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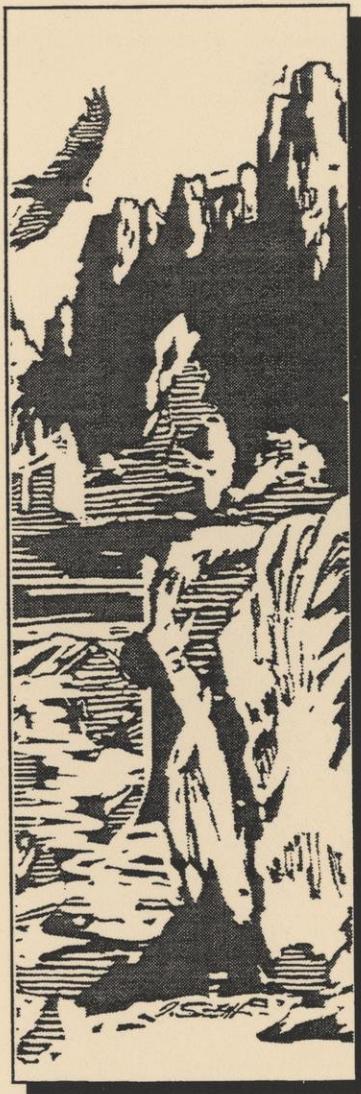
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Managing The Nation's Public Lands



**Annual Report
of the
Bureau of
Land
Management**

Fiscal Year 1994



**U.S. Department of the Interior
Bureau of Land Management**



**MANAGING THE NATION'S
PUBLIC LANDS**

Fiscal Year 1994

**ANNUAL REPORT OF THE DEPARTMENT OF THE INTERIOR'S
BUREAU OF LAND MANAGEMENT**

MANAGING THE NATION'S PUBLIC LANDS

Fiscal Year 1994

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THE MISSION OF THE U.S. DEPARTMENT OF THE INTERIOR

As the Nation's principal conservation agency, the U.S. Department of the Interior has responsibility over most of our nationally owned public lands and natural resources. The Department promotes the health and productivity of the land and water, protects fish and wildlife habitats, and preserves the environmental and cultural values of our National Parks and historic places.

The Interior Department also assesses our mineral resources and works to ensure that their development is in the best interest of all the people.

In addition, the Department has a major responsibility for American Indian reservation communities and for people who live in the Island Territories under United States administration.

After many years of discussing a "Home Department," Congress decided in 1849 that creation of a Department of the Interior had become necessary to administer the vastly expanded land holdings acquired by the Federal Government. The expansion came through the Louisiana Purchase of 1803, the Mexican War of 1846-1848, and the 1846 treaty with Great Britain by which the United States acquired the Oregon Territory. In addition to the General Land Office (GLO), custodian of these lands, the new Interior Department was given functional responsibility for the Office of Indian Affairs, Pension Office, Patent Office, and several small agencies, including the Census of the United States.

Since that time, other duties have been added and spun off, and the Department of the Interior's role has changed from that of a general housekeeper for the Federal Government to that of custodian of its natural resources.

The Department manages more than 440 million acres of Federal lands, including some 360 National Parks, about 500 wildlife refuges, and vast areas of public lands open to multiple uses. The Interior Department's agencies are the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, the Minerals Management Service, the Office of Surface Mining Reclamation and Enforcement, the U.S. Geological Survey, the Bureau of Reclamation, and the Bureau of Indian Affairs.

THE MISSION OF THE BUREAU OF LAND MANAGEMENT

The mission of the Bureau of Land Management is to sustain the health and productivity of the public lands for the use and enjoyment of present and future generations of Americans.

The BLM carries out its mission under numerous land-management and natural resource laws, the most comprehensive of which is the Federal Land Policy and Management Act of 1976 (FLPMA). All Bureau policies, procedures, and management actions must be consistent with FLPMA and the other laws that govern the use of the public lands.

The BLM works to:

- Provide for a wide variety of public land uses while ensuring the long-term health and productivity of the land, as well as protecting significant natural, cultural, and historical resources;
- Use the best scientific and technical information available in order to make sound land-management decisions;
- Make decisions in collaboration with other Federal agencies, States, tribal governments, and the public;
- Understand the needs of rural and urban Americans and provide them with quality customer service;
- Recruit and retain a skilled and diverse workforce;
- Define and achieve objectives through the efficient management of financial, human, and information resources;
- Manage land records and other spatial data efficiently and effectively; and
- Ensure a fair return to taxpayers for the use of publicly owned resources.

BRIEF HISTORY OF THE BLM

The Bureau of Land Management, an agency within the U.S. Department of the Interior, manages what remains of America's original 1.8 billion-acre "public domain." The BLM, which was created in 1946 during a government reorganization, is a successor to two former Federal agencies -- the General Land Office and the U.S. Grazing Service. As historian E. Louise Peffer has noted, the BLM's creation opened a new chapter in the history of U.S. public land administration.

THE BLM'S ORGANIZATION

With an annual budget of more than \$1.1 billion, the BLM employs about 11,000 permanent and seasonal or temporary workers. The Bureau, which is headquartered in Washington, D.C., has 12 State Offices and nearly 200 field offices. The BLM also oversees the National Interagency Fire Center in Boise, Idaho; the National Business Center, the National Human Resources Management Center, and the National Applied Resource Sciences Center, all in Denver, Colorado; and the National Training Center in Phoenix, Arizona.

DIRECTOR'S MESSAGE

As Acting Director of the BLM, I am pleased to report that our agency made significant progress in 1994 as we worked to achieve our top-priority goals. Those goals, which were forth in our September 1994 document "Blueprint For the Future," are to:

- Restore or maintain the health and productivity of the land;
- Improve service to current and future customers;
- Improve the way we do business;
- Promote collaborative decisionmaking; and
- Recruit and retain a skilled and diverse workforce.

Our accomplishments in 1994, which are detailed in this report, included the BLM's first-ever Bureauwide Summit of our agency's managers, which resulted in our "Blueprint For the Future." The Summit also showcased successful land management projects from every BLM State Office.

In the financial area, the BLM began simplifying its budget process, saving both time and money. The Bureau also targeted funds where they were needed most.

We also reorganized our Washington Headquarters Office into teams that deal directly with particular work procedures or provide services to specific groups of customers. The Bureau also improved service to its customers by gathering information on the needs of those customers. As a result of these and many other achievements, the BLM was acknowledged by Vice President Gore as a leader in implementing the "reinventing government" initiative, formally known as National Performance Review.

The BLM achieved a great deal in 1994, but we know we have much more to do. As our agency presses forward, we are keeping our priorities straight. Above all else, the BLM must restore or maintain the health and productivity of the land. We intend to do just that -- for the sake of current and future generations of Americans.

Mike Dombeck
Acting Director
Bureau of Land Management

INTRODUCTION: THE CHALLENGES FACING THE BLM

The American West is changing as a growing and increasingly urban population places new demands on the natural resources of this vast region. These demands are coming at a time when the public is more concerned than ever about the health of waterways, grasslands, and forests; when Congress is passing new laws affecting natural resource agencies; when land managers need greater knowledge of how to manage natural resources on a sustainable basis; and when computer technology offers the BLM an opportunity to do its job more effectively and efficiently. These changes are challenging the BLM to:

- Become more aware of the status, trends, and overall health of the public lands;
- Work with new groups of people who use or care about the public lands while reinforcing our relationships with traditional land users;
- Help local communities anticipate and adjust to changing environmental, social, and economic conditions;
- Work across larger geographic areas and seek longer-term gains in land health and productivity;
- Identify and protect significant natural, historical and cultural resources on the public lands;
- Refine our knowledge of the impact of multiple uses on the public lands while improving our management of those uses;
- Delegate more authority to field managers, measure their performance, and hold them accountable for results;
- Use our financial and human resources more effectively and efficiently;
- And expand the skill mix of the BLM's workforce while ensuring that employees may enhance their skills as they help the agency accomplish its mission.

To deal with these various challenges, the BLM is managing resources on a "Big Picture" or landscape scale; responding to the demands of new public land users while still addressing the needs of traditional user groups; recognizing the importance of conserving significant natural and cultural resources; using more open decisionmaking procedures; and streamlining and modernizing administrative processes. To date, many of these changes have occurred at the field level through collaborative efforts with other agencies, local landowners, and other parties.

In order to share and build on this field experience, the BLM convened in April 1994 its first-ever Bureauwide Summit, a meeting of all BLM managers and more than 100 people from outside organizations. Five overarching goals, listed in the "Director's Message" on page 5, emerged from the week-long meeting. These goals are guiding the BLM as it moves toward the 21st century.

RECREATION

Administering a 1994 budget of \$25 million, the BLM's recreation program implemented a range of strategies under *Recreation 2000-Update* that promoted local economic growth and resource sensitive recreation that gave millions of Americans a chance to enjoy their public lands. *Recreation 2000-Update* is a long-range initiative designed to provide the widest possible array of recreational opportunities on BLM-administered public lands.

The BLM's recreation planners made visitor services a high priority for 1994, as increased public use has required the development of larger, more specialized facilities. The public is also demanding more information on recreational opportunities. In response, the BLM is improving interpretive methods and enhancing visitor services to raise public awareness about public land resources. Specific interpretive tools include trained interpreters, visitor centers, signs, and publications.

The Bureau was able to stretch its \$25,889,000 recreation appropriation through Partnership Matching Funds, as private partners supplied \$9.7 million to match the \$1.2 million contributed by the BLM. The BLM set aside \$525,000 to further develop the volunteer program in 1994, when more than 9,000 volunteers contributed nearly 532,000 hours to BLM projects, resulting in a cost savings of \$5.8 million. The Bureau earmarked another \$900,000 for its challenge-cost share initiative, which affects more than 100 recreation projects.

Interpretation

The BLM's interpretive program is designed to serve visitors and the land's resources. The program involves many diverse interpretive aids, such as waysides, brochures, videos, self-guided tours, and visitor information centers.

In 1994, the BLM assigned a person in each State Office to work with the national coordinator for implementing the BLM's interpretive program. The agency expanded its partnership with Cooperative Associations, opening new outlets in California and New Mexico. The Bureau also entered into a partnership with the Forest Service, the National Park Service, and Colorado's State parks to coordinate interagency training in interpretation. In 1994, the BLM exhibited its interpretive program at the National Association for Interpretation Workshop in Washington, D.C.

Accessibility

The BLM continued its accessibility initiative in 1994 through the activities of the Accessibility Guide Team, which produced a 23-minute disability/accessibility awareness videotape. The videotape, distributed to the BLM's State Offices, District Offices, and Resource Area Offices, serves as a staff training tool and resource guide.

In October 1994, the BLM sponsored a week-long accessibility training course for 60 managers and key field staff to further develop the accessibility program. (The National Center on Accessibility conducted the training.) Also in 1994, the BLM began the process of creating a full-time national position to coordinate the Bureau's accessibility program. The national accessibility coordinator will help develop policy, guidelines, and training that will further the aims of the program.

Recreational Partnerships

The BLM continued in 1994 to form new and expand existing recreational partnerships with other government agencies and the private sector. These partnerships help the BLM promote recreational opportunities while educating public land users about their stewardship responsibilities.

The Bureau and several other partners carry out the *Leave No Trace* program, which promotes minimum-impact environmental standards and establishes a network of teachers across the country. Among other things in FY 1994, the BLM coordinated an interagency *Leave No Trace* presentation at the National Boy Scout Order of the Arrow Conference at Purdue University, which involved 6,500 Boy Scouts and their leaders. (The Bureau's *Leave No Trace* partners are the National Outdoor Leadership School, the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Reclamation, and the Forest Service.)

For its partnership role in the *Tread Lightly!* program, the BLM developed a new brochure titled "A Bridge To Your Future," as well as coordinated the National *Tread Lightly!* Conference held in Lutsen, Minnesota.

The Bureau, which is a member of the National Fishing Week Steering Committee, helped coordinate the national-level Fishing Week event in Washington, D.C., in June 1994. In the field, BLM State Offices held National Fishing Week events that involved thousands of children and their parents, along with many communities and businesses.

The Bureau continues to work with the caving industry to complete an inventory of caves on BLM-managed lands. In FY 1994, the agency carried out the first round of cave nominations, as required under the National Cave Resources Act of 1988.

Travel and Tourism

In FY 1994, the BLM enhanced economic opportunities for local communities through travel and tourism, a priority under *Recreation 2000-Update*. Travel and tourism generates over \$350 billion a year in the United States, with six million people directly employed in businesses related to the travel and tourism industry. BLM-managed public lands attract many international travelers, who spend about \$30 billion annually in the United States.

The Bureau is working to improve adventure travel opportunities, such as white water rafting, guided tours, and wilderness vacations, in order to stimulate local economies. Similarly, the BLM is enhancing opportunities for mountain biking, rock climbing, off-highway vehicle use, and caving. Toward this end, the agency is improving access, marking trail heads, and improving signs on highways and roads. The BLM is also developing and improving recreation facilities, such as campgrounds, trails, and boat-launch areas, which provide both high-quality recreation and support local tourist-related businesses.

In addition, the BLM provides timely information to visitors. The agency is working with firms and organizations that produce general and specialized recreation publications to inform and direct visitors to appropriate recreation areas and facilities. The BLM also supports specialized facilities, such as visitor centers, museums, and ranger stations, which are designed to attract visitors to local communities.

Back Country Byways

The BLM manages over 63 Back Country Byways (roads and trails) covering 3,140 miles that are selected for their scenic, historic, cultural, or recreational values. These byways provide opportunities for scenic driving, help explain the BLM's land-management mission, and strengthen rural economies by stimulating tourism. In 1994, BLM designed three new byways: Parker Dam Road in Yuma, Arizona; Lovelock Cave in Winnemucca, Nevada; and Guadalupe in Roswell, New Mexico. The Back Country Byways program has three national sponsors: the American Recreation Coalition, the Farmers Group of Insurance Companies, and American Isuzu Motor Company.

Rivers

The BLM manages 32 Wild and Scenic Rivers whose total length extends more than 2,000 miles. These 32 rivers comprise one-fifth of all the rivers in the National Wild and Scenic Rivers System. In 1994, the BLM co-sponsored several national river management meetings, including Confluence 1993-1994 and the Idaho Rivers Symposium. The Bureau also produced a brochure titled "America's Treasures," which told aquatic enthusiasts about the rivers and lakes managed by the BLM.

Hiking and Mountain Biking

In 1994, the BLM continued to inventory, map, sign, and maintain trails. The agency's actions will ultimately result in a system of trails and bikeways throughout the Western States that are suitable for both special and general use.

The BLM's leadership in mountain biking management is evidenced by its development of trails, staging areas, and associated facilities. In 1994, the Bureau, with help from its partners, responded to the growing use of public land facilities at Moab, Utah, an internationally known biking location. This collaborative effort led to the completion of several projects, including the installation of waste-management areas and the graveling of a parking and staging area.

The BLM and the Shimano American Corporation, the world's largest manufacturer of bicycle components, signed a national Memorandum of Understanding that led to the co-sponsoring of three "Partners in Conservation" events. These events, held in Oregon, Colorado, and New Mexico, stressed rider ethics, skills, and volunteerism. Local community businesses and organizations, as well as hundreds of volunteers and participants, attended each event.

The BLM cooperated with American Trails and several Federal agencies in co-hosting the 12th National Trails Symposium in Anchorage, Alaska. The symposium, which included workshops, lectures, and field trips, focused on trail management issues. The Bureau, joined by the American Hiking Society and other partners, also co-sponsored some 50 National Trails Day events across the West.

Off-Highway Vehicles

In its management of Off-Highway Vehicles (OHV), the BLM focuses on vehicle use of trails, operation of special OHV recreation areas, and improving OHV user safety and land ethics. The Bureau was the first Federal agency to negotiate a partnership with the OHV industry, which resulted in safety and outdoor ethics training for All-Terrain Vehicle (ATV) users.

The BLM continued its environmental education efforts through *Tread Lightly!*, which teaches young OHV riders about environmentally sound riding practices that reduce noise and resource damage. The BLM also promoted safe, responsible motorcycle and ATV use by producing a poster in cooperation with the Forest Service, the Motorcycle Industry Council, and the Specialty Vehicle Institute of America.

FISH AND WILDLIFE HABITAT MANAGEMENT

The Bureau protects, manages, and improves fish and wildlife habitats located on the 270 million acres of BLM-managed lands. This includes the management of subsistence hunting on 70 million acres of public lands in Alaska.

The BLM manages more fish and wildlife habitat than any other government agency in the nation. These habitats include wetlands, riparian areas, hot Southwest deserts, and Alaska tundra. Since 1987, the Bureau's *Fish and Wildlife 2000* strategy has guided the BLM's management of the 3,000-plus species of vertebrates found on the public lands. Through this strategy, the BLM promotes the recovery of threatened and endangered species, enhances fishing and hunting activities, and enters into partnerships with private organizations, businesses, and various government agencies. Using this approach, the Bureau is steadily shifting away from single-species management toward "Big Picture" or landscape management that will benefit all species.

In 1994, the BLM broadened the scope of species to which it is giving special management attention. The agency, while continuing to focus on traditional game species, also directed its management efforts toward neotropical migratory birds, bats, reptiles, amphibians, and native plants.

Partnerships and Challenge Cost Sharing

The BLM works with States and private partners through its Challenge Cost Share (CCS) program. In 1994, CCS partners invested \$4.8 million in funds or in-kind services to improve fish and wildlife habitats on the public lands. Partners also contributed \$3.4 million in funds or in-kind services to improve habitats of special-status species. The CCS program has effectively increased the dollars available to the BLM for fish and wildlife management by about 20 percent over the amounts appropriated by Congress.

In FY 1994, the BLM began to integrate fish and wildlife planning goals with its "Big Picture" approach to land management. As an example, the BLM replaced Habitat Management Plans with the newer Coordinated Resource Management Plans, which consider all resources from an interdisciplinary, ecosystem-based perspective.

The BLM also participated in interagency conservation programs, such as "Seeking Common Ground," which seeks to resolve livestock-big game conflicts on winter ranges, and "Watchable Wildlife," which deals with wildlife viewing and environmental education.

Habitat Management For Fish and Wildlife

In working to improve fish and wildlife habitats, the BLM carried out habitat evaluations (inventory and monitoring) on 37 million acres of terrestrial wildlife upland habitats, and on 2,050 miles of streams and rivers containing fish.

The Bureau completed fish-related inventories on 194,000 acres of lakes and ponds and surrounding lands that influence these waters. The BLM also initiated management to improve fisheries resources on 9.4 million acres of upland habitats and on 2,500 acres of lakes, ponds, and surrounding lands.

In addition, the BLM applied or prescribed new management to improve fish habitat on 270 miles of streams. In 1994, the Bureau maintained 1,270 projects that benefited terrestrial species, improved 1,250,000 acres of habitat, and inventoried 3.5 million acres of habitat.

Threatened and Endangered Species

In consultation with the U.S. Fish and Wildlife Service, the BLM works to prevent the need to list rare, sensitive, and candidate plant and animal species. The Bureau also takes actions to protect and recover species listed as threatened or endangered under the Endangered Species Act. The number of threatened and endangered (T&E) species -- known as "special-status species" -- is increasing. The BLM's latest count on 20 million acres of public lands found 1,500 special-status species, of which 1,285 were proposed or candidates for listing. Another 215 were on the threatened or endangered list.

Threatened and endangered species that primarily use BLM lands include the black-footed ferret and the desert tortoise. Other species heavily dependent on BLM lands include the Northern spotted owl and the Columbia River salmon in the Pacific Northwest. The most at-risk taxonomic group of animals on BLM public lands are bats. Nineteen of 32 bat species using BLM-managed lands are either candidate or endangered species. In FY 1994, the BLM took the lead in protecting bats on Federal lands by issuing guidelines on abandoned mine reclamation and recreational use of caves. The Bureau also undertook an extensive education program with the support of Bat Conservation International.

The BLM has also been involved in developing an interagency program, known as "Celebrating Wildflowers," that seeks to conserve rare plants and natural plant communities. In addition, the Bureau continued working with Partners In Flight, an effort to conserve neotropical migratory birds, and with Bring Back The Natives, which is aimed at restoring native fishes. To help prevent the need to list more species as threatened or endangered, the BLM evaluated 10 million acres of T&E habitat, restored 690 acres of such habitat, and prepared 63 conservation assessments.

WILD HORSE AND BURRO MANAGEMENT

More than 42,000 wild horses and burros roam the Western public lands managed by the BLM. The Bureau seeks to ensure a healthy, viable population of wild horses and burros within the limits of available public land resources. It does this by counting as accurately as possible the number of animals, determining the appropriate wild horse and burro population, adjusting populations to the appropriate size, and placing excess animals in the care of private individuals. In 1994, the BLM removed 7,868 excess wild horses and burros from the public lands and, through its Adopt-a-Horse Program, placed the animals into private care with qualified individuals. Since the inception of the Adopt-a-Horse Program in 1971, the Bureau has placed into private care about 130,500 wild horses and burros. To improve efficiency of the program, the BLM removes only the younger animals from the range and puts them up for adoption.

In June 1992, the BLM issued its *Strategic Plan for Management of Wild Horses and Burros on Public Lands*, which incorporated the recommendations of the re-established National Wild Horse and Burro Advisory Board. This strategy sets long-range management goals, including attaining appropriate herd levels, improving habitat management, and expanding the adoption program.

The *Strategic Plan* also calls for an evaluation of anti-fertility techniques that might reduce annual herd reproductive rates. In FY 1993, the BLM started a pilot anti-fertility treatment project in northwestern Nevada. The project demonstrated that the test vaccine would prevent reproduction, and the BLM continued to develop practical application of the treatment in 1994.

FORESTRY

The BLM manages 50 million acres of forest land of enormous variety -- from the boreal forests of Alaska to Douglas fir in the Northwest, and from the forests of ponderosa and lodgepole pine in the Intermountain West to pinon pine in the Southwest.

Sustaining Ecological and Social Systems

In the past, the BLM's management of forest lands tended to focus narrowly on "sustained yield" (which deals with timber harvesting outputs). The Bureau is now placing greater emphasis on sustaining ecological and social systems. Since forests provide valuable fish and wildlife habitat, recreational opportunities, and clean water, the BLM must manage forests in a manner that considers the needs of future generations of Americans. In practical terms, that means the BLM must manage wildland fire effectively and ensure that timber harvesting practices are consistent with forest health goals.

The President's Forest Plan

In April 1993, President Clinton convened a conference to resolve forest management issues in the Pacific Northwest and northern California. Following the conference, a team of scientists and managers developed 10 management alternatives that addressed such issues as protecting threatened and endangered species of plants and animals, restoring and maintaining healthy ecosystems, and stabilizing the economy of the region.

President Clinton chose one of the options (Option 9), known as the President's Forest Plan, which calls for a sustainable timber supply that will allow timber harvesting on a scientifically credible, ecologically sound and legally defensible basis. The plan contains three segments: forest management, economic development and agency coordination. Although several groups filed lawsuits against the Forest Plan, a Federal court upheld its legality in December 1994.

Forest Products

In FY 1994, the BLM sold 29 million board feet from public lands outside of western Oregon and 14 million board feet from public lands in western Oregon. The Bureau's concern for the spotted owl and Pacific anadromous fish led to reduced timber sale offerings in northern California and Oregon. The BLM focused on offering salvage timber killed or damaged by fire, insects, disease, and drought. Sales of products measurable in board feet generated \$5.1 million in receipts, while the sale of about 40,000 permits for over 25 non-timber forest products generated \$220,000.

Forest Regeneration and Development

As a result of timber harvesting and the effects of fire, disease, and insect infestation, the BLM carried reforestation actions in 1994, including the planting of eight million trees on 16,078 acres. This supplements the thousands of acres that regenerate naturally each year.

The Bureau's reforestation efforts achieve a success rate of more than 90 percent, which is due to improvements in seedling production, as well as better handling and planting methods. Forest regeneration activities included site preparation (7,455 acres), maintenance of existing plantings (27,885 acres), stocking control (4.165 acres), and such practices as underburning and fertilization (2,521 acres).

Global RELEAF Program

The Global RELEAF Heritage Forest program is sponsored by American Forests, an organization that provides opportunities to reforest and restore forest environments on BLM public lands. In 1994, Global RELEAF worked on projects along the Mattole River in California, the San Pedro River in Arizona, the Blackfoot River in Montana, and the Marys River in Nevada. The program also provided funds to reforest a burned area in Wyoming.

RANGELAND RESOURCES

Congress has authorized grazing on Federal lands under three laws -- the Taylor Grazing Act of 1934, the Federal Land Policy and Management Act of 1976, and the Public Rangelands Improvement Act of 1978. The BLM administers grazing on 22,000 allotments comprising about 170 million acres of public rangeland, mostly in 11 Western States. In 1994, more than 19,000 permittees grazed livestock on BLM-managed lands. These ranchers typically use a mix of private, State, and public rangelands because of the West's patchwork pattern of land ownership. The importance of public lands in this mix is shown by the fact that about one-third of the beef cattle in 11 Western States graze at least part of the year on public rangelands.

The BLM manages livestock grazing on public lands under the principles of multiple-use and sustained yield. The agency emphasizes management of vegetation resources to restore or maintain rangeland health. Other significant management functions include rangeland monitoring, range use supervision, and the preparation and implementation of Allotment Management Plans (AMPs). Land Use Planning and AMPs are the primary instruments that the BLM is using to achieve the goals of its new Healthy Rangelands Strategy. The BLM and the Forest Service analyzed more than 22,000 pieces of public correspondence on a draft of strategy, the final version of which took effect in 1995.

In 1994, the BLM issued 22,000 livestock grazing leases or permits and about 28,000 grazing use authorizations while monitoring 4,189 allotments. In addition, the Bureau developed 528 rangeland improvement projects, maintained 852 improvement projects, wrote 153 Allotment Plans, completed ecological site inventory on 1,829,000 acres, and carried out weed control on 8,340 acres.

Riparian Area Management

Riparian (streamside)-wetland areas comprise 23.1 million acres, or more than eight percent of the public land administered by the BLM. The Bureau works to protect these economically and environmentally valuable areas through its *Riparian-Wetland Initiative for the 1990's*. This program sets goals and strategies for the agency to upgrade the ecological condition of riparian-wetlands areas. The principal objective of the initiative is to get at least 75 percent of these areas into "proper functioning condition" by 1997.

The BLM seeks to restore streamside areas, which can affect the health of entire watersheds. The agency does this by assessing the functioning condition of riparian areas to determine what actions it needs to take. Another key goal of the *Riparian-Wetland Initiative for the 1990's* is raising public awareness about the benefits of restoring riparian areas to proper functioning condition.

In 1994, the BLM assessed the functioning condition of 5,360 miles and 143,260 acres of riparian areas. The Bureau implemented 645 new riparian-wetland projects and maintained 698 existing projects while acquiring 24,534 acres of riparian-wetlands through purchase, land exchange, or donation. The BLM also managed 100 riparian areas through various State and private partnerships. One notable example of an effective partnership was the Trout Creek Working Group of Oregon, which received the Director's Riparian Stewardship Award.

SOIL, WATER, AND AIR

Through its Soil, Water, and Air program, the BLM prepares watershed analyses; gathers soil, water, and air data; interprets soil survey information; and undertakes related actions in order to make sound land-management decisions. Among other things, the BLM maintains a water rights data base and installs structures that improve water quality, control flooding, and reduce sediment damage.

In 1994, the BLM filed 3,050 water rights applications with State agencies, carried out 325 watershed improvement projects, conducted 143 instream flow studies, and completed soil surveys on 970 acres.

LANDS AND REALTY MANAGEMENT

The BLM provides realty and other services associated with land transactions or land-use authorizations. This includes providing access to the public lands; granting rights-of-way or special permits for use of the public lands; exchanging lands; and leasing, selling, or buying land parcels.

The Bureau also maintains records for all land owned by the United States, conducts appraisals, and provides title and other information services to the public. The BLM is automating millions of public land records for easier retrieval and use.

Special Uses of the Public Lands

The BLM requires land-use authorizations or permits for some uses of the public lands. The Bureau grants land-use permits for such projects as filming and conducting research; it also leases the public lands for special purposes, such as agricultural production.

Recreation and Public Purposes

The Recreation and Public Purposes (R&PP) Act authorizes the BLM to offer land -- either for sale or lease -- to State and local governments or to non-profit groups at a reduced price. This land must be used for public purposes, such as for schools, hospitals, parks, or, in the case of non-profit groups, for churches or other community-related activities. In FY 1994, the BLM granted 100 R&PP leases.

Land Sales

The Federal Land Policy and Management Act of 1976 authorizes the BLM to sell land to individuals and public entities at fair market value after it determines that the land is available for disposal. In FY 1994, the BLM offered 3,307 acres for sale at fair market value.

Rights-of-Way

With the granting of rights-of-way, individuals and State and local governments may obtain authorizations to use the public lands for certain single uses. In FY 1994, the BLM authorized 2,751 new rights-of-way for such facilities as water and natural gas pipelines, electric transmission lines, roads, telephone lines, communication sites for radio or other broadcast facilities, hydropower facilities, and drainage ditches.

The Trans-Alaska Pipeline System (TAPS) crosses 800 miles of Federal and State lands in Alaska under a right-of-way grant. The BLM, other Federal agencies, and the State of Alaska formed the Joint Federal/State Pipeline Office (JPO) in 1990. The Bureau continues to act as the lead Federal agency in monitoring pipeline activities to make sure they comply with the conditions of the right-of-way grant and lease, permit terms and conditions, and applicable regulations. The JPO staff is also responsible for issuing permits necessary for the operation and maintenance of TAPS.

Public Land Access

The BLM provides access to public lands by acquiring easements on non-Federal lands for roads and trails. Access is provided to lands important to the Bureau's resource programs, such as wildlife habitat enhancement, timber management, energy and mineral production, and recreation. The access program has opened millions of acres of public lands that otherwise would have been inaccessible. The BLM acquired 289 easements in 1994.

Land and Water Conservation Fund (LWCF)

The Land and Water Conservation Fund (LWCF) finances the acquisition of non-Federal lands for recreation and conservation purposes. These lands contain critical resource values, such as recreation, threatened and endangered species, cultural resources, wildlife habitat, and wetlands. The BLM and other Federal agencies draw on the LWCF to acquire such lands at fair market value.

The fund is also used to assist States in the planning, acquisition, and development of outdoor recreation opportunities. Funds for the LWCF are derived from motorboat fuel taxes, proceeds from the sale of surplus Federal property, and a portion of the receipts from offshore oil and gas leasing.

Withdrawals

Under the Federal Land Policy and Management Act of 1976 (FLPMA), the Secretary has authority to withdraw public lands to protect resource values or to transfer these lands from one Federal agency to another. The law also authorizes these withdrawn lands to be restored to their previous multiple-use status.

In FY 1994, the Secretary approved 30 withdrawals involving 829,903 acres of land. Forty-five withdrawals were revoked, resulting in the return of 538,234 acres to the BLM's administration.

Alaska Lands Program

The Alaska Statehood Act, the Alaska Native Claims Settlement Act and other legislation mandate the conveyance of selected Federal lands to either the State of Alaska or Alaska Native corporations. In 1994, the BLM conveyed 686,903 acres to the State and 933,710 acres to Alaska Native corporations. The Bureau also issued 440 certificates of allotment to individual Alaska Natives under provisions of the 1906 Native Allotment Act, which allows individuals to receive 160-acre parcels. To date, the BLM has issued 6,890 certificates.

WILDERNESS

The BLM is one of four Federal agencies mandated by Congress to manage wilderness, defined by the Wilderness Act of 1964 as natural places where human influence is essentially unnoticeable and which offer "outstanding opportunities for solitude or primitive and unconfined recreation." The other wilderness-management agencies are the Forest Service, the National Park Service and the U.S. Fish and Wildlife Service.

In October 1991, the Secretary of the Interior recommended to the President that 9,761,490 acres of BLM public lands in 11 Western States be added to the National Wilderness Preservation System. He also recommended that 16,810,994 acres be released for uses other than wilderness.

The recommendation came after 15 years of study by the BLM. During that time, the BLM completed more than 90 separate studies and Environmental Impact Statements to determine the wilderness potential of 860 Wilderness Study Areas (WSAs) encompassing more than 28 million acres. The agency finished all of the studies within the deadline set by Congress.

Once it completed the studies, the BLM shifted its focus from wilderness study to management of the WSAs and designated Wilderness Areas. Until Congress either designates the WSAs as wilderness or releases them for multiple use, the BLM is required to administer them under an Interim Management Policy that will preserve their wilderness characteristics.

Management of Wilderness and Wilderness Study Areas (WSAs)

The BLM manages 66 congressionally designated Wilderness Areas covering about 1.6 million acres of public lands in nine States. The agency also manages 773 WSAs that encompass 26.6 million acres of public lands in 12 States. Until Congress passes wilderness-designation legislation that affects specific Wilderness Study Areas, the BLM must protect the wilderness characteristics of each WSA. To accomplish that, the Bureau has developed and follows interim management policies and guidelines for WSAs. The BLM also monitors WSAs regularly to ensure that it is maintaining their wilderness suitability. By law, the BLM allows more activities in WSAs than in designated Wilderness Areas, but prohibits activities that would jeopardize a WSA's wilderness suitability.

Partnerships

The BLM has formed partnerships with such organizations as the Boy Scouts and the Sierra Club to assist with its management of WSAs. Projects include fencing, trail maintenance, installation of wildlife water developments, and trash removal.

CULTURAL HERITAGE

The BLM protects, enhances, and interprets cultural and paleontological resources on the public lands. These resources provide a dramatic record of life in North America from the distant to the recent past.

The remnants, artifacts and fossils found on BLM-managed lands constitute America's largest and most scientifically important body of cultural and paleontological resources. Among the four million to five million archaeological, historic, and paleontological properties on the public lands are:

- The ruins of the cabin of Esther Morris, the first Justice of the Peace in South Pass City, Wyoming, and the first woman appointed to public office in the nation;
- The signature of William Clark, penned on a Montana cliff wall while exploring the West in the early 1800's;
- Evidence from Arctic Alaska of a 12,000-year-old Paleoindian occupation of Beringia, the region adjacent to the Bering Strait;
- The Presidio of Santa Cruz de Terrenate, a fort in southeastern Arizona used by the Spanish at the time of the American Revolution;
- Defensive pueblo-like structures atop New Mexico mesas that the Navajos used for protection in the early 18th century;
- And from New Mexico, a skull from the Cretaceous period of a duck-billed dinosaur species called *Naashoibitosaurus*.

Cultural Resource Management

Prior to approving proposed projects on any cultural sites listed on or eligible for listing on the National Register of Historic Places, the BLM must consider project impacts, as required by Section 106 of the National Historic Preservation Act. In 1994, the BLM's cultural resource program staff, consisting of about 175 cultural specialists, reviewed more than 7,300 land-use applications for their potential effect on cultural properties.

In addition, program staffers issued and administered some 475 cultural resource use permits for survey, recordation, testing, or excavation on 400,000 acres of public lands. Those working under these permits discovered more than 6,200 new cultural properties and excavated or undertook data recovery work on more than 275 sites.

In 1994, the BLM's cultural resources program spent about one-fifth of its operating budget on managing and protecting more than 10,000 significant cultural, historical, and archaeological properties on the public lands. These include more than 3,250 landmarks and World Heritage properties. Management and protection activities include patrolling, monitoring, conducting aerial surveillance, putting up fences, and installing interpretive and protective signing.

The BLM also carried out and improved its management of some 24 million objects of museum property for which the Bureau has administrative responsibility. (Three-quarters of these objects are housed in more than 220 non-Federal repositories, with the remainder held in BLM facilities.)

To augment its professional expertise, the Bureau hired a National Curator in the Washington, D.C., Office and transferred a curator to the agency's Curation Center in Billings, Montana. The BLM also negotiated various agreements with non-Federal repositories and museums holding BLM collections to ensure their proper curation.

The BLM completed a Scope of Collection Statements on how museum property housed in BLM Offices should be managed and how these collections can be used to raise public awareness about the archaeological and paleontological resources located on the public lands.

The Bureau also carried out its responsibilities under the Native American Graves Protection and Repatriation Act. This law requires agencies to locate by 1995 Native American human remains, funerary objects, and other sacred and cultural objects. To facilitate the inventory process associated with this work, the BLM entered into a record number of contracts with non-Federal repositories.

Heritage Education Program

In 1994, the BLM continued to implement of Project Archaeology, a program that helps teachers and youth group leaders teach children about the need to conserve cultural resources on the public lands.

Project Archaeology consists of three components: educational materials, teacher training workshops, and teacher support. The key educational tool for the project is "Intrigue of the Past: A Teacher's Activity Guide for Fourth Through Seventh Grades." The BLM has completed supplements for the guide that describe the histories of Utah and Oregon for students in those two States. The Bureau is developing supplements for the remaining States with substantial amounts of BLM-managed land.

The BLM's heritage education staff also continued in 1994 to collaborate with the National Science Teachers Association (NSTA). The staff wrote two articles for NSTA's Science and Children Magazine, which reaches about 60,000 elementary and secondary teachers. The articles -- one on a 12,000-year-old Paleoindian Mesa Site in Arctic Alaska and another on ecosystem management -- bring to five the number that the BLM has contributed to the magazine.

Adventures In The Past

In 1994, the BLM began to implement a wide variety of "Trails West" events as part of the agency's multi-year Adventures In The Past initiative. The initiative commemorates the settlement of North America and the means and routes of transportation used to bring about that settlement.

In Arizona, the BLM convened a three-District planning team to discuss goals for managing the Butterfield Stage Route. In Idaho, the BLM and several of its partners -- including city governments and Idaho Power and Light -- are working on a series of land exchanges through which the BLM will acquire some key Oregon Trail segments.

In Oregon, the BLM's National Historic Oregon Trail Interpretive Center at Flagstaff Hill developed an internship agreement with Trail Tenders, the Center's Volunteer Association, and Eastern Oregon State College. Under the agreement, students will learn interpretive skills, earn college credits, and support the Center's Living History and other interpretive programs.

The Center worked with Dr. Darrell Milner, Chair of Portland State University's African American Studies Department, who gave public lectures on the black experience during the Western migration. The Center also worked with a Buffalo Soldier living history group from Portland to depict ethnic and cultural diversity along the Oregon Trail.

The BLM in New Mexico focused its Trails West efforts on the El Camino Real, the trail first blazed by Juan de Onate in 1598. This trail, which stretched more than 1,800 miles, went from Mexico City to Santa Fe. In Wyoming, the BLM negotiated an interagency agreement with the National Park Service and the U.S. Fish and Wildlife Service that relates to the management of historic trails. The BLM's Eastern States Office sponsored a Trails West "living history" event, presented to the Outdoor Writers Association of America, that dealt with the General Land Office's survey that opened the public lands.

In Utah, the BLM co-sponsored the annual Oregon-California Trails Association meeting, which was held in Salt Lake City. The Bureau also conducted an archaeology field workshop while dedicating a Back Country Byway along portions of the Transcontinental Railroad grade.

The Washington Headquarters Office produced a Trails West prototype document for field offices to use in getting local and regional businesses to support Trails West projects. The Washington Office also worked with the El Camino Real Study Project in arranging for a trail exhibit to come to the Washington, D.C., area. The exhibit was displayed in the corridors of the Department of the Interior's main building.

Paleontology

The public lands administered by the BLM constitute America's largest outdoor laboratory and classroom for the study of paleontology. Many of the most scientifically important and best-known fossils, especially the vertebrate fossils of such dinosaurs as Apatosaurus, Stegosaurus, and Allosaurus, were discovered on BLM-managed lands.

In FY 1994, the BLM held its first paleontology training course for employees, which was co-sponsored by the Bureau, the New Mexico Museum of Natural History, and the Forest Service. Also, the BLM issued new policies and procedures for managing paleontological resources and continued its cooperation with the professional community.

In New Mexico, the BLM and the New Mexico Museum of Natural History have uncovered the remains of what may be the oldest known alligator and Ceratopsian (horned) dinosaur. These specimens date from the late Cretaceous period, or about 65 million years ago. In Oregon, the BLM and the Oregon Museum of Science and Industry promoted the Young Scholars Program, which educates students in paleontological method and theory.

The BLM carried out numerous other paleontological projects in other States in 1994, including Utah, where the Bureau is working with the Utah Valley State College and the Museum of the Rockies to develop history studies on dinosaur bones from the Cleveland-Lloyd Quarry.

Partnerships and Volunteers

In 1994, the BLM's cultural heritage program had more than 100 challenge cost share/cooperative management agreements with universities; various Federal, State, and local agencies; museums; private organizations; and professional societies. These arrangements, which expanded the BLM's management capabilities in many areas, generated \$2.85 million in matching money, equipment, materials, and staff time on an initial BLM investment of about \$790,000. That amounts to a better than 3 to 1 return on each BLM dollar.

In addition, volunteers in 1994 donated 135,000 hours of time to the BLM's cultural heritage program in FY 1994 -- a contribution of work that is the equivalent of about \$1.9 million.

ENERGY AND MINERAL RESOURCES

The BLM regulates and manages the exploration, development, and extraction of minerals and energy resources on more than 570 million acres of Federal and Native American land. The agency coordinates its management with other Federal agencies, State and local governments, industry groups, and conservation organizations. In 1994, total receipts from BLM-managed energy and minerals operations exceeded \$1 billion. Much of this money is returned to State and local governments.

Oil and Gas

The BLM's oil and gas leasing program accounts for about four percent of America's oil production and five percent of the nation's gas production. The Bureau holds competitive lease sales to offer oil and gas parcels to the public through oral auctions. Parcels that are not sold at these auctions are then available for a two-year period for noncompetitive leasing. In 1994, the BLM conducted competitive lease sales involving 7,500 parcels covering 7.5 million acres; 2,900 parcels covering about 1.7 million acres received bids at the oral auctions. Bonus bids totaled \$41.4 million.

Following the competitive sales, the BLM offered parcels covering about 5.6 million acres available for noncompetitive leasing. As of September 30, 1994, there were 49,000 oil and gas leases in effect, covering about 38 million acres.

As of the same date, there were about 24,000 producing leases with 56,000 producing wells on lands under BLM supervision. Of these leases, 4,200 were located on Native American lands. Together, the leases produced about 142 million barrels of oil and some 1.7 trillion cubic feet of gas in FY 1992. Federal leases generated about \$600 million in royalties during FY 1994. Fifty percent (or in the case of Alaska, 90 percent) of this money was returned to each State where the production occurred. The Minerals Management Service also distributes royalties to American Indian Tribes and individuals.

In 1994, the BLM continued its efforts to identify all wells that are potentially draining Federal and Native American resources. During the year, the Bureau reduced the drainage backlog from some 7,300 cases to about 5,000 cases.

Inspection and Enforcement

In 1994, the BLM performed 56,819 inspection activities that resulted in the issuance of 7,595 notices of incidents of noncompliance. The Bureau levied assessments and penalties totaling \$217,055.

Geothermal Energy

The BLM issues leases and regulates the exploration and development of geothermal energy on the public lands. California is the world leader in geothermal energy production and BLM-managed public lands contribute to that production. California, whose geothermal fields meet the energy needs of two and half million people, accounts for 91 percent of the total Federal production.

In 1994, the BLM issued two competitive leases covering 571 acres and five noncompetitive leases covering 19,000 acres. Federal land geothermal production generated more than 1,000 megawatts of power in FY 1993. Geothermal leases and associated operations generated about \$19 million in bonus, rent, and royalty payments to the Federal government. At the end of FY 1994, a total of 400 leases were in effect, covering 680,000 acres.

Coal

Almost two billion tons of coal have been produced from Federal lands in the 71 years since the Mineral Leasing Act was enacted. The market value of this coal is nearly \$25 billion, on which royalties exceeding \$1.4 billion have been paid to the U.S. Treasury. Since 1920, more than 482 million tons of coal have been produced from Native American lands. That coal was valued at more than \$5.2 billion and generated more than \$384 million in revenue for American Indian tribes and allottees.

The BLM, as the center of the Department of the Interior's Federal coal program, ensures coordination with State and local governments, industry, conservation groups, and other parties interested in the management of Federal coal. About 60 percent of the total Western reserves of coal are found on Federal land, mainly in six Western States: Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. At the end of 1994, there were 13.63 billion tons of recoverable reserves on 431 Federal coal leases covering 630,340 acres. The 431 Federal coal leases produced 287 million tons, constituting more than 25 percent of America's total production. During FY 1994, the Department collected \$287 million in Federal coal royalty revenues. Coal production on Indian lands totaled about 40 million tons, generating royalties of more than \$64 million.

The BLM administers 39 approved logical mining units (LMUs), which are designated areas from which coal can be developed as a unit and as part of a single mining operation. LMUs may consist of only Federal leases or of Federal leases and non-Federal land (or Native American land). An LMU, which is composed of contiguous lands, cannot exceed 25,000 acres. In 1994, the BLM approved three LMUs and worked on processing another 10 LMU applications.

Through its solid Minerals Assistance Teams, the BLM implements its national inspection, enforcement, and production verification guidelines for coal and other solid minerals.

Solid Non-energy Leasable Minerals

The BLM supervises activities of lessees and permittees who explore for, develop, and produce non-coal solid leasable minerals on Federal and Indian lands. More than 87 percent of the acreage and nearly 80 percent of the leases for solid non-energy leasable minerals on Federal lands involve potassium, sodium, and phosphate. At the end of FY 1994, there were 535 Federal leases comprising about 590,000 acres and 95 public prospecting permits covering about 90,000 acres. There were also 16 preference right lease applications covering 28,000 acres. The combined production of solid non-energy leasable mineral commodities from Federal and Native American lands was valued at more than \$750 million. More than \$30 million in royalty revenues were collected from Federal lands.

Mineral Materials

Mineral materials are salable minerals -- such as sand, gravel, stone, or clay -- that are generally used in building projects. The BLM disposes of mineral materials either by sale to the general public or by free-use permits to qualified government or non-profit organizations. In FY 1994, about 12 million cubic yards of mineral materials, valued at about \$8.8 million, were produced from 2,700 sales and free-use permits.

Mining Law

In FY 1994, the BLM accepted for recording about 43,000 new mining claims, compared to 40,000 during the previous year. The Bureau issued seven patents conveying title to lode, placer, and millsite claims that covered 1,793 acres.

Congress passed legislation in 1993 that requires payment of a \$100 per claim annual maintenance fee through 1998; it also requires a \$25 location fee whenever a new claim is filed. Claimants, except for those holding 10 or fewer claims and meeting certain conditions, were required to pay a \$100 fee for 1993 and 1994 (\$200 total) in lieu of performing assessment work. As a result, the number of active claims fell from 760,000 in March 1993 to some 300,000 claims by September 1993. At the end of 1994, there were about 330,000 claims.

FIRE AND LAW ENFORCEMENT

The BLM and other Federal agencies carry out wildland fire and aviation services at the National Interagency Fire Center (NIFC) in Boise, Idaho, which was established in 1965. At NIFC, the leading Federal resource management agencies work together to respond to wildfires and other emergencies in an effective and efficient manner. Besides the BLM, those agencies are the Forest Service, the Bureau of Indian Affairs, the National Park Service, and the U.S. Fish and Wildlife Service. This interagency effort also includes the support of the National Weather Service. The Office of Aircraft Services, a separate agency in the Department of the Interior, is also based at NIFC.

Fire Planning

Since the presence or absence of wildland fire has a major impact on ecosystem health, the BLM takes fire into account in developing land management plans. These plans define land management objectives, which in turn guide fire-use and fire-protection activities. The size of the BLM's fire program (people, equipment, and facilities) is determined by District Fire Management Activity Plans, which identify the most cost-effective way to meet fire management objectives.

Prescribed Fire

The BLM uses fire under prescribed conditions to help achieve land management objectives for biological diversity, resource management, and hazard reduction. Given the vital role that fire plays in nature, the BLM and other Federal agencies are increasingly using prescribed fire, whether naturally or intentionally ignited, as a management tool. Because ecosystems and fire seldom follow administrative boundaries, the BLM is working with its various partners at the local level to use prescribed fire.

In 1994, the Bureau carried out 352 prescribed fire projects on 46,492 acres. This compares with an annual average of 616 projects and 66,366 acres over the past 10 years.

Wildfire Prevention and Fire Education

The Bureau's wildfire prevention and fire education program seeks to: reduce the size and severity of natural and human-caused wildfires; reduce the frequency of human-caused fires; reduce fire-suppression costs and resource losses; and maximize fire education opportunities through outreach. The BLM's fire education message focuses on fire ecology, prescribed wildland fire, and fire suppression.

Wildland/Urban Interface

In recent years, America has experienced a major population shift from urban to rural living. Vast areas of the nation now contain high-value properties intermingled with highly flammable native vegetation. This situation has seriously complicated the challenges facing Federal land-management agencies, particularly since fire-protection and fire-suppression responsibilities are divided among Federal, State, and local governments; Indian Tribes; private industry; and homeowners. Several efforts, including the National Wildland/Urban Interface Fire Protection Initiative and the Federal Wildland Fire Policy and Program Review, are underway to address this problem.

Fire Suppression

The BLM's fire-suppression program responds rapidly with initial attacks that seek to contain fires while they are relatively small, which saves the Bureau time and money. If a fire escapes initial attack, managers decide how next to attack the fire. This decision is based on existing management plans, values at risk, the threat to human life and property, weather conditions, availability of resources, and any other relevant factors.

The Bureau's computerized Initial Attack Management System (IAMS) gives fire managers up-to-date information to help them make good fire-suppression decisions through detection, pre-positioning of forces, and the dispatch of initial attack forces.

Using the concepts of "closest forces" and "total mobility," the Federal Government sends the closest qualified resources, regardless of agency affiliation, to an incident.

Interagency Coordination

No single Federal or State fire-suppression organization can handle an entire fire workload. Accordingly, the BLM maintains cooperative agreements with national, State, and local agencies to achieve maximum efficiency and effectiveness. These agreements allot suppression workloads and minimize interagency billings.

The BLM participates on two standing committees that promote interagency fire coordination: the National Wildfire Coordinating Group and the Interior Fire Coordination Committee. This interagency coordination promotes the efficient use of all fire-suppression resources within designated areas of influence, regardless of agency affiliation. Coordination at the local level involves national forests, BLM Districts, national parks, refuges, and BIA agencies. Also, 11 interagency Geographic Coordination Centers disseminate geographic information that encompasses the entire United States.

Aviation Management

The Bureau's aviation program operates airplanes and helicopters in support of the agency's mission, which includes protecting life, property, and resources on or near the public lands. The program also supports numerous field operations, such as fire suppression, animal census, wild horse and burro roundups, habitat management, range survey, cadastral survey, law enforcement, forest management, photographic mapping, and search and rescue.

Over the past 10 years, the aviation program averaged 28,529 hours of flying time each year. About four percent of those hours were flown by BLM fleet aircraft; the remainder were flown by private operators under contract or rental agreement. During that 10-year period, the BLM's expenditures averaged \$21.5 million per year in aircraft costs and surcharges.

The 1994 Fire Season

The mild winter of 1993-1994 and a dry spring in much of the West set the stage for a demanding fire season. Agencies throughout the United States reported a total of 79,107 wildland fires and 4,073,579 acres burned. Of those figures, 3,314 fires occurred and 682,543 acres burned on BLM-managed lands. Federal agencies spent a record \$924,262,000 on fire suppression, with the BLM accounting for \$98,417,000 of that amount.

While the total fires and acres burned did not break any records, the 1994 fire season was the most demanding on record in terms of length and scope. Major fire activity occurred in all areas of the West from the end of May through September. Thirty-four firefighters and support personnel died in the line of duty in 1994, second only to the year 1910 in the number of lives lost in fire-suppression efforts. In addition, wildland fires destroyed 322 structures in 1994.

In July 1994, the National Interagency Coordination Center requested military support for firefighting operations. From July 31 to September 14, seven battalions (two Marine and five Army) plus 4,846 support personnel assisted in fighting fires in Washington, Idaho, and Montana.

In addition, the military provided 33 helicopters and one fixed-wing support aircraft. Eight national Guard C-130 aircraft equipped with Modular Airborne Firefighting Systems flew 1,897 missions and dropped a record 5,036,900 gallons of retardant on fires in six States.

Fire activity began to decline in October, and by the middle of that month the demand for resources had nearly slowed to a stop. The next month, fires burned in Kentucky, Tennessee, and Georgia, but by Thanksgiving, colder weather had brought fire activity to an end.

As a result of issues prompted by the 1994 fire season, the BLM and other Federal agencies undertook reviews and actions that included an investigation of the July 6 South Canyon (Colorado) fire tragedy, which took the lives of 14 Federal firefighters. The investigation was followed by a report by an Interagency Management Review Team, which made recommendations that will result in a safer, more effective, and more efficient Federal wildland fire management program.

Law Enforcement

The BLM employs 225 law enforcement officers -- consisting of 165 law enforcement rangers and 60 special agents -- who enforce laws and regulations; protect resources; protect employees and visitors; and investigate criminal activity occurring on the public lands. The Bureau, which has one uniformed law enforcement ranger for every 1.6 million acres of public lands, enforces such laws as the Archaeological Resources Protection Act, the Wild Horse and Burro Protection Act, the Federal Land Policy and Management Act, the Wild and Scenic Rivers Act, and other Federal laws relating to the use and occupancy of public lands.

BLM law enforcement rangers issue an average of over 4,000 citations per year for various illegal actions, such as firearms violations, illegal taking of wildlife, theft of firewood and forest products, and the dumping of trash.

Among other things in 1994, BLM special agents investigated violations of the Archaeological Resources Protection Act in which 40 bows, valued at \$50,000, were purchased and illegally removed from an Indian Reservation. The suspects in the case were later indicted by a Federal grand jury.

A BLM investigation stemming from the dumping of hazardous material resulted in a painting contractor pleading guilty to one count of violating the Resource Conservation and Recovery Act. The defendant is facing a five-year maximum sentence and potential fines and restitution for clean-up work that cost \$30,000. Also, as a result of an extensive investigation by the BLM, an Oregon man was convicted of three counts of theft of government property (timber) and two counts of destruction of resources. The man stole 2,400 trees valued at \$184,000.

BLM law enforcement rangers and special agents also participated in task forces with other Federal, State, and local law enforcement agencies to carry out numerous complex investigations. These investigative efforts resulted in a number of indictments and convictions for theft of archaeological artifacts, dumping of hazardous materials, and theft of government property.

For example, BLM special agents provided information and assistance to the National Park Service, U.S. Park Police and the FBI that led to the arrest and indictment of illegal artifact traffickers in Virginia. Several suspects pled guilty to felony violations in connection with \$25,000 worth of artifacts illegally removed from Park Service lands. BLM special agents and rangers also cooperated with other law enforcement agencies in efforts to eradicate marijuana cultivation and illicit drug manufacturing activities on public lands. These operations resulted in the arrest of 149 suspects, the seizure of 10,300 marijuana plants, and the seizure of 17,842 pounds of processed marijuana valued at more than \$56 million.

CADASTRAL SURVEY

BLM cadastral surveyors establish the legal boundaries on land owned by the United States. The Bureau provides reimbursable survey services to other Federal agencies, as well as to State and local governments, and it coordinates these services through the Interagency Cadastral Coordination Council.

Cadastral surveyors also produce survey plats and field notes used in the creation of the thematic data layer of land ownership in the BLM's Automated Land and Mineral Record System (ALMRS)/Modernization Project. The Cadastral Survey Division's accomplishments in 1994 were as follows:

Field Work

Original surveys	1,174 miles
Resurveys	4,409 miles
Special surveys	1,458 miles
Monuments set	13,210

Office Work

Original surveys	2,939,545 acres
Resurveys	557,34 acres
Special surveys	55,666 acres
Lines surveyed/resurveyed	9,055 miles

Plats Accepted

Field surveys	934
Supplemental plats	146
Protraction diagrams approved	7

Mineral Surveys

Number of surveys	54
Lode claims	416
Placer claims	25
Millsite claims	19

Reengineering

In FY 1994, the Division of Cadastral Survey began the Cadastral Survey Reengineering Lab of part of the "Reinventing Government" initiative. The lab conducted a survey of Public Land Survey System (PLSS) customers, of whom 425 responded, in an effort to cut red tape and save money in cadastral activities.

Training

The BLM cadastral surveyors provided training in 1994 to private-sector land surveyors. This training was based on the BLM's Advanced Rectangular Cadastral Survey course, which has been offered to Federal Government surveyors for the past several years.

Geographic Coordinate Data Base

In 1994, the BLM's Cadastral Survey Division collected digital data for the Public Land Survey System in many of the Western States. In addition, the BLM led the effort to establish a national data standard that will facilitate the sharing of cadastral information in the future.

ENGINEERING

When the BLM was established in 1946, it inherited its facilities from its parent agencies, the General Land Office and the U.S. Grazing Service. The Bureau also inherited a primitive road system that reflected the miscellaneous needs of ranchers, mining companies, and railroads, along with State and county governments. In the mid-1960's, the Bureau undertook the construction of numerous roads and trails necessary for administering the public lands. Finally, in 1994, the BLM entered a new era with the establishment of a Land Management Highway system that helps State and local governments develop a cohesive transportation network.

Where suitable leasable offices and other facilities are not available, the BLM has constructed its own office buildings, warehouses, shops, and other facilities tailored to the Bureau's resource management responsibilities. Each year, the BLM maintains 150 office buildings; more than 1,000 other BLM-owned buildings and their associated water and sewer systems; some 800 developed family unit recreation sites; 5,000 undeveloped (non-water) sites; about 20,000 miles of roads; 1,500 miles of trails; and 50 bridges.

In FY 1994, the BLM continued its work on the Las Vegas Interagency Federal Office Complex, the Yaquina Head (Oregon) Visitor Center, Quail Hill Road in Arizona, and numerous other projects. The Bureau also completed major road, recreation site and building repair work.

HAZARDOUS MATERIALS MANAGEMENT

The BLM works to ensure public health and safety and to protect the environment from the effects of hazardous materials on the public lands. The Hazardous Materials Management program contains four major components, which are: (1) to prevent the generation or acquisition of pollutants on Interior Department-managed lands; (2) to reduce the amounts of waste where such generation cannot be avoided; (3) to protect, through effective management of hazardous wastes, all those who use or work at BLM-managed facilities and lands; and (4) to respond rapidly to hazardous releases at BLM facilities, to clean up public land sites whose polluters cannot be found, and to ensure the restoration of natural resources damaged by such contamination.

The BLM is attempting to prevent or minimize future liabilities resulting from hazardous materials through stipulations in its land-use authorizations and controls on chemical use. Wherever possible, the Bureau requires polluters to implement remediation efforts.

During FY 1994, the BLM worked on two National Priority List (Superfund) sites and several other large sites. Overall, the Bureau responded to emergencies at more than 100 sites. The BLM, which conducts environmental audits at buildings, warehouses, yards, and campgrounds, incorporates waste management and pollution prevention concepts into all its activities. Many BLM State Offices have trained their facility managers with the assistance of the Bureau's National Training Center.

ADMINISTRATIVE SERVICES

The BLM's property management staff assists line managers to track, use, maintain, and dispose of property. This includes more than 120 thousand line items of personal property worth some \$280 million; 1,300 BLM-owned vehicles; 2,500 vehicles assigned by the General Services Administration (GSA); two million square feet of office space; and 200 quarter units for employee occupancy. During 1994, the BLM achieved direct savings of about \$5 million through trade-in or exchange sales and another \$10.5 million through the procurement of usable personal property from available or excess sources.

The Bureau spent \$179.1 million for goods and services in 1994, which included 1,937 contract actions worth \$122.3 million for goods and services and 85,508 small-purchase actions totaling \$56.7 million.

The BLM is using purchase cards, as authorized by GSA, in order to save money. In 1994, the Bureau issued 1,700 purchase cards to employees that resulted in 50,456 transactions worth \$10.8 million. This method of purchase reduces paperwork, permits over-the counter transactions and guarantees vendors faster payments. Because of the card's efficiency, the National Performance Review (Reinventing Government) team has recommended that more employees use it for purchasing items.

The BLM met the Interior Department's FY 1994 minority-related procurement goals through the Business and Economic Development Program. The agency awarded nearly 12 percent of its contracts to minority businesses and nearly five percent to women-owned businesses.

By using Government Printing Office printing contracts, the BLM's printing program saved time and money in 1994 while maintaining a high quality of production.

PERSONNEL MANAGEMENT

At the end of 1994, the BLM employed 9,619 permanent employees -- a decline of 457 employees from FY 1993. These employees range from petroleum engineers to range conservationists, and from archaeologists to computer specialists.

The Bureau's Personnel Management Office oversees the recruitment, placement and promotion of employees; position classification; pay administration; employee relations; labor-management relations; employee benefits; security management; employee recognition; and performance management.

The personnel management program, which is directed by the Washington, D.C., Office, is administered through 15 Servicing Personnel Offices in the BLM's State Offices, the Service Center in Denver, the National Interagency Fire Center in Boise and the Washington Headquarters. The BLM is working to streamline and simplify personnel management through a variety of proposed administrative changes, such as standardizing position descriptions and performance elements and ratings. The Bureau is also developing new techniques relating to alternative dispute resolution and workers' compensation.

The BLM emphasizes the Resource Apprenticeship Program for Students (RAPS), which supports President Clinton's proposal that business, labor, and education leaders develop a national apprenticeship-style system for American youth. The Bureau has taken the lead on RAPS by working with Federal, State, and private agencies.

Training and Employee Development

To identify and develop a reserve of technical expertise and potential leaders, the BLM offers training to employees throughout their careers.

The Bureau promotes leadership skills through a variety of programs, including the Senior Executive Service Candidate Development Program and the Women's Executive Leadership Program. The BLM also offers training for firefighters, law enforcement agents, and resource professionals. On-the-job training is supplemented by professional courses at the National Training Center in Phoenix, Arizona, and the National Interagency Fire Center in Boise, Idaho.

The BLM expanded training opportunities in 1994 through its partnerships with Historically Black Colleges and Universities and the Hispanic Association of Colleges and Universities, as well as with other colleges and universities.

Volunteers

In 1994, more than 19,000 volunteers contributed more than 1.3 million hours of volunteer time valued at some \$15 million. This contribution equals the work of 675 full-time employees.

EQUAL EMPLOYMENT OPPORTUNITY

One of the BLM's top five goals, as set forth in its 1994 "Blueprint for the Future," is to recruit and retain a qualified and diversified workforce. Accordingly, the Bureau's Equal Employment Opportunity program undertook outreach efforts aimed at attracting young people to natural resources management and the agricultural disciplines. The BLM carried these efforts out through its partnerships with Historically Black Colleges and Universities (HBCU), the Hispanic Association of Colleges and Universities (HACU), and Native American Colleges and Universities (NACU).

The BLM is working with the Minerals Management Service and the Office of Surface Mining in sponsoring diversity training. The Bureau is examining ways to integrate such training into all core courses and to provide this training to all employees.

Among other efforts in 1994 to promote equal opportunity, the BLM:

- Signed its sixth HBCU Memorandum of Understanding with Howard University.
- Selected five employees for Intergovernmental Personnel Assignments at the six HBCU's with which the BLM has signed MOUs. The overall goal is to enhance the employment of African Americans in the Bureau within the next five years.
- Signed an MOU with eight National Hispanic organizations known as the Hispanic Coalition.
- Developed and piloted a model HACU partnership in the New Mexico State Office with New Mexico State University.
- Produced a video with HACU.
- Contributed \$41,3000 to the Minorities in Forestry and Natural Resources (MINFOR 3) Conference. Twenty-two BLM professionals attended and assisted with the conference.
- Served as the lead agency in initiating a Commencement 2000 pilot program in Denver, Colorado. The BLM has allocated \$75,000 for the first year, with other participating Federal agencies also each contributing \$75,000.
- Supported employees attending the 1994 National IMAGE Conference and conducted a preconference workshop for Hispanic Program Managers.
- Supported employees attending the American Indian Higher Education Conference.
- Participated in advertising the "Winds Of Change" publication, which is produced by Native Americans and focuses on issues of interest to American Indians.
- Initiated a dialogue about entering into an MOU with the NAACP and other African American organizations.
- Supported employees attending the Organization of Chinese Americans Conference and the Japanese American Conference.
- Supported employees attending the Disabilities Conference in Atlanta, Georgia.
- Developed RAPS program guidance for dissemination throughout the Bureau.

FINANCIAL MANAGEMENT

The BLM's Division of Financial Management, based in Washington, D.C., and its operating counterpart at the Denver Service Center provide accounting and financial management services. This Division helps BLM managers assess the financial impact of their decisions.

The Division also provides accounting services for annual permanent appropriations that go to State and local governments in which Federal land resources are located. These appropriations consist of Payments-in-Lieu-of-Taxes (PILT) and shared revenues from the sale, leasing, and disposition of resource commodities. The BLM also collects Federal revenues from the use of resources on the public lands.

Federal Financial System

The Federal Financial System (FFS) is part of a Governmentwide effort to improve and standardize financial systems, operations, and information throughout Federal agencies. The BLM, which implemented FFS in 1990, concentrated in 1994 on improving reporting capabilities and adjusting the system for non-standard reports.

Financial Report and Statements

In 1994, the BLM prepared a financial report and statements, as required by the Chief Financial Officers Act.

Revenues and Receipts

In FY 1994, the BLM collected gross receipts of \$146 million, of which \$124 million -- or 86 percent -- was transferred to the United States Treasury or other Federal agencies. The money transferred consisted primarily of public land receipts, such as the sales of timber, which are not available for use by the BLM in conducting its operations and are thus not considered a financing source for BLM programs. These receipts are distributed in accordance with the statutes authorizing their collection, including receipts distributed to State and local governments. The amounts retained are generally available to the BLM for funding its operations. The following table compares Fiscal Year 1994 and the Fiscal Year 1993 gross receipts.

Receipts (\$ 000's)

	FY 1994	FY 1993
Gross Receipts	\$146,075	\$252,886
Receipts Transferred	\$124,912	\$231,677
Receipts Retained	\$21,163	\$21,209

For FY 1994, the operating expenses of the BLM were financed principally through appropriations of \$965 million, revenues earned from the providing of goods and services (\$29.1 million), and donations to BLM trust funds (\$9.3 million). The following table compares the FY 1994 and FY 1993 Principal Financing Sources.

Principal Financing Sources (\$ 000's)

	FY 1994	FY 1993	Change
Appropriations	\$964,714	\$920,313	\$44,401
Sales to the Public	\$1,188	\$1,965	\$777
Sales to other Agencies	\$28,055	\$38,597	\$10,542
Donations	\$9,297	\$8,867	\$430

The Combined Comparative Statement of Operations and Changes in Net Position provides additional information on the financing and operating expenses of the BLM.

Governmentwide Accounting Principles

The Vice-President's Report on Creating a Government That Works Better and Costs Less (National Performance Review) called for the rapid completion of Federal Accounting Standards. The BLM worked on this throughout 1994, providing support and recommendations to the Federal Accounting Standards Advisory Board. As the agency managing the most Federal land, the BLM has played a key leadership role in developing an appropriate standard for valuing and reporting on public lands and related property assets.

Payments-in-Lieu-of-Taxes (PILT)

Units of local government in the Western States are the principal beneficiaries of the Payments-in-Lieu-of-Taxes (PILT) Act. The PILT program provides Federal payments to those areas where public and other entitlement lands are held in Federal ownership and, therefore, are exempt from local property taxes. Serving as a supplement to revenue-sharing funds, payments-in-lieu-of-taxes are made directly to units of local government and may be used for any governmental purpose. Since its inception in 1977, the PILT program has distributed more than \$1 billion to local governments; \$104 million of that amount was paid in FY 1994.

PERFORMANCE STANDARDS

The BLM undertook an initiative in FY 1994 to assess the Bureau's efficiency and effectiveness in meeting its mandates, including the requirements of the Chief Financial Officers Act (CFOA) and the Government Performance Results Act. Accordingly, the Bureau established a team in 1994 to develop, with public input, a set of performance measures.

APPROPRIATIONS AND EXPENDITURES

BLM programs are funded through six major operating appropriations, several minor permanent and trust appropriations, and reimbursements from other Federal agencies for work performed on their behalf. In addition, the BLM's budget includes one annual appropriation and numerous permanent appropriations that provide funds to State and local governments in which Federal land and resources are located. These funds are in the form of Payments-in-Lieu-of-Taxes or as shared revenues from the sale, leasing, and disposition of resource commodities.

2000 2001 2002 2003 Appropriations

The following table summarizes the BLM's Appropriations and Expenditures for the fiscal year 2003. The table includes the following information:

- Appropriations:** The total amount of money available for the BLM to spend in a fiscal year.
- Expenditures:** The total amount of money spent by the BLM in a fiscal year.
- Surplus:** The amount of money left over at the end of the fiscal year.

The following table summarizes the BLM's Appropriations and Expenditures for the fiscal year 2003. The table includes the following information:

- Appropriations:** The total amount of money available for the BLM to spend in a fiscal year.
- Expenditures:** The total amount of money spent by the BLM in a fiscal year.
- Surplus:** The amount of money left over at the end of the fiscal year.

The following table summarizes the BLM's Appropriations and Expenditures for the fiscal year 2003. The table includes the following information:

- Appropriations:** The total amount of money available for the BLM to spend in a fiscal year.
- Expenditures:** The total amount of money spent by the BLM in a fiscal year.
- Surplus:** The amount of money left over at the end of the fiscal year.

SUPPLEMENTAL INFORMATION

NATURAL RESOURCES AND FACILITIES ON BLM-MANAGED LANDS *at a glance*

The BLM's mission is to protect and maintain the health and productivity of the public lands so that current and future generations of Americans can use and enjoy them. Below are some of the diverse resources and facilities that can be found on the 270 million acres of surface land managed by the BLM.

- 33 National Wild and Scenic Rivers of 2,000 miles in five States
- Nine Historic Trails of 2,500 miles
- Two National Scenic Trails of 500 miles
- 68 National Wilderness Areas of 1.7 million acres
- 743 Wilderness Study Areas of 23 million acres
- Eight National Conservation Areas of 14 million acres
- Santa Rosa Mountains, California, National Scenic Area of 65,000 acres
- Yaquina Head, Oregon, National Outstanding Natural Area of 80 acres
- 22 cultural sites designated as National Historic Landmarks
- 228 cultural sites listed on the National Register of Historic Places
- Five cultural sites designated as World Heritage properties
- 43 National Natural Landmarks of 600,000 acres
- 2,381 day-use and 16,698 family camp units on 50,000 acres
- 908 developed and 3,047 undeveloped recreation sites
- 355 special and 161 extensive recreation management areas
- 56 visitor centers
- 21 concessions
- Eight long-term visitor areas
- 300 Watchable Wildlife viewing sites
- 63 national Back Country Byways of 3,000 in 11 States
- 65,000 miles of roads suitable for highway vehicles and thousands of miles of back country access
- 90.8 million acres open to Off-Highway Vehicle use
- 54.4 million acres open to limited Off-Highway Vehicle use
- 4.1 million acre of lakes and reservoirs
- 23.1 million acres of riparian wetlands
- 170,000 of fishable streams
- 183,000 miles of riparian streams
- 95,000 miles of floatable rivers along 746 river segments
- 533 boating access points
- 21 National Recreation Trails of 350 miles
- 787 hiking trails of 6,000 miles
- 5,300 miles of 617 equestrian trails
- 19,000 miles of motorized vehicle trails
- 897 recorded caves and cave systems
- 48 million acres of forest land annually producing 1.4 billion board feet
- 3,000 species of wildlife

- One out of every five big game animals
- 96 percent of all wild horses and burros roaming the West
- 525 designated Areas of Critical Environmental Concern of 8.7 million acres
- 1.4 billion barrels of proven oil reserves
- 80 percent of the Nation's oil shale
- 35 percent of the Nation's uranium reserves
- Significant deposits of aluminum, antimony, beryllium, bismuth, cadmium, chromium, cobalt, copper, fluorspar, metals, silver, tungsten, and vanadium
- 12.5 trillion cubic feet of proven natural gas reserves

BLM NATIONAL AND STATE OFFICES

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Department of the Interior
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(907) 271-5555

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(602) 650-0504

California: 2135 Butano Dr., Sacramento, CA 95825-0451
(916) 979-2835

Colorado: 2850 Youngfield Street, Lakewood, CO 80215-7076
(303) 239-3670

Eastern States: 7450 Boston Blvd., Springfield, VA 22153
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(702) 785-6586

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(505) 438-7514

Oregon: 1515 S.W. 5th Avenue, P.O. Box 2965, Portland, OR 97208-2965
(503) 952-6027

Utah: 324 South State Street, P.O. Box 45155, Salt Lake City, UT 84145-0155
(801) 539-4021

Wyoming: 5353 Yellowstone Road, P.O. Box 1828, Cheyenne, WY 82009
(307) 775-6011

National Business Center: BC-600, Denver Federal Center, Bldg. 50,
P.O. Box 25047, Denver, CO 80225-0047
(303) 236-6455

National Applied Resource Sciences Center: RS-100, Denver Federal Center, Bldg. 50,
P.O. Box 25047, Denver, CO 80225-0047
(303) 236-1142

National Human Resources Management Center: HR-200, Denver Federal Center,
Bldg. 50, P.O. Box 25047, Denver, CO 80225-0047
(303) 236-6503

National Interagency Fire Center (NIFC): 3833 South Development Avenue,
Boise, ID 83705-5354
(208) 387-5457

National Training Center (NTC): 9828 North 31st Avenue, Phoenix, AZ 85051
(602) 906-5500

GLOSSARY OF KEY ACRONYMS

ACEC	Areas of Critical Environmental Concern
ALMRS	Automated Land and Mineral Records System
AMP	Allotment Management Plan
ATV	All-Terrain Vehicle
AUM	Animal Unit Month
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
CFR	Code of Federal Regulations
EIS	Environmental Impact Statement
FLPMA	Federal Land Policy and Management Act of 1976
FY	Fiscal Year
GSA	General Services Administration
LMU	Logical Mining Units
LWCF	Land and Water Conservation Fund
MMS	Minerals Management Service
MOU	Memorandum of Understanding

NIFC	National Interagency Fire Center
NTC	National Training Center
OHV	Off-Highway Vehicle
PILT	Payments-in-Lieu-of-Taxes
R&PP	Recreation and Public Purposes Act
RAPS	Resource Apprenticeship Program for Students
RMP	Resource Management Plan
T&E	Threatened and Endangered Species
TAPS	Trans-Alaska Pipeline System
WSA	Wilderness Study Area

WYOMING	Wyoming Department of Natural Resources, Box 300, Cheyenne, WY 82002
ARIZONA	Arizona Department of Natural Resources, Box 2000, Phoenix, AZ 85202
IDAHO	Idaho Department of Natural Resources, Box 2882, Boise, ID 83720
NEVADA	Nevada Department of Natural Resources, Box 100, Carson City, NV 89701
NEW MEXICO	New Mexico Department of Natural Resources, Box 100, Santa Fe, NM 87501
UTAH	Utah Department of Natural Resources, Box 100, Salt Lake City, UT 84111
VERMONT	Vermont Department of Natural Resources, Box 100, Montpelier, VT 05633
WISCONSIN	Wisconsin Department of Natural Resources, Box 100, Madison, WI 53701
WYOMING	Wyoming Department of Natural Resources, Box 300, Cheyenne, WY 82002

GLOSSARY OF KEY ACRONYMS

ACGC	Arizona Game and Fish Commission
ATMRS	Arizona Mineral Resources Survey
AMP	Arizona Mineral Production
ATA	Arizona Tax Assessor
AWM	Arizona Water Management
BLA	Arizona Game and Fish Commission
BTM	Arizona Game and Fish Commission
CLG	Arizona Game and Fish Commission
EIS	Environmental Impact Statement
ETWMA	Environmental Trustee Litigation Unit
FLY	Arizona Game and Fish Commission
GSA	General Services Administration
LMU	Land and Water Conservation Fund
PMC	Minerals Management Service
MMS	Minerals Management Service
MON	Montana Department of Natural Resources



*A Wealth of Opportunities
and Resources
from Public Lands*

U.S. Department of the Interior • Bureau of Land Management

1995 Annual Report



Maintaining Healthy Productive Lands

BLM is committed to maintaining the health and productivity of the Nation's public lands by relying on sound scientific and technical information regarding soils, water, vegetation, wildlife, and other components of the natural environment. BLM scientists examine how natural components relate to each other and how they can be used in a responsible and sustainable way to meet human needs for food, shelter, energy, and other commodities. BLM works extensively with the public and many diverse groups to determine the best uses of the public lands.

photo by Kelly Rigby



These public lands provide a wealth of opportunities, including the enjoyment by all Americans of the wide-open spaces for which the West is famous.

Director's Letter

As Americans consider how to use the considerable resources of the Nation's public lands, it is important to do so with a full understanding of the value and uses of these lands. America's public lands extend across diverse terrain and contain a wealth of resources. These resources include energy and mineral deposits; rangelands; forests; fish and wildlife habitats; and sites of cultural, historical, and recreational importance. The Bureau of Land Management (BLM), as the Nation's principal land management agency, manages approximately 270 million acres of public land that are owned by the American people. Our mission is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

These public lands provide a wealth of opportunities, including the enjoyment by all Americans of the wide-open spaces for which the West is famous. Energy and mineral deposits, timber stands, and grasslands are managed to generate revenue at a sustainable level. Revenues generated are shared with State and local governments, which use these revenues for governmental purposes such as schools and roads. Visitors to the public lands enjoy unsurpassed recreation opportunities, including hunting, mountain biking, fishing, camping, off-highway vehicle use, photography, and family picnics.

In managing the Nation's public lands, BLM works with individual citizens, landowners, public and private groups, local and State governments, and other Federal agencies. This collaboration in managing the Nation's public lands reflects an increasing awareness of the value of differing perspectives on public land use. It is by working together to understand these perspectives and to make joint decisions based upon sound information that we can make the best and most responsible use of the Nation's public lands.

Enclosed is our principal performance and accountability report to American citizens on BLM's stewardship of the Nation's public lands. It describes our vision, goals, and objectives; our progress toward these goals; the many actions completed during 1995; and BLM's financial status. I thank the American people for their continuing support, particularly those volunteers who gave their time and resources to assist us. Without this support, we could not long sustain the health, diversity, and productivity of our public lands.

Mike Dombeck



Providing Opportunities for a Wide Variety of Commercial Uses

*BLM authorizes nearly 20,000 Western ranchers to use public rangelands, sells as much as 170 million board feet of sawtimber and other forest products annually, and issues thousands of leases each year for oil, gas, or geothermal exploration and development. Public lands are made available for coal production; gold and silver mining; sand and gravel operations; electrical transmission lines; oil, gas, and water pipelines; hunting and fishing guide services; meeting the infrastructure needs of local communities; and movie filming. BLM lands have been featured in *Maverick*, *Lonesome Dove*, *City Slickers*, several *Star Trek* episodes, and many other film and television productions.*

BLM manages a range of activities to ensure the long-term health and productivity of the public lands and conducts numerous onsite inspections to guarantee compliance. Lands must be restored after construction, mining, filming, or other activities have been completed. Taken together, commercial uses of public lands generate over \$1 billion in revenues that go into the U.S. Treasury or are shared with State, local, and tribal governments.

photo by BLM



CFO Letter

This Fiscal Year 1995 Annual Report marks a significant milestone in our efforts to continually improve the information available to the American people on BLM's contributions, effectiveness, and efficiency. For the first time we have combined reports required by the Federal Land Policy and Management Act, the Government Performance and Results Act, and the Chief Financial Officers Act. By combining these reports into a single document, we can provide a more comprehensive view of the agency. Our annual report now combines program, performance, and financial information.

During Fiscal Year 1995, BLM continued to improve its operations. BLM customers were surveyed, maintenance backlogs were reduced, and property was managed better.

We also received an unqualified audit opinion on our financial statements. This accomplishment places BLM in the forefront of Federal agencies. The information contained in our financial statements provides an accurate accounting of our resources and can be relied upon to describe our operations fairly.

Over 7,000 customers representing many of BLM's clients took part in a customer satisfaction survey. Customers were grouped according to the products or services received most often—information access, recreation and education, and authorizations to use the public lands. Overall, information access customers expressed the highest level of satisfaction, followed by recreation and education customers.

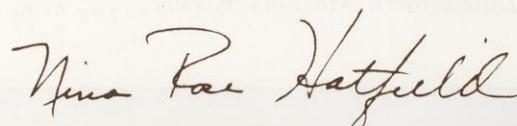
A customer satisfaction survey will be conducted periodically so we can measure our progress in serving our customers. Detailed information on what customers thought of the services provided by BLM is available through the Internet as part of the Department of the Interior's home page at http://www.usgs.gov/ien/cs_blm.html

Backlogs in maintenance of roads, buildings, and recreation sites used by our customers were reduced by \$54 million. However, we expect substantial maintenance needs to continue. The current estimate for the maintenance backlog is \$294 million.

Improved management of BLM's personal property resulted from our implementing a new property system, and we plan to expand this system to include real property. In previous reporting periods, the Department of the Interior's Office of Inspector General indicated that, with the exception of information on the capitalized costs of real property, information presented in BLM's financial statements was reliable. In cooperation with the Department's Office of the Inspector General and the Office of Property and Acquisition Management, we have agreed upon a plan to improve the quality of real property information. This resulted in the unqualified audit opinion we received this year.

Progress in preparing a strategic plan and in measuring the results of BLM's activities and programs continued and is discussed within this report. The resources used to obtain these results are shown in our financial statements.

I join with other members of BLM's management team in extending my appreciation to BLM's dedicated employees, who have worked hard to provide services second to none. We are committed to providing our customers—the American people—with top-notch service and value in the years to come.



Nina Rae Hatfield



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photo by Carolyn Z. Roth



Providing a Wealth of Opportunities and Resources from Our Nation's Public Lands

The Bureau of Land Management (BLM), which celebrates its 50th anniversary in 1996, administers what remains of the Nation's vast land holdings—the public domain. The public domain once stretched from the Appalachian Mountains to the Pacific Ocean. In historian Frederick Jackson Turner's words, it was "the richest free gift that was ever spread out before civilized man."

Of the original 1.8 billion acres of public lands owned by the United States, two-thirds went to citizens, corporations, and the States. Many of the remaining lands were set aside for national forests, wildlife refuges, parks, and monuments.

BLM manages the remaining 270 million acres—about one-eighth of America's land surface, or 41 percent of the lands under Federal ownership. Most BLM-managed public lands are located in the 11 Western States, including Alaska, although small parcels are scattered throughout the eastern United States. BLM also manages 570 million acres of subsurface mineral estate.

Use of the public lands and the riches they contain has changed throughout our Nation's history and continues to evolve. Originally viewed as the Great American Desert, these lands over time came to be regarded primarily as a source of livestock forage, timber, and energy and mineral resources. Today, the public lands are valued more and more for their environmental resources, the wealth of recreational opportunities they offer, the cultural resources they contain, and, in an increasingly urban world, their vast open spaces

Our Mission

*The Bureau of
Land Management
sustains the health,
diversity, and
productivity of the
public lands for the
use and enjoyment
of present and
future generations.*



Our Vision

The Bureau of Land Management will:

Provide for a wide variety of public land uses without compromising the long-term health and diversity of the land and without sacrificing significant natural, cultural, and historical values.

Understand the arid, semiarid, and other ecosystems it manages and commit to using the best scientific and technical information to make resource management decisions.

Resolve problems and implement solutions in collaboration with other Federal agencies; State, local, and tribal governments; and the public.

Understand the needs of rural and urban publics and provide them with quality service.

Maintain a skilled and highly professional workforce.

Clearly define and achieve objectives through the efficient management of financial, human, and information resources.

Efficiently and effectively manage land records and other spatial data.

Recover a fair return for the use of publicly owned resources and reduce long-term liabilities for the American taxpayer.

photo by Gary Ferrier



Our Corporate Agenda

Maintain Healthy Ecosystems



Serve Current and Future Publics



Promote Collaborative Leadership



Improve Business Practices



Improve Human Resource Management Practices

Achieving Our Vision: Federal Land Policy and Management Act (FLPMA) Report

The items below summarize the Bureau of Land Management's achievements in fiscal year 1995. However, they represent only a small sampling of the accomplishments of the Bureau's employees as they work daily in the field or at a computer, providing numerous products and services, interacting with the public, attending evening meetings, and performing the host of other activities needed to get the job done.

Healthy Productive Lands

- ◆ Completed ecological site inventories on over 1 million acres.
- ◆ Developed PACFISH interim standards and long-term strategies to replace PACFISH through the Columbia Basin Ecosystem Management Project. (PACFISH is an interagency program to help Pacific fish species such as salmon and other anadromous fisheries.)
- ◆ Developed policy on environmental justice to address the environmental needs and concerns of all Americans, including disadvantaged and minority communities.
- ◆ Wrote proposed regulations to govern interagency consultation under Section 7 of the Endangered Species Act.
- ◆ Restored riparian areas and stabilized stream banks by placing woody debris along cut-banks, planting willows and trees, and installing gabions to slow or redirect water flows, as well as using vegetation treatments to remove non-native species.
- ◆ Participated in an interagency effort to reduce saline runoff and overall salinity in the Colorado River.

- ◆ Began implementing the President's Forest Plan in Oregon and Washington, with target volumes totaling 182.5 million board feet for FY 1995.
- ◆ Advanced the goals of the Fish and Wildlife 2000 strategic plan by developing and revising projects.
- ◆ Looked after the welfare of the more than 41,000 wild horses and burros that still roam BLM public lands in the West.
- ◆ Removed about 9,570 wild horses and burros from the public lands and placed 9,660 animals in private care through adoption.
- ◆ Treated an average of 66,000 acres with prescribed fire each year from 1985 to 1994.
- ◆ Used emergency fire rehabilitation to stabilize burned areas and prevent additional deterioration.

\$7.7 million in bonus bids paid to the Federal Government.

- ◆ Oversaw the production of more than 21 million tons of potassium, sodium, sulfur, and other minerals on Federal lands, which generated royalties of \$20 million. Seven non-energy leases were processed, 14 lease adjustments were made, and 532 inspections were conducted.
- ◆ Authorized 3,046 new rights-of-way for such facilities as water and natural gas pipelines, electric transmission lines, roads, telephone lines, communication sites for radio or other broadcast facilities, hydropower facilities, and drainage ditches.
- ◆ Continued to act as the lead Federal agency in monitoring the Trans-Alaska Pipeline System.
- ◆ Accelerated the offering of salvage timber sales throughout the Western States, offering 77.3 million board feet of timber killed or damaged by fire, insects, disease, and drought.
- ◆ Sold over 30,000 permits for a variety of other vegetative products, including fuelwood, pine nuts, mushrooms, Christmas trees, and cactus, contributing significantly to local economies.
- ◆ Generated \$27 million for the Treasury in the form of location fees and annual maintenance fees paid under provisions of the General Mining Law of 1872.
- ◆ Oversaw the production of more than 13 million cubic yards of mineral materials on public lands, issued 2,100 mineral material sales, designated 29 non-exclusive use sites, and conducted 2,330 inspections.

Opportunity for a Wide Variety of Commercial Activities

- ◆ Offered more than 6 million acres of Federal lands for competitive oil and gas leasing in 38 oral auctions. Over 2.2 million acres were bid on and sold competitively, earning about \$44.1 million in bonus bids for the Federal Government. Noncompetitive oil and gas leases were issued on slightly less than 1.2 million acres.
- ◆ Managed 52,000 oil and gas leases on 36.5 million acres. About 20,000 leases encompassing 10.5 million acres produced Federal oil and gas resources.
- ◆ Offered eight competitive combined hydrocarbon leases for bid in Utah that covered 12,573 acres and yielded over

Opportunity for Recreation and Leisure Activities

- ◆ Served public land visitors and helped protect fragile resources by using diverse interpretive techniques, including way-sides, brochures, videos, self-guided tours, and visitor information centers. Created new wayside exhibits for Watchable Wildlife sites and Back Country Byways, benefitting local tourist economies.
- ◆ Joined with many businesses and non-governmental agencies to support the Tread Lightly and Leave No Trace programs; succeeded in incorporating many of the Leave No Trace and Tread Lightly principles into the Boy Scouts programs.
- ◆ Cosponsored a national Interagency Workshop on Accessibility in the National Wilderness Preservation System and became the lead agency using the new Accessibility Data Management System (ADMS) developed by the Bureau of Reclamation.
- ◆ Managed 785 developed and 365 semi-developed recreation sites that provide over 2,380 day use units, 16,700 campsites, 535 boating access points, and 56 visitor facilities.
- ◆ Entered into several partnership agreements with diverse companies and organizations, such as American Volksport and the Disney Corporation. BLM and Disney are spearheading the Wonderful Outdoor World initiative, where city children are given the opportunity to enjoy the great outdoors by camping in urban parks. Environmental ethics and stewardship responsibilities for all public lands are emphasized.



Offering Opportunities for Recreation and Leisure Activities

BLM public lands are noted for providing wide-open spaces rather than highly developed recreation sites. While the Bureau does manage over 1,000 developed and semideveloped sites (campgrounds, picnic areas, etc.), most of the emphasis is on providing areas and trails for biking, hiking, floatboating, camping, hunting, fishing, birdwatching, photography, and similar activities. BLM lands are unparalleled in their diversity, offering rain-forest ecosystems, desert landscapes, rugged peaks that soar over 14,000 feet, and more than 170,000 miles of fishable streams. And BLM's 63 National Backcountry Byways (encompassing 3,141 miles) and 300 Watchable Wildlife sites provide access to the beauty and adventure that these lands offer.

The abundant wildlife that live on public lands — an estimated 1.5 million deer, 250,000 elk, and 25,000 bighorn sheep, plus many other species — add to the outdoor recreational experience. And the more than 41,000 wild horses and burros that roam BLM lands serve as a reminder of the history of the American West. At a time when city dwellers and suburbanites feel a growing need to “get away from it all,” our Nation’s public lands provide a recreational escape for millions of Americans.

photo by Brad Frank

- ◆ Continued working with various partners, such as the American Sportfishing Association, American Recreation Coalition, the Sporting Goods Manufacturers Association, American Hiking Society, and the National Fishing Week Steering Committee.
- ◆ Developed cooperative partnerships involving the Department of the Interior, the travel and tourism industry, and local communities to improve the quality, quantity, and accessibility of natural, historical, and cultural resources on public lands nationwide.

Preservation of Significant Cultural and Natural Features

- ◆ Provided coordination, assistance, policy guidance, training, and outreach as required by the Native American Graves Protection and Repatriation Act of 1990 (NAGPRA).
- ◆ Welcomed people from all over the country to significant cultural and natural sites, including Grand Gulch in Utah, the Chacoan Outlier and Navajo Refugee sites in New Mexico, the San Pedro and Gila Box National Riparian Conservation Areas in Arizona, the Red Rock National Conservation Area in Nevada, and numerous others.
- ◆ Operated the Anasazi Heritage Center near Dolores, Colorado, which serves as a public museum and repository for artifacts and archaeological records.
- ◆ Managed wilderness areas, the number of which Congress doubled from 66 to 135; this effectively tripled the wilderness acreage managed by BLM, increasing it to 5.28 million acres.
- ◆ Completed the Wilderness Management

Plan and the Wild and Scenic Rivers Study Report for the State of Arizona.

Land Resources and Title Information

- ◆ Completed over 200 cadastral (public) survey projects totaling about 6,350 miles.
- ◆ Carried out an additional 163 cadastral survey projects at the request of external customers, totaling about 4,154 miles of cadastral survey, including six projects administered under PL93-638.

Public Health, Safety, and Resource Protection

- ◆ Conducted a total of 6,519 law enforcement investigations and actions to promote public health and safety, protect public land resources, and carry out drug control efforts.
- ◆ Suppressed 2,966 wildfires involving over 831,000 acres.

Land Exchanges and Other Realty Services

- ◆ Conveyed 982,272 acres to the State of Alaska and 1,650,815 acres to Alaska Native corporations under the Alaska Statehood Act, the Alaska Native Claims Settlement Act, and other legislation.
- ◆ Issued 720 certificates of allotment to individual Alaska Natives under provisions of the 1906 Native Allotment Act. This act allows individuals to receive 160-acre parcels; a total of 7,610 certificates have been issued to date.

- ◆ Acquired 102,930 acres and conveyed 99,642 acres in 82 private land exchanges; also conducted one exchange with the State of Idaho involving 40 acres.
- ◆ Granted land-use permits for such projects as filming or doing research; leased public land for special purposes such as agricultural production; and sold 3,791 acres of land to individuals and public entities at fair market value after determining that the land was available for disposal.
- ◆ Transferred 128 acres to the State of Utah under the State In-Lieu Selection program.
- ◆ Processed 24 withdrawals involving 135,512 acres of land that were approved by the Secretary; also processed 23 withdrawal revocations that returned 170,376 acres to BLM administration.
- ◆ Acquired 193 easements across non-Federal land for roads and trails to provide access to public lands for such things as timber management, energy and mineral production, and recreation.

Technical and Economic Assistance

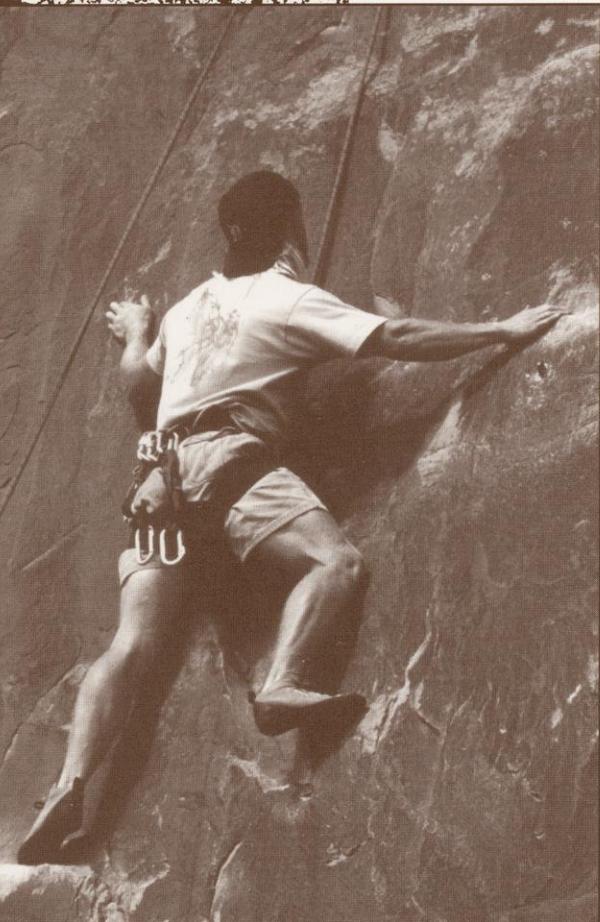
- ◆ Granted 113 Recreation and Public Purposes Act (R&PP) leases/patents to State or local governments, or to non-profit groups, for schools, hospitals, parks, churches, and other community projects.
- ◆ Distributed \$101,008,998 to counties as payments in lieu of taxes (PILT).



Ensuring Public Health, Safety, and Resource Protection

BLM has a variety of programs to protect public health, safety, and property. The Bureau is responsible for protecting public lands from illegal dumping of hazardous materials, theft of Federal property, misuse of resources, and wildfire. In a typical year, the Bureau helps suppress several thousand wildfires that burn more than half a million acres of Federal and State public lands. If theft or unauthorized use occurs, BLM moves promptly to investigate the incident and recover full compensation. When hazardous substances—such as old dynamite at an abandoned mining site or discarded barrels of toxic waste—are discovered on public lands, BLM acts quickly to eliminate risks to the public. And BLM employees, acting on their own or as members of teams, carry out countless search and rescue operations involving hikers, boaters, and others who are lost or injured.

photo by Jerry Sintz



Measuring Our Performance: Government Performance and Results Act (GPRA)

The Government Performance and Results Act (GPRA) of 1993, along with the Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act, requires the Bureau of Land Management and other Federal agencies to prepare annual performance plans, starting in fiscal year 1999. GPRA requires four components for these performance plans:

- a strategic plan
- a performance (and evaluation) plan
- a performance-driven budget
- an annual performance report (may be included in the annual report required by the CFO Act)

The purpose of GPRA is to establish agency accountability for achieving meaningful program results. GPRA seeks to improve agency and Congressional decision-making by requiring clearly stated and understandable goals, measures of progress, and costs of achieving results.

GPRA is a results-oriented approach that uses a slightly different approach to measurement and reporting. Under its requirements, performance will be reported in terms of outcomes as well as outputs.

In BLM, outputs describe a *recorded level of activity*, while outcomes are synonymous with *results*. For example, we have traditionally reported the “number of tons of coal produced on public lands” as an output. The new reports will continue to provide these figures, but they will also frame coal and other commodity production as an outcome: “Improve the use of the public lands to meet human needs in a sustainable manner.” This ties in a specific accomplishment with a strategic goal or performance measure.

Each year, customers, employees, management, and stakeholders will see easily understandable reports containing mission and organization-oriented goals and measures, written summaries explaining issues and

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their significance, financial information, and a graphic representation of progress and trends. The information will be distributed in various media, including BLM's Internet "Home Page," printed reports in field office public rooms, special mailing lists, and Departmental performance summaries.

Strategic Planning

We are currently developing a broad strategic plan that will include agencywide goals, objectives, actions, and performance goals. This strategic plan, which will fit within an overall Departmental Strategic Plan framework, is scheduled to be completed by September 30, 1997. Several BLM directorates, States, and programs have already completed strategic plans, including human resources, business and fiscal services, information resources management, health and safety, wildlife, recreation, customer service, and ecosystem management.

BLM's *Blueprint for the Future* (a 1994 document containing a vision, strategic goals, and a corporate agenda) identifies significant areas for BLM to focus on. Our current Blueprint identifies the following goals and objectives:

Maintain Healthy Ecosystems

Restore and maintain the health of the land

Serve Current and Future Publics

Improve service to the public and encourage sound use practices

Promote Collaborative Leadership

Foster more inclusive decisions and better accountability

Improve Business Practices

Improve the way we do business

Improve Human Resource Management Practices

Recruit, develop, and retain a quality and diversified work force

The new multi-year Strategic Plan will largely be a revision of our *Blueprint for the Future* and will tie in closely with our daily operations. As GPRA itself points out, plans that tie directly to work are more meaningful to all employees and are therefore more effective.

Performance Plans

Strategic goals and objectives link directly to our corporate performance plan. Annual performance plans will contain performance goals that may be the same as strategic goals in some cases and more specific in others, depending on which level of the organization the goal addresses. The plan may be hierarchical, showing what needs to be accomplished at each level of the organization in order for the next higher level to meet its goals.

Performance measures collect information on how goals are being met and how the organization is progressing in meeting those goals. GPRA requires both qualitative and quantitative measures. The measures need to collect specific information in terms of daily operations. This ensures that what gets measured relates to producing meaningful results (i.e., *through work*).

To date, we have identified 23 new Bureauwide performance measures. These fall into seven goal areas closely associated with the *Blueprint for the Future*. The goals and measures shown below will be reviewed by field offices, customers, and stakeholders before we implement them. Current goals and related performance measures are as follows:

Improve the health of the land

- *Index of physical functionality*
- *Index of biological health*
- *Percent of BLM stream miles that meet State water quality standards*
- *Percent of habitat managed to support threatened and endangered and sensitive species*

Improve the use of public land resources to meet human needs in a sustainable manner

- Improve recreation access
- Public land use contribution to gross domestic product
- Lands acquired or disposed of that enhance resource values and contribute to local economies
- Reduce the amount of minor right-of-way case processing time
- Improve opportunities for the use and preservation of cultural resources and paleontological localities
- Market value of commodities produced on public lands

Increase quality of and access to land, resource, and title information

- Improve quality of databases that will be converted to the Automated Land and Mineral Record System
- Increase amount of metadata collected (data documentation)
- Customer satisfaction with information (availability, quality, etc.)

Reduce threats to public health, safety, and property

- Acres burned by non-prescribed fires
- Number and nature of accidents on public lands per visitor day
- Public land hazards index

Increase the quality of the workforce

- Percent of professional, administrative, technical, clerical, and other (PATCO) goals achieved by category
- Percent employees satisfied with their jobs
- Combined education and years of experience of BLM employees
- Progress toward desired skill mix

Improve efficiency of organizational structure and processes

- Employee/supervisor ratio
- Percent of employees assigned to overhead or mission-oriented tasks

Improve collaboration in decisionmaking

- Improve satisfaction of participants in BLM partnerships

Performance measures were developed using an interdisciplinary team. The team drafted national-level (corporate) measures using the *Blueprint for the Future* to provide the strategic goals and objectives framework. A public meeting generated input from several key groups of customers and stakeholders. This input was used by the performance measures team to modify and amend the original draft measures.

Subsequently, a steering committee was created, composed of managers from all levels of the Bureau. The steering committee, which continues to operate, reviews changes and ensures that the measures are meaningful to the organization and its customers.

Development of performance measures is seen as an evolving process that is always adjusting to change. We anticipate periodic field office and public reviews of the measures to ensure that we remain attuned to our customers, stakeholders, and employees.

BLM is also working with other natural resource management agencies to define overlapping areas of performance, to identify areas for cooperation in developing measures, to collect and evaluate data, and to find ways to meet customer needs. BLM currently chairs the Interagency Natural Resource Performance Measure Forum, whose membership includes the U.S. Fish and Wildlife Service, Bureau of Indian Affairs, Interior Secretary's Office, Bureau of Reclamation, National Biological Service, National Park Service, Environmental Protection Agency, and other departments and agencies.

Customer Service

BLM's Customer Service initiative is an important component of the Government Performance and Results Act.

The Bureau of Land Management (BLM) is committed to improving the quality of service it provides to its customers. As part of this commitment, BLM developed a customer service plan in 1994 that includes several customer service standards. The standards were established to help us determine whether we are meeting our customers' needs and expectations.

Customer feedback is a vital component of BLM's commitment. We must rely on our customers to tell us how we are doing, whether we are providing the services they want, and whether we are providing those services in the best possible way. During June and July 1995, we conducted our first national survey of customers to determine their level of satisfaction with the services they have received. The results of the survey will help us determine whether we are meeting the standards established in our customer service plan.

BLM's survey was conducted with a random sample of over 7,000 customers. The customers were grouped according to the products or services they receive most often from BLM: information access, recreation and education, and use authorization. These groups encompass the vast majority of BLM's day-to-day customers. In addition, some 3,000 front-line employees were surveyed about providing customer service.

The survey asked a variety of questions in different categories. Customers rated their experiences with BLM on a scale of 1 to 7, with 1 meaning "needs major improvement," and 7 meaning "excellent."

Overall, the information access customers indicated the highest level of satisfaction with BLM, followed by recreation and education

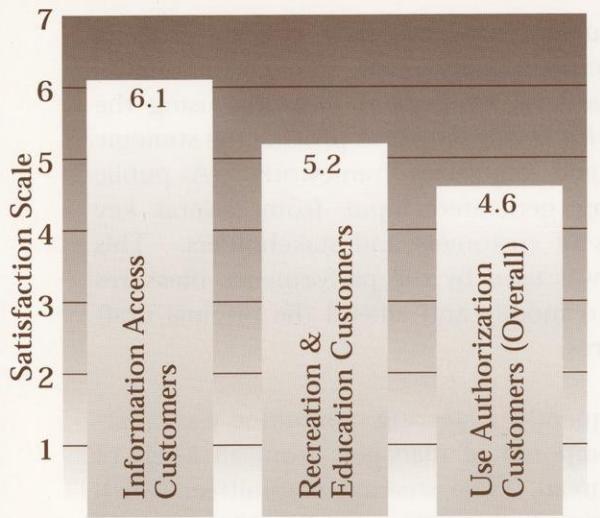


Figure 1. Overall Satisfaction of BLM Customers

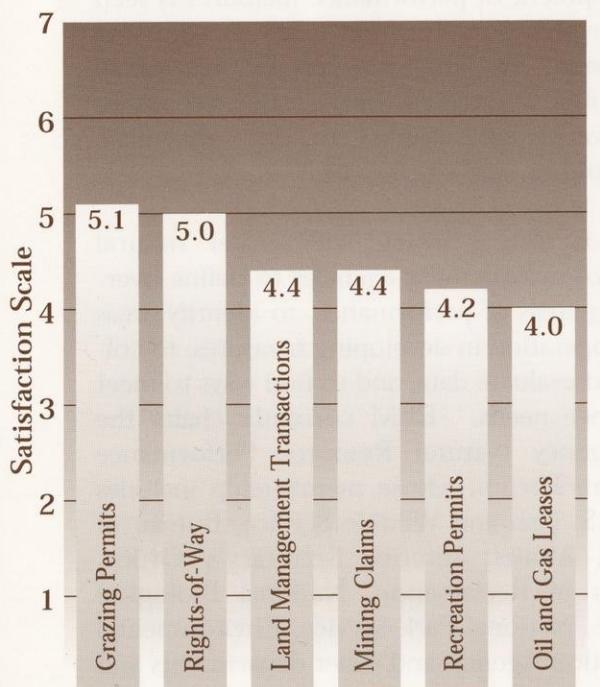


Figure 2. Use Authorization Customer Satisfaction by Category

customers, then use authorization customers, as shown in Figure 1. Levels of satisfaction within individual categories of questions varied—some were favorable and some showed where improvements were needed.

Where possible, the survey results are grouped according to the categories of customer service standards in BLM's customer service plan. The percentages given reflect the number of responses that were 5 ("satisfactory") or higher.

Information Access Centers: Central locations where our customers may obtain information and products

You will be greeted and your request will be acknowledged within 5 minutes of your arrival.

97% of our information access customers were greeted within 5 minutes upon their arrival.

You will receive the most current and accurate information about the public lands that we have available to the public.

You will receive available information within 30 minutes of your in-person request. We will respond to your telephone or written requests within 5 business days.

97% of the information access customers received their information within 30 minutes of their in-person request.

77% of the information access customers received a response to a telephone or written request within 5 business days.

Uses Requiring Authorization: Grazing permits, mineral leases, and rights-of-way that require prior written approval

The survey showed that the customers concerned with obtaining authorizations for pub-

lic lands had a variety of experiences. Figure 2 shows the levels of satisfaction for the six sub-categories of use authorizations.

Casual Uses of Lands, Facilities, and Developed Sites: Use of campgrounds, visitor centers, developed trails, and other facilities

You will be provided with well-designed and maintained facilities.

You will receive complete and up-to-date information on the requested site.

77% of the customers were satisfied with BLM's facilities and developed sites.

Compliance and Enforcement: Enforcement of requirements, regulations, and laws governing leases, permits, grants, and other uses of lands and resources

You will be advised of the requirements for the proper use of public lands and resources.

You will be given the information you need regarding the applicable BLM compliance and enforcement process, expected timeframes, and reporting requirements and responsibilities.

You will be treated fairly under laws and regulations.

74% of the customers were satisfied with the way BLM explained the terms and conditions of the permit or authorization.

55% of the customers were satisfied that BLM was ensuring fair and consistent policies for all applicants, grantees, and permittees.

Public Policy Involvement Opportunities: Opportunities for our customers to be involved in BLM's planning process and our management of resources

You will be provided with the opportunity to tell us how you think publicly owned resources should be managed.

As we develop plans and regulations or other requirements for the use of public resources, you will be asked for your ideas.

You will be given adequate time to make your comments and suggestions.

56% of the customers were satisfied with BLM getting public input into deciding how the land will be used.

The survey results also indicate that our day-to-day customers are concerned with BLM's management of the public lands:

50% were satisfied that BLM balances local and national priorities when interpreting laws and policies.

57% were satisfied that BLM balances environmental needs with applicants' needs.

56% were satisfied that BLM balances the needs of multiple users.

Customer Survey Analysis and Future Actions

Four themes emerged from both the external customer and employee surveys: fair and consistent enforcement, reasonable rules, effective communication, and streamlined internal processes. The overwhelming concern of the customers surveyed was BLM's internal management practices: coordinating between BLM offices and State and local governments, and having enough local authority at BLM field offices. Bureau employees identified communication and coordination, BLM's management of the regulatory process, and leadership as major areas that needed to be improved.

Our first national customer survey provided a valuable starting point in establishing a baseline that will help us determine how we can provide better service and meet the challenges of the future. We will consider all customer comments and suggestions as we make changes to improve our products, procedures, and services. And while comments and suggestions are welcome at any time, we will continue to provide opportunities for customers to evaluate our performance.

To ensure this happens, three customer service performance measures are planned that will report BLM's performance through the GPRA process. Customer survey results will be used in developing future performance measures, and the new employee performance appraisal system incorporates customer service as a standard rating element.

Performance Budgeting

BLM is seeking to establish direct links between strategic planning, customer service, performance measurement, evaluation, and budget.

Of course, the budget allocation process will always be influenced by outside forces and new legislation or administrative direction. Examples include natural events, such as wild-fires, that demand an immediate response and cannot be fully anticipated, and various initiatives affecting such matters as timber salvage, grazing standards and guidelines, land exchanges, and endangered species. Budget requests and allocations will also be driven in part by past performance in achieving our strategic objectives and workplan.

Over the next few years, we will be integrating into the budget process performance measures that have a cost-accounting base. This will provide measures that can be correlated to budget line items, or at least budget activities and programs. A system will be designed for

evaluating performance that results in recommendations for allocating funds. The evaluation process will have several sources of data, including internal program evaluations, performance measures, customer surveys, output-oriented units-of-accomplishment, OMB reviews, OIG/GAO audits, and other "softer" data.

A "formula" is not expected, as there are often justifiable causes for changes in performance. As an example, the condition of rangelands may improve during a year of abundant sunshine and rainfall, or decline in a drought year. Obviously, management actions are not solely responsible for performance; outside influences need to be considered before making budget adjustments.

BLM will be flexible in responding to funding changes and making priority shifts. Programs will not continue, and work will not be assigned, solely because "it's always been done that way."

Performance Reports

GPRA requires annual performance reports that provide feedback to managers, policymakers, and the public. BLM is developing its Annual Report into a customer/stakeholder/manager report along the lines of a private company's Annual Shareholders' Report. This report that you are reading right now incorporates the Federal Land Policy and Management Act (FLPMA) report. We will continue to consolidate reports to eliminate redundancy and multiple publication/distribution efforts.

Our new "shareholders" report will provide accounting and cost-based natural resource, productivity, organizational, and financial information. The focus will be on cost-effective stewardship and our progress in fulfilling our mission.

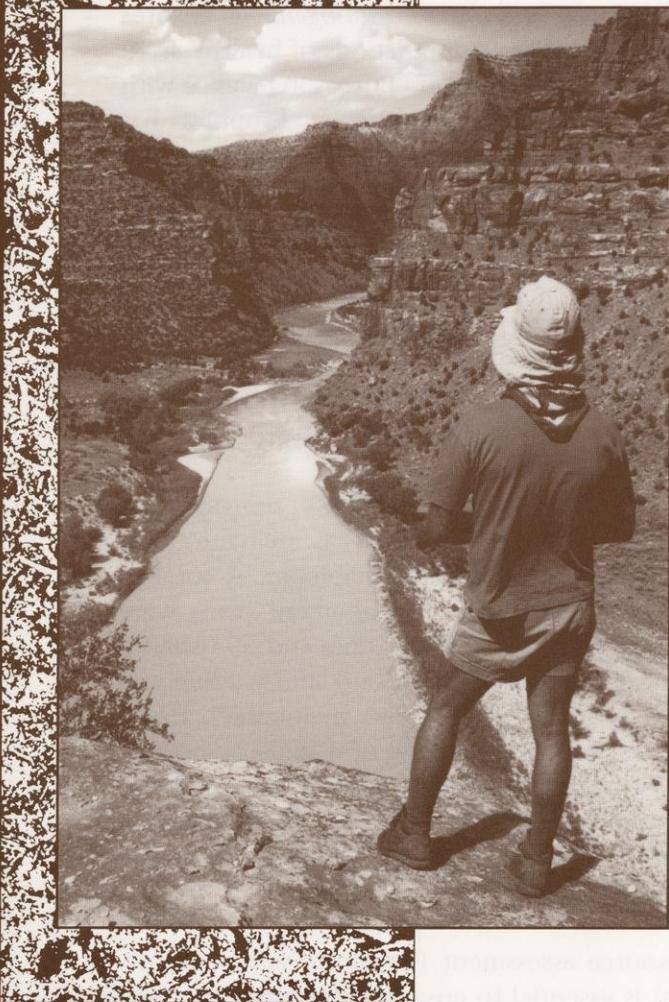


Our Organization

With an annual budget of \$1.2 billion, BLM employs about 11,000 permanent and seasonal or temporary workers. The Bureau is headquartered in Washington, D.C., in the historic Department of the Interior Building.

Additionally, the Bureau consists of 12 State Offices and almost 200 field offices; the National Interagency Fire Center in Boise, Idaho; the National Applied Resource Sciences Center, National Business Center, and National Human Resources Management Center in Denver, Colorado; and the National Training Center in Phoenix, Arizona.

photo by Carolyn Z. Roth



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Budget Performance Results

One way of measuring government performance and results is to look at what has been accomplished under each of the budget appropriations during the fiscal year. The following narrative highlights what has been achieved under the various BLM appropriations.

Healthy Productive Lands

Appropriation: Management of Land and Resources

Soil, water, and air management provides for the protection of soils, watershed values, and air resources on the public lands; reduces salinity and runoff from the public lands to protect water quality; and provides the basic data and technical information needed for sound land management.

Specific activities include resource evaluation, interpretation and application of climate and air data; dam inspections; soil survey work; watershed analysis (used to assess resource conditions and needs on 802,190 acres of Pacific Northwest old-growth forests and an additional 1.5 million acres outside of western Oregon); watershed improvement and maintenance projects (649 new projects in 1995 to improve water quality/wetland-riparian ecosystems and reduce soil loss and erosion, plus maintenance of 592 existing projects); on-the-ground restoration efforts on the Rio Puerco in New Mexico; and water rights documentation.

BLM efforts continued to reduce salinity discharges from public lands. In particular, the Bureau has continued to work with other agencies to reduce saline runoff and overall salinity in the Colorado River.

Riparian management encompasses nearly 24 million acres of lands classified as riparian or wetland. These lands support some of the most ecologically diverse plant and animal communities on our Nation's public lands. Because of their importance to many natural ecosystems and resources, including wildlife habitat and fisheries, and their relative scarcity, riparian and wetland areas are often focal points for other multiple-use activities as well.

Activities in FY 1995 included both resource assessment and resource improvement/restoration. A total of 8,508 miles of lotic riparian systems (rivers or streams) and 7,927 acres of lentic riparian systems (lakes or ponds) were assessed. Based on available inventory data, about 17 percent of BLM riparian wetland areas in the 11 Western States are in proper functioning condition, 23 percent are functioning but at risk, and 8 percent of riparian areas are non-functional. The condition on some 52 percent of the riparian-wetland areas has not been assessed. In Alaska, about 75 percent of the riparian-wetland areas are properly functioning and 1 percent are functioning but at risk, while the condition on about 24 percent of Alaska's riparian-wetland areas has not been assessed.

BLM also reports trends for riparian areas. These are a key consideration in interpreting the data. During 1995, the Bureau read 2,850 monitoring studies and developed 192 plans for systematically monitoring riparian systems. Areas identified as functional-at-risk, with a downward trend, are often the highest management priority because they are in danger of immediate degradation. At the same time, these areas often retain much of the resiliency associated with functioning areas, so there is usually an opportunity to reverse the downward trend through changes in land management practices.

Restoration activities included the development of 249 activity plans, streambank stabilization practices, willow/tree plantings, and the installation of gabions to slow or redirect water flows. Overall, intensive management was applied to 950 miles of lotic riparian systems and 6,887 acres of lentic systems. This included the development of 522 riparian enhancement projects and the maintenance of an additional 603 projects during FY 1995. It is anticipated that these restoration activities will result in a portion of BLM's non-functioning riparian ecosystems moving to riparian ecosystems that are properly functioning or functioning but at risk.

Wild horse and burro management ensures maintaining viable populations of healthy, free-roaming wild horses and burros in balance with available public land resources. Emphasis has been placed on determining appropriate wild horse and burro population levels, implementing on-the-ground herd management, and adjusting wild horse and burro populations to appropriate management levels through fertility efforts. In 1995, BLM removed approximately 9,570 wild horses and burros from public land and placed 9,660 animals with qualified applicants through the adoption program.

Wildlife habitat and fisheries management includes efforts to protect, manage, and improve fish and wildlife habitats. A total of 114 interdisciplinary management plans were written or revised, 871 wildlife and 55 fisheries projects were developed, and 482 wildlife and nine fisheries projects were maintained. Based on the successful meeting of wildlife objectives, an estimated 5.6 million acres of wildlife habitat and 23,000 acres/nearly 4,000 miles of aquatic habitat have been improved or are meeting objectives.

Resource assessment (inventory and monitoring) is essential to ensuring that resource decisions are based on the best available scientific data. During FY 1995, nearly 31.6 million acres of upland habitat and 2.4 million acres/2,970 miles of aquatic habitat were assessed. Coordination and consultation with organizations, interest groups, and the general public are key components of this activity.

BLM continues to turn to public and private partnerships in managing wildlife resources. The Bureau has had successful partnerships with State, local, and Federal agencies; sportsmen's groups; conservation organizations; livestock and timber producers; and recreation groups. Examples of these include the Challenge Cost Share Program and the use of volunteers.

Through a redirection of base funds, BLM initiated a challenge cost share effort with the National Fish and Wildlife Foundation in 1995

at a funding level of \$500,000. Under a cooperative agreement, funds were directed to the National Fish and Wildlife Foundation so they could enter into challenge cost share projects with third parties to enhance fish and wildlife habitats. This funding level was matched by at least an equal level of funding from the National Fish and Wildlife Foundation and its partners, resulting in increased on-the-ground restoration projects as well as enhanced efficiencies in acquiring contributions for habitat improvement projects.

The public lands provide habitat for 19 different big game species, including pronghorn antelope, caribou, mountain goat, two species of moose, and three species of deer, elk, and bighorn sheep.

BLM administers 9 million acres (about 80 percent of the total habitat) for the desert bighorn sheep in about 115 target areas. Approximately 10,000 desert bighorns occupy these lands. BLM has initiated a program of inventory, monitoring, habitat management planning and improvement in a six-State area where this species lives. BLM has cooperated with State wildlife agencies to reintroduce bighorns into new areas and to augment additional herds. Since implementation of the range-wide plan, over 40 new herds have been established by transplants and existing populations of many herds have been augmented by transplants.

About 90 percent of the public lands provide upland game bird habitat for 23 species, including the Western sage grouse, three species of forest grouse, quail, ptarmigan, dove, wild turkey, and others. BLM lands are critical to the health and well-being of the majority of these species and will be especially important in the eventual recovery of the endangered masked bobwhite quail.

BLM lands contain all or a portion of 223 key raptor habitat management areas (encompassing 23.5 million acres). Key habitat areas include crucial nesting, feeding, and over-wintering and

resting habitat for migrating birds, and vary in size from 150 acres to 500,000 acres. The world-renowned BLM-managed Snake River Birds of Prey Natural Area near Boise, Idaho, contains the highest density of nesting raptors in North America.

The Partners In Flight initiative is a large, coordinated conservation effort involving Federal, State, and private conservation interests. The primary goal of this program is to stem the downward trend of neotropical migratory birds that typically summer in temperate climates and winter in Mexico and Central America. BLM has identified 246 species of nongame birds that rely heavily on public lands either for nesting habitat or as resting areas during annual migrations.

BLM's Watchable Wildlife initiative includes the development, in cooperation with State and other Federal agencies, of a national network of wildlife viewing sites nationwide, as well as completion of a series of wildlife viewing guides and other interpretative materials. To date, BLM has established over 200 viewing areas on public lands.

The streams, rivers, springs, lakes, and reservoirs on the public lands provide spawning, rearing, and other key habitat components for many species of cold and warm water fishes. Anadromous fish species, such as salmon and steelhead trout, are important for commercial, recreational, and subsistence purposes. Throughout their range, warm water and resident trout species also provide important social and economic benefits to local communities and the Nation. There are over 160,000 miles of streams that support populations of both resident and anadromous fish species. BLM also manages 2.9 million acres of lakes and reservoirs inhabited by resident fish.

Resident fisheries habitat management relates to management of habitat for resident trout and warm-water species that are important for recreational or scientific purposes. Habitat for these species includes some 155,000 miles of

streams, 192,000 acres of reservoirs, and 4 million acres of lakes.

During 1995, BLM continued resident fisheries habitat improvement efforts on high-priority areas throughout the West. As part of this effort during FY 1995, 55 fisheries improvement projects were completed and an additional nine were maintained. One such effort is the cooperative project to improve fisheries habitat at Lake Havasu, Arizona. This is a joint venture with the Arizona Game and Fish Department, California Department of Fish and Game, Anglers United, and the Bureau of Reclamation. Additional cooperators include Arizona State Parks, the Fish and Wildlife Service, Lake Havasu City Parks and Recreation Department, Metropolitan Water District, and local bass clubs.

Other fisheries management efforts include habitat restoration projects on key stream/watershed areas, such as the Arkansas River in Colorado, the San Pedro River and Gila Box National Conservation Area in Arizona, the Rio Grande River, the Mary's River in Nevada, and others. Management efforts will include habitat evaluation and assessment; access enhancement; water quality enhancement measures; installation of structural improvements, such as boulders, gabions, and trees; and various streambank improvements and rehabilitation projects.

Some 13,000 miles of spawning and rearing streams for salmon and steelhead trout occur on the public lands in Alaska, California, Idaho, Oregon, and Washington. Over 58 million pounds of fish that spawn in BLM-managed streams are harvested annually by commercial fishermen at a current market value estimated at \$40 million. In addition, over 1.5 million days of recreational fishing produce approximately \$24 million in economic benefits to local communities.

Commercial Activities

Appropriation: Management of Land and Resources

Rangeland management involves managing rangeland ecosystems to ensure their health, natural diversity, and long-term productivity. Rangeland management activities not only provide for livestock forage, but also support wildlife habitats, serve wild horse and burro needs, and promote watershed health. Through the rangeland management program, the condition of both upland ranges and riparian areas can be maintained or improved to serve a variety of uses and values.

Specific activities have included:

Resource Evaluation: Ecological site inventories are used to establish baseline data to support both monitoring and activity planning, and to determine the extent, condition, and potential of upland and riparian management areas. Monitoring enables BLM to determine the effects of current management actions; i.e., are actions meeting resource objectives? Monitoring studies include vegetative composition, forage utilization (a measure of the amount of forage consumed by livestock, wildlife, and wild horses), actual use (the number of livestock and other animals using the rangeland), trend (changes toward or away from resource objectives), and climate (measured precipitation and temperature).

Interdisciplinary Planning Activities: Activity plans specify resource objectives for the rangeland ecosystems, management prescriptions, and range improvement projects or treatments needed to achieve planning objectives. These plans consider wildlife habitat and fisheries, watershed protection, recreational users, and other uses and values.

Resource activity plans are being developed on an interdisciplinary basis and are designed to

manage the soil and vegetative resources for the sustained yield of forage plants; provide for wildlife habitat, other unique plant communities, and watershed values; and to meet other resource objectives. All activity plans are monitored to analyze changes in resource conditions and to determine if resource objectives are being met.

Resource Improvement and Maintenance: Improving vegetation, watershed conditions, and wildlife habitat is accomplished by concentrating efforts and funds where the greatest need and potential for improvement exists. Livestock grazing system development, structural improvements and land treatments are used to improve resource conditions on those areas that will yield the highest returns or that need the greatest protection.

The rangeland improvement policy encourages private parties and other beneficiaries to contribute funds and shifts project maintenance responsibilities to the benefitting user. BLM continues to be responsible for maintenance of land treatments and certain structural improvements, such as reservoirs and water developments requiring specialized equipment.

BLM continues efforts to reestablish shrubs and other forage plants that are critical to deer winter ranges and other habitats that have been destroyed by wildfires. Efforts have concentrated on establishing forbs and grasses that retain their succulence into the summer, thus providing both a perennial vegetation cover and a natural barrier that will slow down and/or stop the spread of range fires (commonly called green stripping).

Noxious Weed Control: Noxious weed infestations threaten the productivity of rangelands, wildlife habitat, and adjacent agricultural lands. Noxious weeds occur on many public land areas throughout the western United States and pose health hazards to grazing animals. About 8 million acres of BLM lands are infested by noxious weeds, which spread at a rate of about 14 percent each year. In FY 1995, BLM

treated noxious weeds on about 56,120 acres and accomplished biological control on an additional 378,000 acres in western Oregon. Approximately 15,500 acres of the reported weed control was completed in the Range Improvements activity during the year.

Livestock Grazing Use Administration: Livestock grazing is an important use on public lands that contributes significantly to the economic stability of many Western communities. BLM authorizes some 10 million animal unit months (AUMs) of livestock use annually to about 19,000 operators. The public lands are divided into 22,000 grazing allotments or areas in the Western States. In Alaska, nearly 16,000 reindeer graze on 5 million acres. Grazing allotments can include private, State, and other Federal lands intermingled with BLM public rangelands, so close coordination with other interests is critical.

Forest management involves the management, development, and protection of approximately 45 million acres of forest lands in 11 Western States and Alaska (excluding western Oregon). Of this amount, an estimated 9 million acres are forest lands having commercial timber capability (including a potential 7 million acres in Alaska), with the other 36 million acres being woodland.

The program is responsible for the sale of all vegetative products from public lands, including sawlogs, Christmas trees, cactus, poles, pine nuts, and mushrooms. During FY 1995, the Bureau collected \$465,668 for the issuance of 31,669 permits for non-timber vegetative products. In addition, 77.3 million board feet of salvage volume and 109 million board feet of non-salvage volume were harvested. BLM reforested 2,007 acres and completed forest stand treatments on an additional 1,930 acres.

The sawlog volume offered was considerably below previous years as a result of the spotted owl and salmon issues in the Pacific Northwest. The Forest Ecosystem Health and Recovery Fund (FEHRF) played a key role in the salvage

of insect, disease, wind, and fire damaged timber. This fund allows a portion of receipts from sale of salvage timber to be used to prepare salvage sales and to reforest damaged timber lands. New program goals and direction were recently outlined in a publication titled "FORESTS: Our Growing Legacy," which stresses an ecosystem approach to forest management.

Mining Law administration involves administering the laws relating to mining locatable (hardrock) minerals on the public lands, including recording mining claims, handling environmental assessment and surface management for ongoing mining activities, and issuing mineral patents. During FY 1995, 35,093 new mining claims were recorded, rent payments were made on 262,815 claims, 373 pending mineral patent applications required action, and about 1,100 notices/plans were processed.

Energy and minerals management involves leasing and supervising Federal onshore and Indian oil and gas, tar sands, coal, non-energy minerals, geothermal, and oil shale resources; administering mining laws; and selling mineral materials. Assessing environmental impacts of proposed minerals development actions and implementing measures to mitigate any adverse environmental effects are important program elements.

Oil and gas management involves managing 52,066 Federal oil and gas leases on 36,495,563 acres. Of these, 16,962 competitively issued leases contain 9,632,396 acres; 32,644 noncompetitive leases contain 26,102,066 acres; and another 2,460 leases consisting of 1930 Act leases, exchange and renewal leases, private leases, and Federal Farm Mortgage Corporation (FFMC) leases, contain 761,101 acres. The program involves leasing Federal oil and gas resources onshore, post-lease supervision, lease adjustments, drainage detection, Indian mineral lease supervision, environmental assessments, and inspection and enforcement activities.

BLM was administering 20,100 producing Federal leases on 10,512,542 acres at the close of FY 1995. A total of 38 competitive sales were conducted. These sales involved 6,578 offered parcels Bureauwide containing 6,105,837 acres. From these offered parcels 2,915 parcels (2,212,824 acres) were sold. In addition, approximately 1,163 non-competitive leases were issued on 1,168,700 acres. The total bonus revenue from these sales was slightly over \$44 million, up from the \$41.4 million received in FY 1994. In addition, well over 20,000 lease adjustments were processed.

In 1990, BLM redesigned its nationwide inspection and enforcement strategy and began implementing changes in inspection procedures and annual inspection objectives. This was done in response to criticism of BLM's oil and gas inspection and enforcement (I&E) program in reports prepared by the Senate Select Committee on Indian Affairs, the General Accounting Office (GAO) and the Interior Department's Office of the Inspector General (OIG). As a result of the reports, oil and gas I&E was determined to be a material weakness and has been given priority for funding and management attention to correct deficiencies.

The revised policy substantially increases assurance of production accountability and meeting BLM's inspection and enforcement responsibilities. BLM now conducts more intensive and detailed production inspection. The I&E program involves inspections of all high-priority drilling, abandonment, environmental, public health and safety, and legal activity, as well as inspections on leases containing 80 percent of all production.

Combined hydrocarbon leasing is conducted under the authority of the Combined Hydrocarbon Leasing Act of 1981. Eight competitive tar sand leases containing 12,573 acres were bid on in September 1995. These lease bids yielded \$7,705,212 in bonus bid monies from the highest qualified bidders. As of September 30, 1995, BLM managed 13 leases containing 28,832 acres in addition to

the eight competitive leases sold in September 1995, all located in the Designated Tar Sands Areas of Utah.

Geothermal leasing activities during FY 1995 resulted in three noncompetitive leases being issued on 4,558 acres. In total, BLM managed 400 geothermal leases containing 550,613 acres, of which 168 were competitive leases containing 246,519 acres and 232 leases were noncompetitive containing 304,094 acres. Current geothermal production from Federal geothermal leases is yielding 1,150 megawatts from 15 facilities located in California, Nevada, and Utah.

Coal management involves managing about 33 percent of the known coal resources in the United States and indirectly affects the use of at least an additional 10 percent. Approximately 60 percent of Western coal is Federally owned and an additional 20 percent is managed or impacted by the Federal Government. In 1995, 11 new competitive leases were issued. These brought the total number of Federal leases in force to 416 leases that encompass over 631,000 acres of Federal lands or subsurface minerals as of September 30, 1995. In 1995, Federal leases produced approximately 317 million tons of coal worth \$2.7 billion. Royalties to the Federal Government were around \$292 million. Major emphasis in the program is on supervision of existing leases and producing operations through lease adjustments, diligent development reviews, and production verification.

Other minerals resources management provides for leasing and supervision of other mineral resources such as uranium, oil shale, potash, phosphate, and other leasable minerals on Federal lands. It also includes managing and selling such common variety mineral materials as sand and gravel. In 1995, seven non-energy leases were processed, 14 lease adjustments made, and 532 inspections were conducted. A total of 2,100 mineral material sales occurred, 29 non-exclusive use sites were designated, and 2,330 inspections were conducted.

In 1992, "Production Verification" in the mineral materials program was identified as a management control material weakness due to insufficient field inspections and current appraisals. As a result, BLM revised its inspection and appraisal policy with added emphasis given to supervision of high production mineral material sites.

Appropriation: Oregon and California Grant Lands

The Oregon and California (O&C) Grant Lands appropriation provides for managing the revested Oregon and California Railroad Grant Lands, along with the reconveyed Coos Bay Wagon Road (CBWR) Grant Lands, for permanent forest production under the principle of sustained yield, as mandated by the O&C Act of 1937 (43 U.S.C. 1181). Intermingled public domain lands that are managed for forest production under the principles of sustained yield and multiple-use under the provisions of the Federal Land Policy and Management Act (FLPMA) of 1976 are also included in this appropriation. Programs conducted on additional O&C lands (492,399 acres) within National Forests are managed and funded by the U.S. Forest Service.

The goals of BLM's management program for western Oregon are to maintain and enhance biological diversity and sustained resource production, to provide a permanent supply of timber, to protect and enhance watersheds and fish and wildlife habitat, to provide recreational opportunities, and to contribute to the economic stability of local communities.

The following major activities are financed by this appropriation:

Western Oregon Resources Management provides for the management of 2.4 million acres of land in western Oregon. These lands support a number of resource management activities, including timber harvesting, grazing, critical watersheds, wildlife habitat and fisheries, recreation, and cultural resources. Resource management planning is also included in this

activity. Only 109 million board feet of timber was offered and sold in FY 1995 due to the court injunctions resulting from the Northern Spotted Owl controversy.

Western Oregon Information and Resource Data Systems provides for the acquisition, operation, and maintenance of the automated data support systems required to manage the O&C programs.

Western Oregon Facilities Maintenance provides for maintenance of office buildings, warehouse and storage structures, shops, greenhouses, recreation sites and the transportation system needed to manage the lands in western Oregon. During FY 1995, the Bureau maintained 164 buildings and 60 recreation sites in western Oregon.

Western Oregon Transportation Maintenance furnishes maintenance for the transportation system in western Oregon. This includes maintenance of roads, trails, bridges, and airstrips. This subactivity typically funds the maintenance that is associated with the "non-fee" part of the system. A total of 5,419 miles of road, 28 miles of trail, and 108 bridges were maintained. In addition, 45 culverts were replaced and 60 miles of road were resurfaced during FY 1995.

Western Oregon Construction and Acquisition provides for the acquisition of road easements and road use agreements for timber site access as well as other resource management activities; for transportation planning, survey and design of access, and other activities; for several construction projects on BLM lands in western Oregon; and for rock aggregate used in constructing access roads.

Appropriation: Service Charges, Deposits, and Forfeitures

This appropriation finances BLM's costs of performing specific actions initiated by applicants; it is derived from deposits of funds and payments of fees established by FLPMA. The

appropriation provides some management flexibility in responding to externally initiated applications and ensures the immediate availability of funds for public demand work, such as processing rights-of-way (ROWs) and copying official records. Flexibility and fund availability are particularly important, given the unpredictability of the level of demand, timing, and other factors associated with these actions.

Funds were deposited for processing ROW applications and monitoring construction and operations for 203 major ROW projects, including oil and gas pipelines, electric and other transmission lines, power plants, and water delivery systems. BLM's costs of processing and monitoring small ROW projects are included in this appropriation; these costs are recovered through a fee schedule.

Fees collected in this account also fund a portion of the costs associated with the adopt-a-horse program, rehabilitation of damaged lands and facilities, processing of specified categories of realty cases, slash burning with deposits received from timber contractors, and the production, research time, and administrative services involved in providing copies of official public land records and documents requested by the public.

Appropriation: Range Improvements

The Range Improvements appropriation is derived from a portion of grazing fees and certain mineral leasing receipts collected during the previous year. Fifty percent of the grazing fees from the Public Land and Bankhead-Jones Farm Tenant Act Land and mineral leasing receipts from the Farm Tenant Act Lands are available for appropriation. When appropriated, these funds are used for planning and constructing physical improvements and for implementing practices or treatments to rehabilitate, protect, and improve the public rangelands.

Recreation and Leisure Activities

Appropriation: Management of Land and Resources

Recreation management includes activities that facilitate and manage the use of public lands for a wide variety of outdoor recreation purposes; provide for the protection, interpretation, and management of historical, archaeological, and paleontological sites; and provide for wilderness and interim area management.

Recreation resources management concentrates on continuing the implementation of BLM's *Recreation 2000* strategic plan. This plan focuses management on heavily used areas, as well as providing for a greater diversity of recreational opportunities on public lands. The emphasis in 1995 was on visitor services, resource protection, use management, and plan preparation for special management areas. During 1995, a total of 126,331 recreation use permits were issued.

Recreation operations and recreation collections are an important component of BLM's recreation program. A total of 204 BLM fee sites generated \$860,000 from collected fees, which were appropriated to BLM to be used for operating and maintaining these facilities.

Facilities maintenance is a revitalized program to maintain BLM facilities at a higher level. At present, the Bureau is responsible for maintaining a total of 2,450 buildings, over 1,100 recreation sites, and 66,500 miles of road used not only by BLM, but also by the public and other agencies. The infrastructure maintenance needs are being managed and tracked through the Facilities Inventory Maintenance Management System (FIMMS). During 1995, BLM provided maintenance for 1,739 buildings, 1,059 recreation sites, and 7,146 miles of road, exclusive of western Oregon.

Appropriation: Construction and Access

Construction projects are designed to enhance multiple-use management of public lands by correcting public health and safety problems, enhancing resource-dependent recreation, meeting management commitments for Congressionally designated areas, providing access for the physically challenged, improving fee collection capability at developed recreation sites, providing facilities (including survey and design), and enabling BLM employees to efficiently administer programs on public lands.

Access to public lands for public use and proper management is achieved by acquiring legal rights (easements for road and trail access) across non-Federal lands. Principally, BLM acquires access to areas that are valuable for their forest products, minerals, or potentially high level of recreation use. Access is also provided for national trail systems, wilderness or wilderness study areas, and wild and scenic rivers. In 1995, 171 easements covering 27,427 acres were acquired.

Preservation of Significant Cultural and Natural Features

Appropriation: Management of Land and Resources

As the manager of the Nation's largest land estate, BLM manages the Federal Government's largest, most varied, and most scientifically important body of *cultural resources*. The Bureau has inventoried more than 10 million acres of the 270 million acres of public lands in the 11 Western States and Alaska, or about 4 percent of the total area. More than 175,000 cultural properties (e.g., archaeological and historical sites) have been discovered through this inventory, with estimates of the total number ranging between 4 and 5 million. These resources span the entire period of human presence in the Western

Hemisphere. During 1995, 430,314 acres were inventoried and 6,846 sites were managed.

In 1995, BLM continued to enhance its ongoing Native American coordination and consultation program by maintaining a small program staff to provide coordination, assistance, policy guidance, training, and outreach on Native American-related issues. The focus is to support BLM managers in addressing the full spectrum of relationships between BLM and Native American communities, tribal governments, and Alaska Village Councils and Native Corporations. Many coordination responsibilities spring from a surprisingly large body of laws, ranging from the tribal planning coordination responsibilities in FLPMA to the consultation required in the Native American Graves Protection and Repatriation Act of 1990 (NAGPRA).

Federal agencies are required by the Archaeological Resources Protection Act (ARPA), the Antiquities Act, and the National Historic Preservation Act (among others) to properly manage and preserve museum collections. These collections include archaeological, historical, paleontological, and ethnological resources removed from the public lands, whether they are located in Federal or non-Federal repositories. BLM has one of the largest responsibilities: more than 3 million objects are curated in BLM facilities, and approximately 18 million are housed in over 200 non-Federal repositories. Regulations require agencies to inventory collections from lands under their jurisdiction, whether housed in Federal or non-Federal repositories, and to maintain full administrative records on the collections. While much progress has been made in this area, records for many of the collections assembled prior to 1975 are still incomplete or disorganized.

More recently, NAGPRA has required agencies to inventory archaeological and ethnological collections in their possession or control (which includes cooperating non-Federal

museums) to identify Native American human remains, associated funerary objects, sacred objects, and objects of cultural patrimony; to identify them geographically and culturally; and to notify appropriate Indian tribes of the findings. Tribes will then be able to claim some of these remains and objects.

BLM's Cultural Heritage programs contribute to enhancing local economies and job opportunities. The Heritage Education and Adventures in the Past initiatives respond to the growing tourism-adventure travel market, integrating the public's desire for outstanding wildlands and adventure travel opportunities with the needs of local and regional economies.

BLM operates the Anasazi Heritage Center near Dolores, Colorado, which serves as a public museum and repository for artifacts and archaeological records from the Four Corners area. The Center is an interpretive facility that promotes awareness and education concerning archaeology and history, as well as an awareness of BLM's mission of multiple-use public land management.

Under a 5-year strategic plan for heritage education, BLM's goals are to use the vast archaeological and historical resources in its custody to further the education of America's children, strengthening their sense of personal responsibility for the stewardship of America's cultural and paleontological heritage. Children are taught in both formal and informal educational settings. The strategy is to capture the attention of young people and then involve them in increasingly more sophisticated learning experiences as they get older.

The 1988 amendments to ARPA contain a requirement that Federal land managers establish programs to increase public awareness of the significance of the archaeological resources located on public lands and Indian lands and the need to protect such resources. In response to this provision, BLM developed its Adventures in the Past initiative. Adventures is BLM's umbrella program for promoting

public education and awareness of archaeological and historical resources, and for encouraging public involvement in the protection and management of cultural resources. Adventures in the Past seeks to increase the public's enjoyment of cultural resources, reduce the destruction of cultural resources, and demonstrate and encourage good stewardship of cultural resources.

ARPA, the primary law designed to curtail illegal activity on publicly owned archaeological sites, offers protection to archaeological resources on Federal lands by providing felony-level penalties for unauthorized excavation, removal, damage, sale, transport, solicitation, etc.

Examples of ARPA-related archaeological site protection activities include:

- participating in multi-agency task force operations to combat trafficking in looted archaeological resources.
- participating in interagency anti-looting and public awareness/education programs (e.g., Oregon's Northwest Save, Utah's Vandalism Task Force, Wyoming's Safeguard Wyoming's Past, and New Mexico's Public Land Watch).
- using volunteer Adopt-a-Site programs to help prevent vandalism.
- coordinating with the media to promote coverage of issues.
- executing cooperative agreements with local law enforcement agencies and military police units, such as those developed with the Arizona National Guard and the Arizona Civil Air Patrol.

BLM also physically protects cultural resources through site stabilization, limiting site access by rerouting and blocking roads, and other

methods. Emphasis is given to implementing activity plans and physical site protection projects in highly sensitive areas such as Grand Gulch in Utah, the Chacoan Outlier and Navajo Refugee sites in New Mexico, the California Desert Conservation Area in California, the El Malpais National Conservation Area in New Mexico, the San Pedro and Gila Box National Riparian Conservation Areas in Arizona, the Red Rock National Conservation Area in Nevada, the Warner Valley in Oregon, and the significant cave sites in southeastern Oregon and southwestern Idaho, among others.

BLM actively pursued challenge cost share opportunities and cooperative management agreements with universities, State and local governments, individuals, and public and private groups. These challenge cost share and management agreements significantly expanded BLM's capabilities in many different areas, notably for inventory, resource protection and site monitoring, scientific research, and heritage education. Efforts in promoting and expanding volunteer, partnership, and challenge cost share programs have been highly effective in increasing public and interest group awareness of cultural resources and in increasing BLM's capability to advance program priorities.

BLM issues cultural resource use permits to applicant consulting firms and educational institutions for archaeological and paleontological consultation and research. The Bureau meets public demand by reviewing applications and issuing permits in a timely manner. There are approximately 400 cultural resource use permits active at any given time, roughly two-thirds of which come up for renewal or similar processing each year.

Threatened and endangered species are an important BLM priority. The Endangered Species Act of 1973, as amended, requires that BLM carry out programs for threatened and endangered (T/E) species and the habitats they depend upon to bring these species and

their habitats to a condition where the protective provisions of the Act are no longer necessary. This involves both taking recovery actions and ensuring that other BLM program actions are not likely to jeopardize a species or destroy its habitat.

As part of BLM's efforts to manage the habitats of species listed as endangered or threatened during FY 1995, over 9.4 million acres/381 miles of stream habitat were assessed. Measures to improve habitat conditions for T/E species were applied to over 8 million acres/270 miles of stream habitat, with over 1 million acres of habitat showing improvement arising out of past management actions.

BLM has recently entered into a multi-agency agreement with the U.S. Forest Service, Fish and Wildlife Service, National Park Service, and National Marine Fisheries Service that establishes a general framework for conserving species that are tending toward Federal listing as threatened or endangered. Working together, agencies develop conservation assessments and agreements that outline habitat needs and management prescription efforts to remove, reduce, or mitigate threats to candidate or sensitive species, thus preventing the need to list them. During FY 1995, BLM prepared 11 of these agreements.

BLM's T/E species management efforts for listed and proposed species and their habitats are designed to comply with the Endangered Species Act requirements to avoid jeopardizing a species and to help bring about its recovery. Specific strategies include completing data bases to identify and track species occurrence and recovery actions; including specific T/E objectives in recovery plans and/or activity plans, coordinated interdisciplinary plans and habitat management plans; and implementing a monitoring system to track population trends, habitat conditions, and specific on-the-ground management activities.

The number of listed species inhabiting the public lands has been increasing over the last several years at a rate of approximately 15 species annually. In 1995, public lands provided part or all of the habitat requirements for over 260 listed or proposed T/E plant and animal species.

At least 700 plant and 600 animal species that occur on the public lands are either candidate or BLM sensitive species. Many species occupy vast areas of public land, while others are confined to isolated habitats or unique natural plant communities. BLM's policy is to manage the habitat of candidate and sensitive species so as to maintain populations and habitats at a high enough level to preclude the need for listing as threatened or endangered by either the State or Federal Government.

Recovery plans, which are prepared under the auspices of the Fish and Wildlife Service, specify the work needed to bring about the delisting of T/E species and identify each agency's responsibilities in the recovery process. BLM supplements recovery plans with habitat management planning when necessary to accomplish recovery plan objectives. About 18 habitat management plans with a T/E emphasis were written or revised in FY 1995. BLM continued to implement and monitor existing T/E recovery and management plans for species that rely on the public lands for habitat.

Wilderness and Wild and Scenic Rivers management encompasses wilderness study areas, designated wilderness areas, and National Wild and Scenic Rivers. In 1995, 135 wilderness areas were managed, while 20,141,808 acres of wilderness study areas received interim protection. Thirty-three designated rivers in five States, totaling 2,022 miles, were managed as part of the National Wild and Scenic River System.

Land Resources and Title Information

Appropriation: Management of Land and Resources

Cadastral survey is responsible for legal identification of all Federal land boundaries and maintenance of the Public Land Survey System. Cadastral surveys are an integral component of the Alaska land conveyance program. BLM's 1995 survey emphasis supported land and realty actions (i.e., land exchange/acquisition and trespass abatement) and boundary surveys for various special land management designations such as wilderness, Wild and Scenic River designations, and National Conservation Areas.

In 1995, over 200 Bureau projects, totaling approximately 6,350 miles of cadastral survey, were accomplished; this included 6 projects (totaling 700 miles) administered under P.L. 93-638, the Indian Self-Determination and Education Assistance Act. Forty-seven projects consisting of approximately 1,500 miles and 62 projects encompassing approximately 1,030 miles of cadastral survey were accomplished at the request of the Bureau of Indian Affairs and the U.S. Forest Service, respectively. BLM also accomplished a total of 48 cadastral survey projects requested by other external customers; these involved approximately 924 miles of cadastral survey. These survey projects were conducted to meet the needs of the National Park Service, Department of Energy, Department of Defense, Corps of Engineers, Federal Highway Administration, Coast Guard, Bureau of Reclamation, State governments, and private companies and citizens.

Cadastral survey, through the Cadastral Data Subcommittee, completed National Cadastral Data Standards and submitted them to the Federal Geographic Data Committee for approval. This initiative is helping to fulfill Executive Order 12906 "Coordinating Geographic Data Acquisition and Access: The National Spatial Data Infrastructure."

Cadastral survey, through the Geographic Coordinate Data Base (GCDB) project, collected data for approximately 4,200 townships and linked roughly 6,950 townships to data that will be in the Automated Land and Mineral Record System (ALMRS).

Lands, realty, and rights-of-way management provides lands, realty, and rights-of-way information to the public, State and local governments, and other Federal agencies. This includes operating and maintaining the existing manual system of official public land records, as well as responding to public inquiries about public land status, use, and availability.

BLM identified a material management control weakness in the withdrawal review process: some lands were not being opened to multiple uses. A schedule was developed and is being implemented to rectify this problem. In 1995, a total of 248 withdrawal review cases were processed, and 35 classifications were modified and terminated. This workload included 23 new cases on 132,051 acres.

Information and resource data management operates BLM's automated systems that support public land management along with other Federal lands and resources that BLM is responsible for or involved in, including ALMRS. BLM also manages existing ADP and data information systems and gives technical support to field offices. There are many automated systems within BLM that assist program staff and managers with storing, analyzing, and retrieving data. This data is used to help make sound resource decisions and ensure compliance with laws and regulations.

Public Health, Safety, and Resource Protection

Appropriation: Management of Land and Resources

Law enforcement and resource protection in BLM concentrates on mission-essential pro-

grams, such as resource protection, public health and safety, and drug control efforts that have a direct impact on public lands. In 1995, a total of 6,519 investigations and enforcement actions were conducted. These included opening 1,723 investigations, issuing 3,900 citations, and making 303 arrests.

Hazardous materials management objectives are to assure:

- protection of public health and safety relative to uses of or activities on public lands.
- protection of natural resources and the environment from the effects of hazardous materials or wastes.
- compliance with applicable Federal and State hazardous materials and related laws.
- minimization of current and future hazardous-materials-related liabilities and costs to the Federal Government.

In 1995, 43 emergency response actions were taken, 111 site cleanups were accomplished by BLM, additional site cleanups were accomplished by 37 potentially responsible parties, and 31 site cleanups were accomplished in cooperation with States.

Appropriation: Fire Protection

The *fire protection* account was established in 1990 to fund all aspects of the Interior Department's firefighting mission. In 1992, however, Congress separated out emergency firefighting costs from this account, so it now funds only the nonemergency, predictable portion of the Department's firefighting program.

This account provides funding for the fire protection (Program Management and Presuppression) programs of the BLM, National Park Service (NPS), Fish and Wildlife Service (FWS), and Bureau of Indian Affairs

(BIA). Funds from this account are made available by allocation from BLM to these other Interior bureaus so that they can conduct their own fire programs in accordance with their fire management plans and policies.

In 1995, BLM provided wildfire protection for property and natural resources on 270 million acres of public land. BLM maintained and operated the National Interagency Fire Center at Boise, Idaho, and the Alaska Fire Service at Fairbanks, Alaska.

Appropriation: Emergency Department of the Interior Firefighting Fund

This account funds the emergency or unpredictable aspects of the Interior Department's firefighting program. It provides funding for the wildfire suppression and emergency rehabilitation programs of the BLM, NPS, and BIA. The funds from this account are administered by BLM for the Departmentwide program. Funds are made available by allocation from BLM to the other Interior bureaus for their use in conducting emergency wildfire suppression and emergency rehabilitation.

In 1995, BLM was responsible for suppressing 2,966 wildfires that burned over 831,000 acres.

Land Exchanges and Other Realty Services

Appropriation: Management of Land and Resources

Alaska lands management provides the special lands and realty functions for Federal lands in the State of Alaska. This program includes continuing the transfer of title for large acreages to the State of Alaska and Native corporations; processing Native allotments, land exchanges, and use authorizations; performing easement management; and doing other lands and realty work to support natural resource

programs in Alaska. In 1995, 1,650,815 acres were patented to Native corporations, while 982,272 acres were conveyed to the State of Alaska.

Lands, realty, and rights-of-way management includes the basic function of providing lands and realty services to the public, State and local governments, and other Federal agencies. This program also involves reviewing, revoking, and processing withdrawal and classification actions for public lands. During 1995, 40 acres (1 case) were exchanged with the State of Idaho and 99,642 acres (82 cases) with private entities; 24 cases of Desert Land Entries were processed; and 3,791 acres (58 cases) of FLPMA land sales were conducted. In addition, there were 128 acres of State Selection conveyed and 155 cases involving 116,054 acres of Title Resolution processed during the year.

Appropriation: Land Acquisition

The Land and Water Conservation Fund provides funding for acquiring lands or waters, or interests therein, essential to improving the manageability of public lands and needed to process or make equalization payments for land exchanges in response to specific Acts of Congress.

BLM land acquisition priorities are based on providing adequate resource management, as well as on enhancing recreation, protecting critical natural resources (including wetlands and riparian areas), and providing crucial wildlife habitat for threatened and endangered species.

In 1995, work was done on over 41 projects that resulted in acquisition of nearly 17,000 acres in the lower 11 Western States. Most of the work was accomplished in California, Idaho, and Oregon, with a lesser amount in Colorado and Arizona.

Technical and Economic Assistance

Appropriation: Management of Land and Resources

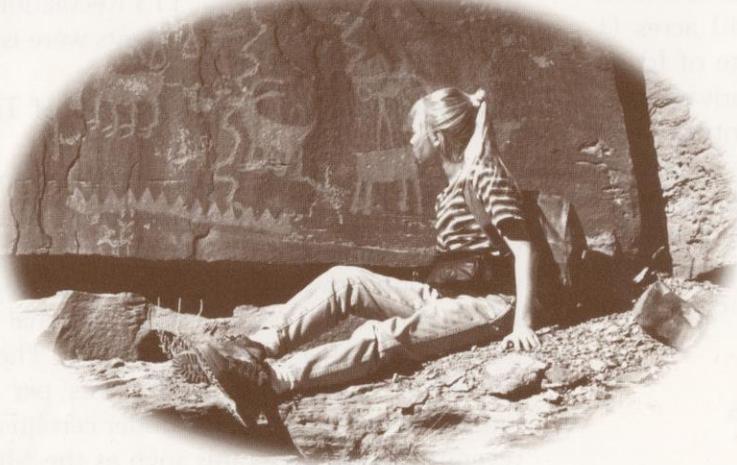
Lands, realty, and rights-of-way management grants leases or patents under the Recreation and Public Purposes Act to State or local governments, or to nonprofit groups, for schools, hospitals, parks, churches, and other community projects. During 1995, 113 Recreation and Public Purposes leases and patents were issued.

Appropriation: Payments in Lieu of Taxes

This appropriation provides for payments in lieu of taxes under the authority of 31 USC 6901-07, to counties for lands located within their boundaries that are administered by BLM, the Forest Service, the National Park Service, or other Federal agencies. The law provides for payment of 75 cents per acre, reduced by payments made under certain other revenue sharing programs such as the Mineral Leasing Act and the National Forest Revenue Act, or a payment of 10 cents per acre, whichever is greater. The payment to each recipient, however, may not exceed a statutory ceiling based on population.

Additional payments are specified for lands acquired after December 31, 1970, as additions to the National Park System or National Forest wilderness areas, and for any lands or interests in lands owned by the Government in the Redwood National Park or acquired in the Lake Tahoe Basin under the Act of December 23, 1980 (P.L. 96-586).

In 1995, a total of \$101,008,998 was distributed as payments in lieu of taxes.



Preserving Significant Cultural and Natural Features

The Federal Government is responsible for preserving and protecting significant archaeological, paleontological, and historical sites, as well as outstanding natural areas. BLM has inventoried over 10 million acres for cultural resources and has recorded more than 175,000 properties. The Bureau manages over 5 million acres of designated wilderness lands and provides special management for an additional 25 million acres of lands designated as Areas of Critical Environmental Concern, Research Natural Areas, National Conservation Areas, and National Natural Landmarks. BLM also manages 33 Wild and Scenic rivers totaling 2,022 miles in five States. And the Bureau closely monitors ecosystem conditions for threatened or endangered plants and animals to help ensure the survival of protected species. BLM's mission is to provide people with opportunities to use, share, and appreciate public land resources while protecting and conserving these resources for future generations.

photo by Kelly Rigby



As a governmental entity, BLM is responsible for the stewardship of our public lands, which are managed to serve the current and future needs of the American people.

Financial Results

For the first time in its 50-year history, BLM has received an unqualified audit opinion. This means that its independent auditors have determined that BLM's financial statements fairly present its financial position and results of operations.

BLM's financial results differ from financial results as measured by private sector or other non-governmental organizations. As a governmental entity, BLM is responsible for the stewardship of our public lands, which are managed to serve the current and future needs of the American people. Changes in financial results cannot be used to measure BLM's performance without considering the outcomes of BLM's programs. Financial results are viewed within this broad context.

BLM's financial results are measured within the broad framework of (1) environmental responsibility, scientific technology, and sustained yield from our public land resources that produce a fair return for use, and (2) effective and efficient management of BLM programs. The following analysis provides information on our financial results within this context.

Funding of BLM

BLM is funded from (1) investments by the American people to maintain and use the public lands (Congressional appropriations); (2) reimbursements for work performed by BLM on behalf of other Federal agencies or for the public, including State and local governments; (3) collections from public land revenues that are available to fund BLM operations, and (4) donations made to the Bureau. On the following page, Figure 3 illustrates BLM's funding sources.

For FY 1995, BLM funding from all sources increased by 6.2 percent over the FY 1994 level. One significant change in BLM's funding was the amount of Federal land receipts collected. Gross Federal land receipts actually declined from \$146 million in FY 1994 to \$122 million

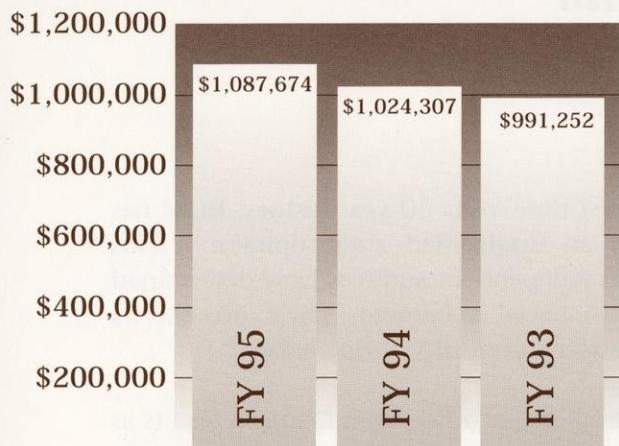


Figure 3. Financing Sources (dollars in thousands)

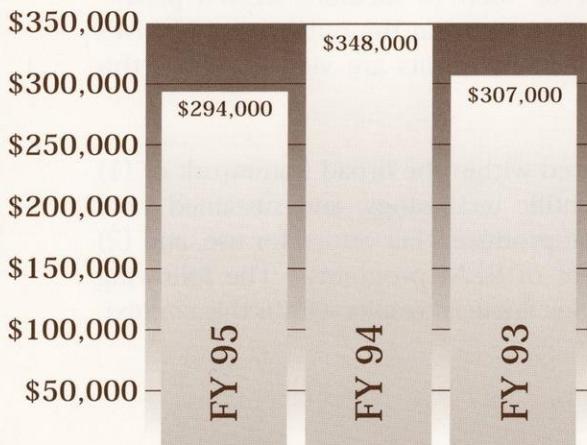


Figure 4. Deferred Maintenance (dollars in thousands)

in FY 1995—a decrease of 16.4 percent—due largely to a reduction in timber revenues.

In addition, receipts retained by BLM to finance its operations increased by \$5.9 million due primarily to amendments to existing laws that allowed BLM to retain mining claim fees to finance its mining law administration program. These two factors resulted in receipts transferred to the U.S. Treasury declining by \$29.9 million, or 24 percent.

Although non-appropriated financing sources generally increased in FY 1995 over FY 1994 levels, it is not certain that continuing increases will be realized in FY 1996. Effects of the lengthy shutdown of BLM operations may result in reduced collections of receipts and declining sales of goods and services to other Federal agencies and the public. Inability to recover lost revenues will result in increased reliance on appropriated funds, or if appropriated funds are not available, a corresponding decrease in services provided.

Contingent Liabilities

Claims on government resources that are likely to arise in the future are considered contingent liabilities. BLM currently has no pending legal actions that, in the opinion of management, would result in a material contingent liability. However, actions required by statute to remediate hazardous waste on the public lands may represent a substantial claim on BLM's future resources.

As part of its responsibility to administer the public lands, BLM is potentially responsible for cleaning up hazardous material sites and disposal facilities on the public lands. It is also responsible for proper management and tracking of hazardous wastes resulting from operations on the public lands. The Comprehensive

Environmental Response, Compensation, and Liability Act of 1980, as amended, requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of, and requires responsible parties, including Federal agencies, to clean up releases of hazardous substances.

BLM, along with other Interior agencies, faces major challenges in cleaning up hazardous substance releases on the public lands. These challenges arise for the most part from non-BLM activities occurring on public lands such as mining, oil and gas wells, landfills, and agricultural uses.

In its previous financial reports, BLM acknowledged that the costs of cleanup and payment of judgments or settlements of claims could exceed \$1 billion. However, this estimate is not recorded in BLM's financial records or shown in its financial statements because it is not possible to determine a comprehensive cost estimate for cleanup or to determine the portion of the costs that will represent a claim upon BLM's resources. For one thing, costs of the cleanup may be recovered from responsible parties. Furthermore, it is likely that the bulk of costs incurred to pay judgments or settle claims would be borne by the U.S. Treasury's judgment fund.

While the \$1 billion estimate is not based upon pending litigation, it does represent a potential future claim upon budgetary resources that will arise over time under existing statutes governing the management and disposition of hazardous wastes and reclamation of land and resources.

The estimate of contingent liabilities should be read with the realization that BLM is a component of a sovereign entity. Liabilities may not be liquidated without the enactment of an appropriation, and payment of all liabilities

other than for contracts can be abrogated by the sovereign entity.

Protecting the American People's Investment in the Public Land Infrastructure

Progress has been made in improving management of our public land infrastructure. The backlog of maintenance needed for our public land infrastructure was reduced by \$54 million during FY 1995. We currently estimate a maintenance backlog of \$294 million.

BLM purchases or constructs infrastructure assets such as buildings, roads, water and sewer systems, recreational facilities, and transportation systems consisting of roads and trails. These assets permit the enjoyment and use of the public lands for recreation, revenue generation, and other purposes. Such assets also reduce the long-term costs of administering the public lands by facilitating appropriate management actions.

Expenses that should have been incurred in prior periods to maintain the utility of the American people's investment in their public lands represent deferred maintenance. On the opposite page, Figure 4 illustrates the progress made in reducing the maintenance backlog.

In FY 1994, an automated system was implemented to better track and manage maintenance needs. The use of this system to direct budgetary resources toward priority maintenance needs was integral in reducing the backlog. Although increased maintenance of the American people's public land assets would benefit users of the public lands, the system of assets, taken as a whole, is maintained in a state of repair that permits the effective use and management of public lands.

Progress in Accounting for and Reporting upon Public Lands

Non-conformance with governmental accounting standards for real property has been noted annually since 1988 by BLM in its review of accounting systems required by Section 4 of the Federal Manager's Financial Integrity Act of 1982. The non-conformance is not considered a management weakness that would increase the risks of loss or abuse of real property. Rather, the non-conformance reflects the need for Governmentwide reporting standards that will allow BLM to adequately convey its management responsibilities to the American people.

The bulk of the real property assets administered by BLM are the public lands. At the time BLM first noted the need for improved accounting and reporting standards, Federal Government accounting and reporting standards indicated that lands, including the public lands, were valued at the cost of acquisition in a manner similar to that used by private-sector corporations. Other real property assets such

as roads and buildings also were accounted for in a manner similar to the private sector.

Responding to the challenge, BLM participated actively in the President's National Performance Review effort to accelerate the creation of new Governmentwide standards. The Bureau, working with the Federal Accounting Standards Advisory Board and other Federal agencies, developed the concept of stewardship reporting. Stewardship reporting focuses upon reporting to the American people the lands managed, the uses of the public lands, and BLM's effectiveness in carrying out its management responsibilities.

By starting to implement the revised standard as well as its new property management system, BLM was able to prepare for the forthcoming standard and received an unqualified audit opinion. Information on the accounting policies used to report upon public land assets and the changes resulting from the revised policies is shown in the footnotes to our principal financial statements.



Managing Land Resources and Title Information

BLM is the custodian of the public lands records for the United States Government. Over the years, the Bureau has developed a land records system using a microfilming process. BLM is now automating its land records. Automation will streamline the Bureau's responses to public inquiries; facilitate processing applications and permits; improve access to land records and resource data; ensure accuracy and consistency of data; and improve planning, tracking, and evaluation of uses on the public lands.

photo by Kelly Rigby





Conducting Land Exchanges

Today, BLM strives to improve efficiency by consolidating lands into manageable areas through land exchanges. These land transactions also improve the management of natural resources by protecting endangered species, promoting biological diversity, increasing recreational opportunities, and preserving archaeological and historical sites.

photo by BLM

photo by Kelly Rigby



Principal Financial Statements

Combined Comparative Statements

Notes to Principal Financial Statements

Combining Comparative Statements by Fund Type

Combined Comparative Statements

Bureau of Land Management
Combined Comparative Statements of Financial Position
September 30, 1995 and 1994
(dollars in thousands)

	1 9 9 5	1 9 9 4
Assets:		
Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	\$311,772	\$ 339,288
Accounts Receivable (Note 3)	<u>13,624</u>	32,146
Governmental Assets:		
Accounts Receivable, Net (Note 3)	5,532	1,408
Travel Advances	176	252
Cash in Imprest Funds	521	523
Operating Materials and Supplies (Note 4)		14,044
Inventory, Net (Note 5)	2,486	2,779
Property and Equipment, Net (Note 6)	<u>283,778</u>	929,174
Total Entity Assets	<u>617,889</u>	1,319,614
Non-Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	<u>132,778</u>	164,462
Governmental Assets:		
Accounts Receivable, Net (Note 3)	2,336	1,047
Unmatured Timber Sales Contracts (Note 7)	<u>55,538</u>	54,887
Total Non-Entity Assets	<u>190,652</u>	220,396
Total Assets (Note 8)	<u>\$808,541</u>	\$1,540,010
<i>The accompanying notes are an integral part of these statements.</i>		

	1 9 9 5	1 9 9 4
Liabilities and Net Position:		
Liabilities:		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accounts Payable	\$ 8,975	\$ 17,014
Governmental Liabilities:		
Accounts Payable (Note 9)	18,992	115,302
Accrued Payroll and Benefits (Note 10)	19,478	19,971
Undistributed Collections (Note 11)	111,609	86,913
Deposit Funds (Note 12)	21,558	18,271
Deferred Credits (Note 13)	<u>55,963</u>	<u>55,449</u>
Total Liabilities Covered by Budgetary Resources	<u>236,575</u>	<u>312,920</u>
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Workers and Unemployment		
Compensation Payable (Note 14)	7,362	7,893
Governmental Liabilities:		
Accrued Annual Leave (Note 15)	38,022	38,135
Total Liabilities Not Covered by Budgetary Resources	<u>45,384</u>	<u>46,028</u>
Contingent Liabilities (Note 16)		
Total Liabilities	<u>281,959</u>	<u>358,948</u>
Net Position:		
Unexpended Appropriations (Note 17)	256,243	253,075
Invested Capital	286,113	945,829
Cumulative Results of Operations	20,507	18,939
Donations	151	168
Trust Fund Balances	8,952	9,079
Future Funding Requirements	<u>(45,384)</u>	<u>(46,028)</u>
Net Position	<u>526,582</u>	<u>1,181,062</u>
Total Liabilities and Net Position	<u>\$808,541</u>	<u>\$1,540,010</u>

Combined Comparative Statements

Bureau of Land Management

**Combined Comparative Statements of Operations and Changes in Net Position
for the Fiscal Years Ended September 30, 1995 and 1994**
(dollars in thousands)

	1 9 9 5	1 9 9 4
Financing Sources, Revenues, and Collections:		
Financing Sources:		
Appropriated Capital Used	\$ 1,017,976	\$ 964,714
Revenues:		
Sales of Goods and Services - Public	1,476	1,188
Sales of Goods and Services - Intragovernmental	32,289	28,055
Gain (Loss) on Disposition of Assets	604	(110)
Trust Fund Revenue	8,205	9,297
Collections (Note 18):		
Gross Receipts	122,116	146,075
Less Receipts Transferred or to be Transferred to Treasury or Other Agencies	(94,992)	(124,912)
Total Financing Sources, Revenues, and Collections	<u>1,087,674</u>	<u>1,024,307</u>
Expenses:		
Operating Expenses (Note 19)	1,066,383	998,520
Cost of Goods Sold - Intragovernmental	2,053	2,445
Depreciation	16,085	17,608
Interest Expense	177	91
Unfunded Annual Leave	(112)	981
Unfunded Workers and Unemployment Compensation	(531)	1,271
Total Expenses	<u>1,084,055</u>	<u>1,020,916</u>
Excess of Financing Sources, Revenues, and Collections Over Total Expenses	<u>\$ 3,619</u>	<u>\$ 3,391</u>
Changes in Net Position:		
Net Position, Beginning Balance	\$ 1,181,062	\$ 1,159,779
Prior Period Adjustment (Note 20)	(701,583)	
Excess of Financing Sources, Revenues, and Collections Over Total Expenses	3,619	3,391
Nonoperating Changes (Note 21)	<u>43,484</u>	<u>17,892</u>
Net Position, Ending Balance	<u>\$ 526,582</u>	<u>\$ 1,181,062</u>

*The accompanying notes are an integral part
of these statements.*

Bureau of Land Management
Combined Comparative Statements of Cash Flows
for the Fiscal Years Ended September 30, 1995 and 1994
(dollars in thousands)

	1 9 9 5	1 9 9 4
Cash Flows From Operating Activities:		
Excess of Financing Sources, Revenues, and Collections Over Total Expenses	\$ 3,619	\$ 3,391
Adjustments Affecting Cash Flow:		
Appropriated Capital Used	(1,017,976)	(964,714)
Decrease (Increase) in Accounts Receivable	13,109	(24,493)
Decrease (Increase) in Other Assets	(280)	38,104
Increase (Decrease) in Accounts Payable	(104,349)	76,623
Increase (Decrease) in Other Liabilities	28,004	(69,563)
Loss (Gain) on Disposition of Assets	(604)	110
Depreciation	16,085	17,608
Unfunded Expenses	(643)	2,252
Total Adjustments	<u>(1,066,654)</u>	<u>(924,073)</u>
Net Cash (Used) by Operating Activities	<u>(1,063,035)</u>	<u>(920,682)</u>
Cash Flows From Investing Activities:		
Proceeds from Sales of Property and Equipment	2,135	1,027
Purchases of Property and Equipment	<u>(58,964)</u>	<u>(60,882)</u>
Net Cash (Used) by Investing Activities	<u>(56,829)</u>	<u>(59,855)</u>
Cash Flows From Financing Activities:		
Appropriations (Current Warrants)	1,193,819	1,093,663
Transfers of Cash from Others	91,493	24,750
Transfers of Cash to Others	(219,381)	(128,996)
Withdrawals	(2,724)	(6,623)
Rescission of Budget Authority from Closed Fund	<u>(2,543)</u>	<u>(171)</u>
Net Cash Provided by Financing Activities	<u>1,060,664</u>	<u>982,623</u>
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	<u>(59,200)</u>	<u>2,086</u>
Fund Balances with Treasury, Beginning Balance	<u>503,750</u>	<u>501,664</u>
Fund Balances with Treasury, Ending Balance	<u>\$ 444,550</u>	<u>\$ 503,750</u>
Supplemental Disclosure of Cash Flow Information:		
Total Interest Paid	\$ 177	\$ 91

The accompanying notes are an integral part of these statements.

Combined Comparative Statements

Bureau of Land Management
Comparative Statements of Budget and Actual Expenses
for the Fiscal Years Ended September 30, 1995 and 1994
(dollars in thousands)

	1	9	9	5	
	Budget				
	Obligations				
	Resources	Direct	Reimbursed		
Fund Group:					
Revolving Fund	\$ 32,372	\$ 2,614	\$ 18,328		
Trust Funds	15,668	8,774			
Appropriated Funds	<u>1,200,267</u>	<u>1,045,501</u>	<u>52,583</u>		
Total	<u>\$ 1,248,307</u>	<u>\$ 1,056,889</u>	<u>\$ 70,911</u>		
Budget Reconciliation:					
Total Expenses					
Add:					
Capital Acquisitions					
Decrease (Increase) in Unfunded Expenses					
Less:					
Depreciation					
Decrease in Inventory					
Accrued Expenditures					
Less Reimbursements					
Accrued Expenditures, Direct					
<i>Oct 30, 1995</i>					
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	1	9	9	4	
Actual	Budget				Actual
Expenses	Obligations				
	Resources	Direct	Reimbursed	Expenses	
\$ 13,812	\$ 30,639	\$ (784)	\$ 18,180	\$ 14,501	
8,214	15,772	8,417		6,197	
1,062,029	1,165,223	1,043,957	38,871	1,000,218	
<u>\$ 1,084,055</u>	<u>\$ 1,211,634</u>	<u>\$ 1,051,590</u>	<u>\$ 57,051</u>	<u>\$ 1,020,916</u>	
\$ 1,084,055					\$ 1,020,916
58,964					60,882
643					(2,252)
(16,085)					(17,608)
(293)					(6,367)
1,127,284					1,055,571
(63,025)					(51,432)
<u>\$ 1,064,259</u>					<u>\$ 1,004,139</u>

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the Bureau of Land Management (BLM), as required by the Chief Financial Officers Act of 1990. The combining financial statements present financial information by fund group. They have been prepared from BLM's financial records in accordance with the form and content of agency financial statements as specified by the Office of Management and Budget (OMB). The statements have been prepared in accordance with OMB Bulletin No. 94-01 and the BLM accounting policies that are summarized in this note. These statements are different from the financial reports submitted to OMB for purposes of monitoring and controlling the obligation and expenditure of budgetary resources.

B. Reporting Entity

The BLM, a bureau of the Department of the Interior (DOI), was established on July 16, 1946, through the consolidation of the General Land Office and the Grazing Service in accordance with the provisions of Sections 402 and 403 of the President's Reorganization Plan No. 3 of 1946 (60 Stat. 1097). BLM's functions are set forth in Section 301 of the Federal Land Policy and Management Act of 1976 (43 USC 1731).

The accompanying combined financial statements include all appropriated funds, as well as all other funds for which BLM maintains financial records. Financial records are maintained by fund types as described below:

1. General Funds: These funds consist of expenditure accounts used to record financial transactions arising from Congressional appropriations as well as receipt accounts. The

principal general fund expenditure accounts maintained are:

- a. Management of Lands and Resources
- b. Fire Protection
- c. Emergency Department of the Interior Firefighting Fund
- d. Payments in Lieu of Taxes
- e. Oregon and California Grant Lands
- f. Special Acquisition of Lands and Minerals

2. Special Funds: BLM maintains both special fund receipt accounts and special fund expenditure accounts. Collections made into special fund expenditure accounts are not considered revenue of BLM; they are classified instead as appropriated capital. Collections made into special fund receipt accounts are earmarked by law for a specific purpose but are not generated from a continuing cycle of operations. Receipts are deposited as collected. Funds deposited into special fund receipt accounts typically arise from sales of public lands and materials, sales of timber, fees and commissions, mineral leases, and other charges for services provided by BLM to users of the public lands. Amounts deposited into special fund receipt accounts are subject to various distribution formulas as specified by law.

3. Revolving Fund: This fund is used to finance and manage a continuous cycle of business-type operations. BLM maintains a Working Capital Fund (WCF) as a single administrative unit established to finance and account for services and commodities furnished to various program activities. The WCF was established in 1978 under Section 306 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579) with an initial investment of \$2,000 in appropriated funds. Since that time, additional equity has been provided through intragovernmental transfers or donations of inventories, capital equipment, and other assets. Transfers or donations are made without reimbursement to the donating activity. All additional income to the WCF has

been generated through charges to BLM's programs or other government agencies. The services provided by the WCF include motor vehicles, stores, a sign shop, a Departmental forms center, and the collection and disbursement of receipts from surface management of the Naval Oil Shale Reserve under an October 2, 1987, memorandum of understanding with the Department of Energy. In addition, the WCF provides funding for travel advances and advances with imprest fund cashiers.

4. Trust Funds: BLM maintains two trust accounts to carry out specific programs under trust agreements and statutes. The Land and Resource Management Trust Fund contains monies contributed by nonfederal organizations for resource development, protection, and management; conveyance of lands omitted in original surveys; and public surveys requested by individuals. The Alaska Townsite Trustee Fund receives money from the sale of town lots to non-natives and is available to cover the expenses involved in selling and maintaining townsites.

5. Deposit Funds: These funds are maintained to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, at which time proper distribution can be made. Refer to Note 12.

C. Basis of Accounting

BLM maintains its accounting records on both an accrual accounting basis and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Collections received and transferred to others are accounted for as described in section D below. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Significant interfund balances and transactions have been eliminated.

ed, with the exception of WCF transactions.

D. Financing Sources, Revenues, and Collections

BLM receives most of the funding needed to support its programs through annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional amounts are obtained through reimbursements for services performed for other federal agencies.

All revenues (e.g., reimbursable agreements) are recognized when earned. These revenues may be used to offset the cost of producing products or furnishing services, and to recover the costs of overhead.

Collections are amounts that BLM receives on behalf of others; most are either passed to the U.S. Department of the Treasury (Treasury) or distributed to other governmental agencies. Gross receipts are reported as cash is received, while amounts billed but not yet received are included in both accounts receivable and undistributed collections. Bad debt expenses relating to those receivables are not considered to be a BLM expense; they are charged against undistributed collections. Transfers of receipts to Treasury and others are reported on the accrual basis. That portion of the transfers that will not be disbursed until the subsequent fiscal year is also included in undistributed collections. Thus, the net position of BLM is not affected by these activities relating to collections, whether they be billings, bad debt expenses, or timing differences between the receipt of such collections and their subsequent disbursement.

E. Fund Balances with Treasury

BLM does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. Fund balances with Treasury include appropriated,

revolving, and trust funds that are available to pay current liabilities and finance authorized purchase commitments. Also included are various other receipt and expenditure funds. Cash balances held outside Treasury are not material. Further details on fund balances with Treasury are contained in Note 2.

F. Accounts Receivable

Accounts receivable consist of amounts owed to BLM by other federal agencies or by the public. Amounts earned through provision of services to the public are not recognized as receivables until billed. Receivables from other federal agencies and certain state government agencies are recognized when the revenue is earned. BLM recognizes bad debts arising from uncollectible accounts receivable by establishing an allowance for doubtful accounts based upon past experience in collecting accounts receivable and analysis of outstanding balances. See Note 3 for additional information concerning accounts receivable.

G. Inventory and Operating Materials and Supplies

BLM's inventory and operating materials and supplies consist of materials and supplies that will be consumed in future operations. Inventory on hand is stated at cost using the average cost method. For years prior to FY 1995, operating materials and supplies on hand were also reported as assets, valued at average cost. Beginning in FY 1995, operating materials and supplies are accounted for based on the purchases method. Under this method, operating materials and supplies are expensed when purchased. The purchases method of accounting is in accordance with Statement of Federal Financial Accounting Standards Number 3, published October 27, 1993, by the Office of Management and Budget.

BLM's inventory is not held for sale, nor is any of the inventory or operating materials and supplies balance held in reserve for future use or sale. There is no excess, obsolete, or unse-

viceable inventory or operating materials and supplies, nor is there any inventory held for repair. BLM does not hold any other related property, including forfeited property, foreclosed property, seized property, commodities, or stockpile materials. Notes 4 and 5 provide more information on BLM's inventory and operating materials and supplies.

H. Property and Equipment

This category consists of acquired lands; structures, facilities and improvements; automated data processing (ADP) software; equipment and vehicles; and construction in progress. Prior to FY 1995, roads, trails, and bridges were also included in this category.

During 1995 the Federal Accounting Standards Advisory Board issued Exposure Drafts for two Statements of Recommended Accounting Standards that affect reporting for property and equipment. The first of these is entitled Accounting for Property, Plant, and Equipment; the second is Supplementary Stewardship Reporting. The standards recommend different accounting treatments for different types of property, plant, and equipment (PP&E). The standards provide for a distinction between general PP&E and stewardship PP&E. The former are PP&E used to provide general government services or goods. The latter include stewardship land—all land held by the Federal government that is not acquired for or in connection with an item of general PP&E—and heritage assets, including PP&E that have historical or natural significance.

The standards recommend that federal entities establish appropriate capitalization thresholds. BLM has established a capitalization threshold of \$250 per facility/site for real property components of general PP&E. Prior to FY 1995, BLM had no minimum capitalization threshold for real property. The capitalization threshold for personal property remains unchanged. The standards provide for capitalized property to continue to be reported on the Statement of Financial Position. PP&E that are not capital-

ized—because they are under the capitalization threshold, or because they are stewardship PP&E—are to be expensed in the period of acquisition. The standards contemplate that a stewardship report will be developed to provide relevant information regarding stewardship PP&E.

Capitalized property and equipment are recorded as follows:

1. General PP&E real property is capitalized at cost, if the aggregate cost of the site/facility is \$250 or more. Acquired land associated with capitalized assets is recorded separately from the structures, facilities, and improvements. Structures such as buildings that are used by BLM but administered by the General Services Administration or other federal agencies are not recognized as BLM assets.
2. Purchased ADP software is capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more. Internally developed software is not capitalized.
3. Equipment and vehicles are capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more.
4. Costs are accumulated in a construction in progress account for capitalizable general PP&E under construction or being acquired in incremental stages until the property is completed or totally acquired. At that time, the property is transferred to the appropriate asset account(s).

Depreciation for WCF vehicles and heavy equipment is recorded using the straight-line method, based upon useful lives ranging from 2 to 20 years with a 20 percent residual value. Depreciation for non-WCF equipment and

purchased ADP software is based on useful lives of up to 30 years, with a residual value of 10 percent. Depreciation is not recognized for structures, facilities, and other improvements. The basis for capitalization of donated property and equipment is the estimated fair market value.

Information on property and equipment values is found in Note 6.

I. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by BLM as the result of transactions or events that have already occurred. However, no liability can be paid by BLM absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as liabilities not covered by budgetary resources, with no certainty that the appropriations will be enacted. In addition, BLM liabilities arising from sources other than contracts can be abrogated by the Government, acting in its sovereign capacity.

J. Accrued Leave

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Sick leave and other types of leave are expensed as taken because they are non-vesting in nature.

K. Contingent Liabilities

BLM is a party to various administrative proceedings, legal actions, environmental suits, and claims brought by or against it.

Contingent liabilities are recorded in the accounting records when the event potentially leading to the recognition of a liability is probable, and a reliable estimate of the scope of the potential liability is available. Further information on contingent liabilities is found in Note 16.

L. Retirement Plan

Most BLM employees participate in the Civil Service Retirement System (CSRS), to which BLM makes matching contributions. BLM does not report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the Office of Personnel Management.

On January 1, 1987, the Federal Employees Retirement System (FERS) became effective pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. FERS offers a savings plan to which BLM automatically contributes one percent of pay and matches any employee contribution up to an additional 4 percent of pay. For most employees hired since December 31, 1983, BLM also contributes the employer's matching share for Social Security.

M. Leases

BLM has entered into some lease arrangements that potentially qualify as capital leases. However, BLM has historically not considered lease arrangements for inclusion as assets. The dollar value of leases that could qualify as capital leases is not considered material.

N. Net Position

The components of Net Position are defined as follows:

1. Unexpended appropriations include undelivered orders and unobligated balances; the latter may include both available and unavailable amounts.

2. Invested capital and donations represent the net book value of BLM's investment in inventory, operating materials and supplies, and property and equipment. Invested capital includes the purchased portion of these assets, less accumulated depreciation, plus or minus the value of capital assets transferred to or from other federal entities without reimbursement. Donations represent the fair market value of donated assets accepted from nonfederal sources.

3. Cumulative results of operations represents the difference between revenues and expenses (other than depreciation) in the WCF since its inception.

4. Trust fund balances include the unexpended portion of revenues received in the trust funds.

5. Future funding requirements consist of liabilities not covered by budgetary resources. These include accrued annual leave, as well as workers and unemployment compensation payable.

O. Comparative Data

Comparative data for the prior fiscal year is presented in order to provide an understanding of changes in BLM's financial position and operations.

Note 2 - Fund Balances with Treasury

U.S. Government cash is accounted for on an overall consolidated basis by Treasury. The balances shown on the Combined Statements of Financial Position represent BLM's right to draw on Treasury for valid expenditures. The

balances consist of general fund receipt accounts, general fund expenditure accounts, trust funds, revolving fund, special fund receipt accounts, special fund expenditure accounts, and deposit funds. Refer to Note 1(B). Fund Balances as shown on the BLM's records are reconciled periodically with Treasury's records.

Fund Balances with Treasury at September 30, 1995:

	Obligated	Unobligated		Total
		Available	Restricted	
Entity Assets:				
Appropriated Funds	\$ 146,993	\$ 129,182	\$ 5,566	\$ 281,741
Revolving Fund	9,237	11,429		20,666
Trust Funds	2,470	6,895		9,365
	<u>158,700</u>	<u>147,506</u>	<u>5,566</u>	<u>311,772</u>
Non-Entity Assets:				
Other Fund Types			<u>132,778</u>	<u>132,778</u>
Total Fund Balances	<u>\$ 158,700</u>	<u>\$ 147,506</u>	<u>\$ 138,344</u>	<u>\$ 444,550</u>

Fund Balances with Treasury at September 30, 1994:

	Obligated	Unobligated		Total
		Available	Restricted	
Entity Assets:				
Appropriated Funds	\$ 204,158	\$ 101,470	\$ 5,267	\$ 310,895
Revolving Fund	5,773	13,243		19,016
Trust Funds	2,023	7,354		9,377
	<u>211,954</u>	<u>122,067</u>	<u>5,267</u>	<u>339,288</u>
Non-Entity Assets:				
Other Fund Types			<u>164,462</u>	<u>164,462</u>
Total Fund Balances	<u>\$ 211,954</u>	<u>\$ 122,067</u>	<u>\$ 169,729</u>	<u>\$ 503,750</u>

Note 3 - Accounts Receivable

Accounts receivable represent amounts owed to BLM. Entity accounts receivable represent amounts owed to BLM that BLM has authority to use. Entity intragovernmental accounts receivable represent amounts due from other Federal agencies, while entity governmental

accounts receivable represent amounts due from non-federal entities. Non-entity accounts receivable are amounts that are generated by BLM's programs but are not available to the programs. All of the non-entity accounts receivable represent amounts due from non-federal entities.

Accounts Receivable at September 30, 1995:

	Entity	Non-Entity			Total
	Intra-Governmental	Governmental	Governmental		
Accounts Receivable	\$ 13,624	\$ 6,940	\$ 5,877	\$ 26,441	
Less Allowance for Doubtful Accounts		1,408	3,541		4,949
Accounts Receivable, Net	<u>\$ 13,624</u>	<u>\$ 5,532</u>	<u>\$ 2,336</u>		<u>\$ 21,492</u>

Accounts Receivable at September 30, 1994:

	Entity	Non-Entity			Total
	Intra-Governmental	Governmental	Governmental		
Accounts Receivable	\$ 32,146	\$ 3,004	\$ 4,735	\$ 39,885	
Less Allowance for Doubtful Accounts		1,596	3,688		5,284
Accounts Receivable, Net	<u>\$ 32,146</u>	<u>\$ 1,408</u>	<u>\$ 1,047</u>		<u>\$ 34,601</u>

Note 4 - Operating Materials and Supplies

Operating materials and supplies consist mostly of fire-related items purchased by the fire appropriation. The materials and supplies are held for use in connection with fire suppression

and presuppression activities. At September 30, 1994, operating materials and supplies on hand have been valued using the average cost method. At September 30, 1995, they are no longer recognized as BLM assets. See Note 1(G) for further information.

Note 5 - Inventory, Net

Inventory is held by the WCF for use in BLM's resource management programs and is also

maintained for the construction of signs, uniforms for employees, and the DOI forms function. Inventory is valued using the average cost method.

Inventory, Net at September 30:

	1995	1994
Inventory	\$ 2,653	\$ 2,957
Less Allowance for Loss on Inventory	<u>167</u>	<u>178</u>
Inventory, Net	<u>\$ 2,486</u>	<u>\$ 2,779</u>

Note 6 - Property and Equipment, Net

Property and Equipment, Net at September 30, 1995:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 3,775	\$	\$ 3,775
Structures, Facilities, and Improvements	104,068	631	104,068
ADP Software	5,073	4,442	
Equipment and Vehicles	206,620	91,727	114,893
Construction in Progress	<u>56,600</u>	<u> </u>	<u>56,600</u>
Total	<u>\$ 376,136</u>	<u>\$ 92,358</u>	<u>\$ 283,778</u>

Property and Equipment, Net at September 30, 1994:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 59,486	\$	\$ 59,486
Structures, Facilities, and Improvements	166,956	430	166,956
ADP Software	1,473	82,183	1,043
Equipment and Vehicles	167,474	85,291	
Roads, Trails, and Bridges	506,450	506,450	
Construction in Progress	<u>109,948</u>	<u> </u>	<u>109,948</u>
Total	<u>\$ 1,011,787</u>	<u>\$ 82,613</u>	<u>\$ 929,174</u>

Depreciation is recorded using the straight line method over a period of 2 to 30 years. Capitalization criteria are discussed in Note 1(H).

Property and equipment recognized as an asset was reduced in FY 1995 by \$687,539, as detailed in Note 20. Additional discussion of

this adjustment may be found in Note 1(H).

The backlog of maintenance and repair on BLM-managed lands was approximately \$294,000 at September 30, 1995; it was approximately \$348,000 at September 30, 1994.

Note 7 - Unmatured Timber Sales Contracts

Unmatured timber sales contracts represent the obligation and the right of contractors to cut specific quantities of timber within a defined time period at a set price. These contracts represent future revenue to the U.S. Government that will materialize in future accounting periods as contracts are fulfilled by the cutting of timber. Also see Note 13.

Note 8 - Total Assets

For financial reporting purposes, BLM has not recognized the value of negotiable securities or certificates of deposit pledged to guarantee performance of contracts. These instruments are accepted in lieu of bond coverage in the following programs: solid or fluid energy minerals extraction (oil, gas, coal, etc.), rights-of-way on the public or other lands, and certain contracts (performance bonds). Interest earned is paid to the owner of the security or certificate of deposit and is not available to BLM. At September 30, 1995, the value of these securities was \$6,889; at September 30, 1994, the value was \$7,340. Since these assets are not available to BLM unless a customer defaults on an agreement, they are not recognized as BLM assets or liabilities.

Note 9 - Accounts Payable

Governmental accounts payable returned to a more normal level at September 30, 1995. The balance at September 30, 1994, was inflated by BLM timber receipts due certain counties in the State of Oregon that were unpaid at the end of the year.

Note 10 - Accrued Payroll and Benefits

A liability is recognized for the salaries and benefits earned by employees but not yet paid at the close of the fiscal year. At September 30,

1995, accrued payroll liabilities were \$19,478, primarily representing 10 days of earned but unpaid compensation for BLM's workforce. At September 30, 1994, accrued payroll liabilities were \$19,971, primarily for 10 days of earned but unpaid compensation.

Note 11 - Undistributed Collections

Undistributed collections represent amounts collected into unavailable special receipt funds that have not yet been transferred to other funds.

Note 12 - Deposit Funds

BLM processes collections from various sources for activities related to public land administration. At any given time, BLM may have collections that have not been specifically classified. These amounts are held in suspense pending further classification or resolution.

Note 13 - Deferred Credits

Deferred credits consist of unmatured timber sales contracts and special fund billed amounts. Unmatured timber sales contracts are described in Note 7. Special fund billed amounts are a combination of advance bills for anticipated obligations, as well as actual bills for obligations already incurred.

Deferred Credits at September 30:

	1995	1994
Unmatured Timber Sales Contracts	\$ 55,538	54,887
Special Fund Billed Amounts	425	562
Total Deferred Credits	\$ 55,963	\$ 55,449

Note 14 - Workers and Unemployment Compensation Payable

Workers and unemployment compensation payable represents the Department of Labor estimate of these liabilities.

Workers and Unemployment Compensation Payable at September 30:

	1995	1994
Workers Compensation Payable	\$ 6,710	\$ 6,686
Unemployment Compensation Payable	652	1,207
Total	<u>\$ 7,362</u>	<u>\$ 7,893</u>

Note 15 - Accrued Annual Leave

BLM allocates annual leave not covered by budgetary resources to the two funds with the most planned labor activity. The accrual is updated annually based on actual labor hours and current pay rates.

Note 16 - Contingent Liabilities

BLM has certain contingent liabilities that may eventually result in the payment of substantial monetary claims to third parties, or in the unplanned reallocation of material budgetary resources, to pay for the cleanup of hazardous materials treatment, storage, or disposal facilities. In addition, the Federal Facilities Compliance Act of 1992 makes it possible for state and local governments to impose fines and assess penalties against federal agencies found not to be in compliance with environmental laws. No amounts have been recorded in the financial statements to reflect such potential liabilities because comprehensive, reliable estimates are not available.

In addition to the exposure to hazardous-waste-related contingent liabilities, BLM is also a party to a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of BLM management, after consultation with the DOI Office of the Solicitor, such lawsuits or other claims will not materially affect BLM's future financial condition.

Note 17 - Unexpended Appropriations

Unexpended Appropriations at September 30:

	1995	1994
Unobligated, Available	\$ 134,748	\$ 106,735
Undelivered Orders	121,495	146,340
Total Unexpended Appropriations	<u>\$ 256,243</u>	<u>\$ 253,075</u>

Note 18 - Collections

Collections for FY 1995 and FY 1994:

	1995	1994
Gross Receipts	\$ 122,116	\$ 146,075
Less Receipts Collected to Unavailable Special Funds	94,992	<u>124,912</u>
Mining Law Receipts Retained by the BLM	\$ 27,124	\$ 21,163

Amounts collected into the unavailable special fund receipt accounts are not available for BLM's use except by appropriation or other statutory authority. The receipts have been or will be transferred to Treasury or other agencies. Amounts retained by BLM, or returned by appropriation, in FY 1995 and FY 1994 were \$12,676 and \$13,612, respectively.

Note 19 - Operating Expenses**Operating Expenses by Object Classification:**

	1995	1994
Personal Services and Benefits	\$ 513,953	\$ 532,846
Travel and Transportation	42,243	44,591
Rental, Communication, and Utilities	59,795	58,204
Printing and Reproduction	4,349	3,371
Contractual Services	185,409	177,919
Supplies and Materials	48,422	38,504
Property and Equipment Not Capitalized	33,793	13,413
Grants, Subsidies, and Contributions	<u>180,131</u>	<u>125,735</u>
Subtotal	1,068,095	994,583
Other Post-Closing Adjustments, Net	(1,712)	3,937
 Total Operating Expenses	 <u>\$ 1,066,383</u>	 <u>\$ 998,520</u>

Operating Expenses by Fund:

	1995	1994
Management of Lands and Resources	\$ 607,238	\$ 569,012
Payments in Lieu of Taxes	98,722	99,991
Oregon and California Grant Lands	89,018	83,406
Other Appropriated Funds	256,349	233,276
Subtotal, Appropriated Funds	1,051,327	985,685
Trust Funds	8,210	6,196
Revolving Fund	6,846	6,639
 Total Operating Expenses	 <u>\$ 1,066,383</u>	 <u>\$ 998,520</u>

Note 20 - Prior Period Adjustment

Recently issued guidance from the Federal Accounting Standards Advisory Board (FASAB) dictated a change in accounting principle for reporting property and equipment, as described in Note 1(H). FASAB guidance also permitted a change in accounting principle for reporting operating materials and supplies, as discussed in Note 1(G). In both cases, FY 1995 costs of acquiring items that will no longer be capitalized are reflected in operating expenses. Property and equipment, as well as operating materials and supplies, previously

reported as assets have been removed from the Statement of Financial Position, and are recognized as a prior period adjustment, as follows:

Acquired Land	\$ 55,711
Structures, Facilities, and Improvements	62,888
Construction in Progress	62,490
Roads, Trails, and Bridges	<u>506,450</u>
Total Property and Equipment	687,539
Operating Materials and Supplies	<u>14,044</u>
 Total Prior Period Adjustment	 <u>\$ 701,583</u>

Note 21 - Nonoperating Changes

Nonoperating Changes for FY 1995 and FY 1994:

	1995	1994
Appropriated Funds:		
Increase (Decrease) in:		
Property and Equipment	\$ 40,300	\$ 40,844
Operating Materials and Supplies	(6,186)	(15,391)
Unexpended Appropriations	3,168	(1,663)
Property and Equipment Dispositions	(1,212)	17,604
Net Increase, Appropriated Funds	42,256	
Revolving Fund:		
Net Noncash Increase in:		
Property and Equipment	1,346	495
Trust Funds:		
Net Noncash (Decrease) in:		
Property and Equipment	(118)	(207)
Net Nonoperating Changes	<u>\$ 43,484</u>	<u>\$ 17,892</u>

Combining Comparative Statements by Fund Type

Bureau of Land Management
Combining Comparative Statements of Financial Position
September 30, 1995 and 1994
(dollars in thousands)

	1 9	9 5	—
	Revolving Fund	Trust Funds	
Assets:			
Entity Assets:			
Intragovernmental Assets:			
Fund Balances with Treasury	\$ 20,666	\$ 9,365	
Accounts Receivable			
Governmental Assets:			
Accounts Receivable, Net	1		
Travel Advances	176		
Cash in Imprest Funds	521		
Operating Materials and Supplies			
Inventory, Net	2,486		
Property and Equipment, Net	37,821		
Total Entity Assets	61,671	9,365	
Non-Entity Assets:			
Intragovernmental Assets:			
Fund Balances with Treasury			
Governmental Assets:			
Accounts Receivable, Net			
Unmatured Timber Sales Contracts			
Total Non-Entity Assets			
Total Assets	<u>\$ 61,671</u>	<u>\$ 9,365</u>	

Combining Comparative Statements by Fund Type

Appropriated Funds	Combined	1 Revolving Fund	9 Trust Funds	4 Appropriated Funds	Combined
\$ 281,741 13,624	\$ 311,772 13,624	\$ 19,016	\$ 9,377	\$ 310,895 32,146	\$ 339,288 32,146
5,531	5,532			1,408	1,408
176	176	252			252
521	521	523			523
				14,044	14,044
	2,486	2,779			2,779
245,957	283,778	34,766	6,362	888,046	929,174
<u>546,853</u>	<u>617,889</u>	<u>57,336</u>	<u>15,739</u>	<u>1,246,539</u>	<u>1,319,614</u>
132,778	132,778			164,462	164,462
2,336	2,336			1,047	1,047
<u>55,538</u>	<u>55,538</u>			<u>54,887</u>	<u>54,887</u>
<u>190,652</u>	<u>190,652</u>			<u>220,396</u>	<u>220,396</u>
<u>\$ 737,505</u>	<u>\$ 808,541</u>	<u>\$ 57,336</u>	<u>\$ 15,739</u>	<u>\$ 1,466,935</u>	<u>\$ 1,540,010</u>

Combining Comparative Statements by Fund Type

Bureau of Land Management
Combining Comparative Statements of Financial Position
September 30, 1995 and 1994
(dollars in thousands)

	1 9	9 5
	Revolving Fund	Trust Funds
Liabilities and Net Position:		
Liabilities:		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accounts Payable	\$ 65	\$ 15
Governmental Liabilities:		
Accounts Payable	698	292
Accrued Payroll and Benefits	94	106
Undistributed Collections		
Deposit Funds		
Deferred Credits		
Total Liabilities Covered by Budgetary Resources	<u>857</u>	<u>413</u>
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Workers and Unemployment Compensation Payable		
Governmental Liabilities:		
Accrued Annual Leave		
Total Liabilities Not Covered by Budgetary Resources		
Contingent Liabilities		
Total Liabilities	<u>857</u>	<u>413</u>
Net Position:		
Unexpended Appropriations		
Invested Capital	38,135	143
Cumulative Results of Operations	20,507	
Donations	2,172	(143)
Trust Fund Balances		8,952
Future Funding Requirements		
Net Position	<u>60,814</u>	<u>8,952</u>
Total Liabilities and Net Position	<u>\$ 61,671</u>	<u>\$ 9,365</u>

Combining Comparative Statements by Fund Type

Appropriated Funds	Combined	1	9	9	4	Appropriated Funds	Combined
		Revolving Fund	Trust Funds				
\$ 8,895	\$ 8,975	\$ 62	\$ 25	\$ 16,927	\$ 17,014		
18,002	18,992	694	144	114,464	115,302		
19,278	19,478	97	129	19,745	19,971		
111,609	111,609			86,913	86,913		
21,558	21,558			18,271	18,271		
55,963	55,963			55,449	55,449		
<u>235,305</u>	<u>236,575</u>	<u>853</u>	<u>298</u>	<u>311,769</u>	<u>312,920</u>		
7,362	7,362			7,893	7,893		
38,022	38,022			38,135	38,135		
<u>45,384</u>	<u>45,384</u>			<u>46,028</u>	<u>46,028</u>		
<u>280,689</u>	<u>281,959</u>	<u>853</u>	<u>298</u>	<u>357,797</u>	<u>358,948</u>		
256,243	256,243			253,075	253,075		
247,835	286,113	35,356	6,505	903,968	945,829		
	20,507		18,939		18,939		
(1,878)	151	2,188	(143)	(1,877)	168		
	8,952		9,079		9,079		
(45,384)	(45,384)			(46,028)	(46,028)		
<u>456,816</u>	<u>526,582</u>	<u>56,483</u>	<u>15,441</u>	<u>1,109,138</u>	<u>1,181,062</u>		
<u>\$ 737,505</u>	<u>\$ 808,541</u>	<u>\$ 57,336</u>	<u>\$ 15,739</u>	<u>\$ 1,466,935</u>	<u>\$ 1,540,010</u>		

Combining Comparative Statements by Fund Type

Bureau of Land Management

Combining Comparative Statements of Operations and Changes in Net Position
for the Fiscal Years Ended September 30, 1995 and 1994
(dollars in thousands)

	1 9	9 5	—
	Revolving Fund	Trust Funds	
Financing Sources, Revenues, and Collections:			
Financing Sources:			
Appropriated Capital Used	\$	\$	
Revenues:			
Sales of Goods and Services - Public	5		
Sales of Goods and Services - Intragovernmental	16,188		
Gain (Loss) on Disposition of Assets	604		
Trust Fund Revenue			8,205
Collections:			
Gross Receipts			
Less Receipts Transferred or to be Transferred to Treasury or Other Agencies			
Total Financing Sources, Revenues, and Collections	<u>16,797</u>	<u>8,205</u>	
Expenses:			
Operating Expenses	6,846	8,210	
Cost of Goods Sold - Intragovernmental	2,053		
Depreciation	4,906		
Interest Expense	7	4	
Unfunded Annual Leave			
Unfunded Workers and Unemployment Compensation			
Total Expenses	<u>13,812</u>	<u>8,214</u>	
Excess (Shortage) of Financing Sources, Revenues, and Collections over Total Expenses	<u>\$ 2,985</u>	<u>\$ (9)</u>	
Changes In Net Position:			
Net Position, Beginning Balance	\$ 56,483	\$ 15,441	
Prior Period Adjustment		(6,362)	
Excess (Shortage) of Financing Sources, Revenues and Collections over Total Expenses	2,985	(9)	
Plus (Minus) Nonoperating Changes	1,346	(118)	
Net Position, Ending Balance	<u>\$ 60,814</u>	<u>\$ 8,952</u>	

Combining Comparative Statements by Fund Type

Appropriated Funds	Combined	1 9 Revolving Fund	9 4 Trust Funds	Appropriated Funds	Combined
\$ 1,017,976	\$ 1,017,976	\$	\$	\$ 964,714	\$ 964,714
1,471	1,476	16		1,172	1,188
16,101	32,289	17,138		10,917	28,055
	604	(110)			(110)
	8,205		9,297		9,297
122,116	122,116			146,075	146,075
(94,992)	(94,992)			(124,912)	(124,912)
<u>1,062,672</u>	<u>1,087,674</u>	<u>17,044</u>	<u>9,297</u>	<u>997,966</u>	<u>1,024,307</u>
1,051,327	1,066,383	6,639	6,196	985,685	998,520
	2,053	2,445			2,445
11,179	16,085	5,413		12,195	17,608
166	177	4	1	86	91
(112)	(112)			981	981
(531)	(531)			1,271	1,271
<u>1,062,029</u>	<u>1,084,055</u>	<u>14,501</u>	<u>6,197</u>	<u>1,000,218</u>	<u>1,020,916</u>
\$ 643	\$ 3,619	\$ 2,543	\$ 3,100	\$ (2,252)	\$ 3,391
\$ 1,109,138	\$ 1,181,062	\$ 53,445	\$ 12,548	\$ 1,093,786	\$ 1,159,779
(695,221)	(701,583)				
643	3,619	2,543	3,100	(2,252)	3,391
42,256	43,484	495	(207)	17,604	17,892
\$ 456,816	\$ 526,582	\$ 56,483	\$ 15,441	\$ 1,109,138	\$ 1,181,062

Combining Comparative Statements by Fund Type

Bureau of Land Management
Combining Comparative Statements of Cash Flows
for the Fiscal Years Ended September 30, 1995 and 1994
(dollars in thousands)

	1 9	9 5	—
	Revolving Fund	Trust Funds	
Cash Flows From Operating Activities:			
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ 2,985	\$ (9)	
Adjustments Affecting Cash Flow:			
Appropriated Capital Used	(1)		
Decrease (Increase) in Accounts Receivable	371		
Decrease (Increase) in Other Assets	7	138	
Increase (Decrease) in Accounts Payable	(3)	(23)	
Increase (Decrease) in Other Liabilities	(604)		
Loss (Gain) on Disposition of Assets	4,906		
Depreciation	4,676	115	
Unfunded Expenses	7,661	106	
Total Adjustments			
Net Cash Provided (Used) by Operating Activities			
Cash Flows From Investing Activities:			
Proceeds from Sales of Property and Equipment	2,135		
Purchases of Property and Equipment	(8,146)	(119)	
Net Cash (Used) by Investing Activities	(6,011)	(119)	
Cash Flows From Financing Activities:			
Appropriations (Current Warrants)			
Transfers of Cash from Others			
Transfers of Cash to Others			
Withdrawals			
Rescission of Budget Authority from Closed Fund			
Net Cash Provided by Financing Activities			
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	1,650	(13)	
Fund Balances with Treasury, Beginning Balance	19,016	9,378	
Fund Balances with Treasury, Ending Balance	<u>\$ 20,666</u>	<u>\$ 9,365</u>	
Supplemental Disclosure Of Cash Flow Information:			
Total Interest Paid	\$ 7	\$ 4	

Combining Comparative Statements by Fund Type

Appropriated Funds	Combined	1 9	9 4	Appropriated Funds	Combined
\$ 643	\$ 3,619	\$ 2,543	\$ 3,100	\$ (2,252)	\$ 3,391
(1,017,976)	(1,017,976)			(964,714)	(964,714)
13,110	13,109		3	(24,496)	(24,493)
(651)	(280)	155		37,949	38,104
(104,494)	(104,349)	190	(38)	76,471	76,623
28,030	28,004	3	(2)	(69,564)	(69,563)
	(604)	110			110
11,179	16,085	5,413		12,195	17,608
(643)	(643)			2,252	2,252
(1,071,445)	(1,066,654)	5,871	(37)	(929,907)	(924,073)
(1,070,802)	(1,063,035)	8,414	3,063	(932,159)	(920,682)
	2,135	1,027			1,027
(50,699)	(58,964)	(8,020)	(1,180)	(51,682)	(60,882)
(50,699)	(56,829)	(6,993)	(1,180)	(51,682)	(59,855)
1,193,819	1,193,819			1,093,663	1,093,663
91,493	91,493			24,750	24,750
(219,381)	(219,381)			(128,996)	(128,996)
(2,724)	(2,724)			(6,623)	(6,623)
(2,543)	(2,543)			(171)	(171)
1,060,664	1,060,664			982,623	982,623
(60,837)	(59,200)	1,421	1,883	(1,218)	2,086
475,356	503,750	17,595	7,495	476,574	501,664
\$ 414,519	\$ 444,550	\$ 19,016	\$ 9,378	\$ 475,356	\$ 503,750
\$ 166	\$ 177	\$ 4	\$ 1	\$ 86	\$ 91



Providing Technical and Economic Assistance

BLM provides State, local, and tribal governments with certain types of technical and economic assistance. In addition, BLM provides lands to local communities for schools, parks, and other community needs through Recreation and Public Purposes Act leases and patents. This assistance is part of BLM's overall effort to identify and implement solutions in collaboration with others.

photo by BLM



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

FEB 23 1996

Memorandum

To: Director, Bureau of Land Management

From: Judy Harrison *Judy Harrison*
Assistant Inspector General for Audits

Subject: Report on Bureau of Land Management Combined Financial
Statements for Fiscal Years 1994 and 1995

In accordance with the Chief Financial Officers Act of 1990, we audited the Bureau of Land Management's combined financial statements for the fiscal years ending September 30, 1994, and 1995, as contained in the Bureau's accompanying 1995 Annual Report. The Bureau of Land Management is responsible for these financial statements, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," and was completed on February 9, 1996. These audit standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We found that the fiscal year 1995 combined financial statements and accompanying notes present fairly the Bureau of Land Management's assets, liabilities, and net position; revenue, financing sources, and expenses; cash flows; and budget and actual expenses. In addition, as reported in our February 1995 report (No. 95-I-584), we found that, except for the amounts reported for property and equipment, the fiscal year 1994 combined financial statements and accompanying notes present fairly the Bureau's assets, liabilities, and net position; revenue, financing sources, and expenses; cash flows; and budget and actual expenses. We also found that these financial statements are presented in conformity with the accounting standards and policies described in the Notes to Financial Statements. Further, except for the amounts reported for property and equipment related to fiscal year 1994, the supplemental combining financial statements were subjected to the auditing procedures applied in the audit of the combined financial statements and are fairly stated in relation to the financial statements taken as a whole.

As part of our audit, we evaluated the Bureau's internal control structure, tested the Bureau's compliance with selected provisions of laws and regulations, and reviewed the financial information presented in the Bureau's overview. We also reviewed the Bureau's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Bureau's internal control structure. However, because of inherent limitations in any system of internal controls, losses, noncompliance, or misstatements may nevertheless occur and not be detected. We also caution that projecting our evaluations to future periods is subject to the risk that controls or the degree of compliance with the controls may diminish.

Except as discussed in the paragraph below, we found that the Bureau's internal control structure in effect on September 30, 1995, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were executed in accordance with laws and regulations; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. In addition, we found that there were no material instances of noncompliance with selected provisions of laws and regulations for fiscal year 1995 that we tested, and nothing came to our attention in the course of our other audit work to indicate that material noncompliance with such provisions occurred. Further, we found that the financial information in the Bureau's overview relating to the

financial statements is consistent with the information presented in the financial statements.

In our August 1994 report (No. 94-I-1249) on the Bureau's financial statements for fiscal years 1992 and 1993, we reported that the Bureau had not reconciled differences in the amounts reported in its real property subsidiary system and in its general ledger accounts for structures, facilities, and improvements and for construction in progress. In addition, we reported that the Bureau had not maintained records for its real property subsidiary system. The Bureau concurred with the finding relating to real property in our August 1994 report and initiated corrective action under a plan that was approved by Departmental management. Under the plan, to correct the problems in reporting real property values in fiscal year 1995, the Bureau redefined the types of buildings and structures to be reported, established reasonable values for the redefined buildings and structures, and adjusted the subsidiary records and the fiscal year 1995 financial statements accordingly. According to the Bureau, the development of its plan for correcting the internal control structure relating to accounting for and reporting on future real property is expected to be completed by September 30, 1996.

Except as mentioned in the previous paragraph, our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved and unimplemented recommendations that affected the Bureau's financial statements.

*Written, Designed,
and Produced by the
Bureau of Land Management's
National Business Center
and National Applied
Resource Sciences Center*



BLM/BC/GI-96/001+1300

★ U.S. GOVERNMENT PRINTING OFFICE: 1996 — 776-366

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



Rediscovering Your Public Lands

1996 ANNUAL REPORT



The Grand Staircase-Escalante National Monument

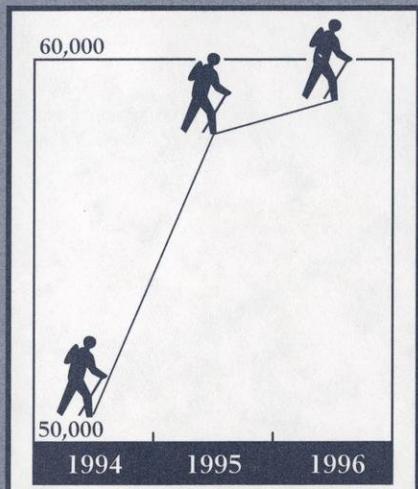


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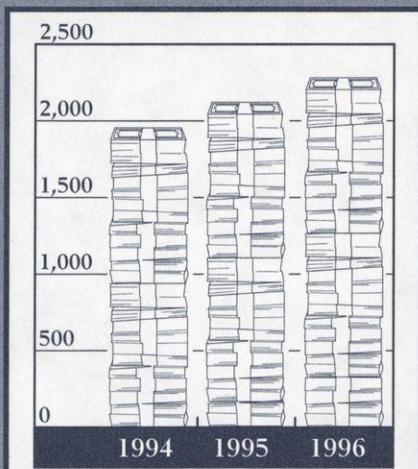
The Mission

It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Recreation Visits



Recreation Fee Revenues (\$000)

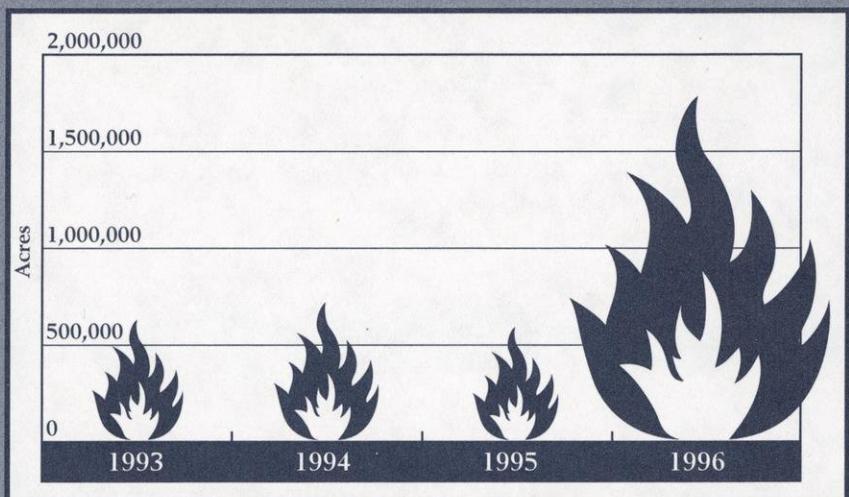


National Monument

The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. Managing a national monument is a significant new challenge for the BLM, but one that is consistent with BLM's mission of preserving resource values within the larger context of multiple-use management.



1996 Fire Season: Fire Suppression Activities





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FORWARD

The Bureau of Land Management

The Bureau of Land Management (BLM) is responsible for managing 264 million acres of land—about one-eighth of the land in the United States—and about 300 million additional acres of subsurface mineral resources. The Bureau is also responsible for wildfire management and suppression on 388 million acres.

Most of these lands are located in the western United States, including Alaska, and are dominated by extensive grasslands, forests, high mountains, arctic tundra, and deserts. The BLM manages a wide variety of resources and uses, including energy and minerals; timber; forage; wild horse and burro populations; fish and wildlife habitat; wilderness areas; archaeological, paleontological, and historical sites; and other natural heritage values.

In managing the vast public lands, the BLM performs a wide variety of functions: taking inventory of resources; preparing land use plans and assessing environmental impacts; conducting land surveys; issuing leases and other use authorizations; enforcing permit conditions; designing and constructing roads and other improvements; restoring degraded fish and wildlife habitat; identifying and protecting significant natural, cultural, and recreational resources; and monitoring resource conditions. In addition, the BLM maintains the original property and cadastral survey records of the United States. All of these activities are conducted with extensive public participation and in coordination with other Federal agencies; State, tribal, and local governments; and other affected interests.

Fifty Years of Change

Increasingly, the BLM has had to address the needs of a growing and changing West. Ten of the 12 western States with significant proportions of BLM-managed lands have among the fastest rates of population growth in the United States. More than ever, the American public values balanced use, conservation, environmental management, recreation, and tourism. Yet the more traditional land uses of grazing, timber production, and mining are still in high demand. The BLM must recognize the demands of new public land users while addressing the needs of traditional user groups and working within constricted budgets. Fortunately, the public, constituent groups, and other agencies and levels of governments are eager to participate in collaborative decisionmaking, so the BLM has been able to develop many partnerships that benefit the public lands.

The Bureau is challenged today to develop more effective land management practices, as well as to become more efficient. The BLM is proud of the significant steps it has taken to reduce administrative costs, streamline work processes, focus on customer service, and improve accountability to the American people.

Accountability for Performance and Results

As the Bureau of Land Management celebrates its 50th Anniversary, it is working to chart a new course to lead the agency into the next century. Responding to the Chief Financial Officers Act of 1990, the Government Performance and Results Act (GPRA) of 1993, the National Performance Review, and other initiatives, the Bureau has developed a draft Strategic Plan.

The Strategic Plan outlines the mission-oriented goals and objectives for the agency over the next 3-5 years. In addition, the plan proposes time-based performance targets for which progress will be measured and reported annually. This Annual Report is the second of such reports the BLM has produced—the first was for fiscal year (FY) 1995. The Annual Report will provide better and more meaningful measurements of progress toward desired resource conditions, customer satisfaction, and other results over the next several years. In 1997, the BLM will be required to develop Annual Performance Plans that link performance measures to the goals set for the agency. It is envisioned that each goal will have one or more measures of outcome in terms that are understandable and that can direct the allocation of funds and personnel, as well as management decisions. In this way, the BLM will increase its accountability to taxpayers and Congress, which provide and allocate funds for managing the public lands.

A Vision for the Future

The FY 1996 Annual Report strives to move toward providing more meaningful information, a more understandable format, and greater accountability for achieving intended results. As progress in FY 1996 is recorded, the agency looks forward to developing an FY 1997 report that addresses the goals and vision even more directly. A vision for the future is articulated in the BLM *Blueprint for the Future*:

- ◆ Provide for a wide variety of public land uses without compromising the long-term health and diversity of the land and without

- ◆ sacrificing significant natural, cultural, and historical resource values;
- ◆ Understand the arid, semi-arid, arctic, and other ecosystems that the BLM manages and commit to using the best scientific and technical information to make resource management decisions;
- ◆ Resolve problems and implement decisions in collaboration with other agencies, states, tribal governments, and the public;
- ◆ Understand the needs of rural and urban publics and provide them with quality service;

- ◆ Maintain a skilled and highly professional work force;
- ◆ Clearly define and achieve objectives through the efficient management of financial, human, and information resources;
- ◆ Efficiently and effectively manage land records and other spatial data; and
- ◆ Commit to recovering a fair return for the use of publicly-owned resources and to avoiding the creation of long-term liabilities for the American taxpayers.

The outline and content of this year's Annual Report is based on BLM's draft Strategic Plan goals and

on Government Performance and Results Act and Chief Financial Officers Act requirements. While GPRA does not require annual reports for FY 1996, the BLM is working toward early compliance with the Act. The Strategic Plan and associated Annual Performance Plan will not be completed until FY 1997, so the performance goals were not available throughout the Bureau at the beginning of FY 1996. The accomplishments of FY 1996 have been retrospectively organized by strategic goal, and progress toward performance goal outcomes was not measured in every strategic area. The FY 1997 Annual Report will more directly respond to the Strategic Plan's performance goals.

The following "Annual Report map" can be used as a quick reference for the location of each strategic goal.



Page Map for the Annual Report

Mission

*Sustain the health, diversity, and productivity of the public lands for the use
and enjoyment of present and future generations.*

	Page 13	Page 25	Page 33	Page 39	Page 45
BLUEPRINT GOALS	Serve current and future publics	Restore and maintain the health of the land	Promote collaborative management	Improve business practices	Improve human resources management
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Provide opportunities for environmentally responsible recreation 	Restore and maintain the health of upland areas	Improve understanding of ecosystem condition, trends, and function	Improve BLM's work processes	Maintain a trained, motivated workforce to ensure support for the BLM mission
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Preserve our natural and cultural heritage 	Restore and maintain the health of riparian, wetland, and aquatic areas	Promote community-based decisionmaking	Improve business information	Institutionalize the principles of organizational diversity and establish a workforce that is representative of the national labor force
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Provide opportunities for environmentally responsible commercial activities 	Conserve and recover threatened and endangered plants and animals	Expand partnerships to implement on-the-ground activities	Improve organizational effectiveness and accountability for program performance	Provide employees with effective communication and leadership
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Reduce threats to public health, safety, and property 		Improve ownership patterns	Improve BLM's ability to effectively use automation capabilities	
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Improve land, resource, and title information 		Improve the information about the BLM		
STRATEGIC GOALS	<ul style="list-style-type: none"> ▶ Provide economic and technical assistance 				



DIRECTOR'S LETTER

Director's Letter

Our overriding concern remains the health of our Nation's public lands...

This has been a remarkable year for all of us in the Bureau of Land Management. Much was accomplished in this, our 50th Anniversary year, as we prepare to meet the challenges of the remainder of the decade and the coming century.

Our overriding concern remains the health of our Nation's public lands. Conserving and restoring America's lands and rivers is central to everything we do. Here are some highlights of what we and our partners have been able to accomplish recently:

- ◆ We and the Forest Service are implementing the largest inter-agency ecosystem restoration plan in the world. The 24-million-acre Pacific Northwest Forest Plan is based on good, sound science and represents a socially responsible strategy for balancing environmental and economic concerns.
- ◆ We have implemented new rangeland regulations that, over a 10-year period, will restore 100,000 acres of riparian areas, bring 20 million acres of uplands into properly functioning condition, and improve watershed health.
- ◆ We have begun the conservation and restoration of hundreds of miles of riparian areas and critical
- habitat for salmon and steelhead through a strategy called PAC-FISH.
- ◆ We are improving public land ownership patterns through the Western States Land Commissioners, trading land desirable for development for land with high conservation values.
- ◆ We have led efforts to check the spread of noxious weeds and implement a fire policy that protects lives and property while recognizing the ecological role of fire in natural systems.



Another major goal for the BLM is to improve customer service through collaborative management. A prime example is the 24 Resource Advisory Councils established throughout the western States to enable local people to sit down together and resolve local issues. These councils are hammering out standards and guidelines to ensure healthy rangelands through sound grazing management practices. Ranchers, suburban environmentalists, and others are working together to ensure the health of the public lands into the next century.

Perhaps our greatest success this past year was being given management responsibility for the newly created 1.7-million-acre Grand Staircase-Escalante National Monument. This is a historic first for the Bureau and represents a clear endorsement of BLM's capability to improve and maintain the health of the land.

The annual report you are reading is our principal performance and accountability report to the American people on our stewardship of the Nation's public lands. We thank all of those who worked with us as partners or otherwise lent their support, particularly the many volunteers who gave so generously of their time and resources to help us. Thanks to all of this support, we are able to continue our efforts to sustain the health, diversity, and productivity of our public lands.



MESSAGE FROM THE CFO

We are very proud of our progress...

The Bureau of Land Management issued its first audited financial statements at the end of fiscal year 1991, and received its first unqualified audit opinion last year. We are very proud of our progress in achieving this milestone, and I am happy to report that we have again received an unqualified audit opinion on our financial statements for FY 1996, the Bureau's 50th Anniversary year. This is a reflection of the importance and priority the agency has always placed on its stewardship responsibilities, as well as our commitment to sound financial management.

The BLM is continuing to improve its financial management systems. Last year we implemented several new external system interfaces to the financial management system that have increased data timeliness and reduced manual processing. We implemented two new releases of our accounting system software and improved our reporting of financial data to our stakeholders and program managers. Perhaps the most significant systems change was the implementation of a new property subsystem. Last year the subsystem was initially implemented for personal property, and this year we completed this implementation process. Through all these accounting system changes and improvements, we have made data integrity and accuracy our principal objective.

We continue to be a financial management leader within the Department of the Interior. The Department's best practices study ranked the BLM among the very best in the Department in terms of financial practices and efficiencies. Our payments function is one of the most cost-effective and economical. We are also leading the Departmentwide standard accounting classification advisory

team that will improve recording and reporting of accounting data.

The Bureau's Executive Leadership Team undertook an effort, now known as efficiency initiatives, to look at our current processes and find ways to accomplish them more economically. The team identified 49 different processes, and BLM employees an additional 18, to be studied. Some of these initiatives have yielded, or will yield, substantial ways to avoid future costs. For example, by better managing our space utilization we expect to avoid about \$4.5 million in costs over the next three years. By changing management practices and estimates we expect to avoid about \$3 million in our vehicle and heavy equipment fleet costs. We also expect to avoid about \$2 million a year in costs by changing some of our policies and procedures regarding household moves of transferring employees. With all of these efficiency initiatives taken together, we expect a cost avoidance of almost \$12 million over the next several years.

The Bureau has vigorously undertaken several reengineering efforts as a

result of customer information, and the agency is actively participating in a number of Departmentwide initiatives. We are nearing completion of a radical reengineering of our acquisition process, moving toward the implementation phase of the billing and collection reengineering process, and finishing the reengineering report on the use authorization process. The Bureau participated in the Departmentwide reengineering of the management control process (currently being implemented), and we are actively participating in the Department's travel reengineering laboratory. These reengineering efforts should produce considerable savings.

The Bureau is committed to excellent customer service and to research regarding customer expectations. We conducted another customer survey last year and received some encouraging feedback. Of those who responded, 91% said the BLM offers prompt, courteous service; 90% said the BLM provided the information they requested; 88% said they were fully informed of the procedures that apply to grants, agreements, contracts, and permits; and 83% said BLM's facilities, such as campgrounds and developed trails, are safe, clean, and attractive.

These results reflect our commitment to customer service. We will continue these customer surveys to measure our performance and direct our resources accordingly.

Finally, the BLM has made considerable progress in preparing a Bureauwide Strategic Plan as required by the Government Performance and Results Act. We have agreed upon goals and objectives and have developed many of the performance measures needed to gauge our success. These are discussed in greater detail later in this report.





B L M

...Congress encouraged the settlement of the land...

The Bureau of Land Management celebrated its 50th Anniversary in 1996. However, the Bureau's history actually reaches back over 200 years to the beginnings of our Nation.

The Early Years

The BLM's roots go back to the Land Ordinance of 1785 and the Northwest Ordinance of 1787. These laws provided for the survey and settlement of the lands that the original 13 colonies ceded to the Federal government after the War of Independence. As additional lands were acquired by the United States from Spain, France, and other countries, Congress directed that they be explored, surveyed, and made available for settlement. In 1812, Congress established the General Land Office in the Department of the Treasury to oversee the disposition of these federal lands.

As the 19th century progressed and the Nation's land base expanded further west, Congress encouraged the settlement of the land by enacting a wide variety of laws, including military bounties; grants for the construction of wagon roads, canals, and railroads; the homesteading laws; the Mining Law of 1872; the Desert Land Act of 1877; and the Timber and Stone Act of 1878.

All these statutes served one of the major policy goals of the young country — settlement of the Western territories. With the exception of the Mining Law of 1872 and the Desert Land Act of 1877 (which was amended), all have since been repealed or superseded by other statutes.

The BLM is Formed

The late 19th century marked a shift in Federal land management pri-

orities with the creation of the first national parks, forests, and wildlife refuges. By withdrawing these lands from settlement, Congress signaled a shift in the policy goals served by the public lands. Instead of using them to promote settlement, Congress recognized that they should be held in public ownership because of their other resource values.

In the early 20th century, Congress took additional steps toward recognizing the value of the assets on public lands and directed the Executive Branch to manage activities on the remaining public lands. The Mineral Leasing Act of 1920 allowed leasing, exploration, and production of selected commodities such as coal, oil, gas, and sodium to take place on public lands. The Taylor Grazing Act of 1934 established the U.S. Grazing Service to manage the public rangelands. In 1946, the Grazing Service was merged with the General Land Office to form the Bureau of Land Management within the Department of the Interior.

When the BLM was created, there were over 2,000 unrelated and often conflicting laws concerning manage-

ment of public lands. The BLM had no unified legislative mandate until Congress enacted the Federal Land Policy and Management Act of 1976 (FLPMA). In FLPMA, Congress recognized the value of the remaining public lands by declaring that these lands would remain in public ownership. Congress also gave us the term "multiple use" management, defined as "management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people."

The BLM Today

While adhering to the FLPMA multiple-use mandate, the BLM has kept pace with new laws, court decisions, and changing public demands.

Americans increasingly value the public lands for their environmental resources, the recreational opportunities they offer, their cultural resources, and--in an increasingly urban world--their vast open spaces. FLPMA's multiple-use mandate requires the BLM to balance the public's newer demand for more recreation with more traditional uses--including commodity extraction and grazing.

As the BLM celebrates its 50th Anniversary in 1996, it looks forward to continuing its service to the public while strengthening its partnerships with other Federal agencies; State, Tribal, and local governments; and all who use or care about the public lands. Through its collaborative approach to management, the BLM will ensure the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations of Americans.





H E L U M

*...transferring the responsibility for and operation
of the Federal helium program to the BLM...*

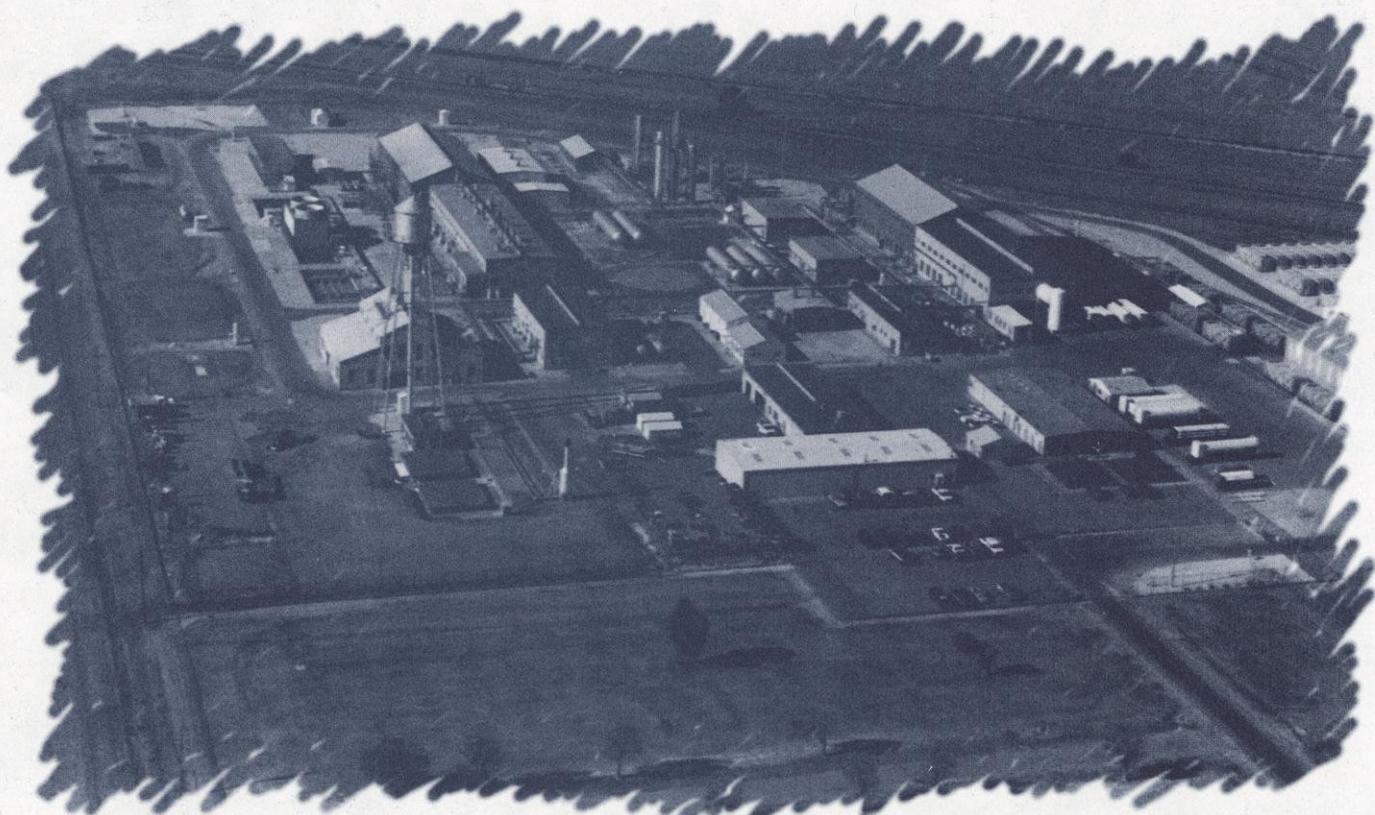
The Helium Act of March 3, 1925, and the Helium Act Amendments of 1960 authorized the Federal government to acquire, process, transport, and conserve helium for domestic use. Under the Act, the Bureau of Mines purchased and stored 32 billion cubic feet of helium for conservation purposes. To accomplish this conservation program, a 425-mile government-owned pipeline connecting helium extraction plants with the helium storage field was constructed.

The services currently provided under the Federal helium program include maintaining the Federal gov-

ernment's helium storage and pipeline system, providing fee-based storage and redelivery service of crude helium for private helium companies, and recovering royalty and fee sales owed to the government for helium recovered from leaseholds. These services were administered through the Bureau of Mines. In September 1995, Congress enacted legislation to close the Bureau of Mines and transfer any remaining functions to other agencies. On March 12, 1996, the Secretary of the Interior signed Secretarial Order 3198 transferring the responsibility for and operation of the Federal helium program to the BLM, including all

management authority necessary to carry out those responsibilities. Implementation of this order included the transfer of personnel, funds, facilities, programs, records, and property.

The Helium Privatization Act of 1996 will end BLM's production, refining, and marketing of refined helium in 1998. However, the operation of the helium storage system for both government and private helium storage and collection of helium royalties and fee sales will continue. In addition, the requirement to provide operating, statistical, and financial information to Congress will remain.





BLUEPRINT GOAL

Serve Current and Future Publics

The goods and services the BLM provides are economically significant both to the Nation as a whole and to the economies of many western communities...

As one of the Nation's principal natural resource management agencies, the Bureau of Land Management provides a variety of goods and services to the American people. Some of these goods and services are resource based and are directly tied to the public lands and resources managed by the BLM. Other goods and services provided by the Bureau are an outgrowth of its land management responsibilities and involve sharing technical expertise and capabilities with other Federal agencies and with State, Tribal, and local governments. The goods and services the BLM provides are economically significant both to the Nation as a whole and to the economies of many western communities.

Goods and services in six broad areas are discussed in this section:

- ◆ Provide opportunities for environmentally responsible recreation.
- ◆ Preserve our natural and cultural heritage.
- ◆ Provide opportunities for environmentally responsible commercial activities.
- ◆ Reduce threats to public health, safety, and property.
- ◆ Improve land, resource, and title information.

- ◆ Provide economic and technical assistance.

Provide Opportunities for Environmentally Responsible Recreation

Background

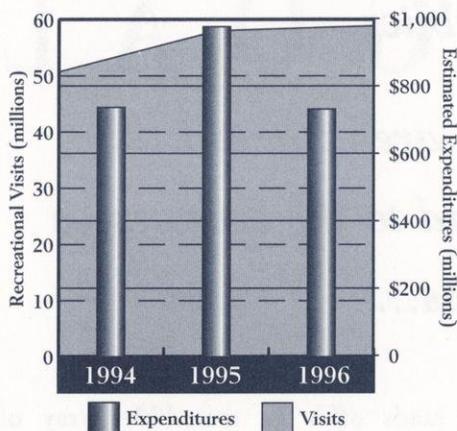
In the last 10 years, an explosive growth has occurred in the more traditional recreational pursuits of fishing, camping, river rafting, winter sports, motorized sports, and wildlife viewing. The BLM has also experienced a dramatic growth in visitation to the public lands, from about 51 million in 1994 to almost 59 million in 1996.

The kind of leisure opportunities offered by the BLM emphasize wide-open landscapes. And BLM's public

lands offer an incredible array of resources for recreational activity — 205,000 miles of fishable streams, 2.2 million acres of lakes and reservoirs, 6,664 miles of floatable rivers along 746 river segments, and 533 boating access points. The BLM's 64 National Back Country Byways and 300 Watchable Wildlife sites offer breathtaking beauty and adventure. In addition, BLM-managed habitat provides homes to more than 3,000 species of mammals, birds, reptiles, fish, and amphibians. Big game abound on the BLM public lands in the West — 373,000 pronghorn, 19,000 bighorn sheep, 940,000 caribou, 1.3 million deer, 30,000 moose, 23 million waterfowl, and millions of small game animals.

The BLM public lands contain 9 National Historic Trails, 2 National Scenic Trails, and 26 National Recreation Trails encompassing 4,500 miles. These public lands also provide millions of miles of excellent and inspiring multiple-use trails available for motorcyclists, hikers, equestrians, and mountain bikers. BLM's public lands, which are located in 10 of the 12 fastest growing western States, also attract an associated recreation service industry that is an increasingly important component of the local economy in many western communities.





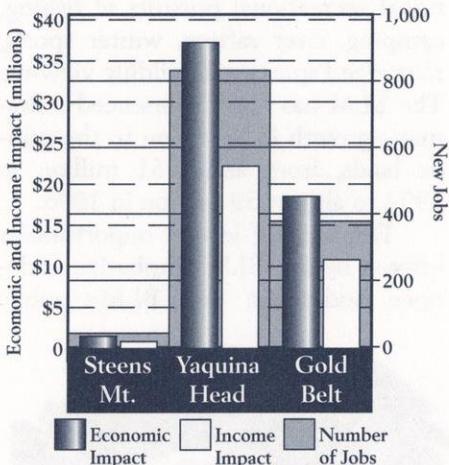
While the demand for recreation and tourism opportunities on the public lands continues to increase, budget allocations have not kept pace with increasing costs and will likely remain flat as Congress and the Administration work to eliminate the current deficit crisis and balance the Federal budget. In the past, the BLM relied heavily on Congressional appropriations as the traditional means for supporting recreation management efforts. Currently, the BLM is experiencing an estimated \$50 million annual shortfall to implement its recreation program. In 1996, the Bureau aggressively embraced the recreation fee pilot demonstration program and will continue to develop creative and innovative alternative funding sources and resources to accomplish its mission.

Performance Measures

1. By 2001, collaboratively develop a methodology to determine the economic impacts and opportunities of recreation and tourism occurring on public lands.

The BLM has been actively working to develop a methodology to determine the economic impact of recreation on the public lands. The Bureau is also assisting the Department of the Interior in developing estimates of the economic impact of outdoor recreation activities on public lands. The BLM is creating a Bureauwide tourism

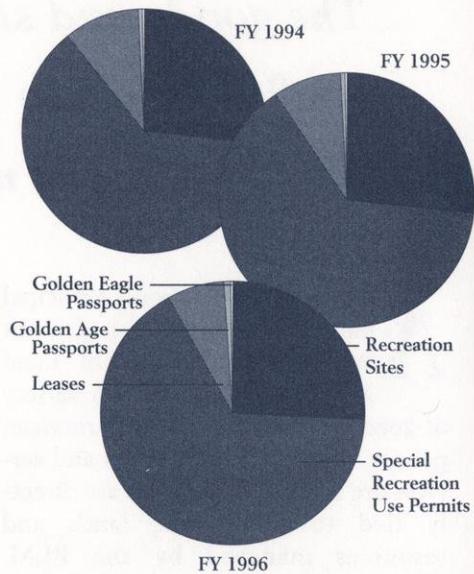
and marketing strategy and an implementation plan. The BLM has participated in the various State Governor's Conferences on Travel and Tourism and played a leading role in coordinating the Western Summit on Tourism and the Public Lands. In addition, the Bureau cooperated with the Forest Service and several academic institutions in developing a methodology to systematically quantify the economic and social impacts of leisure and recreational use of the public lands. The BLM tested the economic impact measures at three pilot recreation sites — Steens Mountain, Oregon; Yaquina Head, Oregon; and Gold Belt, Colorado. The results from these three pilot sites indicated that recreation on the BLM public lands is a major contributor to the daily quality of life for local and regional economies. The estimated recreation-related economic impacts for the pilot sites are as follows:



2. Increase and retain recreation fee revenue to eradicate the infrastructure maintenance backlog and increase external funding to augment recreation operational costs.

The BLM has revised existing guidance to increase the efficiency of and cost recovery for Special Recreation Permits; added four recreation sites for fee collection under existing authorities; and, in conjunction with the National Park Service,

Forest Service, and Fish and Wildlife Service, identified 17 recreation sites to participate in this first phase of the pilot demonstration fee program.



3. By 2001, improve and expand co-management agreements and partnerships with other key private, State, Federal, Tribal, and local recreation and tourism providers.

The BLM cannot effectively provide recreation opportunities alone, particularly in areas where there are many providers within a region. Tourism partnerships provide the framework for obtaining consensus across a broad spectrum of community interests, agency goals, and visitor needs. The BLM aggressively pursues partnerships that encompass both recreation and tourism issues.

Several significant accomplishments occurred this year to expand partnerships and co-management. The Bureau:

- ◆ Signed 22 "Golden Partnership" agreements with private organizations and interest groups to commemorate the BLM's 50th Anniversary.
- ◆ Expanded a partnership with the Disney Corporation and show-

cased an exhibit on the BLM's 50th Anniversary.

- ◆ Developed a plan for Phase II of Wonderful Outdoor World (WOW) and hosted events in Arizona.
- ◆ Coordinated the National Trails Symposium.
- ◆ Hosted over 20 trails events during National Trails Day.
- ◆ Participated in a National Trails Day event in cooperation with the Forest Service.
- ◆ Coordinated the National Fishing Week kick-off in Washington, DC.
- ◆ Coordinated the Partners Outdoors Fair.
- ◆ Created a partnership database listing over 1,800 entries.
- ◆ Coordinated the Partners Outdoors V annual meeting.
- ◆ Spearheaded the creation of a forum for coordinating research with all Federal land management agencies.
- ◆ Coordinated the Sixth Annual Great Outdoors Award Celebration.

4. Expand outreach activities in interpretation, environmental education, and user stewardship programs.

- ◆ Provided 160 interpretive kiosks, 80 contact stations, and 45 visitor centers to inform visitors of the resource and recreation opportunities on the public lands.
- ◆ Created a World Wide Web home page to highlight the many

diverse and challenging recreational opportunities on the public lands.

- ◆ Designated two additional Back Country Byways, increasing the program to 64 BLM Back Country Byways totaling 3,179 miles. Produced several audio tours for highways.
- ◆ Collaborated with reporters of major magazines such as *Field & Stream* and *Newsweek* in producing special inserts on recreational and leisure opportunities on the public lands.
- ◆ Continued cooperative activities with businesses and nongovernmental agencies in promoting the Leave No Trace and Tread Lightly stewardship programs, improving availability to the Izaak Walton League and the Boy and Girl Scouts.
- ◆ Continued many active on-site interpretive programs for geology, wildflowers, natural and cultural resources, and general resource management.
- ◆ Installed new wayside exhibits on 20 sites on the public lands.
- ◆ Finalized several interpretive site plans that will be implemented in FY 1997 with the assistance of various BLM partners and grant funds.

The BLM was honored by President Clinton with a Presidential Proclamation for the BLM's 50th Anniversary. The President wrote, "Let us all rededicate ourselves to restoring and preserving America's natural abundance. Working together, we can ensure that the country we leave to future generations holds the same promise and opportunity as the one we inherit-

ed." The Bureau was also recognized for two excellent interpretive pieces by prestigious organizations. The Black Hills Back Country Byway brochure was awarded the top prize by the American Recreation Coalition. And BLM's Fire Ecology poster won an award from the National Association for Interpretation.

5. By 2001, collaboratively develop a management tool to measure the social benefits and satisfaction associated with outdoor recreation by the general public on public lands.

To pursue this goal, the BLM has been participating in pilot studies to determine the applicability of benefits-based management. Techniques and other procedures developed during this initial phase will provide the foundation for future management in this area. The BLM also cooperated with the Forest Service on developing new customer comment cards.

Preserve Our Natural and Cultural Heritage

Background

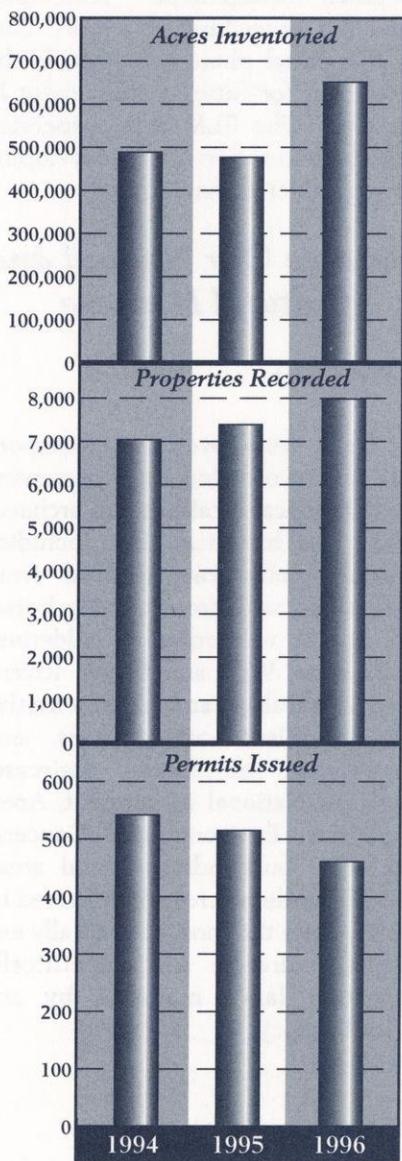
The Federal government is responsible for protecting and preserving paleontological localities and archaeological and historical sites, including museum collections derived from these areas; wild free roaming horses and burros; wilderness or wilderness study areas; Wild and Scenic Rivers; rare, vulnerable, and representative habitats, plant communities, and ecosystems; the Grand Staircase-Escalante National Monument; Areas of Critical Environmental Concern; and other outstanding natural areas. The 264 million acres administered by the BLM are the most ecologically and culturally diverse and scientifically important lands managed by any Federal agency.

Cultural Heritage

In fiscal year 1996, the BLM:

- ◆ Began talks with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers to reach an agreement streamlining compliance with the National Historic Preservation Act. A signed agreement is anticipated in the first half of FY 1997. The agreement would streamline BLM's compliance

Cultural Resource Management Activities



process by cutting out routine external consultation, making oversight of the process an internal function, and making field managers explicitly responsible for results.

- ◆ Consulted with over 150 Native American tribes and Alaska Native villages and corporations pursuant to the requirements of the Native American Graves Protection and Repatriation Act.
- ◆ Completed the final steps in the Native Graves Protection and Repatriation Act repatriation process by publishing *Federal Register* Notices of Intent to Repatriate for the states of Alaska, Arizona, Idaho, Nevada, and Wyoming.
- ◆ Made progress in the area of National Historic Trails, including implementation of the interagency memorandum of understanding on National Historic Trails.
- ◆ Completed one final Comprehensive Management Plan and made progress on four other plans related to National Historic Trails.

Natural Heritage

- ◆ The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. Managing a national monument is a significant new challenge for the BLM, but one that is consistent with BLM's mission of managing preservation values within the larger context of multiple-use management. Work has already begun on a management plan for

the Monument, due to the Secretary in 1999, that will involve significant contributions from State, local, and Tribal governments, as well as the public. In the coming year the Bureau and its Utah State Office will begin the task of on-the-ground management for this important national treasure.

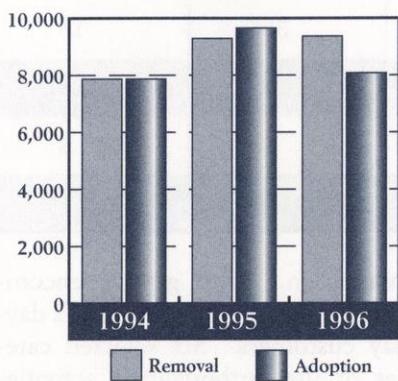
- ◆ A total of 692 Areas of Critical Environmental Concern, totaling over 10 million acres, have been designated on the public lands nationwide for their fish, wildlife, and botanical values.
- ◆ Conservation strategies are being implemented to conserve more than 30 declining species before they become critically endangered. These efforts bring together Federal agencies, States, scientists, and private landowners to conserve these species before they require listing under the Endangered Species Act.
- ◆ The Interagency Wilderness Strategic Plan was completed and signed by the heads of all of the Federal wilderness management agencies.

Wilderness Areas	No. of Sites	Acres
Designated	136	5,227,000
Pending	561	16,965,000
Study Areas	622	17,401,000

- ◆ The Wallowa River in northeastern Oregon (of which BLM manages a 10-mile segment) was added to the National Wild and Scenic Rivers System at the request of the Governor.
- ◆ The Bureau prepared extensive analysis on Utah wilderness legis-

lation introduced in the 104th Congress. The BLM also developed procedures and initiated the review of certain public lands in Utah to determine if they contain wilderness characteristics.

- ◆ Wild horse and burro populations were monitored and managed. Wild horse and burro removals and adoptions are shown in the accompanying graphic.



- ◆ The BLM continued to develop a comprehensive program for managing paleontological resources by developing standards and procedures for the management and preservation of scientifically significant resources. Paleontological resources will now be given full consideration in the Bureau's planning system, and mitigation will be undertaken where significant resources are threatened by surface-disturbing activities.
- ◆ The Society of Vertebrate Paleontology conferred upon the BLM the Society's first Good Stewardship Award. This award recognizes 50 years of work by the Bureau to manage and protect paleontological resources.

Provide Opportunities for Environmentally Responsible Commercial Activities

Economic Contribution of Commercial Activities on Public Lands

Background: BLM-administered public lands provide a number of important commercial goods and services, such as minerals, timber, grazing, and realty (rent), all of which have market value. These commercial uses contribute to national and State economies and employment. In general, the value of production on public lands depends on the private demand for these resources, the effectiveness of BLM's provision of goods and services to users, the availability of resources on public lands, and BLM's decisions regarding any tradeoffs to maintain land ecosystems' health and sustainability.

The estimated value of the various commercial goods and services produced on the public lands is a good measure of their direct economic contribution. The amount of economic activity directly added to national and State economies by these land uses is called value added and consists of the production value of these uses.

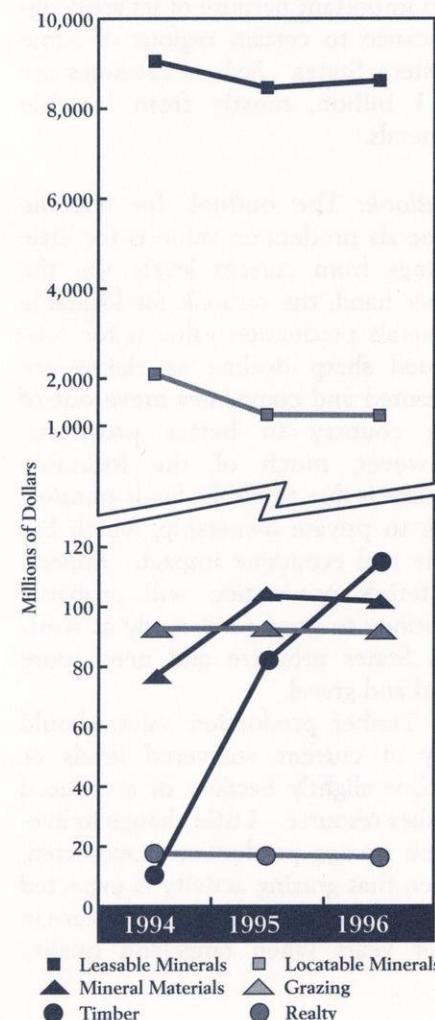
In addition to direct economic production effects, there are indirect output and employment impacts of these activities at the national and State levels. These indirect impacts can be added to the direct production value to obtain the total economic impact. Still another impact is the Federal revenue (excluding income tax) generated from resource uses on the public lands; the States receive a large share of this revenue.

Trends in the Value of Current Uses: As shown on the following chart and table, the FY 1996 estimated marketable value of production occurring

on public lands is around \$10.5 billion. This production is dominated by mineral lease production—oil, gas, and coal—which has changed little in recent years and is currently valued at \$8.8 billion. Locatable minerals production (metals) on mining claims is also significant but has decreased, because of the patenting of claims, to \$1.3 billion. Mineral material production (sand and gravel) value is modest and has increased (due to better monitoring and economic growth) to around \$102 million.

The value of timber produced (most of it comes from Oregon and California) has recently recovered from very low levels to around \$113 million with the release from litigation and the implementation of the President's Forest Plan. Production dropped to very low levels because of

Value of Commercial Public Land Uses



the injunctions related to the spotted owl/old growth controversies but has now recovered to about 20% of the high late-1980s levels. The value of livestock produced on public lands declined slightly and is at a modest level of about \$92 million. It declined in FY 1996 because of drought and reduced livestock prices. The value of realty actions (rights-of-way, rent of land) is around \$16 million on the public lands and is decreasing.

Economic Impact: The total direct and indirect economic output/gross sales impact of the commercial uses is shown in the accompanying table and amounts to \$23.9 billion. Employment impacts amount to a sizable 188,675 jobs. This output and employment impact is mainly from the minerals areas. However, the employment and output generated in other areas such as range and timber is also important because of its great significance to certain regions of some western States. Federal revenues are \$1.1 billion, mostly from leasable minerals.

Outlook: The outlook for leasable minerals production value is for little change from current levels. On the other hand, the outlook for locatable minerals production value is for continued sharp decline as claims are patented and companies move out of the country to better prospects. However, much of the locatable decline is due to public lands transferring to private ownership, which has little real economic impact. Mineral materials production will probably continue to grow moderately as western States urbanize and need more sand and gravel.

Timber production value should stay at current recovered levels or decline slightly because of a reduced timber resource. Little change in livestock grazing production is expected, given that grazing activity is expected to remain constant; it might increase in later years when rangeland quality

Production Value and Economic Impact from the Public Lands

Resource Use	Value FY 1996 (\$ millions)	Employment Impact FY 1996	Output Impact FY 1996 (\$ millions)	Revenue FY 1996 (\$ millions)
Leasable Minerals	8,832	149,260	19,430	994
Locatable Minerals	1,300	28,860	3,380	0
Mineral Materials	102	2,264	265	6
Grazing	92	4,398	396	15
Timber	113	3,616	384	88
Realty	16	277	38	8
Total	10,455	188,675	23,893	1,111

improves. Realty (rental) prospects are uncertain.

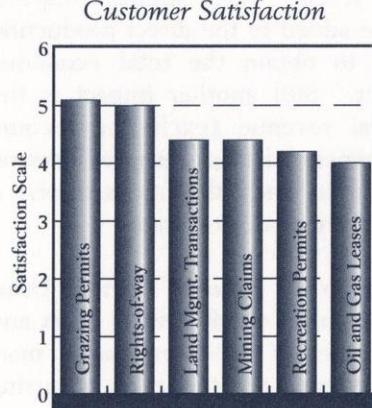
Customer Satisfaction with Use Authorizations

The BLM is committed to improving the quality of service we provide to our customers and stakeholders and takes great pride in providing the best possible service to the public. In June and July of 1995, we conducted our first national survey, using a random sample of over 7,000 customers. These customers were grouped according to the products or services they receive most often from the BLM in the areas of information access, recreation and education, and use

authorization. The groups encompassed the vast majority of BLM's day-to-day customers. Six selected categories of use authorization activities were surveyed; the customers' satisfaction ratings are presented in the accompanying figure.

The survey asked customers a variety of questions in different categories. Customers rated their experiences with BLM on a scale of 1 to 7, with 1 meaning "needs improvement" and 7 meaning "excellent." Among the six categories of use authorization, grazing permits and rights-of-way scored the highest, 5.1 and 5.0, respectively, while the oil and gas rating was the lowest at 4.0. In addition, four cross-cutting themes appeared repeatedly: fair and consistent enforcement, reasonable rules, communication, and streamlining internal processes.

Since this is the first survey of this nature, the results will serve as the baseline against which future survey results can be compared. We plan to repeat this survey at 2- to 3-year intervals. To repeat it more frequently would not allow the BLM adequate time to make improvements against which customer satisfaction could be measured. The Bureau is currently



redesigning selected use authorization processes to improve customer and stakeholder services. The BLM's goal is to reduce total workload and processing cycle time (two issues of most concern to our customers) by at least 25 percent. Implementation of the new design will begin in FY 1997.

Because the national survey will not be repeated yearly, the BLM gets continuous customer feedback by using a comment card process. These comment cards are given to visitors at BLM sites and mailed to frequent BLM customers. The comment cards are categorized by product or service in the same manner as the national survey, but the questions asked are more general. The comment card is designed to allow us to gauge overall satisfaction and to identify opportunities to act on reports of good or poor service more readily. Since the beginning of the comment card process in February 1996, we have been able to determine that 90 percent of the respondents were either satisfied or extremely satisfied with BLM's customer service. Findings from the comment cards will also be used to help focus on any additional customer concerns for the next detailed programmatic survey.

Increased Cost Recovery

The Bureau has begun new efforts to recover costs and use other revenue-enhancing methods to increase and retain funds for BLM's use. This effort will enable us to continue meeting our mission and legal mandate to manage public lands effectively. The BLM established a "Revenue Enhancement Team" to develop a plan for enhancing revenue-producing activities to the maximum extent possible, consistent with existing authorities and policies.

The BLM has been recovering costs for work performed for some time and recovered more than \$44 million in FY 1996. The new effort will attempt to maximize the collections from existing sources while

exploring new alternatives. The Mineral Leasing Act and the Federal Land Policy and Management Act (FLPMA) are two authorities used frequently for cost recovery. These two Acts authorize cost recovery from right-of-way permits, wild horse adoptions, leases and permits, filing fees, service fees, grazing fees, and donations/contributions. Other acts authorize document preparation and copying fees, mining claim recording fees, recreation use permit fees, the sale of salvage timber, communication site fees, hazardous material cleanup costs, and the mitigation of impacts to wetlands.

Some current cost recovery efforts are not cost-effective. The BLM is seeking appropriate authority through legislation to collect new and additional revenues. These fees will significantly increase our cost recovery abilities. The Bureau is also considering methods that would allow fees collected to be returned to their point of origin.

As the BLM develops new efforts and receives additional authorities, the field offices will receive increased revenue returns. This will enable us to provide better customer service at the point where fees are collected.

Reduce Threats to Public Health, Safety, and Property

Background

The BLM administers several programs designed to achieve the strategic goal of protecting public health, safety, property, and resources. These programs respond to many challenges, among them the illegal dumping of hazardous materials, mining waste, orphan wells, theft and degradation of Federal property and resources, wildfire, continuing facilities engineering/maintenance demands, safety hazards, and law enforcement needs. Program

activities include fire management, law enforcement and resource protection, abandoned mine lands, hazardous materials management, facilities maintenance, and health and safety. Response capability and responsiveness are the central focus of BLM's public safety programs. The BLM responds to more than 150 emergency incidents related to hazardous contamination annually. Wildfires, natural resource damage occurrences, and criminal activities on public lands all require funding and personnel. In a typical year, the BLM suppresses over 2,700 wildfires that burn over 900,000 acres. Prevention is also a priority. The Bureau endeavors to reduce risk factors and engage in active cost avoidance/cost recovery. Integrating risk/hazard reduction and protection components into all BLM mission activities is an overarching goal for our safety programs.

Fire Management



Description: The BLM carries out wildland fire protection responsibilities, provides aviation services, and manages fire to help restore and maintain wildland health and to achieve resource and land management objectives on 264 million acres of public lands. The Bureau works in a uniquely close, integrated partnership with the Forest Service, other Department of the Interior wildland management agencies, and State and local governments. The BLM is the host and principal management agency for the National Interagency Fire Center in

Boise, Idaho, which is recognized around the world as the center of excellence for wildland fire technical support and management. The Bureau also manages the Alaska Fire Service, which provides protection for all Department of the Interior and Alaska Native lands. And finally, the BLM is involved in public education in the areas of fire prevention and the role of fire in the environment.

Accomplishments for Fiscal Year 1996

- ◆ The BLM completed 252 prescribed fire projects covering 50,282 acres, for the benefit of forestry, range, wildlife, watershed, and hazard reduction.
- ◆ Despite a record fire season in which occurrence was almost 50% higher than the previous 10-year average, over 80% of the fires were contained at less than 100 acres, and there were no fatalities or critical injuries directly related to fire activities.
- ◆ New advancements in prevention techniques were developed in conjunction with the Forest Service and other Interior agencies during the record fire season in the Southwest.
- ◆ With over 26,000 flight hours, 1996 was approximately 20% above average for aircraft use due to high fire suppression activity. Despite this, there were no aircraft accidents or personal injuries in 1996.
- ◆ Cooperation with U.S. military organizations resulted in increased utilization of available technology and provided previously military-only contractors with a new venue for research and development.

- ◆ The BLM developed and implemented an aviation management strategic plan that is intended to improve communications, distribute more responsibility to field offices, and emphasize safety awareness. This plan will have positive effects into the next decade.
- ◆ The increased use of the national fire danger rating system indices to predict fire potential led to efficiencies through the prepositioning of critical resources, saved suppression funds, and reduced overall damages.

Law Enforcement and Resource Protection



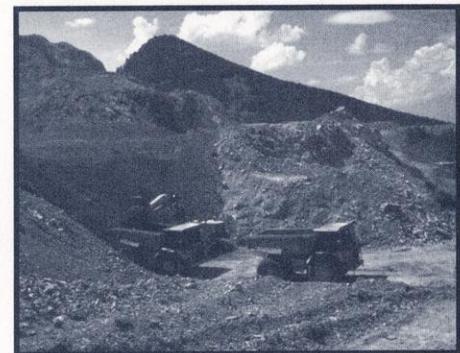
Description: The BLM employs 206 law enforcement officers (56 special agents and 150 rangers) tasked with providing visitor services and resource protection. BLM officers conduct high-priority investigations that target the protection of resources and help ensure compliance with both Federal criminal laws and land use regulations on public lands under BLM's management jurisdiction.

Accomplishments for Fiscal Year 1996

- ◆ Initiated 7,708 investigations and enforcement actions.
- ◆ Issued 3,965 citations.

- ◆ Opened 2,866 investigations.
- ◆ Made 389 arrests.
- ◆ Convicted a notorious archeological thief in Utah and several high-profile Cactus Theft/Lacey Act violators in Arizona.
- ◆ Prosecuted timber theft in Oregon, resulting in financial recoveries.

Abandoned Mine Lands



Description: Abandoned mine lands pose significant safety and environmental hazards to the public, to natural resources, and to ecosystems. The BLM manages abandoned mines on public lands through identification and remediation of high-priority hazards. Abandoned mine activities in most States currently concentrate on public safety issues and concerns. In Colorado and Montana, where water quality issues are significant, the BLM is spearheading an interagency effort to clean up abandoned mines on a watershed basis.

Accomplishments for 1993 to 1995

- ◆ Identified 6,650 abandoned mine safety hazards.
- ◆ Identified 890 abandoned mine environmental hazards.
- ◆ Remediated 537 other mine hazards with States.

- ◆ Accomplished the following through partnership agreements with several States:
 - Abated over 300 mine hazards in Nevada.
 - Produced and distributed a video and brochure on abandoned mine hazards for the public in Utah.
 - Located numerous abandoned mine hazards (e.g., 58 open shafts and adits and 21 open pits) in a proposed off-road vehicle recreation area.
 - Addressed abandoned mine watershed cleanup issues with Montana and Colorado, other Federal agencies, industry, and private interest groups.

Hazardous Materials Management



Description: The BLM engages in hazardous material emergency response actions, site evaluations, and prioritization of cleanups in accordance with laws and regulations. This involves working with the Environmental Protection Agency, State environmental quality departments, counties, and potentially responsible parties (both public and private) to fund and expedite the cleanup of hazardous sites. Those sites that are an imminent threat to public health and safety, as well as those sites that are under a consent order and can therefore generate penalties and fines, are a priority for the Bureau.

Accomplishments for Fiscal Year 1996

- ◆ Cleaned up 86 sites.
- ◆ Worked with potentially responsible parties (PRPs) to clean up 78 sites.
- ◆ Took 74 emergency response actions.
- ◆ Cleaned up 35 sites by working with the States.
- ◆ Fenced off the Monite hazardous materials site in Nevada; the Bureau is currently transporting and disposing of TNT and its derivatives found at the site.

In addition to these activities, the BLM is pursuing multiple potential responsible parties for cost recovery at the Bunker Hill and Pine Creek sites in Idaho. And at Lee Acres, New Mexico, the Department of Energy is designing and placing a test landfill cover at the site, resulting in a significant cost savings to the BLM.

Facilities Maintenance



Description: The BLM, through its facilities maintenance program, provides professional engineering services and corrective and scheduled maintenance for BLM-owned buildings, recreation facilities, water and sewer systems, and transportation systems (roads, trails, bridges) on the public lands.

Accomplishments for Fiscal Year 1996

- ◆ Maintained 1,300 buildings and 890 recreation sites.
- ◆ Maintained and improved 10,700 miles of roads and 13,700 miles of trails.
- ◆ Completed 40 solar energy projects—utilizing solar energy for water pumps, data collection stations, and lighting—at the Red Rocks Visitor Center.

Health and Safety



Description: The BLM employs safety personnel to provide safety services to employees and the general public. The objective of the BLM safety program is to:

- ◆ Avoid accidents and prevent harm to people, property, and the environment.
- ◆ Enhance the productivity of BLM employees by providing a safe and healthy work environment.
- ◆ Ensure the well-being of the publics we serve.
- ◆ Improve the health of the land and its resources.

Accomplishments for Fiscal Year 1996

- ◆ Office of Workers' Compensation costs to the Bureau in 1996 totaled \$5,322,194, a 9% decrease from the previous year.
- ◆ The BLM's Arizona State Office received the DOI/BLM safety award in 1996 for having no lost-time injuries.
- ◆ The BLM published its first annual report for health and safety.

Improve Land, Resource, and Title Information

Background

The BLM is the official custodian of land use and title records for the public and acquired lands of the United States. The BLM is also responsible for the official survey of all public lands, including the legal identification of all Federal land boundaries and the maintenance of the Public Land Survey System.

In 1982, the number of requests for use of Federal lands became overwhelming for the number of staff available. In response to this, the Bureau began recording new Federal lease and title transaction information in electronic form on the mainframe computer in use at that time. There are currently 64,000 active mineral leases and over 530,000 active and closed cases in the electronic database. Recognizing that the electronic recordation system was rudimentary and foreseeing the day when the case and land status data could be combined with the spatial coordinate data for which the Bureau is responsible, work was soon begun to define the requirements for a system that would automate the case processing activities and enable a spatially accurate portrayal of the Federal lands and leases on those

lands. The resulting system would be known as the Automated Land and Mineral Records System (ALMRS).

Accomplishments for Fiscal Year 1996

By the end of 1996, all lease, land status, and case information, as well as a significant geographic coordinate database (GCDB), had been collected and subjected to extensive quality assurance testing. An office automation and data communications network has been installed as the basic platform to enable BLM staff to access the ALMRS application. The first two of three components of the software application itself were completed in 1996. In 1997 the final software component will be completed and pilot tested in New Mexico. The BLM intends to install the additional computing power necessary to operate ALMRS as upgrades after operational testing and acceptance of the ALMRS application. This project will ensure the availability of integrated land status and geographic coordinate information of a high and measurable quality to BLM staff in at least three State Offices in 1997 and the remaining nine State Offices in 1998. The system will be available to the public initially at 12 BLM public rooms around the country. Public on-line remote access will be available shortly thereafter.

The BLM is also developing an Automated Fluid Minerals Support System (AFMSS), which will automate oil and gas exploration, drilling, and other permitting activities on Federal lands. The AFMSS system will share data with the ALMRS system and operate on the same operating system over the same data network. The first release of AFMSS will replace two national legacy systems and a variety of local office applications, and will gradually replace many of the manual, hardcopy systems currently in use. AFMSS release 1.0 will be deployed in

FY 1997 in the approximately 35 BLM offices conducting oil and gas operations, inspection, and enforcement activities. An electronic interface has been established between AFMSS and the BLM's sister agency, the Minerals Management Service, which has its own production and royalty system, for the sharing of production and well data. In addition, the AFMSS project will develop, test, and begin deployment of electronic permitting and reporting for oil and gas operators in FY 1997. This will be accomplished by allowing transmission of files over the Internet or by using a World Wide Web site.

The BLM is also engaged in a major effort to preserve and improve access to public land information. The General Land Office records project is being undertaken in the BLM's Eastern States Office. This project is automating historical records to make them more accessible to the public (e.g., CD-ROM) and simultaneously preserving these records, which date back to the Nation's early history.

The BLM's FY 1996 cadastral survey emphasis supported land and realty actions (i.e., land exchange, land acquisition, and trespass abatement) and boundary surveys of various special land management designations such as wilderness, Wild and Scenic Rivers, and National Conservation Areas. In FY 1996 the BLM completed well over 300 cadastral survey projects totaling almost 10,000 miles. These included work for other Federal agencies, State governments, and private companies and citizens.

Performance Measurements

Access to ALMRS and AFMSS and data accuracy are the primary measurements of performance. Neither system will be implemented until 1997. However, the quality-tested case data is used by the BLM staff in their daily work and is available by computer in the public rooms at

BLM's 12 State Offices. A few geographic coordinate databases were made available to the public in 1996 via Internet from BLM servers.

Workload Measure	FY 1995	FY 1996
States with ALMRS test databases loaded	1	2
Workstations installed	2,527	745
Pilot application installs	4	11
Data accuracy	92%	96-98%
AFMSS databases loaded	0	0
Pilot application installs	0	<i>test only</i>
Data accuracy	NA	NA

Provide Economic and Technical Assistance

Background

BLM-managed public lands generate substantial revenue for the Federal government. Much of this revenue is returned in direct payments to States and counties. These are distributed to local governments to pay for such things as schools, roads, and salaries of county commissioners.

Accomplishments for Fiscal Year 1996

In support of the President's Pacific Northwest Forest Plan, the

BLM runs the Jobs in the Woods ecosystem investment program. In its third year, FY 1996, \$7.77 million went to local displaced workers for watershed restoration work in Oregon and Northern California. These funds supported 150 projects and created approximately 195 jobs. The BLM also directly supported six demonstration projects that provided jobs and training for displaced workers.

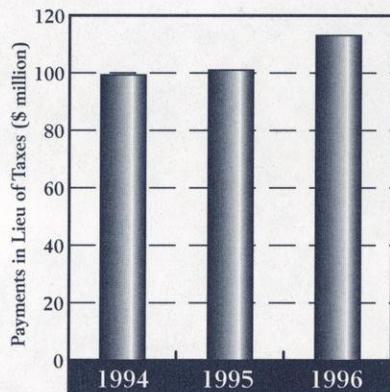
The BLM continues to provide the co-chair of the Regional Community Economic Reinvestment Task Force, a Federal-State partnership for economic assistance and development of new employers and jobs.

The BLM is an active member of the National Rural Development Partnership, which is an official alliance of 40 Federal agencies, 20 public interest groups (including the National Governors Association and National Association of Counties), and 40 State Rural Development Councils. State council members represent the State Governor and State agencies, Federal agencies that are present within the State, local governments, Tribes, non-profit organizations, and the private sector.

This year a BLM senior executive served as the chair of the National Rural Development Council, speaking to State Council meetings in Alaska, Florida, Maine, and South Dakota, and to the Rural Coalition on the Navajo Reservation. In Wyoming, the BLM planning chief served as vice-chair of the State Council. State BLM offices have also been active in Idaho, Colorado, Montana, Oregon, and New Mexico State Councils.

On September 18, 1996, the President proclaimed the Grand Staircase-Escalante National Monument in southern Utah. The Secretary has directed the Bureau to integrate its Monument planning with local community development, a significant step beyond what the BLM has done in the past. The BLM has provided funds to Kane County, Utah, to support their involvement in the Monument planning process, including public involvement, socio-economic analysis, infrastructure requirement determination, and an analysis of opportunities to serve the tourists expected to be drawn to the Monument.

The Bureau calculates and sends the Payment-in-Lieu-Of-Taxes (PILT) payments that are designed to help public lands counties (under a Congressional formula). To date, this has been the only Bureauwide quantitative measure of assistance.





BLUEPRINT GOAL

Restore and Maintain the Health of the Land

*To ensure that future generations of Americans will have
the opportunity to enjoy the benefits of
their inherited legacy of public land,*

the BLM seeks to restore and maintain the health of the land...

As a manager of the Nation's public lands, the BLM seeks to ensure that the condition of those lands is maintained and, where feasible, improved. The public lands are a significant source of natural resources, including water, forage, timber, and minerals. Public lands also provide habitat for a wide variety of animal communities and are often the most critical source of habitat for threatened, endangered, or sensitive species. Healthy lands are able to support human use, including forage production, vegetation harvest, recreation, and tourism. To ensure that future generations of Americans will have the opportunity to enjoy the benefits of their inherited legacy of public land, the BLM seeks to restore and maintain the health of the land.

In determining desired resource condition and management practices, the BLM uses a landscape approach that involves looking at large enough areas to be able to assess lands interconnected by functions and/or processes. Landscapes consist of upland areas (those areas not normally inundated by water), aquatic areas (the areas of water flow), and riparian/wetland areas (consisting of the transition zone from banks to upland areas).

The BLM will continue to work with others to identify ecosystem condition, improve our understanding of what is required to keep ecosystems healthy, and determine what is necessary to restore degraded ecosystems.

Cooperative actions are required because the Bureau may sometimes lack the capability to unilaterally maintain and restore the health of the land.

The following strategic areas are discussed in this section:

- ◆ Restore and maintain the health of upland areas.
- ◆ Restore and maintain the health of riparian, wetland, and aquatic areas.
- ◆ Conserve and recover threatened and endangered plants and animals.

Restore and Maintain the Health of Upland Areas

Upland areas are areas that are located away from streams, lakes, and other water bodies. These areas include rangelands, forests, deserts, and

other landscapes. Upland areas are influenced by geology, topography, and climate, as well as human uses and activities.

Watersheds

Soil, water, and air management provides for the protection of water and soil quality, watershed values, and air resources on the public lands by decreasing salinity and nonpoint water pollution runoff from the public lands and by providing the basic data and technical information needed for sound land management decisions.

Specific activities include resource evaluation and the interpretation and application of soil, climate, air, and water quality data in developing projects and mitigating impacts, thereby contributing to the design of best management practices, to dam inspections, and to soil survey work. During 1996, the BLM prepared watershed analyses on 129,000 acres of Pacific Northwest old-growth forests and an additional 950,000 acres outside of western Oregon. In addition, 98 new projects were completed in 1996 to improve water and soil quality and reduce soil loss and erosion, and 584 existing projects were maintained. On-the-ground vegetation and land treatments, including efforts on the Rio Puerco in New Mexico, totaled 6,680 acres. And prescribed fire was applied to almost 28,000 acres to improve watershed values and habitat. Finally, the BLM documented almost 2,600 water



rights, including 2,000 in the Snake River Basin.

BLM efforts proceed to decrease salinity discharges from public lands. In particular, the Bureau has continued to work with other agencies to reduce saline runoff and overall salinity in the Colorado River. This includes decreasing grazing on the 17,000-acre Sunshine Allotment in Arizona and plugging saline wells in Colorado and Utah.

The BLM is participating as a full partner in such efforts as Colorado's Grand Mesa Slopes municipal watershed improvement, Idaho's Trail Creek Cooperative Watershed Plan, Montana's Blackfoot River Challenge, Utah's Salt Well Wetland expansion, and Wyoming's Upper Muddy Creek Watershed project.

Rangeland Studies

The BLM's Ecological Site Inventories (ESIs) are used to establish baseline data to support both monitoring and activity planning, and to decide the extent, condition, and potential of upland management areas. During FY 1996, nearly 1,315,300 acres of upland habitat were inventoried using the ESI method.

Monitoring of grazing allotments is a key component of BLM's management responsibilities. This provides the mechanism for determining whether management actions are meeting specific resource objectives. The BLM rangeland monitoring program gathers information on forage utilization (amount of forage consumed by livestock and wildlife), actual use (number of livestock and wildlife), climate/precipitation (as measured), and trend (changes toward or away from resource objectives). Interdisciplinary monitoring studies have been established on approximately half of BLM's total livestock allotments, including 87 percent of the high-priority allotments. In 1996, the BLM monitored 4,513 grazing allotments to analyze changes in vegetation and ecological conditions.

The BLM monitoring evaluation process determines the overall effectiveness of on-the-ground management actions and assesses progress toward meeting specific management objectives. During FY 1996, the BLM evaluated 450 grazing allotments.

Grazing Allotment Categorization

Categorization of grazing allotments requires placing allotments in one of three categories, based on similar resource characteristics. This helps identify needed management actions and intensity. Allotments requiring improvements, called Improve or "I" allotments, are given the highest priority. Allotments where current resource conditions need to be maintained are called Maintain or "M" allotments, while allotments where custodial management is most appropriate are referred to as Custodial or "C" allotments.

Selective Management Process as of 1995

Allotment Category	No. of Allotments	Acres
"I"	5,195	94,914,775
"M"	5,482	42,217,996
"C"	10,470	18,556,115
No Category	617	8,477,067

Note: The BLM has concentrated its management efforts on the "I" category allotments, especially on areas at risk.

Standards and Guidelines Development

Over the past year each State, in consultation with local Resource Advisory Councils, has been developing standards of rangeland health and guidelines for grazing management. These standards shift the objective on

public lands from producing forage or other commodity products to maintaining the functional processes of rangeland ecosystems, i.e., the basic soil and water interactions that hold rangeland ecosystems together.

Livestock grazing is an important use on public lands that contributes significantly to the economic stability of many western communities. The BLM authorizes some 10 million animal unit months (AUMs) of livestock use annually to about 19,000 operators.

The public lands are divided into 22,000 grazing allotments or areas encompassing 165 million acres in the western States. In Alaska, nearly 16,000 reindeer graze on 5 million acres. Grazing allotments can include private, other Federal, and State lands intermingled with public rangelands, necessitating close coordination with other interests. BLM's grazing administration activities are designed to manage livestock grazing in a manner that meets land use plan objectives and protects or enhances resource conditions, while also meeting livestock operator needs through the timely issuance of grazing billings, permits, and leases and the efficient handling of other administrative requirements.

Range use supervision continues to receive emphasis to ensure that grazing is managed to achieve upland and riparian area objectives and that the terms and conditions of permits and leases are met.

Noxious Weed Management

Noxious weed management programs protect the health of the land by preventing and controlling the spread of noxious, invasive plants on public lands. One of the greatest obstacles to maintaining healthy ecosystems and restoring impaired ecosystems is the rapid expansion of noxious weeds; these invasive plants dominate many sites and often cause permanent damage to plant communities. Noxious weeds are spreading at a rate of thousands of acres per day. Weeds current-

ly infest about 8.5 million acres, or 5 percent, of the BLM's 180 million acres in the conterminous United States (i.e., excluding public lands in Alaska).



The BLM developed a strategy, "Partners Against Weeds, An Action Plan for the Bureau of Land Management," to prevent and control the spread of noxious weeds on BLM lands through cooperation with partners. About 7,000 copies of the strategy were distributed to a variety of individuals and groups throughout the United States and Canada. The plan lists seven goals and associated actions necessary for implementing an improved weed management program:

- ◆ Prevention and Detection
- ◆ Education and Awareness
- ◆ Inventory
- ◆ Planning
- ◆ Integrated Weed Management
- ◆ Coordination
- ◆ Monitoring, Evaluation, Research, and Technology Transfer

Numerous noxious weed management actions were taken throughout the Bureau:

- ◆ The BLM published the "Communication and Environmental Education Plan for Noxious Weeds on Public Lands"

which outlines national-level communication and outreach efforts.

- ◆ In cooperation with the National Science Teachers Association, the BLM wrote an article and developed a poster on the High Plains that included a discussion of noxious weeds. This appeared in the September 1996 issue of *Science and Children* magazine.
- ◆ The Bureau developed a poster, "Invasive Weeds-A Growing Pain," with eight pages of classroom activities printed on the reverse side. Partnership funding for this project will enable the BLM to reprint this poster in the February 1997 issue of *Science Scope* magazine.
- ◆ The agency distributed a variety of existing brochures, posters, videotapes, and slide shows to many groups and organizations.
- ◆ The BLM's National Training Center, in cooperation with BLM's National Weed Team, is developing a strategy to incorporate the principles of noxious weed management as part of healthy ecosystems into the core curriculum for managers, interdisciplinary teams, and appropriate technical training.
- ◆ Training in two weed management courses is provided for the Bureau's employees.
- ◆ The Bureau designated four weed demonstration areas in Idaho, Montana, Oregon, and Utah to highlight what can be accomplished for weed management through cooperative efforts and partnerships.
- ◆ Each state has developed at least one weed pilot project involving partnerships at the local level.
- ◆ The BLM has been an active partner in sponsoring Colorado Weed Awareness Week, the Utah Squarrose Knapweed tour, a Perennial Pepperweed Symposium in Oregon, Montana's Beaverhead County Weed Awareness Day, the Snake River Weed tour in Idaho and Oregon, and an Invasive Weed Tour around the Washington, DC, area.
- ◆ The BLM assisted the Department of the Interior in developing a National Weed Strategy and helped sponsor the Western Weed Coordinating Council meeting in Albuquerque.
- ◆ Colorado weed-free forage regulations were developed in partnership with other Federal and State agencies.
- ◆ The Bureau is using the "fire/weed model" as a prevention tool in detecting and treating new weed populations and is also using BLM fire crews in weed detection and control.
- ◆ The BLM has significantly increased its use of biological control agents against spotted, diffuse, and squarrose knapweeds and leafy spurge.
- ◆ A total of 142,000 acres were treated this year. In addition, inventory and mapping cooperative efforts within the States are ongoing.

Emergency Fire Rehabilitation

Emergency fire rehabilitation funding was utilized to rehabilitate burned acreage at risk for undue soil

loss, water quality degradation, vegetation loss, and adverse effects from invasive annual plants. These activities included watershed projects (structural modifications where needed), reseeding using ground or aerial equipment, fencing where necessary, and the resultant post-project management and monitoring.

The BLM has been increasing its use of native plant material to rehabilitate burned acreage. The Bureau has been making very effective use of cooperative neighbors, from Fish and Game agencies to ranchers and mining companies or other volunteers. The emergency fire rehabilitation program ensures that seed is checked for the presence of weed seed and evaluates projects for the presence of invasive weeds after implementation.



Over 3,500 wildfires occurred on BLM-administered lands in FY 1996, with almost 1.8 million acres burned. Some 144 emergency fire rehabilitation plans were written and implemented on 306,863 acres. These plans should significantly reduce the amount of erosion while maintaining or improving the condition of the Nation's wildlands.

Forested Lands

Declining forest health has increased the need to reduce stocking in overly dense stands, to salvage dead and dying timber, and to reintroduce fire into many forest ecosystems. Restoration and maintenance of healthy upland areas include forest stand improvement projects designed

to control stand densities as well as treatments to prepare the site for reforestation. In FY 1996, about 67 million board feet of salvage sales were offered, approximately 53,000 acres of stand improvement projects were accomplished, and about 22,000 acres were reforested.

In addition to appropriated funding, the Bureau invested nearly \$4 million from the Forest Ecosystem Health and Recovery Fund--a fund generated through the sale of salvage timber.

- ◆ The Medford District in Oregon has initiated a number of projects to reduce stand densities, lower fuel loadings, and revitalize tree and shrub communities. These projects have been designed with the close cooperation and collaboration of the Applegate Partnership, a community group established to help guide Federal actions. To date, several thousand acres have been treated and additional treatments are being designed.



- ◆ The BLM is working in partnership with Northern Arizona University on the Mount Trumbull Ponderosa Pine Restoration Project. This project is designed to restore old-growth ponderosa pine stands to pre-settlement conditions by controlling forest density and using prescribed burning.

Wild Horse and Burro Management

Wild horse and burro management ensures the maintenance of viable populations of healthy, free-roaming horses and burros in balance with available public land resources. Emphasis has been placed on determining appropriate wild horse and burro population levels, implementing on-the-ground herd management, and adjusting wild horse and burro populations to appropriate management levels through fertility efforts. In 1996, the BLM removed 9,365 wild horses and burros from the public land and placed 8,074 animals with qualified applicants through the adoption program.



Beginning in the winter of 1995, prolonged and severe drought affecting a large area in Nevada, Utah, and Arizona reduced the amount of forage and water available to wild horses and burros. In addition, large population numbers contributed to increased stress on both the animals and the land. Emergency removals were initiated in southern Nevada, where the conditions were most severe. This action, which removed about 3,000 more animals than originally planned, was taken to lessen stress and avert animal deaths, as well as to protect the public lands from resource damage.

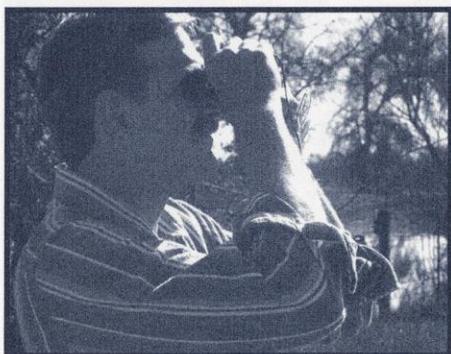
Plant and Animal Populations

The BLM is committed to providing the opportunity to view, and to

improving the visitor's knowledge of, ecology, wildlife, and plants. Fish, game, and wild plants generate many millions of dollars in revenue as a result of nature viewing, wildlife and nature photography, ecotourism, bird watching, hunting, and native subsistence.

The BLM increased opportunities for both consumptive and nonconsumptive use in FY 1996 by improving habitat, maintaining and increasing access, and developing new Watchable Wildlife sites and interpretive areas. Many of these activities were accomplished through cost sharing arrangements with private and State partners. New statistics will be developed in FY 1997 to determine the trends in public land visitors' use of biological resources; a decrease in consumptive use and increase in nonconsumptive use is predicted, thus mirroring the current national trend.

A major growth area in terms of wildlife and plant use on public lands is nature viewing and interpretation. The BLM maintains Watchable Wildlife sites on public lands. The number of these sites is expected to increase gradually to the year 2000 and then level off as the demand is met and the best sites have been developed.



Restore and Maintain the Health of Riparian, Wetland, and Aquatic Areas

Background

Riparian, wetland, and aquatic habitat management encompasses

over 16 million acres of lentic wetlands (lakes and ponds) and 180,600 miles of lotic riparian areas (rivers and streams). In the arid regions of the western United States, these areas are extremely important to fish and wildlife as well as livestock. In Alaska, wetland areas are critical to waterfowl production. Restoring riparian, wetland, and aquatic areas can reduce flooding, improve water quality, extend the seasonal availability of water, protect adjacent aquatic habitats, and improve the condition of the entire watershed, including the numbers and kinds of aquatic species in the watershed.

The structural components of riparian area vegetation are an important habitat feature of wetlands and riparian areas. For instance, the complex structure, wood, and canopy provided by cottonwood riparian habitat is much more valuable to fish and wildlife than streamside meadow habitat. Birds benefit greatly from the presence of trees and shrubs along streams and ponds. Fish and other aquatic species benefit from the shelter and pools and eddies produced by woody debris in the stream and from the reduced water temperatures due to the shade produced by trees and shrubs. Riparian area trees and shrubs also are used for nesting, roosting, and breeding. The BLM encourages the return of native riparian-wetland vegetation by removal of invading exotic vegetation such as salt cedar (tamarisk).

Watershed and water resource management provides for the protection of water quality and quantity and watershed values. This is achieved on the public lands by decreasing salinity and nonpoint water pollution runoff. Water resources are allocated, conserved, and developed through instream flow, surface and groundwater assessments, and other practices. Basic water resource data and technical information is supplied to assist in sound multiple-use land management decisions and the development of standards for rangeland health.

Specific activities include resource evaluation and the interpretation and application of soil, climate, air, and water quality data in project development and impact mitigation. Other activities include the design of best management practices, dam inspections, soil surveys, and watershed analyses.

Accomplishments for Fiscal Year 1996

The BLM started assessing the functioning condition of riparian-wetland areas about 6 years ago. The accompanying table shows functioning condition:

Functioning Condition	Lotic (Riparian) Habitat Areas	Lentic (Wetland) Habitat Areas (miles) (acres)
Properly Functioning	143,544	12,666,826
Functioning but At Risk	14,242	144,374
Non-functional	5,799	10,878
Unknown	17,010	3,301,372

The BLM is focusing its riparian restoration effort on those areas that are functioning but at risk. These are the areas that are most at risk of being degraded if action is not taken to protect or restore them.

The FY 1996 restoration efforts included the implementation of 283 riparian projects and maintenance of 493 projects. Implementation and maintenance of these projects, combined with on-the-ground management actions, resulted in improvement of about 6,000 acres of lentic wetland areas and 1,600 miles of lotic riparian areas. Not only was functioning condition improved, but there was also improvement in the structural diversity of riparian vegetation.

During 1996 the BLM prepared watershed analyses on 129,000 acres of Pacific Northwest old-growth forests and an additional 950,000 acres outside of western Oregon. About 100 watershed improvement projects were completed to improve water and soil quality, reduce soil loss and erosion, and control runoff. In addition, 584 existing watershed projects were maintained to improve and continue their effectiveness. On-the-ground vegetation and land treatments, including efforts on the Rio Puerco watershed in New Mexico, total 6,680 acres. Prescribed fire was applied to almost 28,000 acres to improve watershed values and habitat.

The BLM continues to identify water sources, file water rights claims, and participate in State water rights adjudications. In 1996 the BLM documented almost 2,600 water rights, with about 2,000 of these claims documented in compliance with the requirements of the Snake River Basin Adjudication. In addition, a number of instream flow assessments were conducted to support water qualifications requirements for water rights filings.

Partnership activities are important, and BLM partners help fund a wide variety of wetland, riparian, and aquatic habitat work on BLM lands. Organizations such as Trout Unlimited, the National Fish and Wildlife Foundation, Ducks Unlimited, and State game and fish departments helped fund over 100 BLM projects and provided over \$1 million in non-Federal funds for riparian, wetland, and aquatic projects in FY 1996.

The BLM is contributing to numerous efforts that benefit healthy wetlands, riparian, and aquatic areas. These include:

- ◆ Funding the San Pedro National Riparian Conservation Area.
- ◆ Carrying out a variety of Bring Back the Natives projects in cooperation with Trout Unlimited.

- ◆ Working with other Federal agencies to develop the Recreational Fishery Resources Conservation Plan.
- ◆ Sponsoring a variety of events to support National Fishing Week.
- ◆ Examining the relationship between riparian areas and populations of the Southwest willow flycatcher.
- ◆ Funding a coordinator position for the Intermountain Joint Venture Area for implementation of the North American Waterfowl Conservation Plan.

BLM riparian, wetland, and aquatic areas provide important recreational and cultural fishing opportunities and waterfowl hunting opportunities. Recreational fishing activities contributed significantly to the well-being of local economies throughout the West.

Conserve and Recover Threatened and Endangered Plants and Animals

Background

BLM lands provide habitat for nearly 300 listed or proposed threatened and endangered plant and animal species and numerous other species that are candidates for Federal listing under the Endangered Species Act. The BLM's threatened and endangered species program strives to (1) manage habitats of special status plants and animals to avoid endangering the species; (2) recover populations of listed species so that the protections afforded by the Endangered Species Act are no longer necessary; and (3) conserve significant natural areas, such as rare, vulnerable, and representative habitats, plant communities, and ecosystems.

Protecting and Recovering Listed Species

The BLM works closely with the Fish and Wildlife Service, National Marine Fisheries Service, other Federal agencies, States, individual scientists, and private landowners to develop and implement programs for recovering federally listed species to the point where the protections of the Endangered Species Act are no longer needed.

- ◆ The BLM has helped develop and implement more than 75 threatened or endangered species recovery plans. The Bureau is a principal land management agency for the recovery of the Mojave population of the desert tortoise; reintroduction of the California condor in Arizona; recovery of the northern spotted owl in Oregon and California; reintroduction of the black-footed ferret in Utah, Wyoming, Montana, and Colorado; recovery of Colorado River basin fishes; and recovery of Pacific Coast anadromous fishes.



- ◆ For the first time in more than 70 years, California condors will be flying over the Colorado Plateau because of a collaborative effort between the BLM, Fish and Wildlife Service, Arizona Department of Game and Fish, and others to reintroduce this endangered bird to the wild.

Preventing Endangerment of Candidate and Sensitive Species



BLM lands provide habitat for more than 900 vulnerable or declining species that are either candidates for Federal listing or designated BLM sensitive species. The BLM focuses early

conservation efforts on these species to protect them before they need to be listed under the Endangered Species Act. Interagency conservation strategies are currently being implemented to conserve more than 30 candidate and BLM sensitive species before they become critically endangered. These efforts reduce threats to vulnerable species while there are still a number of options available to manage the species and their habitats.

Conserving Significant Natural Areas

The BLM seeks to prevent the endangerment of species by conserving the rare, vulnerable, and representative habitats, plant communities, and

ecosystems on which they depend through the designation and special management of Areas of Critical Environmental Concern. A total of 692 Areas of Critical Environmental Concern, encompassing over 10 million acres, have been designated on the public lands nationwide for fish, wildlife, and botanical values.





BLUEPRINT GOAL

...where the BLM manages habitat, and other agencies or private interests have a stake in resources associated with the land, the BLM must actively cooperate to help them meet their goals...

Ownership patterns in the West are fragmented. Watersheds, habitats, plant and animal populations, viewsheds, and human uses cross jurisdictional boundaries. In addition, the financial and personnel resources available to the BLM are limited. So the Bureau must work with and through others in order to understand resource conditions and trends and implement appropriate on-the-ground management practices. And these practices must be implemented on a landscape or ecosystem basis in many instances to increase the opportunity for sustainable success.

To meet community needs, the BLM cannot act unilaterally. For example, where the BLM manages habitat, and other agencies or private interests have a stake in resources associated with the land, the BLM must actively cooperate to help them meet their goals. Specific examples of the need for collaborative management include:

- ◆ State fish and game departments, which manage the fish and wildlife that depend on public land habitats for food and shelter.
- ◆ The Environmental Protection Agency, which must monitor and set standards for water and air that flow across BLM lands, as well as communities that rely on clean air and water.
- ◆ The Fish and Wildlife Service, which manages threatened and endangered species and migratory waterfowl.

- ◆ The National Park Service, which relies on adjacent landowners to minimize visibility-restricting air pollutants and perhaps to provide overflow services for visitors.
- ◆ State, Federal, and local government agencies responsible for fire management and protection.

The collaboration goal cuts across each of the other blueprint goals and is instrumental in meeting the mission of the agency.

The BLM is committed to building effective partnerships in four inter-related areas: gathering and sharing information about the land, making land use decisions, implementing on-the-ground activities, and adjusting ownership patterns. To help foster such management partnerships, the BLM is also committed to improving the quality of information available to Congress, other agencies, nongovernmental organizations, land users, and the general public about the public lands and the BLM. These partner-

ships are reflected in the following goal statements:

- ◆ Improve understanding of ecosystem condition, trends, and function.
- ◆ Promote community-based decisionmaking.
- ◆ Expand partnerships to implement on-the-ground activities.
- ◆ Improve ownership patterns.
- ◆ Improve the information about the BLM.

Improve Understanding of Ecosystem Condition, Trends, and Function

Background

The BLM is developing data and techniques to measure ecosystem conditions. This information is used to evaluate trends, which, in turn, allows the Bureau to improve its land and resource management practices.

Accomplishments for Fiscal Year 1996

- ◆ Completed a strategic plan for science.
- ◆ Created a BLM National Science Council responsible for recommending priority scientific information needs, identifying



emerging natural resource issues, and working on national-level science initiatives.

- ◆ Developed, in collaboration with our science partners, a process for identifying, prioritizing, and meeting our research and scientific information needs. This process is designed to mesh with the research planning procedures of the U.S. Geological Survey - Biological Resources Division.
- ◆ Worked with the National Biological Service to develop and test new vegetation measurement techniques.
- ◆ Performed research and development work on ecological condition assessment techniques.
- ◆ Developed a qualitative assessment methodology for rangelands (Pellant method).
- ◆ Worked collaboratively with the Environmental Protection Agency on indicators of rangeland health (Whitford project).

Promote Community-Based Decisionmaking

Background

Community-based decisionmaking is a key element of the BLM's approach to collaborative management. The Bureau's successes over the past few years have been based on our ability to work effectively with people. The BLM will continue to foster community-based stewardship in towns and communities across the West.

Accomplishments for Fiscal Year 1996

- ◆ In keeping with the emphasis on collaborative stewardship in the

Federal Land Policy and Management Act (FLPMA), Secretary Babbitt created 24 Resource Advisory Councils in 14 western States. These councils provide a balance of views among various interests concerned with the management and use of the public lands. Nominated by their governors, council members receive training in rangeland ecosystems and collaborative decisionmaking. They play a critical role in developing local/regional ecological standards and guidelines for grazing use, and work with ranchers, other public land users, States, and academia. The standards and guidelines will be determined by the BLM, which fully expects to recharter the councils in 1997 to provide for continuity and additional advice in the years to come.

◆ The Green River Basin Advisory Committee evolved from the search for common ground by both local and regionally based industry and environmental groups having an interest in the resources of southwestern Wyoming and northwestern Colorado. The governors are involved; the BLM facilitates the work of the committee. Local community views have been heard in a series of public meetings held in Wyoming and Colorado. The Committee reached consensus on several important issues relating to developing natural gas resources in the Basin while protecting the environment. The Assistant Secretary has directed BLM to replicate this success for other areas and issues.

- ◆ The BLM contributed significantly to the preparation of the Council on Environmental

Quality's report on the Effectiveness of the National Environmental Policy Act (NEPA). Major themes include strategic planning, public involvement, and an interdisciplinary, place-based approach to decisionmaking. These will be used to help the BLM develop new guidance on community-based decisionmaking during the coming year.

- ◆ In anticipation of this new guidance, the BLM did not start any traditional Resource Management Plans (RMPs)/integrated Environmental Impact Statements (EISs) this year. No plans were completed in FY 1996, compared to nine in FY 1995. Five scheduled RMPs were delayed, and four are still under protest. One of the plans on hold forms the basis for the Grand Staircase-Escalante National Monument Management Plan. Three Idaho plans are on hold in order to incorporate results of the Columbia River Basin Ecosystem Management Plan.

Fiscal Year	1994	1995	1996
Resource Management Plans Adopted	1	9	0
Resource Management Plans In Use	90	99	99

Expand Partnerships to Implement On-the-Ground Activities

Background

The BLM is laying the foundation for more open and cooperative relationships on the ground. It is working

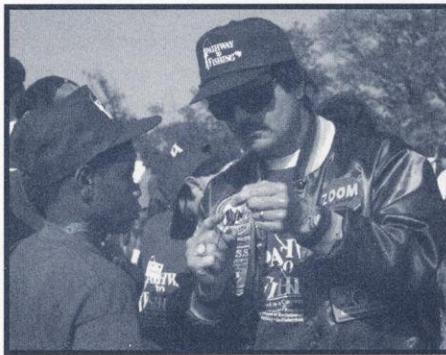
with organizations, individuals, governments, and other agencies to develop more effective ways to provide a structure for sustaining the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Regional collaborative efforts are proving to be valuable tools in helping managers minimize costs, reconnect with land managers on the ground, and foster community understanding. These efforts are increasing in scope.

Accomplishments for Fiscal Year 1996

- ◆ The BLM Volunteer Program provides a method for volunteers to make valuable contributions on public lands in their own community. Volunteers help the BLM educate the public about local land management activities and provide vital assistance to the BLM. In 1995, a total of 19,626 volunteers donated 1.2 million hours with an estimated value of \$13.6 million.
- ◆ The BLM and Forest Service often share common customers and are working to provide service to the public more cost effectively. Regional partnerships were established in 1996 to improve customer service at the local district and forest level through the "Trading Post" initiative. Sites were designed to provide more customer-friendly business practices and deliver services in the most cost-effective way.
- ◆ In 1996, BLM joined with 22 national organizations and interest groups signing "Golden Partnership Agreements" commemorating the BLM's 50th Anniversary. These organizations designated almost 200 sites on BLM public lands that offer

diverse recreational opportunities. In these agreements, the organizations and the BLM pledged to identify additional sites and to encourage environmentally sound



and socially responsible stewardship of the public lands.

Recreation opportunities at the designated sites will be promoted through various communication networks and collaboration involving projects on the ground.

- ◆ Twenty-four Resource Advisory Council (RACs) were formed to provide a method of facilitating the cooperative exchange of information in the West by involving local publics in on-the-ground land management decisions. The RACs help bring diverse interests together to focus on achieving healthy public lands. These councils provide advice to the Secretary of the Interior through the BLM regarding the preparation, amendment, and implementation of land use plans.
- ◆ Partnerships and collaboration are being initiated on the ground in increasing numbers. In May 1996, the BLM signed a landmark Memorandum of Understanding with The National Association of Counties (NACo) and has assigned personnel to work with them. NACo has worked with the President's Council on Sustainable Development and the

U.S. Conference of Mayors. Together they have established the Joint Center for Sustainable Communities (JCSC). This partnership will provide technical assistance, training, sustainable development literature, and materials and funding toward visioning and collaborative planning.

- ◆ America's Outdoors, Center for Conservation, Recreation, and Resources, in Milwaukee, Wisconsin, is a cooperative effort of the BLM, Forest Service, and National Park Service. This inter-agency information center, which promotes public use and understanding of federally managed lands, received Vice President Al Gore's "Hammer Award" for its contribution to building a government that works better and costs less. The center promotes outdoor recreation on Federal lands, encourages conservation and stewardship of all lands, supports the efforts of teachers and others to provide environmental education programs, and provides a single, convenient location for the public to obtain services and information from the three participating Federal natural resource agencies.

Improve Ownership Patterns

Background

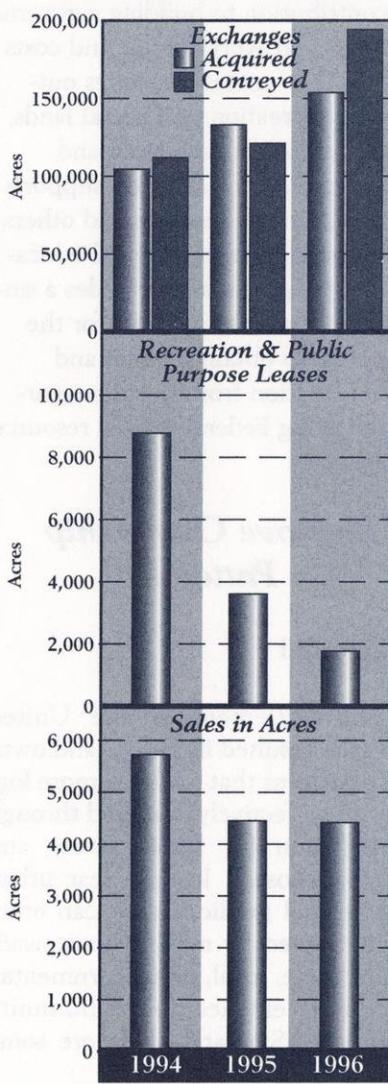
The settlement of the United States has resulted in public land ownership patterns that could be more logically and effectively managed through consolidation for both private and public purposes. In and near urban areas, overall public benefit can often best be served by making lands available to State, local, nongovernmental, or private entities for community expansion. Similarly, there are some

lands in non-Federal ownership that contain regionally or nationally significant resources that could be managed in a more effective manner by the Federal natural resource management agencies to improve the overall health of the landscape. Land consolidation actions increase management control and improve customer service through better land management configurations.

Accomplishments for Fiscal Year 1996

- ◆ In FY 1996 the Bureau made significant progress toward achieving its long-term goals for consolidating public lands in the West. Several private interests also

Land Consolidation Actions



benefitted from the consolidation of private ownership patterns.

- ◆ The BLM, through its numerous field offices, conducted negotiations and completed exchanges and other realty actions with numerous State, local government, and private entities.
- ◆ Land exchanges continued to be a high priority. This ultimately provides better resource management for public lands while making other lands available for commercial development. Many exchanges result in the acquisition of lands that contain priceless natural resource and cultural values that are not adequately reflected in a simple reporting of acres acquired.



- ◆ Recreation and Public Purpose Act grants to local governments provided property benefits and services to communities for parks, schools, and recreational activities.
- ◆ The withdrawal review process was simplified in FY 1996, providing an opportunity for better consolidation of land holdings.
- ◆ Right-of-way actions protected resources (e.g., power, water, access, etc.) while enhancing the potential development and management of ownership patterns.

Improve the Information about the BLM

Background

The BLM manages 264 million acres of land and an additional 300 million acres of subsurface mineral leasing on behalf of the American people. It is critical that the public be fully informed about the management of its lands and understand the diversity and value of these publicly owned resources. In fiscal year 1996, the BLM made significant strides in improving the quality of public land information.

Accomplishments for Fiscal Year 1996

- ◆ A major tool in improving our public land information has been the Internet. The BLM launched its own website in February of 1996. Anyone with access to the Internet can obtain newly released BLM news, State-specific public land information, details of future BLM events, speech texts, legislative and regulatory actions, and other information about the BLM and its programs and services. As of December 1996, the BLM primary national web page alone had received more than 100,000 "hits"—an indication of its effectiveness as a communication tool. The BLM website has also helped reduce paper usage and has improved overall efficiency.
- ◆ The BLM's land managers realize that it is essential to form partnerships to effectively achieve the agency's goals. The BLM's Intergovernmental Group is developing an extensive network of contacts with other government agencies and with national-

level leaders of intergovernmental organizations.

- ◆ The Environmental Education and Volunteers Group has improved the quality of information by focusing on current, on-the-ground resource management challenges and opportunities. The Group is working in partnership with other natural resource organizations to develop high-quality, field-tested educational resources for both youth and adult audiences. Last year, the Group coordinated National Public Lands Day events across the country, National Trails Day, events at the Boy Scout Jamboree, and other educational projects that promote volunteerism and conservation education.
- ◆ During the past year, we have made significant progress in reducing and streamlining our regulations, making them easier to use and understand. The next edition of the *Code of Federal Regulations* (CFR) will contain only one book on BLM regulations instead of the two that had existed for many years. In addition, sections of the CFR have been reduced significantly by streamlining and using tables instead of text.
- ◆ All those involved in rewriting our regulations have received "Plain English" training, which means that our new regulations are written more clearly and concisely. The Plain English initiative has proven highly effective in improving the quality of information available inside and outside the BLM. In the Vice President's National Performance Review report to the President, the Department of the Interior was cited for its leadership in the use of Plain English.
- ◆ Another important step to improving the quality of public land information was the production of the first annual edition of *Public Rewards from Public Lands*. This publication documents the value of public lands and their revenue-raising potential in a clear, easy-to-understand format. It has helped carry BLM's message about the public lands to Congress, the media, and the general public.
- ◆ *Public Land Statistics* continues to be widely used and is relied upon as the only source of information of its kind. Last year, the information was reorganized using BLM's *Blueprint for the Future* as a guide. By improving the quality of information about public lands, we are more effective in responding to requests from Congress, the Administration, and others.



BLUEPRINT GOAL

Today, taxpayers want government that works better, costs less, and produces results...

The BLM requires business systems, administrative support, infrastructure, timely information, and budget/financial programs to operate and accomplish its goals. This support is essential to each office and employee, as well as to many of the Bureau's customers and stakeholders.

The BLM is undergoing many changes. Technology, the environment, the economy, societal values, population shifts, and other factors all influence the products and services that BLM provides and the way it operates. Today, taxpayers want government that works better, costs less, and produces results. The BLM has responded by reducing its workforce, working within a constrained budget, reengineering business processes, improving information systems, reducing the cost of work space, and improving accountability for achieving strategic goals.

The Bureau is also being guided by the requirements of the Government Performance and Results Act of 1993 (GPRA). This Act requires Federal agencies to:

- ◆ Be accountable for achieving program results.
- ◆ Measure performance against established goals and report publicly on progress.
- ◆ Promote a focus on results, service quality, and customer satisfaction.

- ◆ Help Federal managers improve service delivery by providing them information about the end results of their programs.
- ◆ Improve Congressional decision-making by providing more objective information on achieving statutory objectives and the relative effectiveness and efficiency of Federal programs and spending.
- ◆ Provision of quality financial information to budget decision-makers, reflecting long-term costs not usually conveyed in a cash-based budget
- ◆ Appointment of a Chief Financial Officer
- ◆ OMB-mandated formats for annual reporting, including activities; accomplishments; financial results, condition, problems, and needs; how well the mission is being accomplished; what needs to be done to improve performance; and comparisons of actual expenses with budget authority

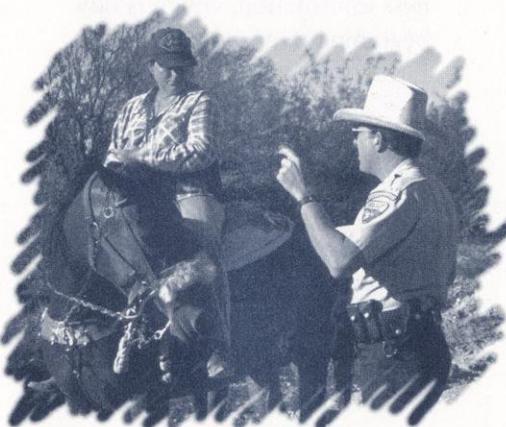
Along with GPRA, the BLM is responsible for implementing the Chief Financial Officers Act of 1990 (CFO Act). The CFO Act was passed by Congress to improve the quality of financial data, its uses, and reporting. The act provides for:

- ◆ More effective financial management
- ◆ Improvement of accounting systems
- ◆ Production of complete, reliable, timely, and consistent financial information

The BLM must also meet the requirements of the Federal Managers' Financial Integrity Act of 1982, and, through the CFO report, provide audited financial statements, the financial status of the agency, and a report of the status of internal accounting and administrative control systems.

The following strategic areas are being pursued to meet the changing needs of the Bureau:

- ◆ Improve BLM's work processes.
- ◆ Improve business information.
- ◆ Improve organizational effectiveness and accountability for program performance.
- ◆ Improve BLM's ability to effectively use automation capabilities.



Improve BLM's Work Processes

Background

The BLM accomplishes its mission through many work processes and tasks. To build a more efficient and effective work organization, we are managing our work processes and tasks more effectively.

The BLM is facing a constrained fiscal environment as the United States moves forward with the important goal of balancing the Nation's budget. Bureauwide efforts have been launched to streamline and redesign work processes, thereby redirecting labor time/costs and travel costs to higher priority areas and enhancing customer service.

Because we are at the beginning of redesign implementation, it is still too early to gather data against our performance measures. Our performance measures will include customer satisfaction data, numbers of work processes redesigned, cycle time reduction within work processes, travel and per diem dollars saved and redirected to higher priority areas, labor dollars and time reallocated to higher priority work, and data on procurement actions.

Accomplishments for Fiscal Year 1996

At the beginning of FY 1996, the BLM began the redesign of six major work processes: Land and Minerals Use Authorization (excluding mining law administration), Protest and Appeals, Billings and Collections, Procurement and Acquisition of Goods and Services, Legislative Responses, and Alaska Land Transfers. The redesigns were completed in FY 1996. For FY 1997, our goal is to begin the implementation of these redesigned work processes.

Improve Business Information

Background

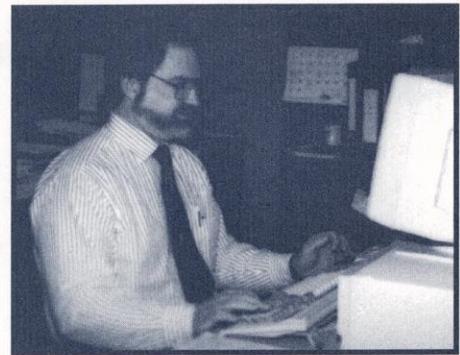
The firefighter, ranger, range conservationist, and biologist rely heavily on business and financial support in fulfilling their mission and performing their jobs. This year was an incredibly busy fire-support year, with record-breaking numbers of employee and vendor payments. The delivery of these services involves significant costs. However, despite this unanticipated workload and the need to meet targeted administrative reductions, the Bureau continued to improve its business and financial systems.

Performance measures were not established at the beginning of the fiscal year, so the Bureau was not able to collect data to measure performance. However, there were many significant accomplishments in FY 1996.

Accomplishments for Fiscal Year 1996

The Bureau accomplished the following in fiscal year 1996:

- ◆ Finalized a Strategic Plan to better focus our business workforce.
- ◆ Reduced our headquarters and administrative costs to less than 20% of our overall expenditures.
- ◆ Improved manager access to business information, which is now beginning to appear on our Intranet homepage.
- ◆ Improved the quality of property data as reflected in the unqualified audit opinion from the Department of the Interior Inspector General.



- ◆ Reduced the cost of delivery of some of our services; examples include:
 - A total of \$1.8 million in cost avoidance for work and storage space.
 - Continued reductions in administrative personnel supporting procurement, property, and financial systems.
 - Reduced cost of the Federal Financial System through the Departmental Administrative Service Center.
 - Implementation of the fixed assets subsystem of the Federal Financial System, a substantial savings over other proposals.
 - Discontinuance of most of our working capital fund stores accounts.
 - Reduction of our fleet and heavy equipment costs.

Improvements to our business and financial systems allow us to spend more of our program dollars on the ground for the purpose intended by our customers. FY 1996 was a productive year in terms of our achievements, and we expect to continue to improve our business systems and business information, reducing the cost of doing business across the Bureau.

Improve Organizational Effectiveness and Accountability for Program Performance

Background

To implement the goal of improving business practices, the BLM needs to improve its organizational and programmatic effectiveness, efficiency, and accountability performance.

The BLM is a diverse, mission-complex, and geographically dispersed agency. With almost 10,000 employees located in over 200 offices responsible for managing 264 million acres of surface lands in some 30 States, BLM management is challenged to provide simple processes that promote efficiency and effectiveness.

As used here, effectiveness includes the degree to which customer requirements are met in terms of mission-oriented results. Efficiency, which is also important, describes the relative cost of producing products and services that lead to results. Accountability involves BLM's capability to render a verifiable record of actual accomplishments.

BLM management is reviewing the Bureau's processes for tracking achievement of planned goals and objectives and for tracking managerial accountability, with a goal of improving the utility and viability of these processes.

The BLM's *Blueprint for the Future* defines the goals and results expected for the agency. Performance progress toward achieving results will be reported publicly each year in the Annual Report.

For FY 1996, GPRA-oriented performance measures were not established at the start of the year, so data collected by the BLM was not arrayed in that manner. However, significant progress has been made toward the

goals that existed for FY 1996, and a framework for goals, objectives, and measures for all mission and internal business areas has been established.

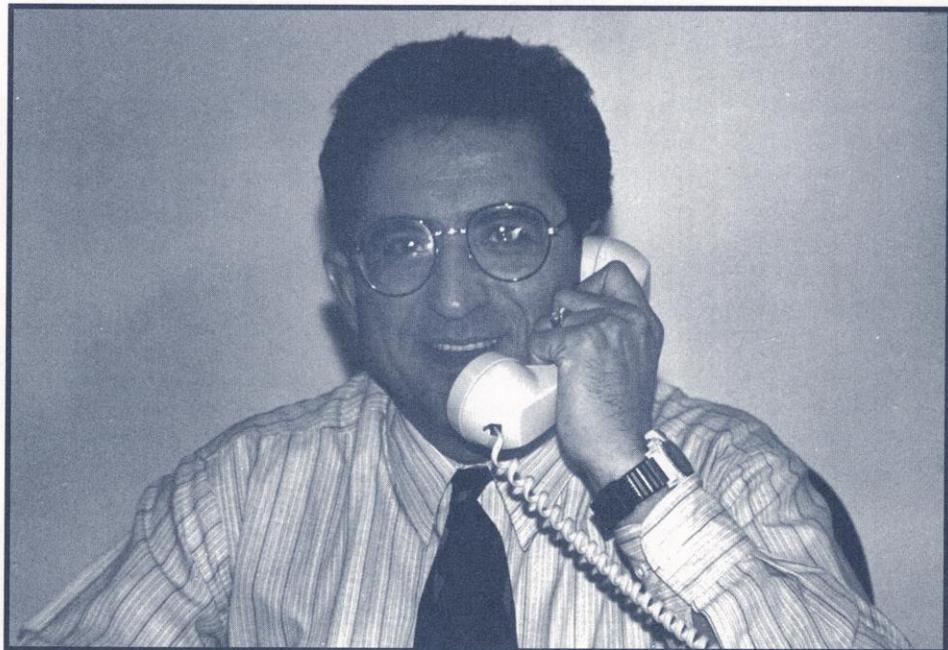
The BLM anticipates providing managers with greater flexibility for work procedures in return for greater accountability for results achieved. This accountability will be implemented agencywide by linking individual achievement to the accomplishment of organizational goals.

Accomplishments for Fiscal Year 1996

During 1996, the BLM focused efforts on customer service as a means of identifying areas for improvement and providing a baseline for measuring satisfaction with BLM products. Internal and external customers were surveyed to identify areas for improvement. The BLM also established several collaborative partnerships with private sector and other government interests. These efforts will enhance BLM's ability to work more effectively to achieve its desired results.

Accomplishments for FY 1996 that were not specifically documented in agency performance goals include the following:

- ◆ Implemented customer service initiatives, including a survey of customer satisfaction, and piloting Trading Post sites jointly with Forest Service field offices in Colorado and Oregon.
- ◆ Consolidated Federal Land Policy and Management Act (FLPMA) and CFO reports into this Annual Report.
- ◆ Reduced unnecessary red tape throughout offices as a result of the National Performance Review Laboratory and other initiatives.
- ◆ Reduced and simplified official manuals.
- ◆ Implemented continuous improvement and quality processes to take the place of after-the-fact evaluations and audits.
- ◆ Worked with 14 Federal natural resource agencies to develop compatible performance measures of condition, articulation of individual roles, and definition of potential for leadership of the Natural Resources Performance Measurement Forum.



- ◆ Made internal information and business and management data available to employees over BLM's Intranet.
- ◆ Made initial information on the organization, BLM program management, and productivity available to a broad external audience via the Internet homepages.
- ◆ Focused on using outcomes (mission-oriented results) as a measure of effectiveness while examining work outputs for budgetary and efficiency purposes.
- ◆ Reorganized the Headquarters office and made changes in the field organizational structure that support the managerial stewardship of BLM programs, accountability for results, and organizational efficiencies.

Performance Measures for Fiscal Year 1998

Throughout 1994, 1995, and 1996, the Department of the Interior, the Office of Management and Budget, sister agencies, stakeholders, and constituents have been and will continue working with the BLM to formulate and refine its plan for implementing effectiveness and accountability measures. Much progress is anticipated over the next several years. Two potential new measures have been identified thus far:

- ◆ *Satisfaction with Annual Report*
This measure will describe reported satisfaction with BLM's Annual Report, as measured by reader satisfaction reported in comment cards included in the report and on the Internet.

- ◆ *Use of Funds to Meet Planned Objectives*
This measure will compare the planned use of funds with the actual use of funds, as reported by State Offices and the Headquarters Office.

No budget/workload measures exist at this time for these goal areas.

Improve BLM's Ability to Effectively Use Automation Capabilities

Background

The BLM is committed to effectively applying its considerable investment in information technology to reduce the amount of time and work effort needed to make high-quality management decisions and deliver services to the public.

Two major pieces of legislation affecting information technology were passed in 1996 that require implementation in 1997. The Information Technology Management Reform Act (ITMRA) requires agencies to acquire, manage, and evaluate their information technology as investments and to do so at the highest levels of the organization. The Freedom of Information Act (FOIA) amendments require the

availability of documents in electronic form and the creation of "Electronic Reading Rooms." The BLM positioned itself in FY 1996 to effectively comply with the provisions of both of these laws.

The time needed to retrieve necessary reference information and the time needed to perform business functions are measures of performance. Accurate baseline performance measurements were not made in 1996. Baseline measurements will be made in 1997.

Accomplishments for Fiscal Year 1996

During 1996, the BLM concentrated on applying automation to improve performance of both its internal business practices and those directly affecting the public. An inventory of all automated applications was undertaken in 1996 to identify automated applications that collect the same or similar data, or that have the same general purpose. This inventory was undertaken to identify candidates for redesign and incorporation into re-engineered business practices in order to be more effective and minimize system maintenance costs.

Within the BLM, an infrastructure was completed enabling virtually all of its employees to communicate by elec-

Workload Measure	1995	1996
Databases available electronically to BLM staff and managers	20	36
Reference documents available electronically to BLM staff and managers	0	1,500 on BLM's Internet and Intranet sites
Number of staff with access to e-mail and electronic documents	5,200	9,000 (plus an additional 10,000 non-BLM staff within DOI)
Databases available electronically to the public	5	20
Reference documents available electronically to the public	0	950 documents on BLM's public Internet sites

tronic mail—to prepare, send, and receive documents electronically throughout the Bureau and the Department of the Interior via an internal network, and with other Federal and State agencies with which it routinely does business via the Internet. A national Intranet site and several local sites were created to post reference material for immediate access by employees. These capabili-

ties enable employees to find needed information more quickly, to transfer documents, and to make better-informed decisions.

Direct service to the public has been improved by making frequently sought information on the Internet available through a World Wide Web site (WWW.BLM.GOV), with links to information on public lands of a more local nature at several of our State

Office sites. In addition, the BLM has issued a Letter of Intent with the U.S. Postal Service to cooperate in an effort to provide services to the public electronically through the Internet or at publicly located kiosks. The BLM also undertook an initiative in 1996 to develop the capability for oil and gas operators to electronically file requests for the permits and "notices of intent" required by regulations.



BLUEPRINT GOAL

The BLM recognizes its obligation to professionally develop and prepare those who will become stewards of the Nation's public lands...

The fundamental viability of the public lands and the well-being of those who use and work upon those lands depends upon the public servants employed by the Bureau of Land Management. The BLM recognizes its obligation to professionally develop and prepare those who will become stewards of the Nation's public lands.

The nationwide Human Resources Management (HRM) Program provides for the adaptation of employees to the working environment of the BLM. Combining the elements of workforce assessment, analysis, recruitment, training, and career development, as well as outreach to communities through equal employment opportunity and related initiatives, HRM provides leadership in shaping BLM's workforce of the future.

Fiscal Year 1996 was a transitional period for the BLM in the area of human resources management. Despite two governmentwide furloughs, uncertainty created by the protracted appropriations process for the year, hiring freezes imposed by the Department of the Interior, and preparations for a realignment of the Washington Office organization, a substantial amount of program assessment and development work was completed, much of which was in support of planned programmatic initiatives for fiscal year 1997.

The BLM Strategic Plan, which is currently being developed, provides the foundation for performance evaluation. Success on the job will be measured in terms of the individual's contribution to successful outcomes that

relate specifically to BLM's mission responsibilities and goals. Effective performance as a team member, as well as quality work, will be the basis for employee reward programs. BLM's overriding responsibility to its employees is to create a work environment that supports excellence and productivity by ensuring harmony, providing motivation, and focusing on results rather than workloads.

BLM's workforce strives to structure its programs to mirror the demographic make-up of the country, not only to respond to social and economic realities, but also to comply with Federal policies for equal opportunity. Accordingly, the Bureau recognizes and accepts its obligation to create a working environment that supports the acceptance of emerging paradigms and changing values, fosters collaboration and the sharing of knowledge, promotes cooperation and learning, preserves mutual respect among its employees and diverse publics, and maintains continuing individual com-

mitment to BLM's unique mission for natural resources management.

To advance this role for Human Resources Management, the following goals have been established:

- ◆ Maintain a trained, motivated workforce to ensure support for the BLM mission.
- ◆ Institutionalize the principles of organizational diversity and establish a workforce that is representative of the national labor force.
- ◆ Provide employees with effective communication and leadership.

Maintain a Trained, Motivated Workforce to Ensure Support for the BLM Mission

Background

The BLM seeks to create a working environment in all headquarters and field duty stations in which all employees are trained, motivated, and oriented toward producing positive outcomes. These elements are essential in supporting the successful achievement of BLM's many mission responsibilities. The BLM proposes to create this environment through a program of systematic employee training and development, the use of outcome-oriented performance appraisals, and the linking of individual performance to BLM's Strategic Plan.



Accomplishments for Fiscal Year 1996

The BLM took definitive steps in FY 1996 to establish a foundation for accurately assessing workforce needs, to bring future training programs on line, and to ensure a sound basis for future HRM program development. These steps included:

- ◆ Drafting a three-year plan for developing a comprehensive curriculum of training products for equal employment opportunity (EEO) and HRM program practitioners, managers, supervisors, and other employees.
- ◆ Completing the groundwork required to train EEO and HRM practitioners in mediation following BLM's issuance of a national policy on the application of alternative dispute resolution (ADR).
- ◆ Anticipating the use of distance-learning methodologies (video conferencing) to bring HRM issues to employees in the field on a more direct and timely basis. The first two such programs are planned for the spring of 1997.
- ◆ Training managers, supervisors, and other employees in the Department of the Interior's new Performance Management System, which links performance to BLM's Strategic Plan; ensuring that employees have results-based performance standards on record for FY 1996 and FY 1997.
- ◆ Completing an assessment of BLM's record of training in HRM subject-matter areas over the previous five-year period. The results of this assessment will serve as the basis for a Bureauwide policy on HRM

training to be issued during FY 1997.

- ◆ Surveying other Federal agency organizational training programs in preparation for defining base competencies for BLM employees during FY 1997.
- ◆ Making specific provisions in FY 1997 work plans to support the conduct of training programs in diversity, ADR, and other HRM-related subjects, utilizing classroom and distance-learning methodologies.
- ◆ Providing practical, day-to-day guidance to managers and supervisors on HRM matters through the issuance of the "Human Resources Management Handbook."
- ◆ Completing a strategic plan for the HRM program that will provide direction and a means for measuring progress in FY 1997 and beyond.
- ◆ Conducting a survey regarding employee satisfaction to establish baseline data for measuring improvement in employee morale and fulfillment in FY 1997 and beyond.

Institutionalize the Principles of Organizational Diversity and Establish a Workforce that is Representative of the National Labor Force

Background

The BLM seeks to develop a working environment that promotes and fosters respect, dignity, and a sense of community by inculcating an under-

standing of organizational diversity in its day-to-day operations, by correcting the underrepresentation of minorities and women throughout the various program areas, and by ensuring effective communication between people—both within and outside of the organization.

Accomplishments for Fiscal Year 1996

The Bureau took definitive steps in FY 1996 to expand its capability for effective outreach to the various minority communities, to systematize its approach to workforce management, and to establish means for measuring progress in the future. These steps included:

- ◆ Shifting the emphasis on targeted recruitment and outreach initiatives to key administrative officials in BLM's field organization.
- ◆ Completing the groundwork for the execution of agreements with key minority-serving organizations. New agreements were originated with the National Association for Equal Opportunity in Education, Historically and Predominantly Black Colleges and Universities, and the International Association of Black Professional Fire Fighters. Ongoing coordinative relationships were maintained and strengthened with the Hispanic Association of Colleges and Universities and other minority-serving organizations such as the Hispanic Coalition.

- ◆ Establishing the capability at all BLM offices to access EEO data.
- ◆ Conducting a comprehensive analysis of the nationwide BLM work force. This data was subsequently used in defining specific

affirmative employment program goals for the next three years and for developing detailed performance measurement plans to move toward representational parity in selected occupations by the year 2000.

- ◆ Adopting and disseminating nationwide the Department of the Interior's new standard for Senior Executive Service (SES) performance in the areas of workforce diversity and equal employment opportunity.
- ◆ Continuing to use the Joint Apprenticeship and Training Program to recruit candidates for career seasonal positions in the fire program.

Provide Employees with Effective Communication and Leadership

Background

This goal area is the responsibility of all BLM managers and employees. The BLM has about 10,000 employees

and is spread over much of the western United States, with a few offices east of the Mississippi River. Technology has offered BLM opportunities for improving communications at a time when being able to work in teams and collaborate with others is essential. Improved communication is essential to the morale of employees, the efficient completion of quality work, and the resolution of the many issues encountered in BLM's daily work.

Accomplishments for Fiscal Year 1996

The following accomplishments improved communication and information exchange throughout the nationwide organization:

- ◆ Continued the weekly publication, by electronic mail, of the "Director's Letter to All Employees" concerning significant activities and issues of broad organizational concern and interest.
- ◆ Drafted the BLM Strategic Plan, which includes the mission, vision, blueprint goals, and performance goals for the agency.

- ◆ Provided the Weekly BLM Highlights report to employees.
- ◆ Extended BLM's electronic mail capability to virtually all offices and individual employees throughout the nationwide BLM organization.
- ◆ Instituted the quarterly Managers' Forum to provide a platform for discussing important HRM program issues and a means of regularly disseminating information on significant BLM programs and initiatives.
- ◆ Used satellite down-link capabilities to video teleconference with employees throughout the BLM.
- ◆ Established hyperlinked homepages on the Internet for the BLM, States, and Bureau programs (WWW.BLM.GOV)



MANAGEMENT CONTROL

The BLM's Management Control Program
...emphasizes improvement throughout the work cycle...

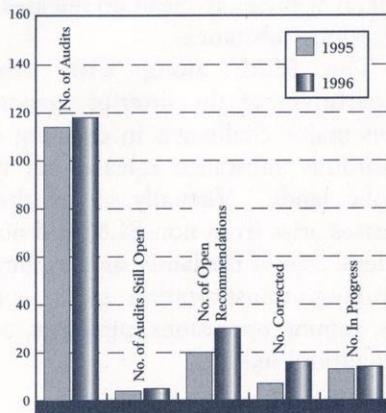
Accomplishments for Fiscal Year 1996

In April 1994, the BLM began streamlining its management control process to reduce unnecessary paperwork as required by the Office of Management and Budget (OMB) and to redesign management systems consistent with National Performance Review (NPR) objectives. Implementing these initiatives in the BLM in FY 1996 resulted in a 50% reduction in paperwork associated with BLM's management control process.

In June 1995, the BLM further streamlined its management control process in response to additional NPR initiatives, revised OMB guidance, and Department of the Interior (DOI) streamlining initiatives. The OMB and DOI guidance granted greater flexibility and discretion to agencies in determining the scope and frequency of reviews and in making more effective use of alternative evaluation sources. During FY 1996, the BLM used a General Accounting Office audit report and an Office of Inspector General audit report as alternative sources of information to meet management control review requirements for two of its five scheduled reviews.

The results of management control reviews conducted during FY 1996

Status of Audits and Recommendations



indicate that BLM's systems of management, administrative, and financial controls provide reasonable assurance that the objectives of the Federal Managers' Financial Integrity Act have been achieved.

Actions taken by the BLM during FY 1996 resulted in correction of one material weakness concerning reconciliation for real property with accounting system balances. In addition, the BLM was successful in completing scheduled FY 1996 corrective actions on the remaining three material weaknesses: inadequate range monitoring, oil and gas production accountability, and oversight of the Trans-Alaska Pipeline System.

Redesign of Evaluation Process

In October 1995, the BLM redesigned its evaluation process to incorporate the new requirements for accountability specified in the Government Performance and Results Act. The newly designed evaluation process emphasizes improvement throughout the work cycle and uses both a Field Review Process (self-assessment) and a National Review Process (validation). These processes are linked by the use of performance data consisting of customer feedback, benchmarking, and performance measures. In addition to providing an

opportunity to recognize excellence, share ideas, identify best practices, and consider new goals for performance, the new evaluation process will be instrumental in developing and meeting strategic planning goals and objectives and developing budget justifications.

Implementation of BLM's redesigned evaluation process will result in the availability of more accurate and timely data for decisionmaking, improved use of resources supported by good data, and improved customer service and resource conditions. Implementation of the redesigned evaluation process will also reduce the number of BLM evaluations conducted each year from approximately 150 reviews to less than 10. Implementing guidance is being developed and pilot tests of the redesigned evaluation process will begin in March 1997.

Audits

The Government Auditing Standards, issued by the Comptroller General of the United States, require government officials and employees to be accountable for managing public programs. We have taken the audits completed in the last 2 years (for comparison) and aligned them with the Bureau's strategic goals in the accompanying Audit Report Summary table.

Audit Report Summary

BLM Blueprint Goals	DOI Inspector General		Other Federal Audits		Non-Federal Audits	
	1995	1996	1995	1996	1995	1996
* These audits are properly represented under both blueprint goals.						
Serve current and future publics	4	4	—	—	101*	100*
Restore and maintain the health of the land	1	—	—	—	—	—
Promote collaborative management	—	—	—	—	—	—
Improve business practices	1	2	7	12	101*	100*
Improve human resources management	—	—	—	—	—	—
TOTALS	6	6	7	12	101	100

FINANCIAL STATEMENTS

Overview of the Financial Statements

*We believe this is a reflection of the priority and significance
that the BLM places on sound financial management...*

This section of the Annual Report presents BLM's financial statements. We believe these statements are a fair and accurate presentation of our financial position and results of operations. This is reflected in the unqualified audit opinion rendered on these financial statements by the independent auditors. We believe this is a reflection of the priority and significance that the BLM places on sound financial management.

Limitations of the Financial Statements

The financial statements have been prepared to represent the financial position and results of operations of the BLM pursuant to the requirements of the Chief Financial Officers Act of 1990. While the statements have been prepared from the books and records of the BLM in accordance with the guidance provided by the Office of Management and Budget, the statements differ from financial reports used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a component of a sovereign entity, that liabilities not covered by budgetary resources cannot be liquidated without enactment of an appropriation, and that payment for all liabilities other than for contracts can be abrogated by the sovereign entity.

Funding of the BLM

The Bureau is funded by
(1) Congressional appropriations;
(2) reimbursements for work per-

formed by the BLM on behalf of other Federal agencies or for the public, including State and local governments; (3) collections of public land revenues that are available to fund BLM operations; and (4) donations made to the Bureau.

BLM's funding increased by about 4% in FY 1996. Appropriated funding sources increased by almost \$41 million (4%), despite a \$29 million (5%) reduction in the Bureau's major operating appropriation. The increase was principally due to a \$12 million (12%) increase in BLM's payments in lieu of taxes appropriation and a one-time \$40 million increase for emergency flood damage repair.

Other revenues, including trust fund revenues, used to fund the BLM decreased slightly in FY 1996. There was, however, a substantial increase in collections by the BLM in FY 1996. These collections increased about 39%, and the collection amounts available to the BLM increased by about 31%.

The BLM was authorized three new funding sources in FY 1996. We are now entitled to use up to \$2 million in collections for managing communication sites. We were also authorized to use fees collected at specific recreation fee demonstration sites for managing these sites. Finally, Congress authorized us to use receipts from cer-

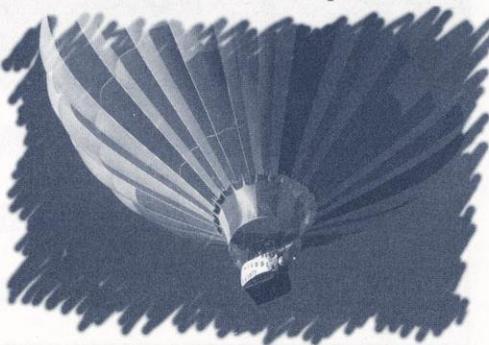
tain timber sales for specific purposes. We have taken full advantage of the communication site authority; the remaining two items will be implemented in FY 1997.

Contingent Liabilities

Claims on government resources that are likely to arise in the future are considered contingent liabilities. The BLM currently has no pending legal actions that, in the opinion of management, would result in a material contingent liability. However, actions required by statute to remediate hazardous waste on the public lands may represent a substantial claim on BLM's future resources.

As part of its responsibility to administer the public lands, the BLM is potentially responsible for cleaning up hazardous material sites and disposal facilities on the public lands. It is also responsible for the proper management and tracking of hazardous wastes resulting from operations on the public lands. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of, and requires responsible parties, including Federal agencies, to clean up releases of hazardous substances.

The BLM, along with other Department of the Interior agencies, faces major challenges in cleaning up hazardous substance releases on the public lands. Virtually all of these releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mining operations, pipelines, and agricultural uses.



In its previous annual reports, the BLM acknowledged that the costs of cleanup and payment of judgements or settlements of claims could exceed \$1 billion over the long term. However, this estimate is not recorded in BLM's financial records or shown in its financial statements. At this time it is not possible to estimate the comprehensive costs of public lands cleanup liability or to determine the portion of such costs that will represent a claim on BLM's resources. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties. It is also likely that the bulk of costs incurred to pay judgements or settlements would be borne by the U.S. Treasury's judgement fund and not BLM's resources.

The \$1 billion estimate is not based upon pending litigation and does not reflect the draft GAO guidance on costing such liability. It does, however,

represent a potential future claim upon budgetary resources that will arise over time under existing statutes governing the management and disposition of hazardous wastes and reclamation of land and resources.

Deferred Maintenance

The BLM purchases or constructs infrastructure assets such as buildings, roads, water and sewer systems, recreational facilities, and transportation systems consisting of roads and trails. These assets permit the enjoyment and use of the public lands for recreation, revenue generation, and other purposes.

The BLM currently maintains more than 5,000 buildings, recreation sites, and bridges, as well as over 88,000 miles of roads and trails. Maintenance funding for the BLM in FY 1996 was \$44,072,000

(\$41,319,000 appropriated funds, \$2,258,000 user fee collections, and \$495,000 transferred from other agencies). The BLM estimates that its maintenance backlog at September 30, 1996, was \$274,802,000, a decrease of more than \$19 million from September 30, 1995.

Since the bulk of public land improvements are not held for sale or for the generation of revenue, any impairment in the value of individual assets is not considered significant by management in measuring the financial results of the BLM. Public land improvements are held principally for the use and enjoyment of the public and the Bureau. BLM management believes that increased maintenance would benefit public land improvements, but the system of assets, taken as a whole, is maintained in a state of repairs that permits the use and management of the public lands.

Principal Financial Statements

BUREAU OF LAND MANAGEMENT

COMBINED COMPARATIVE STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 1996 AND 1995

(dollars in thousands)

	1996	1995
Assets:		
Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	\$ 444,688	\$ 345,389
Accounts Receivable (Note 3)	13,819	14,859
Governmental Assets:		
Accounts Receivable, Net (Note 3)	1,697	7,102
Travel Advances	104	176
Cash in Imprest Funds	563	523
Operating Materials and Supplies	1,667	1,583
Inventory, Net (Note 4)	7,211	9,046
Gas and Storage Rights, Net (Note 4)	1,079	1,081
Stockpile Materials (Note 4)	366,235	367,371
Property and Equipment, Net (Note 5)	278,923	297,190
Total Entity Assets	<u>1,115,986</u>	<u>1,044,320</u>
Non-Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	166,502	132,778
Governmental Assets:		
Accounts Receivable, Net (Note 3)	514	2,336
Unmatured Timber Sales Contracts (Note 6)	99,670	55,538
Total Non-Entity Assets	<u>266,686</u>	<u>190,652</u>
Total Assets (Note 7)	<u><u>\$1,382,672</u></u>	<u><u>\$1,234,972</u></u>
<i>The accompanying notes are an integral part of these statements.</i>		

1996

1995

Liabilities and Net Position:**Liabilities:**

Liabilities Covered by Budgetary Resources:

Intragovernmental Liabilities:

Accounts Payable	\$ 11,423	\$ 9,017
Debt to Treasury (Note 8)	1,365,204	1,373,204
Governmental Liabilities:		
Accounts Payable	19,350	20,135
Accrued Payroll and Benefits (Note 9)	21,365	20,521
Undistributed Collections (Note 10)	145,391	111,609
Deposit Funds (Note 11)	18,771	21,558
Deferred Credits (Note 12)	101,352	56,599
Total Liabilities Covered by Budgetary Resources	<u>1,682,856</u>	<u>1,612,643</u>

Liabilities Not Covered by Budgetary Resources:

Intragovernmental Liabilities:

Workers and Unemployment		
Compensation Payable (Note 13)	8,134	7,362
Governmental Liabilities:		
Accrued Annual Leave (Note 14)	<u>39,461</u>	<u>38,022</u>
Total Liabilities Not Covered by Budgetary Resources	<u>47,595</u>	<u>45,384</u>

Contingent Liabilities (Note 15)

Total Liabilities

1,730,4511,658,027**Net Position:**

Unexpended Appropriations (Note 16)	344,431	256,243
Invested Capital	268,680	286,087
Cumulative Results of Operations	(969,959)	(976,015)
Donations	47,062	47,062
Trust Fund Balances	9,602	8,952
Future Funding Requirements	(47,595)	(45,384)
Net Position	<u>(347,779)</u>	<u>(423,055)</u>
Total Liabilities and Net Position	<u>\$ 1,382,672</u>	<u>\$ 1,234,972</u>

BUREAU OF LAND MANAGEMENT
 COMBINED COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN NET POSITION
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995
 (dollars in thousands)

	1996	1995
Financing Sources, Revenues, and Collections:		
Financing Sources:		
Appropriated Capital Used	\$ 990,004	\$ 1,017,976
Revenues:		
Sales of Goods and Services - Public	9,568	8,712
Sales of Goods and Services - Intragovernmental	48,557	51,008
Gain on Disposition of Assets	672	552
Trust Fund Revenue	8,241	8,205
Collections (Note 17):		
Gross Receipts	169,261	122,116
Less Receipts Transferred or to be Transferred to Treasury or Other Agencies	<u>(133,763)</u>	<u>(94,992)</u>
Total Financing Sources, Revenues, and Collections	<u>1,092,540</u>	<u>1,113,577</u>
 Expenses:		
Operating Expenses (Note 18)	1,047,943	1,070,345
Cost of Goods Sold - Public	4,750	4,733
Cost of Goods Sold - Intragovernmental	11,434	14,298
Depreciation	19,782	18,457
Interest Expense - Debt to Treasury		73,644
Interest Expense - Other	108	179
Unfunded Annual Leave	1,439	(112)
Unfunded Workers and Unemployment Compensation	772	(531)
Total Expenses	<u>1,086,228</u>	<u>1,181,013</u>
 Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	<u>\$ 6,312</u>	<u>\$ (67,436)</u>
 Changes in Net Position:		
Net Position, Beginning Balance	\$ (423,055)	\$ 302,480
Prior Period Adjustment (Note 19)		(701,583)
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	<u>6,312</u>	<u>(67,436)</u>
Nonoperating Changes (Note 20)	<u>68,964</u>	<u>43,484</u>
 Net Position, Ending Balance	<u>\$ (347,779)</u>	<u>\$ (423,055)</u>

*The accompanying notes are an integral part
 of these statements.*

BUREAU OF LAND MANAGEMENT
 COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995
 (dollars in thousands)

	1996	1995
Cash Flows From Operating Activities:		
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ 6,312	\$ (67,436)
Adjustments Affecting Cash Flow:		
Appropriated Capital Used	(990,004)	(1,017,976)
Decrease (Increase) in Accounts Receivable	8,267	13,159
Decrease (Increase) in Other Assets	(41,211)	4,117
Increase (Decrease) in Accounts Payable	1,621	(104,326)
Increase (Decrease) in Debt to Treasury	(8,000)	63,644
Increase (Decrease) in Other Liabilities	76,592	27,968
Loss (Gain) on Disposition of Assets	(672)	(553)
Depreciation	19,782	18,457
Unfunded Expenses	2,211	(643)
Total Adjustments	<u>(931,414)</u>	<u>(996,153)</u>
Net Cash (Used) by Operating Activities	<u>(925,102)</u>	<u>(1,063,589)</u>
Cash Flows From Investing Activities:		
Proceeds from Sales of Property and Equipment	2,575	2,182
Purchases of Property and Equipment	<u>(46,088)</u>	<u>(59,403)</u>
Net Cash (Used) by Investing Activities	<u>(43,513)</u>	<u>(57,221)</u>
Cash Flows From Financing Activities:		
Appropriations (Current Warrants)	1,245,960	1,193,819
Transfers of Cash from Others	222,077	91,493
Transfers of Cash to Others	(360,833)	(219,381)
Withdrawals	(5,566)	(2,724)
Rescission of Budget Authority from Closed Funds	<u>(5,566)</u>	<u>(2,543)</u>
Net Cash Provided by Financing Activities	<u>1,101,638</u>	<u>1,060,664</u>
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	133,023	(60,146)
Fund Balances with Treasury, Beginning Balance	<u>478,167</u>	<u>538,313</u>
Fund Balances with Treasury, Ending Balance	<u>\$ 611,190</u>	<u>\$ 478,167</u>
Supplemental Disclosure of Cash Flow Information:		
Total Interest Paid	\$ 8,108	\$ 10,179

The accompanying notes are an integral part of these statements.

FINANCIAL STATEMENTS

Notes to Principal Financial Statements (dollars in thousands)

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the Bureau of Land Management (BLM), as required by the Chief Financial Officers Act of 1990. The combining financial statements present financial information by fund group. They have been prepared from BLM's financial records in accordance with the form and content of agency financial statements as specified by the Office of Management and Budget (OMB). The statements have been prepared in accordance with OMB Bulletin No. 94-01 and the BLM accounting policies that are summarized in this note. These statements are different from the financial reports submitted to OMB for purposes of monitoring and controlling the obligation and expenditure of budgetary resources.

B. Reporting Entity

The BLM, a bureau of the Department of the Interior (DOI), was established on July 16, 1946, through the consolidation of the General Land Office and the Grazing Service in accordance with the provisions of Sections 402 and 403 of the President's Reorganization Plan No. 3 of 1946 (60 Stat. 1097). The BLM's functions are set forth in Section 301 of the Federal Land Policy and Management Act of 1976 (43 USC 1731).

On March 12, 1996, Interior Secretary Babbitt signed Order Number 3198, transferring the Department's Helium Operations from the U.S. Bureau of Mines to the BLM. This was done under the authority of Section 2 of

Reorganization Plan No. 3 of 1950 (64 Stat. 1262), as amended. The helium production fund was established by the Helium Act (50 U.S.C. 10), enacted March 3, 1925, and amended by the Helium Act Amendments of 1960 (P.L. 86-777).

The accompanying combined financial statements include all appropriated funds, as well as all other funds for which the BLM maintains financial records. Financial records are maintained by fund types as described below:

1. General Funds: These funds consist of expenditure accounts used to record financial transactions arising from Congressional appropriations as well as receipt accounts. The principal general fund expenditure accounts maintained are:

- a. Management of Lands and Resources
- b. Wildland Fire Management
- c. Payments in Lieu of Taxes
- d. Oregon and California Grant Lands

2. Special Funds: The BLM maintains both special fund receipt accounts and special fund expenditure accounts. Collections made into special fund expenditure accounts are not considered BLM revenue; they are classified instead as appropriated capital. Collections made into special fund receipt accounts are earmarked by law for a specific purpose but are not generated from a continuing cycle of operations. Receipts are deposited as collected. Funds deposited into special fund receipt accounts typically arise from sales of public lands and materials, sales of timber, fees and commissions, mineral leases, and other charges for services provided by the BLM to users of the public lands. Amounts deposited into special fund receipt

accounts are subject to various distribution formulas as specified by law.

3. Revolving Funds: The BLM maintains a Working Capital Fund (WCF) as a single administrative unit established to finance and account for services and commodities furnished to various program activities. The WCF was established in 1978 under Section 306 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579) with an initial investment of \$2,000 in appropriated funds. Since that time, additional equity has been provided through intragovernmental transfers or donations of inventories, capital equipment, and other assets. Transfers or donations are made without reimbursement to the donating activity. All additional income of the WCF has been generated through charges to BLM's programs or other government agencies. The services provided by the WCF include motor vehicles, stores, a sign shop, a Departmental forms center, and the collection and disbursement of receipts from surface management of the Naval Oil Shale Reserve under an October 2, 1987, memorandum of understanding with the Department of Energy. In addition, the WCF provides funding for travel advances and petty cash funds held by imprest fund cashiers.

In addition to the WCF, Helium Operations is funded through a public enterprise revolving fund. This fund was established with monies from the U.S. Treasury to manage the Federal helium program, which includes helium production, storage, conservation, and sales activities. Funding for current management of this program is provided by sales of helium.

4. Trust Funds: The BLM maintains two trust accounts to carry out specific programs under trust agreements

and statutes. The Land and Resource Management Trust Fund contains monies contributed by non-Federal organizations for resource development, protection, and management; conveyance of lands omitted in original surveys; and public surveys requested by individuals. The Alaska Townsite Trustee Fund receives money from the sale of town lots to non-natives and is available to cover the expenses involved in selling and maintaining townsites.

5. Deposit Funds: These funds are maintained to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, at which time proper distribution can be made. Refer to Note 11.

C. Basis of Accounting

The BLM maintains its accounting records on both an accrual accounting basis and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Collections received and transferred to others are accounted for as described in section D below. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Significant interfund balances and transactions have been eliminated, with the exception of WCF transactions.

D. Financing Sources, Revenues, and Collections

The BLM receives most of the funding needed to support its programs through annual, multiyear, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional amounts are obtained through reimbursements for services performed for other Federal agencies.

All revenues (e.g., reimbursable agreements) are recognized when earned. These revenues may be used to offset the cost of producing products or furnishing services, and to recover overhead costs.

Collections are amounts that the BLM receives on behalf of others; most are either passed to the U.S. Department of the Treasury (Treasury) or distributed to other governmental agencies. Gross receipts are reported as cash is received, while amounts billed but not yet received are included in both accounts receivable and undistributed collections. Bad debt expenses relating to those receivables are not considered to be a BLM expense; they are charged against undistributed collections. Transfers of receipts to Treasury and others are reported on the accrual basis. That portion of the transfers that will not be disbursed until the subsequent fiscal year is also included in undistributed collections. Thus, the net position of the BLM is not affected by these activities relating to collections, whether they be billings, bad debt expenses, or timing differences between the receipt of such collections and their subsequent disbursement.

Helium fund sales are authorized by Chapter 10 of Title 50 of the United States Code, enacted March 3, 1925, as amended by Public Law 86-777, dated September 13, 1960, entitled "Helium Act Amendments of 1960". Paragraph 167a(4) authorizes the Secretary to, "dispose of, by lease or sale, property, including wells, lands, or interest therein, not valuable for helium production, and oil, gas, and byproducts of helium operations not needed for Government use, except that property determined by the Secretary to be 'excess' within the meaning of section 3(e) of the Federal Property and Administrative Services act of June 30, 1949, as amended (40 U.S.C. 471 et. seq.); and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without

interfering with the production of helium..."

Funds received under this chapter, including funds from the sale of helium or other products resulting from helium operations and from the sale of excess property, are credited to the helium production fund. This fund is available without fiscal year limitation to carry out the provisions of the "Helium Act," including any research relating to helium. Amounts accumulating in the fund in excess of amounts the Secretary deems necessary to carry out the Helium Act and contracts negotiated thereunder are paid to Treasury and credited against any amounts borrowed from Treasury.

The Helium Fund is authorized to retain all receipts, which include, but are not limited to, fees, penalties, interest, and administrative charges on past due receivables and proceeds from the sale of its assets. Fees, penalties, interest, and administrative charges are credited to a revenue account and are recorded as a financing source. Gains and losses are computed when assets are sold and recorded as a financing source or use of finances respectively.

E. Fund Balances with Treasury

The BLM does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. Fund balances with Treasury include appropriated, revolving, and trust funds that are available to pay current liabilities and finance authorized purchase commitments. Also included are various other receipt and expenditure funds. Cash balances held outside Treasury are not material. Further details on fund balances with Treasury are contained in Note 2.

F. Accounts Receivable

Accounts receivable consist of amounts owed to the BLM by other Federal agencies or by the public.

Amounts earned through the provision of services to the public are not recognized as receivables until billed. Receivables from other Federal agencies and certain State government agencies are recognized when the revenue is earned. The BLM recognizes bad debts arising from uncollectible accounts receivable by establishing an allowance for doubtful accounts based upon past experience in collecting accounts receivable and analysis of outstanding balances. See Note 3 for additional information concerning accounts receivable.

G. Inventory and Operating Materials and Supplies

Except for Helium Operations, BLM's inventory and operating materials and supplies consist of materials and supplies that will be consumed in future operations. Inventory is held by the WCF for use in BLM's resource management programs and is also maintained for sign construction, employee uniforms, and the DOI forms function. Inventory on hand is stated at cost using the average cost method. For years prior to FY 1995, operating materials and supplies on hand were also reported as assets, valued at average cost. Beginning in FY 1995, operating materials and supplies were accounted for based on the purchases method. Under this method, operating materials and supplies are expensed when purchased. The purchases method of accounting is in accordance with Statement of Federal Financial Accounting Standards Number 3, published October 27, 1993, by the Office of Management and Budget.

The helium inventory held for sale is the actual above-ground refined helium at the end of the fiscal year, plus an estimate of the amount of stockpile helium to be sold in the following fiscal year. The helium stockpile inventory is stored in a partially depleted natural gas reservoir. The cost to pur-

chase the stockpile helium was \$12.058 per mcf. The volume of helium is accounted for on a perpetual inventory basis. Each year, the amount of helium is verified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume. The calculated volumes support the volume carried in the inventory. At a reservoir abandonment pressure of 25 psia, 95 percent of the stockpile is deemed recoverable. The amount of helium that is eventually recovered will depend on the future price of helium and the ability to control the mixing of native gas and stockpile helium. Gas and storage rights for the storage of helium are recorded at cost. A depletion allowance is computed annually to record the gas consumed in the processing of helium for sale.

Helium Operations' consumable inventory consists of tools, supplies, small machinery, etc., consumed in the production and extraction of helium. The items in inventory are physically verified and adjusted annually. The moving average method is used to value all helium inventories.

Except for Helium Operations, BLM's inventory is not held for sale, nor is any of the inventory or operating materials and supplies balance held in reserve for future use or sale. There is no excess, obsolete, or unserviceable inventory or operating materials and supplies, nor is there any inventory held for repair. The BLM does not hold any other related property, including forfeited property, foreclosed property, seized property, commodities, or stockpile materials. Note 4 provides more information on BLM's inventory.

H. Property and Equipment

This category consists of acquired lands; structures, facilities and improvements; automated data processing (ADP) software; equipment

and vehicles; construction in progress; and property being held pending disposition. Prior to FY 1995, roads, trails, and bridges were also included in this category.

During 1995, the Federal Accounting Standards Advisory Board issued Exposure Drafts for two Statements of Recommended Accounting Standards that affect reporting for property and equipment. The first of these is entitled Accounting for Property, Plant, and Equipment; the second is Supplementary Stewardship Reporting. The standards recommend different accounting treatments for different types of property, plant, and equipment (PP&E). The standards provide for a distinction between general PP&E and stewardship PP&E. The former are PP&E used to provide general government services or goods. The latter include stewardship land—all land held by the Federal government that is not acquired for or in connection with an item of general PP&E—and heritage assets, including PP&E that have historical or natural significance.

The standards recommend that Federal entities establish appropriate capitalization thresholds. The BLM has established a capitalization threshold of \$250 per facility/site for real property components of general PP&E. Prior to FY 1995, the BLM had no minimum capitalization threshold for real property. The capitalization threshold for personal property remains unchanged.

The standards provide for capitalized property to continue to be reported on the Statement of Financial Position. PP&E that are not capitalized—because they are under the capitalization threshold, or because they are stewardship PP&E—are to be expensed in the period of acquisition. The standards require a stewardship report to be developed to provide relevant information regarding stewardship PP&E. We have included stewardship information this year, even

though the standards do not require a complete stewardship report until FY 1998.

Capitalized property and equipment are recorded as follows:

1. General PP&E real property is capitalized at cost if the aggregate cost of the site/facility is \$250 or more. Acquired land associated with capitalized assets is recorded separately from the structures, facilities, and improvements. Structures such as buildings that are used by the BLM but administered by the General Services Administration or other Federal agencies are not recognized as BLM assets.
2. Purchased ADP software is capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more. Internally developed software is not capitalized.
3. Equipment and vehicles are capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more.
4. Costs are accumulated in a construction in progress account for capitalizable general PP&E under construction or being acquired in incremental stages until the property is completed or totally acquired. At that time, the property is transferred to the appropriate asset account(s).

Depreciation for WCF vehicles and heavy equipment is recorded using the straight-line method, based upon useful lives ranging from 2 to 20 years with a 20 percent residual value.

Depreciation for non-WCF equipment and purchased ADP software is based on useful lives of up to 30 years, with a residual value of 10 percent. Except

in the Helium Fund, depreciation is not recognized for structures, facilities, and other improvements. The basis for capitalization of donated property and equipment is the estimated fair market value.

Information on property and equipment values is found in Note 5.

I. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the BLM as the result of transactions or events that have already occurred. However, no liability can be paid by the BLM absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as liabilities not covered by budgetary resources, with no certainty that the appropriations will be enacted. In addition, BLM liabilities arising from sources other than contracts can be abrogated by the Government, acting in its sovereign capacity.

Debt to Treasury is a liability of the Helium Fund. Borrowings occurred at various dates. Amounts borrowed became due 25 years from the date the funds were borrowed and are now past due.

Net worth debt is the amount due for the net capital and retained earnings of the Helium Fund established under 50 U.S.C. 10, Section 164, enacted March 3, 1925 (prior to amendment by the Helium Act Amendments of 1960), as determined by the Secretary as of September 13, 1960, plus any monies expended thereafter by the Department of the Interior from funds provided in the Supplemental Appropriation Act, 1959, for construction of a helium plant at Keyes, Oklahoma.

Borrowing from Treasury refers to funds borrowed under 50 U.S.C. 10, Section 167j, which authorizes bor-

rowings to acquire and construct helium plants and facilities and for other related purposes including the purchase of helium.

Interest on borrowing is compound interest on the debt described above that has not been repaid to Treasury. While the debt was current, interest was calculated annually at rates determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the investments authorized. The interest rate on the net capital and retained earnings was determined as of September 13, 1960, and the interest rate on additional borrowing was determined as of the time of each borrowing. The U.S. Treasury short-term borrowing rate was used to calculate the annual interest expense while the debt was past due. With the passage of the Helium Privatization Act of 1996, Public Law 104-273, enacted October 9, 1996, no interest accrued on the debt during FY 1996. The Act defines the amount repayable to the United States as all funds required to be repaid as of October 1, 1995, with no further interest accruing on the debt.

Additional information on debt to Treasury appears in Note 8.

J. Accrued Leave

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Sick leave and other types of leave are expensed as taken because they are nonvesting in nature.

K. Contingent Liabilities

The BLM is a party to various administrative proceedings, legal actions, environmental suits, and claims brought by or against it. Contingent liabilities are recorded in the accounting records when the event potentially leading to the recognition of a liability is probable, and a reliable estimate of the scope of the potential liability is available. Further information on contingent liabilities is found in Note 15.

L. Retirement Plan

Most BLM employees participate in the Civil Service Retirement System (CSRS), to which the BLM makes matching contributions. The BLM does not report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the Office of Personnel Management.

On January 1, 1987, the Federal Employees Retirement System (FERS) became effective pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. FERS offers a savings plan to which the BLM automatically contributes 1 percent of pay and matches any employee contribution up to an additional 4 percent of pay. For most employees hired since December 31,

1983, the BLM also contributes the employer's matching share for Social Security.

M. Leases

The BLM has entered into some lease arrangements that potentially qualify as capital leases. However, the BLM has historically not considered lease arrangements for inclusion as assets. The dollar value of leases that could qualify as capital leases is not considered material.

N. Net Position

The components of Net Position are defined as follows:

1. Unexpended appropriations include undelivered orders and unobligated balances; the latter may include both available and unavailable amounts.
2. Invested capital and donations represent the net book value of BLM's investment in inventory, operating materials and supplies, and property and equipment. Invested capital includes the purchased portion of these assets, less accumulated depreciation, plus or minus the value of capital assets transferred to or from other Federal entities without reimbursement. Donations represent the fair market value of donated assets accepted from non-Federal sources.

3. Cumulative results of operations represents the difference between revenues and expenses (other than depreciation) in the WCF and Helium Fund since their inception.

4. Trust fund balances include the unexpended portion of revenues received in the trust funds.
5. Future funding requirements consist of liabilities not covered by budgetary resources. These include accrued annual leave, as well as workers and unemployment compensation payable.

O. Comparative Data

Comparative data for the prior fiscal year is presented in order to provide an understanding of changes in BLM's financial position and operations. The addition of Helium Operations, pursuant to Secretarial Order No. 3198, March 12, 1996, significantly changes the financial position and operations for FY 1996, making it impossible to meaningfully compare the current year's data with data for FY 1995. Accordingly, we have restated the FY 1995 data to combine (1) the data that we reported last year with (2) the FY 1995 Helium Operations data that the Bureau of Mines reported in their financial statements. Both the BLM's and the Bureau of Mines' financial statements for FY 1995 were audited by the Office of Inspector General and given unqualified audit opinions.

Note 2 - Fund Balances with Treasury

U.S. Government cash is accounted for on an overall consolidated basis by Treasury. The balances shown on the

Combined Comparative Statements of Financial Position represent BLM's right to draw on Treasury for valid expenditures. The balances consist of general fund receipt accounts, general fund expenditure accounts, trust funds, revolving funds, special fund

receipt accounts, special fund expenditure accounts, and deposit funds. Refer to Note 1(B). Fund balances as shown on BLM's records are reconciled periodically with Treasury's records.

Fund Balances with Treasury at September 30, 1996:

	Obligated	Available	Unobligated	Total
			Restricted	
Entity Assets:				
Appropriated Funds	\$ 170,391	\$ 199,860	\$ 7,646	\$ 377,897
Helium Fund	2,059	33,795		35,854
Working Capital Fund	11,349	9,746		21,095
Trust Funds	2,012	7,830		9,842
	<u>185,811</u>	<u>251,231</u>	<u>7,646</u>	<u>444,688</u>
Non-Entity Assets:				
Other Fund Types			166,502	166,502
Total Fund Balances	\$ 185,811	\$ 251,231	\$ 174,148	\$ 611,190

Fund Balances with Treasury at September 30, 1995:

	Obligated	Available	Unobligated	Total
			Restricted	
Entity Assets:				
Appropriated Funds	\$ 146,992	\$ 129,183	\$ 5,566	\$ 281,741
Helium Fund	591	33,026		33,617
Working Capital Fund	9,237	11,429		20,666
Trust Funds	2,470	6,895		9,365
	<u>159,290</u>	<u>180,533</u>	<u>5,566</u>	<u>345,389</u>
Non-Entity Assets:				
Other Fund Types			132,778	132,778
Total Fund Balances	\$ 159,290	\$ 180,533	\$ 138,344	\$ 478,167

Note 3 - Accounts Receivable

Accounts receivable represent amounts owed to the BLM. Entity accounts receivable represent amounts that the

BLM has authority to use. Entity intragovernmental accounts receivable represent amounts due from other Federal agencies, while entity governmental accounts receivable represent amounts due from non-Federal entities. Non-entity accounts receivable

are amounts that are generated by BLM's programs but are not available to the programs. All of the non-entity accounts receivable represent amounts due from non-Federal entities.

Accounts Receivable at September 30, 1996:

	Entity		Non-Entity		Total
	Intra-Governmental	Governmental	Governmental		
Accounts Receivable	\$ 13,819	\$ 6,522	\$ 3,050		\$ 23,391
Less Allowance for Doubtful Accounts	_____	4,825	2,536		7,361
Accounts Receivable, Net	<u><u>\$ 13,819</u></u>	<u><u>\$ 1,697</u></u>	<u><u>\$ 514</u></u>		<u><u>\$ 16,030</u></u>

Accounts Receivable at September 30, 1995:

	Entity		Non-Entity		Total
	Intra-Governmental	Governmental	Governmental		
Accounts Receivable	\$ 14,859	\$ 8,512	\$ 5,877		\$ 29,248
Less Allowance for Doubtful Accounts	_____	1,410	3,541		4,951
Accounts Receivable, Net	<u><u>\$ 14,859</u></u>	<u><u>\$ 7,102</u></u>	<u><u>\$ 2,336</u></u>		<u><u>\$ 24,297</u></u>

Note 4 - Inventories

Inventories at September 30:

	1996	1995
Inventory, Net:		
Working Capital Fund:		
Inventory	\$ 2,384	\$ 2,653
Less Allowance for Loss on Inventory	<u>166</u>	<u>167</u>
	<u>2,218</u>	<u>2,486</u>
Helium Fund:		
Above-Ground Refined Helium for Sale	2,346	965
Below-Ground Crude Helium for Sale	<u>2,647</u>	<u>5,595</u>
	<u>4,993</u>	<u>6,560</u>
Inventory, Net	<u><u>\$ 7,211</u></u>	<u><u>\$ 9,046</u></u>
Gas and Storage Rights, Net:		
Gas and Storage Rights	\$ 1,538	\$ 1,539
Less Accumulated Depletion Allowance	<u>459</u>	<u>458</u>
Gas and Storage Rights, Net	<u><u>\$ 1,079</u></u>	<u><u>\$ 1,081</u></u>
Stockpile Materials:		
Below-Ground Crude Helium	<u><u>\$ 366,235</u></u>	<u><u>\$ 367,371</u></u>

The below-ground crude helium for sale inventory includes estimated sales of 25,000 mcf of crude helium during

FY 1997 and 250,000 mcf of crude helium during FY 1996.

Valuation methods and other information regarding inventories are presented in Note 1(G).

Note 5 - Property and Equipment, Net

Property and Equipment, Net at September 30, 1996:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 5,952	\$	\$ 5,952
Structures, Facilities, and Improvements	125,252	14,082	111,170
ADP Software	1,564	1,155	409
Equipment and Vehicles	245,303	136,936	108,367
Construction in Progress	48,040	—	48,040
Property Being Held Pending Disposition	<u>14,046</u>	<u>9,061</u>	<u>4,985</u>
Total	<u>\$ 440,157</u>	<u>\$ 161,234</u>	<u>\$ 278,923</u>

Property and Equipment, Net at September 30, 1995:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 4,805	\$	\$ 4,805
Structures, Facilities, and Improvements	120,645	13,978	106,667
ADP Software	5,541	1,021	4,520
Equipment and Vehicles	252,250	127,859	124,391
Construction in Progress	<u>56,807</u>	—	<u>56,807</u>
Total	<u>\$ 440,048</u>	<u>\$ 142,858</u>	<u>\$ 297,190</u>

Depreciation is recorded using the straight line method over a period of 2 to 30 years. Capitalization criteria are discussed in Note 1(H).

Property and equipment recognized as an asset were reduced in FY 1995 by \$687,539, as detailed in Note 19. Additional discussion of this adjustment may be found in Note 1(H).

The backlog of maintenance and repair on BLM-managed lands was approximately \$274,800 at September 30, 1996; it was approximately \$294,000 at September 30, 1995.

Note 6 - Unmatured Timber Sales Contracts

Unmatured timber sales contracts represent the obligation and the right of contractors to cut specific quantities of timber within a defined time period at a set price. These contracts represent future revenue to the U.S. Government that will materialize in future accounting periods as contracts are fulfilled by the cutting of timber. Also see Note 12.

Note 7 - Total Assets

For financial reporting purposes, the BLM has not recognized the value of negotiable securities or certificates of deposit pledged to guarantee performance of contracts. These instruments are accepted in lieu of bond coverage in the following programs: solid or fluid energy minerals extraction (oil, gas, coal, etc.), rights-of-way on the public or other lands, and certain contracts (performance bonds). Interest

earned is paid to the owner of the security or certificate of deposit and is not available to the BLM. At September 30, 1996, the value of these securities was \$6,134; at September 30, 1995, the value was \$6,889. Since these assets are not available to the BLM unless a customer defaults on an agreement, they are not recognized as BLM assets or liabilities.

Note 8 - Debt to Treasury

Amounts due Treasury from the Helium Fund at September 30:

	1996	1995
Principal:		
Net Worth Debt	\$ 37,343	\$ 37,343
Additional Borrowing from Treasury	<u>251,650</u>	<u>251,650</u>
	<u>288,993</u>	<u>288,993</u>
Interest:		
Beginning Balance	1,084,211	1,020,567
Interest Expense		73,644
Repayments	<u>(8,000)</u>	<u>(10,000)</u>
	<u>1,076,211</u>	<u>1,084,211</u>
Total Debt to Treasury	<u>\$ 1,365,204</u>	<u>\$ 1,373,204</u>

Refer to Note 1(I) for a description of net worth debt, additional borrowing from Treasury, and interest.

Note 9 - Accrued Payroll and Benefits

A liability is recognized for the salaries and benefits earned by employees but not yet paid at the close of the fiscal year. At September 30, 1996, accrued payroll liabilities were \$21,365, primarily representing 11 days of earned but unpaid compensation for BLM's workforce. At September 30, 1995, accrued payroll liabilities were

\$20,521, primarily for 10 days of earned but unpaid compensation.

Note 10 - Undistributed Collections

Undistributed collections represent amounts collected into unavailable special receipt funds that have not yet been transferred to other funds.

Note 12 - Deferred Credits

Deferred credits consist of unmatured timber sales contracts, advances from customers of the helium fund, and special fund billed amounts. Unmatured timber sales contracts are described in Note 6. Customer advances in the helium fund represent advance payments on helium purchases and storage contracts. Special fund billed amounts are a combination of advance bills for anticipated obligations, as well as actual bills for obligations already incurred.

Deferred Credits at September 30:

	1996	1995
Unmatured Timber Sales Contracts	\$ 99,670	\$ 55,538
Customer Advances—Helium Fund	1,224	636
Special Fund Billed Amounts	<u>458</u>	<u>425</u>
 Total Deferred Credits	 <u>\$101,352</u>	 <u>\$56,599</u>

Note 13 - Workers and Unemployment Compensation Payable

Workers and unemployment compensation payable represents the Department of Labor estimate of these liabilities.

Workers and Unemployment Compensation Payable at September 30:

	1996	1995
Workers Compensation Payable	\$ 7,225	\$ 6,710
Unemployment Compensation Payable	<u>909</u>	<u>652</u>
 Total	 <u>\$8,134</u>	 <u>\$7,362</u>

Note 14 - Accrued Annual Leave

The BLM allocates annual leave not covered by budgetary resources to the two funds with the most planned labor activity. The accrual is updated annually based on actual labor hours and current pay rates.

Note 11 - Deposit Funds

The BLM processes collections from various sources for activities related to public land administration. At any given time, the BLM may have collections that have not been specifically classified. These amounts are held in suspense pending further classification or resolution.

Note 15 - Contingent Liabilities

The BLM has certain contingent liabilities that may eventually result in the payment of substantial monetary claims to third parties, or in the unplanned reallocation of material budgetary resources, to pay for the cleanup of hazardous materials treatment, storage, or disposal facilities. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and the Resource Conservation and Recovery Act require Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of,

and require responsible parties, including Federal agencies, to clean up releases of hazardous substances.

The BLM faces major challenges in cleaning up hazardous substance releases on the public lands. Virtually all of these releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mineral development operations, pipelines, and airports. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties. The U.S. Treasury's judgement fund will likely bear many of the costs incurred to pay judgements or settlements.

The BLM has reported over 300 sites on public lands to the Environmental Protection Agency on the Federal Facilities Compliance docket. Studies of a statistically insignificant number of those sites indicated estimates of potential cleanup costs ranging from over \$500,000 to over \$7 million dollars per site. In addition to the exposure to hazardous-waste-related contingent liabilities, the BLM is a party to a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of BLM management, after consultation with the DOI Office of the Solicitor, such lawsuits or other claims will not materially affect BLM's future financial condition.

Note 16 - Unexpended Appropriations

Unexpended Appropriations at September 30:

	1996	1995
Unobligated, Available Undelivered Orders	<u>\$ 207,506</u> <u>136,925</u>	<u>\$ 134,748</u> <u>121,495</u>
Total Unexpended Appropriations	<u><u>\$ 344,431</u></u>	<u><u>\$ 256,243</u></u>

Note 17 - Collections

Collections for FY 1996 and FY 1995:

	1996	1995
Gross Receipts	\$ 169,261	\$ 122,116
Less Receipts Collected to Unavailable Special Funds	<u>133,763</u>	<u>94,992</u>
Mining Law Receipts Retained by the BLM	<u><u>\$ 35,498</u></u>	<u><u>\$ 27,124</u></u>

Amounts collected into the unavailable special fund receipt accounts are not available for the BLM's use except by appropriation or other statutory

authority. The receipts have been or will be transferred to Treasury or other agencies. Amounts retained by the BLM, or returned by appropriation, in

FY 1996 and FY 1995 were \$20,289 and \$12,676, respectively.

Note 18 - Operating Expenses

Operating Expenses by Object Classification:

	1996	1995
Personal Services and Benefits	\$ 522,005	\$ 516,670
Travel and Transportation	34,256	42,387
Rental, Communication, and Utilities	60,936	59,969
Printing and Reproduction	2,376	4,350
Contractual Services	162,997	184,224
Supplies and Materials	45,666	48,746
Property and Equipment Not Capitalized	23,050	33,868
Bad Debts	4,600	
Grants, Subsidies, and Contributions	<u>192,057</u>	<u>180,131</u>
 Total Operating Expenses	 <u>\$ 1,047,943</u>	 <u>\$ 1,070,345</u>

Operating Expenses by Fund:

	1996	1995
Management of Lands and Resources	\$ 557,708	\$ 607,238
Payments in Lieu of Taxes	115,995	98,722
Oregon and California Grant Lands	86,530	89,018
Other Appropriated Funds	<u>271,003</u>	<u>256,349</u>
Subtotal, Appropriated Funds	<u>1,031,236</u>	<u>1,051,327</u>
Trust Funds	6,616	8,210
Working Capital Fund	6,450	6,846
Helium Fund	<u>3,641</u>	<u>3,962</u>
 Total Operating Expenses	 <u>\$ 1,047,943</u>	 <u>\$ 1,070,345</u>

Note 19 - Prior Period Adjustment

Federal Accounting Standards Advisory Board (FASAB) guidance dictates a change in accounting principle for reporting property and equipment, as described in Note 1(H). FASAB guidance also permits a change in accounting principle for reporting operating materials and supplies, as

discussed in Note 1(G). In both cases, the FY 1995 costs of acquiring items that will no longer be capitalized were reflected in operating expenses. Property and equipment, as well as operating materials and supplies, previously reported as assets were removed from the Statement of Financial Position, and were recognized as a prior period adjustment in FY 1995, as follows:

Acquired Land	\$ 55,711
Structures, Facilities, and Improvements	62,888
Construction in Progress	62,490
Roads, Trails, and Bridges	<u>506,450</u>
Total Property and Equipment	687,539
Operating Materials and Supplies	<u>14,044</u>
 Total Prior Period Adjustment	 <u>\$ 701,583</u>

Note 20 - Nonoperating Changes

Nonoperating Changes for FY 1996 and FY 1995:

	1996	1995
Appropriated Funds:		
Increase (Decrease) in:		
Property and Equipment	\$ (22,195)	\$ 40,300
Unexpended Appropriations	88,188	3,168
Property and Equipment Dispositions	<u>(1,038)</u>	<u>(1,212)</u>
Net Increase, Appropriated Funds	64,955	42,256
Working Capital Fund:		
Net Noncash Increase in:		
Property and Equipment	4,981	1,346
Trust Funds:		
Net Noncash (Decrease) in:		
Property and Equipment	<u>(972)</u>	<u>(118)</u>
Net Nonoperating Changes	<u>\$ 68,964</u>	<u>\$ 43,484</u>

Note 21 - Helium Closure

The Helium Privatization Act of 1996 (Public Law 104-273), enacted October 9, 1996, directs the privatizing of the Department of the Interior's Federal Helium Refining Program. Under this law, Interior shall cease pro-

ducing, refining, and marketing refined helium within 18 months of enactment. Interior may store, transport, and withdraw crude helium and maintain and operate crude helium storage facilities in existence on the date of enactment. The Department may also enter into agreements with private parties for the recovery and disposal of

helium on Federal lands and may grant leasehold rights to any such helium. The sale of stockpile crude helium will commence no later than January 1, 2005, and will continue until January 1, 2015, at which time the helium reserves should be reduced to 600 million cubic feet.

BUREAU OF LAND MANAGEMENT
 COMBINING COMPARATIVE STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 1996 AND 1995
 (dollars in thousands)

	Working Capital Fund	Trust Funds	Appropriated Funds	1996 Helium Fund
Assets:				
Entity Assets:				
Intragovernmental Assets:				
Fund Balances with Treasury	\$ 21,095	\$ 9,842	\$ 377,897	\$ 35,854
Accounts Receivable			12,682	1,137
Governmental Assets:				
Accounts Receivable, Net			847	850
Travel Advances	102			2
Cash in Imprest Funds	563			
Operating Materials and Supplies				1,667
Inventory, Net	2,218			4,993
Gas and Storage Rights, Net				1,079
Stockpile Materials				366,235
Property and Equipment, Net	43,916		222,724	12,283
Total Entity Assets	<u>67,894</u>	<u>9,842</u>	<u>614,150</u>	<u>424,100</u>
Non-Entity Assets:				
Intragovernmental Assets:				
Fund Balances with Treasury				166,502
Governmental Assets:				
Accounts Receivable, Net			514	
Unmatured Timber Sales Contracts			99,670	
Total Non-Entity Assets	<u> </u>	<u> </u>	<u>266,686</u>	<u> </u>
Total Assets	<u>\$ 67,894</u>	<u>\$ 9,842</u>	<u>\$ 880,836</u>	<u>\$ 424,100</u>

Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
\$ 444,688 13,819	\$ 20,666	\$ 9,365	\$ 281,741 13,624	\$ 33,617 1,235	\$ 345,389 14,859
1,697	1		5,531	1,570	7,102
104	176				176
563	521			2	523
1,667				1,583	1,583
7,211	2,486			6,560	9,046
1,079				1,081	1,081
366,235				367,371	367,371
278,923	37,821		245,957	13,412	297,190
<u>1,115,986</u>	<u>61,671</u>	<u>9,365</u>	<u>546,853</u>	<u>426,431</u>	<u>1,044,320</u>
166,502			132,778		132,778
514			2,336		2,336
99,670			55,538		55,538
<u>266,686</u>	<u> </u>	<u> </u>	<u>190,652</u>	<u> </u>	<u>190,652</u>
<u>\$ 1,382,672</u>	<u>\$ 61,671</u>	<u>\$ 9,365</u>	<u>\$ 737,505</u>	<u>\$ 426,431</u>	<u>\$ 1,234,972</u>

BUREAU OF LAND MANAGEMENT
 COMBINING COMPARATIVE STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 1996 AND 1995
 (dollars in thousands)

	Working Capital Fund	Trust Funds	Appropriated Funds	1996 Helium Fund
Liabilities and Net Position:				
Liabilities:				
Liabilities Covered by Budgetary Resources:				
Intragovernmental Liabilities:				
Accounts Payable	\$ 29	\$ 20	\$ 11,025	\$ 349
Debt to Treasury				1,365,204
Governmental Liabilities:				
Accounts Payable	464	91	18,209	586
Accrued Payroll and Benefits	104	129	20,157	975
Undistributed Collections				145,391
Deposit Funds				18,771
Deferred Credits				100,128
Total Liabilities Covered by Budgetary Resources	<u>597</u>	<u>240</u>	<u>313,681</u>	<u>1,368,338</u>
Liabilities Not Covered by Budgetary Resources:				
Intragovernmental Liabilities:				
Workers and Unemployment Compensation Payable				8,134
Governmental Liabilities:				
Accrued Annual Leave				39,461
Total Liabilities Not Covered by Budgetary Resources	<u>597</u>	<u>240</u>	<u>47,595</u>	<u> </u>
Contingent Liabilities				
Total Liabilities	<u>597</u>	<u>240</u>	<u>361,276</u>	<u>1,368,338</u>
Net Position:				
Unexpended Appropriations				344,431
Invested Capital	43,961	124	224,621	(26)
Cumulative Results of Operations	21,164			(991,123)
Donations	2,172	(124)	(1,897)	46,911
Trust Fund Balances		9,602		
Future Funding Requirements				(47,595)
Net Position	<u>67,297</u>	<u>9,602</u>	<u>519,560</u>	<u>(944,238)</u>
Total Liabilities and Net Position	<u>\$ 67,894</u>	<u>\$ 9,842</u>	<u>\$ 880,836</u>	<u>\$ 424,100</u>

Combined	Working Capital Fund	Trust Funds	1995		
			Appropriated Funds	Helium Fund	Combined
\$ 11,423	\$ 65	\$ 15	\$ 8,895	\$ 42	\$ 9,017
<u>1,365,204</u>				<u>1,373,204</u>	<u>1,373,204</u>
19,350	698	292	18,002	1,143	20,135
21,365	94	106	19,278	1,043	20,521
145,391			111,609		111,609
18,771			21,558		21,558
<u>101,352</u>			<u>55,963</u>		<u>56,599</u>
<u>1,682,856</u>	<u>857</u>	<u>413</u>	<u>235,305</u>	<u>1,376,068</u>	<u>1,612,643</u>
8,134			7,362		7,362
<u>39,461</u>			<u>38,022</u>		<u>38,022</u>
<u>47,595</u>			<u>45,384</u>		<u>45,384</u>
<u>1,730,451</u>	<u>857</u>	<u>413</u>	<u>280,689</u>	<u>1,376,068</u>	<u>1,658,027</u>
344,431			256,243		256,243
268,680	38,135	143	247,835	(26)	286,087
(969,959)	20,507			(996,522)	(976,015)
47,062	2,172	(143)	(1,878)	46,911	47,062
9,602		8,952			8,952
(47,595)			(45,384)		(45,384)
<u>(347,779)</u>	<u>60,814</u>	<u>8,952</u>	<u>456,816</u>	<u>(949,637)</u>	<u>(423,055)</u>
<u>\$ 1,382,672</u>	<u>\$ 61,671</u>	<u>\$ 9,365</u>	<u>\$ 737,505</u>	<u>\$ 426,431</u>	<u>\$ 1,234,972</u>

BUREAU OF LAND MANAGEMENT

COMBINING COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995

(dollars in thousands)

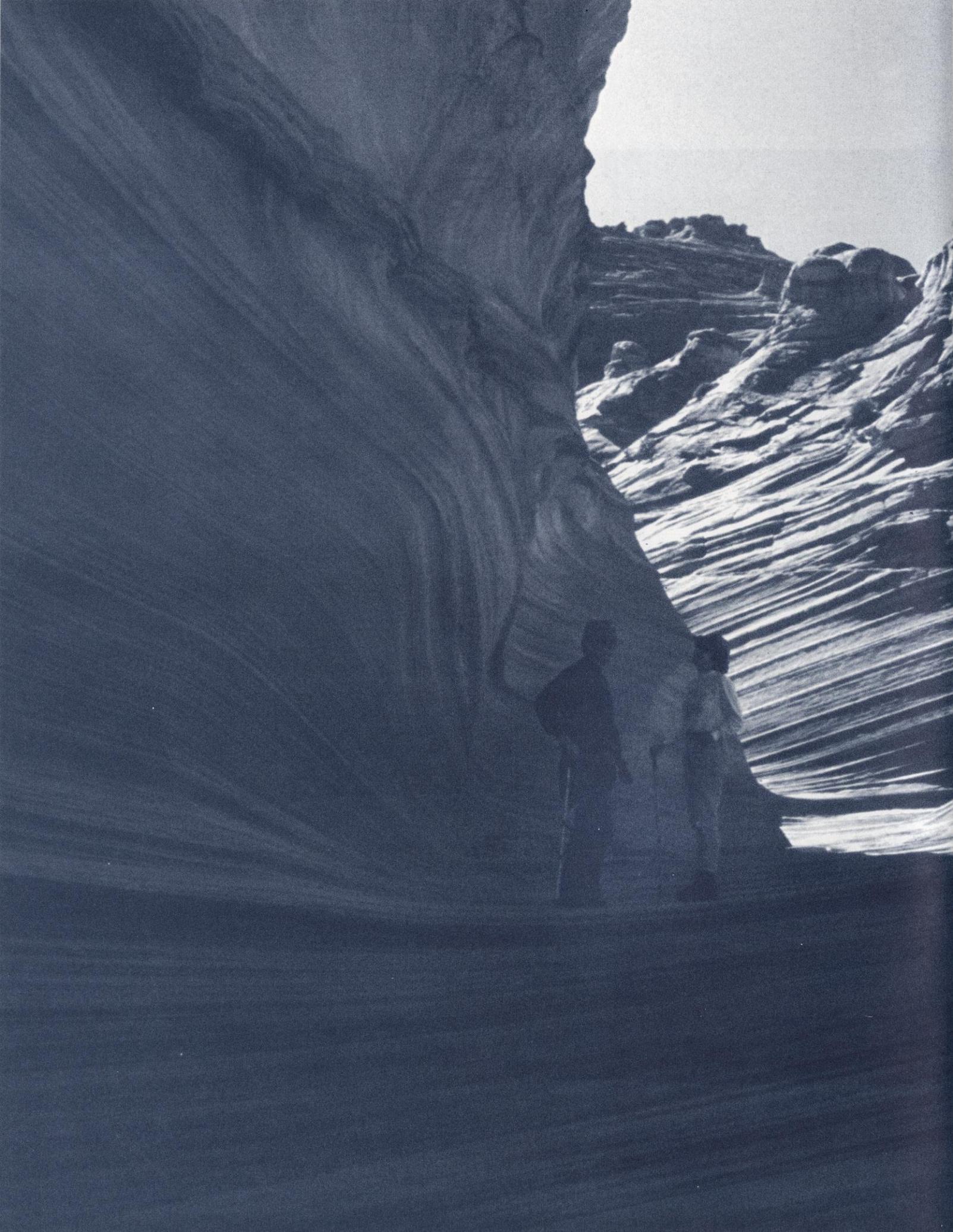
	Working Capital Fund	Trust Funds	Appropriated Funds	1996 Helium Fund
Financing Sources, Revenues, and Collections:				
Financing Sources:				
Appropriated Capital Used	\$	\$	\$ 990,004	\$
Revenues:				
Sales of Goods and Services - Public	30		1,477	8,061
Sales of Goods and Services -				
Intragovernmental	14,808		16,663	17,086
Gain (Loss) on Disposition of Assets	651			21
Trust Fund Revenue		8,241		
Collections:				
Gross Receipts			169,261	
Less Receipts Transferred or to be				
Transferred to Treasury or Other Agencies			(133,763)	
Total Financing Sources, Revenues, and Collections	<u>15,489</u>	<u>8,241</u>	<u>1,043,642</u>	<u>25,168</u>
Expenses:				
Operating Expenses	6,450	6,616	1,031,236	3,641
Cost of Goods Sold - Public				4,750
Cost of Goods Sold - Intragovernmental	1,365			10,069
Depreciation	6,166	1	12,307	1,308
Interest Expense - Debt to Treasury				
Interest Expense - Other	6	2	99	1
Unfunded Annual Leave				1,439
Unfunded Workers and				
Unemployment Compensation			772	
Total Expenses	<u>13,987</u>	<u>6,619</u>	<u>1,045,853</u>	<u>19,769</u>
Excess (Shortage) of Financing Sources, Revenues, and Collections over Total Expenses	\$ <u>1,502</u>	\$ <u>1,622</u>	\$ <u>(2,211)</u>	\$ <u>5,399</u>
Changes in Net Position:				
Net Position, Beginning Balance	\$ 60,814	\$ 8,952	\$ 456,816	\$ (949,637)
Prior Period Adjustment				
Excess (Shortage) of Financing Sources, Revenues and Collections				
over Total Expenses	1,502	1,622	(2,211)	5,399
Plus (Minus) Nonoperating Changes	<u>4,981</u>	<u>(972)</u>	<u>64,955</u>	<u></u>
Net Position, Ending Balance	\$ <u>67,297</u>	\$ <u>9,602</u>	\$ <u>519,560</u>	\$ <u>(944,238)</u>

Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
\$ 990,004	\$ 5	\$ 1,017,976	\$ 1,017,976	\$ 1,017,976	
9,568	5	1,471	7,236	8,712	
48,557	16,188	16,101	18,719	51,008	
672	604		(52)	552	
8,241		8,205		8,205	
169,261			122,116		122,116
(133,763)			(94,992)		(94,992)
<u>1,092,540</u>	<u>16,797</u>	<u>8,205</u>	<u>1,062,672</u>	<u>25,903</u>	<u>1,113,577</u>
1,047,943	6,846	8,210	1,051,327	3,962	1,070,345
4,750				4,733	4,733
11,434	2,053			12,245	14,298
19,782	4,906		11,179	2,372	18,457
				73,644	73,644
108	7	4	166	2	179
1,439			(112)		(112)
772			(531)		(531)
<u>1,086,228</u>	<u>13,812</u>	<u>8,214</u>	<u>1,062,029</u>	<u>96,958</u>	<u>1,181,013</u>
\$ <u>6,312</u>	\$ <u>2,985</u>	\$ <u>(9)</u>	\$ <u>643</u>	\$ <u>(71,055)</u>	\$ <u>(67,436)</u>
\$ (423,055)	\$ 56,483	\$ 15,441	\$ 1,109,138	\$ (878,582)	\$ 302,480
		(6,362)	(695,221)		(701,583)
6,312	2,985	(9)	643	(71,055)	(67,436)
<u>68,964</u>	<u>1,346</u>	<u>(118)</u>	<u>42,256</u>	<u>_____</u>	<u>43,484</u>
\$ <u>(347,779)</u>	\$ <u>60,814</u>	\$ <u>8,952</u>	\$ <u>456,816</u>	\$ <u>(949,637)</u>	\$ <u>(423,055)</u>

BUREAU OF LAND MANAGEMENT
COMBINING COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995
(dollars in thousands)

			1996	
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund
Cash Flows From Operating Activities:				
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ 1,502	\$ 1,622	\$ (2,211)	\$ 5,399
Adjustments Affecting Cash Flow:				
Appropriated Capital Used				(990,004)
Decrease (Increase) in Accounts Receivable	1		7,448	818
Decrease (Increase) in Other Assets	300		(44,132)	2,621
Increase (Decrease) in Accounts Payable	(270)	(196)	2,337	(250)
Increase (Decrease) in Debt to Treasury				(8,000)
Increase (Decrease) in Other Liabilities	10	23	76,039	520
Loss (Gain) on Disposition of Assets	(651)			(21)
Depreciation	6,166	1	12,307	1,308
Unfunded Expenses			2,211	
Total Adjustments	<u>5,556</u>	<u>(172)</u>	<u>(933,794)</u>	<u>(3,004)</u>
Net Cash Provided (Used) by Operating Activities	<u>7,058</u>	<u>1,450</u>	<u>(936,005)</u>	<u>2,395</u>
Cash Flows From Investing Activities:				
Proceeds from Sales of Property and Equipment	2,540			35
Purchases of Property and Equipment	(9,169)	(973)	(35,753)	(193)
Net Cash (Used) by Investing Activities	<u>(6,629)</u>	<u>(973)</u>	<u>(35,753)</u>	<u>(158)</u>
Cash Flows From Financing Activities:				
Appropriations (Current Warrants)			1,245,960	
Transfers of Cash from Others			222,077	
Transfers of Cash to Others			(360,833)	
Withdrawals				
Rescission of Budget Authority from Closed Funds			(5,566)	
Net Cash Provided by Financing Activities			<u>1,101,638</u>	
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	429	477	129,880	2,237
Fund Balances with Treasury, Beginning Balance	<u>20,666</u>	<u>9,365</u>	<u>414,519</u>	<u>33,617</u>
Fund Balances with Treasury, Ending Balance	<u>21,095</u>	<u>9,842</u>	<u>544,399</u>	<u>35,854</u>
Supplemental Disclosure of Cash Flow Information:				
Total Interest Paid	\$ 6	\$ 2	\$ 99	\$ 8,001

Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	1995 Combined
\$ 6,312	\$ 2,985	\$ (9)	\$ 643	\$ (71,055)	\$ (67,436)
(990,004)			(1,017,976)		(1,017,976)
8,267	(1)		13,110	50	13,159
(41,211)	371		(651)	4,397	4,117
1,621	7	138	(104,494)	23	(104,326)
(8,000)				63,644	63,644
76,592	(3)	(23)	28,030	(36)	27,968
(672)	(604)			51	(553)
19,782	4,906		11,179	2,372	18,457
2,211			(643)		(643)
(931,414)	<u>4,676</u>	<u>115</u>	<u>(1,071,445)</u>	<u>70,501</u>	<u>(996,153)</u>
(925,102)	<u>7,661</u>	<u>106</u>	<u>(1,070,802)</u>	<u>(554)</u>	<u>(1,063,589)</u>
2,575	2,135			47	2,182
(46,088)	(8,146)	(119)	(50,699)	(439)	(59,403)
(43,513)	<u>(6,011)</u>	<u>(119)</u>	<u>(50,699)</u>	<u>(392)</u>	<u>(57,221)</u>
1,245,960			1,193,819		1,193,819
222,077			91,493		91,493
(360,833)			(219,381)		(219,381)
			(2,724)		(2,724)
(5,566)	—	—	(2,543)	—	(2,543)
1,101,638	—	—	1,060,664	—	1,060,664
133,023	1,650	(13)	(60,837)	(946)	(60,146)
478,167	<u>19,016</u>	<u>9,378</u>	<u>475,356</u>	<u>34,563</u>	<u>538,313</u>
<u>611,190</u>	<u>20,666</u>	<u>9,365</u>	<u>414,519</u>	<u>33,617</u>	<u>478,167</u>
\$ 8,108	\$ 7	\$ 4	\$ 166	\$ 10,002	\$ 10,179



STEWARSHIP Assets SHIP

The BLM has been entrusted with stewardship responsibility for the multiple-use management of natural resources on approximately 264 million acres of public land...

The BLM has been entrusted with stewardship responsibility for the multiple-use management of natural resources on approximately 264 million acres of public land. The agency also supervises mineral leasing and operations on over 560 million acres of mineral estate that underlie both BLM lands and other surface ownerships. The public lands are valued for their environmental resources, their recreational and scenic values, the cultural resources they contain, their vast open spaces, and the resource commodities and revenue they provide to the Federal government, States, and counties.

Stewardship Lands

Location of Stewardship Lands

Most of the lands for which the BLM serves as steward were once a part of the 1.8 billion acres of "public domain" lands acquired by the Nation between 1781 and 1867. Lands managed by the BLM represent about one-eighth of America's land surface, or approximately 41 percent of the lands under Federal ownership. The BLM manages lands in 27 states, but most of the public lands are located in Alaska and the 11 western States, encompassing Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming. Figure 1 shows the percentage of each State's acreage that is managed by the BLM.

Types of Stewardship Lands

The BLM is responsible for managing a variety of land types. In managing these lands, it is guided by the principles of multiple use and sustained yield, and it has recognized the need to protect and enhance the natural and human environment. Special management areas have been designated by congressional and administrative action. Congress has established national trails, Wild and Scenic Rivers, and national conservation areas. The BLM and the Department have designated recreation areas, primitive areas, natural areas, resource conservation areas, areas of critical environmental concern, and other areas. Table 1 shows the primary land types that are managed by the BLM.

Rangeland: Rangeland is land on which the native vegetation (climax or natural potential) is predominately grasses, grass-like plants, forbs, or shrubs suitable for grazing or browsing

use. Range includes lands revegetated either naturally or artificially to provide a forage cover that is managed like native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes, and wet meadows.

Forest Land: The BLM's forest and woodland resources encompass approximately 50 million acres. About 22 million acres are in Alaska, with 28 million more in the 11 western States. These forested lands are of great variety and include black and white spruce in Alaska; aspen, lodgepole pine, ponderosa pine, interior Douglas fir, and associated species of the Intermountain West; the pinyon-juniper woodlands of the Great Basin and Southwest; and the Douglas fir, hemlock, and cedar forests of western Oregon and northern California.

Riparian and Wetlands: Riparian areas are lands adjacent to creeks, streams, lakes, and rivers. They are sometimes called "green ribbons" because the vegetation on waterway banks forms a ribbon-like pattern when seen from the air. These areas, containing scarce water and vegetation in the otherwise arid western United States, are important to fish and wildlife species, as well as to livestock. Since they filter the water flowing through them, riparian-wetland areas can affect the health of entire watersheds.



Figure 1 - Percentage of Each State's Surface Acreage Managed by BLM

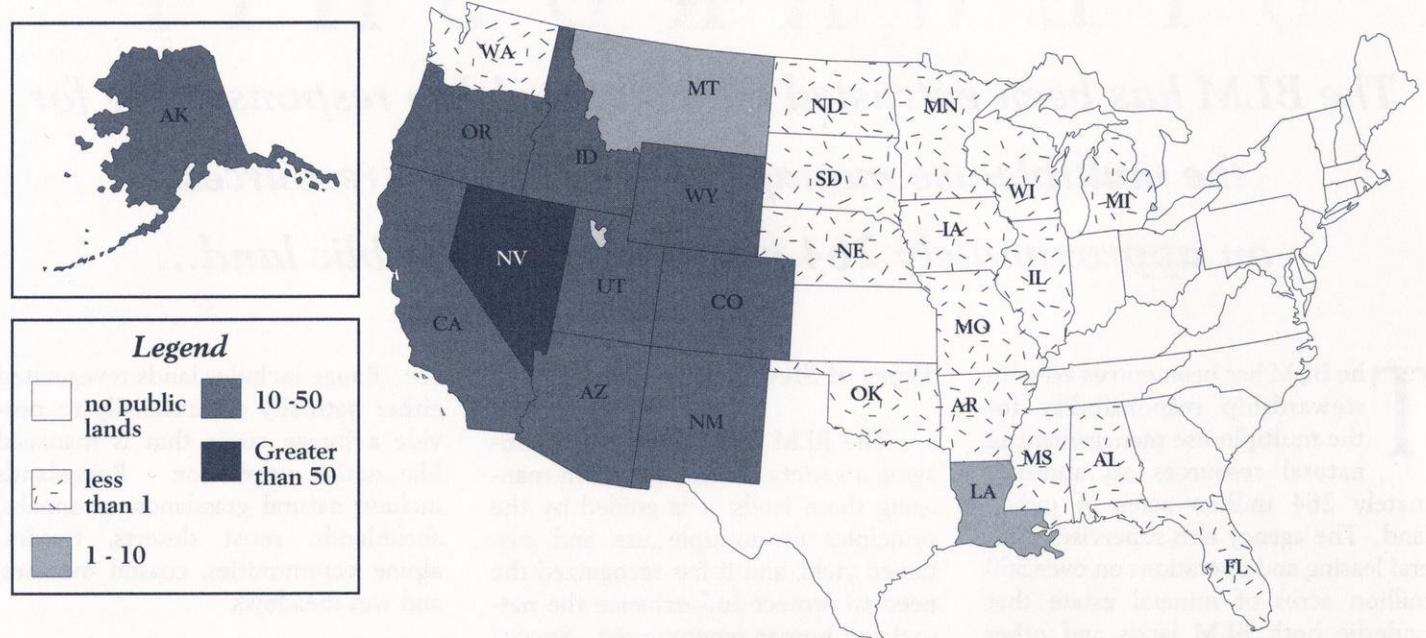


Table 1 - Type and Condition of Lands Managed by the BLM

Land Type	Acres/Miles	Condition ¹
Rangeland		
a. Alaska Reindeer Range	5 Million Acres	Excellent ----- 5 %
b. Continental USA Range	165 Million Acres	Good ----- 33 %
		Fair ----- 39 %
		Poor ----- 14 %
		Unclassified ² ----- 9 %
Forest Land	50 Million Acres	Good
Riparian and Wetlands	16 Million Acres (Wetlands) 180,600 Miles (Riparian) (7 Million Acres)	Alaska (miles) Properly Functioning ----- 93 % Functioning but at Risk ----- Less than 1 % Nonfunctional ----- Less than 1 % Unknown ----- 6 % Lower 48 States (miles) Properly Functioning ----- 30 % Functioning but at Risk ----- 36 % Nonfunctional ----- 12 % Unknown ----- 22 %
Aquatic Areas	4 Million Acres 84,900 Miles	Alaska: Good Lower 48 States: Poor
Other Habitat and Wastelands	17 Million Acres	Unclassified

Wetlands are areas inundated or saturated by surface or ground water at a frequency and duration sufficient to support vegetation that is typically adapted for life in saturated soil. Wetlands include bogs, marshes, shallows, muskegs, wet meadows, estuaries, and riparian areas.

Aquatic Areas: These are areas of water flow or standing water that include about 4 million acres of lakes, 173,000 acres of reservoirs, and approximately 85,000 miles of streams. These waters contain a wide variety of aquatic species that range from rare resident species such as the desert pupfish to endangered and threatened anadromous species such as steelhead and chinook salmon. These species and their environment depend on appropriate use and stewardship of rangelands and riparian areas and environmentally sensitive mining practices.

Other Habitat and Wastelands: Wastelands are areas that generally do not provide forage in sufficient amounts to sustain wildlife or grazing animals. This land type includes such areas as mountain tops, glaciers, barren mountains, sand dunes, playas, hot-dry deserts, and other similar areas.

Use of Stewardship Lands

Use of the public lands and the riches they contain has changed throughout our Nation's history and continues to evolve. Identifying the predominant use of BLM-managed lands does not adequately portray the multiple use and sustained yield concept that guides the BLM in accomplishing its basic mission. In adhering to this concept, the Bureau's land management programs include significant efforts in restoring riparian wetlands; preserving significant cultural and natural features; creating opportunities for commercial activities; protecting endangered species; developing opportunities for recreation and

leisure activities; protecting public health, safety, and resources; managing wild horses and burros; managing wildlife habitat and fisheries; administering mining laws; managing rangelands; overseeing forest management, development, and protection; and managing wilderness and wild and scenic rivers.

Fulfilling the responsibilities of BLM's management programs is often difficult. There is intense competition for the public lands among user and interest groups with conflicting needs and philosophical positions on natural resource management: coal companies want to open mines, ranchers need grazing land, and environmentalists seek to preserve wilderness. The Bureau's challenge is to allocate public land resources in a manner that allows for each interest to enjoy the opportunities the public lands offer.

Net Change in Stewardship Land Acreage from 1995 to 1996

The decrease in acreage administered by the BLM from fiscal year 1995 to 1996 was less than 6,000 acres, which resulted from the net effect of acquisitions, disposals, exchanges, withdrawals and restorations, and right-of-way and easement transactions.

Heritage Assets

The lands administered by the BLM are some of the most ecologically and culturally diverse and scientifically important lands managed by any Federal agency. The Bureau is responsible for protecting and preserving paleontological localities and archaeological and historical sites, including museum collections derived from these areas; wild free-roaming horses and burros; wilderness and wilderness study areas; Wild and Scenic Rivers; rare, vulnerable, and representative habitats, plant communities, and ecosystems; the Grand Staircase-Escalante National Monument; areas

of critical environmental concern; and other outstanding natural and cultural areas. Table 2 summarizes the heritage assets under BLM stewardship.

Museum Collections

BLM museum property consists of approximately 24 million objects located in about 220 non-Federal repositories (museums and universities), as well as in the BLM-maintained Anasazi Heritage Center and the Billings Curation Center. The condition of these museum collections ranges from fair to excellent. Museum collections under BLM stewardship consist of:

- ◆ Archaeological material—skeletal remains; wood, stone, and metal tools; weapons and decorative objects; portions of buried structures; and plant remains.
- ◆ Paleontological material—the hardened remains or traces of plant or animal life.
- ◆ Natural history materials—collections of plant material used for study.

Any collections of archaeological or paleontological materials recovered from the public lands are held in public trust in perpetuity.

Cultural Properties

The BLM is steward for the Federal government's largest, most varied, and scientifically most important body of cultural resources, an estimated 4 to 5 million cultural properties. These range in age from the 11,700-year old Mesa Site in the Brooks Range of Alaska, to the prehistoric Anasazi complex of the Southwest United States, to the remains of Spanish period exploration, and to more recent historic sites documenting westward migration and the histories of ranching, mining, railroading, and home-

Table 2 - Heritage Assets under BLM Stewardship

Asset Type	Approximate Number of Units	Condition
Museum Collections	24 Million Objects	Fair to Excellent
Cultural Properties (Includes 241 National Register of Historic Place listings made up of 3,301 contributing properties.)	4-5 Million Properties	Fair to Excellent
National Monuments	1 Monument (1.7 Million Acres)	Good
National Wild and Scenic Rivers	34 Rivers (2,032 Miles)	Good
Wilderness Areas	136 Areas (5.2 Million Acres)	Good to Very Good
Wild Horses and Burros	42,000 Animals	Good
Areas of Critical Environmental Concern	692 Areas (10 Million Acres)	Good
National Historic Trails	9 Trails (3,600 Miles)	Good
National Scenic Trails	2 Trails (500 Miles)	Good
National Recreation Trails	26 Trails (400 Miles)	Good

steading. The condition of these cultural properties ranges from fair to excellent.

Many of the properties for which the BLM is steward have been nominated to the National Register of Historic Places, which is America's official listing of sites important to history and prehistory. Properties listed in the National Register include districts, sites, buildings, structures, and objects that are significant in American history, architecture, archaeology, engineering, and culture. These resources contribute to an understanding of the historical and cultural foundations of the Nation. Currently, there are 241 BLM cultural properties listed in the National Register. These 241 proper-

ties encompass 3,301 contributing properties and include 22 National Historic Landmarks.

National Monuments

The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. The monument encompasses 1.7 million acres. Although the national monument designation is new, these lands were previously under BLM management. Managing a national monument is a significant new challenge for the Bureau, but one that is consistent with

BLM's mission of managing preservation values within the larger context of multiple-use management.

National Wild and Scenic Rivers

The BLM administers some 20 percent of all rivers in the National Wild and Scenic Rivers (WSR) System, a total of 34 rivers in five states. These nationally recognized rivers comprise over 2,000 river miles, along with some of the Nation's greatest diversity and concentration of recreational, natural, and cultural resources. Included among the BLM-managed Wild and Scenic Rivers is the

Fortymile River in Alaska, which is the longest designated river (392 miles) in the National WSR System.

Wilderness Areas

The BLM administers 136 Congressionally designated wilderness areas consisting of 5.2 million acres, as well as 622 wilderness study areas consisting of 17.4 million acres. Nearly 10 percent of all BLM-managed lands are designated as either a wilderness or wilderness study area. The locations of these wilderness areas and wilderness study areas throughout the western United States ensures that these lands represent the wide diversity of resources found on public lands. Protective management of these lands helps ensure the protection and integrity of natural and biological processes on all public lands.

Wild Horses and Burros

The Bureau is the steward for wild, free-roaming horse and burro populations that occupy the public lands. These populations included

approximately 35,000 horses and 7,000 burros at the end of fiscal year 1996.

Areas of Critical Environmental Concern (ACECs)

ACECs are areas where special management is needed to protect important historical, cultural, scenic, and natural areas or to identify areas hazardous to human life and property. More than 692 ACECs totaling more than 10 million acres have been designated on the public lands nationwide.

National Trails

The National Historic and Scenic Trail segments managed by the BLM are part of a national treasure that benefits all Americans. The National Historic Trails tell stories of an expanding nation and the challenges and hardships faced by people, both immigrant and native, who struggled to accommodate themselves to the land. National Historic Trails are established by an Act of Congress to identify and

protect historic routes. The BLM manages over 3,600 miles representing nine of these trails, more than any other Federal agency.

The National Scenic Trails, also established by Act of Congress, are intended to provide for maximum outdoor recreation potential, and for the conservation and enjoyment of nationally significant scenic, historical, natural, and cultural qualities of the areas through which these trails pass. The BLM manages over 500 miles along two National Scenic Trails.

The third category of nationally designated trails are the National Recreation Trails. These do not require Congressional approval but are established administratively by the Secretary of the Interior. They are intended to provide for a variety of outdoor recreation uses in or reasonably accessible to urban areas. They often serve as connecting links between the National Historic and National Scenic Trails. The BLM manages over 400 miles along 26 National Recreation Trails.

Figure 2- Percentage of Wilderness Acreage by State

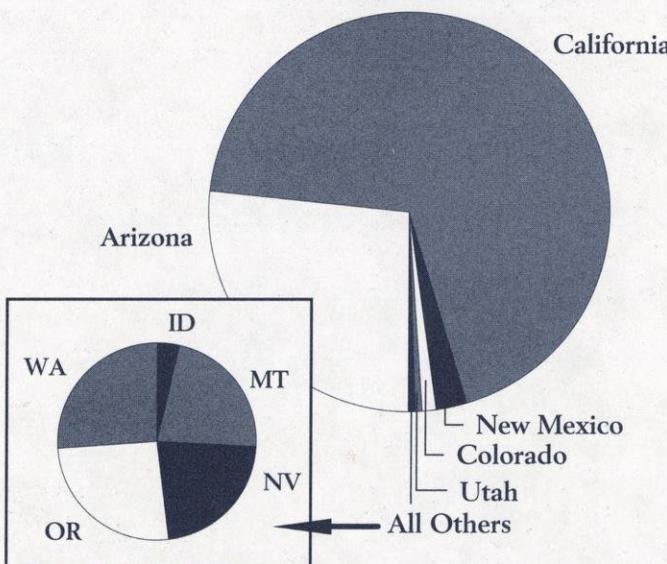
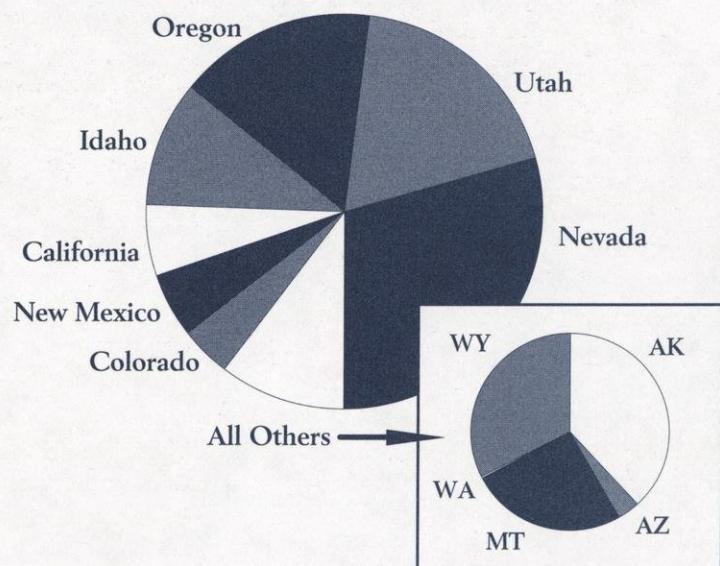


Figure 3- Percentage of Wilderness Study Acreage by State





INFORMATION

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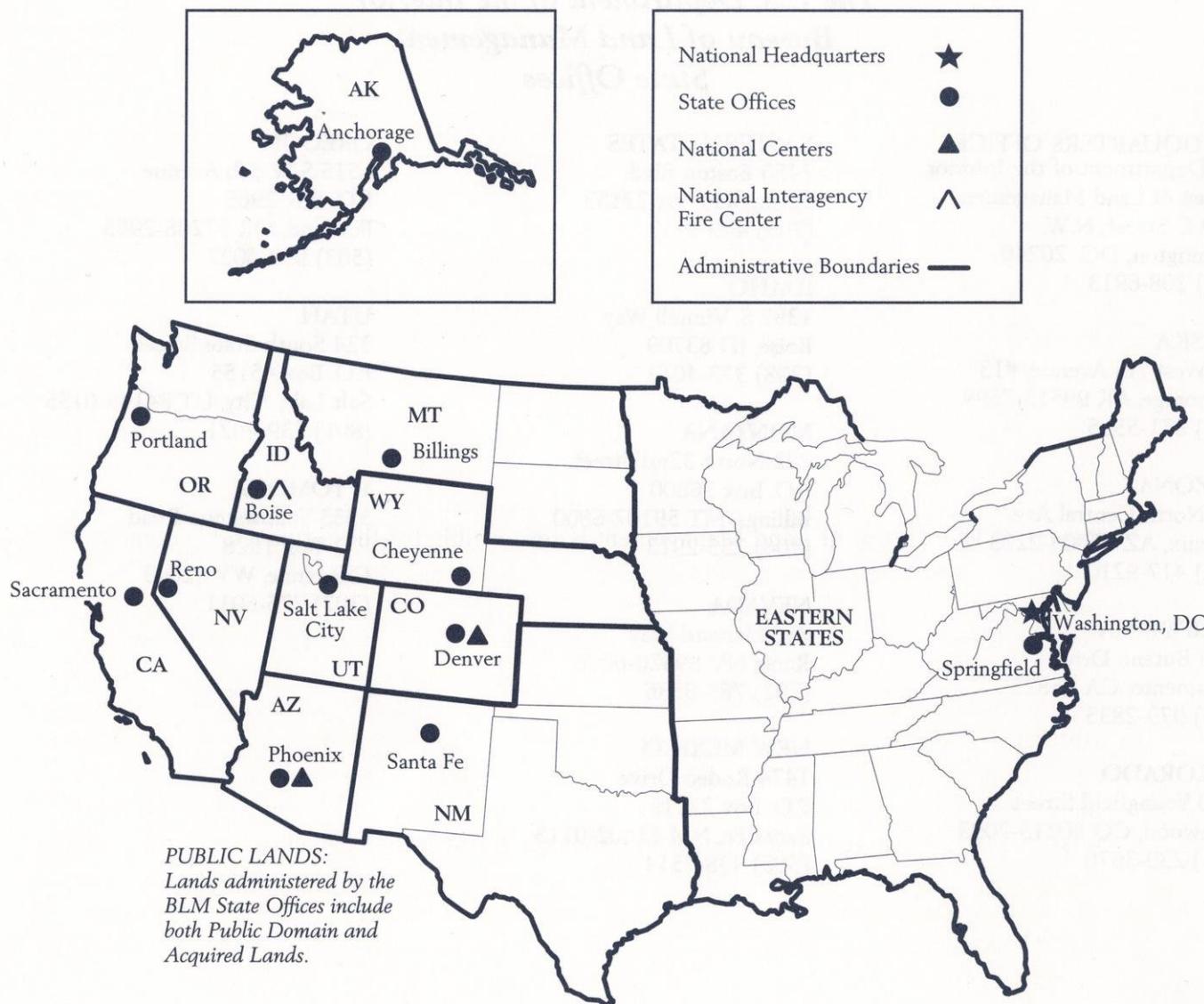
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Bureau of Land Management Field Offices
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United States Department of the Interior

OFFICE OF INSPECTOR GENERAL Washington, D.C. 20240

JAN 16 1997

Memorandum

To: Director, Bureau of Land Management

From: Robert J. Williams *Robert J. Williams*
Acting Assistant Inspector General for Audits

Subject: Report on Bureau of Land Management Combined Comparative Financial Statements for Fiscal Years 1995 and 1996

In accordance with the Chief Financial Officers Act of 1990, we audited the Bureau of Land Management's combined comparative financial statements for the fiscal years ended September 30, 1995, and 1996, as contained in the Bureau's accompanying "1996 Annual Report." The Bureau of Land Management is responsible for these financial statements, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," and was completed on December 20, 1996. These audit standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We found that the combined comparative financial statements and accompanying notes present fairly the Bureau of Land Management's assets, liabilities, and net position; revenue, financing sources, expenses, and changes in net position; and cash flows. We also found that these financial statements are presented in conformity with the accounting standards and policies described in the notes to the financial statements. Further, the supplemental combining comparative financial statements were subjected to the auditing procedures applied in the audit of the combined comparative financial statements and are fairly stated in relation to the financial statements taken as a whole.

As described in Notes 1.B and 1.O to the financial statements, helium operations of the Bureau of Mines were transferred to the Bureau of Land Management in fiscal year 1996. In order to provide comparative financial information, the Bureau of Land Management restated its fiscal year 1995 financial statements to include the financial activity of the helium operations, as required by the accounting concept known as "pooling of interest." We previously audited and reported on this financial activity for fiscal year 1995 as part of our audit of the Bureau of Mines principal financial statements for fiscal year 1995 (Report No. 96-I-307). The assets, liabilities, revenues, and expenses of the helium operations for fiscal year 1995 represented 34.5 percent, 82.9 percent, 27.1 percent, and 8.2 percent, respectively, of the restated totals. In our opinion, the restated Bureau of Land Management financial statements for fiscal year 1995 have been properly restated on the basis described in the notes to the financial statements. The transfer of the helium stockpile and the debt due the U.S. Treasury, as discussed in Notes 4 and 8 to the financial statements, resulted in a significant increase in the Bureau's assets and liabilities.

As part of our audit, we evaluated the Bureau's internal control structure, tested the Bureau's compliance with selected provisions of laws and regulations, and reviewed the financial information presented in the Bureau's overview. We also reviewed the Bureau's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Bureau's internal control structure. However, because of inherent limitations in any system of internal controls, losses, noncompliance, or misstatements may occur and not be detected. We also caution that projecting our evaluations to future periods is subject to the risk that controls or the degree of compliance with the controls may diminish.

Except as discussed in the paragraph below, we found that the Bureau's internal control structure in effect on September 30, 1996, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were executed in accordance with laws and regulations; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. In addition, we found that there were no material instances of noncompliance with selected provisions of laws and regulations that we tested, and nothing came to our attention during our other audit work to indicate that material noncompliance with such provisions occurred. Further, we found that the financial information in the Bureau's overview relating to the financial statements is consistent with the information presented in the financial statements.

In our August 1994 report (No. 94-1-1249) on the Bureau's financial statements for fiscal years 1992 and 1993, we reported that the Bureau had not reconciled differences in the amounts reported in its real property subsidiary system and in its general ledger accounts for real property. In addition, we reported that the Bureau had not maintained records for its real property subsidiary system on a regular or periodic basis. The Bureau concurred with the finding relating to real property contained in our August 1994 report and initiated

corrective action under a plan that was approved by Department of the Interior management. Under the plan, the Bureau, to correct the problems in reporting and documenting real property values in fiscal year 1995 and to allow the real property general ledger accounts and the related subsidiary accounts to be reconciled, redefined the types of buildings and structures to be reported, established reasonable values for the redefined buildings and structures, and adjusted the subsidiary accounts and the fiscal year 1995 financial statements accordingly. During fiscal year 1996, the Bureau further adjusted the subsidiary accounts to reflect its minimum value of \$250,000 per site for capitalization of real property, and it also removed duplicate land values from the general ledger account for construction work in progress. According to the Bureau, implementation of its plan for correcting the internal control structure relating to accounting for and reporting on real property will be completed by February 28, 1997.

Except as mentioned in the previous paragraph, our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved and unimplemented recommendations that affected the Bureau's financial statements.



Expires: April 30, 1998

COMMENT CARD

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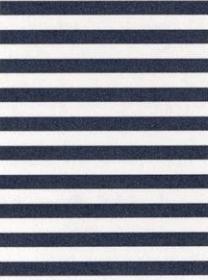
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★ GPO: 1997—573-016/40515