

**STATEMENT OF GALE A. NORTON
SECRETARY OF THE INTERIOR
BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL
RESOURCES**

MAY 8, 2001

I am pleased to be here today before the Committee on Energy and Natural Resources to present the fiscal year 2002 budget for the Department of the Interior. I appreciate the opportunity to highlight a number of important initiatives and to answer questions that you might have.

**Consultation, Communication and Collaboration
In the Service of Conservation**

For several months, I've been explaining what it is to be a compassionate conservative and a passionate conservationist. The Department's 2002 budget exemplifies these concepts. It's a budget that's compassionate in the way it protects our environment and conservative in how it spends taxpayers' money and gives local people more control over the lands they know and the lands they love.

This budget supports our efforts to conserve and manage the great wild places and unspoiled landscapes of this country, that are the common heritage of all Americans. Using consultation, communication, and collaboration, we will forge partnerships with interested citizens and ensure success in our effort to conserve America's most precious places. We can achieve this while maintaining America's prosperity and economic dynamism, respecting constitutional rights, and nurturing diverse traditions and culture.

Budget Overview

The budget outlines actions that make the government more accountable for how it spends taxpayer dollars and for achieving results. This budget emphasizes the importance of working in partnership with States, local communities, and the private sector. The budget pays down our national debt, sets aside a contingency fund for future needs and emergencies, and provides broad, fair, and responsible tax relief.

The 2002 budget for the Department of the Interior proposes important initiatives that fulfill the President's commitments and support the goals that he and I share. Within our budget you will find increased resources to support high priorities, including conservation of America's wild places through innovative environmental partnerships. The budget proposes the revitalization of the State portion of the Land and Water Conservation Fund, and the establishment of new landowner incentive and stewardship programs to help individuals protect imperiled species, enhance habitat, and conserve fragile land. The budget supports our shared goals to eliminate the National Park Service backlog over five years and improve natural resource management. The 2002 budget seeks resources that will enable us to

achieve real results for every Indian child and upholds the President's commitment to leave no child behind, by investing in repair and replacement of Indian schools and increasing funding for school operations.

The budget also funds five recently adopted Indian land and water settlements, maintains a high level of funding to prepare for and suppress wildfire and to treat forests and range lands to reduce fire danger, and maintains historically high levels of funding for operational programs at national parks, wildlife refuges, and public lands. The budget also proposes management reforms that respond to the President's challenge to create a bureaucracy that is more flexible, creative, and responsive; to bring decision making closer to the customer; while continuing our emphasis on front-line service.

The 2002 budget for the Department of the Interior is \$10.0 billion in appropriations, a funding level that is \$345.7 million, or 3.4 percent below the 2001 enacted level. To give perspective to this comparison, it is important to note that 2001 appropriations reflected extraordinary growth of 20 percent in funding over 2000 levels, and included substantial emergency and one-time appropriations that need not be continued in 2002. When compared to historical funding levels, the 2002 budget request is \$1.4 billion or 16 percent higher than 2000 and \$1.9 billion or 23 percent higher than 1999. This budget is the second highest in the history of this Department.

For Department programs that are under the jurisdiction of our authorizing committees, the request for annual appropriations is \$9.1 billion, a decrease of \$348.8 million below the 2001 level. When compared to historical funding levels, the 2002 budget is \$1.4 billion or 17.6 percent higher than the 2000 level.

Building Conservation Partnerships

The Department of the Interior has a long and proud history of working in partnership with State, local, and private landowners in the conservation of natural resources. The 2002 budget builds on this capacity and provides new resources and tools to States, communities, organizations, and individuals to take leadership roles in finding innovative ways for conservation in cooperation with the Federal government.

A Flexible LWCF State Grant Program

The Land and Water Conservation Fund was created in 1965 to assure that revenues from offshore resources that belong to all of the people of the United States are used to develop and preserve recreation and conservation benefits. The LWCF has made an outstanding contribution over the last three and one-half decades by protecting America's land heritage and providing recreational opportunities. However, the promise for full funding that was made in the authorizing legislation has not been kept. From 1965 to 1995, funding for State grants averaged only \$108 million a year and no State grant funds were appropriated for years 1996 through 1999.

The 2002 budget keeps the promise for a fully funded Federal-State partnership, requesting the authorized level of \$450.0 million for State grants, an increase of \$359.7 million over

the 2001 level of \$90.3 million. Amounts that would be allocated to States, the District of Columbia, and the Territories are significantly increased, expanding every State's capability to support our shared goals for conservation. The budget proposes to make \$10.0 million available for competitive grants to Tribes, funding tribal participation in this program for the first time.

The 2002 budget also proposes to revitalize the State grant program both by increasing the resources available and by expanding the scope of activities eligible for funding. It allows States flexibility to determine their own priorities in recreation and conservation, and encourages program innovation. Conservation of wildlife and habitat has become a major component of conserving and enjoying our natural resources. In this broadened State grants program, States can continue to use funding for traditional recreational venues such as ball fields and parks. They will also be able to use this funding to protect and enhance habitat for fish and wildlife. The updated LWCF State grant program incorporates the purposes of more narrowly-focused grant programs that support goals including: urban park recreation and recovery, wildlife conservation and restoration, migratory bird habitat conservation, and the conservation of habitat for threatened and endangered species. To enhance collaboration the budget allows States to partner with non-governmental entities to plan State-wide recreational needs, enhance lands that have already been acquired, and to acquire easements.

The 2002 budget proposes \$100.5 million for three Fish and Wildlife Service programs to further facilitate conservation partnerships. The request includes: \$54.7 million for candidate conservation, threatened and endangered species recovery, habitat conservation planning, and HCP implementation through the Cooperative Endangered Species Conservation Fund; \$14.9 million for wetlands and migratory bird conservation activities through the North American Wetlands Conservation Fund; and \$30.9 million to enter into partnerships with private landowners for conservation purposes through the Partners for Fish and Wildlife program.

Facilitating Local and Private Conservation

The 2002 budget includes two new programs to promote conservation in the United States. The Fish and Wildlife Service budget proposes \$50.0 million to establish a Landowner Incentive program for grants that are competitively awarded and cost shared. Grants provided to States, the District of Columbia, Territories, and Tribes will help landowners protect and manage habitat, while continuing to engage in traditional land use practices.

This initiative is modeled on the successful private lands enhancement program in Texas. This program provides technical assistance to landowners that want to consider wildlife needs in their land use practices. Texas wildlife biologists work with private and public land managers in the preservation and enhancement of habitat for important wildlife species. The budget also recognizes the importance of private citizens and non-governmental groups in the protection and conservation of natural resources. The 2002 budget includes \$10.0 million for a new Private Stewardship grants program that will support individuals and groups engaged in voluntary land and wildlife conservation efforts. This funding will

support local community efforts to protect imperiled species, enhance habitat for fish and wildlife, and conserve important resources.

In support of our collaborative and consultative approach, our 2002 budget proposes \$259.1 million for Federal land acquisition projects that focus on the use of alternative and innovative conservation tools such as easements, purchases of development rights, and land exchanges. We have made sure that these proposed acquisitions include the input and participation of the affected local communities. For example, the Bureau of Land Management budget proposes \$2.0 million to acquire 788 acres of conservation easement interests and 100 acres of fee simple interests to protect scenic and recreational values in the Lower Salmon River Area of Critical Environmental Concern in Idaho. Acquisition of these precious resources has the support of the Friends of the Lower Salmon and the Idaho Department of Fish and Game. By using easements, we can leave the lands in private ownership, while protecting the breathtaking scenery of the river canyon.

Preserving Our National Parks

America is a land of singular beauty and Americans are proud of the many natural treasures within our shores. The President and I believe that a top priority of the Department of the Interior is the conservation of these treasures. The 2002 budget proposes increased funding to conserve the national treasures in our national parks. The 2002 budget includes an increase of \$61.1 million in appropriations, coupled with targeted recreation and concession fees for a total of \$439.6 million to eliminate the maintenance backlog that is an obstacle to resource protection. We are also providing \$20.0 million to restore natural resources, including removal and management of invasive species, in national parks. This initiative will help to restore our parks and ensure a positive legacy of protecting our cultural, natural, and recreational treasures for Americans today and in the future.

Eliminating the NPS Maintenance Backlog

Just as the establishment of the National Park Service in 1916 was an innovative idea, so too are we challenged to devise new and innovative ideas for the management of these national treasures. Today, the Park Service faces challenges that could not have been imagined by the early managers of the park system. More than 285 million people visit the parks annually; visitation this year at Yellowstone National Park alone will exceed the visitation of the entire system in 1916. As the park system ages and visitation increases, the parks' infrastructure is stressed and showing the effects of inadequate maintenance funding.

It is estimated that the current deferred maintenance backlog is roughly \$4.9 billion, including \$2.2 billion that is attributable to facility maintenance needs funded through Interior and Related Agencies annual appropriations. The 2002 budget proposes funding to begin to reverse the decline in the condition of facilities in parks, requesting \$439.6 million to make significant progress in eliminating the \$2.2 billion facilities-based maintenance backlog. Annual funding will include \$339.6 million in appropriations and \$100.0 million in recreation and concession fees. At this funding level the Park Service will address the \$2.2 billion deferred maintenance backlog over five years.

The Park Service will undertake projects in the backlog in an orderly process using a five-year plan that prioritizes first the completion of health and safety and resource protection projects. Projects that will be completed with this funding are diverse, including for example: replacement of deficient guardrails at the Blue Ridge Parkway; replacing a failing water line at Petrified Forest National Park; and conducting critically-needed preservation work at the Lincoln Memorial in Washington, D.C.

The balance of the backlog, \$2.7 billion, is associated with road, bridge, and transportation projects funded through the Transportation Equity Act for the 21st Century. The 2002 budget defers decisions on increased funding for these transportation-related projects and assumes the existing funding level of \$165 million annually through 2003, as TEA-21 is not subject to reauthorization until 2004.

The Natural Resource Challenge

The 2002 budget proposes \$49.5 million for the National Park Service Natural Resource Challenge, a program focused on preservation and restoration of the rich natural heritage in the National Park System. For this third year of the program, the Park Service is requesting an increase of \$20.0 million in order to improve knowledge of plants, animals, and ecosystems in park units. This infusion of resources will increase the Park Service's capability to understand the potential impacts of habitat destruction, invasive species, pollution, and pressures caused by increasing visitation. The Park Service will continue to work collaboratively with the U.S. Geological Survey and local universities in order to develop strategies to ameliorate threats to natural resources, and implement solutions to resource problems.

Keeping Our Commitments to American Indians

One top priority concerns the special responsibilities of the Secretary of the Interior with regard to American Indians. The President and I have committed to uphold the unique government-to-government relationship with Tribes. There is much that needs to be done and that we can do, in partnership with our Nation's Indian Tribes, to improve conditions and provide a more hopeful future. The 2002 budget includes \$2.2 billion for BIA, an increase of \$65.9 million or three percent over the 2001 level, and a 17 percent increase over the 2000 level. The budget contains substantial funding for Native American initiatives and builds on increases provided last year for school construction, Indian education programs, and trust management improvements.

Building Better Schools In Indian Country

President Bush has pledged to "leave no child behind." To accomplish the goal, we must improve the schools that serve nearly 50,000 children. The BIA, through its management of 185 Indian schools, is one of only two agencies in the Federal government directly responsible for an elementary and secondary school system. In 2002, BIA will fulfill the President's commitment to improve education in America by implementing a two-pronged approach improving education facilities and enhancing school operations.

One-fifth of the buildings in the BIA school system are over 50 years old, and half are more than 30 years old. Due to age and inadequate maintenance, many schools have serious deficiencies that pose real threats to the health and safety of students and faculty and make it difficult for students to learn. These schools have leaking roofs, peeling paint, overcrowded classrooms, and inadequate heating, cooling, and ventilation. The 2002 budget includes \$292.5 million for education construction, including \$122.8 million to construct replacement buildings at six schools and \$5.0 million for planning and design of future replacement schools.

The six schools slated for funding in 2002 are the highest priority based on BIA's priority ranking list. Funding will be used to replace: educational facilities at the Polacca Day School in Arizona and the Ojibwa Indian School in North Dakota; school and dormitory facilities at the Pascal Sherman Indian School in Washington; dormitory facilities at the Holbrook Dormitory in Arizona and the Wingate Elementary School in New Mexico; and new classroom facilities at the Santa Fe Indian School in New Mexico.

The education construction budget also includes \$161.6 million for facilities improvement and repair, an increase of \$13.6 million or eight percent over the 2001 funding level. This proposal will fund deferred and annual maintenance needs, major and minor repair projects to address health and safety concerns, and program deficiencies at educational facilities. The President has established a goal to eliminate the current repair and maintenance backlog by 2006. With this funding, we will make significant progress towards achieving that goal.

Learning: A Life-Long Journey

Providing safe schools is only the first step in improving educational opportunities for Indian children. One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood, helping to instill a desire for life-long learning. The 2002 BIA school operations budget proposal of \$504.0 million includes a program increase of \$9.1 million. This funding will be used at schools operated by BIA, as well as at schools operated under contracts or grants to Tribes and tribal organizations, to ensure that schools maintain accreditation; have access to textbooks, computers, and other vital learning tools; have adequate teaching staffs; and can provide transportation. Individual schools and school boards at the local level make the final decisions on how best to use these funds.

The 2002 budget maintains funding of \$12.2 million for the early childhood development program, including the family and child education program and the therapeutic residential model program. The family and child education program involves parents in the critical early stages of their children's education, improves adult literacy, and teaches parenting skills that help improve children's readiness for school. The therapeutic residential model program is an intensive, hands-on program that focuses attention on Indian youth attending boarding schools and helps them to achieve positive changes in attitude, behavior, and academic performance.

In addition, the 2002 budget proposes \$39.1 million for operation of the 25 tribally controlled community colleges. This is an increase of \$1 million for these colleges that

serve a vital role in furthering Indian education beyond the high school level and building critical job skills.

Resolving Land and Water Claims

Settlements of land and water disputes resolve long-standing claims made by Indian tribes and are the outcome of negotiations between the Tribes, the Federal government, and other interested parties. The settlements reflect the Federal government's commitment to fulfill its promises to the Indian community. The 2002 budget includes \$60.9 million, an increase of \$23.5 million, to fund ongoing settlements and five recently authorized settlements. The budget requests: \$6.3 million to complete the Federal commitment for direct tribal payments in the *U.S. v Michigan* Great Lakes joint Tribal-State-Federal consent decree on fishery resources; \$6.0 million for the Torres-Martinez settlement in California; \$2.0 million for the Santo Domingo settlement in New Mexico; \$5.0 million for the first payment for the Shivwits Band of the Paiute Indian Tribe of Utah; \$8.0 million for the Colorado Ute settlement to settle claims on the Animas and La Plata Rivers in Colorado. The budget will continue to fund the Rocky Boy's settlement at \$8.0 million and the Utah Ute settlement at \$24.7 million.

Fulfilling Trust Responsibilities

For more than 150 years, the Department has been responsible for managing assets in trust for American Indian Tribes and individual Indians. The management of trust funds and administration of leasing activities continues to be an important responsibility and is an essential service to foster opportunities for Tribes and individual Indians. The 2002 budget upholds commitments made to institute sweeping changes in the management of trust assets. Trust management reform efforts focus on correcting deficiencies; improving and implementing new trust management and financial systems; and sustaining accomplishments to ensure that trust management problems do not recur.

A total of \$110.2 million is requested for the Office of the Special Trustee in 2002, including \$73.0 million for trust management improvements under the Department's High Level Implementation Plan. Activities that will continue in 2002 under HLIP include: replacing BIA's land records system with the Trust Asset and Accounting Management System; reforming the probate and appraisal program; curing decades-old records management deficiencies; providing training on trust systems; and developing comprehensive and consistent policies and procedures. Continued implementation of these management reforms will resolve decades old trust fund management issues, improve accountability, and help to meet the Department's trust responsibilities to Tribes and individual Indians.

The 2002 budget includes \$11.0 million for the fourth year of the Indian Land Consolidation program to expand land acquisition activities and continue implementation of the Indian Land Consolidation Act Amendments of 2000. This will support activities including: consolidating fractionated interests into more useable and leasable parcels of land; reducing the administrative burden associated with fractionated ownership; and reforming probate by establishing uniform rules for the descent and distribution of interests in allotted lands.

The 2002 budget proposes \$118.4 million for BIA trust-related services. This includes an increase of \$12.0 million for additional staff and resources for critical trust services programs that have been historically under funded and understaffed, such as real estate services, probate, appraisals, and land titles and records programs. These increases will help BIA to continue to improve performance in meeting responsibilities in managing revenue-generating lands held in trust for Tribes and allottees. The program increases will further timely and accurate processing of real estate transactions and appraisals; increase capability to keep pace with growing probate workloads; help keep land records current; provide additional resources for tribal courts to address the increased court caseload; support background investigations of employees and contractors who manage trust assets and records; improve management of natural resources on trust lands; and improve information resource management and trust records security.

Balancing Use with Conservation

Federal lands administered by the Department of the Interior play an important role in ensuring domestic energy security, supporting economic development, and providing important opportunities for the public to experience the Nation's natural heritage. As stewards of public lands and resources, The Department must balance the development of mineral and energy resources with environmental protection. The 2002 budget proposes program increases totaling \$22.1 million for BLM and \$14.7 million for MMS to support this balanced approach.

Onshore Energy and Minerals Programs

BLM manages leasing and development for energy and minerals on onshore lands that produce approximately five percent of annual domestic oil production and eleven percent of domestic natural gas production. BLM's management of energy and mineral resources, including 50,000 oil and gas leases, are an important part of the Nation's energy program.

The 2002 budget proposes a program increase of \$15.0 million for an expanded BLM energy and mineral program. This proposal includes \$5.0 million for BLM to identify and evaluate oil and gas resources and reserves on public lands as required by the Energy Policy and Conservation Act of 2000. BLM will work with the Department of Energy, U.S. Forest Service, and U.S. Geological Survey to survey onshore reserves. An increase of \$5.0 million will be used to support another lease sale offering in the National Petroleum Reserve – Alaska and to initiate planning and associated studies in the 1002 area of the Arctic National Wildlife Refuge to support future oil and gas lease sales, if authorized by Congress. The request includes an additional \$2.0 million to increase leasing and processing of permits to drill for coalbed methane, and \$3.0 million to increase coal leasing and other mineral development on Federal and Indian lands, and to address increased workload for land and realty processing of rights-of-way.

Consensus Building with Land Use Planning

BLM land use plans govern the management of public lands and are the primary tool for building consensus and incorporating public comments in our land and resource management programs. Many of the plans now in use were completed prior to 1989 and need to be updated to reflect current conditions. The 2002 budget includes an increase of \$7.1 million to update plans in order to facilitate more collaborative and better decision-making.

Offshore Energy Programs

MMS oversees oil and natural gas production in the Outer Continental Shelf. OCS activities account for approximately 26 percent of annual domestic oil production and 28 percent of domestic natural gas production. To meet the demand for increasing energy production, the budget includes an increase of \$7.4 million for MMS' Gulf of Mexico leasing and regulatory program. This increase will allow MMS to be responsive to requests for services in processing permits and the review of development plans. An additional increase of \$7.3 million is proposed to acquire a management system that is necessary to support a royalty-in-kind program for oil and gas production on Federal lands. Where favorable conditions exist, taking royalties in kind as an alternative to the traditional method of collecting royalties in value is an innovative approach that may potentially reduce administrative burdens.

Managing Fire

The lessons learned in the 2000 fire season laid the groundwork for our current efforts in the Wildland Fire program. As a result of our past experience, we are focusing on building capacity in preparedness; implementing an expansive fuels treatment program that targets the wildland urban interface; ensuring an adequate fire suppression program at the Federal and local levels; and conducting rehabilitation of burned areas to prevent additional loss and promote land health. In conjunction with the U.S. Forest Service, the Department continues to make significant progress in the implementation of the National Fire Plan. Working in partnership with the Western Governors' Association, National Association of Counties, Tribes, other Federal partners, and non-governmental organizations, the Department and the Forest Service are developing a plan of action and are engaged in designing a ten year strategy for treatment in the wildland urban interface to protect communities from the threat of fire.

The 2002 budget funds the wildland fire program at \$658.4 million, or more than double historical levels for this program. Although this proposal is \$318.7 million lower than the 2001 level, a large part of this decrease reflects the elimination of an emergency contingency fund of \$199.6 million and \$26.8 million in one-time costs for equipment purchases and a specific, targeted research project. The 2002 President's budget continues funding for critical fire program components and includes a \$5.6 billion national emergency reserve that will be available to pay for emergency needs, including higher than average wildland fire costs, if needed.

The 2002 budget funds preparedness at \$280.8 million. This funds readiness at \$252.0 million, or 95 percent of the amounts included in the National Fire Plan, adjusted for fixed costs. This level combined with resources expected to be available from 2001 provides sufficient funding to maintain full readiness in 2002. The budget continues funding for the fire science program at \$8.0 million and includes a proposal to fund important research conducted by the U.S. Geological Survey within this amount. A total of \$19.8 million is budgeted for 76 high priority deferred maintenance and capital improvement projects.

The 2002 budget proposes to fund fire operations at \$367.6 million. Suppression costs are funded at the ten-year average of \$161.4 million including an additional \$8.3 million to increase fire control capabilities. The 2002 budget continues funding for hazardous fuels reduction at \$186.2 million including \$111.3 million for fuels reduction in the wildland urban interface. The budget also funds rehabilitation at the ten-year average of \$20.0 million. The budget reflects a reduction of \$84.8 million from 2001 levels, reflecting a reduction in funding amounts that will be targeted to rehabilitate areas burned in the 1999 and 2000 fire seasons.

Lastly, the budget provides \$10.0 million for technical assistance and support for rural fire districts. Funding provided to these volunteer fire departments is critical, as they are often the first line of defense in protecting wildland urban interface areas threatened by fire.

Operation of National Parks, National Wildlife Refuges, and Public Lands

The 2002 budget continues funding for the operational programs in the National Park Service, Fish and Wildlife Service, and Bureau of Land Management at historically high levels, maintaining significant funding increases provided in prior years and allocating an additional \$69.1 million for uncontrollable cost increases. Funding for these operational programs in 2002 totals \$3.2 billion, an increase of 2.4 percent over 2001 levels, and an increase of 12.7 percent over 2000 levels.

Restoring the Everglades

The President's 2002 budget invests significant resources in the long-term restoration of the South Florida ecosystem, requesting \$37 million for the Corps of Engineers and Department for implementation of the Comprehensive Everglades Restoration Plan authorized by the Water Resources Development Act of 2000. An additional \$183 million is proposed, government-wide, to continue ongoing construction, research, and land acquisition activities associated with restoration of the ecosystem. The South Florida/Everglades ecosystem is a national treasure. Restoration of the Everglades continues to be a top priority for the Department.

The Department's 2002 budget includes \$122.8 million for South Florida/Everglades restoration activities. The 2002 budget proposes an increase of \$5.7 million for CERP implementation to provide technical assistance and expertise in the planning, design, construction, and adaptive assessment of restoration projects constructed by the Corps. The budget includes \$27.4 million for acquisition to support restoration, including \$15.0 million

for a matching grant to the State of Florida. A total of \$39.2 million is proposed for the Modified Water Deliveries project.

Endangered Species Listing

The 2002 budget proposes a total of \$8.5 million for the endangered species listing program, a 34 percent increase over 2001, and a 37 percent increase over 2000. This increase will help return balance to the listing program, enabling the U.S. Fish and Wildlife Service to protect species that are in decline, respond to citizen petitions to list new species and designate critical habitat for species that are already listed.

However, because a flood of court orders requiring FWS to designate critical habitat for hundreds of species threatens to consume the entire listing budget in 2002 as it has in 2001, the budget increase will not be enough by itself to restore this balance. In fact, after complying with existing court orders to designate critical habitat for 2001, FWS does not have any remaining resources or staff to place new species on the list of threatened and endangered species or to respond to citizen petitions to list new species. In short, because of the lawsuits, FWS currently does not have an effective listing program.

The prior Administration requested Congress place a cap on the listing program beginning in 1998, and this Administration is asking Congress to continue the cap. The reason for the cap is to ensure that FWS can maintain an overall endangered species program that not only includes listing new species and designating critical habitat but also undertaking recovery programs, working with States, landowners, and others to conserve species before they require listing, consulting with Federal agencies where required by the Act, and delisting species when they have recovered. Absent the cap, courts might require the Service to take funds from other endangered species activities to designate critical habitat. If this were to happen, the imbalance that currently plagues the listing program would spread to the entire endangered species program.

The President, therefore, is continuing efforts begun by the last Administration to break this gridlock and get back to the important business of protecting imperiled species. We are asking Congress to concur that funds be spent on listing actions that provide the greatest benefit for species at risk of extinction. This proposal would not change any of the underlying substantive requirements of the ESA, but would allow the FWS to use its resources to protect the species that are in greatest need of listing. The Service hopes to engage the public and interested groups in a dialogue on the development of a prioritization system, and then to put the resulting priority system out for public review and comment this summer.

We recognize that this proposal has resulted in considerable controversy. While the problem is real and needs to be addressed, we would welcome the opportunity to work with this Committee and other interested Members/Senators to craft a solution that meets with wide approval.

Good Government

The 2002 budget begins to shape the Department in a manner that supports the President's vision for a government that is active but limited, citizen-centered and not bureaucracy-heavy, results-oriented and not process driven, and market-based in order to promote innovation and competition. The budget proposal slows the growth in staffing, reflecting a reduction of more than 1,700 FTE below levels originally planned for 2001. The budget identifies streamlining savings that total \$57.3 million that will be achieved through reductions in organizational layers, contracting efficiencies, lowered grade levels, management downsizing, and elimination of extraneous positions.

Conclusion

In conclusion, the 2002 budget provides strong support for Interior's programs and for the men and women who carry out our mission. Further, it provides expanded opportunities to work with our constituencies involving them to a greater degree with expanded consultation, communication, and collaboration. As we expand their involvement, we can increasingly benefit from their creativity and capacity to innovate and thereby increase our effectiveness.

I was reminded very recently that we can accomplish more by working together and building partnerships across ideological and political boundaries. Three weeks ago, I helped to release five endangered California condors back into the wild, achieving something that was once thought to be impossible. The captive breeding effort and subsequent reintroduction of the condors into the wild was made possible by collaboration with State, local, and private organizations.

This concludes my overview of the 2002 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.