rafting, and birding.

Providing these recreational opportunities, consistent with other land uses and our stewardship responsibility, is the Department's second strategic goal.

America's public lands have never been more popular. In 1999 the National Park Service welcomed more than 287 million visitors to its 379 national parks, battlefields, historic sites, monuments, and recreation areas. The Bureau of Land Management welcomed another 75 million visitors to its 264 million acres of public lands, primarily in the 12 western states. The Fish and Wildlife Service's National Wildlife Refuge System welcomed 36 million visitors to its 521 refuges, while the Bureau of Reclamation welcomed 90 million visitors at 300 water recreation sites. These visitors generated more than \$25 billion in direct and indirect economic benefit, providing employment for more than 350,000, serving as a catalyst for state, regional, and local recreation programs at the same time.

Given their popularity, some say our public recreation areas are being "loved to death" and call for a limit to the number of visitors. But we believe you can't love a park or refuge too much.



The MMS "Rigs To Reefs" program creates a double benefit. Turning oil rigs in the Gulf of Mexico into artificial reefs improves habitat for local fish and creates new attractions for recreational scuba divers at the same time.

The challenge is to learn to love them more wisely. In many cases the problem is not too many people but too many cars all packed together. We need to give our visitors more opportunities and more space to stretch out — and places to park outside national parks like Zion, Yosemite, and the Grand Canyon, with clean mass transit into the park.

The Department is committed to enhancing opportunities for everyone to enjoy our Nation's heritage. We want everyone who comes to have a safe visit, leave satisfied, and be eager to return. We protect the value of our resources by educating recreational visitors, promoting an ethic of responsible use. We cannot meet the challenges ahead alone, however, or with insufficient resources. Success depends on partnerships with states, tribes, and local authorities, along with non-profit groups, concerned citizens, and our more than 100,000 volunteers. Adequate funding continues to be a high priority. Interior's Safe Visits Initiative and increased entrance fees at many of the larger destination parks and recreation areas, along with continued implementation and expansion of the Recreation Fee Demonstration Project, will help to address maintenance and infrastructure needs.



Looking for the ideal getaway, but don't know where to go? [www.recreation.gov](http://www.recreation.gov) is your one-stop site for answers — and one of the 15 “Best Feds on the Web,” according to Government Executive magazine.

A partnership among the Army Corps of Engineers, the Bureau of Land Management, the Bureau of Reclamation, the Fish and Wildlife Service, the Federal Highway Administration, the U.S. Forest Service, the National Park Service, the Tennessee Valley Authority, and the U.S. Geological Survey, [recreation.gov](http://recreation.gov) will do just about everything but drive you to your destination. Simply pick the state you want to visit and what you want to do there. The site shows you your options, choosing from 1,900 possible locations. Reservations for over 50,000 campsites and other facilities are available on-line, too, along with local weather forecasts and digital maps. All you need to do is click and go.

## MEMORABLE AND SAFE VISITS

Interior serves the public by listening to the public. NPS and BLM survey systems measure visitor satisfaction and monitor public perceptions of agency recreation programs, using the data to identify issues needing management attention and to compare agency performance against other recreation providers.

1999's assessment of visitor surveys found 94 percent of park visitors were satisfied with park facilities, services, and recreational opportunities, as were 93 percent of BLM recreation users.

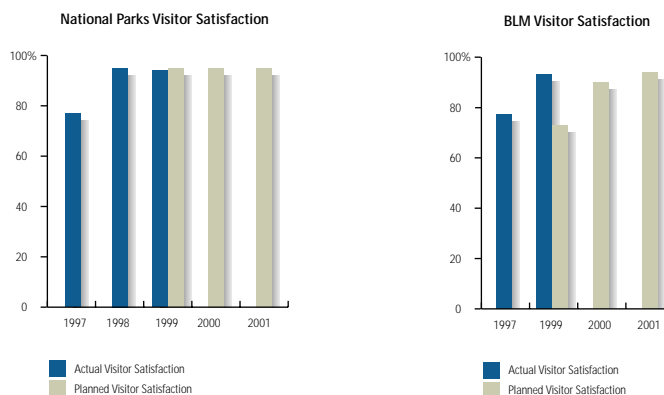
Visitor safety is an equally critical priority. The Department and bureaus work together to identify and assess risk, sharing information about maintenance of facilities and grounds, security and law enforcement, health and sanitation systems, public education, and employee training.

In 1999, NPS reduced the visitor accident/incident rate to 7.24 accidents/incidents per 100,000 visitor days, nearly a 24 percent decrease from the 5-year average. They established a Public Risk Steering Committee to create a strategic safety plan, develop implementation goals and a new visitor safety policy, and improve incident reporting systems.

Interior manages an extensive and aging infrastructure to meet visitor needs. Some of the structures are over 100 years old and are important historic landmarks. Others were built by the Civilian Conservation Corps in the 1930s. As use has increased, the inventory of maintenance and construction needs has grown, and Interior's attention to safe facilities has become more focused.

The Safe Visits to Public Lands Initiative, launched in 1999, aims to improve management and accountability for this infrastructure, directing funding to the highest priority health and safety and resource protection needs.

Long-term improvement of conditions requires better data on current conditions as well. In December 1999 the Department announced formal requirements for facility condition assessments across all bureaus, creating a continuous review program to identify repair, rehabilitation, and replacement needs. The Department has also instituted a facilities management systems partnership, a forum to coordinate continuous improvement Department-wide.



## THE WEST'S BACKYARD



They are the places you know about and the places you never imagined — cacti and canyons, arroyos and outcrops, wide-open vistas and solitary hideaways. They are your public lands, as intriguing and diverse as America itself, and host to a number of outstanding yet relatively unknown places to hike, camp, fish, hunt, mountain bike, watch wildlife, or just kick back and relax.

These open spaces shaped the old West, creating values, a heritage, and a lifestyle. And now their survival is threatened by their very popularity and the explosive growth of a new West.

Newcomers keep pouring in, driving the region's population up from 15 million in 1945 to more than 60 million today, developing private lands and sending suburbs sprawling. Eleven of America's 15 fastest growing states are in the West. The fastest growing city in the fastest growing state, Las Vegas, Nevada, adds 6,000 new residents each month. As the numbers grow, legislators, community leaders, and the public realize, as never before, that the quality of life they enjoy depends on the open spaces that remain.

Preserving those open spaces, and enhancing their recreational opportunities, is the job of Interior's Bureau of Land Management.

The BLM manages over 264 million acres of public land, about one-eighth of the U.S. land mass, offering more recreational opportunities over a broader geographic area than any other federal agency, including 2,000 miles of wild and scenic rivers; over 4,500 miles of trails; 117,000 miles of fishable streams; 2.9 million acres of lakes and reservoirs; 5.2 million acres of designated wilderness, and more than 1,300 recreation sites. In addition the BLM manages Grand Staircase-Escalante, the national monument created in 1996, and the three additional national monuments added last January: Grand Canyon-Parashant (managed jointly with the NPS), the Agua Fria, and the California Coastal.

What makes BLM's lands unique is their accessibility. They are the West's backyard, the places people can visit on a weekend. In the lower 48 states, nearly two-thirds of BLM lands are within an hour's drive of urban areas, waiting to be enjoyed.

That access carries a cost. The BLM used to be the Nation's best kept recreation secret. But now the secret is out. BLM recorded 75 million recreational visits in 1999. While the bureau continues to improve efficiency, recreation fee collection, and its public and private sector partnerships, staff and other resources have been stretched.

## CHANGE AND COST

Americans will continue to love their public recreation areas only if they continue to reflect their needs. Our visitors are different than they were a decade ago; we must continue to change to serve them better.

Our campgrounds, for example, were designed to serve the 1950s-era vision of a nuclear family of no more than six traveling in a single vehicle. Today, with many large extended families camping on public lands, the old designs don't work anymore. America is getting older, too, and more ethnically diverse. But older visitors find few accessible trails on public lands, and visitors who don't speak English as their primary language find little information available.

For decades, parks gave up the revenues collected at entrance gates and other services, depending on Congress to meet their funding needs. Since the 1996 introduction of the Recreational Fee Demonstration Program by Congress, however, Interior's bureaus keep 100 percent of the fees they collect at demonstration sites, 80 percent for the specific park or refuge where they are collected. As of September 1999, there were 100 NPS demonstration projects, 87 FWS projects, and 100 BLM projects. The bureaus collected \$149.9 million in revenues from all projects in 1999, an increase of \$6.4 million over the previous year.

Visitors see how that money is spent every day: on maintenance, infrastructure, resource management, and visitor services at the NPS; to improve boat docks and ramps, auto tour routes, information kiosks, exhibits, signs, brochures, and trail guides by FWS; and to improve campgrounds, parking areas, visitors services, site access, safety and health services, and environmental protection by the BLM.

New fees haven't affected attendance, however. The number of visitors continues to grow at participating sites, and public acceptance of the fee program is high. In bureau customer service surveys, visitors called fees "about right" or "too low" 89 percent of the time at NPS sites, 92 percent at FWS sites, and 90 percent at BLM sites.



## THE POWER OF ONE

Public citizens aren't just our customers. They are our most important partners, too, particularly the men and women who give their time to help maintain and enhance our shared heritage.

Consider Paul Blevins (pictured at top), one of the more than 28,000 volunteers who work with the Fish and Wildlife Service each year, for instance. Mr. Blevins has volunteered for over 20 years at Bon Secour National Wildlife Refuge in Alabama, including more than 1,500 hours in 1999. In addition to building and installing birdhouses, he maintains the refuge's hiking trail, provides information to visitors, cultivates a hummingbird and butterfly garden for visitors to enjoy, and helps with a variety of maintenance work.

Or John Ott of Layton, Utah, one of more than 85,000 volunteers who donate more than three million hours of service to our national parks each year. Ott has been on the job since 1996, volunteering as a park interpreter at Golden Spike National Historic Site in Utah, Fort Davis National Historic Site in Texas, and Chiricahua National Monument in Arizona, winning the title of an Honorary Park Ranger for his contributions.

Would you like to join Interior's team of volunteers? Volunteers monitor campgrounds, help with seasonal bird surveys, collect new information for maps, and help with many other activities. Find out more at:

National Park Service: [www.nps.gov/volunteer](http://www.nps.gov/volunteer)

Bureau of Land Management: [www.blm.gov/volunteer](http://www.blm.gov/volunteer)

Fish and Wildlife Service: <http://volunteers.fws.gov>

USGS: <http://interactive.usgs.gov/volunteer>





# BALANCING SUSTAINABLE USE AND FAIR RETURN

Managing the vast resources of America's public lands has been a core Interior responsibility since the Department was founded in 1849. It was basic land office work back then, focused on development, handling land sales and title adjudication as the Nation expanded westward, although as gold and silver were discovered it included managing those mineral resources, too.

Today, through the Bureau of Land Management, the Bureau of Reclamation, and the Minerals Management Service, the Department continues that work. But the stakes have gotten bigger: fees from federal offshore and onshore oil and gas leases currently provide the federal government one of its greatest sources of non-tax revenue. And the focus has changed. The emphasis now is on stewardship: multiple use, sustained yield, and environmental protection, managing the public domain to accommodate many different needs, sustaining its long-term health, diversity, and productivity.

In addition to its expanding role providing recreational opportunities (see *The West's Backyard*, page 17), the BLM has the broadest range of resource management jobs: overseeing rangelands, selling millions of board feet of sawtimber and other forest products, and issuing thousands of leases for oil, gas, and geothermal exploration, coal production, gold and silver mining, sand and gravel operations, electrical transmission lines, hunting and fishing guiding services, and movie filming. Lands managed by Interior produce 31 percent of the Nation's coal, 38 percent of its natural gas, and 26 percent of its oil, generating \$4.5 billion in annual revenues.

The Bureau of Reclamation is the largest supplier and manager of water in the 17 western states, delivering water to 31 million people for agricultural, municipal, industrial and domestic uses. Reclamation is the Nation's second largest producer of hydroelectric power, generating nearly \$1 billion in annual power revenues. Its multipurpose projects also provide substantial flood control, recre-



ation, and fish and wildlife benefits. In recent years, Reclamation has moved from development to management of these important resources, working with state, tribal, local, and other entities to find solutions for water supply problems that are consensus based, cost effective, and environmentally sound.

The Minerals Management Service manages the Nation's natural gas, oil, and other mineral resources on more than 1.5 billion acres of the Outer Continental Shelf (OCS), and collects, accounts for, and disburses revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands. In 1999 the OCS supplied over 29 percent of the natural gas and more than 20 percent of the oil produced in the United States. Since 1982, more than \$102 billion in revenues from mineral activities on federal lands has been distributed by the MMS to the U.S. Treasury, states, Indian tribes, and Indian allottees.

## MANY STAKEHOLDERS, MANY NEEDS

Managing natural resources for a healthy environment and a strong economy, the Department's third strategic goal, requires a complex balancing of interests. Preserving healthy landscapes and restoring damaged ecosystems comes first, sustaining the productivity of renewable resources and conserving non-renewable ones. The economic health of the community is a factor, too. And both taxpayers and commercial interests deserve a fair return on any resources used as well. So consensus building is critical, in partnership with state, local, and tribal governments and private non-profit and commercial groups. Decisions need to be based on science, with much of the decision-making moved to the local level through more than two dozen BLM-sponsored State Resource Advisory Councils, eliminating "one-size-fits-all" management.

The lower Colorado River meets the needs for many municipal, agricultural, and power users in the southwestern United States. The Bureau of Reclamation's work along the length of the river shows how balancing the interests of many stakeholders and interests can succeed.

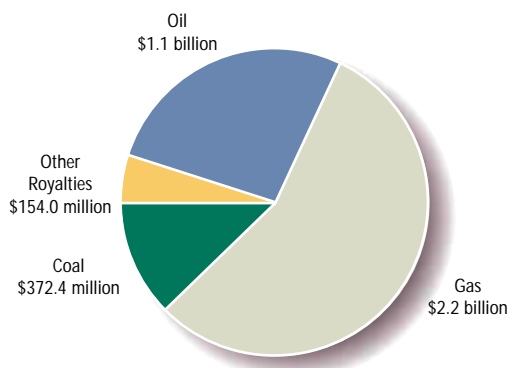
Over the years, the changes made in the Colorado River have altered the natural ecosystem and species that inhabit it. In 1994, the Fish and Wildlife Service designated critical habitat for four endangered fish species in the Colorado River Basin. In response, federal, state, and local agencies, tribes, and other public and private stakeholders formed a regional partnership that is developing a Multi-Species Conservation Plan to guide management of the basin for the next 50 years and optimize opportunities for future water and power development. The 35-member Steering Committee has taken a coordinated, comprehensive approach for the lower Colorado River basin. These efforts will ensure that the Colorado River remains one of the West's most critical resources for fish and wildlife, as well as for human needs.

The lower Colorado River also provides water for 18 million Southern Californians. For many years, California has been using surplus Colorado River water that was not being used by Arizona or Nevada. In 1999, the Imperial Irrigation District, Coachella Valley Water District, and Metropolitan Water District of Southern California signed a first-ever agreement that quantifies each entity's annual entitlement of Colorado River water. This agreement is a key part of California's effort to reduce its future Colorado River water use to an annual apportionment of 4.4 million acre-feet and end its dependence on surplus Colorado River water to meet long-term water needs. This quantification agreement opened the way for a water transfer from irrigation in the Imperial Valley to municipal and industrial uses in San Diego. The agreement will also help in the development of formal surplus guidelines on the Colorado River.

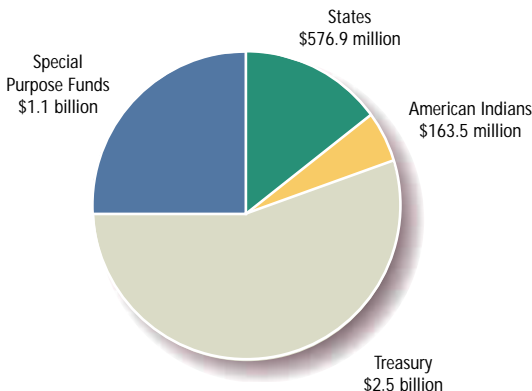
That same balancing requirement drives MMS' oversight of Outer Continental Shelf assets. MMS oversees activity on the OCS to ensure safe exploration and development on federal offshore oil and gas and mineral leases, promote environmental protection, and ensure fair market value for energy and mineral development.

Estimating the value of any given lease tract is a complex business. No one knows exactly how much oil and gas exist under a lease, how much can be produced, and what the price will be when they go to market. Given their non-renewable nature, America's mineral resources must yield a fair return. MMS' current evaluation procedures are designed to ensure that the federal government receives fair market value for auctioned leases, which can vary considerably. In 1999 we met our fair market value goal, which we measure as a ratio of the high bids we receive for offshore leases to our estimate of their value.

Royalties from federal and American Indian mineral leases (onshore and offshore) by commodity, Calendar Year 1999



Disbursement of federal and American Indian mineral lease revenues (onshore and offshore), Fiscal Year 1999



Federal lands' overall share of domestic crude oil production has increased steadily since 1993 to more than 26 percent in 1999. Interior is responsible for collecting billions of dollars in receipts, fees, and other revenues. In 1999, the Minerals Management Service collected over \$4.5 billion from mineral activities on federal and American Indian lands. Of this amount, over \$4.3 billion was transferred to the U.S. Treasury, states, Indian tribes, Indian allottees, the Land and Water Conservation Fund, and the Reclamation Fund.



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[WWW.ADOPTAHORSE.BLM.GOV](http://WWW.ADOPTAHORSE.BLM.GOV)**

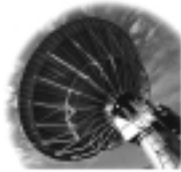
**Melanie Jackson and "Magic Spell," the horse she adopted in 1998. Since 1973 the BLM has sponsored 165,000 horses and burros for adoption, thinning the wild herds on public rangeland to allow adequate forage and water for the remaining animals.**

MMS also balances the search for energy and minerals with protection of the environment and provides the solid scientific basis to make sound decisions. Operational safety research funded by MMS includes studies on pipeline fatigue and failure, deepwater pipeline repair, and improved pipeline design. MMS' research has significantly reduced the impact of oil spills when they do occur.

MMS continuously monitors its ways of doing business to determine how it can improve its efficiency and level of service. Our royalty reengineering initiative embodies our commitment to developing and utilizing best business practices and cutting-edge technology. In 1999 MMS completed a number of preliminary planning and design milestones for this initiative, including awarding a contract to develop, install, and operate an integrated royalty financial system. The reengineered processes and systems, which will make us comparable to the best in business, are scheduled to be implemented by October 2001.



**Today's offshore oil rigs are giants, some set at depths close to 4,000 feet, tall enough to tower over Manhattan's largest skyscrapers.**



# SCIENCE FOR A CHANGING WORLD

As a nation, we face vital and perplexing questions concerning our environment and natural resources. How can we ensure an adequate supply of critical water, energy, and mineral resources in the future? Are we irreversibly altering our natural environment when we use these resources? How has the global environment changed over geologic time, and what can the past tell us about the future? How can we predict, prevent, and mitigate the effects of natural hazards?

Good stewardship depends on good science. The fourth strategic goal of the Department is to provide that science — sound, objective, current, and usable — both by adding to the environmental and physical science knowledge base and by improving hazard knowledge and warning systems.

The U.S. Geological Survey is the Nation’s primary provider of natural science information and technical assistance, working across traditional boundaries between environment and natural resources science with a cross-disciplinary integrated approach. And Interior land and resource managers from all our bureaus factor science into their decisions, from the commonplace to the controversial, from extending a grazing permit to implementing the Endangered Species Act. That philosophy has been critical to the Department’s success in building support for challenging restoration efforts for key ecosystems like the Everglades and the Pacific Northwest Forest.

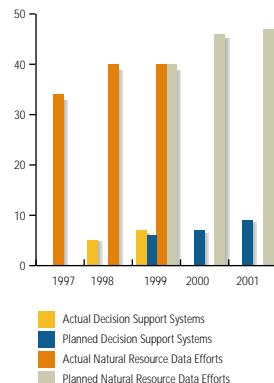
## UNDERSTANDING OUR ECOSYSTEMS

With the incorporation of the former National Biological Service in 1996, the USGS became a major partner in developing the Nation’s understanding of the conditions and trends of biological resources and the ecological factors affecting them. That work flowered with last year’s USGS publication of “Status and Trends of the Nation’s Biological Resources,” detailing the first large-scale assessments of the health, status, and trends of our plants, animals, and ecosystems. Produced with contributions from nearly 200 experts from the federal government, academic, and nongovernmental communities, it synthesizes current information with a historical perspective of ecosystems across the country to measure and explain how the Nation’s resources are changing.

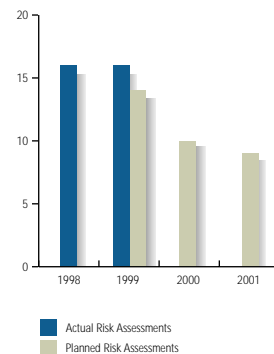
The USGS conducts a significant water resource national program, with more than 45,000 monitoring stations, to describe the status and trends in the quantity and quality of surface and ground water resources. USGS produced “The Quality of Our Nation’s Waters,” combining the results of 20 different studies, which was distributed to our federal partners, local and regional leaders, and concerned citizens. At the same time, work pushed forward on a series of 20 urban land-use programs, providing policy makers, scientists, students, and the public with a historical perspective on urban development and delivering the information they would need to make informed decisions about the future.

More accessible data lead to better decisions. To improve long-term resource information and systematic analysis, USGS upgraded 40 targeted data collection and data management activities. USGS delivered 959 new systematic analyses to customers — Interior bureaus, other federal agencies, states, tribes, local governments, and the public. In addition USGS developed seven new decision support systems, one more than targeted. These tools, designed to help managers make hard choices on the basis of hard science, yield quantitative predictions about natural resources or the environment and quantitative options for land and resource management.

Data and Decision Support Systems



Natural Hazards Risk Assessments







Where do Interior's scientists work? On the ice in Antarctica, inside the caldera at Mount St. Helens, or here, on a rock face 200 feet above Upper Stillwater Dam, where Bureau of Reclamation geologist Mark Neely installs monitoring equipment on potentially unstable rock.

## MONITORING NATURAL HAZARDS

The USGS hazards mission describes, documents, and helps understand natural hazards and their risks. Activities include long-term monitoring and forecasting, short-term prediction, real-time monitoring, and communication with civil authorities and others during a crisis. Other significant activities include post-crisis analysis with scenario formulation to develop strategies to mitigate the impact of future events and coordinated risk assessments for regions vulnerable to natural hazards.

Last year's season of natural disasters worldwide was the worst on record, according to a report by the International Red Cross, with floods, fires, tornadoes, hurricanes, earthquakes, and volcanoes all leaving their mark on the earth's surface. Domestically there were 52 major disaster declarations in 35 states, the worst of which cost victims, insurance companies, and taxpayers over \$1 billion in a single week.

America's east was particularly hard-hit. The mid-Atlantic summer drought was one of the most severe of the century, withering crops, overloading power plants, and shrinking rivers and streams to mere trickles. The USGS monitored and documented the record or near-record low flows in more than three-quarters of regional streams and rivers that were monitored, data that local governments could use to plan for water shortages and determine how to avoid them in the future.

Along the Eastern Seaboard, a mosquito-borne, West-Nile-like virus killed seven people and thousands of birds. Working with other federal and state agencies, including the Centers for Disease Control and Prevention, the USGS initiated a multi-state surveillance network to detect and monitor the virus, collecting information and samples to determine what species were infected and how, where, and how fast the infection was spreading.

The hurricane season brought Dennis and Floyd ripping up



Tillamook County, Oregon, suffered devastating floods in 1996 that caused more than \$50 million in damages and losses. Since then, Interior and other federal agencies have worked closely with Tillamook to use geographic information system (GIS) technology to improve flood planning and emergency planning, and to provide other assistance. The results have been striking: on Thanksgiving Day, 1999, 9.1 inches of rain fell in 48 hours, mirroring the 1996 floods. However, this time Tillamook was prepared, and according to county officials, damages were reduced by over 90 percent.



the coastline. The USGS evaluated the extent of erosion, particularly along North Carolina's coastline, as well as the hurricanes' impact on water quality due to extensive flooding.

To improve America's national preparedness for natural hazards, the USGS developed 16 risk assessments, exceeding the target goal. These assessments included fault structure and earthquake potential in Puget Sound, bridge scour processes, and updated assessments of national landslide susceptibility. To enhance our ability to identify, quantify, and monitor hazardous events in near-real time and real-time, the USGS added 20 earthquake sensors to the existing 100 capable of delivering information nearly instantaneously, collecting data vital both to risk analysis and emergency response. As a result response time was slashed from 40 to 20 minutes in these areas, cutting the risk of loss of life and property.

The USGS played a significant international role as well. It was involved in a major effort to provide integrated data and analysis and build local capabilities in the Central American countries devastated by Hurricane Mitch. And it responded to earthquakes worldwide, from Colombia to Turkey to Taiwan, evaluating the effects, studying the natural deformation caused by the quakes, and setting up portable seismographs to monitor aftershocks, adding to the world's store of earthquake knowledge.



More lives and property are lost to flooding than any other natural disaster — but far more would be lost without the efforts of USGS. USGS provides the streamflow information needed to predict and monitor floods, gathering information through a nationwide system of streamgages. In 1999, USGS improved the delivery of real-time streamflow information by adding new telemetry to over 560 streamgages, part of a network of over 5,000 real-time streamgages, reducing the time it takes to provide information from as much as six weeks to as little as four hours.

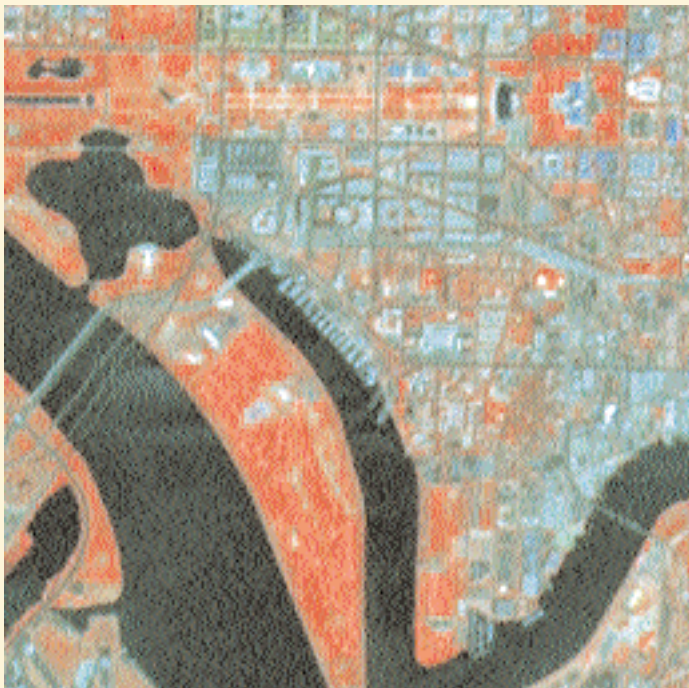


Image of Washington, DC from  
Landsat 7, May 11, 1999.

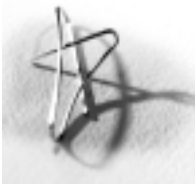


Shaded relief map from the National Atlas of the United States of America.

The USGS has been the federal government's mapmaker since 1879. Today, fueled by technology and partnerships with the private sector, its products are widely available on-line.

Curious about how our fragile planet looks from space? Eager to monitor the deforestation of rainforests, or the effects of urban growth? Landsat 7 provides a global view from 438 miles up. Users can now search for, select, and order Landsat data on-line at <http://landsat7.usgs.gov>.

Looking for maps that integrate the environmental, resources, demographic, economic, social, and political dimensions of your state? The interactive National Atlas, available on-line, is a convenient but powerful tool with more than 130 different map overlays. The Atlas gets some 56,000 visitors each month; join them at [www.nationalatlas.gov](http://www.nationalatlas.gov).



# BUILDING COMMUNITIES OF HOPE



governments in the United States. But too often our efforts have fallen short. Although a handful of tribes are prospering, today more than 30 percent of Native Americans have incomes below the national poverty line. Forty percent of Indian households are overcrowded or have inadequate dwellings, and their death rate from alcoholism is four times the national average.

Meeting our trust responsibilities to Indian Tribes, along with our commitments to island communities, is the Department's fifth strategic goal. Through the Bureau of Indian Affairs and other major offices and agencies, the Department works with tribal groups and governments to protect their lands and natural resources, fulfill our treaty obligations and the mandates of federal law, and help them help themselves, creating the jobs, education, and quality of life that build communities of hope.

The role of the BIA has changed significantly over the past two decades. The emphasis today is on tribal self-determination and self-governance, in accord with tribes' sovereign authority. Like a county government, the BIA supplies such critical programs as education, housing, law enforcement, natural resource management, and road maintenance, administered by the tribes themselves, by the bureau, or in partnership. In 1999 tribal governments received more than \$1.4 billion for operating programs and construction projects, with \$9 out of every \$10 of BIA money spent on reservations.

To increase its accountability to Congress, the Department, and the tribes for its management and administration of federal funds, BIA is systematically revising policies and processes, reorganizing accounting, property management, records management, and personnel operations. This initiative includes working with tribes to ensure that tribal contractors are using federal funds in an efficient and lawful way, adhering to single audit requirements, and making prudent investments of advance funds.

America's 1.4 million native people are committed to revitalized communities, spiritually strong and economically vibrant, where people are secure in their culture, heritage, and government, and hopeful for the future of their children. It is a commitment that the Department shares.

As a Nation, we have a unique legal, moral, and ethical responsibility to ensure the economic and cultural viability of the 556 federally recognized American Indian and Alaska Native Tribal

**"WE'RE NOT COMING FROM WASHINGTON TO TELL YOU EXACTLY WHAT TO DO AND HOW TO DO IT. WE'RE COMING TO ASK YOU WHAT YOU WANT TO DO, AND TELL YOU WE WILL GIVE YOU THE TOOLS AND THE SUPPORT TO GET DONE WHAT YOU WANT TO DO FOR YOUR CHILDREN AND THEIR FUTURE."**

President Bill Clinton, July 1999

Pine Ridge Indian Reservation, South Dakota

## THE VALUE OF TRUST

The Nation has an historic obligation to protect tribal financial assets and protect the value of tribal natural resources, the lands, waters, forests, and minerals vital to their economic and social interest.

The BIA administers more than 43 million acres of tribally owned land, 11 million acres of individually owned land, and 443,000 acres of federally owned land held in trust status. The bureau continues to help tribes establish and define their critical water rights and to settle Indian land claims through negotiation. BIA programs encourage tribes and individual Indians to protect and preserve their natural resources by managing their use in accordance with Integrated Resource Management Plans. These plans encourage tribal co-management of shared, multi-jurisdictional resources located off reservations to provide for the exercise of treaty hunting, fishing, and gathering rights. In 1999, the Department completed implementation of water rights for the Jicarilla Apache Tribe, and President Clinton signed into law a permanent water rights settlement for the Chippewa Cree Tribe of the Rocky Boys Reservation.

Interior's bureaus are committed to meeting their trust responsibilities to tribes. The Minerals Management Service collects and distributes mineral revenues. The Bureau of Land Management makes certain that the required analyses of oil, gas, and mining exploration, development, and production have been completed; conducts operational and enforcement inspections; and provides technical assistance to tribes to support six coal leases and 107 other solid mineral leases. The Bureau of Reclamation provides technical expertise and resources to the departmental Indian water rights settlement program and supports tribes' efforts to construct, operate, and maintain their water systems. The Fish and Wildlife Service partners with tribal governments to conserve and enhance fish and wildlife resources.

The Department places a high priority on eliminating long-standing trust management deficiencies. The Office of the Special Trustee for American Indians was established in 1996 to oversee trust management reforms as mandated by the 1994 American Indian Trust Fund Management Reform Act. A strategic plan to reform the trust management system was submitted to Congress in 1997, and in 1998 Interior issued the first High Level Implementation Plan for trust management improvement. Significant information technology initiatives are underway to improve the long-troubled trust management systems used in managing lease, rental, and royalty payments for timber, grazing, oil, and mineral resources. The Secretary of the Interior, through the Office of the Special Trustee, manages approximately \$3 billion held in trust for 315 Indian tribes and over 262,000 individuals. In 1999, approximately \$800 million passed through the tribal trust funds system.



For Richard P. Mike and his partner, Nina Helfin, the Department's guaranteed loan program was a path to entrepreneurship — and ownership of four Burger King franchises in Kayenta, Page, and Chinle, Arizona; and Shiprock, New Mexico. A full-blooded Navajo, Mike is from the Monument Valley, Arizona, part of the Navajo reservation. Mike began his Burger King business with a \$500,000 loan guarantee from the BIA. He made final payment on his loan in October 1998.



Indian Township School teacher Sandra Lyons and student in Princeton, Maine, surf the Web. In partnership with private industry, the BIA is linking all its schools to the Internet, connecting geographically and economically isolated Indian communities with the information highway.

## CREATING TOMORROW'S COMMUNITY

BIA funding for housing improvement, education, social services, economic development, and job- and career-training helps improve the quality of life for tribal communities. The bureau also supports a law enforcement network that includes tribal police officers, juvenile detention facilities, and judicial courts.

Tribal housing is in short supply, and existing units are often substandard or overcrowded, although the Housing Improvement Program renovated 635 existing homes and constructed 165 new ones in 1999. The bureau successfully operated 16 comprehensive Welfare-to-Work plans, one over the target, working with tribes to identify general assistance recipients, then providing training and support to help them become economically self-sufficient. This year's goal is to expand the number to 25.

BIA programs in 1999 provided elementary and secondary education for more than 50,000 students, and post-secondary education through 26 tribally controlled community colleges that awarded more than 1,100 degrees. Control of education and school management rests with the tribes themselves, as BIA's role changes from direct program operations oversight to coordination and technical support. More than half of the 185 BIA elementary and secondary schools on 63 reservations are under the management of tribal councils or tribal boards of education, and many of the schools' operations, facilities, and curricula are being modernized. Ninety-eight percent of BIA supported schools were accredited in 1999, up from 94 percent in 1998. Student achievement is up. Drop-outs are down. And student enrollment in tribally controlled community colleges has grown, thanks to increased graduation rates for high school students.

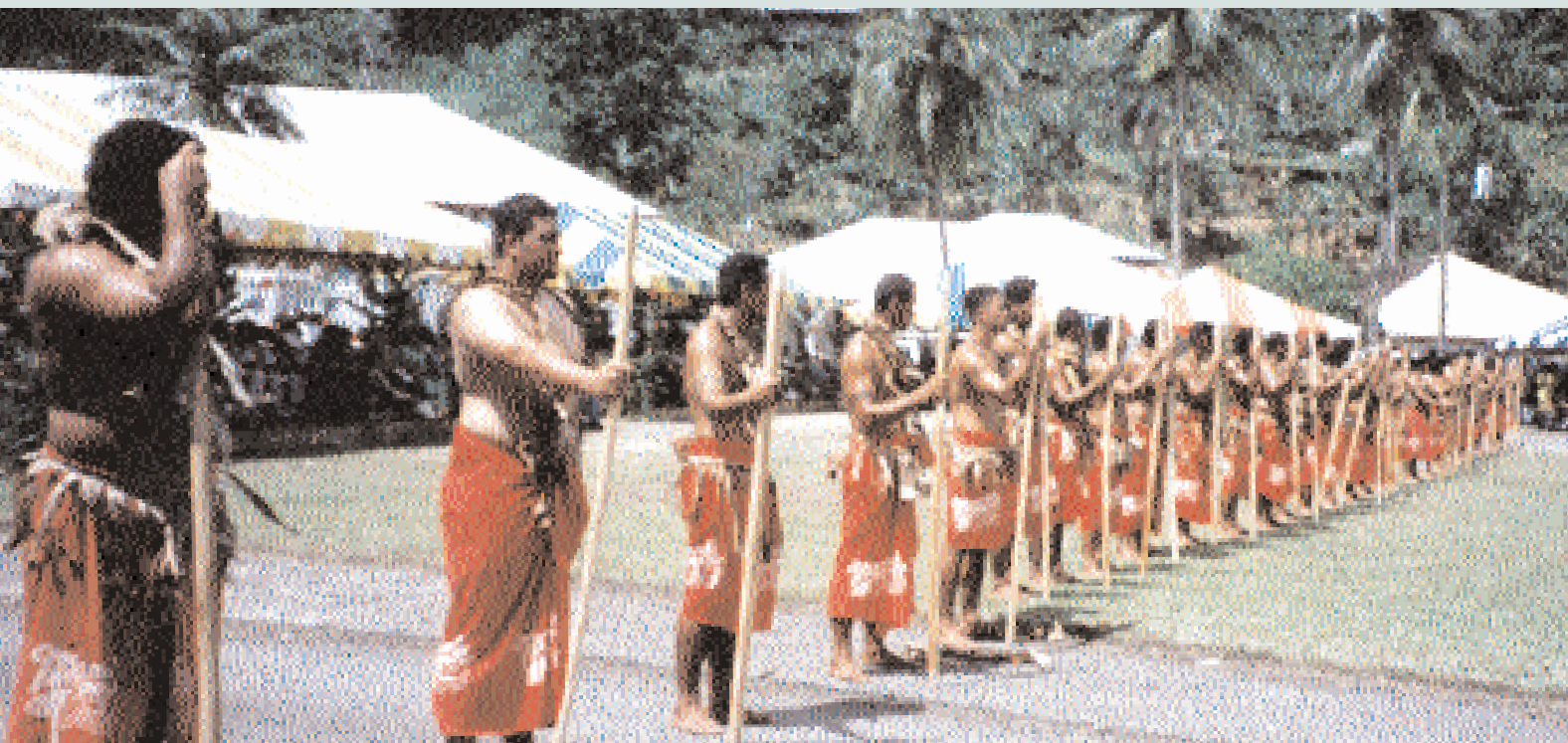
This success has increased the need for additional educational funding. BIA's estimated backlog of education repair needs totals approximately \$800 million, with funds needed to address serious health and safety concerns, including leaky gas systems, sub-standard sewer treatment systems, lack of handicapped access, up-to-date fire sprinkler systems, roofing deficiencies, and environmental problems.

The tribes themselves are leading the way in the effort to bring business and opportunity to their communities. For example, the gaming industry has become a significant economic factor for many tribes. The BIA also has an important role to play in economic development. BIA's Guaranteed Loan Program provides capital for businesses that otherwise may go unfunded. In 1999, we guaranteed 45 loans creating 950 new jobs. We invested in human capital, too, arranging for 40 tribal organizations to receive consolidated federal training and employment grants over the next five years to create 5,000 new job opportunities. And 70 percent of training and employment participants were successful in completing their training objectives or in obtaining employment.

SEE HOW THE INTERNET CONNECTS TO RESERVATION  
SCHOOLS AT [WWW.4DIRECTIONS.ORG](http://WWW.4DIRECTIONS.ORG)



Flag Day Ceremony, Pago Pago, American Samoa



Traditional Samoan Dancers, Pago Pago, American Samoa

## ASSISTING ISLAND COMMUNITIES

The Department's Office of Insular Affairs works closely with four U.S. territories and three affiliated autonomous nations to provide financial and technical assistance that is used for a variety of purposes. In some cases, assistance pays for basic services such as education, health care, and public safety. In other cases, the assistance helps build critical infrastructure — from wastewater systems to hospitals and schools. For all of the islands, OIA offers grants or direct expertise to improve technical capabilities in all areas of government.

OIA also helps to improve communications and policy coordination within the federal government and among the islands. A major development in 1999 was the creation of an Interagency Group on Insular Affairs. This allows high-level federal officials to meet and discuss island problems and to review input from island leaders.

Will the people of the United States Virgin Islands have clean drinking water? Will residents of the American Samoa find adequate health care and clean modern facilities? Will visitors to all of the United States affiliated islands find flourishing coral reef ecosystems? Through financial and technical assistance and good island relationships, OIA wants to make the answer yes.

Will the schoolchildren of Palau have books to read? Will American Samoa's hospitals be stocked with medicine? Can visitors to the United States Virgin Islands be certain that the territorial government will be able to maintain roads and deliver emergency services?

The Department's Office of Insular Affairs provides the people of four U.S. territories and three affiliated, autonomous nations the management tools, technical assistance, and technology support to make the answer yes.

TO READ THIS YEAR'S STATUS OF THE ISLANDS REPORT VISIT  
[WWW.DOI/GOV/OIA](http://WWW.DOI/GOV/OIA)



# STEWARDSHIP MANAGEMENT



67,000 employees at over 2,000 locations. The demands on our resources keep growing, with new parks to manage, new and more complicated restoration projects, and a growing Native American population. But we've gotten significantly leaner over the past seven years, with staffing down 13.5 percent. Top management is compressed, too, limited to a Secretary, Deputy Secretary, and five assistant secretaries, far fewer than other cabinet departments of comparable size. Authority and accountability are pushed to the field. So our mission success, and our future, depend on our continued ability to hire and retain exceptionally talented men and women at all levels.

In 1999, we launched major initiatives to enhance the quality of work life, expand our workforce diversity, and increase accountability at all levels. We upgraded our technology, too, weathered Y2K without a glitch, and began integrating our IT architecture. And innovation flourished, producing a steady stream of new ways to provide better service through smarter and more cost-efficient operations.

The result is stewardship management — and the accountability and performance the American taxpayer deserves.

The Department of the Interior strives to improve its operational performance, as detailed by our performance goals, in order to fulfill our mission and serve our customers well. But that is only part of our obligation. We are stewards of taxpayer resources, too. As such, we are committed to improving both the effectiveness of what we do and the efficiency with which we do it.

The Department is a large and complex operation, with some

## QUALITY OF WORK LIFE

Our quality-of-work-life initiative had three elements: upgrade facilities, improve services to employees, and help employees balance their home and work responsibilities.

To improve the physical workplace, we completed a Five-Year Facilities Maintenance and Capital Improvement Plan, prioritizing projects across the Department, focusing maintenance and construction funding on the highest priority health, safety, and





The Unsung Hero Award is a new honor that recognizes Interior employees who have made valuable behind-the-scene contributions to the Department. President Clinton honored Interior's Unsung Heroes at the Department's 150th anniversary celebration.

resource protection needs. We also developed standards for condition assessments and established common data elements for maintenance management systems, which will allow us to do a better job of tracking and managing our facilities.

Quality-of-work-life programs depend on teamwork, with employees coming together to share ideas about what needs to be changed and how it can be made better. Phase one was to build those teams at the main Interior complex in Washington. A series of town hall meetings encouraged employees to air their concerns and complaints, and led to a task force that tackled them. Working together, the bureaus identified the critical issues for employees today, including child and elder care, telecommuting, wellness, and employee development.

Building on the success at headquarters, the Department has launched phase two, expanding the model throughout the Department and into the field. Each bureau and office has been challenged to develop quality-of-work-life plans for employees throughout the United States and to work in partnership with those employees to carry out the plans. Each bureau has been asked to

appoint a senior official to take bureau responsibility, to prepare a preliminary report on past efforts, and to develop a plan for future improvements. The bureaus are setting up electronic bulletin boards and Web sites to allow employees to share ideas and make suggestions.

The Department is committed to effective training and development programs for all our employees, emphasizing career management and life-long learning throughout the Department. In 1999, a Department-wide employee development team began a comprehensive evaluation of our practices and policies, assessing our current strengths and weaknesses. Their first initiative, a new employee orientation and acculturation program based on existing bureau-level best practices, has been enthusiastically adopted by Department and bureau leadership and our National Partnership Council, representing our labor unions. We opened a new Denver learning center, too, a campus of the Department's University, helping increase the effectiveness of the 215 classes offered and the 4,600 employees trained each year.

“PEOPLE CHOOSE TO WORK FOR THE FEDERAL GOVERNMENT BECAUSE THEY WANT TO SERVE THEIR COMMUNITY AND THEIR COUNTRY. THE CHALLENGE FOR THE DEPARTMENT IS TO CHANNEL THAT MOTIVATION, TO GIVE OUR WORKFORCE THE FACILITIES AND TOOLS THEY NEED TO RUN WITH THEIR GOOD IDEAS, ENHANCING THE QUALITY OF WORK LIFE, EXPANDING OUR WORKFORCE DIVERSITY, AND INCREASING ACCOUNTABILITY AT ALL LEVELS.”

John Berry, Assistant Secretary for Policy, Management and Budget

## LOOKING LIKE AMERICA

The Department is committed to having its workforce better reflect the changing demographics of the Nation. To accomplish this vision, we have consolidated our various workforce programs and requirements into a single Strategic Plan for Improving Diversity. Signed by the Secretary in December 1997, it incorporates our goals for improving organizational effectiveness through enhanced diversity initiatives, improving the quality of work life for DOI employees, and institutionalizing management accountability measures. In essence, this plan requires our managers to: (1) conduct their recruitment so that each applicant pool may include a diverse pool of candidates, without discrimination based upon race, national origin, gender, disability, or any other non-merit factor; (2) ensure that their workplace is free from discrimination and hostility, that employees are treated fairly and respectfully, and that affirmative measures are taken to reduce the number of complaints; and (3) develop the plans, evaluation processes, and feedback mechanisms needed to ensure that these responsibilities are carried out.

Each bureau has developed implementation plans, with performance measures reported monthly at the Interior Management Council and quarterly at the Diversity Performance Reviews. We have established partnerships with various minority colleges and universities, placed computer kiosks at numerous institutions where students can view and download job announcements, posted every vacancy on OPM's USAJOBS, and reviewed each vacancy to ensure that there are no unjustifiable barriers to any qualified group. We have also implemented a comprehensive applicant tracking process to assure that we live up to our vision and strategic goals for diversity.

During FY 1999, the total representation of women and minorities increased 0.8 percent, including for the first time increases in all major dimensions: each bureau, each race/national origin

and gender group, each of the most under-represented occupations, and targeted disabilities. There is certainly much left to do, but we have made a good beginning.

## TECHNOLOGY EDGE

In March 1999 Interior became the first major cabinet agency to complete Y2K remediation of its mission critical systems. January 1, 2000, was marked by the successful transition of our automated process into the next century.

New Department-wide contracts enhanced our ability to acquire the new resources needed. A basic purchasing agreement for several configurations of personal computers, including office and word processing software suites, gave all of the bureaus and offices a simple, quick, and reasonably priced avenue for acquisitions, with prices from 5 percent to 20 percent lower than the General Services Administration's schedule price, saving some \$800,000 for \$5 million in purchases over the first two months of the agreement.

Historically, many of the Department's automated information systems have been developed on an individual basis to respond to particular business needs, resulting in a tangle of unconnected, repetitive, or inconsistent information systems on a variety of technical platforms. With increased need for integration and the knowledge sharing and team building it enables, Interior is developing an Enterprise Information Architecture plan, bringing all the Department's various systems into an unified structure that is more responsive, accessible, affordable, and easier to maintain.

Technology has transformed our customer connection as well. Our Web sites give customers one-stop shopping, with convenient and efficient on-line transactions systems. Our Web sites are learning tools, too, providing educational opportunities to communities, students, and teachers, creating new approaches to present scientific data in ways that enlarge understanding and stimulate young minds.

## LEAN AND GREEN

True to our mission, we champion energy efficient practices and green technologies throughout the Department. In 1999 we developed and implemented a strategic plan to advance that cause — and continued to win Department of Energy awards for energy and water conservation initiatives. In addition, Interior is a strong advocate and user of alternative-fuel vehicles, especially at parks and refuges. The current fleet of over 550 vehicles is expected to nearly double by fiscal year 2002.

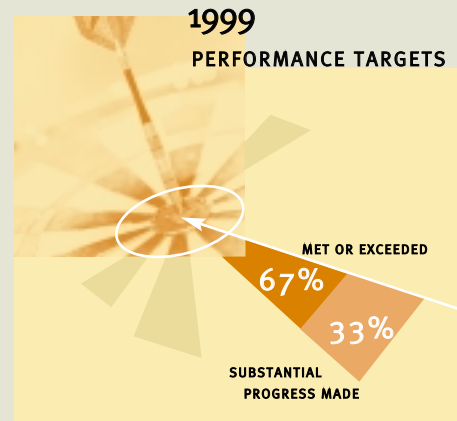
In keeping with Interior's commitment to comply with federal, state, and local environmental requirements, more than 250 environmental audits of Departmental facilities were conducted in 1999. The audits covered a wide range of sites, including BIA school buildings, wild horse and burro facilities, water treatment plants, fish hatcheries, laboratories, and national parks. By 2002 the Department plans to complete audits of all of its facilities.

We champion administrative and management efficiency, too. Our new Department-wide capital assets program increased accountability for funds appropriated, for example, while pushing the use of performance-based contracting up to 77 percent of reportable contracting services, which cut contract costs, increased customer satisfaction, and improved contractor performance.

In 1999 we reengineered our purchasing and procurement processes as well. We replaced a system of 90,000 multiple-purchase, fleet, and travel-charge cards with an integrated system of 65,000 cards, now responsible for over 90 percent of all non-payroll finance transactions. We expanded the use of purchase cards at the same time, up to 20,000 from less than 5,000 just five years ago. Purchase cards offer wider acceptance and ease of use, with automated transactions tracking — and save \$54 on each transaction in administrative expense, according to a study by the Office of Management and Budget. Total purchase card transactions in FY 1999 hit \$312 million, saving more than \$9 million from 1997 levels, making more funds available for programs that directly advance our mission.

Combining three departmental administrative service centers into a single National Business Center cut costs as well, producing economies of scale, centralizing expertise, and producing more efficient services. The NBC was a revenue producer, too, selling services to other federal agencies as one of Interior's franchise operations. Through our franchises, the Department offered a diverse suite of administrative products and services for financial management, procurement and property management, personnel and payroll management, and general office services, along with assistance in electronic commerce, drug and alcohol testing, training, and audio visual services. In 1999 the number of franchise customers rose from 231 to 379, a 64 percent increase. One of Interior's franchise operations, the Federal Personnel Payroll System, provides integrated, on-line, and real-time personnel and payroll services for more than 180,00 employees in 24 federal agencies.

## PERFORMANCE SCORECARD



In 1999, the Department established 203 performance goals with 291 performance measures. We met or exceeded our performance targets on 195 of our measures (67 percent). We also made substantial progress toward achieving our performance targets for many of the remaining 96 measures (33 percent) that were not met.

No simple tally can tell the story of our successes, however, or of the challenges we face moving forward. That is a story found in a world restored, in a child's wonder at the flight of an eagle, in water flowing once again through the Everglades, or in the new spirit of cooperation uniting growing numbers of Americans, a common recognition of our shared obligations to our national treasures.

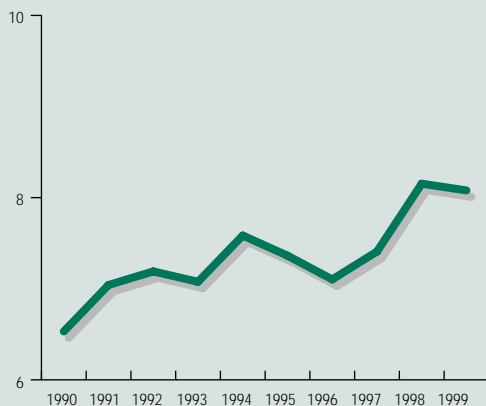
The pressures on our landscape will only increase. And we will have to continue to find ways to expand our definition of stewardship and execute its responsibilities more effectively. Only through the dedicated efforts of the Department's men and women will we be able to meet the challenges we face, continuing to deliver the highest level of results to our customers and stakeholders.

# FINANCIAL ACCOUNTABILITY

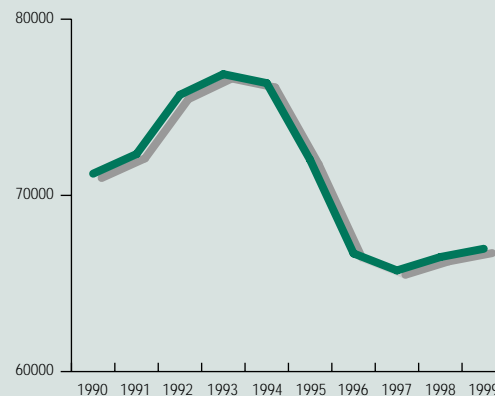
<b>DEPARTMENT THE INTERIOR</b>	
<b>1999 BUDGET AUTHORITY</b>	
(in thousands of dollars)	
<b>BUREAU/OFFICE</b>	<b>1999 ACTUAL</b>
Bureau of Land Management	1,374,472
Minerals Management Service	605,864
Office of Surface Mining	360,465
U.S. Geological Survey	797,654
Bureau of Reclamation	831,983
Central Utah Project	36,805
Fish and Wildlife Service	1,415,803
National Park Service	2,000,346
Bureau of Indian Affairs	1,829,467
Departmental Management	263,983
Insular Affairs	316,195
Office of the Solicitor	37,452
Office of the Inspector General	25,436
Office of the Special Trustee for American Indians	552,247
Natural Resource Damage Assessment and Restoration	38,247
National Indian Gaming Commission	5,237
<b>Total, Interior</b>	<b>10,491,656*</b>

\* Total includes current and permanent appropriations. Current appropriations are provided by Congress each year for operations. Permanent appropriations typically represent payments to states, interest earned on trust, and grants.

**BUDGET TRENDS**  
Current Appropriations  
(in billions of dollars)



**PERSONNEL TRENDS**



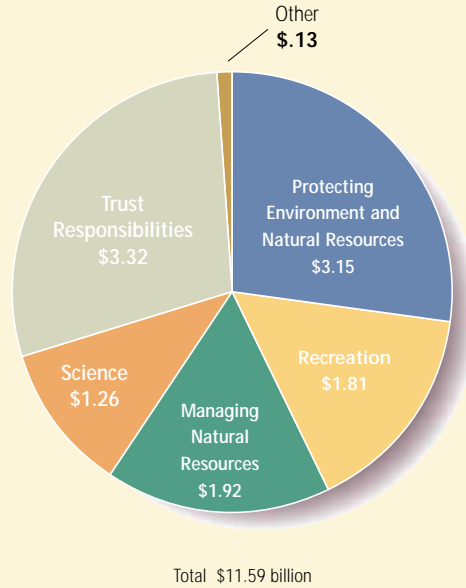
FOR MORE INFORMATION ON INTERIOR'S BUDGET VISIT [WWW.DOI.GOV/BUDGET](http://WWW.DOI.GOV/BUDGET)

**DEPARTMENT OF THE INTERIOR  
BALANCE SHEET**  
(in thousands of dollars)

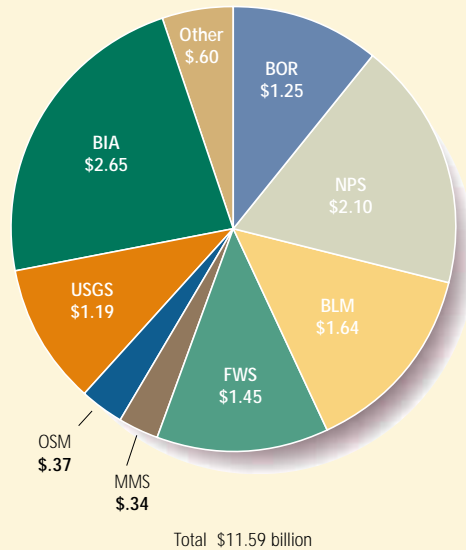
Fund Balance with Treasury	\$ 5,638,996
Cash and other Monetary Assets	45,952
Investments	2,625,015
Accounts Receivable	662,599
Inventory	386,612
<b>Total Current Assets</b>	<b>9,359,174</b>
Property, Plant and Equipment (PP&E)	
Building Structures, and Facilities	13,533,325
Construction in Progress	2,611,703
Equipment, Vehicles, and Aircraft , Net	556,528
Other Plant Equipment, Net	63,092
<b>Total PP&amp;E</b>	<b>16,764,648</b>
Other Assets	1,395,326
Restricted Assets	18,085,602
Assets Held on Behalf of others	5,143,870
<b>Total Assets</b>	<b>50,748,620</b>
Funded Liabilities	9,001,123
Unfunded Liabilities	1,583,408
<b>Total Liabilities</b>	<b>10,584,531</b>
Unexpended Appropriations	5,685,996
Cumulative Results of Operations	17,691,913
Restricted Equity	16,786,180
Total Net Position	40,164,089
<b>Total Liabilities and Net Position</b>	<b>\$ 50,748,620</b>

1999 FINANCIAL STATEMENT AUDIT RESULTS:  
The Department's consolidated financial statements and all financial statements prepared by bureaus achieved unqualified (clean) audit opinions in 1999.

**INTERIOR'S OPERATING EXPENSES IN 1999  
BY GOAL**  
(dollars in billions)



**INTERIOR'S OPERATING EXPENSES IN 1999  
BY BUREAU**  
(dollars in billions)



**NOTE TO OPERATING EXPENSES:**

Fiscal Year 1999 total expenses of \$11.6 billion represent the annual cost of operations calculated on the basis of accrual accounting. Accrual accounting recognizes an expense in the period that benefits from the expense, regardless of when cash changes hands. These expenses are funded by (1) annual, multi-year, and permanently available congressional appropriations; and (2) earned revenues that are primarily derived from the sale of goods and services to the public and federal agencies. In 1999, Interior's earned revenues were approximately \$2.3 billion, resulting in a net cost of operations of approximately \$9.3 billion.

Accrual based expenses differ from budget expenditures, which reflect the actual outflow of cash in accordance with budgetary rules.

## REINVENTING INTERIOR'S PROGRAMS

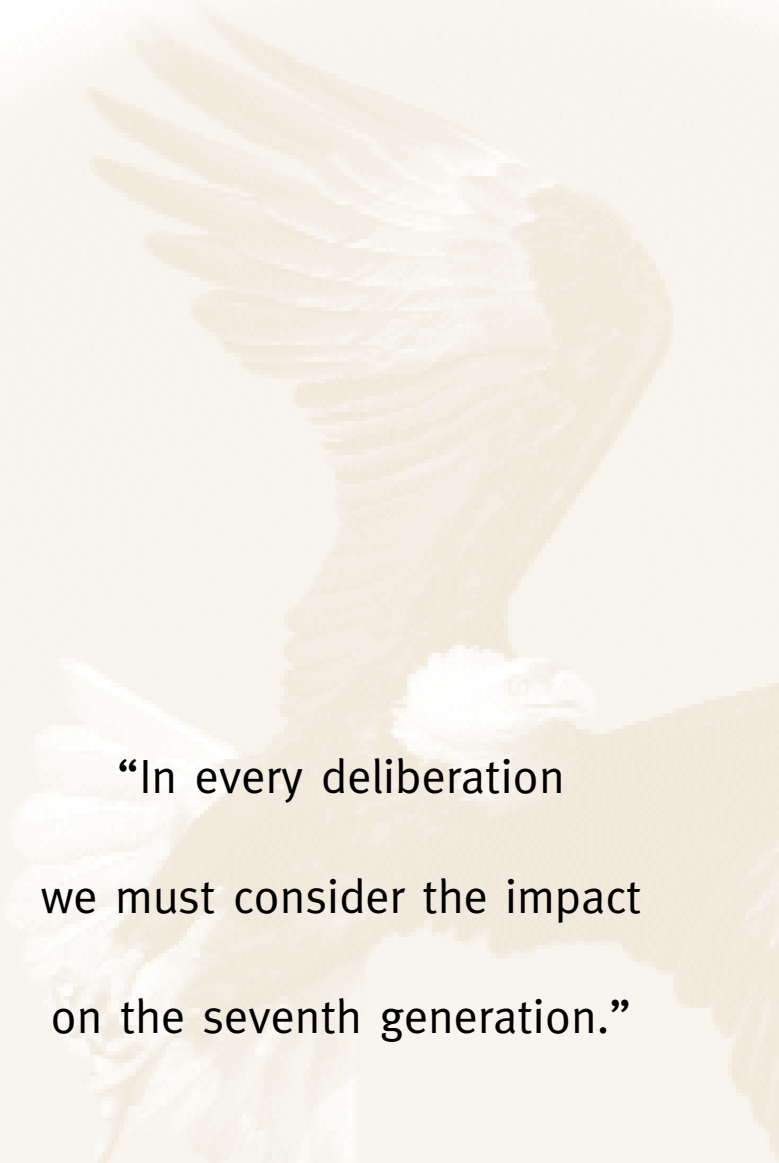
Many of the Department's most impressive performance gains come from our front-line employees. The Department has been at the forefront of the drive to "Reinvent Government" since it began in 1993, and today boasts 36 completed and active reinvention labs, more than any other organization in civilian government. Staffed by volunteer employees, they provide a steady stream of process innovation. Among their recent accomplishments: cutting the time to process USGS map requests from 60 days to five; cutting the time the BIA can plan, design, and build a new school from eight years to three or less; cutting administrative travel costs by 23 percent, saving more than \$7 million annually — and winning 48 Hammer awards for labs and other innovations, plus kudos as a federal "best practice" from an interagency review team. Overall the Department's labs are projected to produce more than \$100 million in cost efficiencies.

## INTERIOR'S PERFORMANCE PLANS AND REPORTS

The Government Performance and Results Act requires all federal agencies to set measurable performance goals and report to the American people on the results we achieve. This report is a summary of our performance in FY 1999. For those who need more information about our programs and performance, our Departmental Overview of our 1999 Annual Performance Report has representative program goals and information related to Interior's five strategic goals. Detailed information on all our goals and programs is contained in the individual reports prepared by our bureaus and offices.

These documents include descriptions of the goals and strategies we employ, performance measures, and the results we achieve. The discussion under each goal includes information on how performance information is collected, how that information is verified before being reported, and describes any limitations on the validity of the information. Our documents also contain information on major management challenges and risks. Each of our bureau, office, and Departmental Overview documents address management risks identified by the General Accounting Office and by our Office of Inspector General.

You can access these documents from our Web site, [www.doi.gov/gpra](http://www.doi.gov/gpra), or you can obtain copies from the Department (see back cover).



**“In every deliberation  
we must consider the impact  
on the seventh generation.”**

Six Nation Iroquois Confederacy



**FOR MORE INFORMATION, PLEASE CONTACT:**

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