



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2019

**NATURAL RESOURCE
DAMAGE ASSESSMENT AND
RESTORATION PROGRAM**

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DEPARTMENT OF THE INTERIOR



Restoration Program

Assessment & Restoration Program

Fiscal Year 2019 Budget Justifications

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NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

GENERAL STATEMENT

FY 2019 Budget Request:

The Natural Resource Damage Assessment and Restoration Program's (Restoration Program) Fiscal Year 2019 request for current appropriations is \$4,600,000. The request advances restoration of natural resources and assessment of impaired resources to increase on-the-ground restoration as defined by restoration plans. The Restoration Program will utilize requested funds to effectively deliver habitat restoration with co-trustees using the growing balance of funds recovered under settlements.

Over the last seven years, the Natural Resource Damage Assessment and Restoration Fund (Restoration Fund) has received an average of more than \$196 million annually in restoration settlements and advanced or reimbursed funds for cooperative damage assessments. Fiscal Year 2019 receipts are estimated to exceed \$600 million, with the increase largely due to the finalized settlement for natural resource impacts arising from the Deepwater Horizon oil spill in the Gulf of Mexico. Between 2017 and 2031, the settlement will deliver up to \$8.8 billion to the Restoration Fund in annual installments. Additionally, a number of long-running damage assessment cases have recently settled, others are awaiting court approvals, and still others are in settlement negotiations. The influx of settlement funds is expected to continue as additional cases settle. While this means additional funding is deposited in the Restoration Fund, the vast majority of these restoration settlements are shared jointly with other Federal, State, and tribal co-trustees, and the use of settlement funds must be approved by the trustees for a given case. The Department of the Interior (Department) cannot take unilateral action to use the funds.

Within this budget request, the Restoration Program is committed to maximizing benefits for both impaired natural resources and for the American public's use and enjoyment of these resources. With more than \$1.3 billion dollars in settlement funds deposited into the Restoration Fund that are awaiting use, and more settlements and payments on the horizon, moving forward deliberately and strategically to plan and implement restoration actions at dozens of sites nationwide will produce ecological and economic benefits.

Total 2019 Budget Request

(Dollars in Thousands)

Budget Authority	2017 Actual	2018 CR Level	2019 Budget Request
Current	7,767	7,714	4,600
Mandatory	586,647	355,000	606,000
TOTAL	594,414	362,714	610,600
<i>FTE</i>	<i>15</i>	<i>16</i>	<i>11</i>

Fiscal Year 2019 fixed costs of \$57,000 are fully funded within the request.

The FY 2019 request also includes an estimate of \$606 million in permanent funds from negotiated legal settlement agreements and cooperative damage assessments with responsible parties to be applied to the restoration of impaired resources by the co-trustees for each case.

Executive Summary

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

The Restoration Program is designed to cooperate with co-trustees to restore impaired natural resources that the Department manages. Damages are assessed and appropriate restoration projects identified to inform negotiated settlements or, in rare cases, litigation with potentially responsible parties. Recoveries, via in cash or in-kind services, from the potentially responsible parties finance or implement resource restoration, 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 Department of the Interior (DOI) bureaus and three offices to accomplish this mission. The Restoration 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 an integrated Departmental program, drawing upon the

interdisciplinary strengths of its bureaus and offices, while eliminating or minimizing redundant bureaucratic and administrative operations and expenses.



The **Bureau of Indian Affairs** is responsible for the administration and management nearly 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 573 federally-recognized tribal governments to help protect water, natural resources and land rights.



The **Bureau of Land Management** administers 248 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 covering more than 10 million acres 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 830 million acres of lands and waters within 566 National Wildlife Refuges, seven marine national monuments, and 38 wetland management districts for the continuing benefit of the American people, providing primary trusteeship for migratory birds and over 2,000 threatened and endangered species.



The **National Park Service** preserves unimpaired the natural and cultural resources and values of the 85 million acres of land across 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 (USGS) 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 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 and the Office of Policy Analysis provides economic analytical expertise to the Restoration Program on both national policy and individual case management. 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 of government (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-government organizations and industry.

The Economic Benefits of Restoration

Federal investments in resource restoration protect Federal trusts, ensure public health and safety, and preserve and enhance ecosystem services. These investments also generate business activity and create jobs. With support from the Restoration Program and the Bureau of Land Management (BLM), the USGS Fort Collins Science Center has estimated the economic impacts of 21 specific restoration projects. 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 national economy per million dollars invested in ecosystem restoration. These results demonstrate how investments in resource restoration support jobs, small businesses, and rural communities.

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).

Case studies highlight restoration efforts and reveal benefits from restoration projects and the positive effects on communities. 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. Restoration activities supported an estimated total of 25.0 job-years and over \$3.2 million in economic output within the local economy.

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) focus on and support resource restoration. These restoration activities contribute primarily towards two Strategic Plan Mission Areas: **Conserving Our Land and Water**, and **Expanding Outdoor Recreation and Access**. The Restoration Program’s contributions towards supporting these initiatives is varied and involves cooperation with numerous Federal, State, and tribal partnerships employed to acquire and protect high-value habitats and resources; improve stewardship of Federal, State, and tribal lands; and to support conservation, protection, access, and increased recreational opportunities.

In addition, many of the Program’s damage assessment and restoration activities undertaken in concert with tribal co-trustees contribute towards the Strategic Plan Mission Area of **Fulfilling Our Trust and Insular Responsibilities** by working government to government as equal partners to assess and restore impaired tribal natural resources.

2019 Program Performance

In 2019, 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 bureaus and co-trustees is also actively monitored, with the expectation that increasingly larger sums will be transferred out to

bureaus and other Federal, State, and tribal co-trustee partners to implement on-the-ground restoration actions in 2019.

Restoration accomplishments measured in acres and stream/shoreline miles restored often fluctuate from year-to-year as the result of a complex process in which numerous trustee councils across the Nation are identifying specific opportunities for restoration, consistent with approved restoration plans. However, such accomplishments generally cannot be 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 cooperative landowners or willing sellers.

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 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 impairment being addressed, to the ecological, biological, and engineering aspects involved, and the number and roles carried out by other co-trustees, partners, and responsible parties. For example, a dam removal project and attendant restoration actions performed by the responsible party (in-kind restoration) may achieve the trustees' desired ecological outcomes, but the responsible party performing the work is under no obligation to disclose the costs involved. The wide range of potential, but generally not comparable, restoration actions is best exemplified in restoration success stories.

The bureaus will continue to collect, validate, and verify the performance data before reporting to the Program. In addition, the Program Office will continue to internally track the progress of cases from start to finish using measures such as number of restoration plans drafted, finalized, and in stages of implementation; number of restoration projects completed; number of cooperative assessments 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 quantifying acres and stream/shoreline miles restored.

Mission Area 1, Goal 1: Conserving Our Land and Water						
Strategic Objective Metrics						
Strategic Plan Measure / Bureau-Specific Measure	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 C.R. Level	2019 President's Budget Request
<i>Strategic Plan Measure No. 1</i>						
Number of acres restored, enhanced, or protected to achieve desired habitat conditions to support trust species conservation	45,027	46,606	33,374	30,500	68,000	68,000
Comments: Year-to-year fluctuation is expected based on variability and timing of restoration actions and settlement amounts available in a given year.						
Contributing Programs: NRDAR, FWS Ecological Services, NPS, BIA, BLM, BOR, USGS, SOL, other Federal, State, & Tribal co-trustees						
<i>Strategic Plan Measure No. 2</i>						
Number of stream or shoreline miles restored, enhanced, or protected to achieve desired habitat conditions to support trust species conservation	423	149	260	200	350	350
Comments: Year-to-year fluctuation is expected based on variability and timing of restoration actions and settlement amounts available in a given year.						
Contributing Programs: NRDAR, FWS Ecological Services, NPS, BIA, BLM, BOR, USGS, SOL, other Federal, State, & Tribal co-trustees						
NOTE: The actual and planned acres and miles restored presented in this table are included among the performance results and targets presented in the Performance Budgets of the involved DOI bureaus. As such, in order to avoid double-counting, these acres and miles are not included in the Department's aggregate results calculations or performance targets.						

Summary of Requirements Table
Dollars in Thousands (\$000)

Appropriation: Natural Resource Damage Assessment and Restoration

Activity	2017 Actual Amount	2018 CR Baseline		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2019 Request		Change from 2018 CR Baseline (+/-)	
		Total FTE	Amount			FTE	Amount	FTE	Amount	FTE	Amount
APPROPRIATED FUNDS											
Damage Assessments	2,000	0	1,986	0	0	0	-486	0	1,500	0	-486
Restoration Support	2,575	7	2,558	+17	0	0	-675	7	1,900	+0	-658
Inland Oil Spill Preparedness	1,000	1	993	0	0	-1	-793	0	200	-1	-793
Program Management	2,192	8	2,177	+40	0	-4	-1,217	4	1,000	-4	-1,177
Total, Appropriation	7,767	16	7,714	+57	0	-5	-3,171	11	4,600	-5	-3,114
PERMANENT FUNDS (RECEIPTS)											
Damage Assessments	4,298		11,700	0	0		+300		12,000		+300
Restoration											
Prince William Sound Restoration	9,196		6,000	0	0		-500		5,500		-500
Other Restoration	572,888		337,000	0	0		+251,000		588,000		+251,000
Program Management	266		300	0	0		+200		500		+200
Subtotal, Gross Receipts	586,648	0	355,000	0	0	0	251,000	0	606,000	0	+251,000
Sequestration Reduction	-483		-387						0		+387
Previously Unavailable Budget Authority	+476		+483						+387		-96
Transfers Out	-8,842		-9,000						-9,000		0
TOTAL, Net Receipts	577,799	0	346,096	0	0	0	+251,000	0	597,387	0	+251,291

Natural Resource Damage Assessment and Restoration Program

Justification of Fixed Costs and Internal Realignments

(Dollars In Thousands)

Fixed Cost Changes and Projections	CY (2018) Total	CY (2018) to BY (2019) Change
Change in Number of Paid Days	-	+16
This column reflects changes in pay associated with the change in the number of paid days between the CY (2018) and BY (2019).		
Pay Raise	-	+21
The change reflects the salary impact of the 1.9% pay raise for 2018 as signed by the President in February 2017. There is no pay raise for 2019 (0.0%).		
Departmental Working Capital Fund	116	+20
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.		

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, as amended (42 U.S.C. 9601 et seq.), the Federal Water Pollution Control Act, as amended (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, as amended (16 U.S.C. 19jj et seq.), \$4,600,000, to remain available until expended.

Note – A full-year 2018 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. 115-56). The amounts included for 2018 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		2017 Actual	2018 CR	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Activity:							
Damage Assessment	\$000	2,000	1,986	0	0	-486	1,500
	FTE	0	0	0	0	0	0

In 2019, the Restoration Program will continue to utilize a mix of discretionary appropriations, recovered 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. Funding will support ongoing damage assessment efforts at approximately 24 sites and maintain the Restoration Program's damage assessment capability. The Program estimates 53 additional ongoing cases will proceed towards settlement as well, using previously allocated funds from prior years, with potentially up to 16 cases settling in 2019.

Justification of 2019 Program Change:

Damage Assessment (-\$486,000/+0 FTE) – The 2019 budget request for the Damage Assessment activity is \$1,500,000. The Program expects to maintain the current caseload of damage assessment projects and will focus on the highest priority sites.

Activity Overview:

Damage assessment activities are an important first step taken by the Department on the path to achieving restoration of natural resources impaired through the release of hazardous substances. The source, effect, and magnitude of the impairment 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 the impact to natural resources is documented, which then forms the basis for a claim for appropriate compensation (or in-kind services) to compensate the American public for the loss and use of impaired Federal resources.

Damage assessment cases are conducted by one or more of the 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 addressing 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.



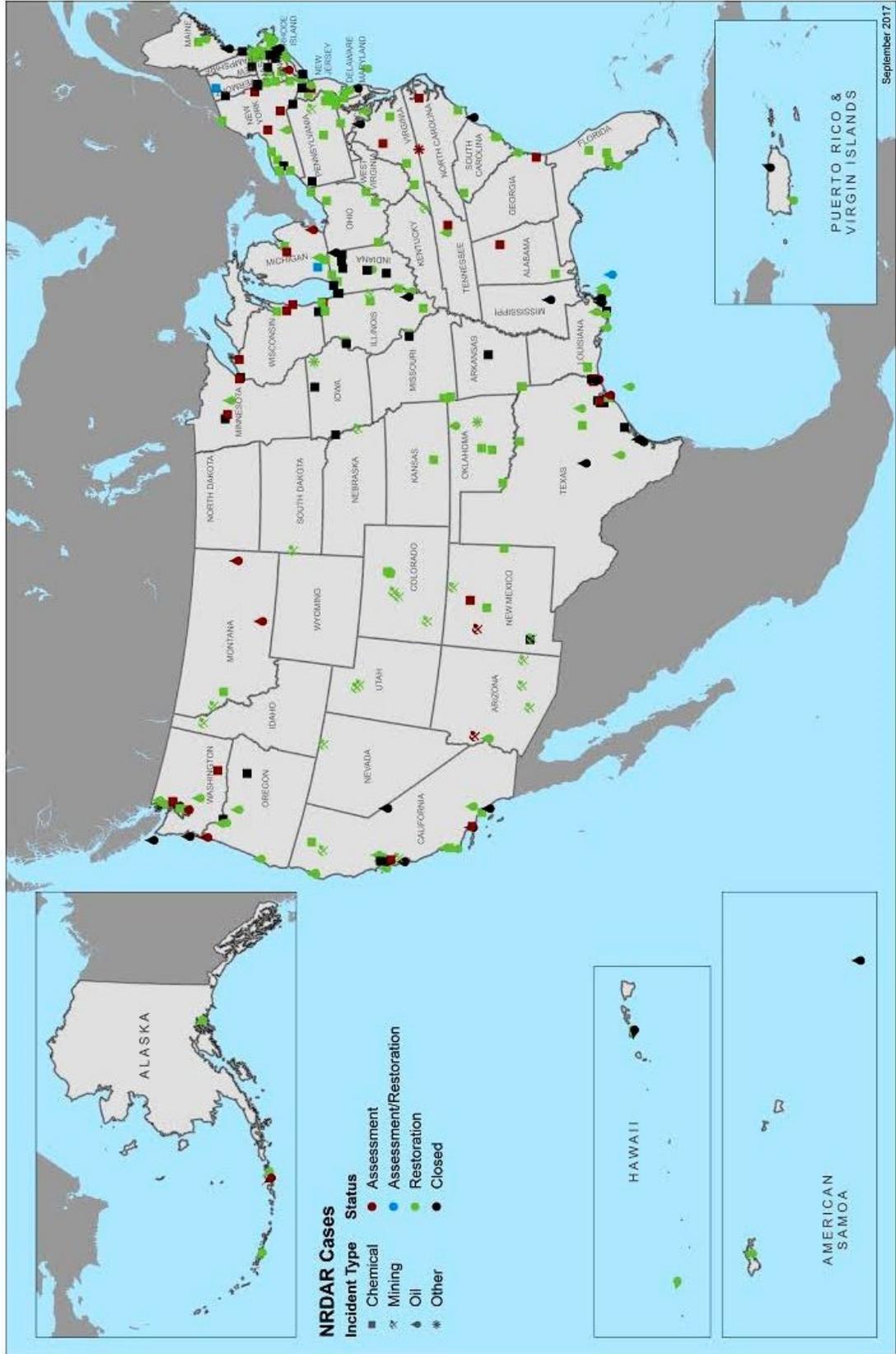
Wild rice stand in the St. Louis Estuary (photo courtesy of the 1854 Treaty Authority).

Sign on Stryker Bay warning about the effects of contaminated sediments., (photo courtesy FWS).



With almost a century of industrial activity occurring along the lower part of the St. Louis River, the St. Louis River Interlake/Duluth Tar Site (SLRIDT), was designated as part of a Superfund site in 1983. A NRDAR case was conducted for the SLRIDT portion of the Superfund site to address natural resources damages.

The map on 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 (292 cases).



ACTIVITY: RESTORATION SUPPORT

Appropriation: Natural Resource Damage	2017 Actual	2018 CR	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Activity: Restoration Support \$000	2,575	2,558	+17	0	-675	1,900
FTE	6	7	0	0	0	7

Under the Restoration Support activity, the Program advances restoration efforts and the expenditure of settlement funds to develop and implement restoration plans. In 2019, the Program will continue to focus its activities in support of trust resource restoration, and will see increased restoration outputs and outcomes through existing restoration support staff and resources and increased settlement funds. Fiscal year 2019 performance targets include the cumulative 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.

Justification of 2019 Program Changes:

Restoration Support (-\$675,000/ 0 FTE) - The 2019 budget request for Restoration Support is \$1,900,000 and 7 FTE. 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. This funding will support resource restoration in addition to the Administration's goals to create jobs and more access to outdoor recreation opportunities.

Activity Overview:

The restoration of 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 damage assessment and achieving settlement with the responsible parties, bureaus work in partnership with other affected State, Federal, tribal and/or foreign co-trustees to 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 application of settlement funds to develop and implement restoration plans. Upon request, the Program's Restoration

Support Unit (RSU) provides support to the Department's case managers and teams and assistance with meeting various legal and regulatory compliance requirements, identifying possible partnering opportunities, and drafting appropriate documents. The RSU's involvement in assessments, for example, allows restoration options to be identified which increases the efficiency and reduces restoration timelines. In addition, the Program continues to work with the USGS to develop monitoring protocols to better measure the success and impacts of restoration efforts.

In meeting 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 impaired natural resources, these restoration activities encompass a wide variety of projects that support the Department's mission of conserving natural and cultural resources. By working with the co-trustees on restoration activities, the Program is able to focus ecological restoration actions in a way that also supports Departmental Strategic Plan goals.

In addition to settlement funds deposited into the 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 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 met the goals of the restoration plans.

Other Available Restoration Resources		
(Dollars in \$000)		
	2017	2018
Restoration settlement funds held in DOI Restoration Fund (estimate)	\$708,062	\$1,250,889
Settlement funds in various court registry accounts (estimate)	\$100,000	\$100,000

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 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 natural resource damages. 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 Restoration Fund in April 2017, with similar annual payments scheduled to continue through 2031.

RESTORING RESOURCES

Following the release of a hazardous substance, the natural resource trustees evaluate the impairments to trust resources and develop a restoration plan that outlines the restoration projects to be conducted. The goal of the restoration projects is to restore resources or services lost as a result of the spill or release to baseline condition, or the level that would exist had the spill or release not occurred. For example, if an oil spill impacts 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 or substance from a wetland results in the loss of that wetland, the resulting restoration projects would be designed to restore the same wetland at its current location to baseline condition, or to replace or acquire equivalent similar habitat. Lastly, many incidents also negatively impact the public's use and enjoyment of the lands and resources, and thus, many restoration plans include projects to compensate the public for that loss, often by way of increased access to the restored resources and providing for enhanced recreational opportunities.

The following example of on-the-ground restoration illustrates the benefits accomplished by the Department's bureaus and the co-trustees.

Enbridge Oil Spill, Michigan

In July 2010, Enbridge Energy's Lakehead pipeline ruptured near the city of Marshall in southern Michigan and released crude oil into a nearby wetland. More than 840,000 gallons of oil flowed down Talmadge Creek and then through 38 miles of the Kalamazoo River. Within weeks of the spill, more than 1,600 personnel from Federal, State, and local agencies were mobilized as spill responders and more than 150,000 feet of oil boom was deployed to contain oil and enable its recovery.

The spill damaged in-stream habitats, the river corridor, adjacent wetlands, and upland habitats close to the river. This section of the Kalamazoo had to be closed to the public for the remainder of 2010 and all of 2011, effecting access to fishing, boating, and other popular outdoor activities. Segments were re-opened in 2012, but were closed again for dredging of oiled sediments in 2013 and 2014. Habitats were damaged, wildlife was affected, and area communities, such as Battle Creek and Marshall, lost significant recreational opportunities due to the oil spill.



Aerial view of a portion of the river affected by the Enbridge oil spill.
(Photo: courtesy of Michigan Department of Environmental Quality)

To restore natural resources and recover the opportunity lost to the public due to the largest inland oil spill in U.S. history, the natural resource trustees (Department of the Interior, represented by the Bureau of Indian Affairs and the Fish and Wildlife Service; Department of Commerce represented by the National Oceanic and Atmospheric Administration; Michigan Department of Environmental Quality; Michigan Department of Natural Resources; Michigan Attorney General; Nottawaseppi Huron Band of the Potawatomi Tribe; and the Match-E-Be-Nash-She-Wish Band of the Pottawatomi Tribe) developed a restoration plan that included upland, riparian, and wetland habitat improvements; addressed species harmed during the spill, such as turtles; contributed to restoration of important tribal cultural resources such as wild rice; and provided for the improvement of recreational access on the Kalamazoo River. To restore outdoor recreation opportunities lost due to the spill, the Enbridge Company improved five recreational access sites that were within affected areas of the Kalamazoo River: Saylor's Landing, Angler's Bend, Paddler's Grove, Ceresco Green, and Historic Bridge Park.

Saylor's Landing

Saylor's Landing was developed to enhance public access to the Kalamazoo River. It is named for a Calhoun County family that operated a farm in the area over multiple generations. Saylor's Landing provides a hardened launch that allows for access by trailered boats, a pavilion, an observation platform that overlooks the river, an improved parking lot, picnic tables, grills, and permanent bathrooms. Saylor's Landing encompasses 3.4 acres and hundreds of feet of shoreline for access to the river.



The Calhoun Conservation District now hosts a number of river float events each year with this one taking off from Saylor's Landing.
(Credit: Calhoun Conservation District)

Paddler's Grove

Paddler's Grove provides both public access to the Kalamazoo River in addition to recreational areas for children that include a playground and a large grassy area. The site also provides improved parking, accessible picnic tables, a covered pavilion, permanent restrooms, space for riverbank fishing, and a new canoe and kayak launch with a handrail-equipped boat slide that enables disabled boaters to access the river with greater safety and ease.

Angler's Bend

Angler's Bend is a walk-in fishing site along 1,200 feet of the Kalamazoo River in Battle Creek, Michigan. The site occupies a little over one half of one acre on the Kalamazoo River. The restored site provides improved public access and parking spaces. A stone path guides visitors to the river from the road, and a bench and an information kiosk have been placed near the river.



A public walking path along the Kalamazoo River at Angler's Bend. (Credit: Calhoun Conservation District)

Ceresco Green

Ceresco Green is an area of green space in the vicinity of the former Ceresco Dam which was removed as a restoration project related to the Enbridge 2010 Oil Spill. Ceresco Green replaced Ceresco Portage and is an area of maintained open space along the Kalamazoo River in the community of Ceresco. Ceresco Green consists of 1.3 acres and 400 feet of river shoreline. The site provides parking, educational signage, and a pavilion for public use.

Historic Bridge Park

Historic Bridge Park has been a community feature for more than 100 years. The popular park features picnic areas as well as a collection of historic metal truss bridges. Previously congested parking has been improved by adding a new paved parking lot and repurposing a gravel overflow lot with an enhanced stone pathway to the park. A new larger pavilion replaced the older pavilion. The park now provides improved restrooms with infant changing stations. New picnic tables have been added that include wheelchair accessible tables, as well as new benches and a new concrete walk throughout the park. A new playground has been added to the park as well as a new canoe and kayak launch that enables disabled boaters to access the river with greater ease. Signage provides information about the historic bridges and efforts to restore the Kalamazoo River.



In addition to the pavilion and playground at Historic Bridge Park a rain garden adjacent to the parking area was also added to collect and cool runoff before it enters Dickinson Creek which flows into the Kalamazoo River.

While these five access sites add recreational value to the Kalamazoo River, there are also many habitat restoration projects benefitting trust resources being undertaken by the trustees that will also provide lasting recreational benefit for those who continue to enjoy the fisheries of the river and the wildlife that the river supports.

ACTIVITY: INLAND OIL SPILL PREPAREDNESS

Appropriation: Natural Resource Damage Assessment	2017 Actual	2018 CR	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Activity: Inland Oil Spill Preparedness						
\$000	1,000	993	0	0	-793	200
FTE	1	1	0	0	-1	0

The Inland Oil Spill Preparedness program began in FY 2015 primarily to update training materials that had not been revised since 2005 and to train field-based response personnel. The Department's inland oil spill training course has been updated, and 439 personnel across the Department have been trained. The program will hold four additional training sessions in 2018. With a trained cadre of field staff in place, fewer training classes will be held each year and the focus of this program will shift to updating regional and local spill contingency plans and participation in oil spill drills to ensure readiness.

Justification of 2019 Program Changes:

Inland Oil Spill Preparedness (-\$793,000) - The 2019 budget request for the Inland Oil Spill Preparedness Program is \$200,000. The Program will use the funds to focus on regional and local oil spill contingency planning and to continue limited training on inland oil spill response.

Activity Overview:

As the Department strives to achieve Energy Dominance, the associated growth in domestic oil production and transport is accompanied by an ongoing risk of spills that could impact public lands and resources under the trusteeship of the Department. Pipeline spills such as the September 2016 Colonial Pipeline spill in Shelby, Alabama which released more than 250,000 gallons of gasoline into the environment highlights the risks of aging pipeline infrastructure. At the time of the spill, this pipeline was 54 years old. Likewise, oil spills from train derailments can result in significant damage; for example, in 2016, 16 tank cars derailed and caught fire near Mosier, OR, resulting in a 42,000 gallon oil spill along the Columbia River that caused groundwater contamination and oil in the river. Six months earlier, the National Response Team's Spill of National Significance (SONS) exercise series had focused on nearly an identical crude-by-rail spill scenario about ten miles upriver from the actual Mosier spill site which improved the response and limited resource damage.

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, Fish and Wildlife Service, Bureau of Land Management, and Bureau of Reclamation, and the trust lands and resources of Native American tribes.

The Department's objective for the inland oil spill preparedness program is to improve overall preparedness and the ability to respond to inland oil spills in ways that better protect the Nation's natural and cultural resources, historic properties, and public lands. When an inland oil spill occurs, personnel from the Department's bureaus are often among the first responders, along with State and local responders and Environmental Protection Agency on-scene coordinators. Pre-incident planning requires the Department to participate in local, regional, and national contingency planning, including contingency response teams' efforts, area contingency plans, and oil spill drills.

ACTIVITY: PROGRAM MANAGEMENT

Appropriation: Natural Resource Damage Assessment		2017 Actual	2018 CR	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Activity:							
Program Management	\$000	2,192	2,177	+40	0	-1,217	1,000
	FTE	7	8	0	0	-4	4

Program Management efforts and activities focus on providing the tools, processes, and resources necessary for the Department’s bureaus to achieve the efficient restoration of natural resources. In 2019, Program Management funds will support ongoing efforts to improve efficiency and effectiveness and reduce costs.

Justification of 2019 Program Changes:

Program Management (-\$1,217,000/-4 FTE) - The 2019 budget request for Program Management is \$1,000,000 and four direct FTE. The request includes funding for support staff within the Office of Restoration and Damage Assessment to manage settlement funds, maintain support systems, and promote restoration.

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 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; manages the Restoration Fund; 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. Program Management funds also cover fixed costs such as office rent, the Departmental Working Capital Fund, and other similar charges.

The Restoration Program Office continues to utilize and refine its information technology tools including the Damage Assessment and Restoration Tracking System (DARTS), an online database system used to house case information, case proposals, and related documents. The

Restoration Program Office will enhance existing tools to improve effectiveness using integrated systems to track damage assessments, restoration actions, and outcomes. When fully functional, this online system will support case management from initiation, through damage assessment, claim closeout, restoration implementation and monitoring, and case closure. This system will produce functional reports for use by stakeholders; high-quality, accessible, relevant data; and provide a single, efficient location for data and documents.

The Restoration Program Office will continue outreach and coordination with Federal, State, and tribal co-trustees to address issues of mutual interest among the different levels of government. These efforts will focus on improving assessment and restoration techniques and sharing best practices to increase efficiency and effectiveness while reducing costs.

Section 403 Compliance

Section 403 of the 2017 Interior Appropriations Act (P.L. 115-31) 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 2019, 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>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>CR Level</u>	<u>FY 2019</u> <u>Request</u>
<u>DOI Working Capital Fund</u>			
Centralized Billings	104	116	136
Fee for Services	42	45	0
Direct Billings (Financial Mgmt)	171	175	180
Reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total, DOI Working Capital Fund	317	336	316
<u>DOI Interior Business Center</u>			
Financial Management Systems Support	5	5	5
<u>Fish and Wildlife Service</u>			
FWS User-Pay Cost Share	178	185	195
<u>Bureau of Safety and Environmental Enforcement</u>			
Personnel / HR Services	44	48	50
<u>U.S. Geological Survey</u>			
Common Services Support	100	100	100
<u>U.S. Department of Justice</u>			
DOJ Sec. 108 3% Offset Authority	156	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 administrative costs. For 2019, User-Pay Cost Share charges to the Restoration Program are estimated to be \$195,000. The amount identified for 2019 is an estimate based on the prior year (2018) 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 2019, FWS currently estimates those charges payable by the DOI Restoration Program to be comparable to the 2018 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, Senior Executive Service 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 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 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	2017 Actual	2018 C.R. Level	2019 Request
<u>Obligations by program activity:</u>			
Direct Program:			
0001 Damage Assessments	7	7	7
0002 Prince William Sound Restoration	2	2	2
0003 Other Restoration	61	100	112
0004 Program Management	3	3	3
0005 Oil Spill Preparedness	1	1	1
0900 Total, Direct program	74	113	125
<u>Budgetary resources available for obligation:</u>			
1000 Unobligated balance carried forward, Oct. 1	843	1,355	1,593
1010 Unobligated balance transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-1 0	-4 [-3]	-4 [-3]
(Funds Transferred to DOA/Forest Service 12-9921)	[-1]	[-1]	[-1]
1021 Recoveries of prior year unpaid obligations	1	1	1
1050 Unobligated balance (total)	843	1,352	1,590
<u>Budget Authority</u>			
Appropriations, discretionary			
1100 Appropriation	8	8	5
Appropriations, mandatory			
1201 Appropriation (Special fund)	587	355	606
1220 Appropriation transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-9 [-7]	-9 [-6]	-9 [-6]
(Funds Transferred to EPA 68-4365)	[-1]	[-2]	[-2]
(Funds Transferred to DOA/NRCS 12-4368)	[-1]	[-1]	[-1]
1260 Appropriations (mandatory) total	578	346	597
1900 Budget Authority (total)	586	354	602
1930 Total budgetary resources available	1,429	1,706	2,192
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year:	1,355	1,593	2,067

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

Program and Financing (in millions)			
Identification code 14-1618-0-1-302	2017 Actual	2018 C.R. Level	2019 Request
<u>Change in obligated balance:</u>			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct. 1 (gross)	30	23	29
3010 Obligations incurred, unexpired accounts	74	113	125
3020 Outlays, gross (-)	-80	-106	-147
3040 Recoveries of prior year unpaid obligations (-)	-1	-1	-1
Obligated balance, end of year (net):			
3050 Unpaid obligations, end of year (gross)	23	29	7
3100 Obligated balance, end of year (net)	23	29	7
<u>Budget authority and outlays, net:</u>			
Discretionary:			
4000 Budget authority, gross	8	8	5
Outlays, gross			
4010 Outlays from new discretionary authority	4	6	4
4011 Outlays from discretionary balances	5	2	2
4020 Outlays, gross (total)	9	8	6
Mandatory:			
4090 Budget authority, gross	578	346	597
Outlays, gross			
4100 Outlays from new mandatory authority	21	28	48
4101 Outlays from mandatory balances	50	70	93
4110 Outlays, gross (total)	71	98	141
<u>Net budget authority and outlays:</u>			
4180 Budget authority	586	354	602
4190 Outlays	80	106	147
<u>Investments in U.S. securities</u>			
5000 Total investments, start of year			
U.S. securities, par value	791	1,300	1,500
5001 Total investments, end of year			
U.S. securities, par value	1,300	1,500	1,600

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

Program and Financing (in millions)

Identification code 14-1618-0-1-302	2017 Actual	2018 C.R. Level	2019 Request
<u>DIRECT OBLIGATIONS</u>			
Personnel compensation:			
11.1 Full-time permanent	2	2	1
11.9 Total personnel compensation	2	2	1
12.1 Civilian personnel benefits	1	1	1
25.3 Other goods & services from Federal sources	1	1	0
42.0 Insurance claims and indemnities	37	65	75
99.9 Subtotal, direct obligations	41	69	77
<u>ALLOCATION ACCOUNTS</u>			
Personnel compensation:			
11.1 Full-time permanent	9	9	9
11.9 Total personnel compensation	9	9	9
12.1 Civilian personnel benefits	3	3	3
21.0 Travel and transportation of persons	1	1	1
25.2 Other services from non-Federal sources	9	12	12
25.3 Other goods & services from Federal sources	1	2	2
26.0 Supplies and materials	0	1	1
31.0 Equipment	1	1	1
32.0 Land and structures	1	5	7
41.0 Grants	8	10	12
99.0 Subtotal obligations - Allocation Accounts	33	44	48
99.9 Total new obligations	74	113	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	2017 Actual	2018 C.R. Level	2019 Request
Obligations are distributed as follows:			
Natural Resource Damage Assessment Program Office	41	69	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	20	26	30
National Park Service	8	12	12
U.S. Geological Survey	3	4	4
99.9 Total new obligations	74	113	125

Personnel Summary

Identification code 14-1618-0-1-302	2017 Actual	2018 C.R. Level	2019 Request
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	15	16	11

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

	2017 Actual	2018 CR Level	2019 Request
SES.....	1	1	1
GS/GM-15	1	1	1
GS/GM-14	3	3	3
GS/GM-13	6	6	4
GS-12	1	1	0
GS-11	2	2	1
subtotal (GS/GM).....	13	13	9
Total employment (actual / projected) at end of fiscal year.....	14	14	10