

BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2020

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

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DEPARTMENT OF THE INTERIOR

Fiscal Year 2020 Budget Justifications

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NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

GENERAL STATEMENT

FY 2020 Budget Request:

The Natural Resource Damage Assessment and Restoration Program's (Restoration Program) Fiscal Year 2020 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 Deepwater Horizon 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. While the Department of the Interior (Department) can rarely take unilateral action to use the funds, the Department is actively exploring how to expedite the delivery of funds for on-the-ground restoration projects.

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 \$1.4 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 2020 Budget Request

(Dollars in Thousands)

Budget Authority	2018 Actual	2019 CR Baseline	2020 Budget Request
Current	7,767	7,767	4,600
Mandatory	325,482	621,000	621,000
TOTAL	333,249	628,767	625,600
<i>FTE</i>	<i>15</i>	<i>16</i>	<i>11</i>

Fiscal Year 2020 fixed costs are fully funded within the request, resulting in savings of \$34,000 which have been applied to program requirements in the Restoration Support and Program Management activities

The FY 2020 request also includes an estimate of \$621 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 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 Departmental 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 58 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 246 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 567 National Wildlife Refuges, seven 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 418 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. In the Office of the Secretary, the Office of Policy Analysis provides economic analytical expertise to the Restoration Program on both national policy and individual case management, and the Office of Environmental Policy and Compliance provides a link to response and remedial activities associated with oil spills or chemical releases.

The Department, through the Restoration Program and its bureaus, conducts every damage assessment and restoration case in partnership with any 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 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. The USGS report concluded that restoration activities at the site 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

Government Reform

President Trump signed an Executive Order to modernize and reform the executive branch and Interior is leading the way, developing and executing a program that will streamline processes and better serve the American people. The absolute first step in building a better and more efficient executive branch though is fostering a culture of ethics and respect amongst colleagues.

Interior has launched several top management objectives to better achieve Departmental goals and lead the agency moving forward. From day one of this Administration, Interior's leadership has made the work environment a priority. There is zero tolerance for any type of workplace harassment at Interior. The Department is instilling a culture change through clear management accountability, swift personnel actions, reporting procedures for harassment conduct, improved training, and substantive action plans.

In the area of anti-harassment efforts, each bureau and office has made significant headway in putting a diverse set of measures in place to prevent and address unacceptable conduct. Interior has also launched an internal Workplace Culture Transformation Advisory Council to include leadership from across the Department to keep a focus on Interior's commitment to the workplace environment. The Council will look at common issues raised in the Federal Employee Viewpoint Survey, ways to improve employee engagement, and building career paths which cross bureau silos; all with the goal to transform Interior's workplace culture for our employees, so they can realize their individual potential and be their most productive selves for the American people.

Another management priority is creating a strong ethical culture to ensure Interior employees honor the public's trust to manage taxpayer funds responsibly and avoid conflicts of interest. The

expectations for appropriate employee conduct have been made clear. The Department has set goals and expectations for qualified ethics officials within Interior sufficient to ensure our operations are conducted ethically and ensure all employees have access to prompt, accurate ethics advice.

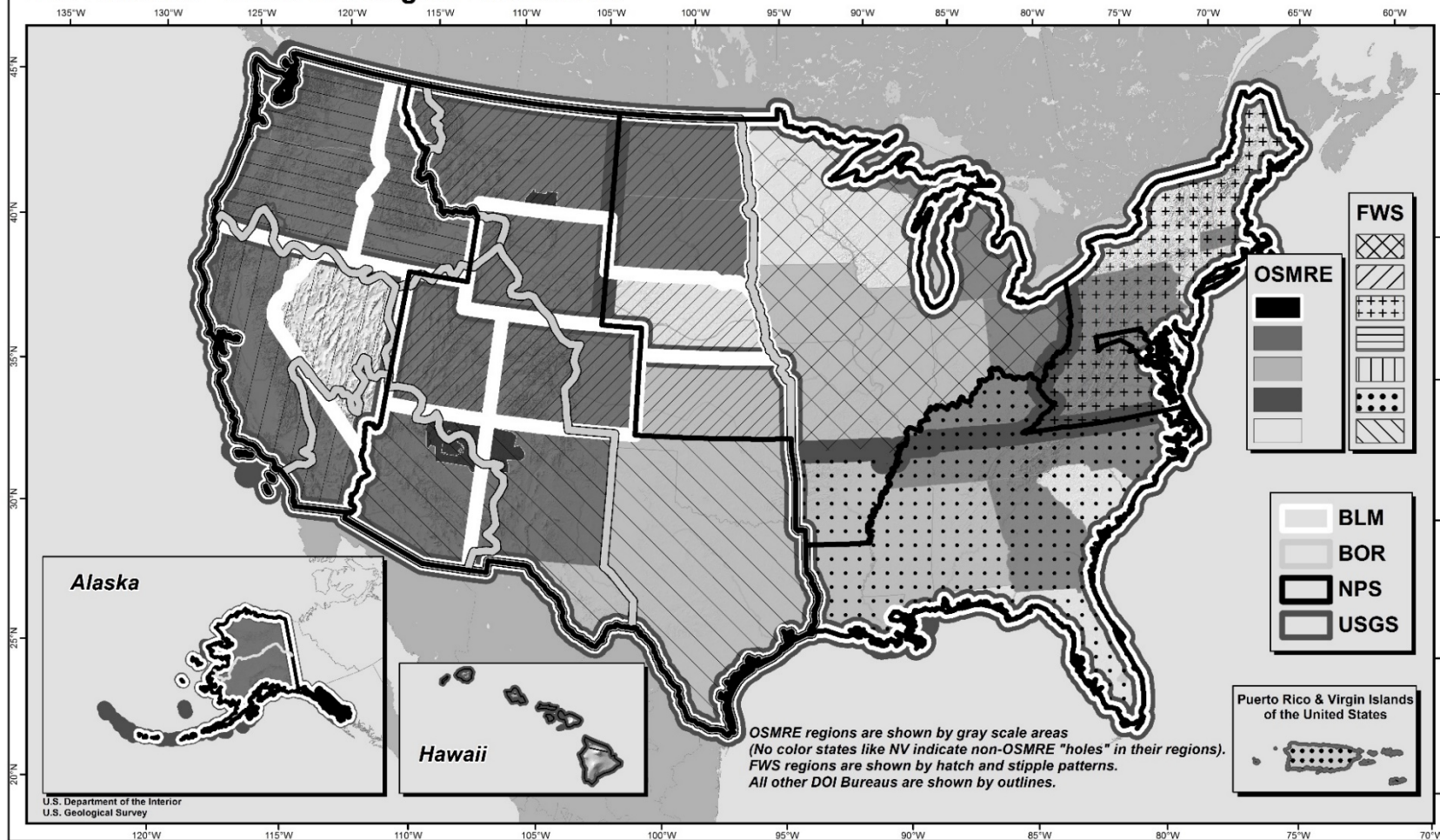
Reorganization

Over many decades, the Department of the Interior experienced new bureaus becoming established on an ad hoc basis with their own unique regional organizations. This ultimately resulted in a complicated series of 49 regional boundaries among 8 bureaus. This complexity led to the situation where bureau regional leadership was often focused on different geographic areas, did not have adequate and shared understanding of the needs and perspectives of regional stakeholders, and opportunities to share administrative capacity across bureaus were difficult to recognize and implement. Further, members of the public were often frustrated by problems in inter-bureau decision making where uncoordinated timelines and processes could lead to unnecessarily long delays in reaching a decision. The Department's reorganization is focused on making improvements across each of these areas.

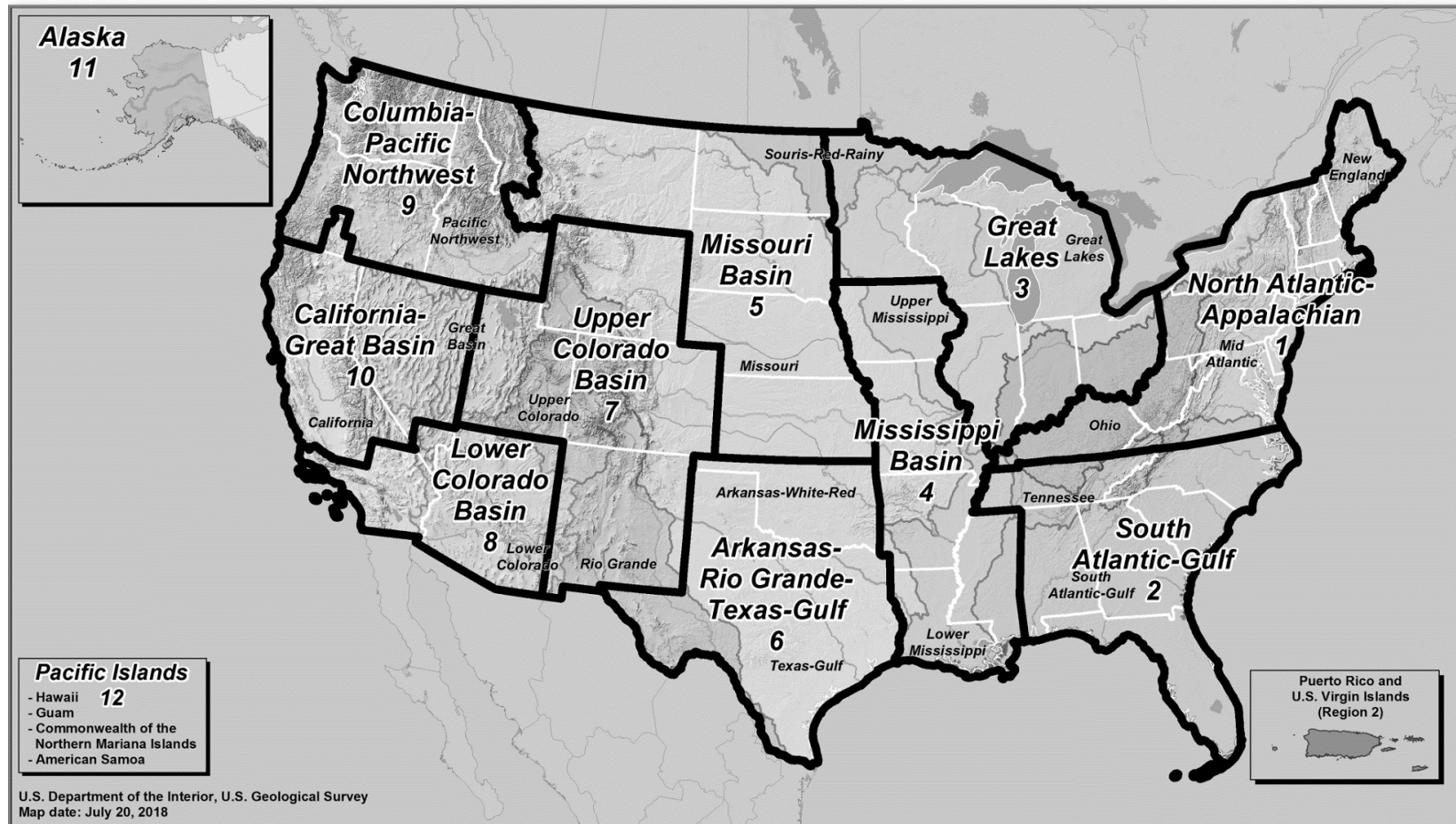
On August 22, 2018, after working closely with stakeholders across the country on options to consolidate Interior's 49 different regions into common regions, the Department announced the designation of Interior's 12 new unified regions. As a result of Tribal consultation, BIA, BIE, and the Office of the Special Trustee for American Indians will not realign their regional field structure.

Establishing unified regions across bureaus is the cornerstone of the reforms designed to improve Interior's service delivery to the public. Within each unified region, bureaus will focus work on the same resources and constituents and improve coordination across the Department. For the public, fewer regions make it easier to do business with Interior, particularly when the public interacts with several bureaus or jurisdictions. Interior will leverage the unified regional structure to improve and streamline business operations using shared services and best practices across the Department focusing primarily on human resources, information technology, and acquisition services. Work is underway in 2019 to plan implementation, conduct analysis, and identify areas for collaboration within the new regions.

DOI Bureaus - Historical Region Boundaries



DOI 12 Unified Regions



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.

2020 Strategic Objective Performance

In 2020, the Restoration Program expects to see measurable increases in the amount of restoration being achieved, notably through 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 2020.

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 project partners.

Cost information, including unit costs, in the context of performance management within the Restoration Program is highly variable, 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.

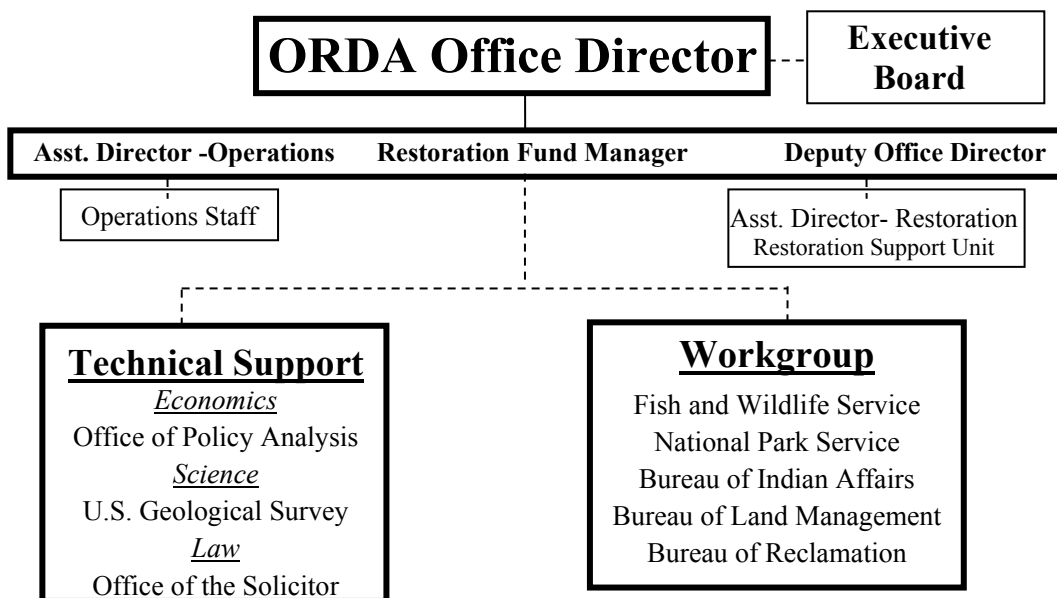
The bureaus will continue to collect, validate, and verify the performance data before reporting to the Program. In addition, the Program Office will continue to internally track the progress of cases from start to finish using measures such as number of restoration plans drafted, finalized, and in stages 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.

The Department's Office of Restoration and Damage Assessment (ORDA) manages the Restoration Program, and consists of sixteen direct FTE. This includes the Director, Restoration Program and administrative personnel, field-based restoration support specialists, and legal and policy specialists. In addition to the ORDA, the organization chart below also identifies key cooperating bureaus and offices that comprise the Restoration Program.



Restoration Program

Natural Resource Damage Assessment & Restoration Program



The Restoration Executive Board is responsible for overseeing policy direction and approving allocation of resources. The Board includes a representative at the assistant director level for BIA, BLM, BOR, FWS and NPS; a Deputy Associate Solicitor, and the Director of the Office of Environmental Policy and Compliance.

The Restoration Workgroup is comprised of bureau restoration specialists that ensure integration across the Department and the use of best practices for damage assessment and restoration.

Summary of Requirements Table
(Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration

Activity	2018 Actual	2019 CR Baseline		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2020 Budget Request		Change from 2019 CR Baseline (+/-)		
	Amount	Total FTE	Amount			FTE	Amount	FTE	Amount	FTE	Amount	
APPROPRIATED FUNDS												
Damage Assessments	2,000	0	2,000	0	0	0	-500	0	1,500	0	-500	
Restoration Support	2,575	7	2,575	-17	0	0	-658	7	1,900	0	-675	
Inland Oil Spill Preparedness	1,000	1	1,000	0	0	-1	-800	0	200	-1	-800	
Program Management	2,192	8	2,192	-17	0	-4	-1,175	4	1,000	-4	-1,192	
Total, Appropriation	7,767	16	7,767	-34	0	-5	-3,133	11	4,600	-5	-3,167	
PERMANENT FUNDS (RECEIPTS)												
Damage Assessments	9,307		15,000	0	0		-3,000		12,000		-3,000	
Restoration												
Prince William Sound Restoration	6,871		9,096	0	0		-3,096		6,000		-3,096	
Other Restoration	309,011		596,913	0	0		+5,491		602,404		+5,491	
Program Management	84		100	0	0		+0		100		+0	
Subtotal, Gross Receipts	325,273	0	621,109	0	0	0	-605	0	620,504	0	-605	
Sequestration Reduction	-387		-496						0		+496	
Previously Unavailable Budget Authority	+483		+387				+496		496		+109	
Transfers Out	-5,485		-9,000						-9,000		0	
TOTAL, Net Receipts	319,884	0	612,000	0	0	0	-109	0	612,000	0	+0	

Natural Resource Damage Assessment and Restoration Program

Justification of Fixed Costs and Internal Realignments

(Dollars In Thousands)

Fixed Cost Changes and Projections	2019 Change	2019 to 2020 Change
Change in Number of Paid Days The 2020 request reflects a pay freeze for civilian employees.	+16	+22
Pay Raise According to OMB Circular A-11 dated June 2018, there will be no provisional estimated pay raise for FY 2020 during the President's budget submission.	+21	+0
Employer Share of Federal Employee Retirement System The change reflects the directed 2.3% increase in the employer contribution to the Federal Employee Retirement System.	-	+12
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	+136	-67
Rental Payments The amounts reflect changes in the costs payable to General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; which in the case of GSA space are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	+132	-1

Natural Resource Damage Assessment and Restoration Program

Appropriations Language

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

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

Note – A full-year 2019 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115-245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

Authorizing Statutes:

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

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

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

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

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

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

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

ACTIVITY: DAMAGE ASSESSMENT

Appropriation: Natural Resource Damage Assessment		2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR Baseline
Activity:								
Damage Assessment	\$000	2,000	2,000	0	0	-500	1,500	-500
	FTE	0	0	0	0	0	0	0

In 2020, 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 20 sites and maintain the Restoration Program's damage assessment capability. The Program estimates 52 additional ongoing cases will proceed towards settlement as well, using previously allocated funds from prior years, with potentially up to 24 cases settling in 2020.

Justification of 2020 Program Change:

Damage Assessment (-\$500,000 / +0 FTE) – The 2020 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.

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 for which there is a publicly available document (281 cases).



ACTIVITY: RESTORATION SUPPORT

Appropriation: Natural Resource Damage Assessment	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR Baseline
Activity: Restoration Support \$000	2,575	2,575	-17	0	-658	1,900	-675
FTE	6	7	0	0	0	7	0

Under the Restoration Support activity, the Program advances restoration efforts and the expenditure of settlement funds to develop and implement restoration plans. 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 2020 performance targets include the cumulative restoration of 44,355 acres and 137 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 2020 Program Changes:

Restoration Support (-\$658,000 / 0 FTE) - The 2020 budget request for Restoration Support is \$1,900,000 and 7 FTE. The Program will focus on planning, implementation, oversight and monitoring of restoration actions, and 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 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. The Restoration Program estimates that \$1.9 billion in settlement funds will be available in FY 2019 for restoration projects approved by co-trustees.

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.

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 has made payment for the first two years, totaling \$739 million to the Restoration Fund, with future annual payments of \$490 million 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 examples of on-the-ground restoration that support recreational benefits that have been accomplished by the Department's bureaus and the co-trustees.

Restoring Access to Outdoor Recreation:

Often, resource injuries result in diminished public use or access to the natural resources, leading the Department and our co-trustees to design and implement projects to restore those public uses. There are several ways for the public to get involved with natural resource restoration. The program relies on input from the public during the restoration planning phase through public meetings and forums. Before implementation, restoration plans must undergo public review to ensure broad support for the actions to restore the injured resources.

Additionally, individual and group volunteers are encouraged to participate in many restoration implementation activities. Because each project is localized, the best way to find out more information about getting involved is to contact a local trustee bureau office or a local trustee partner. The Department's trustee bureaus include the National Park Service, the Bureau of Reclamation, the Fish and Wildlife Service, the Bureau of Indian Affairs, and the Bureau of Land Management. A few recent recreation successes have included sites like the Nyanza Chemical Waste Dump Superfund Site in Massachusetts, M/V Cosco Busan Oil Spill in California, and the Deepwater Horizon Oil Spill in the Gulf of Mexico.

Nyanza Chemical Waste Dump Superfund Site, Massachusetts

The Nyanza Chemical Waste Dump Superfund site is a 35-acre area next to an active industrial complex in Ashland, Massachusetts. From 1917 to 1978, facilities produced textile dyes, intermediates and other products on site. Large volumes of industrial wastewater containing high levels of acids and numerous organic and inorganic chemicals, including mercury, were generated by these facilities, leading to soil and groundwater contamination. Over 45,000 tons of chemical sludge generated by Nyanza's wastewater treatment processes, along with spent solvents and other chemical wastes, were buried on site.

As a result, chemical byproducts were discharged into the Sudbury River about a dozen miles upstream of the Red Maple Trail at the Great Meadows National Wildlife Refuge in Sudbury, MA. Restoration funds were used to restore natural resources and provide the public with increased access to the Sudbury River. This included construction of boat launches and trails such as the Red Maple Trail, acquiring and protecting land parcels in close proximity to the river and its expansive wetlands and floodplains, and promoting environmental literacy through river based curriculum at schools in Sudbury River communities. The trail is heavily used and provides visitors year-round access to the refuge to immerse themselves in the floodplain habitat on the trail, observation platform and boardwalk.



*Red Maple Trail Boardwalk
(Photo: USFWS)*

M/V Cosco Busan Oil Spill, California



Miller Knox & Ferry Point After Project: New picnic area that was installed near the fishing pier, enhancing the fishing and visitor experience. (Photo: Ren Bates)

In November 2007, the freighter M/V Cosco Busan struck the Bay Bridge as it attempted to depart San Francisco Bay in California. The accident created a gash in the hull of the vessel, causing it to spill over 53,000 gallons of oil into the Bay. The spill precipitated widespread beach closures, fishery closures both commercial and recreational, and the cancellation of many activities associated with boating or use of the Bay waters. Since that time, \$30.5 million in settlement has been allocated to over 50 projects

around the Bay Area and beyond. These projects are designed to enhance and restore recreational opportunities, wildlife, beaches and habitat injured as a result of the spill. Recreational efforts have included locations like Miller Knox & Ferry Point where renovations to the popular shoreline park included new restrooms, potable water, new turf fields, native plantings, a modern moisture-sensing irrigation system, new picnic areas and a fish cleaning station. The National Park Service also completed safety and accessibility improvements along the waterfront Promenade at Aquatic Park at the San Francisco Maritime National Historical Park. Other recreational use projects have included new boat launching ramps like that at Coyote Point, extension of the Bay Trail at Sears Point, educational exhibits, and recreation programs for youth.

Deepwater Horizon Oil Spill, Mississippi

After the Deepwater Horizon oil spill, the largest marine oil spill in U.S. history, trustees completed the first restoration-oriented land acquisition in the Grand Bay Land Acquisition and Habitat Management Project (Project). Using the Mississippi Trustee Implementation Group's (MS TIG) restoration funds, the Project expands the permanent protection of critical ecosystems along the Mississippi Gulf Coast, helping to partially restore injuries caused by the Deepwater Horizon oil spill. The Grand Bay National Wildlife Refuge (NWR) is located in coastal Mississippi and Alabama. The refuge was established in 1992 to help protect one of the largest remaining expanses of Gulf Coast wet pine savanna habitat. With only 3% of wet pine savanna remaining across its original range, it is considered an endangered habitat. In addition to the wet pine savanna, other refuge habitats include maritime forest, tidal and non-tidal wetlands, salt marshes, salt pans, bays and bayous. These numerous and varying habitats provide a unique opportunity to view the diverse numbers of species that make their home at Grand Bay.

Over 1,500 acres of essential coastal wildlife habitat at the Grand Bay NWR, Grand Bay National Estuarine Research Reserve, and the Grand Bay Savanna Coastal Preserve in Jackson County was acquired and will be managed by the Mississippi Department of Marine Resources in accordance with the Project. The protection of these lands improves management and public access of both coastal wetlands and adjacent upland areas and secures habitat for threatened and endangered species.

In addition to partially restoring injuries to birds and wetlands, coastal and nearshore habitats, this acreage will also provide expanded access for hunting, fishing, paddling, wildlife watching, and other important coastal recreation-related tourism opportunities, while increasing the contiguous protected landscape to approximately 25,000 acres across Mississippi and Alabama.



The Grand Bay NWR was established in 1992 with the goal of protecting one of the largest expanses of pine savanna remaining in a relatively undisturbed state. This rare and vital habitat provides a home for various plant communities and migratory bird species that can be observed in abundance.

Hawkes Marsh at Grand Bay NWR (Photos by Christina Mohrman / Gretchen Grammer).



ACTIVITY: INLAND OIL SPILL PREPAREDNESS

Appropriation: Natural Resource Damage Assessment		2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR Baseline
Activity:								
Inland Oil Spill Preparedness	\$000	1,000	1,000	0	0	-800	200	-800
	FTE	1	1	0	0	-1	0	-1

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 510 personnel across the Department have been trained. The program will hold four additional training sessions in 2019. 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 2020 Program Changes:

Inland Oil Spill Preparedness (-\$800,000 / -1 FTE) - The 2020 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 training on inland oil spill response.

Activity Overview:

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 the Environmental Protection Agency (EPA) on-scene coordinators. Pre-incident preparation requires the Department to participate in contingency planning, including contingency response teams efforts, area contingency plans, and inland oil spill drills.

Through the National Response System, 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.

ACTIVITY: PROGRAM MANAGEMENT

Appropriation: Natural Resource Damage Assessment		2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR Baseline
Activity: Program Management	\$000	2,192	2,192	-17	0	-1,175	1,000	-1,192
	FTE	7	8	0	0	-4	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 2020, Program Management funds will support ongoing efforts to improve efficiency and effectiveness and reduce costs.

Justification of 2020 Program Changes:

Program Management (-\$1,175,000 / -4 FTE) - The 2020 budget request for Program Management is \$1,000,000 and four direct FTE. The request includes funding for 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 2018 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.

For 2020, 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)			
	FY 2018 Actual	FY 2019 CR Level	FY 2020 Request
<u>DOI Working Capital Fund</u>			
Centralized Billings	116	136	69
Fee for Services	44	45	45
Direct Billings (Financial Mgmt)	<u>173</u>	<u>176</u>	<u>200</u>
Total, DOI Working Capital Fund	333	357	314
<u>DOI Interior Business Center</u>			
Financial Management Systems Support	5	5	5
<u>Fish and Wildlife Service</u>			
FWS User-Pay Cost Share	180	138	142
<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	84	150	150

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 \$138,000. The amount identified for 2020 is an estimate based on the prior year (2019) 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 2020, FWS currently estimates those charges payable by the DOI Restoration Program to be comparable to the 2019 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
EMPLOYEE COUNT BY GRADE**

	2018 Actual	2019 CR Level	2020 Request
SES.....	1	1	1
GS/GM-15	1	1	1
GS/GM-14	3	3	3
GS/GM-13	6	6	3
GS-12	1	1	0
GS-11	2	2	2
GS-9	0	1	1
GS-7	1	1	0
subtotal (GS/GM).....	14	15	10
Total employment (actual / projected) at end of fiscal year.....	15	16	11