



BUDGET The United States
Department of the Interior

JUSTIFICATIONS

and Performance Information
Fiscal Year 2018

**NATURAL RESOURCE
DAMAGE ASSESSMENT AND
RESTORATION PROGRAM**

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DEPARTMENT OF THE INTERIOR



Restoration Program

Assessment & Restoration Program

Fiscal Year 2018 Budget Justifications

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NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

GENERAL STATEMENT

FY 2018 Budget Request:

The Restoration Program's Fiscal Year 2018 request for current appropriations is \$4,600,000, a decrease of \$3,152,000 below the 2017 Continuing Resolution (CR) Baseline level of \$7,752,000. The request focuses funding and efforts on maintaining continued Restoration Support capacity and productivity to address the growing balance of funds recovered in settlements and to increase on-the-ground restoration pursuant to approved restoration plans.

Over the last seven years, the Department of the Interior's Natural Resource Damage Assessment and Restoration Fund has received an average of over \$151 million annually in restoration settlements and advanced or reimbursed cooperative damage assessment funds. Fiscal Year 2017 receipts are estimated at more than \$600 million. The vast majority of these restoration settlements are shared jointly with other Federal, State, and tribal co-trustees. Any future actions using such settlement funds must be approved by all involved trustees for a given site; the Department cannot take action to use the funds unilaterally. A number of long-running damage assessments cases have recently settled, others are with the courts awaiting approval, and numerous others are currently in settlement negotiations. This influx of settlement funds is expected to continue as additional cases settle and will grow dramatically as a result of the settlement for natural resource injury arising from the Deepwater Horizon oil spill in the Gulf of Mexico. The Deepwater Horizon settlement will result in up to \$8.8 billion in deposits into the DOI Restoration Fund in fifteen annual installments beginning in April 2017.

The potential benefits associated with this budget request are significant, for both injured natural resources and for the American public's use and enjoyment of these resources. With a balance of more than \$1.3 billion dollars in settlement funds in the DOI Restoration Fund, and more settlements and payments on the horizon, moving forward deliberately and strategically in the planning and implementation of restoration actions at dozens of sites nationwide will produce tangible benefits, both ecologically and economically.

Total 2018 Budget Request

(Dollars in Thousands)

Budget Authority	2016 Actual	2017 CR Level	2018 Budget Request
Current	7,767	7,752	4,600
Mandatory	181,601	592,993	343,483
TOTAL	189,368	600,745	348,083
<i>FTE</i>	<i>12</i>	<i>15</i>	<i>10</i>

Note – A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

Fiscal Year 2018 fixed costs of \$137,000 are fully funded at the request level.

The FY 2018 request includes an estimate of \$356 million in permanent funds for DOI bureaus and its Federal, State, and tribal co-trustees, which result from negotiated legal settlement agreements and cooperative damage assessments with responsible parties.

Executive Summary

The mission of the Natural Resource Damage Assessment and Restoration Program (Restoration Program) is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, tribal, and Federal trustees, damage assessments provide the basis for determining the restoration needs that address the public's loss and use of these resources. Cooperation with co-trustees and partners, and where possible, with the responsible parties, is an important component of meeting the Restoration Program's core mission.

As authorized by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund), the Clean Water Act (CWA), and the Oil Pollution Act of 1990 (OPA), injuries to natural resources that the Department manages or controls are assessed, and appropriate restoration projects are identified in contemplation of negotiated settlements or, in rare cases, litigation with potentially responsible parties. Recoveries, in cash or in-kind services, from the potentially responsible parties are then used to finance or implement the restoration of the injured resources, pursuant to a publicly reviewed restoration plan.

The Office of Restoration and Damage Assessment (Program Office) manages the confluence of the technical, ecological, biological, legal, and economic disciplines and coordinates the efforts of

six bureaus and three offices. The Program has a nationwide presence encompassing nearly the full span of natural and cultural resources for which the Secretary of the Interior has trust responsibility. Each bureau has its unique natural resource trusteeship and brings its expertise to bear on relevant sites. The Restoration Program is a truly integrated Departmental program, drawing upon the interdisciplinary strengths of its various bureaus and offices, while eliminating or minimizing redundant bureau-level bureaucratic and administrative operations.



The **Bureau of Indian Affairs** is responsible for the administration and management over 56 million surface acres and 59 million acres of sub-surface minerals estates held in trust by the United States for American Indians, Indian Tribes, and Alaska Natives, and provides assistance to 566 federally-recognized tribal governments to help protect water, natural resources and land rights.



The **Bureau of Land Management** administers 245 million acres of Federal land and an additional 700 million acres of onshore Federal mineral estate, located primarily in 12 western States, including Alaska, characterized by grasslands, forests, deserts, coastline, and arctic tundra. The BLM sustains the ecological and economic health, diversity, and productivity of these public lands for the use and enjoyment of present and future generations.



Working in 17 States west of the Mississippi River, the **Bureau of Reclamation** manages 492 dams and 338 reservoirs associated with irrigation projects to protect local economies and preserve natural resources and ecosystems through the management and effective use of water resources.



The **U.S. Fish & Wildlife Service** conserves, protects and enhances fish, wildlife, and plants and their habitats and manages over 855 million acres within 566 National Wildlife Refuges, other refuge units, and 38 wetland management districts for the continuing benefit of the American people, providing primary trusteeship for migratory birds and over 1,650 threatened and endangered species.



The **National Park Service** preserves unimpaired the natural and cultural resources and values of the 85 million acres of land of the 417 units of the national park system, and conserves the scenery and the natural and historic objects and the wildlife of these special places for the enjoyment, education, and inspiration of current and future generations.



In addition to the five bureaus with primary trust resource management activities, the **U.S. Geological Survey** conducts scientific research in ecosystems, climate and land use change, environmental health and water resources, and provides access to natural resource science to support effective decision making on how to best restore injured natural resources impacted by the release of oil or hazardous substances in the environment.

The DOI Office of the Secretary and the Office of the Solicitor also play key roles in making the Restoration Program a fully-integrated Departmental program. The Office of the Solicitor provides legal advice. Within the Office of the Secretary, and the Office of Policy Analysis provides economic analytical expertise to the Program at both a national policy and at individual case management levels, and the Office of Environmental Policy and Compliance provides a link to response and remedial activities associated with oil spills or chemical releases.

The Department, through the Restoration Program and its bureaus, conducts every damage assessment and restoration case in partnership with co-trustees at various levels (Federal, State, and tribal), and all restoration plans must undergo public review and be approved by affected State and tribal governments. The Restoration Program serves as a model of collaboration in its day-to-day operations and partnerships that have been developed with tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry.

Overview

The FY 2018 budget request for the Natural Resource Damage Assessment and Restoration Program totals \$4,600,000, a decrease of \$3,152,000 below the 2017 level. The proposed decrease includes the following:

1. **Damage Assessment projects (-\$995,000)** The request includes \$1,500,000 for damage assessment project funding, with the anticipation that the Program will be able to offset the reduction with recovered assessment funds from settled cases.
2. **Inland Oil Spill Preparedness (-\$798,000/-1 FTE)** The request for Inland Oil Spill Preparedness is \$200,000, with the Department focusing on regional and area oil spill contingency plans and continuing limited training in oil spill response.

3. **Restoration Support (-\$171,000)** The budget includes \$1,900,000 for Restoration Support and will support planning, implementing, and overseeing on-the-ground restoration actions. The Program's dedicated restoration support unit will focus efforts on implementing restoration actions that will result in marked increases in the amount of acres, stream, and shoreline miles being restored, along with attendant ecological and economic benefits for the American public.
4. **Program Management (-\$1,188,000/-4 FTE)** The request includes \$1,000,000 for Program Management, with efforts focused on continued coordination and collaboration with other Federal, State, and tribal trustees, and review of policy and guidance provided to case teams to ensure Departmental consistency.

The Economic Benefits of Restoration

Federal investments in ecosystem restoration protect Federal trusts, ensure public health and safety, and preserve and enhance essential ecosystem services. These investments also generate business activity and create jobs. With funding support from the Restoration Program and the Bureau of Land Management (BLM), the U.S. Geological Survey (USGS) Fort Collins Science Center has estimated the economic impacts of 21 restoration projects associated with the Restoration Program and the BLM. In the February 2016 report entitled, *Estimating the Economic Impacts of Ecosystem Restoration: Methods and Case Studies*, USGS found that ecosystem restoration projects provide meaningful economic contributions to local economies and to broader regional and national economies, and estimate that between 13 and 32 job-years¹ and between \$2.2 million and \$3.4 million in total economic output² are contributed to the economy per million dollars invested in ecosystem restoration. These results demonstrate how investments in ecosystem restoration support jobs and livelihoods, small businesses, and rural economies.

The case studies appearing in other sections of this request highlight DOI restoration efforts and the communities that are positively affected by restoration activities. For example, settlement funds from the Upper Arkansas River / California Gulch Superfund Site in Colorado were used to improve in-stream aquatic habitat and increase brown trout populations in the Arkansas River. This restoration project was designed to address bank erosion, altered river channel morphology, and degraded in-stream trout habitat. The Arkansas River In-Stream Habitat Restoration project began in 2010 and continued into 2014, and had a total cost of more than \$3.2 million during this period. Approximately 54% of the funds for this project were spent locally, which supported an estimated 25.0 job-years and over \$3.2 million in economic output within the local economy surrounding the project site. Expanding to include the effects of expenditures outside the local

¹ Job-years measure the total number of annualized full and part-time jobs accumulated over the duration of a restoration project.

² Economic output measures the total value of the production of goods and services supported by project expenditures, and is equal to the sum of all intermediate sales (i.e., business to business sales) and final demand (i.e., sales to consumers).

area, the Arkansas River In-Stream Habitat Restoration project supported an estimated 49.5 job-years and over \$9 million in economic output to the national economy.

The Lone Mountain, Virginia, coal slurry spill case study, describes five restoration projects in the Upper Tennessee River Basin that were supported by the Lone Mountain settlement. The highlighted restoration projects include two mussel and fish propagation and reintroduction projects that are restoring freshwater mussels and fish species killed during the spill; two instream and riparian restoration projects designed to provide fish and mussel habitat and to provide recreation and education opportunities for the people of Lee County; and an acid mine drainage project designed to improve water quality in the watershed. The total project expenditures for all five restorations were approximately \$1.65 million and generated 38.5 job-years in national economic impacts.

Arkansas River In-Stream Habitat Restoration
Total project expenditures: \$3,244,000
National economic impacts:
✓ 49.5 job-years
✓ \$3,119,000 in labor income
✓ \$4,600,000 in value added
✓ \$9,060,000 in economic output
Local project expenditures: \$1,763,000
Local economic impacts:
✓ 25.0 job-years
✓ \$1,268,000 in labor income
✓ \$1,667,000 in value added
✓ \$3,261,000 in economic output

Performance Summary

All activities within the Restoration Program (Damage Assessment, Restoration Support, In-Land Oil Spill Preparedness, and Program Management) are focused on and support resource restoration. The Program’s contributions towards meeting the Administration’s restoration goals is as varied as partnerships to acquire and protect high-value habitats; improve stewardship of Federal, State, and tribal lands; and restore natural resources.

2018 Program Performance

In 2018, the Restoration Program expects to see measurable increases in the amount of restoration being achieved, notably through the Program’s performance indicators of acres restored and stream/shoreline miles restored. A secondary measure tracking the movement of settlement funds transferred out of the Restoration Fund to DOI bureaus and involved co-trustees is also actively monitored.

Restoration accomplishments measured in acres and stream/shoreline miles restored often fluctuate from year-to-year, the result of a complex process in which numerous trustee councils across the Nation are moving forward in identifying specific opportunities for restoration, consistent with approved restoration plans. However, such accomplishments generally cannot be scheduled or readily anticipated on a site-specific basis. Year-to-year variability in performance is the norm, and is reflected on the following table which is often greatly influenced by factors outside of the Department's control, such as finding landowners willing to sell property needed to restore damaged resources.

Cost information, including unit costs, in the context of performance management is of limited value within the Restoration Program, due to the wide variability of possible restoration solutions that might be implemented, as well as the multi-year implementation time-frames they often entail. Every ecological restoration project implemented is unique, from the resource injury being addressed, to the ecological, biological, and engineering aspects involved, and the number and roles of other involved co-trustees, partners, and responsible parties. For example, a parcel of land being acquired and/or restored performed by the responsible party (in-kind restoration) may achieve the trustee's desired ecological outcomes, but the responsible party performing the work is under no obligation to disclose the costs involved. The wide range of possible, but generally not comparable, restoration actions is best exemplified in the restoration success stories found in the Restoration Support section.

The bureaus will continue to collect, validate, and verify the performance data before reporting to the Program. In addition, the Program will continue to track internally the progress of cases from start to finish using measures such as the number of restoration plans drafted, finalized, and in stages of implementation; the number of restorations completed; the number of cooperative assessment conducted with industry; and funding leveraged through restoration partnerships. Lastly, the Program anticipates useful information to be generated by three ongoing monitoring studies. These studies are evaluating restoration techniques in a context that addresses the quality and productivity of habitat restoration projects rather than simply counting acres and stream/shoreline miles restored.

The DOI Office of Restoration and Damage Assessment (ORDA) manages the Restoration Program, and currently consists of fifteen (15) staff: the Office Director, Deputy Office Director, the Assistant Director for Operations, the Restoration Fund Manager, a budget analyst, and four program operations staff located in its Washington, DC headquarters; and the Assistant Director for Restoration and five Restoration Support specialists located in Denver, Colorado. The following organization chart reflects the integrated management structure of the Program as a whole, with the inter-related components of six bureaus, the Office of the Solicitor, and two offices within the Office of the Secretary. The Restoration Program reports to the Deputy Assistant Secretary – Policy and International Affairs, under the Assistant Secretary – Policy, Management, and Budget. The Program works with the Restoration Executive Board, comprised of Assistant Directors from the bureaus and members of the Office of the Secretary, which is responsible for overseeing policy direction and approving allocation of resources.



Restoration Program

Assessment & Restoration Program

Assistant Secretary - Policy,
Management, and Budget

Deputy Assistant Secretary –
Policy and International Affairs

ORDA Office Director

Restoration Executive Board

Fish and Wildlife Service
National Park Service
Bureau of Indian Affairs
Bureau of Land Management
Bureau of Reclamation
Office of the Solicitor
Office of Environmental Policy
and Compliance

Asst. Director Operations Restoration Fund Manager Deputy Office Director

Operations Staff

Asst. Director-Restoration
Restoration Support Unit

Technical Support

Economics
Office of Policy Analysis
Science
U.S. Geological Survey
Law
Office of the Solicitor

Workgroup

Fish and Wildlife Service
National Park Service
Bureau of Indian Affairs
Bureau of Land Management
Bureau of Reclamation

Summary of Requirements Table
(Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration

Activity	2016 Actual	2017 C.R.		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2018 Budget Request		Change from 2017 C.R. Level (+/-)		
	Amount	Total FTE	Amount			FTE	Amount	FTE	Amount	FTE	Amount	
APPROPRIATED FUNDS												
Damage Assessments	2,500	0	2,495	+15	0	0	-1,010	0	1,500	0	-995	
Restoration Support	2,075	7	2,071	+59	0	0	-230	7	1,900	+0	-171	
Inland Oil Spill Preparedness	1,000	1	998	0	0	-1	-798	0	200	-1	-798	
Program Management	2,192	7	2,188	+63	0	-4	-1,251	3	1,000	-4	-1,188	
Total, Appropriation	7,767	15	7,752	+137	0	-5	-3,289	10	4,600	-5	-3,152	
PERMANENT FUNDS (RECEIPTS)												
Damage Assessments	5,652		18,900	0	0		-6,900		12,000		-6,900	
Restoration												
Prince William Sound Restoration	4,813		6,000	0	0		0		6,000		0	
Other Restoration	184,192		576,000	0	0		-243,100		332,900		-243,100	
Program Management	262		100	0	0		0		100		0	
Subtotal, Gross Receipts	194,919	0	601,000	0	0	0	-250,000	0	351,000	0	-250,000	
Sequestration Reduction	-476		-483						0		+483	
Previously Unavailable Budget Authority	+576		+476						+483		+7	
Transfers Out	-13,418		-8,000						-8,000		0	
TOTAL, Net Receipts	181,601	0	592,993	0	0	0	-250,000	0	343,483	0	-249,510	

Natural Resource Damage Assessment and Restoration Program

Justification of Fixed Costs and Internal Realignments

(Dollars In Thousands)

Fixed Cost Changes and Projections	CY (2017) Change	CY (2017) to BY (2018) Change
Change in Number of Paid Days	-36	0
This column reflects the changes in pay associated with the change in the number of paid days between the CY (2017) and BY (2018).		
Pay Raise	+90	+79
The change reflects the salary impact of the 2.1% pay raise for 2017 as signed by the President in December 2016, and the estimated 1.9% pay raise for 2018.		
Departmental Working Capital Fund	+26	+11
The change reflects expected changes in the charges for centrally-billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.		
Rental Payments	-21	+47
The amounts reflect changes in the costs payable to the General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to the Department of Homeland Security (DHS). Costs of mandatory office relocation, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.		

Natural Resource Damage Assessment and Restoration Program

Appropriations Language

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment, restoration activities, and onshore oil spill preparedness by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), and Public Law 101-337 (16 U.S.C. 19jj et seq.), \$4,600,000, to remain available until expended.

Note – A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

Authorizing Statutes:

Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (42 U.S.C 9601 et seq.). Section 106 of the Act authorizes the President to clean up hazardous substance sites directly, or obtain cleanup by a responsible party through enforcement actions. Trustees for natural resources may assess and recover damages for injury to natural resources from releases of hazardous substances and use the damages for restoration, replacement or acquisition of equivalent natural resources. Provides permanent authorization to appropriate receipts from responsible parties.

Federal Water Pollution Control Act (Clean Water Act), as amended, (33 U.S.C. 1251-1387). Authorizes trustees for natural resources to assess and recover damages for injuries to natural resources resulting from the discharge of oil into or upon the navigable waters of the United States, adjoining shorelines, the waters of the contiguous zone, or in connection with activities under the *Outer Continental Shelf Lands Act* or the *Deepwater Port Act of 1974*, or which may affect natural

resources belonging to, appertaining to, or under the exclusive management authority of the United States.

Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.) Amends the *Federal Water Pollution Control Act*, and authorizes trustee(s) of natural resources to present a claim for and to recover damages for injuries to natural resources from each responsible party for a vessel or facility from which oil is discharged, or which poses a substantial threat of discharge of oil, into or upon the navigable waters or adjoining shorelines or the exclusive zone.

System Unit Resource Protection Act (54 U.S.C. 100721-25). Provides that response costs and damages recovered under it or amounts recovered under any statute as a result of damage to any Federal resource within a unit of the National Park System shall be retained and used for response costs, damage assessments, restoration, and replacements. Liability for damages under this Act is in addition to any other liability that may arise under other statutes.

Interior and Related Agencies Appropriation Act, 1992 (P.L. 102-154). Provides permanent authorization for receipts for damage assessment and restoration activities to be available without further appropriation until expended.

Dire Emergency Supplemental Appropriations for Fiscal Year 1992 (P.L. 102-229). Provides that the Fund's receipts are authorized to be invested and available until expended. Also provides that amounts received by United States in settlement of *U.S. v Exxon Corp. et al.* in FY 1992 and thereafter be deposited into the Fund.

Interior and Related Agencies Appropriation Act, 1998 (P.L. 104-134). Provides authority to make transfers of settlement funds to other Federal trustees and payments to non-federal trustees.

ACTIVITY: DAMAGE ASSESSMENT

Appropriation: Natural Resource Damage Assessment	2016 Actual	2017 CR Level	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2018 Request	Change from 2017 (+/-)
Activity: Damage Assessment \$000	2,500	2,495	+15	0	-1,010	1,500	-995
FTE	0	0	0	0	0	0	0



Mercury from industrial activities at a former E.I. du Pont de Nemours and Company (DuPont) facility in Waynesboro, VA, contaminated the South River and South Fork Shenandoah River, impacting fish and wildlife across more than 100 miles of river and associated floodplain and riparian habitat. Recreational fishing opportunities were also impacted from the mercury contamination, due to the fish consumption advisories on the South River and South Fork Shenandoah River. (Photo: FWS)

Justification of 2018 Program Change:

Damage Assessment (-\$995,000 / +0 FTE) – The 2018 budget request for the Damage Assessment activity is \$1,500,000, a reduction of \$995,000 from the 2017 Continuing Resolution Baseline level. In light of the constrained budget environment, the Restoration Program will seek to offset the reduction of discretionary funds and support its ongoing and future damage assessment caseload by using recovered damage assessment funds from previous damage assessments that were completed and settled. If recovered damage assessment funds are insufficient to support needed damage assessment activities in 2018, the Program will focus its funding on its highest priority sites.

Damage assessment projects are conducted by personnel from DOI bureaus using allocated FTEs. No direct FTE are used to carry out damage assessment activities.

Activity Overview:

Damage assessment activities are an important first step taken by the Department on the long journey to achieving restoration of natural resources injured through the release of oil or hazardous substances. The source and magnitude of injury must first be identified, investigated, and thoroughly understood if the subsequent restoration is to be effective. Through the damage assessment process, physical and scientific evidence of natural resource injury is documented, which then forms the basis for the Department's claim for appropriate compensation (or in-kind services) to compensate the American public for the loss and use of those injured resources. The restoration settlements which then follow allow the Restoration Program to restore those injured trust resources, in concert with other affected natural resource trustee agencies. Damage assessment activities support the Department's goals of protecting the Nation's natural and cultural resources. Information regarding the nature, pathway, and magnitude of the injury, and the means by which they are determined, also help establish the focus of the subsequent restoration plans and influence the determination of when those restoration goals have been successfully reached.

Damage assessment cases are conducted by one or more of the five resource management bureaus within the Department: Fish and Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, and Bureau of Reclamation. Economic analytical support is provided by the Office of Policy Analysis; scientific and technical analysis and support is provided by the U.S. Geological Survey; and, the Office of the Solicitor provides legal counsel. In nearly all cases, the Department's assessment activities are carried out in partnership with other Federal, State, and/or Tribal co-trustees. These partnerships have proven advantageous, as cooperation, consultation, and collaboration amongst the trustees facilitates the addressing of all the various trustee resource management concerns, and consolidates those concerns into a single case. Trustees can also share data, achieve economies of scale, avoid duplication of effort and minimize administrative burdens and expenses. Responsible parties also benefit, as they are able to address all trustee concerns in a single, unified case.

Cooperative Assessments - The Restoration Program continues to make progress in conducting many of its damage assessment cases on a cooperative basis with responsible parties. As a matter of Departmental practice, potentially responsible parties are contacted and invited to participate in the development of assessment and restoration plans. The Department has been involved in over 50 cooperative assessments across the Nation, where the responsible parties have elected to participate in the damage assessment process, and provide input into the selection of various injury studies and contribute advance funds or reimburse Interior for its assessment activities prior to settlement. In Fiscal Year 2016, over \$2.8 million in advanced and/or reimbursed cooperative assessment funding was received from cooperating responsible parties for DOI's assessment activities at 13 sites. This constant effort to reach cooperatively and negotiate Funding and Participation Agreements with responsible parties to the greatest extent possible allows the

Department to stretch its discretionary appropriated and recovered assessment funds further, which allows assessments for additional cases it might not otherwise fund.



Working cooperatively with DuPont for over 10 years, the Fish and Wildlife Service and the Commonwealth of Virginia studied the impacts of mercury on natural resources. In 2016, a settlement was reached which included over \$42 million for restoration project implementation as well as renovations to the State of Virginia's Front Royal Fish Hatchery funded directly by DuPont. (Photo: FWS)

Project Selection - Selection of damage assessment projects is conducted annually through an extensive internal proposal and screening process that assures that only the highest priority cases are funded. Significant consideration is given to those damage assessment cases that have the potential to address and support Administration or Secretarial priorities and initiatives. Criteria for selecting initial projects are based upon a case's likelihood of success in achieving restoration, either through negotiated restoration settlements or through successful litigation where necessary. Cases must demonstrate sufficient technical and legal merit and administrative readiness focused on the purpose of achieving restoration.

The Restoration Program's project selection process is designed to:

- Be inclusive of all natural resources under Interior trusteeship and trustee roles;
- Provide a process that encourages and rewards thorough planning and ultimately, strong opportunities for restoration success;
- Provide a process that evaluates both the objective and subjective aspects of individual cases; and
- Fund cases that have demonstrated sufficient levels of technical and legal merit, trustee organization, and case readiness.

DOI bureaus are required to coordinate their planning and operational efforts into a single project proposal, thus promoting inter-Departmental efficiencies and eliminating duplication of effort. Bureau and DOI office capabilities are used to complement each other, as opposed to building redundant program capabilities in multiple bureaus.

Use of Cost and Performance Data - Once projects are funded, the Restoration Program makes use of project-level performance information to inform and guide future funding decisions. The Restoration Program relies on performance data collected from ongoing cases that document the attainment of specific chronological milestones (e.g., establishing a trustee Memorandum of Understanding, assessment plan development, injury determination and quantification,

preliminary estimate of damages, etc.) in the multi-year process toward settlement. Funding decisions are weighted in favor of those cases that continue to show progress along the damage assessment continuum towards settlement and eventual restoration. Cases that stall or fail to progress are considered a lesser priority, and case teams are given direction to make course corrections at a stable or reduced funding level. Course corrections must be made before additional funding is made available for addressing future milestones. For example, a case team may be directed to finalize necessary procedural products such as a publicly-announced assessment plan before beginning its scientific studies. The use of such project-level performance data lends itself to helping the Restoration Program better manage its workload by having a clearer sense of when damage assessment cases are near completion and opportunities for new starts emerge.

In addition to project milestone reporting, financial obligation data is monitored at the DOI, bureau, and project levels across all involved bureaus. This obligation data and carryover balances are factors considered in the annual project funding decision process. Further, unobligated balances on all damage assessment projects are closely monitored from inception through settlement. Upon reaching finalization of the Department's claim and resulting settlement, all unused or unneeded funds are identified, pulled back and re-allocated to other high-priority damage assessment projects. In some instances and under certain circumstances, case teams have been directed to return or have voluntarily returned project funds for ongoing projects so that the funds can be re-allocated to other projects and high priority needs.

The Restoration Program requires its case teams to document their respective assessment costs and attempts to recover those costs from the potentially responsible parties when negotiating settlement agreements. Over the past three fiscal years, the Program has utilized an average of \$2.0 million annually in damage assessment funds recovered in settlement, in combination with its annual discretionary appropriations in order to continue ongoing damage assessment work at current sites or to initiate new cases.

2018 Activity Performance

In 2018, the Restoration Program will continue to utilize a mix of discretionary appropriations, recovered past assessment costs from recent settlements and/or returned funds from completed assessments, as well as advanced funds from cooperative responsible parties to meet its damage assessment workload requirements. However, the proposed reduction in discretionary funding will result in a higher level of reliance on recovered funds, and may limit the Department's capacity to start any new damage assessment cases. The combined appropriated and recovered funds will support ongoing damage assessment efforts at approximately 30 sites and maintain the Program's damage assessment capability at current levels. The Program estimates 45 additional ongoing cases will proceed towards settlement as well, using previously allocated funds from prior years. In most years, the Program anticipates that the annual project proposals received from the field will exceed the amount of available funding, thus leading the Program to carefully scrutinize,

select, and fund those cases best focused on Administration and Secretarial priorities, and best organized and prepared to progress towards settlement.

The Program will also continue its focus on the use of cooperative assessments. The natural resource damage assessment regulations encourage the participation of potentially responsible parties in the assessment process, and the Department pursues advance funding agreements with potentially responsible parties wherever and whenever possible. Funds provided under these funding agreements will expand program coverage by allowing other damage assessment cases to utilize the limited appropriated and recovered/returned assessment funds. In addition, the Program will continue to refine its milestone reporting process and use that performance data to enhance management of its damage assessment workload. While the Program will continue efforts to work closely with other trustee partners to jointly identify future workload at new sites and incidents requiring an assessment of natural resource injury, initiation of any new damage assessments may be delayed due to limited funding.

The next page shows a snapshot of the Department's damage assessment and restoration cases from the damage assessment and restoration tracking system (DARTS) https://www.cerc.usgs.gov/orda_docs/Map.html. This map shows the current status of the case (assessment, restoration, assessment/restoration, closed), as well as the type of incident (oil, mining, chemical or other). This system currently shows all of the Department's NRDAR cases which have a publicly available document (310 cases).

Damage Assessment and Restoration Sites

https://www.cerc.usgs.gov/orda_docs/Map.html



ACTIVITY: RESTORATION SUPPORT

Appropriation: Natural Resource Damage Assessment	2016 Actual	2017 CR Level	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2018 Request	Change from 2017 (+/-)
Activity: Restoration Support \$000	2,075	2,071	+59	0	-230	1,900	-171
FTE	5	7	0	0	0	7	0

Justification of 2018 Program Changes:

Restoration Support (-\$171,000 / 0 FTE) - The 2018 budget request for Restoration Support is \$1,900,000 and 7 FTE, a decrease of -\$171,000 and no FTE from the 2017 Continuing Resolution Baseline level. In order to meet this funding reduction, the Program will achieve targeted reductions in travel, contracting, and external partnering activities while continuing to focus on planning, implementation, oversight, and monitoring of restoration actions. The Program will continue to focus resources on achieving on-the-ground restoration.

The balance of dollars in the DOI Restoration Fund recovered in legal settlements continues to grow. At the end of fiscal year 2016, the unallocated balance of funds earmarked for restoration in the DOI Restoration Fund was over \$735 million. Fiscal year 2016 saw over \$189 million of restoration settlement funds deposited, while more than \$69 million was withdrawn and distributed to DOI bureaus and other Federal, State, and tribal co-trustees for restoration planning and implementation. A number of long-running damage assessment cases have settled, many with multi-million dollar settlements. Still others are in settlement negotiations or have recently settled with fund deposits expected in the near future. Over \$520 million in restoration settlement funds have already been received in 2017, including the first annual installment of \$490 million from the Deepwater Horizon Oil Spill settlement, which has pushed the current fund balance to over \$1.2 billion.

With more than \$1.2 billion in settlement funds currently residing in the DOI Restoration Fund, and more settlements on the near horizon, moving forward deliberately and strategically in the implementation of restoration actions at dozens of sites nationwide will produce benefits, both ecologically and economically. The Program will continue to focus on existing cost-efficient partnerships within DOI that are essential to moving additional restoration projects to completion. For example, the Program Office will continue to maintain relationships with other DOI restoration programs, such as the FWS Partners and Coastal programs, to assist with restoration implementation and to support all facets of restoration. The Program will need to curtail the development of new agreements with co-trustees, NGOs, and academia.

Activity Overview:

The restoration of injured natural resources is the sole reason for the existence of the Department's Natural Resource Damage Assessment and Restoration Program. Every action the Restoration Program undertakes during the damage assessment phase is done with the end goal of restoration in mind. Upon the successful conclusion of a natural resource injury assessment and resolving the case with the responsible parties, DOI bureaus working in partnership with other affected State, Federal, tribal and/or foreign co-trustees, use settlement funds to identify, plan, and implement restoration activities. Under the Restoration Support activity, the Program continues its coordinated effort to focus greater attention on restoration activities and to expedite the expenditure of settlement funds to develop and implement restoration plans. The Program's Restoration Support Unit (RSU), upon request, provides support to the Department's case managers and teams, providing assistance with meeting legal and regulatory compliance requirements, identifying possible partnering opportunities, and drafting appropriate documents. In addition, the Program continues to work with the USGS in the field of restoration ecology to develop monitoring protocols to better measure the success and impacts of restoration efforts.

To fulfill the statutory and regulatory requirements of Comprehensive Environmental Response, Compensation, and Liability Act and the Oil Pollution Act to restore, replace, or acquire the equivalent of the natural resources that were injured by the release of oil or hazardous substances, these restoration activities encompass a wide variety of projects that support the Department's mission of protecting natural and cultural resources. By working with the co-trustees on restoration activities, the Program is able to focus restoration actions that support and contribute to ecological restoration and protection in support of Departmental Strategic Plan goals. Many restoration projects also often support and benefit State and local parks and trails; protection and reintroduction of threatened and endangered species to support recovery; and protection and restoration of essential habitat for migratory birds and fish.

The DOI Restoration Program uses both current appropriations along with permanent funding to achieve its restoration program mission needs as follows:

- **Current Funding** – Current funds are used to support the Program's Restoration Support Unit (RSU) staff, legal support and consultation from the Office of the Solicitor, and to support ecological restoration research conducted by USGS
- **Permanent Funding** – Consists of all incoming settlement funds paid by responsible parties. Over ninety percent of all such funds received from settled damage assessment cases currently held in the DOI Restoration Fund are designated as joint restoration funds, and are accepted, held, and managed on behalf of DOI and its co-trustee partners. These funds can be used only for the Trustee's restoration planning, implementation, oversight, and monitoring of implemented restoration actions at a specific site or related to a specific

settlement. These restoration activities can proceed only after the development and issuance of a publicly-reviewed restoration plan and in some instances, may take as long as 10 to 15 years to fully implement. The use of such settlement funds provides value to the American public, as injured natural resources and services are restored by, or at the expense of the responsible party, and not the taxpaying public.

In addition to settlement funds deposited into the DOI Restoration Fund, the Department is party to other natural resource damage settlements where settlement funds are deposited into a Court Registry or some other account selected by the trustees. Additionally, there are a number of settlements where the responsible parties have agreed to undertake or implement the restoration actions (in-kind restoration), with trustee agencies providing oversight to ensure compliance with the terms of the settlement and adherence to the approved and publicly-reviewed restoration plan. Once fully implemented, the restoration actions are then subject to long-term monitoring by the trustees to ensure they have been effective and have met the goals and intent of the restoration plans.

These activities are focused on restoring trust resources and the services they provide back to the baseline level they would have had in the absence of the spill or release of hazardous substances. This encompasses preserving and maintaining the lands, waters, and wildlife of the Nation's public lands, embodied in national wildlife refuges, national parks, and BLM lands, as well as restoring trust resources that are on private or tribal lands. Results are achieved through DOI-administered programs and through collaborative partnerships. These efforts are as widely varied as the trust resources the Department manages. Examples of these activities include:

- Restoration of nesting habitat for migratory birds;
- Re-introduction and re-establishment of threatened or endangered species;
- Protection or acquisition of property and habitat that is added to lands managed by State, tribal, or local governments;
- In-stream and riparian habitat improvement to improve aquatic communities, fisheries, or fish passage;
- Control or removal of invasive species of plants and animals and re-establishment of native flora and fauna, and
- Providing recreational opportunities or protecting cultural uses and activities that flow from trust resources.

Deepwater Horizon / Gulf of Mexico Oil Spill Settlement

The April 2010 *Deepwater Horizon* (DWH) oil spill in the Gulf of Mexico resulted in the largest offshore oil spill in U.S. history. On April 4, 2016, the U.S. District Court for the Eastern District of Louisiana approved a historic \$20.8 billion settlement agreement with BP Exploration and Production (BPXP), the party that was found to be primarily responsible for the oil spill. Per the

terms of the settlement, BPXP will pay the trustees up to \$8.8 billion for restoration to address injuries to natural resources. These funds will be used to implement the trustees' *Programmatic Damage Assessment and Restoration Plan and Programmatic Environmental Impact Statement*. BPXP made the first payment of \$490 million to the DOI Restoration Fund in April 2017, with similar annual payments scheduled to continue through 2031.

As described in the Program Overview, the Office of Restoration and Damage Assessment manages the DOI Restoration Fund on behalf of the Department and its co-trustees. For the DWH settlement, co-trustees include the States of Alabama, Florida, Louisiana, Mississippi, and Texas, as well as National Oceanic and Atmospheric Administration, Environmental Protection Agency, and the U.S. Department of Agriculture. The Federal and State trustees have established multiple sub-accounts to manage the DWH settlement within the Restoration Fund. These accounts correspond to the governance structure established by the trustees. Funds within the respective accounts may only be used to implement and administer projects that are consistent with the *Programmatic Damage Assessment and Restoration Plan and Programmatic Environmental Impact Statement* or subsequent detailed restoration plans derived from the programmatic restoration plan. All withdrawals from the Restoration Fund require a trustee resolution signed by the relevant co-trustees. The Fish and Wildlife Service Southeast Regional Director serves as the Department's Authorized Official who has been delegated to act as trustee on behalf of the Secretary.

2018 Activity Performance:

In 2018, the Program will continue to focus its activities in support of trust resource restoration, and anticipates increased restoration outputs and outcomes. Fiscal year 2018 planned performance targets include the restoration of 68,000 acres and 350 stream or shoreline miles. The Department and its co-trustees will accomplish these goals through the use of settlement funds or in-kind services received in settlement of damage assessment claims with responsible parties.

Currently, the Program's Restoration Support Unit provides a wide suite of services to case teams and trustee councils across the Nation, including the following:

- Restoration planning, including development of the required restoration plan which must be publicly reviewed;
- Restoration science technical support;
- Streamline National Environmental Policy Act (NEPA) compliance;
- Geographical information systems (GIS) support;
- Project management planning and support, and
- Liaison with other restoration programs and services across the spectrum (government/contractor/non-profits/local organizations)

At any given time, the staff at the RSU is engaged in dozens of cases, providing support to case teams with restoration planning, writing restoration plans or environmental assessments, or assisting with on-the-ground restoration. In addition to these activities, the RSU staff will lead best practices and technology transfer and outreach activities to ensure that restoration advances made by individual case teams will be shared with fellow restoration practitioners. Examples include participation on the continued development and refinement of the Restoration Policy, Planning, and Partnering course taught at the FWS National Conservation Training Center which includes modules specifically targeted at NRDAR restoration specialists.

For 2018, the RSU will focus on maintaining restoration-centric technical skills. Current RSU staff hold specialties in GIS mapping, plant ecology, bird ecology, ecotoxicology, stream redesign and dam removal, and in upland/prairie habitat restoration. Because it may not be feasible for the bureaus to individually hire this expertise, the specialists at the RSU are available to support restoration projects throughout the Country and across Departmental bureaus.

Lastly, in an effort to close out cases with small balances (less than \$100,000 in restoration funds), the RSU will also target the completion of restoration plans for these cases and moving the funds towards restoration. This will use a variety of methods such as partnering with existing restoration programs within DOI (e.g., the FWS Partners and Coastal programs), engaging with other Federal, State, and tribal governments, and non-governmental organizations to identify restoration areas, species, and habitat types, and with help in identifying and implementing habitat restoration projects.

In order to leverage other scientists and restoration experts, we will seek cost-efficient opportunities for partnership to further restoration science, implementation, and monitoring. For example, scientists from the USGS are working with the RSU in the strategic development of restoration tools and methods to address common restoration concerns encountered in multiple ecosystems. Because ecosystems are dynamic, restoration monitoring protocols must serve as triggers for corrective actions and adaptive management and be carefully crafted into restoration plans. These efforts are focusing on species distributions, abundance and diversity, invasive species, community development and, when possible, ecosystem resiliency.

RESTORING INJURED RESOURCES

Following an oil spill or the release of a hazardous substance, the natural resource trustees evaluate the injury to our trust resources and then write a restoration plan that outlines the projects that will be conducted to restore the injured resource. As part of the planning process, the public is invited to participate and provide comments on the proposed restoration projects. The goal of the restoration projects is to restore the injured resources or the services lost as a result of the spill or release back to baseline condition, or the level that would exist had the spill or release not occurred. For example, if an oil spill results in the destruction of beach dune habitat that is used by shorebirds for nesting, then the restoration projects are designed to restore or create similar dune or beach habitat. Similarly, if the removal of a hazardous chemical from a wetland results in the loss of this wetland, the resulting restoration projects would be designed to restore the same wetland at its current location to its baseline condition, or to replace or acquire similar habitat. The following are examples of recent on-the-ground restoration accomplished by the Department of the Interior's bureaus and their co-trustee counterparts. These examples are representative of the wide range of restoration actions that the trustees may take to restore injured resources.

Santa Clara River Oil Spill, CA

During the 1990s, the same 15-mile stretch of the Santa Clara River in southern California was impacted by two major oil spills. First, the ExxonMobil pipeline break of 1991 released 74,000 gallons of crude oil into the Santa Clara River. In 1994 the ARCO pipeline break released approximately 190,000 gallons of crude oil to the same stretch of the river after a 6.8 magnitude earthquake in the Los Angeles area. Cleanup of the river included removing oiled vegetation, excavating soil and sediment, and backfilling and grading the river bed.

To counter the environmental injury caused by these spills, the Santa Clara River Trustee Council was created, consisting of the Department of Interior, acting through the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife. Trustees work on restoration projects for the injured habitat and wildlife of the Santa Clara River, using settlement funds to protect land and rebuild native habitats for wildlife. The trustees settled the cases for a combined total of \$9.8 million (\$2.7 million from ExxonMobil and \$7.1 million from ARCO), and allocate funds to implement numerous restoration projects that would offset the impacts of the spills. The two spills occurred in virtually identical reaches of the Santa Clara River and the resources injured and potential restoration actions to address those injuries were similar, so the trustees decided it would be efficient for the two Councils to coordinate their restoration efforts. Since then the Trustees have developed restoration plans and implemented a variety of projects.

Habitat restoration along the Santa Clara River has focused on vegetation, birds, and fish. The watershed is home to 16 federally-protected species and is an Audubon Global Important Bird Area. In Fiscal Year 2015, the Office of Restoration and Damage Assessment provided \$65,000

in restoration catalyst funds to develop a Strategic Habitat Conservation (SHC) plan using the Least Bell's Vireo as a surrogate species. The SHC plan provides a framework for adaptive management that focuses on identifying biological objectives for key species that can then serve as surrogates for the health of a broader ecological community. The SHC plan will provide the scientific justification for understanding whether the restoration actions being pursued in the Santa Clara River are producing the intended benefits, with check points for understanding when a change in management approach is necessary in order to fulfill conservation goals.

The federally-endangered Least Bell's Vireos have benefitted from the SHC plan through brown-headed cowbird management and other habitat restoration projects. The parasitic nature of the brown-headed cowbirds has interfered with the successful breeding of Least Bell's Vireo and other native birds along the Santa Clara River. Brown-headed cowbirds lay their eggs in the nests of other birds, which serve as host parents, raising cowbird chicks as their own. For smaller species like the Least Bell's Vireo, they are usually only able to raise the cowbird chicks and none of their own young as the cowbirds overpower vireo chicks. A recent study on cowbird trapping in the Santa Clara River watershed concluded cowbird control is essential to the recovery of small endangered host species. Vireo nest success was 64% in areas with cowbird trapping, compared to 10% in areas without. As a result of cowbird trapping, more than 200 pairs of the Least Bell's Vireos now call the Santa Clara River home, a dramatic increase from the past. Decreasing populations of brown-headed cowbirds will continue to contribute to the recovery of endangered species.



The Least Bell's Vireo is one species benefiting from the riparian restoration projects along the Santa Clara River (Photo: Steve Maslowski, FWS)

Unlike many other major rivers in the Country, the Santa Clara River is not in the public domain, and is divided into numerous parcels that are privately owned. To protect as much of the river as possible, the trustees partnered with The Nature Conservancy, the California Coastal Conservancy, and the California Wildlife Conservation Board to acquire 1,011 acres of land within the river corridor. Trustees are also working with these partners and the California Department of Water Resources to preserve agricultural lands in the floodplain surrounding the river channel. Preserving these iconic agricultural fields of the Santa Clara River valley provides a buffer between the river and communities. The Santa Clara River is one of the last remaining free-flowing river systems in southern California; the rest are obstructed by dams and channelized with concrete in large sections. When free-flowing rivers like the Santa Clara are dammed and channelized, migratory fish such as the Southern steelhead trout are unable to reach their spawning grounds, and population declines generally follow. Farmers that participate in the floodplain protection program receive funding in order to keep their land in agriculture, in exchange for a promise not to build permanent levees that would prevent the river from flowing naturally. Protecting the land surrounding the Santa Clara River protects the habitats within the river corridor that are so valuable for wildlife.

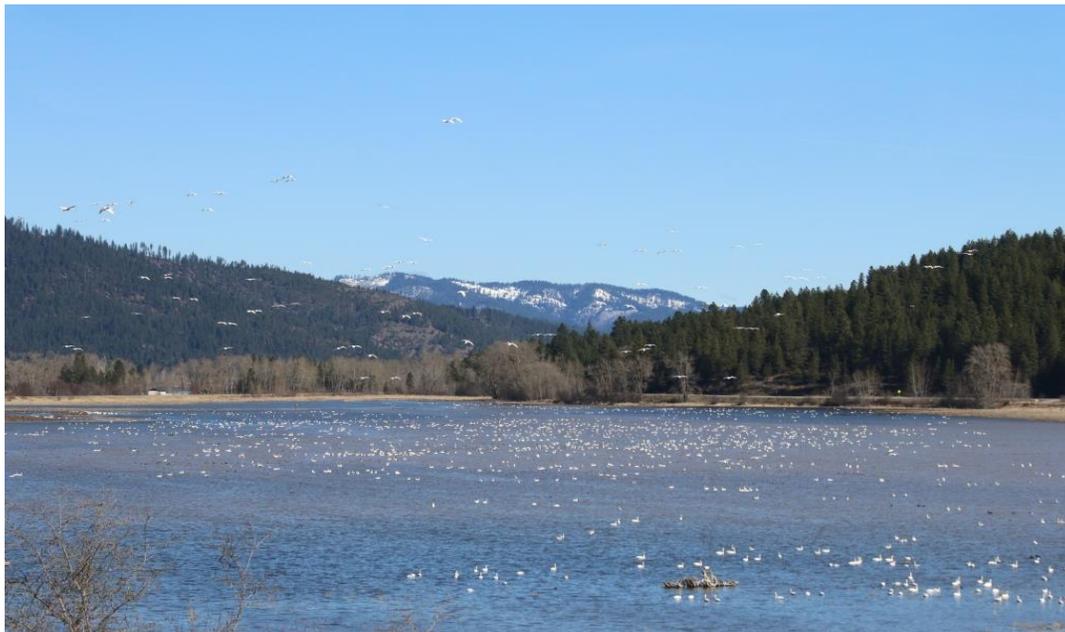
Trustees also sponsor education programs and museum exhibits to foster an appreciation of the Santa Clara River by highlighting the wildlife ecosystem services the river supports. Children and adults are embracing these education efforts and people of all ages have volunteered to help complete long-term projects in the watershed.

Coeur d'Alene Basin, ID

For more than 100 years, the Coeur d'Alene Basin in Idaho was one of the most productive silver, lead, and zinc mining areas in the United States. The majority of mining and mineral processing in the Basin occurred along the South Fork of the Coeur d'Alene River and its tributaries. The mine wastes generated by these operations contain hazardous metals, including lead, zinc, cadmium, and arsenic. A significant portion of these wastes was discharged into the Coeur d'Alene River and its tributaries. Tailings and contaminated sediments continue to be deposited in the Coeur d'Alene River channel, levees, and floodplain, as well as in lakes and wetlands next to the river and Coeur d'Alene Lake.

In 1983, the Environmental Protection Agency listed the Bunker Hill Mining and Metallurgical Complex Superfund facility, which was located on the South Fork of the Coeur d'Alene River, on the National Priorities List. In 2008 and 2011, the natural resource trustees, including the Coeur d'Alene Tribe, the State of Idaho, and the Departments of Agriculture and Interior, reached settlements with two large mining companies to resolve one of the largest Superfund natural resource damage assessment cases in the Nation.

In spite of its contamination, the basin continues to be a major stopover for waterfowl migrating along the Pacific Flyway. These waterfowl include tundra swans, which stop to feed at marshes along the lower Coeur d'Alene River Basin, en route to breeding grounds in Alaska, putting the swans at risk of death from lead poisoning. Birds don't have the ability to detect and avoid contaminants – they go where the food is most abundant. Swans are particularly vulnerable to lead poisoning because they forage in lead-contaminated wetlands and can swallow contaminated sediment with their food.



Tundra swans feeding in clean habitat on the Schlepp Property. (Photo: FWS)

To help safeguard waterfowl such as tundra swans, the Coeur d'Alene trustees seek to establish clean wetland habitat for waterfowl. With the Schlepp Wetland Restoration Project, the trustees joined with a willing property owner, Ducks Unlimited, and the EPA to protect and enhance nearly 400 acres by converting farmland back to healthy wetland habitat. The restoration work on the property included re-working the soil profile to establish a wetland habitat that would sustain wetland plant species, planting waterfowl forage crops, creating islands for resting and loafing, and implementing water management techniques designed to provide habitat preferred by waterfowl, and noxious weed management.

The property now provides an alternative to feeding sites that are contaminated with lead. As a result, waterfowl diversity and abundance on the property during spring migration was among the highest in the Lower Basin. Nearly 100 bird species have been spotted in the refurbished wetlands, including the first breeding pair of American avocets documented in the county since 1903. As an added benefit, the Schlepp property lies adjacent to the "Trail of the Coeur d'Alene's." This rail-to-trails bike route not only acts as a dike, keeping the Coeur d'Alene River from depositing polluted sediments in the Project, but assures the public can enjoy viewing the wildlife using the site.

Tri-State Mining District, Cherokee County, Kansas

The Cherokee County Superfund Site in southeastern Kansas is part of the Tri-State Mining District, which has a history of zinc, lead, and cadmium mining. Between approximately 1850 and 1970, the Tri-State Mining District accounted for approximately 50 percent of zinc production and 10 percent of lead production in the United States. This extensive mining activity resulted in the contamination of thousands of acres and dozens of stream miles in the region. Approximately 1,200 acres of this area faced such high concentrations of metals that no vegetation could grow, even decades after operations ceased. Some stream and river segments were so heavily contaminated that aquatic communities, including populations of fish, shellfish, and insects, were significantly reduced and non-existent in some areas. Natural resource damage assessments revealed lead, zinc, and cadmium contamination resulted in injury to trust resources that utilize these terrestrial and aquatic habitats.



Chat Pile in Treece, Kansas. A chat pile is a large pile of small crushed angular rock that was extracted from mines. They are devoid of vegetation and in Cherokee County contain high levels of lead and zinc. (Photo: John Miesner, FWS)



Restored Former Soybean Field (Photo: John Miesner, FWS)

The Cherokee County Site was designated as a Superfund site by the Environmental Protection Agency in 1983. Subsequent natural resource damage assessment and restoration actions began in 1995. The Natural Resource Trustees, the U.S. Fish and Wildlife Service and the Kansas Department of Health and Environment, have recovered approximately \$14 million to restore injured natural resources. The U.S. Fish and Wildlife Service Kansas Ecological Services Field Office, in partnership with the Kansas Department of Wildlife,

Parks, and Tourism, applied these settlement funds to achieve the restoration goals to preserve, restore, and improve tallgrass communities in the areas surrounding the site. Restoration projects include acquisition of agricultural land and restoration to tallgrass prairie, acquisition and conservation of remnant tallgrass prairie habitat, and improvement of tallgrass prairies through the removal of invasive species. These projects provide quality habitat benefitting a wide array of migratory birds, pollinators, and several state and federally threatened and endangered species. Additionally, aquatic habitat restoration along streams and rivers have restored channel stability, reduced runoff and transport of contaminants, and provided habitat and foraging corridors for bats and migratory birds.

Trustees worked collaboratively to acquire and restore five properties to native tallgrass prairie habitat. The majority of these properties, totaling more than 2,100 acres were previously managed for agricultural production, providing little benefit to native wildlife. Following restoration to restore tallgrass prairie, these areas are now managed as a Wildlife Management Area by the Kansas Department of Wildlife, Parks and Tourism (KDWPT) and is open to the public. Specific restoration actions include construction of shallow, depressional wetlands and planting with a native grass seed mix. Settlement funds were also applied to acquire and preserve a small area of remnant tallgrass prairie, which supports important pollinator species, including the Monarch butterfly. Trustees developed several additional projects to restore 3,000 acres on existing State-owned lands through conversion of non-native pastures to native grass communities, removal of invasive woody vegetation, and control of invasive plant species. Monitoring to assess restoration success is underway, with early data providing encouraging results. To date, vegetative, avian, and mammalian monitoring has been conducted. More than 130 bird species, eight bat species, including the federally-endangered gray bat have been observed over the past five years, greatly exceeding expectations of the restoration objectives. The properties are unique in that grassland, woodland, and wetland-dependent species of birds can all be found on them, offering a one-stop shop for bird watchers.

Trustees have worked with other local partners to leverage settlement funds that support additional regional restoration. In coordination with Ducks Unlimited, trustees leveraged settlement funds through non-federal match for grant funds to achieve additional restoration in the region. Through this process, this team successfully secured grants for \$1 million to complete habitat restoration at the Neosho Wildlife Area managed by KDWPT and approximately \$550,000 for additional property acquisition that will be donated to the Cherokee County restoration project. Another partnership with the Kansas Forest Service supported a \$16 million grant to support watershed protection projects across the state.



Monarch Butterfly
(Photo: Gibran Suleiman, FWS)

Dam Removals

Dams have been used extensively throughout the United States for a variety of purposes, including navigation, flood control, and power generation. While well-designed and properly managed dams can provide many benefits, they drastically alter natural river communities. Dams have depleted fisheries, degraded river ecosystems, and altered recreational opportunities on nearly all of our nation's rivers. Today, many dams that were once at the epicenter of a community's livelihood are now old, unsafe or no longer serving their intended purposes.

The goal of removal can be multi-faceted, including restoring flows for fish and wildlife, reinstating the natural sediment and nutrient flow, eliminating safety risks, restoring opportunities for recreation, and saving taxpayer money. Dams, culverts, irrigation diversion channels and other barriers restrict the ability of migratory fish species like salmon, steelhead, shad and many others to reach their historic spawning grounds. Native shellfish, amphibians, waterfowl and plants also depend on the ebb and flow of rivers, and dams and other barriers can impair and destroy these seasonal rhythms. Dams can also choke spawning and rearing habitat with silt and debris, trap fertilizer and other contaminant run-off, leading to algae blooms and fish die-offs, and alter the ecology of rivers downstream.

Dam removal can appear to be expensive in the short term, but in most cases, money is actually saved over the long term. Removal eliminates the expenses associated with maintenance and safety repairs, as well as expenses associated with fish and wildlife protection (e.g. fish ladders and mitigation for fish mortality). In addition, removal often generates income from newly available recreation opportunities including fishing, kayaking, and rafting. In 2016, joint trustee restoration settlements helped fund several dam removals across the country including the Hughesville, New Jersey, and Hogsburg, New York dams.



Hughesville Dam Removal, Musconetong River, New Jersey (Photo: FWS)

In September 2016, Federal, State, and local partners joined to celebrate the \$1.5 million Hughesville Dam removal project on the Musconetcong River in Warren and Hunterdon counties in New Jersey. Located 3.5 miles upstream of the confluence with the Delaware River, the Hughesville Dam – 18 feet tall and 150 feet wide –was built in 1889 to generate hydropower for local paper production, but has not been in operation since 1999. The Hughesville Dam removal will permanently open up nine river miles of aquatic habitat for migratory fish species such as American eel, American shad, and river herring, and will improve water quality and habitat conditions for other fish species.

The Hughesville Dam is the fifth dam to be removed along the Musconetcong River, reducing flood risk, improving habitat and augmenting recreational opportunities like fishing, boating and swimming. The removals are part of a larger partner-based effort to restore the 42 mile Musconetcong River designated as a “Wild and Scenic River”, to a free-flowing state. Funding for the Hughesville Dam removal comes from settlement funds under the NRDAR Program for the Combe Fill South Landfill Superfund Site, and Federal funds from the Hurricane Sandy Disaster Relief Appropriations Act of 2013.

Additionally in 2016, the Saint Regis Mohawk Tribe led the removal of the Hogansburg Dam along the St. Regis River in New York. Completion of the project marked the Nation's first decommissioning of a federally-licensed dam by a Native American tribe and the first removal of



**Removal of Hogansburg Hydroelectric Dam underway, St. Lawrence River, NY
(Photo: Stephen Patch, FWS)**

a dam no longer needed for hydropower in New York State. As the first impassible barrier to fish on the St. Regis River, removal of the dam restored access to 555 miles of stream habitat and returned project land to the Saint Regis Mohawk Tribe. The former industrial site will become a focal point in the Mohawks' cultural restoration program, funded by a settlement in 2013 with parties responsible for the pollution and degradation of tribal fishing and hunting grounds along the St. Lawrence River.

The removal of the Hogansburg Dam restored a free-flowing river, fostering a healthier, more natural riparian ecosystem and providing connectivity between the St. Regis and St. Lawrence Rivers. Fish will be able to reach a variety of previously inaccessible spawning habitat. Additionally, remnant populations above the dam will have the benefit of increased genetic pool diversity. Over time, increased habitat could mean more fish with more nursery habitat for juveniles. The greatest potential impacts are expected for Atlantic salmon, American eel, walleye, lake sturgeon, northern pike, and muskellunge.

ACTIVITY: INLAND OIL SPILL PREPAREDNESS

Appropriation: Natural Resource Damage Assessment		2016 Actual	2017 CR Level	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2018 Request	Change from 2017 (+/-)
Activity: Inland Oil Spill Preparedness	\$000	1,000	998	0	0	-798	200	-798
	FTE	1	1	0	0	-1	0	-1

Justification of 2018 Program Changes:

Inland Oil Spill Preparedness (-\$798,000/-1 FTE) - The 2018 budget request for the Inland Oil Spill Preparedness Program is \$200,000, a decrease of \$798,000 and -1 FTE from the 2017 Continuing Resolution Baseline level. The Program will use the funds to focus on regional and area oil spill contingency planning and to continue limited training on inland oil spill response.

Starting with the inception of the Inland Oil Spill Preparedness Activity in Fiscal Year 2015, the Program's primary focus was to update training materials that had not been revised since 2005 and to train field staff across the country. The Department's inland oil spill training course has been updated and thus far, 264 staff have been trained, with another 175 staff scheduled to be trained in seven sessions nationwide in 2017.

With a trained cadre of field staff in place, the focus of this activity will shift to updating regional and area spill contingency plans and participation in oil spill drills to ensure readiness.

Activity Overview:

The Nation's domestic crude oil production rate remains high. For example, the U.S. Energy Information Administration indicates that crude oil production in 2016 was nearly 8.9 million billion barrels (bbls) per day. While down slightly from a high of 9.4 million bbls per day in 2015, the 2016 production was up more than 70% from 2006 (5.1 million bbls per day).³ The transportation of crude oil through pipelines also continues to increase, from 7,344 thousand bbl/day in 2009 to 10,026 thousand bbl/day in 2015.⁴ Data from the U.S. Energy Information Administration indicates that while annual shipment of crude oil by rail has dropped from 382,034 thousand bbls total in 2014 to 175,178 thousand bbls in 2016, this is still significantly higher than the 23,800 thousand bbls transported by rail in 2010.⁵

³ USEIA 2017 – <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS2&f=A>

⁴ USEIA 2017 – https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=8_NA_8RPO_NUS_MBBL&f=A

⁵ USEIA 2017 – https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=ESM_EPCO_RAIL_ZAMN-ZAMN_MBBL&f=M



On June 3, 2016, 16 tank cars from a Union Pacific train carrying Bakken crude oil derailed in the Columbia River Gorge near Mosier, Oregon. Several of the cars caught fire and 42,000 gallons of oil were spilled, and while much of it was consumed by fire, some went into the Columbia River. (Photo: U.S. EPA)

With the growth in domestic oil production and transport comes the increased risk of spills that could impact public lands and resources under the trusteeship of the DOI. For example, the September 2016 Colonial Pipeline spill in Shelby, Alabama released more than 250,000 gallons of gasoline into the environment. Likewise, oil spills from train derailments in 2016, such as the 42,000 gallon oil spill along the Columbia River when 16 tank cars derailed and caught fire near Mosier, Oregon, also result in groundwater contamination and oil in the river. Six months earlier, the National Response Team's Spill of National Significance (SONS) exercise series had focus on nearly an identical crude-by-rail spill scenario, located about ten miles upriver. In 2015, DOI, as part of its Inland Oil Spill Preparedness program, originally proposed such a scenario, and helped develop the SONS inland oil spill exercise for the Columbia River Gorge. As a result of the SONS exercise, responders from Federal, State, local, and tribal governments were very well prepared to respond to the Mosier oil spill.

Through the National Response System, the Environmental Protection Agency (EPA) leads the Federal response for inland oil spills, and the U.S. Coast Guard leads the Federal response for spills occurring offshore and in navigable waterways, including major rivers, lakes and bays. The Department is a primary Federal natural resource trustee with land and natural resources that could potentially be impacted by inland oil spills, including those managed by the National Park Service (NPS), Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), and Bureau of Reclamation (BOR), and the trust lands and resources of Native American tribes. The Department serves as a strong partner in the oil spill contingency planning process to address potential impacts to resources under the trusteeship and management.

Discharges of oil and other hazardous substances from domestic oil and gas production, transportation, and associated inland facilities, can injure trust resources in a variety of ways. The

Secretary of the Interior has trust responsibility for resources such as threatened and endangered species, migratory birds, national wildlife refuges, national parks, monuments, seashores, and historic sites, national conservation lands, reservoirs, reserved water rights, and certain Native American lands.



A mining retention pond held gasoline following a September 2016 spill from the ruptured Colonial Pipeline in Shelby County, Alabama. Responders worked to prevent the gasoline from reaching the nearby Cahawba River, home to 131 species of fish, 40 species of mussels, and 35 species of snails of which 10 fish and freshwater mussel species are listed under the Endangered Species Act. (Photo: U.S. EPA)

When an inland oil spill occurs, personnel from the Department's bureaus are often the first responders, along with State or local responders and EPA on-scene coordinators. Pre-incident planning requires DOI personnel to participate in local, regional, and national contingency planning including response teams' efforts, area contingency plans, and oil spill drills. This participation is essential to build effective teamwork to best respond when incidents occur.

The Department's Office of Environmental Policy and Compliance (OEPC) leads and coordinates DOI's participation on the National Response Team (NRT) for both preparedness and response. One of its key activities is to coordinate DOI input to the contingency planning processes. While OEPC can provide generalized information

regarding DOI resources, field-level expertise from the bureaus is needed to identify specific areas for oil collection and deflection, as well avoidance areas for personnel and equipment. Bureau participation in EPA and U.S. Coast Guard-led Regional and Area committee meetings and exercises will (1) fill information gaps on DOI trust resources in contingency plans, (2) improve communication between the EPA, U.S. Coast Guard, and DOI during oil spill responses, and (3) familiarize DOI resource managers with oil spill response operations and organizations.

The Department's objective for the inland oil spill preparedness program is to improve overall preparedness and ability to respond to inland oil spills in ways that better protect the Nation's natural and cultural resources, historic properties, and DOI lands, resources, and interests. Representatives from the Program and OEPC established a coordinated, integrated Work Group that included representatives from FWS, NPS, BOR, BLM, Bureau of Indian Affairs, and U.S. Geological Survey. The Work Group established funding guidelines and criteria, and set up an online proposal system for bureaus to apply for inland spill project funding. To date, the Inland Oil Spill Preparedness funding has supported 27 projects to improve multi-agency coordination and outreach, participation in area contingency planning, development of agency inland oil spill

plans, job aids, risk assessments, required hazardous materials response training, and inland oil spill response training.

In addition to training, the program identified and supported targeted work on Regional, Area, and Geographic Contingency Plans based on where the greatest risks and vulnerabilities exist that may adversely affect DOI lands, resources, and interests. Area Contingency Plans (ACP) are documents prepared for use by agencies that respond to environmental emergencies within a defined geographic area. An ACP may also contain Sub-Area and Geographic Response Plans, which may have more limited scope than the ACP itself. An ACP is written to ensure that all responders have access to essential area-specific information, to promote inter-agency coordination between responders, and to improve the effectiveness of the response. Strong DOI engagement in the planning process is critical because these plans establish response strategies that for use by initial responders during the first few hours of an inland oil spill.

The program also supports DOI bureau field staff participation in Area Committee inland oil spill response exercises alongside EPA and USCG staff, to experience and learn oil spill response organization and operations, the roles of the EPA on-scene coordinator and the Regional Response Teams, and build necessary relationships to work effectively towards protecting DOI trust resources when an inland oil spill occurs.

2018 Activity Performance:

In FY 2018, the Department is requesting funds to maintain its inland oil spill preparedness and response capability. The funds would be used to participate in contingency planning and to continue training employees in oil spill preparedness, including understanding response techniques and maintaining the readiness of an operational program that will result in more timely and effective Departmental responses to inland oil spills.

The program will identify and support participation by field and regional contacts to bolster information in contingency plans regarding protection of natural and cultural resources, historic properties, and DOI lands, resources, and interests which could be threatened by an inland spill. The DOI program will continue to oversee the administration of these funds and to co-lead the Inland Oil Spill Preparedness Work Group along with OEPC. The proposed request level will provide resources to enable DOI bureaus and office's participation in the following:

- Regional and Area Contingency Committee planning activities; and
- Development of targeted training to support effective engagement in inland oil spill contingency planning and response activities with a special emphasis on highlighting protective measures for Departmental natural and cultural resources and tribal lands.

ACTIVITY: PROGRAM MANAGEMENT

Appropriation: Natural Resource Damage Assessment	2016 Actual	2017 CR level	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2018 Request	Change from 2017 (+/-)
Activity: Program Management \$000	2,192	2,188	+63	0	-1,251	1,000	-1,188
FTE	7	7	0	0	-4	3	-4

Justification of 2018 Program Changes:

Program Management (-\$1,188,000/-4 FTE) - The 2018 budget request for Program Management is \$1,000,000 and 3 FTEs, a decrease of \$1,188,000 and -4 FTE from the 2017 Continuing Resolution Baseline level. In light of the constrained budget environment, the reduction eliminates funding for bureau support personnel in the five trustee bureaus that collectively make up the Restoration Program Work Group. The request also eliminates funding for bureaus and Departmental offices that provide technical, legal, and economic analytical support to the Program. In previous years, the Program has provided on average \$100,000 (approximately 0.8 allocation FTE) to each participating bureau and office, depending on the bureau's level of participation and support in program management and Work Group activities. Review of policy and guidance documents for the Program as well as communication of that information to bureau case teams to ensure consistency Department-wide will continue.

In addition, four staff positions within the Office of Restoration and Damage Assessment (ORDA) will be eliminated impacting administration and program support. Funding will be used for the costs associated with the operation and maintenance of the Program's online Damage Assessment and Restoration Tracking System (DARTS) which is a critical component of the Program's efforts to increase its use of web-based tools.

Activity Overview:

The Program Management activity provides the Office of Restoration and Damage Assessment the necessary resources to provide the strategic vision, direction, management, and coordination of inter-Departmental activities required for the Department to carry out the Restoration Program. It manages the intersection and complex interdisciplinary relationships between biology, environmental toxicology, natural resource management, economics, and law. The Program Management activity allocates damage assessment project funding; monitors program performance and ensures accountability; provides the framework for identifying and resolving issues that raise significant management or policy implications; develops the Department's policies and regulations for conducting and managing damage assessment and restoration cases;

responds to Departmental, Office of Management and Budget, and Congressional inquiries; and ensures coordination among Federal, State, and tribal governments.

The Restoration Program Office will continue its outreach to Tribes including monthly conference calls with tribal co-trustees that have an interest in the natural resources and restoration activities of the Department. The Program will continue its work with tribal nations to better understand the issues in NRDAR claim development that involve tribal natural and cultural resources, and will follow-up on the tribal listening sessions held in 2015 and 2016. The Program also supported a Tribal Training Workshop in 2017, the purpose of which was to bring together a community of Federal, State, and tribal NRDAR practitioners in an effort to look for best practices, particularly in a tribal restoration context.

The Program maintains communications with State co-trustees including coordination with the State NRDAR Alliance, a consortium of State trustee agencies, on issues of mutual interest that focus on the development of policies, improved assessment techniques, and sharing of best practices. This coordination allows the Program and State agencies to work together toward the common goal of restoration of natural resources.

The Restoration Program Office continues to utilize web-based tools such as DARTS, an online database system used to make case information and other public documents available to trustees. The Restoration Program Office is continuing to refine and make better use of the tools it has in place for a more effective program through the use of an integrated system to track damage assessment and restoration actions and outcomes. When the system is completed, this online system will allow the Program Office to track cases from initiation through damage assessment, claim closeout, restoration implementation and monitoring, and case closure. This system will produce functional reports for use by various stakeholders including internal and external ones; high-quality, accessible, relevant information and data; and provide a centralized location for data and documents. The first phase of this system went online in January 2016 with the launch of a map and case descriptions of all of our cases with public documents. The Program also launched a segment of DARTS for 2017 to manage case funding applications and new Authorized Official nominations. This system will be used for all 2018 funding requests including funding for any studies as well as case management costs.

2018 Program Performance:

Program Management efforts and activities are focused on providing the tools, processes, or infrastructure to achieve restoration of injured natural resources. In 2018, the Program Office will reach efficiency goals through its use of information technology to communicate with the bureaus, State, tribal, and other Federal agency partners as follows:

- Combining the use of DOI video conferencing, webinar, and Google products such as Google Drive, Sites and Documents. This technology will be used for all meetings with bureau representatives to discuss program and policy issues affecting new and ongoing damage assessment projects and policies, improving inter-Departmental communications and saving travel time and expense.
- Continuing to assist in the introductory NRDAR 101 class that is hosted by the FWS National Conservation Training Center (NCTC) through the creation of an online version of the pre-requisite readings required prior to taking the course. Work is planned for an advanced-level NRDAR course, which will be targeted to assisting NRDAR case managers and providing the tools and skill necessary to manage complex cases.
- Maintaining the office's document library within DARTS to provide Departmental bureaus and offices access to historical case documents, including case project funding proposals dating back to 1999, as well as the attendant allocation memoranda and other supporting program documents. The Program's document library contains documents that have been generated through case activities such as Pre-Assessment Screens, Assessment Plans, Restoration Plans, and Consent Decrees. All of these documents are stored in the library in "searchable" .pdf file format. What was previously a vast collection of information and documents is becoming useful data that is organized and searchable.
- Continuing use of DARTS to allow for the organization and standardization of damage assessment project data so that the Program can track assessment project performance and the attainment of important case milestones. Such project performance data serves as an objective basis for future funding decisions.
- Enhancing and improving presentation and information on the Program's website (<http://www.doi.gov/restoration>) by improved design, accessibility, and content. Additionally, the map component that was developed as part of DARTS is also on-line and now serves as the centerpiece of the website. This map and the associated index allow the public to find information using different search parameters including State, eco-regions, and incident type. The public can find cases and retrieve documents based on affected trust resources, contaminants of concern, as well as by trustees. The individual case home pages provide basic case information including a summary of the incident and links to trustees involved and case documents, as well as the latest on the status of the case and any settlements.

The Program will continue efforts to develop, refine, and update a number of existing administrative and policy tools, with an eye towards improved consistency, effectiveness, and maximizing restoration outcomes, including:

- Review of existing case team best practices at ongoing damage assessment cases, in areas such as information management practices and administrative record, seeking to promote successful approaches that DOI practitioners can use to keep track of their case records and documents as they build a case to reach settlement and eventually implement restoration.
- Continue to develop policy and procedures for conducting reviews of damage assessments cases currently on the docket in order to document their status. For cases that are closed or inactive, determine next steps and ensure any unused funds are returned to the Program Office to be reallocated for new or ongoing cases. In 2017, the Program Office developed an internal control review plan as well as onsite checklists to ensure that the program's policies and procedures are effective in order to efficiently carry out its damage assessment and restoration mission requirements.
- Continue to evaluate the appropriate role and use of economic analytical tools used in damage assessment and restoration activities.
- Coordinate with other trustees and restoration funding entities (e.g. the U.S. Coast Guard's National Pollution Funds Center (NPFC)) to continue the development of common cost documentation practices and formats to ensure consistency and uniformity.
- Broaden the opportunities for cooperative assessment by improving existing guidance and documents.
- Continue improvement of public outreach and information sharing through internet-based applications and websites.
- Adopt procedures that promote coordination between response and NRDAR activities.
- Ensure that compliance by Federal trustees with the requirements of the National Environmental Policy Act (NEPA) occurs concurrently with restoration planning.
- Enhance partnerships with academia and non-governmental organizations, through improvements in grants, cooperative agreements, and contracting.
- Encourage the use of existing local and regional restoration plans and databases within other DOI programs for use in NRDAR restoration efforts.

Continued use of these and other tools will help ensure cross-bureau consistency and compatibility of information and systems, allowing the program to serve as a model for integrated Department-wide natural resources management.

The Program continues to enjoy a good relationship with the other Federal agencies involved in NRDAR activities including the National Oceanic and Atmospheric Administration, U.S. Forest

Service, U.S. Coast Guard, Environmental Protection Agency, and Department of Energy. The Program will explore opportunities for additional collaboration and coordination, particularly in the area of project prioritization and selection. In 2018, the program will continue to reach out to industry by participating in symposia, discussion groups, and lessons learned workshops on NRDAR issues and policy, and encouraging the use of cooperative damage assessments.

As a cost-saving measure, the Restoration Program has transitioned from holding its annual national workshop to a biennial schedule, now held on even years. The next workshop is scheduled for the spring of 2018. In recent years, this workshop has provided training for over 200 practitioners from across the Department on a variety of topics including project management, damage claim development, restoration methods and other scientific, economic, and legal issues and trends. As an indicator of successful collaborative approach that continues to be pursued by the Department and its co-trustee partners, the 2016 workshop was attended by over 100 representatives from other Federal, State, and tribal trustees, as well as representatives from industry and the conservation community.

Section 403 Compliance

Section 403 of the 2016 Consolidated Appropriations Act directs the disclosure of overhead, administrative, and other types of administrative support spending. The provision requires that budgets disclose current amounts and practices with regard to overhead charges, deductions, reserves, or holdbacks from program funding to support government-wide, Departmental, or bureau administrative functions or headquarters, regional, or central office operations. Changes to such estimates trigger reprogramming procedures, in which the Department must provide advance notice to and seek approval from the House and Senate Appropriations Committees.

For 2018, the Restoration Program's costs related to overhead, administration, and central/regional operations are addressed in three components of the budget, all under the heading of External Administrative Costs. These costs include amounts paid to bureaus, the Department, or other Executive Branch agencies to support bureau, Departmental or Government-wide administrative costs.

External Administrative Costs			
(Dollars in Thousands)			
	<u>FY2016 Actual</u>	<u>FY 2017 CR Level</u>	<u>FY 2018 Request</u>
<u>DOI Working Capital Fund</u>			
Centralized Billings	95	105	116
Fee for Services	0	0	0
Direct Billings (Financial Mgmt)	126	172	180
Reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total, DOI Working Capital Fund	221	277	296
<u>DOI Interior Business Center</u>			
Financial Management Systems Support	9	5	5
<u>Fish and Wildlife Service</u>			
FWS User-Pay Cost Share	118	178	185
<u>Bureau of Safety and Environmental Enforcement</u>			
Personnel / HR Services	38	44	48
<u>U.S. Geological Survey</u>			
Common Services Support	95	100	100
<u>U.S. Department of Justice</u>			
DOJ Sec. 108 3% Offset Authority	213	200	200

Charges related to the Departmental Working Capital Fund (WCF) shown in the table above reflect the Restoration Program's share of centralized Departmental expenses for items and

expenses such as telecommunications, information technology management, security, mailroom services, costs associated with audited financial statements, and other WCF charges.

The Fish and Wildlife Service (FWS) levies its User-Pay Cost Share charges on damage assessment and restoration funds provided to the Service from the Restoration Program. Funds collected by FWS are used to offset a range of Servicewide administrative costs. For 2018, User-Pay Cost Share charges to the Restoration Program are estimated to be \$185,000. The amount identified for 2018 is an estimate based on the prior year (2017) workload, and the actual amounts to be billed may be more or less, depending upon actual workload, the timing of settlements, and the ability to recover such costs through settlement negotiations. Indirect costs are not assessed on previous settlements or in cases where FWS indirect costs were not included or recovered in the final settlement. For 2018, FWS currently estimates those charges payable by the DOI Restoration Program to be comparable to the 2017 charges.

Charges related to the Bureau of Safety and Environmental Enforcement identified in the preceding table reflect the Restoration Program's share of personnel management and human resources (HR) services provided to the Office of the Secretary, covering items such as HR policies and procedures, staffing and delegated examining, employee classification, SES appointments, personnel security, reorganizations, and reductions-in-force.

The U.S. Geological Survey (USGS) applies a seven percent administrative overhead charge to all funds provided to USGS, primarily to the Columbia Environmental Research Center. Funds collected by the Center are used to offset common client administrative and facility expenses. Funds provided to USGS from the Exxon Valdez Oil Spill settlement include a nine percent general administrative assessment.

The Department of Justice applies a three percent offset to some, but not all, civil litigation debt collections made on behalf of the Restoration Program. Authority for these offsets can be found in Section 108 of the Commerce, Justice, and State Appropriations Act for Fiscal Year 1994 (P.L. 103-121, 107 Stat 1164 (1994)). The offset is applicable to collections where the Department is the sole recipient of the funds. Funds subject to the offset authority are credited to the DOJ Working Capital Fund. The DOJ offset authority does not apply to restoration settlements jointly shared with non-Federal co-trustees that are collected by DOJ and deposited into the DOI Restoration Fund.

The Program Management activity, which includes Restoration Program administrative functions and central and regional operations, does not assess or levy any internal program overhead charges, deductions, or holdbacks to support such program operations.

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in millions)

Identification code 14-1618-0-1-302	2016 Actual	2017 CR Level	2018 Request
Obligations by program activity:			
Direct Program:			
0001 Damage Assessments	10	8	7
0002 Prince William Sound Restoration	2	3	2
0003 Other Restoration	54	90	112
0004 Program Management	3	3	3
0005 Oil Spill Preparedness	1	1	1
0900 Total, Direct program	70	105	125
Budgetary resources available for obligation:			
1000 Unobligated balance carried forward, Oct. 1	721	843	1,334
1010 Unobligated balance transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-5 [-3]	-6 [-6]	-6 [-6]
(Funds Transferred to DOC/Forest Service 12-9921)	[-2]	0	0
1021 Recoveries of prior year unpaid obligations	6	1	1
1050 Unobligated balance (total)	722	838	1,329
Budget Authority			
Appropriations, discretionary			
1100 Appropriation	8	8	5
Appropriations, mandatory			
1201 Appropriation (Special fund)	195	601	351
1203 Appropriations previously unavailable	1	0	0
1220 Appropriation transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-13 [-12]	-8 [-6]	-8 [-6]
(Funds Transferred to EPA 13-4316)	[-1]	[-2]	[-2]
1232 Appropriations temporarily reduced	0	0	0
1260 Appropriations (mandatory) total	183	593	343
1900 Budget Authority (total)	191	601	348
1930 Total budgetary resources available	913	1,439	1,677
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year:	843	1,334	1,552

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in millions)			
Identification code 14-1618-0-1-302	2016 Actual	2017 CR Level	2018 Request
<u>Change in obligated balance:</u>			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct. 1 (gross)	33	31	45
3010 Obligations incurred, unexpired accounts	70	105	125
3020 Outlays, gross (-)	-66	-90	-110
3040 Recoveries of prior year unpaid obligations (-)	-6	-1	-1
Obligated balance, end of year (net):			
3050 Unpaid obligations, end of year (gross)	31	45	59
3100 Obligated balance, end of year (net)	31	45	59
<u>Budget authority and outlays, net:</u>			
Discretionary:			
4000 Budget authority, gross	8	8	5
Outlays, gross			
4010 Outlays from new discretionary authority	3	6	4
4011 Outlays from discretionary balances	5	2	2
4020 Outlays, gross (total)	8	8	6
Mandatory:			
4090 Budget authority, gross	183	593	343
Outlays, gross			
4100 Outlays from new mandatory authority	7	47	27
4101 Outlays from mandatory balances	51	35	77
4110 Outlays, gross (total)	58	82	104
<u>Net budget authority and outlays:</u>			
4180 Budget authority	191	601	348
4190 Outlays	66	90	110
<u>Investments in U.S. securities</u>			
5000 Total investments, start of year			
U.S. securities, par value	227	791	1,300
5001 Total investments, end of year			
U.S. securities, par value	791	1,300	1,500

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in millions)

Identification code 14-1618-0-1-302	2016 Actual	2017 CR Level	2018 Request
<u>DIRECT OBLIGATIONS</u>			
Personnel compensation:			
11.1 Full-time permanent	1	1	1
11.9 Total personnel compensation	1	1	1
12.1 Civilian personnel benefits	1	1	1
25.3 Purchases of goods & services from other govt. accts	1	2	2
42.0 Insurance claims and indemnities	28	55	73
99.9 Subtotal, direct obligations	31	59	77
<u>ALLOCATION ACCOUNTS</u>			
Personnel compensation:			
11.1 Full-time permanent	7	7	7
11.3 Other than full-time permanent	3	4	5
11.9 Total personnel compensation	10	11	12
12.1 Civilian personnel benefits	3	3	4
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	10	10	10
25.3 Purchases of goods & services from other govt. accts	1	2	2
25.4 Operation and maintenance of facilities	3	3	3
26.0 Supplies and materials	1	1	1
32.0 Land and structures	1	3	3
41.0 Grants	8	12	12
99.0 Subtotal obligations - Allocation Accounts	38	46	48
99.5 Adjustment for rounding	1	0	0
99.9 Total new obligations	70	105	125

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in millions)

Identification code 14-1618-0-1-302	2016 Actual	2017 CR Level	2018 Request
Obligations are distributed as follows:			
Natural Resource Damage Assessment Program Office	31	59	77
Bureau of Indian Affairs	1	1	1
Bureau of Land Management	1	1	1
Bureau of Reclamation	0	0	0
Fish and Wildlife Service	21	26	26
National Park Service	12	14	16
U.S. Geological Survey	4	4	4
99.9 Total new obligations	70	105	125

Personnel Summary

Identification code 14-1618-0-1-302	2016 Actual	2017 CR Level	2018 Request
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	12	15	10

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
EMPLOYEE COUNT BY GRADE**

	2016 Actual	2017 CR Level	2018 Request
Executive Level	0	0	0
SES.....	1	1	1
CA-3 *	0	0	0
AL-2-3 **	0	0	0
SL-0 ***	0	0	0
subtotal.....	1	1	1
GS/GM-15	1	1	1
GS/GM-14	2	3	3
GS/GM-13	4	6	4
GS-12	1	1	0
GS-11	2	2	1
GS-10	0	0	0
GS-9	1	1	0
GS-8	0	0	0
GS-7	0	0	0
GS-6	0	0	0
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
GS-2	0	0	0
subtotal (GS/GM).....	11	14	9
Total employment (actual / projected) at end of fiscal year.....	12	15	10

*CA - DOI Board Member

**AL - Administrative Law Judge

***SL - Senior-Level / Scientific Professionals