Media Contact: Alan Levitt (202) 343-6416
For Immediate Release: February 18, 1988
Print PDF

Secretary of the Interior Don Hodel today announced an FY 1989 budget for the Department that maintains funding levels for the Department's key operating programs, improves management of the Nation's water resources and adds funds to help eliminate hazardous wastes and contaminants affecting Interior activities.

The $6.56 billion budget is $600 million less than the FY 1988 budget enacted by Congress and is consistent with prior Interior budgets for this Administration in that only the highest priority construction and land acquisition projects are proposed for funding. Almost half of the decrease is in the area of land acquisition and non-Reclamation construction. About $3.5 billion has been appropriated in these areas since 1980. Many of the remaining reductions are in the area of state grant programs and lower priority research.

"Observers of past Administration budgets for Interior should find few surprises in this proposal," Hodel said. "We have made decisions in the budget which support the President's goals for Interior while continuing to meet the budget constraints necessary to reduce the federal deficit. This is a responsible budget which emphasizes the protection of existing resources and the upgrading of facilities and the maintaining of the Department's core programs."

The proposal includes the largest budgets ever requested for the operations of national parks) reclamation facilities) and the Minerals Management Service. The request also maintains funding levels for the operation of national wildlife refuges and fish hatcheries. Funds will be used to better manage resources and to upgrade the interpretive and visitor services at national park sites.

The budget reflects the new direction of the Bureau of Reclamation, announced in 1987, from an agency emphasizing construction of large water projects to one emphasizing better water resource management and environmental quality. Although funding for new construction is reduced slightly, there is a $32 million increase to provide better management and improved efficiency of existing facilities and to assure water and power commitments to the beneficiaries are met. In keeping with the Bureau's new focus, 11 new studies will be funded in the areas of water conservation, environmental protection and restoration, and more efficient water management practices. These studies will explore nonstructural means that can help resolve the West's water resource problems. To carry out these changes, the Bureau is undertaking a reorganization that will result in consolidating and moving certain agency functions. This will involve a reduction of approximately 500 personnel by the end of FY 1989.

In 1987, the practice of funding approved reclamation construction projects also changed from one of dividing funding shortages among all projects to one of providing those projects closest to completion enough funds to stay on schedule. The FY 1989 budget continues this philosophy, but also will make funds available for some projects whose funds were constrained in FY 1988.

The Department will more than double its funding to address hazardous materials problems on public lands. The increase is provided for a Department-wide effort to resolve existing or potential problems on lands for which Interior has responsibility. Funds are provided to accelerate investigations and

corrective actions on more than 200 sites on lands managed by the Bureau of Land Management that could pose public health or environmental problems. The Department will continue to provide funding for the cleanup of contamination problems at Kesterson National Wildlife Refuge, the San Joaquin Valley Drainage Program, and for a Department-wide Irrigation Drainage Task Force.

Interior is encouraging several innovative means to protect the Nation's natural resources without additional federal funding. One successful alternative to land acquisition frequently used during this Administration has been land trades which protect priority wildlife habitat and park lands without additional federal land acquisition expenditures. Since 1980, the National Park Service and the U.S. Fish and Wildlife Service have acquired more than 200,000 acres through exchanges. These agencies have the potential of acquiring more than a million additional acres by the end of FY 1989.

Another emphasis of this Administration has been the encouragement and use of volunteers. Last year more than 56tOOO people volunteered over 2.5 million hours of their time to give tours, plant trees, band birds, and do a multitude of other jobs on Interior lands. In 1989, the volunteer contribution is expected to increase as the President's Take Pride in America campaign enters its third year.

In FY 1989, the Bureau of Indian Affairs (BIA) will implement a demonstration project that will allow at least ten Indian tribes to develop and implement tribal designed, rather than BIA designed, budgets. The planning process for these budgets began in 1988. Hodel described the new budgeting process is one of the Department's most promising initiatives and the beginning of a long-term effort designed to lessen the role of the BIA in the day-to-day life of Indian tribes and individuals. Increases also are requested for Indian education and social service programs and to address employment problems on reservations.

Within the Bureau of Mines budget, increased funding and a redirection of existing resources will support research to minimize health and safety hazards in mines, develop cost effective environmental controls, and improve efficiency and competitiveness of the U.S. mining industry. Funding priorities in the U.S. Geological Survey include continuation of the transition to digital map production, scientific studies of the Exclusive Economic Zone, and seven pilot studies in the National Water Quality Assessment program. However, overall funding of these bureaus will decrease, as lower priority research is deemphasized.

Included in the budget are the assumptions that Congress will authorize exploration in a portion of the Arctic National Wildlife Refuge and that the first lease sale will occur in 1990. The budget provides $2 million for continued environmental research in support of leasing.

Requests for funds available for grants to States for the reclamation of abandoned coalmines will be reduced by $30 million, to $129.6 million. This will not reduce funds actually received by the States, because in recent years their ability to obligate funds for this purpose has not kept pace with the rate at which funds have been made available. As a result, there is a substantial carryover from previous years which, when combined with the FY 1989 budget request, will allow States to complete ongoing projects and start new ones. Funds for grants to States for endangered species, anadromous fish, historic preservation and recreation programs have not been requested.

Sport fish restoration funds for States will increase by $33.7 million, to a record $194.8 million, as a result of revenues from fishing related activities. Since 1985, funding for this purpose has increased 514%. Payments to States for oil and gas revenues from public lands will also increase by $26.7 million, to $439.1 million, largely as a result of production increases.

The budget includes $600,000 for the National Park Service to explore in more detail the costs and benefits of restoring the almost 2,000 acres of the Hetch Hetchy Valley, presently flooded by the Hetch Hetchy Reservoir, to their natural grandeur as part of Yosemite National Park.

Interior is also undertaking several management improvement efforts which convincingly demonstrate it is possible to operate Government agencies in a more cost effective manner, Hodel said. The Department is continuing the process of consolidating from 13 accounting systems and 30 payments centers spread across all Interior bureaus to one standard system. The Office of Management and Budget has described this effort as a model for the federal government. In other areas often overlooked by line managers --unemployment compensation and worker compensation-- Interior management initiatives are contributing substantial cost savings and are returning employees who want to work to productive employment.

Among the other management efficiencies proposed in the budget is a more effective method of ensuring the proper amount of royalties due the United States is collected from the 24,000 onshore Federal and Indian producing oil and gas leases. The budget includes $4.4 million for the Minerals Management Service to extend automated production reporting to cover all producing onshore leases. The system will allow automated comparison of sales reports from royalty payers with actual production reports from lease operations, thereby minimizing underpayment.

A total of $23 million is requested for accelerated development of the Automated Land Records System of BLM, an increase of $9.5 million. This data management system will automate the more than one billion documents which comprise the land status data from all States. When completed in 1993, it will significantly reduce the time involved in processing land and mineral casework and offer greatly improved services to the general public.

In FY 1989, the Department also will explore a variety of alternatives to government supplied housing. Interior has approximately 10,600 units of housing, over half of which need significant repair. Alternatives that may be pursued include employee cooperatives, sale or lease of current housing units to employees, private financing of necessary rehabilitation and new construction, and joint ventures with the private sector.