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SPECIAL REPORT: **Interior Appropriations for FY 2004** **(House Version) and California** **Implications -- *August 14, 2003***

By a vote of 268 to 152 on July 17, 2003, the House of Representatives passed a \$19.6 billion Interior Appropriations bill for Fiscal Year 2004, H.R. 2691. The House Committee report accompanying the bill is H.Rpt. 108-195. (By a vote of 29 to 0, the Senate Appropriations Committee passed their version of the bill, S. 1391, on July 10, 2003. The Senate Committee report accompanying that bill is numbered S.Rpt. 108-89.)

The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback/corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance.

This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/int04h.htm> and a printable version in Adobe Acrobat ("pdf") format is available at <http://www.calinst.org/pubs/int04h.pdf> . An analysis of the Senate version of the FY 2004 Interior Appropriations bill is available at <http://www.calinst.org/pubs/int04s.htm> , and a pdf format version is available at <http://www.calinst.org/pubs/int04s.pdf> .

FY 2004 HOUSE APPROPRIATIONS FOR THE DEPARTMENT OF INTERIOR AND RELATED AGENCIES

By a vote of 268-152 on July 17, 2003, the House of Representatives passed H.R. 2691, the FY04 Appropriations for the Department of Interior and Related Agencies. The Committee Report accompanying the bill is H.Rpt. 108-195. The \$19.6 billion bill is \$186 million below the FY03 enacted level, and about \$110 million over the President's request.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT **Recreation Management**

The Committee recommends \$67,717,000 for recreation management, \$1,000,000 above the budget request and \$7,878,000 above the 2003 enacted level. The increase above the budget request is for Otay Mountains management.

Resource Protection and Maintenance

The Committee recommends \$83,270,000 for resource protection and maintenance, \$3,600,000 above the budget request and \$5,005,000 above the 2003 enacted level, including increases above the budget request of \$1,000,000 for the Mojave Desert plan in the California desert, \$600,000 for California desert rangers, and \$1,000,000 for Imperial Sand Dunes law enforcement and management.

Wildland Fire Management

The Committee recommends \$698,725,000 for wildland fire management, the same as the budget request and \$140,428,000 below the FY2003 enacted level. After adjusting for reimbursements from other accounts borrowed during last year's fire season for wildland fire management there is an increase of \$48,572,000 above the 2003 enacted level. The Committee's recommendation includes \$10 million for fire prevention efforts in the region surrounding the San Bernardino National Forest.

Oregon and California Grant Lands

The Committee recommends \$106,672,000 for the Oregon and California grant lands, the same as the budget request and \$1,725,000 above the 2003 enacted level. These funds are provided for construction and acquisition, operation and maintenance, and management activities on the revested lands in the 18 Oregon and California land grant counties of western Oregon.

U.S. FISH AND WILDLIFE SERVICE

Ecological Services

The Committee recommends \$233,185,000 for ecological services, an increase of \$11,325,000 above the budget request. The Committee Report states that the Committee has received numerous expressions of concern about inadequate Endangered Species Act program staffing in California. In distributing the increased Endangered Species Act funding, the Committee directs that the U.S. Fish and Wildlife Service should pay particular attention to the needs of the Sacramento and Carlsbad offices in California.

NATIONAL PARK SERVICE

Construction

The Committee recommends \$303,199,000 for construction, a decrease of \$22,513,000 below the enacted level and \$24,058,000 below the budget request. The distribution of funds includes:

San Francisco Maritime NHP, CA (rehabilitation)	\$4,177,000
Sequoia and Kings Canyon NP, CA (replace water tanks)	\$2,210,000

Land Acquisition and State Assistance

The Committee recommends \$131,154,000 for land acquisition and State assistance, a decrease of \$107,480,000 below the budget request and \$40,194,000 below the enacted level. This amount includes \$14,000,000 for land acquisition projects, \$11,654,000 for acquisition management, \$4,000,000 for emergencies and hardships and \$4,000,000 for inholdings. Also included is \$97,500,000 for the stateside program, including \$2,500,000 for administration. The Committee has retained the current allocation formula for stateside grants.

The Committee Report states that any funds provided for Santa Monica Mountains National Recreation Area should be matched with non-Federal monies. This means new land or new dollars dedicated to protection of park lands within the recreation area's boundaries. By June 30th of each year, the Committee Report directs that the Service should certify the level of non-Federal contributions to land acquisition at this site.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

Section 135 provides for a land exchange at the Mojave National Preserve.

Section 138 limits the use of funds for the Klamath Fishery Management Council. The Committee Report states that the Council has overstepped its legislative mandate by advocating policy positions that are outside the scope of its authority.

DEPARTMENT OF AGRICULTURE

Forest Health Management

The Committee recommends \$103,000,000 for forest health management, \$20,981,000 above the President's request and \$22,117,000 above the enacted level. The Committee emphasizes its concern with forest health in the broad sense and has added bill language to clarify that forest health activities may include treatments to restore and rehabilitate forests damaged by pests or invasive plants. The Committee once again rejects the request for an emerging pest fund that it found came with unrealistic restrictions. Instead, the Committee has added this funding to the base program.

In addition, the Committee is very concerned about the condition of forests in the mountains of southern California and expects this area to be given special consideration with both Federal and cooperative forest health funding. Discreet allocations for this urgent situation are also provided within State fire assistance and hazardous fuels.

Cooperative Fire Protection

The Committee recommends \$41,100,000 for cooperative fire protection in the State and private forestry account, \$10,672,000 above the President's request and \$10,607,000 above the 2003 funding level. The Committee has included an increase of \$10,514,000 above the enacted level for

State fire assistance. Within this increase is \$5,000,000 to cost-share treatments in the mountains of southern California, especially on State and private lands near the San Bernardino NF, where a terrible pest outbreak has created an extremely dangerous situation. Other funding for the southern California situation is provided for work on Federal lands within the wildland fire management account.

Forest Legacy Program

The Committee recommends \$45,575,000 for the forest legacy program, \$45,234,000 below the request and \$22,805,000 below the enacted level. The allocation also includes an additional \$5,000,000 from prior year funds; several previously designated projects have either failed or received funding from other sources. Distribution of funds includes:

CA	Dofflemeyer Ranch	\$2,500,000
CA	Six Rivers to the Sea	\$1,350,000

Economic Action Programs

The Committee recommends \$17,400,000 for economic action programs, \$8,868,000 below the 2003 level. This program was not included in the Administration's budget request. Included in the funding is \$1,000,000 for Lake Tahoe erosion control grants.

Inventory and Monitoring

The Committee recommends \$173,496,000 for inventory and monitoring, \$4,300,000 below the request, and \$720,000 below the 2003 level. Within the allocation, the Committee has included \$500,000 for watershed assessments and adaptive management activities at the Lake Tahoe Basin.

Recreation, Heritage and Wilderness

The Committee recommends \$262,282,000 for recreation heritage and wilderness, \$7,341,000 above the request and \$9,740,000 above the 2003 level. The Committee directs continued funding above the request, and reporting requirements, for national scenic and historic trails as in fiscal year 2003, including \$1,500,000 for trails where the Forest Service has prime responsibility and \$400,000 for trails where the Forest Service shares responsibility. In addition, the Committee Report directs that the Forest Service should maintain a full time Pacific Crest Trail (PCT) manager, provide funds to work with the Pacific Crest Trail Association, and aid PCT trail relocation reviews.

The Committee is particularly concerned about the situation affecting outfitting and guide operations on national forest system wilderness areas in the High Sierra range on the Inyo and Sierra National Forests, CA, noting that outfitting and guide operations provide an important service to the public.

Vegetation and Watershed Management

The Committee recommends \$198,387,000 for vegetation and watershed management, \$5,781,000 above the budget request and \$8,684,000 above the 2003 funding level. The increase above the request includes \$600,000 for watershed improvement activities in the Lake Tahoe Basin.

Land Ownership Management

The Committee recommends \$95,337,000 for land ownership management, \$3,645,000 above the request and \$2,926,000 above the 2003 funding level. The Committee provides this increase because of the huge operational backlog and shortfall in this program area, which provides vital, basic public service. The Committee expects the Forest Service to maintain the full-time lands team to work on the Pacific Crest Trail project and other similar projects.

Quincy Library Group

The Committee recommendation includes the full funding requested by the Administration for the Quincy Library Group project in California.

Other Wildfire Operations

The Committee recommends \$406,632,000 for other wildfire operations, an increase of \$79,184,000 above the request and an increase of \$65,624,000 above the fiscal year 2003 level. This funding includes \$246,392,000 for hazardous fuels reduction work, an increase of \$15,000,000 above the budget request and an increase of \$19,765,000 above the fiscal year 2003 level. The Committee has included an increase above the base of \$5,000,000 for urgent treatments on the San Bernardino NF, CA, caused by drought and a catastrophic bark beetle outbreak.

Capital Improvement and Maintenance

The Committee recommends \$560,473,000 for capital improvement and maintenance, \$12,023,000 above the enacted level and \$35,902,000 above the request. The Committee's recommendation includes:

San Bernardino National Forest sanitation rehab	\$725,000
Lake Tahoe Basin, rehab & decommissioning	\$1,350,000
Pacific Crest Trail improvements	\$850,000

Facilities

The Committee recommends \$200,559,000 for facilities maintenance and capital improvement, \$317,000 below the request and \$1,753,000 below the fiscal year 2003 level. The Forest Service is encouraged to negotiate with the Air Force or the Inland Valley Development Agency to establish a lease for Building 3 (Norton) for the headquarters of the San Bernardino National Forest.

DEPARTMENT OF ENERGY

NAVAL PETROLEUM AND OIL SHALE RESERVES

The Naval Petroleum and Oil Shale Reserves are managed by the Department of Energy to achieve the greatest value and benefit to the Government. In fiscal year 1998, NPR-1 (Elk Hills) was sold as mandated by the National Defense Authorization Act for fiscal year 1996. That Act also directed the Department to conduct a study of the remaining properties--3 Naval Oil Shale Reserves and NPR-2 and NPR-3. The National Defense Authorization Act for fiscal year 1998 directed the transfer of two of the oil shale reserves (NOSR-1 and NOSR-3) to the Department of the Interior. On January 14, 2000, the Department announced it would return a portion of the NOSR-2 property in Utah to the Ute Indian Tribe. Two properties remain under the jurisdiction of the Department of Energy. They are NPR-2 in Kern County, CA and NPR-3 in Natrona County, WY. The DOE continues to be responsible for routine operation and maintenance of NPR-3, management of the Rocky Mountain Oilfield Testing Center at NPR-3, lease management at NPR-2, and continuing environmental and remediation work at Elk Hills. For several years after the sale of Elk Hills, these programs were operated largely with prior year unobligated balances. Those balances were mostly exhausted by fiscal year 2003 and appropriations to the account were restored in that year.

The Committee recommends \$20,500,000 for the operation of the naval petroleum and oil shale reserves, an increase of \$4,000,000 above the budget request and \$2,785,000 above the fiscal year 2003 level.

The Committee recommends \$36,000,000 for the Elk Hills school lands fund, which is equal to the amount available for fiscal year 2003. The Committee recommends that these funds be made available on October 1, 2004, rather than on October 1, 2003 as proposed in the budget. The Committee's recommendation is consistent with the payment of these funds in each of the past few years. This represents the sixth of seven payments to the fund, which was established as a part of the sale of the Elk Hills Naval Petroleum Reserve in California (to settle school lands claims by the State).

PRESIDIO TRUST

The Committee recommends \$20,700,000 for the Presidio trust fund, the same as the budget request and \$488,000 below the 2003 enacted level.

GENERAL PROVISIONS

Language is included under Bureau of Land Management, Oregon and California grant lands, authorizing the transfer of receipts to the Treasury.

Language is included under General Provisions, Department of the Interior, restricting various oil and gas preleasing, leasing, exploration and drilling activities within the Outer Continental Shelf in the Georges Bank-North Atlantic planning area, Mid-Atlantic and South Atlantic planning area, Eastern Gulf of Mexico planning area, North Aleutian Basin planning area, Northern, Southern and Central California planning areas, and Washington/Oregon planning area.

Language is included under General Provisions, Department of the Interior, permitting the transfer of funds between the Bureau of Indian Affairs and the Office of Special Trustee for American Indians; authorizing a cooperative agreement with the Golden Gate National Parks Association.